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Department of Employment,
Skills, Small and Family Business

The Evaluation of Job Services Australia 2012 – 2015

Evaluation team:

Shelley Evans
Anne Aisbett
Mohammad Ali Raza
Genevieve Chan
Robin Collins
Karen Costanzo
Anthony Flint
Mark Jones
Suet-Lam Mui
Athos Nicolaou
Sacha Stokes
Jo Virgona

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Acronym	Stands for
ABS	Australian Bureau of Statistics
AES	Aboriginal Employment Service
AME	Average marginal effect
BAFW	Building Australia's Future Workforce
CALD	Culturally And Linguistically Diverse
CAP	Compulsory Activity Phase
CCA	Comprehensive Compliance Assessment
CDEP	Community Development Employment Projects
CDP	Community Development Programme
CEO	Chief Executive Officer
CER	Cost effectiveness ratio
CFPR	Connection Failure Participation Report
COAG	Council of Australian Governments
DEEWR	Department of Education, Employment and Workplace Relations
DES	Disability Employment Services
DHS	Department of Human Services
DSP	Disability Support Pension
DSS	Department of Social Services
EMP	Employment
EPF	Employment Pathway Fund
EPP	Employment Pathway Plan
ESAt	Employment Services Assessment
ESL	Early School Leaver[1]
ESS	Employment Services System
FT	Full-time
GFC	Global Financial Crisis
IMP	Indigenous Mentoring Pilot
IOP	Indigenous Opportunity Policy
IPP	Indigenous Procurement Policy
ISO	International Organization for Standardization
JCA	Job Capacity Assessment

1 Formerly known as Learn or Earn, Early School Leavers was introduced on 1 July 2009. Under this policy people aged less than 21 who are receiving Youth Allowance (Other) (YA(O)) and who have not yet completed Year 12 or a Certificate II qualification are required to participate in either full-time study or training or in part-time study or training in combination with other activities

Acronym	Stands for
JN	Job Network
JSA	Job Services Australia
JSA 2009	JSA contract period from 1 July 2009 to 30 June 2012
JSA 2012	JSA contract period from 1 July 2012 to 30 June 2015
JSCI	Job Seeker Classification Instrument
KPI	Key Performance Indicator
LTU	Long-term unemployed
NAR	Non-Attendance Report
NEIS	New Enterprise Incentive Scheme
NSA	Newstart Allowance
OBPR	Office of Best Practice Regulation
OECD	Organisation for Economic Cooperation and Development
PM&C	Department of Prime Minister and Cabinet
PP	Parenting Payment
PPM	Post Programme Monitoring survey
PPP	Parenting Payment Partnered
PPS	Parenting Payment Single
ppt	Percentage point
PT	Part Time
QAF	Quality Assurance Framework
RAP	Reconciliation Action Plan
RBM	Regulatory Burden Measurement
RED	Research and Evaluation Dataset
RJCP	Remote Jobs and Communities Programme (replaced by the Community Development Programme on 1 July 2015)
S1	Stream 1
S2	Stream 2
S3	Stream 3
S4	Stream 4
SME	Small to medium size enterprises
SSR	Stream Services Review
TAFE	Technical and Further Education
VI	Vulnerability Indicator
VLTU	Very long-term unemployed
VTEC	Vocational Training & Employment Services
TtW	Transition to Work
WEAR	Work Experience Activity Requirement

Acronym	Stands for
WfD	Work for the Dole
WEPh	Work Experience Phase
YA(O)	Youth Allowance (Other)

Executive summary

Background

Job Services Australia (JSA) commenced on 1 July 2009 initially for a three-year period to 30 June 2012 (JSA 2009). The JSA model (with modifications) was retained for the following triennium from 1 July 2012 to 30 June 2015 (JSA 2012). The JSA 2009 and JSA 2012 models[2] used similar rules around programme eligibility, methods for service delivery, allocation of job seekers to appropriate streams and inducements for participation and engagement (section 1.1.1 provides more detailed information on the JSA model).

A comprehensive evaluation of JSA 2009 has also been completed by the Department of Employment, Skills, Small and Family Business (the department)[3]. This evaluation examines the effect of changes between the initial JSA model (JSA 2009) and the second iteration (JSA 2012).

Changes to Job Services Australia for the 2012 - 2015 period

Changes to the JSA model between the 2009 and 2012 contracts included:

- changes to Stream 1 job seeker servicing
- cessation of automatic Stream Services Reviews (SSRs)
- introduction of a Compulsory Activity Phase (CAP)
- increased help for Indigenous job seekers
- implementation of the Quality Standards Pilot
- changes to reduce red tape
- changes to the job seeker compliance and participation framework
- amendments to wage subsidies.

Table 1.1 provides more detail on these changes.

Policy context

External factors, such as the general economic climate and social policy changes affect the performance of employment services as well as any comparisons made between the programmes.

The labour market

Employment services programmes are subject to the economic environment in which they operate. JSA 2009 was introduced against the backdrop of the Global Financial Crisis (GFC), which was marked by a deteriorating Australian labour market. The market displayed remarkable resilience throughout 2010 but from 2011-12 onwards there was a clear slowdown.

2 Throughout this report, JSA 2009 refers to the 2009-2012 contract period and JSA 2012 refers to the JSA 2012-2015 contract period.

3 Unless otherwise specified, references in this report to 'departmental analysis' or 'the department' are (depending on the timeframe) references to the Department of Education, Employment and Workplace Relations (from December 2007-October 2013), the Department of Employment (from October 2013-December 2017), the Department of Jobs and Small Business (from December 2017-May 2019) or the Department of Employment, Skills, Small and Family Business (from May 2019).

The effect of macroeconomic conditions on the performance of employment services is demonstrated by the strong alignment between the monthly movements in the number of JSA job placements and the number of advertised jobs from September 2009 to June 2015 (Figure 1.3). It would be expected therefore, that as a reflection of macroeconomic conditions alone, outcomes for JSA 2012 would be poorer than those of JSA 2009.

Policy and programme context

The comparability of the programme outcomes between JSA 2009 and JSA 2012 is also affected by relevant policy changes implemented outside the JSA programme. The major factors which affect comparability for this evaluation are:

- implementation of the Remote Jobs and Communities Programme (RJCP) on 1 July 2013 (replaced by the Community Development Programme – CDP in July 2015)
- welfare system changes around Parenting Payment (PP) (from January 2013)
- welfare system changes around Disability Support Pension (DSP) (from September 2011)
- changing participation requirements for DSP recipients under 35 (from July 2014)
- implementation of the Work for the Dole (WfD) 2014 – 2015
- reforms to the Job Capacity Assessment (JCA) programme (from February 2011).

Table 1.2 provides detail on these factors and how they have been accounted for in the context of this evaluation.

Evaluation approach

Evaluation questions

The evaluation focused on a number of questions which addressed the relative performance of JSA over the second contract period and the way specific programme changes since the first contract affected operation of the JSA model. The full list of evaluation questions is outlined in section 1.3.1.

Methodology

Effectiveness comparisons in this evaluation use two types of core study populations from JSA 2009 and JSA 2012 to compare the two JSA models; these are inflow and caseload populations. Section 2.2 provides details of the study populations and their composition.

The core study populations were designed to be as similar as possible across the models, with some unavoidable differences. Where possible, these differences were managed through: exclusion of particular groups; statistical methods such as regression techniques; and setting appropriate study periods.

To account for service delivery changes affecting different groups of job seekers at different stages of their service history, specific groups of job seekers were selected from the core study populations (and in some cases outside of them) and used in separate analyses. Appendix B provides details of these various methodologies.

A range of data sources has been used for this evaluation (section 1.3.3 provides details). The scope and limitations of this evaluation are outlined in section 1.4 and the relevant sections of the report.

What worked well

Effectiveness

Part-time employment outcomes

Part-time employment outcomes were generally better under JSA 2012 for long-term unemployed (LTU) job seekers, as measured by Post Programme Monitoring (PPM) survey data. Higher proportions of long-term unemployed (LTU) job seekers in JSA 2012 were in part-time employment in all streams except Stream 1. The same general pattern of higher part-time employment outcomes is evident across most job seeker groups, except mature age job seekers and job seekers with disability with employment restrictions.

Education outcomes

Education outcomes for Stream 4 new entrant job seekers were higher under JSA 2012, however education outcomes for those in the other three Streams and in total were similar between the two models. Education outcomes for LTU were also higher under JSA 2012, with higher proportions of LTU job seekers in JSA 2012 reported being in education in all streams except Stream 1.

Efficiency

Cost per employment outcome

Costs per employment outcome were generally lower under JSA 2012. In Streams 1 to 3, the cost per employment outcome was lower each year by between $90 and $440. For those in Stream 4 the year one rates were more divergent possibly in part because of transition between the two models, and actually increased slightly (by 2.1 per cent) in the third year.

Overall expenditure on JSA

There was less overall expenditure in JSA 2012 than JSA 2009 (by approximately 11 per cent). Using service and placement fees and Employment Pathway Fund (EPF) expenditure as a measure, the average cost of servicing a reference job seeker in the first year since commencement in JSA 2009 was $435 compared with $325 in JSA 2012.

Changes to administrative procedures

Annual estimates of red tape costs were produced by the Department for both JSA contracts as part of the Department's Regulatory Impact Statement. Overall red tape estimates declined significantly between JSA 2009 and JSA 2012, from $321.9 million to $259.3 million per annum (19.5 per cent). Red tape costs were around the same or dropped in JSA 2012 by most measures, most noticeably Stream Services Operations (by 59.6 per cent). The most significant rise in red tape between the two models was in Job Seeker Compliance and Participation (by 39.6 per cent).

Over three-quarters (84.5 per cent) of all red tape costs were incurred by providers. Despite estimated reductions in red tape over the JSA contract period, the level of red tape in employment services remains significant. Under JSA 2012, annual red tape cost estimates were equivalent to approximately 20.9 per cent of programme funding.

Changes to the job seeker participation and compliance framework

An overall increase in appointment attendance rates (from 60.8 per cent to 62.9 per cent in JSA 2012), and across all streams and for job seekers with a vulnerability indicator demonstrate that the introduction of the Strengthening the Job Seeker Compliance Framework measure was successful in increasing job seekers' compliance. The increase in re-engagement appointments was most pronounced for Stream 4 job seekers, and for all appointments, for Stream 2 job seekers. This is an indication that incentivising job seekers to attend appointments to ensure there are no impacts to their income support payments has a positive effect on attendance rates.

Cessation of the Stream Services Review

Three-quarters of SSRs conducted for Stream 1 to 3 job seekers recommended transition to the Work Experience Phase (WEPh), which suggests that a universal approach to determining job seeker readiness for the WEPh, such as the SSR is unnecessary. The risk of job seekers not ready to transition to the WEPh being 'missed' without the 'safety net' of the SSR was probably low. Around 75 per cent of job seekers who had an assessment that recommended a change to a higher stream or to DES had that assessment before 12 months in service. The cessation of SSRs can be seen as a positive change in that it did not impact servicing and reduced cost to providers.

Pilots

Indigenous Mentoring Pilot

The Indigenous Mentoring Pilot received positive feedback from providers who participated in the research. There was an acknowledgement, and anecdotal evidence, that providing intensive assistance to Indigenous job seekers can have a positive effect on employment outcomes. The programme acted as much as a case management exercise as a programme for job placement and post-placement support. This is because the often multiple and complex barriers this group face need to be addressed before focusing on employment.

Ingredients found to contribute to a successful mentoring programme included:

- mentors with experience of work, an understanding of the income support system, with links to support services, employers and the local community
- providers who had a Reconciliation Action Plan (RAP), some form or cultural capability training, adequate support for the mentor and continuity of mentoring staff
- employers who were willing to employ and mentor Indigenous staff.

The Quality Assurance Framework pilot

Overall, the evaluation of the Quality Assurance Framework (QAF) pilot found that if cost and time requirements are managed within reasonable limits it is anticipated that the QAF should benefit all parties and might be an improvement on the JSA KPI 3 Quality Framework. The evaluation made several recommendations to achieve a balance between costs and benefits of adopting the QAF.

Where there was negligible impact

Indigenous servicing

Cultural capability training

This training appeared to have little impact on the way Indigenous job seekers were serviced in JSA 2012. Qualitative analysis determined that both the take-up and the impact could be improved by having:

- the modules undertaken by staff members in groups to allow for discussion
- an Indigenous mentor, employment consultant or local elder being invited to assist with the sessions
- the modules undertaken over a six week period to allow time for more discussion and also so as not to impact too severely on the work of the office.

Where results were mixed

Effectiveness

Reliance on income support

JSA 2012 appears to have been relatively less effective at moving new entrant job seekers off income support than JSA 2009. There was a pattern of more job seekers on full income support and fewer off and on part income support in JSA 2012. This pattern is found across most job seeker demographic groups considered. The exceptions, for some Stream 4 job seekers, are in some demographic groups (job seekers with disability affecting capacity to work, partial capacity to work and single parents), which showed less reliance on income support under JSA 2012. These exceptions may, in part, be influenced by activation measures such as the DSP Participation Requirements, introduced on 1 July 2014 and the Parenting Payment Reforms introduced on 1 January 2013.

The Compulsory Activity Phase

The referral effect for the CAP appears to have been negligible (less than 1 percentage point). Referral effects occur when job seekers faced with onerous obligations either declare previously undeclared work (compliance effect) or increase job search in order to leave income support (threat effect). The referral effect for CAP was probably low because the threat, even of quite onerous obligations, will produce a very small effect on job seekers who cannot leave income support.

For job seekers in the CAP, the combination of the lock-in effect, where job seekers participating in programmes do not have time, energy or motivation for job search and therefore tend to remain in the programme, and the attachment effect, whereby job seekers are participating in activities which are developing skills that they value and so they lessen their job search effort, was up to 6 percentage points at 18 months. While lock-in/attachment effect is often associated with training courses, it is also common in other activity types. Whether or how this affects job seekers' longer-term employment prospects is not clear from this analysis. The main finding, however, is that the identified lock-in effect of the CAP outweighed any negligible referral effect.

Wage subsidies in Job Services Australia

EPF and Wage Connect negotiated job placements were significantly more likely to result in sustained employment and reduced welfare dependency than unsubsidised placements for unemployed Newstart (NSA) and Youth Allowance (Other) (YA(O)) recipients. While no evidence was found that subsidised placements assist Parenting Payment (PP) recipients to reduce reliance on income support, wage subsidies may still help these individuals maintain labour market attachment and consequently improve long-term employment prospects.

Where demand for wage subsidies exceeds supply, as was the case for Wage Connect, it is recommended to exclusively target eligible job seekers with full-time participation requirements (currently, NSA and YA(O) recipients) on the basis of demonstrated net saving for this group, rather than closing a programme to all applicants.

Employer servicing

Significantly, less was claimed for employer-related services, such as post-placement support and reverse marketing in the JSA 2012 contract than the JSA 2009 contract. Evidence from providers, suggests that the reduction in EPF expenditure had limited impact on providers engaging in these activities.

Awareness of JSA was low at the beginning of the JSA 2009 contract and decreased over time, whereas usage increased. This supports data that indicates providers, to some extent, were generating awareness through connecting with employers. However, at the end of the JSA 2012 contract usage was still lower than usage of Job Network. This indicates that changing the brand name of the employment service can have a negative effect on employer usage that takes a long time to recover.

Indigenous Opportunity Policy

From the qualitative research conducted, it was evident that the Indigenous Opportunity Policy (IOP) was broadly unsuccessful as a policy in terms of changing provider behaviour at the site level. However, providers were inadvertently implementing aspects of the policy that made good business sense. Given providers' core business – getting job seekers into jobs – a shift in focus to encouraging providers to work more closely with businesses required to implement the IOP may be a more practical approach.

Where more work is required

Effectiveness

Full-time employment outcomes

Post Programme Monitoring (PPM) survey results show that the JSA 2012 long-term unemployed (LTU) study population were less likely to be in full-time employment three months after receiving services than equivalent JSA 2009 population. This result holds for all four streams. The same general pattern of reductions in full-time employment outcomes is evident across most job seeker groups.

For LTU job seekers, the predicted vs actual rates of exit from services measure shows that in every stream, the JSA 2009 job seekers would have been less likely to exit employment services had they been serviced in JSA 2012. The difference between actual and predicted exits is most marked for Stream 1 job seekers, with a predicted 5.1 percentage points lower exit rate had this group been serviced in JSA 2012. For higher streams the differences are much smaller. For Stream 4 job seekers the difference is only 0.6 percentage points. This finding may be related to the changes to Stream 1 servicing which are analysed in Chapter 4.

Average Marginal Effect (AME) estimates for job seekers 12 months after the snapshot date show that LTU job seekers in JSA 2012 generally had less favourable income support status results 12 months after the snapshot date than those in JSA 2009. The differences are most marked for job seekers in Streams 1 and 2, and smallest for those in Stream 4.

Measuring sustainability of exits also show JSA 2012 to be less effective than JSA 2009. New entrant and LTU job seekers who came off income support in JSA 2012 were slightly more likely to have returned to it and be on full income support 12 months later, compared with equivalent job seekers in JSA 2009.

Changes to Stream 1 servicing

The key effects of changes to Stream 1 servicing between JSA 2012 and JSA 2009 for new entrant Stream 1 job seekers were that JSA 2012 job seekers:

- remained in service longer with a median time to exit 21 days longer than for JSA 2009
- were less likely to be off income support after 12 months in service (by 10.5 per cent).

There is no indication of a referral effect under the JSA 2012 Intensive Activity regime. This is in contrast to the noticeable effect in JSA 2009, indicated by job seekers leaving in increasing numbers prior to the 17-week deadline. Outcome rates overall for job seekers in JSA 2012 were particularly poor for Stream 1 job seekers. This indicates that the combined effect of all changes made to the service delivery for Stream 1 job seekers contributed to lower short to medium-term outcome rates.

It is not possible to accurately quantify the contribution that each of the Stream 1 service delivery changes made to the decline in outcome rates, however changes to the Intensive Activity regime appear to have negated the compliance effect which was evident in JSA 2009.

While Stream 1 service costs were lower in the first 12 months of service in JSA 2012 compared with JSA 2009, the overall effect of all service delivery model changes led to a longer median time in service. As a result, when the cost to government is calculated (including added income support costs), the JSA 2012 model was not as cost-effective as the JSA 2009 model for most types of new entrant Stream 1 job seekers.

Total cost to government

While some efficiency measures, such as cost per outcome and programme costs were shown to be improved under JSA 2012, they do not tell the whole story. Income support costs, while not assisting job seekers into employment, are part of the overall cost to the government. This point is important because at any point in time, the vast majority of the JSA caseload is on income support. For

example, at 30 June 2012 68.9 per cent of the active caseload was on NSA, 11.1 per cent YA(O), 0.6 per cent on DSP and 10.7 per cent on PP.

A consequence of the effectiveness findings is additional cost to government in income support payments. Therefore, while the cost per employment outcome for JSA 2012 implies a more cost effective employment services delivery model, this saving was at the expense of job seeker outcomes (and any secondary costs arising as a consequence of longer periods of unemployment) and resulted in increased costs to the income support system.

Overall conclusion

JSA 2012 is shown to have been an improvement on its predecessor by some efficiency measures, for example the overall cost of the programme and cost per outcome decreased. However, by most effectiveness measures, many changes made to the model did not improve its function. For example, JSA 2012 was less effective in assisting new entrant job seekers to move off income support within 12 months of entering service, less effective in assisting LTU job seekers to move off income support within 12 months of the snapshot date and less effective in achieving sustained exits from income support. Therefore, while servicing job seekers was cheaper in JSA 2012, it was also less effective. It should also be noted that the prevailing economic conditions for the 2012 contract would imply that lower outcomes would be expected.

Recommendations

Referral effects

Initiatives that prompt referral effects:

- are best placed earlier in a job seekers' period of service
- should also be made reasonably intensive.

Cost shifting

Cost shifting between government programmes can be significant. As such, the possible impacts on related programmes/systems should be considered when savings measures are proposed.

Indigenous Servicing

Programmes that provide intensive one-on-one assistance can assist job seekers in overcoming barriers and help them into sustainable employment. Programmes that target employment services as employers, such as the IOP, are less effective in improving Indigenous employment outcomes. The focus may be better placed on encouraging providers to concentrate on their core business: providing Indigenous job seekers to companies and other organisations that must meet the requirements of the IOP.

Red tape reduction

The majority of red tape costs were linked to ensuring that job seekers were meeting their mutual obligation requirements. If the number of requirements placed on JSA job seekers is considered appropriate, alternative options for easing compliance costs require exploration. Options to achieve significant savings are likely to be difficult to identify, though could include:

- simplifying and/or automating of processes used to collect information, assuming there is significant scope for improvement
- further exploration of technological solutions, beyond those already implemented
- exploration of behavioural economics strategies, as a non-regulatory approach
- employing risk management to reduce red tape, for example, by placing more of a focus on random auditing to ensure integrity with the consequence of deliberate compliance failure made clear through financial penalties or loss of contract.

Wage subsidies

The following recommendations should be considered:

- targeting wage subsidies at eligible job seekers with full-time participation requirements (currently, NSA and YA(O) recipients)
- encouraging better job matching by service providers by removing pro-rata payments for placements that end prematurely
- payment schedules that reduce the upfront risk to employers (e.g. pay a proportion of the subsidy upfront and the remainder at the end of the subsidy period), and decoupling the final claim from provider outcome payments
- targeting wage subsidies at small to medium enterprises. This is because wage subsidies for small employers deliver higher primary benefits and lower deadweight loss than subsidies paid to large employers.

1 Introduction

Job Services Australia (JSA) commenced on 1 July 2009 initially for a three-year period. The JSA model (with few modifications) was retained for the following triennium (1 July 2012 to 30 June 2015). A comprehensive evaluation of JSA 2009-2012 has been completed. This evaluation focuses on the effect of changes between the early programme (2009 – 2012) and the second iteration.

1.1 Job Services Australia

The stated policy objectives of JSA, which remained largely unchanged between JSA 2009 and JSA 2012, were:[4] [5]

- increased focus on the needs of the most disadvantaged job seekers
- achieving greater social inclusion
- boosting employment participation and the productive capacity of the workforce
- addressing skill shortage areas
- better meeting the needs of employers.

JSA services comprised: Stream Services; Harvest Labour Services (HLS); the New Enterprise Incentive Scheme (NEIS) and the National Harvest Labour Information Service (NHLIS). As with the JSA 2009-12 Evaluation, this evaluation is restricted to the operation of Stream Services.

The JSA 2009 and JSA 2012 models used similar rules around programme eligibility, methods for service delivery, allocation of job seekers to appropriate streams and inducements for participation and engagement.

1.1.1 The Job Services Australia service model

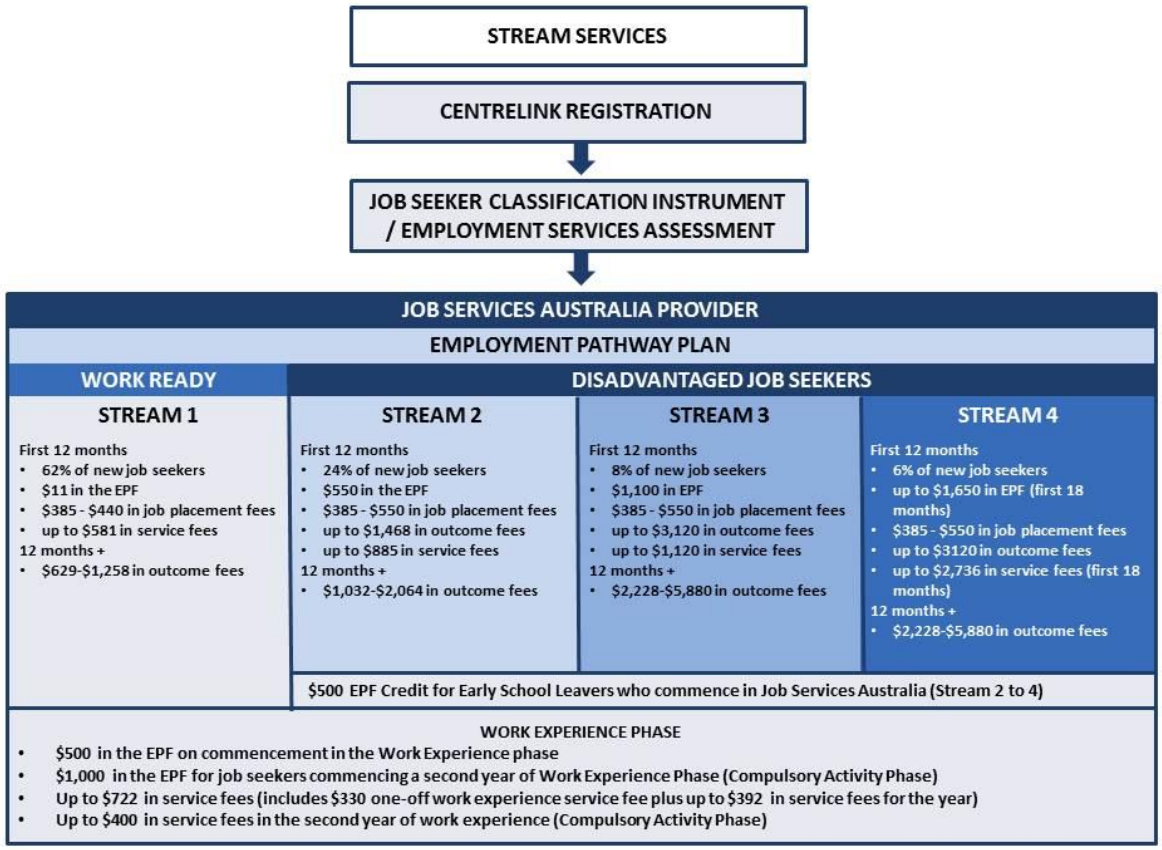
The main element of the JSA model was the provision of four streams with varying levels of service – one for work-ready job seekers (Stream 1) and three higher streams for more disadvantaged job seekers (Streams 2 to 4) (Figure 1.1). The level of labour market disadvantage was assessed using the Job Seeker Classification Instrument (JSCI) and where required, a Job Capacity Assessment (JCA) or Employment Services Assessment (ESAt).[6] If the job seeker's level of disadvantage was assessed as having increased during their service period, they may have become eligible for a higher level of service and could be moved to a higher stream.

4 DEEWR *2008, Request for Tender for Employment Services 2009–2012,* Canberra.

5 Throughout this report, JSA 2009 refers to the 2009 – 2012 contract period and JSA 2012 refers to the JSA 2012-2015 contract period.

6 For policy changes that were made to the ESAt and JCA in the 2009 to 2012 contract period see Table 1.2.

Figure 1.1: Job Services Australia service model as it was defined for the 2012 – 2015 period



Notes:

1. The provider could claim a maximum of six service fee payments for Stream 2 and 3 combined (pre work experience phase) for a job seeker regardless of how the maximum 18 month period was distributed between the two streams.
2. An additional $1,000 credited for fully eligible participants that Centrelink had confirmed required interpreter assistance was paid upon Centrelink notification via the IT system.
3. An additional service fee of $231 was payable and an additional $350 EPF credited once only during the Work Experience Phase (WEPh) when a job seeker commenced a full-time Work for the Dole (WfD) activity for the first time.
4. After the fourth 13-week period in the Compulsory Activity Phase (CAP), service fees continued to be paid on a cyclical basis for each alternate 13-week period as follows: a) first additional 13-week period $133 b) second additional 13-week period $87 c) third additional 13-week period $133 and so forth until the fully eligible participant exits.
5. This diagram describes the arrangements for new job seekers only.
6. Outcome fees refer to full outcomes and include if a provider had claimed both a 13- and 26-week outcome.

Source: ANAO, 2014. Auditor General Report No. 37 2013-24, p32. Abridged by ANAO from information provided by the Department of Employment.

Below are elements of the JSA model that remained relatively consistent between the 2009 and the 2012 contracts.

Eligibility

The job seeker's level of labour market disadvantage was correlated to the level of service provided in each stream. Service and outcome fees varied accordingly (Chapter 10).

A job seeker could be fully or partially eligible for Stream Services. Fully Eligible job seekers included:

- recipients of Newstart Allowance (NSA) and Youth Allowance (Other) (YA(O))
- recipients of other forms of qualifying income support
- 15 to 20-year-olds not in receipt of income support and not employed more than 15 hours a week or in full-time education
- Community Development Employment Project (CDEP) participants.[7]

Partially eligible job seekers included those not working or studying full-time and not receiving activity-tested income support. These job seekers could register with Centrelink (Department of Human Services (DHS)) or a JSA provider as Stream 1 (Limited). They were entitled to receive help with their résumé, access to Australia's national vacancy database (Australian JobSearch) and advice on the local labour market. They were not assessed using the JSCI. A more comprehensive description of eligibility is contained in Appendix B of the 2008 Request for Tender for Employment Services.[8]

Stream allocation

Fully eligible job seeker level of disadvantage was assessed using the JSCI and (if required) an ESAt. Responses to the JSCI interview were weighted and combined to create a score that was used to allocate a job seeker to one of Streams 1 to 3.

The entry of a job seeker into Stream 4 or another service such as Disability Employment Services (DES) was dependent on an ESAt.[9] The ESAt identifies vocational and non-vocational barriers to finding and maintaining employment. A job seeker could be reassessed if their circumstances changed. JSCI information could be updated when new or revised information was received – for example, from an ESAt. The remuneration basis in the JSA model arguably gave some financial incentive for providers to reassess a job seeker because, if additional barriers to employment were identified, the job seeker could be moved to a higher stream (upstreamed) or referred for an ESAt which could result in higher servicing and outcome payments.

Work Experience Phase

Once in the Work Experience Phase (WEPh), job seekers aged between 18 and 49 were required to participate in a work experience activity over a 26-week period for every 12 months in service. Job seekers who had received 18 months of service in Stream 4 automatically moved to the WEPh. WEPh activities included programmes such as Work for the Dole (WfD), Green Corps and Drought Force. Participants could also undertake part-time study, paid employment or voluntary work to meet their WEPh requirements.

7 The CDEP was phased out largely during the JSA 2009 – 2012 period. It still operated in remote areas until the commencement of the Remote Jobs and Communities Programme (RJCP). The RJCP has since been replaced by the Community Development Programme (CDP).

8 DEEWR, 2008. *Request for Tender for Employment Services 2009-2012*, Canberra.

9 For policy changes to the ESAt and JCA in the 2009 to 2012 contract see Table 1.2.

Employment Pathway Fund

Providers used the Employment Pathway Fund (EPF) to help job seekers obtain or prepare for employment. Providers received a notional EPF credit for each job seeker which increased commensurate with their stream of service. EPF credits were not tied to individual job seekers, they could be used flexibly to assist any job seeker or group of job seekers. Unused credits could be retained to help future job seekers but could not be retained as profit.

Star Ratings

Star Ratings were used to assess provider performance against the efficiency and effectiveness Key Performance Indicators (KPIs). Each provider's performance was measured relative to other providers, taking into account differences in caseload and labour market characteristics using regression analysis.

The ratings assessed relative performance against performance measures which were weighted to reflect the government's priorities. Sustained outcomes were emphasised with the highest weightings allocated to 13- and 26-week outcome performance measures. Star Ratings were determined on the basis of a provider's performance compared to the average of all providers, referred to as the 'Star Percentages'. Providers received Star Ratings and Star Percentages for each of the four streams and for JSA overall, for each Employment Services Area (ESA) and site.

Overall Star Percentages and the resulting Star Ratings were based on a weighted average of the stream level Star Percentages with higher weightings for streams with higher levels of disadvantage.

1.1.2 Changes to the model for the second contract period

While the objectives did not change substantially between JSA 2009 and JSA 2012, there were important changes in the service delivery model. These changes, which are the focus of this evaluation, are outlined in Table 1.1.

Table 1.1: Modifications to JSA for or during the 2012 contract period

Programme	Definition
Changes to Stream 1 job seeker servicing **Chapter Four**	• Introduced in the JSA 2012 contract, changes to the servicing of Stream 1 job seekers included the following: • Job placement fees were payable to providers for Stream 1 job seekers from their date of registration. Previously, Stream 1 job seekers had to be in service for three months before job placement fees became payable. • Intensive Activity Changes - the timing and intensity of these activities changed. The number of hours of activities reduced under JSA 2012 (25 hours compared with 60 hours under JSA 2009) and the timing of activities moved from the end of the fourth month of service to between the 26th and 30th week of service. • Skills Assessments under the JSA 2009 contract were conducted before the job seeker completed their fourth month (16 weeks) in service. In JSA 2012, they were only required before the end of 30 weeks. This change aligned with the change in timing for Intensive Activities. • JSA 2012 service fees were lower than those paid under JSA 2009. This was designed to reflect the reduced (and therefore less costly) Intensive

Programme	Definition
	Activity requirements. The bulk of the first 12-month service fee was paid in the third quarter rather than the second, as was the case for JSA 2009, reflecting changes in the timing of the Intensive Activity requirement.
Stream Services Review (SSR) Changes **Chapter Five**	• Stream Services Reviews (SSR) were triggered for job seekers once they reached 52 weeks in a particular stream of service and were used to determine readiness for entry to the Work Experience Phase (WEPh). They were a feature of the JSA 2009 contract which was not carried into the JSA 2012 contract.
Compulsory Activity Phase (CAP) **Chapter Six**	• Introduced in the JSA 2012 contract, the CAP applied to job seekers who had been in the WEPh for more than 12 months. Job seekers entered the WEPh when they had a Work Experience Activity Requirement (WEAR), that is, were aged between 18 and 49 with an activity test or participation requirement and had received 12 months or more of service in a particular stream. • The CAP placed a stronger obligation on very long-term unemployed (VLTU) job seekers (in employment services for two years or more) to undertake ongoing activities that provided them with skills and experience to help them find a job. • It offered a range of work experience activities for job seekers to choose from in order to meet their participation requirements. • It was designed to ensure that job seekers were continually participating in work experience activities over the course of each year to give them the opportunity to improve their skills and attain qualifications to support finding sustainable employment.
Increased help for Indigenous job seekers **Chapter Seven**	• Changes were designed to increase employment outcomes for Indigenous job seekers. • Changes were required to Indigenous Employment Plans for providers. • Online training was provided to improve the cultural capability of JSA providers. • The Indigenous Mentoring Pilot (IMP) was undertaken. • The Indigenous Opportunity Policy (IOP) was introduced to help boost Indigenous employment.
The Quality Standards Pilot (QSP) **Chapter Seven**	• The Quality Assurance Framework (QAF) was designed to improve service delivery in employment services. The QSP was conducted in order to finalise the detail of the QAF prior to national implementation on 1 July 2015. • The QSP commenced on 1 January 2013, and ran for 15 months to 31 March 2014. • The QSP involved accreditation of providers against one of a choice of service delivery quality standards and the eight departmental principles. • A separate evaluation of the QSP has been undertaken.[1]

Programme	Definition
Changes to reduce provider red tape **Chapter Seven**	• The JSCI process was changed in JSA 2012 so that fewer JSCI assessments were conducted. • A number of documentary evidence requirements regarding job seeker interviews were relaxed in JSA 2012. • Providers were no longer required to distinguish between Provider Brokered and Provider Assisted Outcomes.
Changes to evidentiary requirements **Chapter Nine**	• Evidentiary requirements for the billing of both post-placement support and reverse marketing were tightened.[2,3]
Changes to the job seeker participation and compliance framework **Chapter Seven**	• This measure was introduced in two stages. These were designed to increase the rate and timeliness of reengagement with services. They were introduced in 2014 and 2015.

Wage subsidies **Chapter Eight**	• Wage subsidies operated in different forms under both JSA 2009 and JSA 2012.
	• Their purpose is to encourage employers to recruit, train and retain disadvantaged or other job seekers in employment services. Wage subsidies which operated in the JSA 2012 contract included.
	• **Wage Connect**
	  • became available in JSA and DES on 1 January 2012 under the Building Australia's Future Workforce (BAFW) package announced in the 2011-12 Budget
	  • aimed to encourage employers to provide ongoing employment to VLTU job seekers
	  • was available for job placements of at least 26 weeks duration where the employee worked an average of at least 15 hours per week
	  • had a value roughly equivalent to the maximum rate of NSA over a 26-week period
	  • the employment services provider negotiated a payment schedule, frequency and method suiting the employer's business arrangements
	• **Employment Pathway Fund (EPF) wage subsidies**
	  • parameters were negotiated between provider and employer on a case-by-case basis
	  • guidelines stipulated that subsidy duration should be around 26 weeks and must be paid in arrears. The amount of the subsidy should be commensurate with the job seeker's level of disadvantage and could not exceed 100 per cent of the wage over the subsidy period
	  • the employer was expected to make a significant contribution towards the employee's wage to demonstrate their commitment to the employment.

Notes:

1. Department of Employment, 2014. *JSA Quality Standards Pilot Evaluation Report*, Canberra
2. Post-placement support is designed to support job seekers by addressing issues likely to impact the sustainability of an employment or education/training placement.

3. Reverse marketing encourages providers to actively market job seekers to potential employers where vacancies have not been advertised, and to refer and place job seekers into those jobs. Reverse marketing provides a mechanism to stimulate demand for labour by pre-empting employers' labour needs before they create a vacancy.

1.2 Policy context

External factors, such as the general economic climate and social policy changes will affect the performance of employment services. Where possible, the evaluation uses measures and techniques (such as regression modelling) that take these contextual factors into account.

1.2.1 The labour market

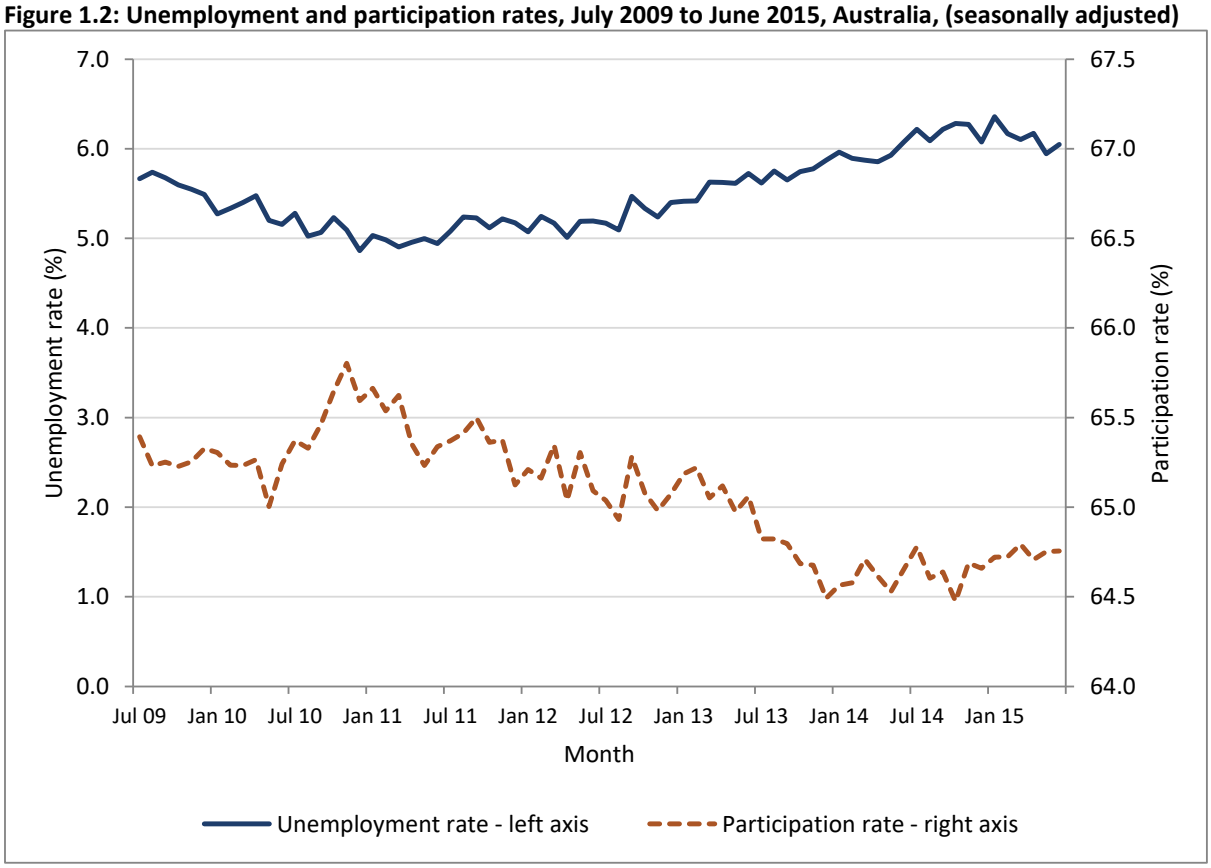
Employment services programmes are subject to the economic environment in which they operate. Macroeconomic conditions affect both inflow and outflow from services. Any deterioration in the economic environment will be reflected in increasing number of job seekers entering services as they become unemployed. It will also be reflected in fewer achievable outcomes as fewer jobs are available.

JSA 2009 was introduced against the backdrop of the Global Financial Crisis (GFC), which was marked by a deterioration in the Australian labour market. At the commencement of JSA 2009 in July 2009, the unemployment rate had already risen to 5.7 per cent (from a low of 4.0 per cent in August 2008). The participation rate was 65.4 per cent in July 2009, having fluctuated between 65.4 per cent and 65.7 per cent over the preceding 12 months. The Australian labour market displayed remarkable resilience throughout 2010, with the unemployment rate falling to 4.9 per cent in December 2010, while the participation rate reached a record high of 65.8 per cent in November 2010 (Figure 1.2).

From 2011-12 onwards there was a clear slowdown in the Australian labour market. The unemployment rate again rose to 5.3 per cent in September 2011 and the participation rate fell to 65.1 per cent in December 2011.

Labour market conditions remained reasonably soft throughout the JSA 2012 contract period. The unemployment rate continued to edge up, rising to 6.0 per cent in June 2015, the equal highest rate since December 2002. Moreover, the participation rate fell to 64.8 per cent in June 2015 (from 65.1 per cent at the commencement of JSA 2012).

Figure 1.2: Unemployment and participation rates, July 2009 to June 2015, Australia, (seasonally adjusted)



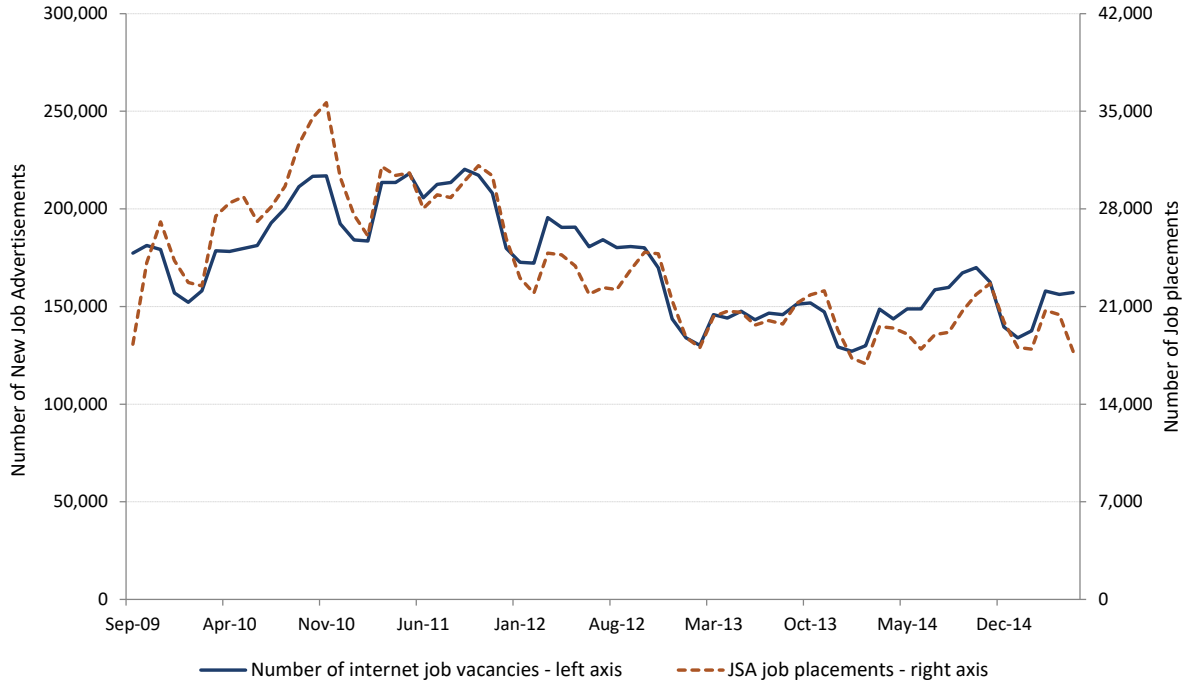
Source: Australian Bureau of Statistics, October 2015, Labour Force Australia, 'Table 01. Labour force status by sex, Australia - trend, seasonally adjusted and original', time series spreadsheet, cat. No. 6202.0.

A number of factors likely influenced movements in the participation rate over recent years, including the 'discouraged worker' effect[10] and the ageing of the first tranche of the baby boomer population.

The effect of macroeconomic conditions on the performance of employment services is further demonstrated by the strong alignment between the monthly movements in the number of JSA job placements and the number of advertised jobs from September 2009 to March 2015 (Figure 1.3). As illustrated, trends in job placements in employment services closely mirror advertised job vacancies. Given this, the impact of the macroeconomic environment on the performance of employment services cannot be overlooked. Where possible in this report, macroeconomic conditions are taken into account through regression analyses.

10 The 'discouraged' and 'encouraged' worker effects are commonly accepted as being the major economic driver for changes in the participation rate. The discouraged worker effect arises when potential workers leave the labour force during recessions rather than continuing their search for work while job conditions are poor. In good economic times, potential workers join the labour force, giving rise to an encouraged worker effect. (Connolly and Trott, 2014).

Figure 1.3: Internet job advertisements and number of job placements by employment services September 2009 to March 2015 (number)



Source: Department of Employment, Vacancy Report and Job Services Australia administrative data, December 2015, three month averages of original data.

1.2.2 JSA 2012 policy and programme context

The comparability of the study populations are affected by the programme and policy differences between the timeframes. The major factors which affect comparability and their impacts are shown in Table 1.2.

Table 1.2: Programmes/Measures which may have affected the comparability of the performance of employment services

Program/Policy	Definition
Remote Jobs and Communities Programme (RJCP)	• RJCP replaced many different employment services including JSA in 60 remote regions on 1 July 2013 for job seekers living in remote servicing regions.[1,2] • designed to provide greater opportunities to gain local employment and skills that match local jobs • substantially changed the type of job seekers using JSA for some cohorts (eg: Indigenous). Job seekers residing in any of the 60 RJCP regions were excluded from the study groups for both JSA 2009 and JSA 2012 in this evaluation.[3]

Welfare system changes	• The tightening of eligibility and participation requirements for PP and the Disability Support Pension (DSP) had continuing cumulative effects on the caseload composition.
	  ○ from 3 September 2011 DSP applicants who did not have a severe impairment were required to provide sufficient evidence that they were unable to work independently, even with assistance and support. Claims for those without such evidence were rejected in the first instance and referred to employment services, and typically placed on NSA
	  ○ from January 2013, eligibility for PP for grandfathered recipients ceased for all single parents whose youngest child was turning eight (or six for partnered parents).[4] Many of the affected recipients were transferred to NSA.

Program/Policy	Definition
Changes to participation requirements for some DSP recipients	• The introduction of a new requirement (from 1 July 2014) for DSP recipients aged less than 35 and with an assessed work capacity of eight or more hours a week to develop a participation plan with the Department of Human Services (DHS).
Work for the Dole 2014-15	• From 1 July 2014 this pilot programme was implemented in 18 locations for eligible job seekers aged 18 – 30. • Comparisons of in-scope and out-of-scope areas indicated that the pilot did have an identifiable effect in those locations. As such comparisons made in this report are confined to the period before the introduction of this programme.[5]

Reforms to the Job Capacity Assessment (JCA) programme	• From February 2011, the ability of JSA providers to refer job seekers participating in JSA Streams 1 to 3 to DHS for 'change of circumstances' JCAs was suspended. This change was made permanent in July 2011 following a review of the JCA.[6]
	• The JCA programme was separated into two types of assessment processes
	  ○ ESAts used to establish employment services eligibility and work capacity, as well as to identifying barriers to employment and recommend interventions to address those barriers.
	  ○ JCAs used to determine eligibility for DSP.
	• The JCA was changed from 1 January 2011 so that assessors were no longer directly involved in referring job seekers for assistance.
	• These changes were made in order to:
	  ○ streamline assessments
	  ○ reduce the likelihood of unnecessary assessments
	  ○ better prepare job seekers for assessment
	  ○ improve attendance rates at assessment interviews

Notes:

1. Services replaced in these regions included Disability Employment Services (DES) and Community Development Employment Projects (CDEP) and the Indigenous Employment Program (IEP) as well as JSA.
2. Lists of the regions and successful providers are available on the Department's website.
3. The RJCP was replaced by the Community Development Programme (CDP).
4. These were PP recipients who were grandfathered under the 2006 Welfare to Work reforms.
5. Social Research Centre, 2015. Evaluation of Work for the Dole 2014-15.
6. Department of Finance 2009, Strategic review of the Job Capacity Assessment Program.

1.3 Evaluation approach

The Department is required to progressively monitor and evaluate government employment services. This evaluation examines the performance of Job Services Australia (JSA) over its second contract period 2012-2015.

1.3.1 Evaluation questions

The following questions focus attention on the relative performance of JSA over the second contract period and the way specific programme changes since the first contract affected the JSA model.

1. How did job seekers' reliance on income support compare between JSA 2009 and JSA 2012?
2. Did outcomes improve for Indigenous job seekers?
3. Did this model improve employer experiences of Job Services Australia?
4. What were the costs associated with employment and education outcomes? How did costs change compared to JSA 2009? How did costs vary for specific groups of job seekers?
5. Did the continuing emphasis on keeping job seekers actively engaged, for example, the introduction of increased activity requirements in the Compulsory Activity Phase, result in

improved engagement with services? Did employment, education and social outcomes for this group improve compared to under JSA 2009?

6. Did changes to the job seeker compliance regime achieve improved engagement and participation in general and for job seekers who are difficult to engage in particular?
7. How did the changes in timing and duration of Intensive Activity requirements affect the timing of outcomes and overall outcome rates for Stream 1 job seekers?
8. For the most job ready job seekers, how effective were the changes to servicing and fee structures in increasing employment outcomes?
9. Did changes to the requirements and streamlining of processes help reduce administrative demands on providers?
10. Did the removal of Stream Services Review affect streaming and assessment outcomes of job seekers?
11. How did different employer incentives (EPF-funded wage subsidies and Wage Connect) perform under JSA?

1.3.2 Methodology

The overall comparisons of the models use two types of core study populations from JSA 2009 and JSA 2012.

Inflow

These are job seekers new to employment services over a six-month period (inflow population). The inflow population enables analysis of job seekers according to their time in service. Job seekers who tend to be in service for longer periods are underrepresented in this population.

Caseload

These are job seekers in the caseload at a given date (stock population). The caseload population allows examination of populations in service for extended periods and is used for the analysis of long-term unemployed (LTU) job seekers.

These two types of core study populations are designed to be as similar as possible across the models, with some unavoidable differences. Where possible, these differences are managed through:

- Exclusion – where particular groups are excluded from the caseload. For example participants in RJCP regions have been excluded from both populations because RJCP was implemented during the second contract period.
- Statistical methods – such as regression techniques were used where appropriate. For example, to account for varying labour market conditions.
- Setting appropriate study periods – where programmes occur in particular periods we can ensure that our analyses do not overlap these programmes. For example we excluded the period of operation of the 2014 Work for the Dole pilot, as this had been shown to be effective and would make comparisons much less robust.[11]

11 Social Research Centre, 2015, *Work for the Dole Evaluation* 2014-15, Canberra.

To account for service delivery changes affecting different groups of job seekers at different stages of their service history, specific groups of job seekers were selected from the core study populations (and in some cases outside of them) and used in separate analyses. For example, the CAP changes affected LTU job seekers after 12 months in service, whereas changes to Stream 1 conditions affected job ready job seekers in their first 12 months of service. Consequently, specific studies have their own associated methodologies. Details of these various methodologies used for this report are in Appendix B.

1.3.3 Data sources

A variety of quantitative and qualitative data sources were used in this evaluation, including a combination of collections designed specifically for this evaluation as well as existing data sources. They include:

Department of Employment administrative data

This data includes information on job seekers who have received employment assistance including their JSCI assessments, types of assistance received through employment services, job placements and paid outcomes.

Income support data in the Research and Evaluation Dataset (RED)

RED consists of unit record level data for customers on income support payments (excluding Department of Veterans' Affairs pensions) who were on an income support payment with duration of at least one day since 1 July 1998.

Post Programme Monitoring (PPM) survey data

Since 1987 the Department has conducted the ongoing Post Programme 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.

Department of Employment survey data including:

- the survey of Employment Services Providers
- the survey of Employers
- 2011 Employer Incentives Survey
- the Employers use of Recruitment Agencies survey
- the Survey of Employers Recruitment Experience.

Qualitative data

This data is gained from job seekers, employers and providers during research for specific projects. This data is collected using a range of qualitative research techniques, including structured interviews and focus groups.

Australian Bureau of Statistics labour force and other data releases

Data from the Australian Bureau of Statistics (ABS), including Labour Force, Australia, the Census of Population and Housing, etc.

1.4 Scope and limitations

Both Wage Connect and the CAP were introduced as part of the Building Australia's Future Workforce (BAFW) suite of measures during the first JSA contract period (1 January 2012). Longer-term outcomes from these programmes could not be accounted for in the evaluation of the 2009 – 2012 period. Both programmes are in scope of this evaluation.

As this is a programme level evaluation it excludes the performance of individual employment services providers.

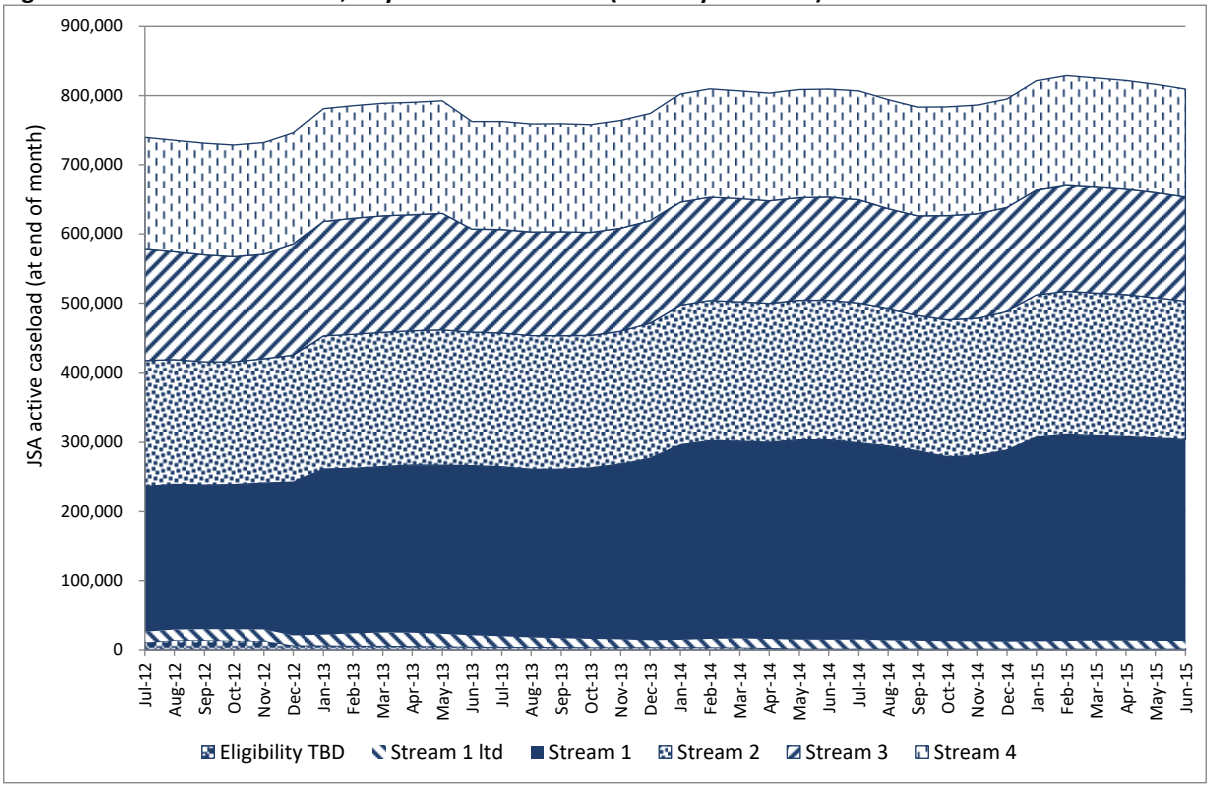
Because different service delivery models often have different administrative arrangements to JSA 2012, it is important that to the extent possible, key outcome measures be 'model independent'. That is, the outcome measures used to evaluate the programme should not rely entirely on programme administrative data which may change between models. Many of the job seeker outcome measures used in this evaluation are, therefore, based on income support status.

2 Populations

2.1 Caseload overview JSA 2012 – 2015

During the three years of the JSA 2012 operation, there were 2,097,816 referrals of job seekers to JSA providers. The active caseload grew by over 9 per cent from 739,523 in July 2012 to 809,189 by June 2015, peaking at 828,852 in February 2015. A seasonal pattern is observed in the caseload figures with increases between December and February for each of the three years, showing the magnitude of the caseload slightly larger each time than for the corresponding quarter in the previous year (Figure 2.1).

Figure 2.1: Active JSA caseload, July 2012 to June 2015 (monthly numbers)



Notes:

1. Data as at 30 June 2015.
2. Refer Appendix A, Table A2.1.

Source: Department of Employment administrative data.

Table 2.1 shows the difference in composition of the caseload by stream between the beginning and end of the evaluation period.

Table 2.1: Caseload by Stream July 2012 and June 2015 (per cent)

Stream	July 2012	June 2015	Difference
Stream 1	28.7	36.0	7.3
Stream 2	24.9	24.8	0.1
Stream 3	22.2	18.8	-3.4
Stream 4	22.1	19.4	-2.7
Total	100.0	100.0	

Note: Job seekers whose stream of service had not yet been determined have been excluded from this calculation.
Source: Department of Employment administrative data.

More than one million job placements occurred during this period (1,018,500) of which 82.6 per cent (841,579) were placements that could have resulted in employment outcome payments (anchored placements) if the job was sustained for the required length of time (Table 2.2).

Table 2.2: Job placements and employment outcomes, 1 July 2012 to 30 June 2015

Proportion

Stream	Total job placements (%)	Anchored job placements (%)	13-week employment outcomes (%)	26-week employment outcomes (%)
Stream 1	29.7	8.2	8.2	7.7
Stream 2	34.8	44.6	48.7	50.4
Stream 3	16.8	23.1	22.1	22.5
Stream 4	18.6	24.1	21.1	19.4
Total	100.0	100.0	100.0	100.0

Number

Stream	Total job placements (number)	Anchored job placements (number)	13-week employment outcomes (number)	26-week employment outcomes (number)
Number	1,018,500	841,579	367,218	257,993

Notes:

1. Job seekers whose stream of service had not yet been determined have been excluded from this calculation.
2. Providers were not eligible for outcome payments for Stream 1 job seekers who had not been in services for more than 12 months. Providers will therefore be less likely to report placements (or make them) for this group.
3. Number of total job placements includes 2,475 for job seekers that were in Stream 1 Limited of whose eligibility had not been determined. These placements are not included in the calculation of percentages.

Source: Department of Employment administrative data.

In addition to employment outcomes, providers could be paid for education outcomes. In total 443,671 13-week and 281,884 26-week outcomes were paid, of which the vast majority (82.8 per cent and 91.5 per cent respectively) were employment outcomes.

The majority of employment outcomes claims for anchored job placements were for Stream 2 job seekers, (48.7 per cent of 13-week employment outcome claims and 50.4 per cent of 26-week employment outcomes). This large proportion is to be expected given Stream 2 job seekers are more job ready than those in Streams 3 and 4. While Stream 1 job seekers represented a larger proportion of the caseload than Stream 2 job seekers, Stream 1 job placements could not attract an outcome payment if the job seeker had been in employment services for one year or less.

The income support status of the caseload changed composition during the JSA 2012 period. Higher numbers of job seekers were on Newstart Allowance (NSA) and fewer were on both Parenting Payment (partnered (PPP) and single (PPS)) and Disability Support Pension (DSP). These changes are likely due to a combination of factors including:

- the revocation of PPS, from January 2013, for all single parents whose youngest child turned eight or more – meaning many were transferred to NSA (section 1.2.2)
- continued tightening of DSP eligibility requirements – resulting in fewer DSP and a greater number of NSA recipients in JSA (section 1.2.2)

- an increase in the unemployment rate over the period (by 1 percentage point) – resulting in higher proportions of NSA recipients (section 1.2.1).

Table 2.3: Caseload by income support type July 2012 and June 2015 (per cent)

Stream	July 2012	June 2015	Difference
Newstart Allowance (NSA)	68.9	77.3	8.4
Youth Allowance (Other) YA(O)	11.1	12.3	1.2
Parenting Payment Partnered (PPP) and Single (PPS)	10.7	4.8	-5.9
Disability Support Pension (DSP)	0.6	0.3	-0.3
Non-Allowees	7.9	4.8	3.1
Other	0.8	0.6	0.2
Total	100.0	100.0	

Source: Department of Employment administrative data.

2.2 Study populations overview

The populations used for this evaluation are new entrant and long-term unemployed (LTU) job seekers. Job seeker characteristics strongly influence their capacity to obtain and retain employment. Therefore, differences in the composition of the study populations will likely influence outcomes across job programmes. When evaluating the effectiveness of employment programmes important consideration should be given to the representation of certain groups within the comparison study populations.

The relative sizes of the study populations in this evaluation reflect the different macroeconomic climates that existed under the two models. As a consequence of the more sluggish labour market conditions prevailing during the 2012-2015 inflow period (section 1.2.1), there are more job seekers in the JSA 2012 study population than the JSA 2009 study population (Table A1.1).

The following sections examine the overall comparability of the core study populations.

It should be noted, however, that regression techniques are used to control for differences between the compositions of the new entrant and LTU study populations as required.

2.2.1 The new entrant populations

Most analyses in this report use the new entrant study populations (job seekers who commenced in Streams 1 to 4). The JSA 2012 new entrant study population is around 22 per cent larger than the JSA 2009 new entrant study population (212,065 compared with 173,258).

The composition of the JSA 2009 and JSA 2012 new entrant study populations is shown in Table A1.1. When compared with JSA 2009 new entrants, JSA 2012 new entrants were more likely to be:[12]

- less job ready, with 2.6 percentage points less commencing in Stream 1 (71.6 per cent compared with 74.2 per cent)
- male (55.9 per cent compared with 52.3 per cent)

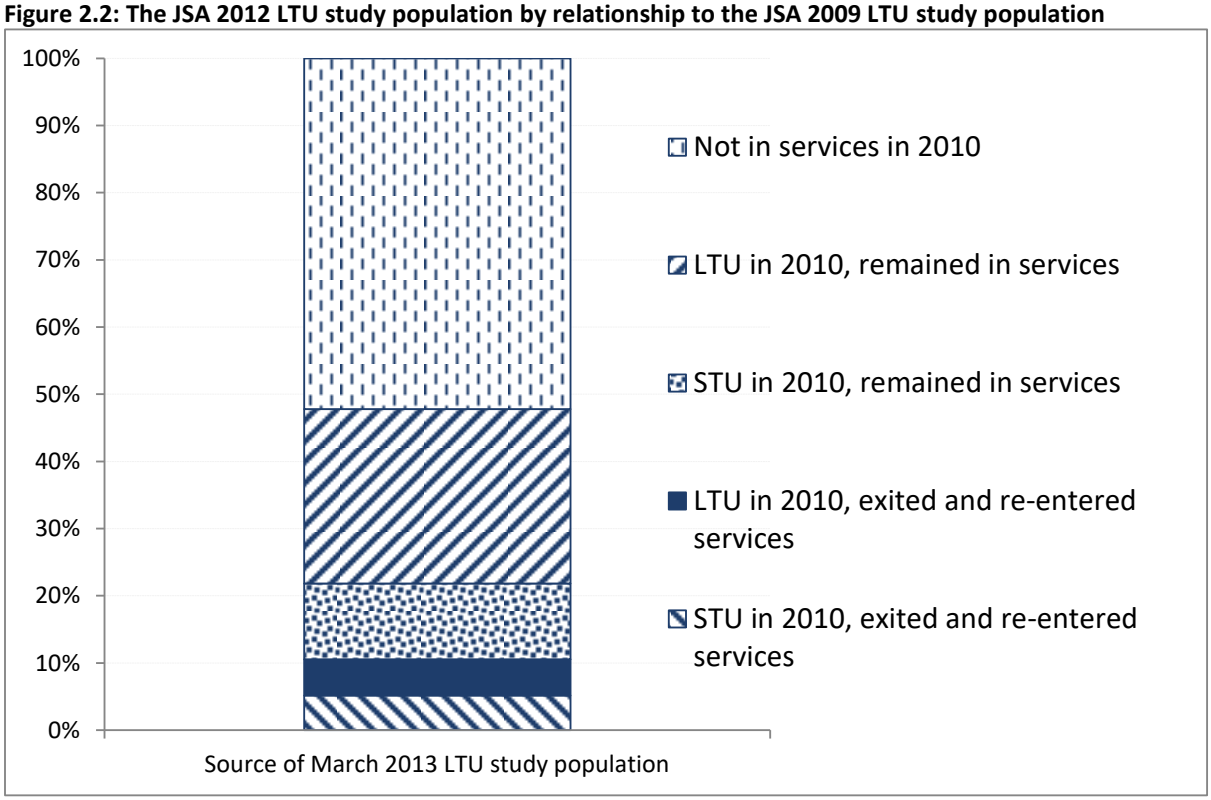
12 These percentages exclude those for which these characteristics were not known.

- older, with 6 percentage points less being 30 or older (48.4 per cent compared with 42.4 per cent).
- have TAFE Certificate/Diploma as their highest level of educational attainment (33.8 per cent compared with 25.9 per cent). This increase was observed across all age groups
    - 9.9 per cent more of those under 25 years having TAFE Certificate/Diploma as their highest level of educational attainment (29.1 per cent compared with 19.2 per cent)
    - 5.5 per cent more of those aged 25 or older having TAFE Certificate/Diploma as their highest level of educational attainment (36.7 per cent compared with 31.2 per cent)
- be an Early School Leaver (ESL) (11.9 per cent compared with 7.3 per cent)
- be on NSA/YAO (76.6 per cent compared with 68.1 per cent)
- have disability (15.7 per cent compared with 14.3 per cent).

2.2.2 The long-term unemployed populations

A large proportion of job seekers in the JSA 2009 LTU study population were also in the JSA 2012 LTU study population as they either remained in services in the three years between the study periods or exited services and then returned (Figure 2.2).

Figure 2.2: The JSA 2012 LTU study population by relationship to the JSA 2009 LTU study population



Note: Refer Appendix A, Table A1.3.
Source: Department of Employment administrative data.

When compared with the JSA 2009 LTU study population, the JSA 2012 LTU study population was more likely to be:

- in Stream 4 (30.8 per cent compared with 24.3 per cent)

- female (by 2 percentage points), and in particular females aged 55 years or more (1.7 percentage points)
- job seekers with vocational qualifications. This may reflect some success in the focus on education and skills training both in the JSA 2009 contract and other policies, such as 'Learn or Earn'
- unemployed for longer periods
    - the mean duration of unemployment at the snapshot date was 113 days higher (3.4 years compared to 3.7 years, respectively)
    - median duration of unemployment increased from 2.3 years to 2.7 years, respectively[13]
- on NSA and YA(O) (90.7 per cent compared with 75.9 per cent)
    - less likely to be on Parenting Payment (PPS/PPP) (3.3 per cent compared with 14.8 per cent). This is a likely consequence of changes to grandfathering of PP recipients (section 1.2.2).

Further details are shown in Table A1.2.

13 A mean considerably greater than the median indicates that the distribution curve of the population is left-skewed, and is consistent with the hysteresis hypothesis that the longer a job seeker is unemployed the lower their likelihood of re-entering employment.

3 Overall effectiveness

3.1 Effectiveness for new entrant job seekers

3.1.1 Introduction

The way in which new entrant job seekers interact with employment services remained constant through both Job Services Australia (JSA) contracts. This provides the opportunity to compare the effectiveness of the models at different stages of the job seeker interaction (Figure 3.1).

Figure 3.1: Generalised job seeker interaction with employment services

To assess the overall effectiveness of JSA 2012 in comparison to JSA 2009 for new entrant job seekers the following aspects were considered:

- time to commencement in service
- job seeker compliance
- employment and education outcomes
- reliance on income support
- sustainability of exits from income support.[14]

3.1.2 Key findings

Differences between the JSA 2009 and JSA 2012 new entrant study populations are described in section 2.2.1. These differences (particularly the degree of job seeker disadvantage) will affect comparisons between the populations. Where possible these, and differences in macroeconomic conditions are accounted for using regression techniques (Appendix B8).

Registration, referral and commencement in service

Registration and referral

After registration with the Department of Human Services (DHS) a slightly higher percentage of job seekers were referred to JSA services under JSA 2012 (67.3 per cent compared with 61.5 per cent) (Table 3.1).

14 See Appendix B1 for more detail on the methodologies used for these comparisons.

Table 3.1: Registrations in employment services by initial referral mechanism (per cent)

Referral type	JSA 2009	JSA 2012
Job Services Australia	61.5	67.3
Referred for Job Capacity Assessment (JCA),Employment Services Assessment (ESAt), or Current Work Capacity assessment	24.4	16.0
Referred to Disability Employment Services (DES)	6.3	7.1
Other	0.0	1.2
None (not referred)	7.8	8.3
Total	100.0	100.0

Notes:

1. A small percentage of job seekers, less than one per cent in both models, had more than one registration in the six-month inflow interval.
2. Other includes JSA job seekers who transferred to regions which were to be covered by RJCP.

Source: Department of Employment administrative data.

Commencement in service

Of the job seekers who were initially referred to JSA services, a lower proportion actually commenced in JSA 2012 (64.5 per cent compared with 69 per cent).[15]

JSA 2012 had a lower proportion of job seekers referred for Job Capacity Assessments (JCA) (16.0 per cent) or Employment Services Assessments (ESAt) (24.4 per cent). The reasons are likely twofold:

- changes made to the JCA/ESAt procedures in 2011 led to fewer assessments[16] (section 1.2.2)
- a greater proportion of Stream 4 job seekers in JSA 2012 had a current JCA or ESAt (less than 2 years old), allowing them to be directly referred to the relevant stream in JSA 2012.

RapidConnect

RapidConnect aimed to connect job-ready job seekers with employment services providers as soon as possible after their initial DHS contact. RapidConnect applied in both JSA contracts for job seekers who were:

- job ready
- fully eligible
- eligible to claim Newstart Allowance (NSA) or Youth Allowance (Other) (YA(O))
- not subject to RapidConnect exemption
- not subject to activity test exemptions.[17]

DHS arranged appointments for eligible job seekers with employment services providers within two working days (best practice), or a maximum of 14 calendar days from their initial contact with DHS.

15 Registrations for job seekers living in areas later covered by RJCP were excluded from this calculation.

16 A key objective of the JCA/ESAt reforms was to ensure that only the most disadvantaged job seekers were referred for an ESAt. ESAts approximately halved after the reforms and proportionally fewer job seekers had multiple assessments. According to internal research, the factor contributing most to the reduced number of assessments was the considerable drop in the number of 'change of circumstance' assessments for (generally less disadvantaged) JSA Streams 1 to 3 job seekers.

17 Activity test exemptions would have applied, for example, to job seekers in remote areas or, under JSA, to job seekers under 21 years of age already undertaking an approved activity such as an apprenticeship.

JSA 2012 was similar to JSA 2009 in the time it took to connect RapidConnect job seekers, but faster (eight days on average), in the commencement of non-RapidConnect job seekers in all streams (Table 3.2).

Table 3.2: Time taken to commence 90 per cent of job seekers from date of registration (days)

Commencement Stream	RapidConnect JSA 2009	RapidConnect JSA 2012	Not RapidConnect JSA 2009	Not RapidConnect JSA 2012
Stream 1	10	10	52	43
Stream 2	11	10	53	45
Stream 3	11	10	50	46
Stream 4	11	9	76	68
Total	10	10	53	45

Notes:

1. This table includes volunteers, but not Stream 1 (Limited) job seekers.
2. Durations for exemptions and suspensions taken in to consideration.
3. Refer Appendix A2, Table A2.2.

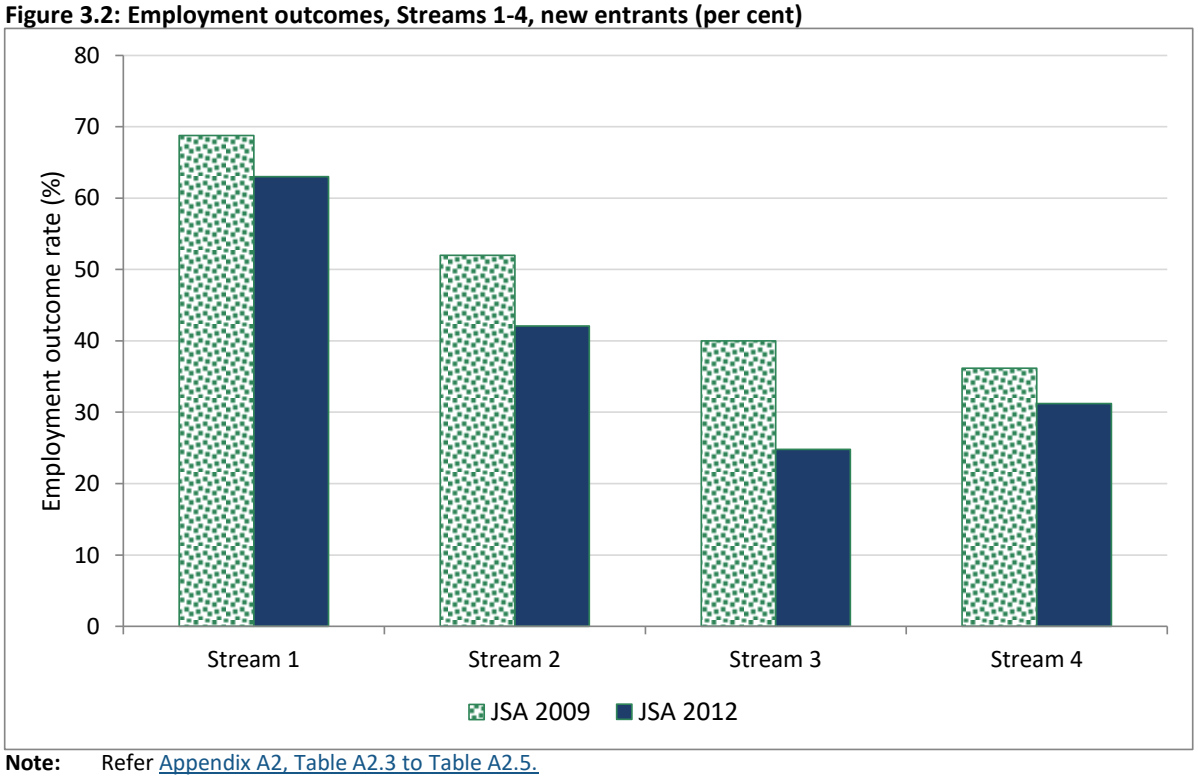
Source: Department of Employment administrative data.

Leaving the system or achieving outcomes

Employment outcomes (unregressed)

According to Post Programme Monitoring (PPM) survey results for the new entrant populations, overall employment outcomes were relatively lower for new entrant job seekers across all streams in JSA 2012 than JSA 2009 (Figure 3.2, Tables A2.3, A2.4 and A2.5).

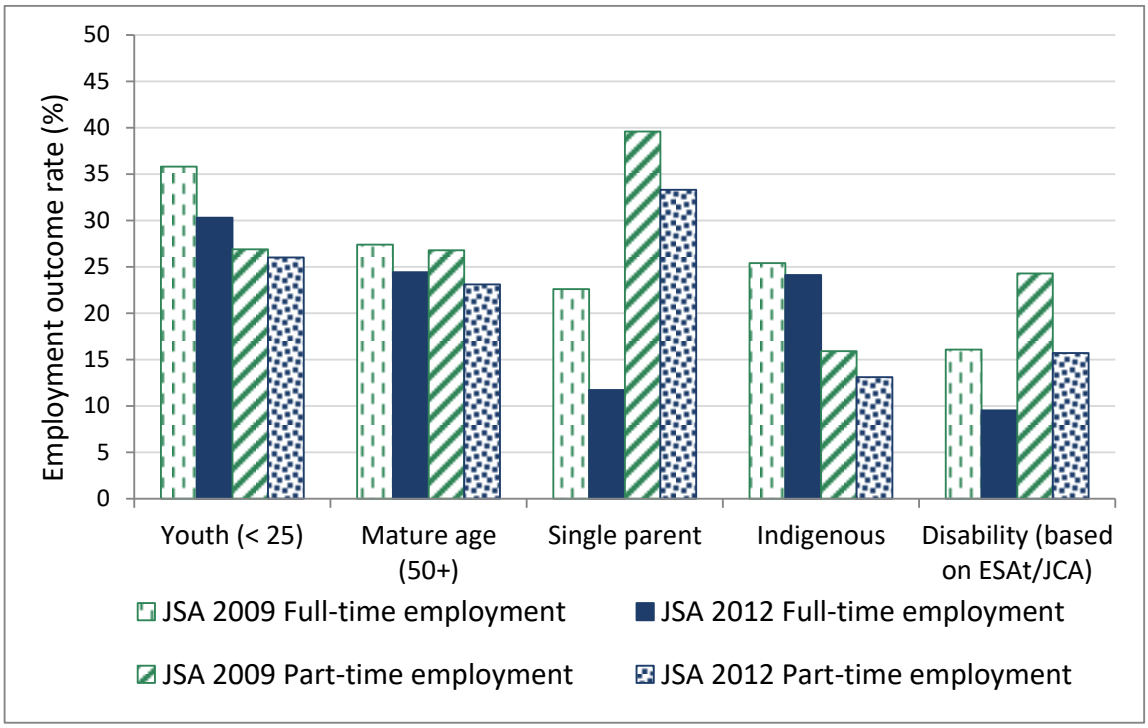
Figure 3.2: Employment outcomes, Streams 1-4, new entrants (per cent)



Note: Refer Appendix A2, Table A2.3 to Table A2.5.

Source: Department of Employment Post Programme Monitoring survey.

Figure 3.3 Employment outcomes, new entrants, by cohort (per cent)



Note: Refer Appendix A2, Table A2.3 to Table A2.5.
Source: Department of Employment Post Programme Monitoring survey.

Specific groups of job seekers who were less likely to achieve employment outcomes under JSA 2012 compared with JSA 2009 were:

- youth
- mature age
- single parents
- Indigenous, and
- job seekers with disability with employment restrictions based on ESAt/JCA.

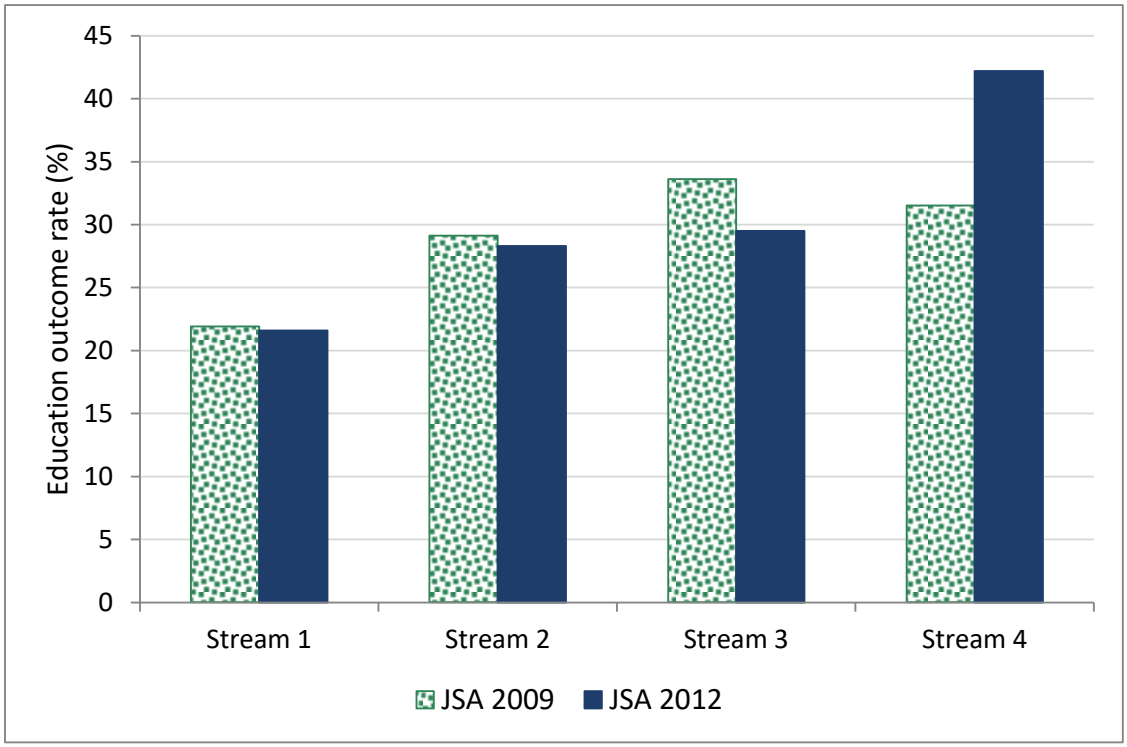
Education outcomes (unregressed)

For new entrant job seekers education outcomes for Stream 4 were noticeably higher under JSA 2012, but lower for the other streams (Figure 3.4).

This result potentially reflects the difficulty in finding employment immediately for Stream 4 job seekers, transitioning them through education and training in the first instance. It could be expected that higher education outcomes would lead in the longer-term to a more responsive labour force.[18]

18 National Commission of Audit Towards Responsible Government., Volume 2, section 10.7, February 2014.

Figure 3.4: Education outcomes, Streams 1 to 4, new entrants (per cent)



Note: Refer Appendix A2, Table A2.3 to Table A2.5.
Source: Department of Employment Post Programme Monitoring survey.

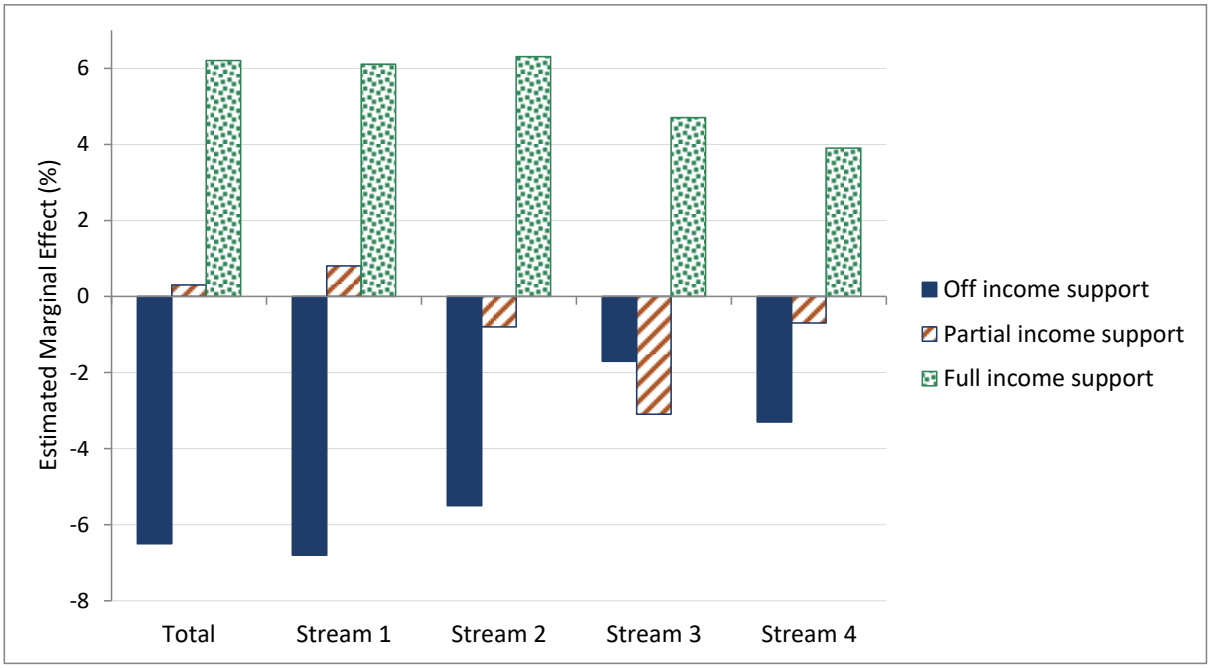
Reliance on income support (regressed)

Using the reliance on income support measure, JSA 2012 appears relatively less effective at moving job seekers off income support than its predecessor (Table A2.6).

Overall, job seekers in JSA 2012 were more reliant on income support 12 months after registration than job seekers in JSA 2009, with fewer off income support (6.5 percentage point average marginal effects (AMEs)), about the same proportion on a partial income support (within 1 percentage point AME) and more on a full income support (6.2 percentage points AME). The pattern by stream is similar, with a greater proportion of job seekers on full income support (between 6.3 and 3.9 percentage point AMEs) and a smaller proportion off income support (6.8 percentage points to 1.7 percentage points AME). The proportion of job seekers on partial income support was similar between the two models (within 1 percentage point) for all streams except Stream 3, where the AME was 3.1 percentage points lower in JSA 2012 (Figure 3.5).[19]

19 See Appendix B8 for a fuller description of average marginal effects regression analysis methodology.

Figure 3.5: Average marginal effect (AME) estimates of income support status 12 months after registration for JSA 2012 compared with JSA 2009 (percentage point)



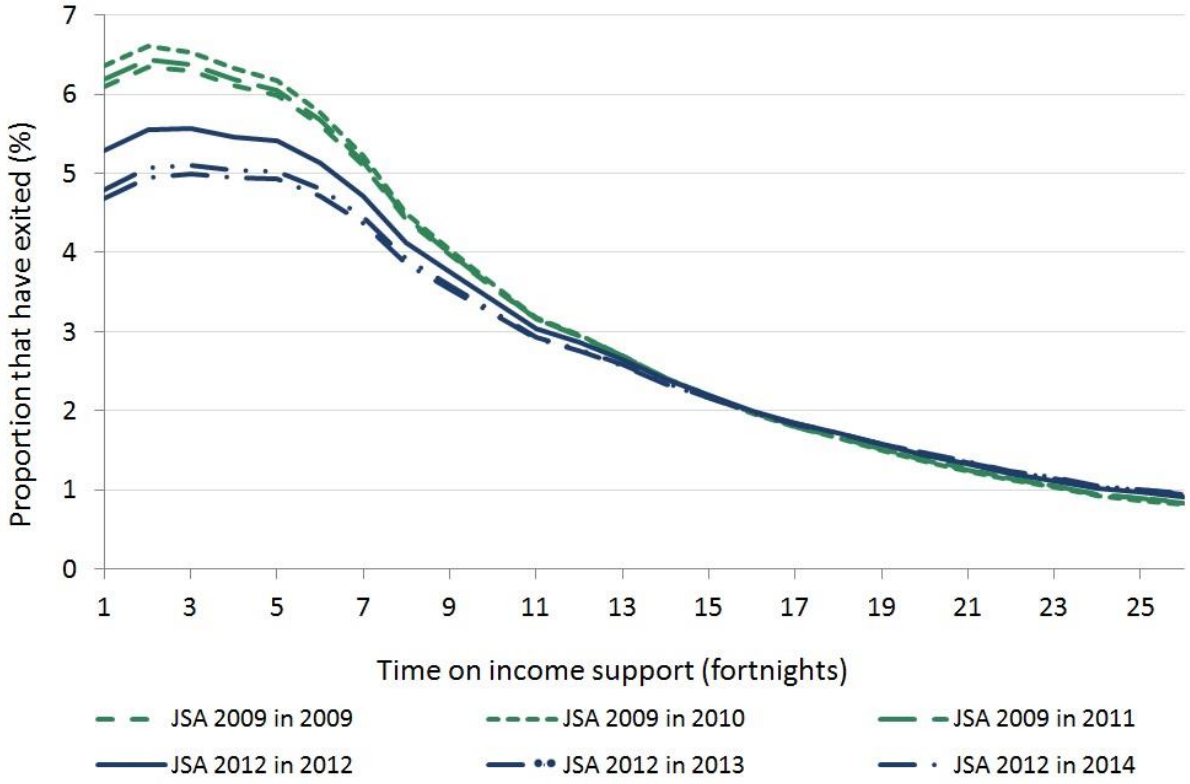
Note: Refer Appendix A2, Table A2.6.
Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

The pattern of more job seekers on full income support and fewer off and on part income support in JSA 2012 (shown above) is similar across most job seeker demographic groups considered, including: Indigenous job seekers, job seekers with disability affecting work capacity, job seekers with partial capacity to work, youth (under 25), mature age and single parents.

However, there are notable exceptions for Stream 4 job seekers in some of these demographic groups who are found to be less reliant on income support under JSA 2012 (job seekers with disability affecting capacity to work, partial capacity to work and single parents). These exceptions may, in part, have been influenced by activation measures such as the DSP Participation Requirements, introduced on 1 July 2012 and the Parenting Payment Reforms introduced on 1 January 2013.

Regression analyses, applied across varying time periods, confirm that there appears to be a significant programme effect. This is regardless of prevailing economic conditions (Figure 3.6).

Figure 3.6: Estimated length of time job seekers were on income support by year of registration in JSA (per cent each fortnight)



Note: Refer Appendix A2, Table A2.7.
Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

Sustainability of exits from income support (regressed)

By this measure, JSA 2012 was less effective than JSA 2009. New entrant job seekers who came off income support in JSA 2012 were slightly more likely to have returned to it and be on full income support 12 months later, compared with equivalent job seekers in JSA 2009. Job seekers were 1.7 per cent more likely to be on full income support under JSA 2012 compared with JSA 2009. This differential increased with the level of disadvantage, with a 1.6 percentage point difference for Stream 1 and 3.3 percentage points for Stream 4 job seekers (Table 3.3).

Table 3.3: Average marginal effect (AME) estimates for income support status 12 months after exiting income support for new entrants, JSA 2012 compared with JSA 2009 (percentage point difference)

Stream	Off income support	Partial income support	Full income support
Stream 1	-1.7	0.1	1.6
Stream 2	-2.3	0.1	2.2
Stream 3	-2.8	0.1	2.7
Stream 4	-3.3	0.0	3.3
Total	-1.8	0.1	1.7

Note: Refer Appendix A2, Table A2.8.
Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

Differences in sustainability of income support exits between the two models were mostly due to differences in the proportion of job seekers that remained off income support, compared to those being on a full rate of income support. The share of job seekers on a partial rate of income support 12 months after exiting was very similar between the two models.

3.1.3 Conclusion

For new entrant job seekers, compared to JSA 2009, JSA 2012 was:

- more effective in getting job seekers commenced outside of the RapidConnect process (on average eight days quicker under JSA 2012) with similar connection rates for those using RapidConnect.
- less effective in getting and keeping job seekers in employment and off income support. JSA 2012 had:
    - similar education outcome rates (as measured by PPM)
    - lower employment outcome rates (as measured by PPM)
    - a 6.5 percentage point higher reliance on income support 12 months after registration (regressed)
    - a 1.7 percentage point higher return to income support (full rate) after 12 months after exiting service and income support (regressed).

The regressed measures take measurable differences in macroeconomic conditions and the demographic composition of the job seeker cohorts into account. There may have been other factors, however, which the analysis is not able to account for including, but not limited to:

- differing levels of job seeker motivation
- changes in provider practices
- income support programme changes
- state and local government programmes such in the education and training area.

Based on this research it could be reasonably concluded that JSA 2012 was probably not as effective as JSA 2009 for many new entrant job seekers in achieving its primary objective of getting people in to employment and off of income support, with the possible exception of Stream 4 new entrant job seekers.

3.2 Effectiveness for long term unemployed job seekers

3.2.1 Introduction

By definition new entrant job seekers are not long-term unemployed (LTU), although many may become so over the study period. As such, the new entrant population is not useful for analysing the effectiveness of employment services for job seekers who have been out of work (or on income support) for long periods. Therefore, the following analyses use a snapshot or caseload population for job seekers who had been in service for 12 months.

Some important changes in the service delivery model under JSA 2012 may have affected the servicing of long-term unemployed (LTU) job seekers (Table 1.1).

See Appendix B1 for details of the methodology used in the following analysis.

3.2.2 Key findings

Rates of exit from service (unregressed)

Rates of exit from employment services provide an indication of the success of these services in assisting job seekers into employment. However, available information on whether job seekers exit services to employment or for other reasons is limited. This section reports the exit rates for the JSA 2012 LTU study population and then provides some comparative analysis with the JSA 2009 LTU study populations.

For the JSA 2012 LTU study population, administrative exit codes accounted for over half of job seekers who exited services during the study period (approximately 58 per cent). Administrative exit codes do not provide information about the destination of the job seeker. Other exit codes included around 16 percent for employment-related exits, 7 per cent exiting from the labour force, and 5 per cent exiting to study.

Exits to either Disability Employment Services (DES) or the Disability Support Pension (DSP)[20] (which represent one-fifth of all exits from JSA) provided sufficient information in the administrative data to allow some comparisons between the two study populations.

Disability exits represented 25.0 per cent of exits of the JSA 2009 LTU study population and 20.1 per cent of the JSA 2012 LTU study population (Table A2.9). The lower proportion in JSA 2012 was due to a large reduction in the proportion of job seekers exiting to DSP (12.9 per cent in JSA 2009 compared with 7.3 per cent in JSA 2012). This is likely related to tightened DSP eligibility criteria and changes to participation requirements for some DSP recipients (Table 1.2). These changes, along with the changes to assessment processes, mean that direct comparison of rates of exits to disability between JSA 2009 and JSA 2012 is not as meaningful as it would otherwise have been.

LTU job seekers with high proportions of exits due to disability in 2012 included those:

with a disability as identified by a JCA/ESAt	71.8 per cent of these exited to disability
with long-term reduced capacity to participate in the labour force	41.0 per cent
aged 50 and over	33.9 per cent
in Streams 3 and 4	34.0 per cent and 38.0 per cent respectively

Predicted vs actual rates of exit from services (regressed)

Results show that in every stream, the JSA 2009 cohort would have been less likely to exit employment services had they been serviced under JSA 2012 (Table 3.4). For example, 52.2 per cent of JSA 2009 Stream 1 job seekers exited services during the study period, compared with the predicted exit rate of 47.1 per cent for this group, had they been serviced in JSA 2012. The difference between actual and predicted exits is most marked for Stream 1 job seekers, with a predicted 5.1 percentage points lower exit rate had this group been serviced in JSA 2012. For higher streams of service the differences are much smaller. Indeed, for Stream 4 job seekers the difference is only 0.6 percentage points.

20 In this section these exits are called *disability exits.*

Table 3.4: Proportion of long-term unemployed (LTU) study population job seekers who exited employment services during the study period, JSA 2012 compared with JSA 2009 (per cent)

Stream	JSA 2012 actual (%)	JSA 2009 actual (%)	JSA 2009 predicted (%)	Difference 2009 predicted and actual (ppt)
Stream 1	44.4	52.2	47.1	-5.1
Stream 2	37.3	45.9	42.8	-3.1
Stream 3	32.4	38.8	37.9	-0.9
Stream 4	28.6	34.3	33.7	-0.6

Source: Department of Employment administrative data.

Factors which significantly affected exits from employment services for the JSA 2012 LTU population include groups with:

- long-term reduced capacity to participate in the labour force, in all streams
- disability with employment restrictions, in Stream 2, 3 and 4.

These groups show a higher chance of exiting once other characteristics have been taken into account. Many of these job seekers also have high rates of exits due to disability, as described above.

Groups who had a lower chance of exiting after other characteristics have been taken into account include job seekers who:

- were single parents in Streams 2, 3 or 4
- were not contactable by phone in Streams 1, 2 or 3
- lived outside of major cities
- were without their own transport
- were not in the labour force or unemployed, compared with those in employment
- recently reported work experience at the snapshot date[21] (Table A2.10).

While the last two factors may seem counterintuitive, people undertaking regular part-time work are often also in stable situations and meet their activity requirements through part-time employment. This indicates a degree of balance which is manageable, making them less likely to want to progress to full-time work and exit services. This group often includes single parents or job seekers with disability.

Sustainability of exit – income support status 12 months after exit from services (regressed)

This measure provides some assessment of the sustainability of exits (and hence some idea of levels of returns to income support) for the JSA 2012 LTU study population and measures it against the corresponding 2009 population. It assumes that job seekers who exit services to employment, and remain in employment after exit, will be either off, or on partial income support 12 months after exit. However when interpreting these results it should be noted that, for instance, one in five LTU job seekers in JSA 2012 exited due to disability and are therefore likely to remain on full income support.

21 See Appendix B1.1.2 for definition of snapshot date.

After controlling for changes in job seeker characteristics and macroeconomic conditions, job seekers in Streams 1, 2 and 3 in JSA 2012 were less likely to be off income support 12 months after exit compared to those in JSA 2009. The predicted probability of Stream 3 job seekers being on full income support was 4.6 percentage points higher for JSA 2012 compared with JSA 2009, with lower predicted probabilities of either being on partial or off income support. There was very little change in the probabilities of being on partial income support for Stream 1 and 2 job seekers; resulting in predicted probabilities of being on full income support being more than 3 percentage points higher (Table 3.5 and Table A2.11). Differences in outcomes between the employment services models are expressed as average marginal effects (AMEs).[22]

Table 3.5: Average marginal effect (AME) estimates for the predicted probability of income support status 12 months after exit from services for long-term unemployed job seekers, JSA 2012 compared with JSA 2009 (percentage point)

Stream	Off income support	On partial income support	On full income support
Stream 1	-3.9	0.1	3.7
Stream 2	-3.1	-0.8	3.9
Stream 3	-2.4	-2.2	4.6
Stream 4	0.5	-1.0	0.5

Note: Refer Appendix A2, Table A2.11.
Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

Single parents showed the largest increase in predicted probability of being on full income support (6.0 percentage points), with drops in probabilities of being both off income support and on partial income support. For most other groups of interest, the differences in predicted probabilities between JSA 2009 and JSA 2012 were statistically significant, but relatively small.

Income support status 12 months after the snapshot date (regressed)

AME estimates for job seekers 12 months after the snapshot date show that LTU job seekers in JSA 2012 generally had less favourable income support status results 12 months after the snapshot date than those in JSA 2009. The differences are most marked for job seekers in Streams 1 and 2, and smallest for those in Stream 4. Similarly, AMEs are highest for job seekers unemployed for one to two years at the snapshot date and lowest for those unemployed for five years or more (Table 3.6 and Table A2.12).

Table 3.6: Average marginal effect (AME) estimates for the predicted probability of income support status 12 months after snapshot date by stream for long-term unemployed (LTU) job seekers, JSA 2012 compared with JSA 2009 (percentage point)

Stream	Off income support	On partial income support	On full income support
Stream 1	-6.9	0.2	6.8
Stream 2	-4.9	-0.6	5.5
Stream 3	-2.4	-2.7	5.1
Stream 4	-0.8	-1.2	2.0

Note: Refer Appendix A2, Table A2.12.
Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

22 See Appendix B8 for a fuller description of average marginal effects regression analysis methodology.

For some job seeker groups, including those in Streams 3 and 4, the largest differences in outcomes are in lower predicted probabilities of being on partial income support. These are generally job seekers with higher barriers to entry into the labour force (Table 3.7).

Table 3.7: Average marginal effect (AME) estimates for the predicted probability of income support status 12 months after snapshot date for long-term unemployed (LTU) job seekers, selected groups, JSA 2012 compared with JSA 2009 (percentage point)

Stream	Off income support	On partial income support	On full income support
Disability with employment restrictions	-1.1	-3.2	4.4
Mature age	-2.7	-3.8	6.5
Unemployed five years or more	-1.2	-2.4	3.6
Long-term reduced capacity	-1.7	-1.8	3.5

Notes:

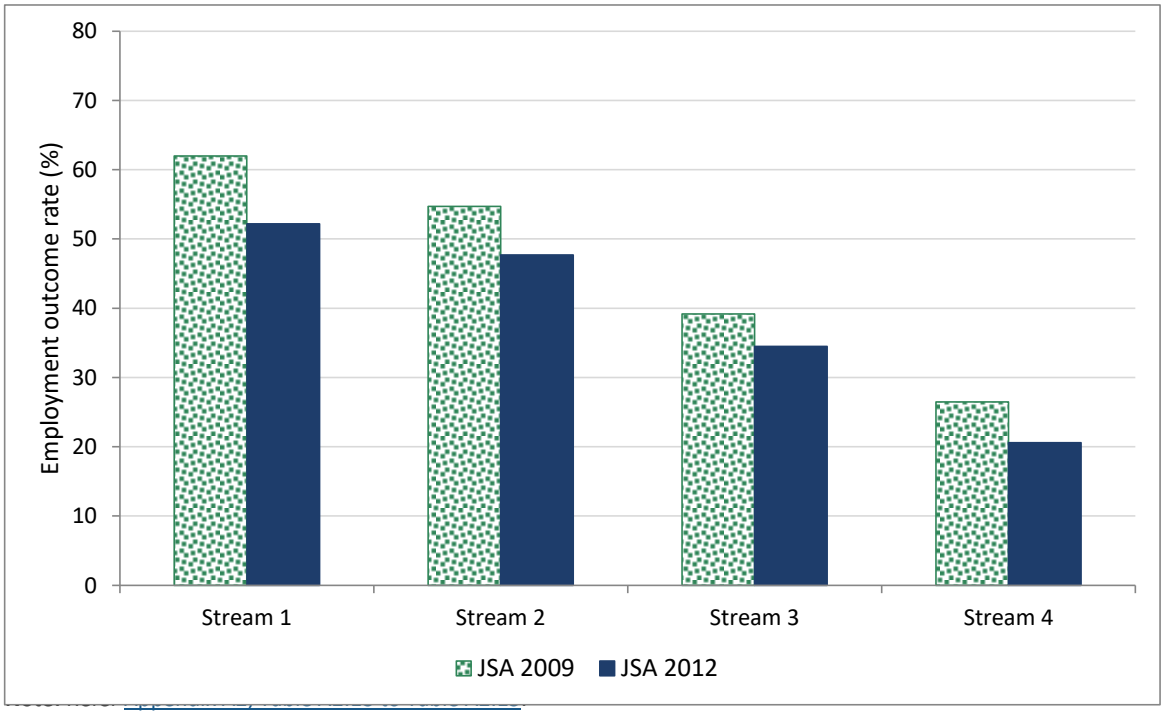
1. Actual exit rates for 2009 differ from those previously reported in the Long-term unemployed job seekers: JSA Effectiveness report due to differences in the study populations and methodology, including: a shorter study period; and the exclusion from both populations of job seekers in communities that subsequently transferred to the Remote Jobs and Communities Programme.
2. Refer Appendix A2, Table A2.12.

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

Employment and education outcome rates (unregressed)

PPM survey results show that the 2012 LTU study population was less likely to be in full-time employment three months after receiving services than equivalent JSA 2009 population. This result holds for all four streams of service (Figure 3.7). By contrast, higher proportions of LTU job seekers in JSA 2012 reported being in part-time employment and in education in all streams except Stream 1 (Tables A2.13, A2.14 and A2.15).

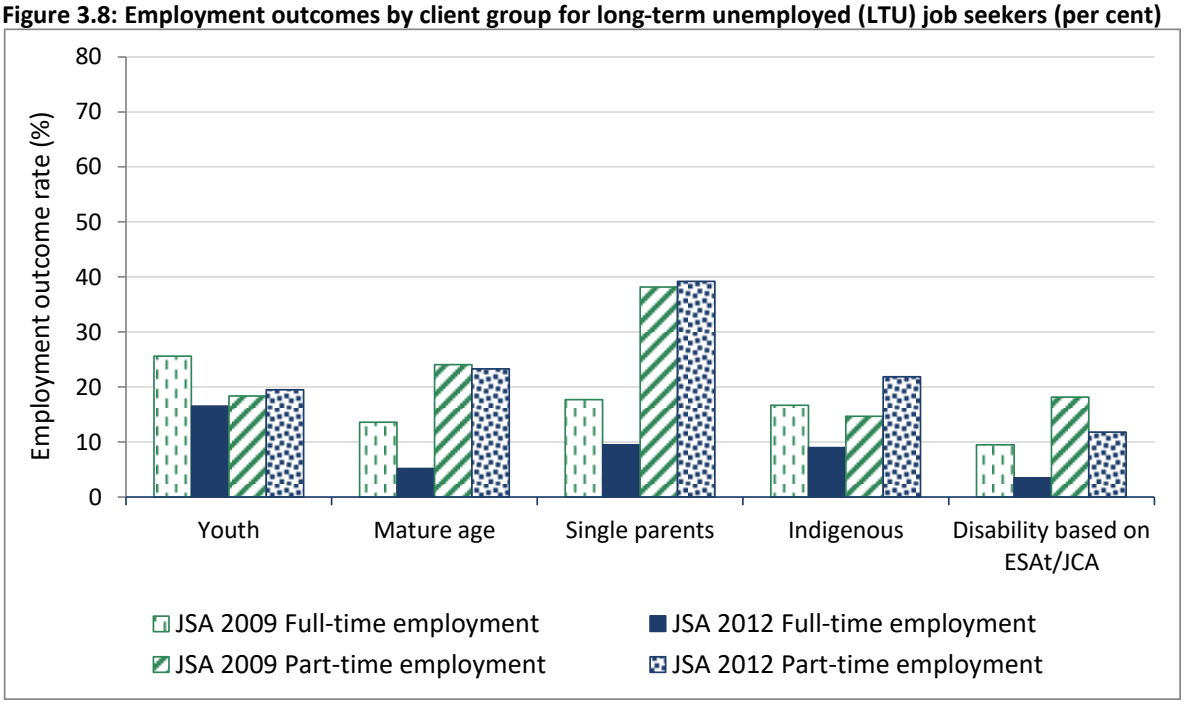
Figure 3.7: Employment outcomes for long-term unemployed (LTU) job seekers (per cent)



Source: Department of Employment Post Programme Monitoring survey.

The same general pattern of reductions in full-time employment outcomes and increases in part-time employment outcomes is evident across most job seeker groups. The exceptions were mature age job seekers and job seekers with disability with employment restrictions. These job seekers also had reduced part-time outcomes (Figure 3.8).

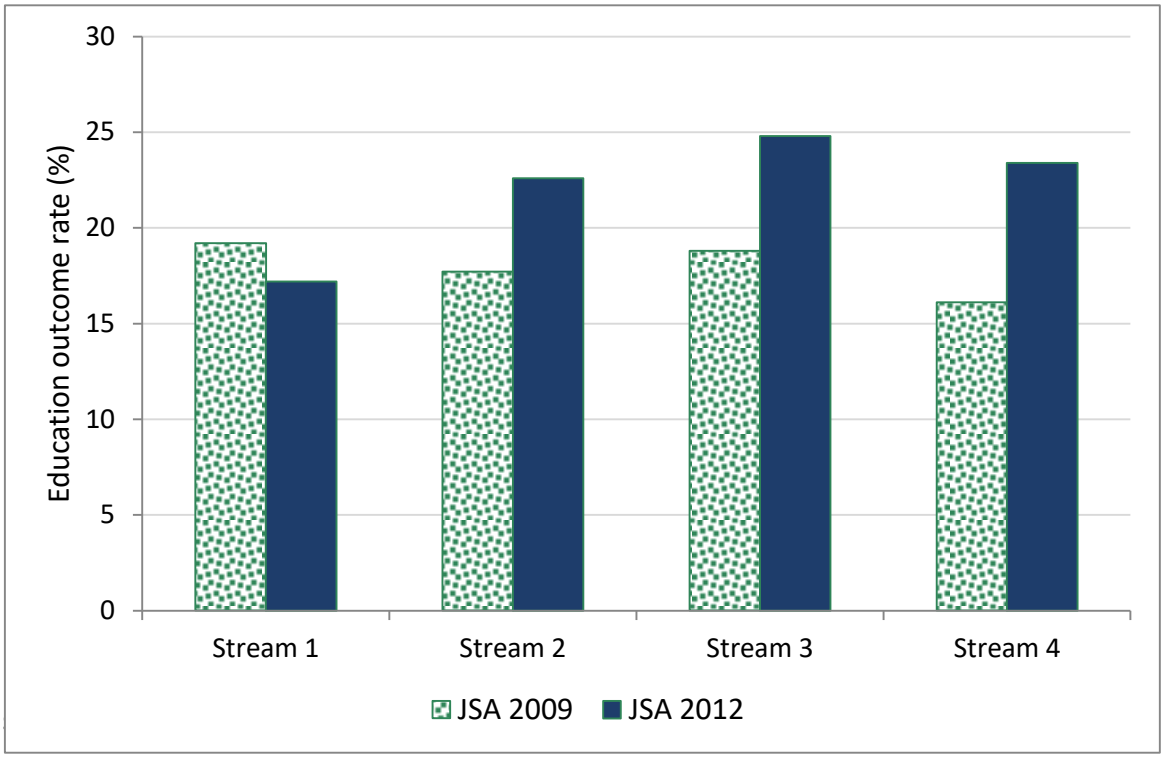
Figure 3.8: Employment outcomes by client group for long-term unemployed (LTU) job seekers (per cent)



Note: Refer Appendix A2, Table A2.13 to Table A2.15.
Source: Department of Employment Post Programme Monitoring survey.

Education Outcomes for long-term unemployed (LTU) job seekers in all streams (except Stream 1) were also improved under JSA (Figure 3.9).

Figure 3.9: Education outcomes, Streams 1 to 4, long-term unemployed (LTU) (per cent)



3.2.3 Conclusion

When compared with JSA 2009, JSA 2012 delivered lower employment outcomes for job seekers in all streams of service. This result holds true across most measures used, particularly when caseload composition differences and the macroeconomic circumstances in which they operated are factored in. Differences in employment outcomes were most pronounced for job seekers with the fewest barriers to employment; that is, Stream 1 (which represents 16.8 per cent of the JSA 2012 LTU study population) and Stream 2 (which represents 25.5 per cent of the JSA 2012 LTU study population).

Results for those with higher barriers (including Streams 3 and 4 job seekers), which comprise over half of the LTU study populations, show relatively small differences between the employment services models. For instance, job seekers with long-term reduced capacity to participate in the labour force had only slightly lower probabilities of being either off or on partial income support 12 months after the caseload date at 1.7 and 1.8 percentage points respectively (Table 3.7). This compares with decreases of 3.7 and 1.1 percentage points respectively for job seekers without long-term reduced capacity. In part, this reflects the lower baseline measures for these job seekers. For Stream 4 and long-term unemployed job seekers (Except Stream 1) education outcomes were higher under JSA 2012.

3.3 Cost effectiveness

3.3.1 Introduction

In previous sections the effectiveness of JSA 2012 has been assessed in comparison with JSA 2009. This section assesses the relative cost effectiveness of these service delivery models. Methodology on the calculations presented here are in Appendix B1.3.

3.3.2 Key findings

Cost per employment outcome

Costs per employment outcome were generally lower under JSA 2012. For those in Stream 4 the year 1 rates were more divergent possibly in part because of transition between the two models (Table 3.8).

Table 3.8: Cost per employment outcome, JSA 2009 and JSA 2012 ($)

Year of JSA contract	JSA 2009 Stream 1-3 ($)	JSA 2012 Stream 1-3 ($)	Difference Stream 1-3 (%)	JSA 2009 Stream 4 ($)	JSA 2012 Stream 4 ($)	Difference Streams 4 (%)
Year 1	2,079	1,989	-4.3	11,442	7,539	-34.1
Year 2	2,332	1,890	-19.0	8,524	6,971	-18.2
Year 3	2,136	1,794	-16.0	7,029	7,177	2.1

Source: Departmental annual reports, 2009-10 to 2014-15.

Expenditure on JSA

Less funds were spent overall in JSA 2012 than JSA 2009, with expenditure for JSA 2012 approximately 11 per cent less than for JSA 2009 (Table 3.9).

Table 3.9: Expenditure on JSA by year of contract ($ million)

Year of contract	JSA 2009	JSA 2012
Year 1	1,353.746	1,258.137
Year 2	1,540.453	1,241.173
Year 3	1,467.680	1,362.855
Total	4,361.879	3,862.165

Notes:

1. Discrepancies may occur between sums of the component items and totals due to rounding.
2. The above expenditure includes costs of JSA operation (such as provider service fees, Employment Pathway Fund (EPF), job placement and outcome fees) and wage subsidies.
3. Legacy expenditure occurs between contract periods. That is some expenditure for Job Network (JN) is included in the JSA 2009 expenditure above, mostly in the first year of the contract period. Similarly, some JSA 2009 related expenditure was made in the early years of the JSA 2012 contract and JSA 2012 legacy costs will be covered in jobactive period.
4. These figures differ to those published in the financial statements of the Department's annual reports. The annual report figures include other programme expenditure in addition to JSA, for example National Green Jobs Corps, Jobs Fund and Job Capacity Assessments.
5. Figures rounded to three decimal places.

Source: Department of Employment financial data.

This reduction in costs can largely be attributed to the change in fee structure between the two models, including:

- reduced Service Fees for Stream 1 in the first twelve months of service
- the replacement of the two tiered outcome payment structure for 13- and 26-week employment outcomes with a single level fee structure from 1 July 2012, following the Butterworth Audit[23] of provider brokered outcomes conducted in 2012.

Table 3.10 provides a summary of the fees and reimbursements for the two models.

23 Butterworth, R, April 2012. Provider brokered outcomes audit: First stage report, Canberra.

Table 3.10: Fees and reimbursements, JSA 2009 and JSA 2012, selected items only ($)

Payment type	JSA 2009	JSA 2012
EPF credits in first 12 months – Stream 1	11	11
EPF credits in first 12 months – Stream 2	550	550
EPF credits in first 12 months – Stream 3	1,100	1,100
EPF credits in first 12 months – Stream 4	1,100	1,100
EPF credits in first 12 months – Early School Leavers	na	500
EPF credits in first 12 months – WEPh	500	500
EPF credits in first 12 months – CAP	na	1,000
Maximum service fees in first 12 months – Stream 1	781	581
Maximum service fees in first 12 months – Stream 2	885	885
Maximum service fees in first 12 months – Stream 3	1,120	1,120
Maximum service fees in first 12 months – Stream 4	2,736	2,736
Job placement fees – Stream 1	385-440	385-440
Job placement fees – Stream 2	385-550	385-550
Job placement fees – Stream 3	385-550	385-550
Job placement fees – Stream 4	385-550	385-550
Outcome fees in first 12 months – Stream 1	0	0
Outcome fees in first 12 months – Stream 2	Up to 2,218	Up to 1,486
Outcome fees in first 12 months – Stream 3	Up to 3,850	Up to 3,120
Outcome fees in first 12 months – Stream 4	Up to 3,850	Up to 3,120
Outcome fees after first 12 months – Stream 1	Up to 1,879	Up to 1,258
Outcome fees after first 12 months – Stream 2	Up to 3,080	Up to 2,064
Outcome fees after first 12 months – Stream 3	Up to 7,260	Up to 5,880
Outcome fees after first 12 months – Stream 4	Up to 7,260	Up to 5,880

Notes:

1. Simplified list of fees above.
2. EPF – Employment Pathway Fund.

Other factors which would have affected expenditure on JSA include:

- the differing macroeconomic climates between the two periods (section 1.2)
- differing numbers and types of job seekers serviced (section 2.1)
- length of time job seekers were in JSA service
- outcomes achieved
- differences in the sustainability of outcomes.

Changes in the JSA 2012 model which also had the potential to affect outcome rates (and therefore cost per outcome results) include:

- reduced intensity and delayed timing of Intensive Activities for Stream 1 job seekers (section 4.1)
- introduction of a Compulsory Activity Phase (CAP) for job seekers (section 6.1)
- initiatives designed to increase employment outcomes for Indigenous job seekers (section 7.1).

The effects of these changes are explored separately later in this report.

Stream 1 job seekers represented over 70 per cent of new entrants to employment services (74.3 per cent in JSA 2009 and 71.6 per cent in JSA 2012) (Table A1.1) and between 28 and 36 per cent of the caseload for the six years of JSA operation (section 2.1). Therefore changes made in the 2012 contract to the fee structure for Stream 1 job seekers would have greatly impacted the overall 'cost of employment outcomes' measure.

Total cost to government

The effectiveness of the two JSA models for new entrant and LTU job seekers (sections 3.1 and 3.2) include that JSA 2012 was:

- less effective in assisting new entrant job seekers to move off income support within 12 months of entering service (AME -6.5)
- less effective in assisting LTU job seekers to move off income support within 12 months of the snapshot date (AME -3.2)
- less effective in achieving sustained exits from income support (AME -1.8) for new entrant job seekers
- less effective in achieving sustained exits from income support (AME -2.1), for LTU job seekers.

The last two dot points indicate the possibility of higher rates of return into employment services or movement to other non-activity tested types of income support, such as DSP.

While income support costs do not assist job seekers into employment in the same way that JSA fees do, they are still a part of the overall cost to the government. At any point in time, the vast majority of the JSA caseload were on income support. For example, at 30 June 2012 68.9 per cent of the active caseload was on NSA, 11.1 per cent YA(O), 0.6 per cent on DSP and 10.7 per cent on PP.[24]

A consequence of these effectiveness findings is additional cost to government in income support payments. Therefore, while the cost per employment outcome for JSA 2012 (Table 3.8) implies a more cost effective employment services delivery model, this saving was at the expense of job seeker outcomes (and any secondary costs arising as a consequence of longer periods of unemployment) and has resulted in increased costs to the income support system.[25]

The conservative estimates of the increased income support costs on the new entrant and LTU study populations are used here to illustrate the magnitude of additional costs to government.[26] As a consequence of the lower JSA 2012 exit rates from income support at 12 months post commencement for new entrant job seekers, the additional costs to the income support system was at least $1,900 more in income support payments in the first 12 months of service, for each

24 Department of Employment administrative data.

25 The cost effectiveness of the combined effect of all changes made to the model that affected Stream 1 job seekers are discussed in section 4.2.5.

26 These estimates cannot be combined with the results shown in Table 3.10: *Fees and reimbursements, JSA 2009 and JSA 2012, selected items only ($)* to arrive at a total figure. The costs per employment outcome figures provided in Table 3.8 *Cost per employment outcome JSA 2009 and JSA 2012* relate to the total costs of the JSA programmes and employment outcomes achieved by the entire caseloads (that is new entrants (inflow) and stock).

employment outcome. Additionally, income support costs would have further increased because of the likelihood of increased rates of return to income support within 12 months of exiting income support. This is because JSA 2012 new entrant income support exits were less sustainable than those under JSA 2009.

Conservative estimates for LTU job seekers were at least $2,900 higher income support costs for each employment outcome achieved by this cohort in the twelve months from the snapshot date. Again, as LTU JSA 2012 job seekers were found to be more likely to return to income support within 12 months of exiting income support than those in JSA 2009, income support costs would have been further increased as a consequence.[27]

3.3.3 Conclusion

The overall cost for JSA 2009 was higher than for JSA 2012 by around $500 million. Increased duration of job seekers in employment services led to a greater proportion of them being in service for more than 12 months. This in turn reduced the average service fee per job seeker being paid to providers. Other factors contributing to this included programme changes such as reduced Service Fees for Stream 1 in the first twelve months of service and a single tier fee structure which ultimately resulted in lower maximum outcome payments in JSA 2012. This is discussed further in Chapter 10.

The overall cost reductions are reflected in the 'cost per employment outcome' measure, which is lower for JSA 2012 for most streams of service over the contract period (Table 3.8).

Conservative estimates of the increased cost of income support (resulting from lower outcome rates in JSA 2012) indicate that the actual cost to government was probably higher for JSA 2012 than JSA 2009.

27 See section B1.3 for the details of the methodology used to determine these estimates.

4 Changes to Stream 1 servicing

4.1 Introduction

With the introduction of JSA 2012, changes to the support of Stream 1 job seekers were implemented. The main changes were:

- **Intensive activity** - The timing and intensity of these activities changed. The number of hours of activities was reduced to 25 hours (compared with 60 hours under JSA 2009) and the timing of activities moved from the end of the fourth month of service to between the 26th and 30th week of service.
- **Skills Assessment** - Skills Assessments which had been conducted before the job seeker completed their fourth month in service under JSA 2009, were only required before the end of 30 weeks in service. This change aligns with the change in timing for Intensive Activities.
- **Job placement fees** – For JSA 2012 job placement fees were available from the time a job seeker registered for service. Under JSA 2009 these fees were not paid for job placements in the first 13 weeks of service. The amount of remuneration for job placement fees remained the same.
- **Service fees to providers** – Service fees were lower in JSA 2012 than JSA 2009. This was designed to reflect the reduced (and therefore less costly) Intensive Activity requirements. Under JSA 2012 the bulk of the first 12-month service fee was paid in the third quarter rather than the second, as was the case for JSA 2009, reflecting changes in the timing of the Intensive Activity requirement.

This Chapter investigates the effect these changes had on outcomes for Stream 1 job seekers, especially on new entrants in JSA 2012 and compares these with the servicing for the equivalent population in JSA 2009.

See Appendix B2 for details of the methodology used for this analysis.

4.2 Key findings

4.2.1 Changes in provider practices

Changes to policy and service fee schedules typically provoke changes in provider practices to reflect new environments. In this case, the consequence was that Intensive Activities and Skills Assessments for Stream 1 job seekers occurred later in the service delivery period than they had under 2009.

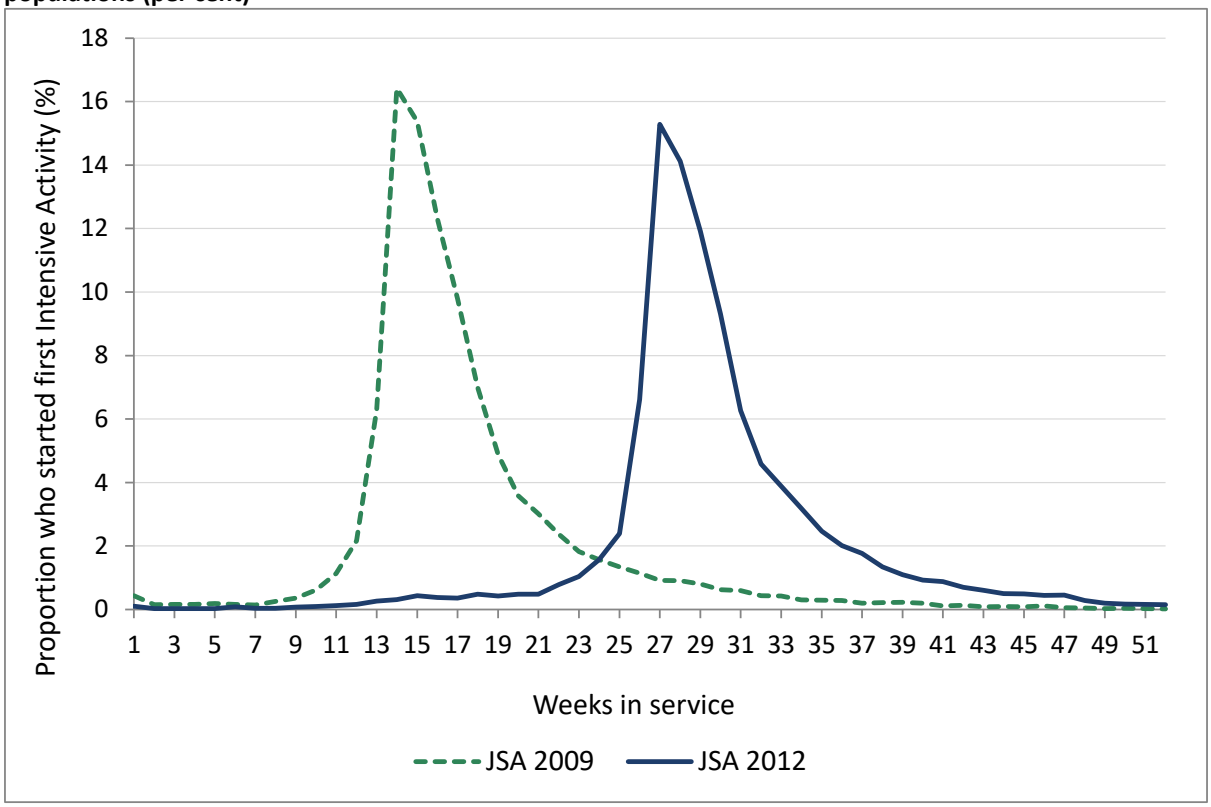
Intensive Activities

Both the timing and duration of Intensive Activities were designed as cost saving measures for the JSA 2012 model. Under both models around two-thirds of the first Intensive Activities undertaken were commenced by the applicable deadlines (66 per cent for JSA 2009 and 67 per cent for JSA 2012). Changes to timing and duration requirements for Stream 1 Intensive Activities, therefore, do not appear to have significantly affected the type of activities undertaken. Little difference was

found in the mix of Intensive Activity types between the Stream 1 study populations.[28] 'Training in Job Search Techniques' was the main Intensive Activity type for both groups, representing around half of all activities. 'Part-time/Casual Employment' accounted for around a quarter of activities and vocational training a further eighth of activities (Table A2.16).

Where job seekers undertook an Intensive Activity in the first 12 months of service, the timing was focused around the relevant dates under both models, with very similar distributions over time in service (Figure 4.1).

Figure 4.1: Number of weeks in service to start of Intensive Activity, 2009 and 2012 Stream 1 servicing study populations (per cent)



Notes:

1. Periods of Interest where job seekers did not undertake an Intensive Activity are excluded.
2. Weeks in service excludes periods during which the job seeker was suspended from service or took allowable breaks.
3. Refer Appendix A2, Table A2.17.

Source: Department of Employment administrative data.

While the deadline for undertaking Intensive Activities was extended in an attempt to reduce their associated costs, it appears that this objective was unlikely to have been achieved, with the proportions of the Stream 1 study populations who undertook Intensive Activities in their first 12 months in service quite similar under both models (23.5 per cent compared to 25.5 per cent in JSA 2009).

28 The Stream 1 study population is a sub-set of the new entrant study population. See Table B2.1 for further information on how this population is defined.

Table 4.1: Intensive Activities undertaken within 12 calendar months of commencing in service, 2009 and 2012 Stream 1 study populations (per cent)

Measure	JSA 2009	JSA 2012
Proportion of study population that remained in service until the relevant deadline for an Intensive Activity was reached [1,2]	49.5	35.3
Proportion of those still in service at the deadline [1] for Intensive Activity that undertook an Intensive Activity in the first 12 months after commencing service [3]	50.6	67.2
Proportion of the study population that undertook an Intensive Activity within 12 calendar months of commencing in service	25.5	23.5

Notes:

1. The deadline is calculated based on time in service (i.e. excludes suspensions whereas the 12 month period for analysis is measured in calendar (elapsed) time.
2. A small proportion of job seekers who exited service before the deadline had done an Intensive Activity.
3. Excludes a small proportion of the Stream 1 study population who were still in service at 12 calendar months that had not yet reached the deadline in terms of time in service (less than 1 per cent for JSA 2009 and 1.5 per cent for JSA 2012).

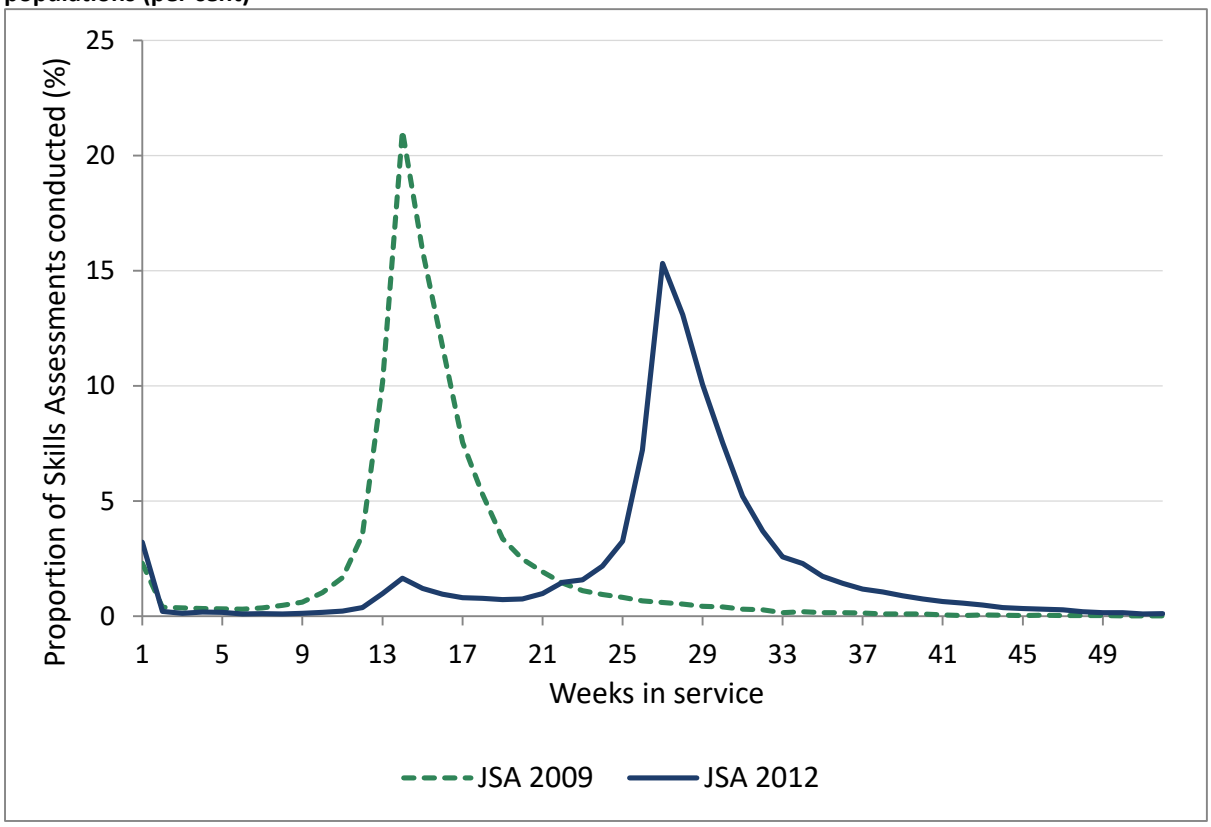
Source: Department of Employment administrative data.

Analysis of expenditure on all Intensive Activities and individual associated servicing would be required to establish whether the actual cost saving objective of this change was achieved. The available data does not enable such analysis.

Skills Assessments

Most Skills Assessments were conducted around the applicable deadline (a few happened early in service) in both models. For JSA 2012 there are three peaks: one early in service, one at week 13 (the old deadline) and the largest peak around the new deadline at week 30 (Figure 4.2).

Figure 4.2: Number of weeks in service to conduct of Skills Assessment, 2009 and 2012 Stream 1 study populations (per cent)



Notes:

1. Excludes those job seekers that did not have a Skills Assessment.
2. Weeks in service excludes days where job seeker was suspended from service or took allowable breaks.
3. Refer Appendix A2, Table A2.18.

Source*:* Department of Employment administrative data.

Around 10 per cent of Skills Assessments conducted for the 2012 Stream 1 study population were completed by week 17 (the deadline required under the JSA 2009 contract). This second peak, which occurs when providers resume job seeker servicing, indicates that providers may have conducted Skills Assessments on the basis that the information was beneficial in planning servicing, such as reverse marketing or wage subsidies. It is also possible that some providers did not amend their practices to reflect current requirements because they were unaware of changes.

At the point that Skills Assessments were required, 71.6 per cent of the 2012 Stream 1 study population that was in service had a Skills Assessment compared to 64.1 per cent for the 2009 group (Table 4.2).[29]

29 Additionally a small proportion of those who left before the deadline had a Skills Assessment conducted: 4 per cent of those who left under JSA 2009 and 3 per cent of those who left under JSA 2012.

Table 4.2: Skills Assessments conducted within 12 calendar months of commencing in service, 2009 and 2012 Stream 1 servicing study populations (per cent)

Measure	JSA 2009	JSA 2012
Proportion of job seekers that remained in service when a Skills Assessment was due [1,2]	49.5	35.3
Proportion of job seekers who were still in service at the deadline for a Skills Assessment that actually had it conducted in the first 12 months after commencing service [3]	64.1	71.6
Proportion of job seekers that had a Skills Assessment conducted within 12 months of commencing in service	33.6	26.5

Notes:

1. The deadline is calculated based on time in service (it therefore excludes periods where job seekers were on suspensions). The 12-month period for analysis is measured in elapsed time.
2. A Skills Assessment had been conducted for a small proportion of those who exited before the deadline was reached.
3. Excludes a small proportion of job seekers who were still in service at 12 calendar months that had not yet reached the deadline in terms of time in service (less than 1 per cent for JSA 2009 and 1.5 per cent for JSA 2012).

Source: Department of Employment administrative data.

Skills Assessment were conducted on fewer job seekers in the 2012 Stream 1 study population in the first 12 calendar months from commencement than the corresponding 2009 study population (26.5 per cent compared with 33.6 per cent), representing a drop of around 7 percentage points.

When the following reasonable assumptions are made, the cost-to-programme saving objective of this change appears to have been met:

- similar costs for Skills Assessments over the period
- that provider compliance with Skills Assessment timing is similar under both models
- fewer (7 percentage points) job seekers actually had Skills Assessments under JSA 2012
- provider compliance with this deadline is similar under both models.

Job seeker satisfaction with Stream 1 service delivery

Around 80 per cent of job seekers were not dissatisfied with the level of service under both models (Table 4.3). There were, however, small drops in satisfaction across most categories measured. This may in part reflect unrealistic job seeker expectations, not adequately dispelled by providers either at the initial face-to-face interviews or through the Employment Pathway Plan (EPP) process. It may also reflect a less concentrated attitude to servicing by providers under the later model.

Table 4.3: Proportion of 2009 and 2012 Stream 1 study populations not dissatisfied with provider assistance (per cent)

Types of assistance	JSA 2009	JSA 2012
Providing information about training and education options	80.3	77.0
Providing information about other support services	79.0	75.6
Providing help suited to their circumstances	77.1	73.9
Staff treating them as an individual	90.0	89.8
Staff treating them with respect	93.1	93.3
Overall quality of service	83.3	82.3

Note: Not dissatisfied includes those who reported they were 'very satisfied', 'satisfied' or 'neither satisfied nor dissatisfied'.

Source: Department of Employment Post Programme Monitoring survey, December 2010 and December 2013.

4.2.2 Outcomes achieved

It is not possible to attribute measured changes in outcomes to any particular aspect of the Stream 1 changes. The effects of Stream 1 changes also cannot be isolated from those of other JSA model changes that affected service delivery to all streams.[30] It should also be recognised that other stakeholders, such as state governments, education providers and employment services providers, may have made changes which may affect observed outcome rates.

Employment outcomes (unregressed)

Overall, employment outcomes for the Stream 1 study populations (as measured by Post Programme Monitoring (PPM) survey results) were 75.5 per cent under JSA 2009 compared with 68.7 per cent under JSA 2012 (Table A2.19). Table 4.4 provides employment outcome rates for the job seeker groups with the largest difference between the two contract periods.

Table 4.4: Differences in employment outcomes for various cohorts, 2009 and 2012 Stream 1 servicing study populations (per cent)

Job seeker cohort	2009	2012	Difference
Indigenous job seekers	79.4	59.6	-19.8
Single parents	83.1	66.9	-16.2
Males aged 50 years or older	72.9	58.8	-14.1
Youth (aged under 21 years) - males	70.8	57.5	-13.3
Youth (aged under 21 years) - females	71.5	58.9	-12.6

Notes:

1. All differences in employment outcome rates shown in this table are statistically significant at the 95 per cent confidence level, except the 19.8 percentage point difference found for Indigenous job seekers.
2. Refer Appendix A2, Table A2.19.

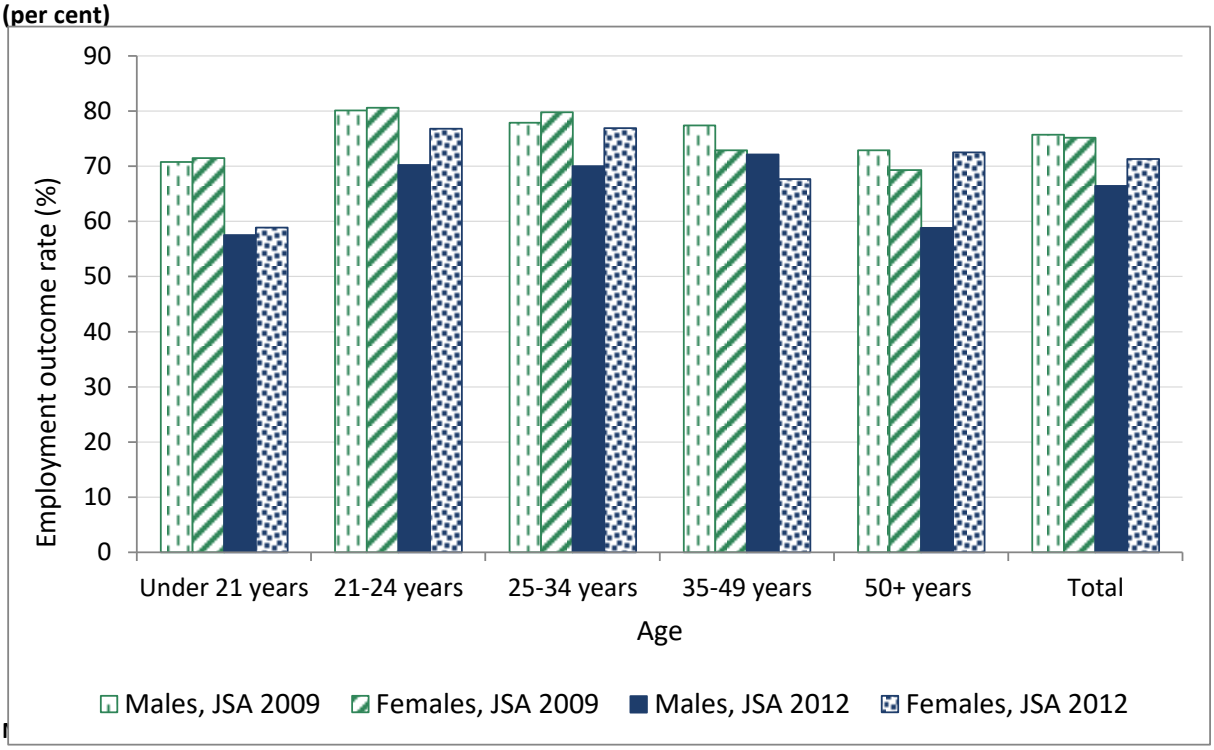
Source: Department of Employment Post Programme Monitoring survey.

Within the Stream 1 study populations, women aged 50 years or over showed relatively higher employment outcome rates under JSA 2012 (72.5 per cent compared with 69.3 per cent under JSA 2009). The gender gap in outcome rates widened for most age groups. This was most noticeable in the mature (50 years and older) age bracket where, in JSA 2009 the employment outcome rate for

30 These changes including the removal of Stream Services Reviews after 12 months in service and the change from a two-tiered to a single-tiered outcome payment model.

females was 3.6 percentage points lower than for males. Conversely, in JSA 2012 the outcome rate for females was 13.7 percentage points higher than males (Figure 4.3).

Figure 4.3: Employment outcomes by age and gender, 2009 and 2012 Stream 1 servicing study populations (per cent)



1. Differences in employment outcome rates that were statistically significant at the 95 per cent level are:
   a. males compared to females:
      i. aged 35 to 49 years for JSA 2009
      ii. those aged 50 years and over under JSA 2012 and in total for JSA 2012.
   b. JSA 2009 compared to JSA 2012:
      i. all male age groups and in total across all ages (except for males aged 35 to 49 years)
      ii. females aged under 21 years and in total across all ages, but not for other female age groups considered.
2. Refer Appendix A2, Table A2.19.

Source: Department of Employment Post Programme Monitoring survey.

These results largely reflect economic trends. Labour force participation rates for males declined and for females remained fairly stable over the analysis period, while there was a sustained increase in participation rates for those aged over 55. Sluggish economic conditions also often indicate increased availability of part-time and casual work which tends to be in female-dominated occupations. This, coupled with a higher proportion of female job seekers in the 2012 study population, goes some way to explaining the improvement in outcome rates for females compared with males.

Education outcomes (unregressed)

Education outcomes were slightly higher under JSA 2012 (at 21.8 percent compared with 21.1 per cent) (Table A2.19). In times of weak labour markets job seekers will turn to education as a way to

prepare for work or improve their competitiveness for when the economy labour market strengthens.[31]

4.2.3 Leaving service

Probability of exit (unregressed)

Service periods were shorter under JSA 2009 than under JSA 2012 for Stream 1 job seekers. The median time in service for JSA 2009 was 17 weeks compared to 20 weeks for JSA 2012 (Table 4.5).

Table 4.5: Time by which selected proportions of job seekers had left service, 2009 and 2012 Stream 1 servicing study populations (weeks)

Proportion that had exited	JSA 2009	JSA 2012
25	11	12
50 (median)	17	20
75	29	42

Note: Refer Appendix A2, Table A2.20.
Source: Department of Employment administrative data.

Figure 4.4 shows the probability that job seekers would exit in any given week (assuming they were in service at the start of the week). After week seven, job seekers in JSA 2009 were more likely to exit in any given week than those under JSA 2012. Prior to week seven the results are mixed.

Previous studies have shown that referring job seekers to a programme or activity often results in a compliance or threat effect whereby job seekers either increase their job search efforts or report pre-existing employment in order to avoid the programme or activity.[32]

By week 13 similar proportions of the Stream 1 servicing study populations had left service for both models (33 per cent for JSA 2009 and 30 per cent for JSA 2012). By week 17 (the JSA 2009 Intensive Activity deadline), a further 18 per cent had left JSA 2009 compared with 13 per cent who had left JSA 2012.

The sharp rise in the conditional probability of exit for JSA 2009 around week 13 likely represents the programme effect as Stream 1 job seekers move from DHS to JSA servicing. The fact that the increased level of conditional probability of exit remains through to week 17 in JSA 2009 indicates a referral effect of the impending Intensive Activity.

By contrast the less dramatic rise at week 13 for JSA 2012 is indicative of the JSA programme effect alone. Two possible explanations for the lack of a discernible compliance effect for Intensive Activity requirements for JSA 2012 are:

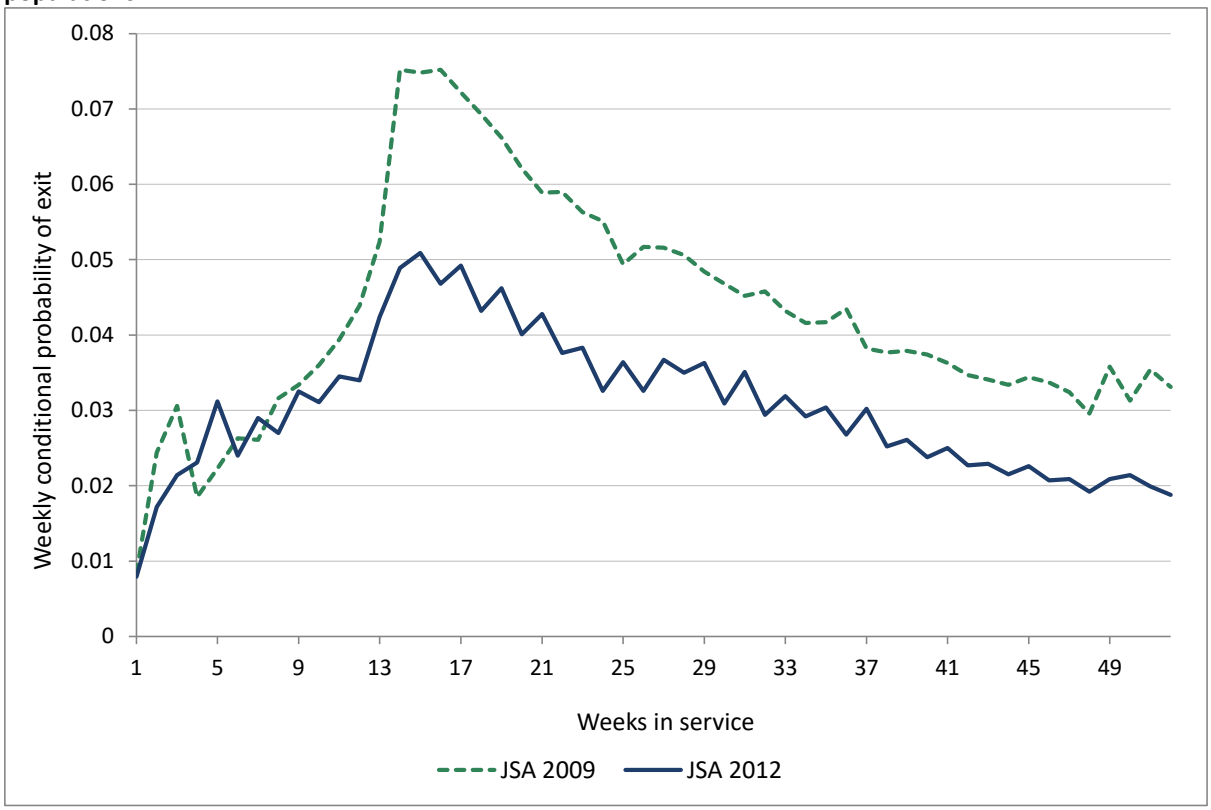
- firstly, by week 30 (the timing of Intensive Activity for JSA 2012) those job seekers who have employment, or can easily gain it, have already left

31 New Zealand Ministry of Education, 2009. *Ebbs and flows: participation in post-compulsory education over the economic cycle*.

32 DEWR, 2002. *Job Network Evaluation Stage Three: Effectiveness Report,* and DEWR, 2003. *Intensive Activity and Job Search Training – A Net Impact Study.*

- secondly, the reduction in the Intensity of Activity requirements from 60 to 25 hours for job seekers in JSA 2012 would result in a greatly reduced compliance effect.

Figure 4.4: Conditional probability of leaving service in a given week, 2009 and 2012 Stream 1 servicing study populations



Note: Refer Appendix A2, Table A2.21.
Source: Department of Employment administrative data.

In conclusion, a peak in exits occurs at the changeover point from DHS to JSA provider servicing in week 13 for both models. Compliance effects are only evident for Intensive Activities in the JSA 2009 model.

The difference between the conditional probabilities of exit for the models after week 17 (the area between the lines) shows a fairly consistent differential of programme effects.

Time in service (regressed)

The median time to exit for an average (reference type[33]) job seeker in JSA 2009 was 109 days compared to 130 days in JSA 2012 (Table 4.6 and Table A2.22). The difference between these two median times is similar to that found using the unregressed time in service data.

33 The reference job seeker is: being serviced under JSA 2009; male; aged 25 to 34 years of age; lives in a major city; not Indigenous; without disability; born in a country of very low/low disadvantage; highest level of education is TAFE/Diploma; has useful vocational qualifications; has access to private transport; contactable by telephone; not a single parent; previous work experience was full-time or part-time work (for 8 to 30 hours); less than 12 months on income support in the previous ten years; no personal impact issues identified. These categories were selected as when considered individually they are the most common characteristics that job seekers in both Stream 1 study populations possessed.

Table 4.6: Time in service for the reference type job seeker, 2009 and 2012 Stream 1 servicing study populations

Key statistics	JSA 2009	JSA 2012
Median exit time (days)	109	130
Proportion of job seekers who had left by 180 days	0.74	0.64
Proportion of job seekers who had left by 365 days	0.92	0.84

Source: Department of Employment administrative data.

Demographic groups that were in service longer overall than the reference type job seeker and for which the gap in median service times widened further in JSA 2012 include:

- single parents
- job seekers with disability
- job seekers born in a country with high levels of disadvantage.

4.2.4 Leaving income support

Off income support (unregressed)

When the income support status of the two Stream 1 servicing study populations is compared, at commencement in service and 12 calendar months after commencing in service:

- at commencement, a greater proportion of JSA 2012 Stream 1 servicing study population was on income support, than in the equivalent JSA 2009 population (82 per cent compared with 73 per cent)
- for job seekers on income support at commencement:
    - JSA 2009 - 71 per cent were off income support after 12 months (these comprised 51.7 per cent of the JSA 2009 Stream 1 servicing study population)
    - JSA 2012 - 61 per cent were off income support after 12 months (these comprised 50.4 per cent of the JSA 2012 Stream 1 servicing study population)
- for job seekers not on income support at commencement
    - JSA 2009 - 12 per cent were on income support after 12 months (these comprised 3.4 per cent of the JSA 2009 Stream 1 servicing study population)
    - JSA 2012 - 20 per cent were on income support after 12 months (these comprised 3.7 per cent of the JSA 2012 Stream 1 servicing study population).

Survival analysis of the length of time job seekers were on income support after commencing in JSA service shows that the median exit time was shorter under JSA 2009 (at 15 weeks) compared to JSA 2012 (18 weeks).[34] This supports findings from the time in service analysis.

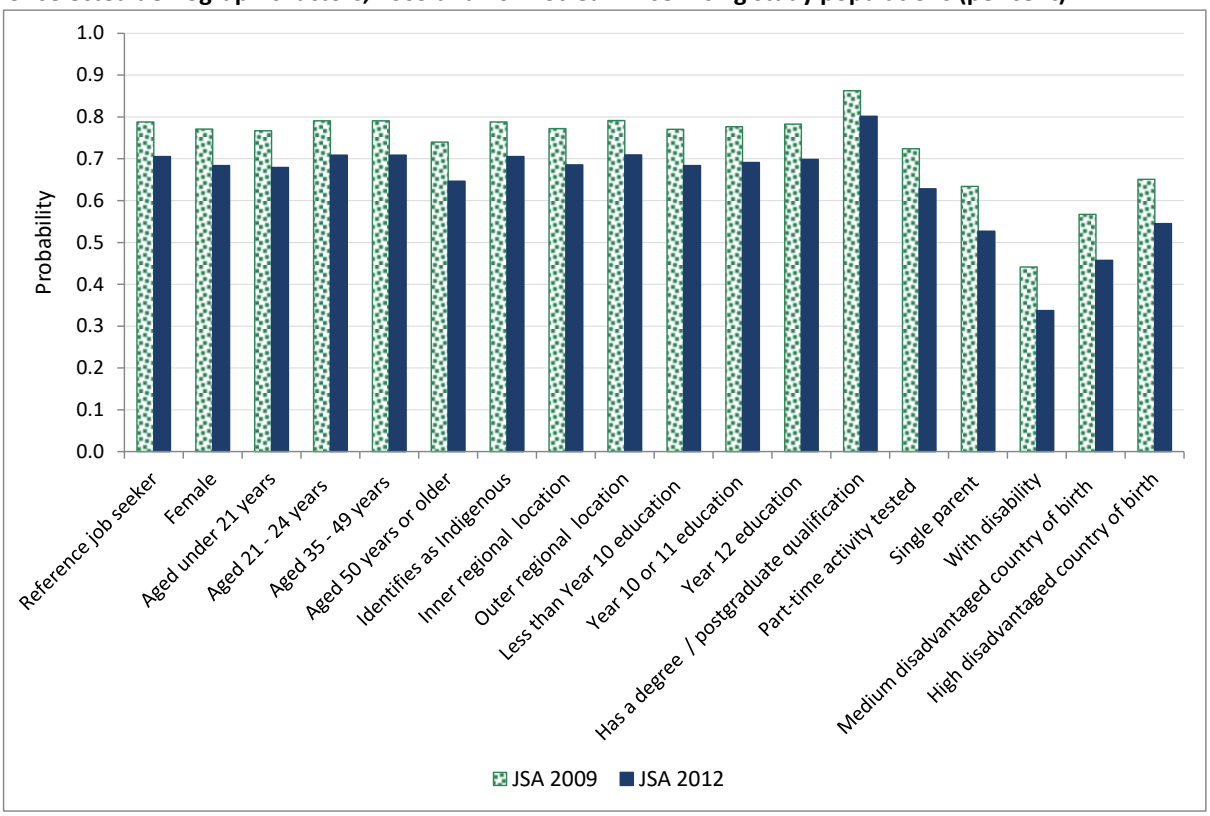
Probability of leaving income support (regressed)

In JSA 2009, the estimated probability of a reference type job seeker being off income support 12 months after commencing is 0.79, while under JSA 2012 it is 0.71. Put another way, the JSA 2012

34 See Appendix B2.3 for further information of survival analysis.

job seekers were 10.5 per cent less likely to be off income support 12 months after commencing than the JSA 2009 job seekers (Figure 4.5 and Table A2.23).

Figure 4.5: Probability that job seekers would be off income support 12 months after commencing in service, for selected demographic factors, 2009 and 2012 Stream 1 servicing study populations (per cent)



Note: Refer Appendix A2, Table A2.23.
Source: Department of Employment administrative data and Research and Evaluation datatset (RED).

The types of job seekers most affected by the combined effect of all changes in terms of this outcome measure (as they had a lower probability of achieving this outcome in JSA 2012) were:

job seekers with disability	23.7 per cent less likely to be off income support
single parents	16.9 per cent less likely to be off income support
job seekers from a country with medium disadvantage	19.4 per cent less likely to be off income support
job seekers from a country with high disadvantage	16.3 per cent less likely to be off income support
job seekers aged over 50 years	12.6 per cent less likely to be off income support

4.2.5 Cost effectiveness

Cost-effectiveness analysis compares the relative costs and outcomes (including direct and indirect longer-term outcomes) for different options reflecting the interests of all stakeholders affected by the programme.[35]

35 Better Evaluation, 2014, Cost Effectiveness Evaluation.

Cost to programme

Taking account of service and placement fees paid to providers and Employment Pathway Fund (EPF) expenditure, the average cost of servicing a reference job seeker in the first year since commencement in JSA 2009 was $435 compared with $325 in JSA 2012.[36] This gives a cost effectiveness ratio (CER) of 0.7[37], indicating that JSA 2012 was more cost-effective than JSA 2009.

The CERs for each of the demographic groups shown in Table A2.24 are fairly similar, with ratios ranging from 0.5 to 0.8. This cost to programme result is unsurprising as Stream 1 service fees were drastically reduced between the two models (from a possible maximum of $781 to $581).

Under both models, outcome payments were not paid in the first 12 months in service, therefore service fees contribute the bulk of costs in this timeframe. The only change under JSA 2012 that may have potentially increased costs was the introduction of job placement fees in the first 13 weeks of service.[38]

Overall cost effectiveness

There are limitations to this simple cost-effectiveness measure as it does not take account of medium to longer-term outcomes or costs to government apart from direct programme costs. It also does not include costs to job seekers, their families or the wider community. A robust measure should consider all these costs.

One significant cost to government that can be estimated and included in a more refined cost effectiveness measure is the effect on income support payments. Around 72.5 per cent of the JSA 2012 study population were full-time activity tested and on income support when they commenced in service.[39] A full-time activity tested reference type job seeker on income support under JSA 2012 is estimated to have been receiving an average daily basic entitlement of $30.74. [40] [41]

For the reference type job seeker (used throughout this chapter)[42] the median time in service was 109 days for JSA 2009 and 130 days for JSA 2012 (Table A2.22). Twenty-one extra days of income support payments equals $645 per full-time activity tested job seeker[43]. This cost added to the 'Average costs per job seeker in 12 months since commencement' for JSA 2012 gives an average net cost of $919, which is a CER of 2.1, indicating that JSA 2012 was less cost-effective than JSA 2009 for reference type job seekers.

Table A2.24 shows CERs for a variety of job seeker types. While there are a multitude of other job seeker types that could be examined in this way the cross-section shown in Table A2.24 clearly

36 Elapsed time not time in service was used for this calculation.

37 See Appendix B2.

38 Job placement fees were only payable where the JSA provider placed the job seeker in a job, not where job seekers found their own employment.

39 This figure is higher than for the JSA 2009 study population, where only 64.6 per cent of job seekers were on income support and full time activity tested at commencement.

40 The estimated probability a reference job seeker was full-time activity tested at commencement in JSA 2012 is 0.919.

41 This rate is estimated using the daily entitlements at commencement in service for the JSA 2012 study population.

42 In this case the reference job seeker is male, aged 25-34 years, lives in a major city, with TAFE education, is not Indigenous and is without disability.

43 This is based on Newstart Allowance full rate.

demonstrates that for most types of Stream 1 job seeker JSA 2012 was less cost-effective than JSA 2009.

4.3 Conclusion

The key differences between JSA 2012 and JSA 2009 new entrant Stream 1 job seekers are that JSA 2012 Stream 1 job seekers:

- remained in service longer with a median time to exit 21 days longer than for JSA 2009
- were less likely to be off income support after 12 months in service (by 10.5 per cent).

There is no indication of a compliance effect under the JSA 2012 Intensive Activity regime. This is in contrast to the noticeable effect in JSA 2009, indicated by job seekers leaving in increasing numbers prior to the 17-week deadline.

There were lower outcome rates overall for job seekers in JSA 2012, however they were worse for Stream 1 job seekers (Figure 3.5). This indicates that the combined effect of all changes made to the service delivery for Stream 1 job seekers contributed to lower short to medium-term outcome rates.

It is not possible to accurately quantify the contribution that Stream 1 service delivery changes alone made to the decline in outcome rates, however changes to the Intensive Activity regime certainly negated the noticeable compliance effect in JSA 2009.

While Stream 1 service costs were lower in the first 12 months of service in JSA 2012 compared with JSA 2009, the overall effect of all service delivery model changes led to a longer median time in service.

Because of the longer service periods, when the cost to government model is used, the JSA 2012 model is not as cost-effective as the JSA 2009 model for most types of new entrant Stream 1 job seekers. The Department of Finance does not currently assess whole of government impacts of new policy proposals. Programme delivery costs are funded in isolation. This analysis shows that cost shifting between government programmes can be significant.

5 Cessation of the Stream Services Review

5.1 Introduction

Under JSA 2009, transition to the Work Experience Phase (WEPh) occurred around 12 months in a particular service Stream (1, 2 or 3), subject to a Stream Services Review (SSR) recommendation. Movement to a new stream for any reason allowed a further 12 months in the new stream before the WEPh began. Movement to the WEPh was compulsory after a maximum of 78 weeks service (combined) for job seekers who moved from Stream 2 to 3.

A Job Seeker Classification Instrument (JSCI) based (SSR) was triggered when a job seeker in Stream 1, 2 or 3 approached 12 months in service. The SSRs were conducted by the Department of Human Services (DHS) using the JSCI, or by a JSA provider if the job seeker did not have a Centrelink Customer Reference Number (CRN). If the SSR assessment indicated a Stream 1 or 2 job seeker required a higher level of stream services they were immediately upstreamed. A move to Stream 4 only occurred following a Job Capacity Assessment/Employment Services Assessment (JCA/ESAt) referral and assessment. Prior to February 2011, these JCA/ESAts were conducted by JCA providers. Following the 2011 JCA/ESAt process changes[44] they were conducted by DHS assessors. SSRs for Stream 4 job seekers were also conducted by these assessors using a JCA/ESAt. Stream 4 job seekers could be provided a further six months of service before moving to the WEPh, if the JCA/ESAt indicated the need.

Under the JSA 2012 model, without the formal SSR process, discretion on when to transition job seekers to the WEPh (52 weeks for most and between 52 and 78 weeks for Stream 4) lay with the provider.

The main business reasons for removing SSR assessments from 1 July 2012 were to:

- reduce red tape (and hence costs) for JSA providers and DHS
- reduce potential periods of disengagement of job seekers while waiting for a SSR
- avoid delays in service fees payments to providers (fees were delayed until completion of the SSR). [45]

This study assesses if the removal of SSRs affected streaming or assessment outcomes for job seekers. Appendix B3 details the methodology used for this analysis.

This study cannot isolate the effect of this from other changes to assessment procedures and so in some ways is measuring the overall effect of:

- the possible reticence of providers to be conducting excess assessments as a result of the Butterworth review[46]
- changes to assessment processes following the JCA review [47]
- the removal of SSRs from the JSA 2012 model.

44 See Table 1.2 for further detail on these reforms.

45 DEEWR, August 2012. *Removal of Stream Services Reviews, Project Closure Report*, (unpublished).

46 Butterworth, R, April 2012. *Provider brokered outcomes audit: First stage report*, Canberra.

47 Department of Finance, 2011. *Strategic Review of Job Capacity Assessment*, Canberra.

5.2 Key findings

5.2.1 Assessments conducted

There were proportionally fewer assessments per job seeker after commencement in service under JSA 2012 than JSA 2009. This is likely due to both the removal of SSRs and changes to JCA/ESAt processes (both the February 2011 programme changes and a DHS business policy change relating to medical evidence requirements for ESAt referrals that was implemented in this period). There did not appear to be any commensurate increase in Change of Circumstance assessments following the removal of SSRs and changes to ESAt referral process. This may indicate that many previous assessments were unnecessary.

Under both models, a significant proportion of job seekers were not upstreamed during their periods of service. However, there is an observable difference between the two SSR study populations. In JSA 2012, job seekers still in service after 365 days were less likely to be upstreamed within 18 months from registration (or by the time they exited if they exited prior to 18 months), than equivalent job seekers in JSA 2009 (Table 5.1).

Table 5.1: Proportion of jobs seekers upstreamed, for those in service at least 365 days (per cent)

Commencement Stream	Same Stream JSA 2009	Upstreamed JSA 2009	Same Stream JSA 2012	Upstreamed JSA 2012
Stream 1	43.7	56.3	64.4	35.6
Stream 2	68.9	31.1	83.4	16.6
Stream 3	87.9	12.1	94.8	5.2
Total	54.5	45.5	71.9	28.1

Note: This table only considers job seekers who remained in JSA for at least 365 days.
Source: Department of Employment administrative data.

5.2.2 SSR outcomes

The median number of days elapsed before conducting an SSR is shown in Table 5.2.

Table 5.2: Median number of days from registration to the conduct of a Stream Services Review (days).

Commencement Stream	Median Days
Stream 1	406
Stream 2	413
Stream 3	406
Stream 4	434

Notes:
1. Elapsed days.
2. Refer to Appendix A2, Table A2.25.

Source: Department of Employment administrative data.

The longer median time for Stream 4 job seekers is likely related to the difficulty in arranging SSRs for Stream 4 job seekers (as they required ESAts).

Almost three-quarters (72 per cent) of SSRs finalised within 18 months of registration for job seekers in the SSR study population recommended that the job seeker transition to the WEPh. For Stream 4 job seekers in the SSR study period, around 6 per cent recommended that the job seeker would be

better serviced in Disability Employment Services (DES) and a further 46 per cent recommended continued servicing before moving to the WEPh.

SSRs also provided an opportunity for job seekers with dated partial capacity to work ESAt assessments to be reassessed. A SSR recommendation to increase work capacity led to an increase in participation requirements and engagement with employment services. The extent to which this occurred and the possible unintended consequence are not explored in this study.

5.2.3 Timing of recommendations to changes in service

Part of the reasoning behind SSRs was to ensure the appropriate level of servicing. As such, the length of time (in service) between commencement in service and the first assessment (which recommended higher service levels) will give an indication of how necessary SSRs were.

Some of these assessments would be based on change in circumstances. However, assuming similar change in circumstance patterns, a difference in timing between the two models would indicate a more responsive assessment process. The following assumptions are also implicit:

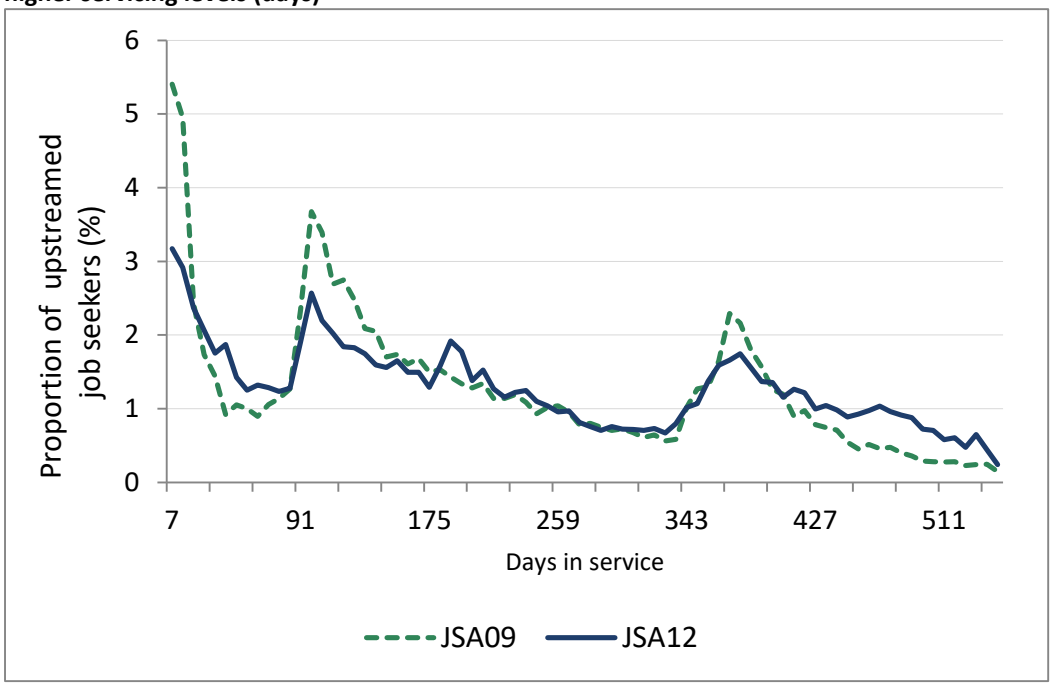
- all job seekers were reassessed in a timely manner after reporting a change in circumstances
- assessments were accurate reflections of need.

The median time in service[48] to the first assessment that recommended a change in service level was longer for job seekers who commenced in Stream 1 and 3 under JSA 2012 than for JSA 2009, and the opposite was true for those who commenced in Stream 2. Under both models around 75 per cent of job seekers who underwent these assessments did so before 365 days in service (Table A2.26). This means that for the vast majority of job seekers who required upstreaming, it happened before their SSR was due. This indicates that the removal of automatic SSRs is unlikely to have significantly affected the servicing of job seekers who required more intensive servicing.

For job seekers in JSA 2012 who commenced JSA service in Stream 1, distinct review points at three, six and 12 months in service are found (Figure 5.1).

48 50th percentile.

Figure 5.1: Time in service from commencement in Stream 1 to the first assessment that recommended higher servicing levels (days)



Note: Refer Appendix A2, Table A2.27.
Source: Department of Employment administrative data.

That there is a peak in assessments at around the 365 day mark for both models indicates that despite the removal of SSRs, assessments were being conducted in both models prior to transition to the WEPh.

When asked, providers had some divergent views on the removal of SSRs. There was not, however, an overwhelming sentiment that their removal was problematic. There was some anecdotal evidence[49] that Stream 1 job seekers were detrimentally affected by the removal of SSRs. The review pattern shown in the above figure suggests that in response, providers may have adapted their processes.

5.2.4 Time to transition to the Work Experience Phase

As there was less upstreaming in the JSA 2012 SSR study population, job seekers would have reached the requirement to enter the WEPh sooner from commencement in service. The expectation would therefore be that median days in service to transition to the WEPh would be lower than in JSA 2009.

Table 5.3 shows that job seekers transitioned to the WEPh after fewer days in service under JSA 2012 than JSA 2009 (the median time being 626 days under JSA 2009 compared with 379 days for JSA 2012). Job seekers who commenced in Streams 1, 2 or 3 had median times of 375 days in service compared with 472 days for Stream 4 job seekers. By contrast, job seekers in JSA 2009 had much longer median service periods (544 and 459 days for those who commenced in Stream 2 and 3 respectively).[50]

49 Department of Employment, 2015. Survey of Employment Services Providers.

50 It was not possible to determine the median measure for those commencing in either Stream 1 or Stream 4 as the median time was longer than the analysis period. This means they were greater than the JSA 2012 figures.

Table 5.3: Median time in service following registration to transition to the Work Experience Phase (days)

Stream at commencement in service	JSA 2009	JSA 2012
Stream 1	***	376
Stream 2	544	374
Stream 3	459	374
Streams 1 to 3 combined	611	375
Stream 4	***	472
Total	626	379

*** The median exceeded the analysis period length.
Note: Refer Appendix A2, Table A2.28.
Source: Department of Employment administrative data.

As Stream 4 job seekers who commenced in service in JSA 2012 moved to the WEPh more quickly than Stream 4 job seekers in JSA 2009, it suggests that providers are well placed, by working with their clients over 12 months or more, to know when they are ready to transition to the WEPh.

Anecdotal evidence[51] also suggests that SSRs were detrimental to some Stream 4 job seekers because they became disengaged from service waiting for a JCA to be conducted.

The JSA 2009-2012 evaluation found that the WEPh was an effective component of the programme with a strong compliance effect, particularly for job seekers in Streams 1 to 3.[52] For Stream 4 job seekers there was little evidence of such a compliance effect, possibly reflecting the inability of these highly disadvantaged job seekers to move off income support regardless of the 'threat' of a work experience activity. It is possible that, as a result of the SSR changes, job seekers were moved to the WEPh before they were ready. While this is a possible unintended consequence there is no compelling evidence.

5.3 Conclusion

A primary purpose of SSRs was to determine if job seekers were ready to transition to the WEPh. That three-quarters of SSRs conducted for Stream 1 to 3 job seekers recommended transition to the WEPh suggests that such a universal approach to determining job seeker readiness for the WEPh was unnecessary. The risk of job seekers not ready to transition to the WEPh being 'missed' without the 'safety net' of the SSR was probably low. Around 75 per cent of those who had an assessment that recommended a change to a higher stream or DES did so before 12 months in service. A more targeted, individualised assessment of job seeker suitability for the WEPh, aligned with the individualised tailored servicing philosophy of the JSA model, would appear to be more appropriate.

How efficiently job seekers needing to be upstreamed or move to DES were identified.

Under both models the median time from commencement to the first assessment that determined whether a job seeker needed a higher level of service, was around six months, well before the deadline set for SSRs in JSA 2009.

51 2015 Service Provider survey.

52 Department of Employment, Skills, Small and Family Business, 2019, *The Evaluation of Job Services Australia, 2009 – 2012, Canberra*.

There was evidence of assessment activity recommending higher levels of service around the three, six and 12 months in service for JSA 2012 Stream 1 job seekers. This suggests that these assessment times all occurred before the SSR would have been required. A similar peak in assessment activity was seen for Stream 2 job seekers after three months in service.

How efficiently job seekers were transitioned to the WEPh.

Job seekers in JSA 2012 transitioned to the WEPh more quickly than job seekers under JSA 2009. There is also less upstreaming in the JSA 2012 job seeker SSR study population, so it would be expected that JSA 2012 job seekers would, on average, move to the WEPh sooner, given they would reach the 12 months in service stream point sooner. The removal of SSRs was likely to be another contributing factor, as delays in having SSRs conducted were not uncommon.

The median time to transition to the WEPh by Stream 4 job seekers was shorter under the JSA 2012 model. A longer median time would have been expected had providers taken the easy option and let all job seekers wait until the 78-week deadline to transition. This suggests that providers, through working closely with the Stream 4 job seekers on their caseload, were more efficiently moving job seekers to the WEPh than was the case when SSRs were a requirement.

Given that analysis of the WEPh reported in the JSA 2009-2012 evaluation indicated that the WEPh was effective at moving job seekers into employment this is likely to be a positive outcome for many job seekers. There are also cost savings as a result of fewer assessments and less upstreaming (resulting in lower service fees and outcome payments).

6 The Compulsory Activity Phase

6.1 Introduction

The JSA 2012 contract introduced a Compulsory Activity Phase (CAP) which involved increased obligations, including participation in Work Experience Activities for 11 months out of every 12, for eligible job seekers who had been in the Work Experience Phase (WEPh) for 12 months or more. More detail on the changes and objectives of them is in section 1.1.2 (Table 1.1). Further details of the methodology used for this analysis is in Appendix B4.

That a CAP was not part of the JSA 2009 contract provides a comparison opportunity with which to assess the impact of the CAP. This analysis uses that counterfactual to explore the extent and nature of effects evident in the CAP programme.

Table 6.1 compares the job seeker requirements between the JSA 2009 and 2012 contracts for job seekers who had a Work Experience Activity Requirement (WEAR) in the WEPh.

Table 6.1: Comparison of job seeker requirements between JSA 2009 and JSA 2012

JSA 2009	JSA 2012
Job seekers who had completed approximately 12 months of services in Stream 1 to 4 generally commenced in WEPh following a Stream Services Review (SSR). The SSR might suggest that Stream 1 to 3 job seekers should receive services under a higher stream or Stream 4 job seekers would benefit from further Stream 4 assistance. Job seekers in Stream 4 who completed 18 months automatically moved to the WEPh.	Job seekers in Stream 1 to 3 generally commenced WEPh after 12 months of Stream Services. Job seekers in Stream 4 generally commenced the WEPh after 12 or 18 months of Stream Services. Following attendance at their first Work Experience contact with their providers, a job seeker was considered to have 'commenced' in the WEPh. After 12 months in the WEPh a job seeker entered the Compulsory Activity Phase (CAP) after having their first CAP contact with the provider.
Job seekers with a Work Experience Activity Requirement (WEAR) were required to participate in a Work Experience Activity/Activities over a 26-week period for every 12 months they were in the WEPh.	Job seekers with a WEAR were required to participate in a Work Experience Activity/Activities over a 26-week period when they were in the WEPh. Job seekers who entered the CAP, with a WEAR were required to undertake activities for 11 months a year. Job seekers remained in the CAP until they exited JSA or were placed in a higher stream (except for job seekers in Stream 4). A job seeker's requirement to participate for 11 months continued in the subsequent years of the CAP.
Job seekers and providers identified the activities to be undertaken during the WEPh or CAP and included them in the Employment Pathway Plan (EPP).	Job seekers and providers identified the activities to be undertaken during the WEPh or CAP and included them in the Employment Pathway Plan (EPP).
The hours a job seeker was required to spend in Work Experience Activity/Activities depended on whether they were subject to part or full-time participation requirements and the type of activity/activities being undertaken.	Apart from the job seeker participation requirements and type of activity/activities being undertaken, the hours a job seeker was required to spend in Work Experience Activity/Activities also depended on whether they were in the WEPh or the CAP.

6.2 Key Findings

6.2.1 Compulsory Activity Phase and the threat effect

The following analysis pertains to job seekers in the treatment group and identifies weekly, the proportion who entered the CAP, given they were not yet in the CAP at the beginning of the week (weekly rate). These weekly rates of starting CAP are compared with the weekly rates of:

- exiting income support
- claiming exemptions from service
- exiting JSA.

Observed spikes for any of these measures coinciding with (or slightly prior to) starting the CAP suggests the existence of a threat effect.

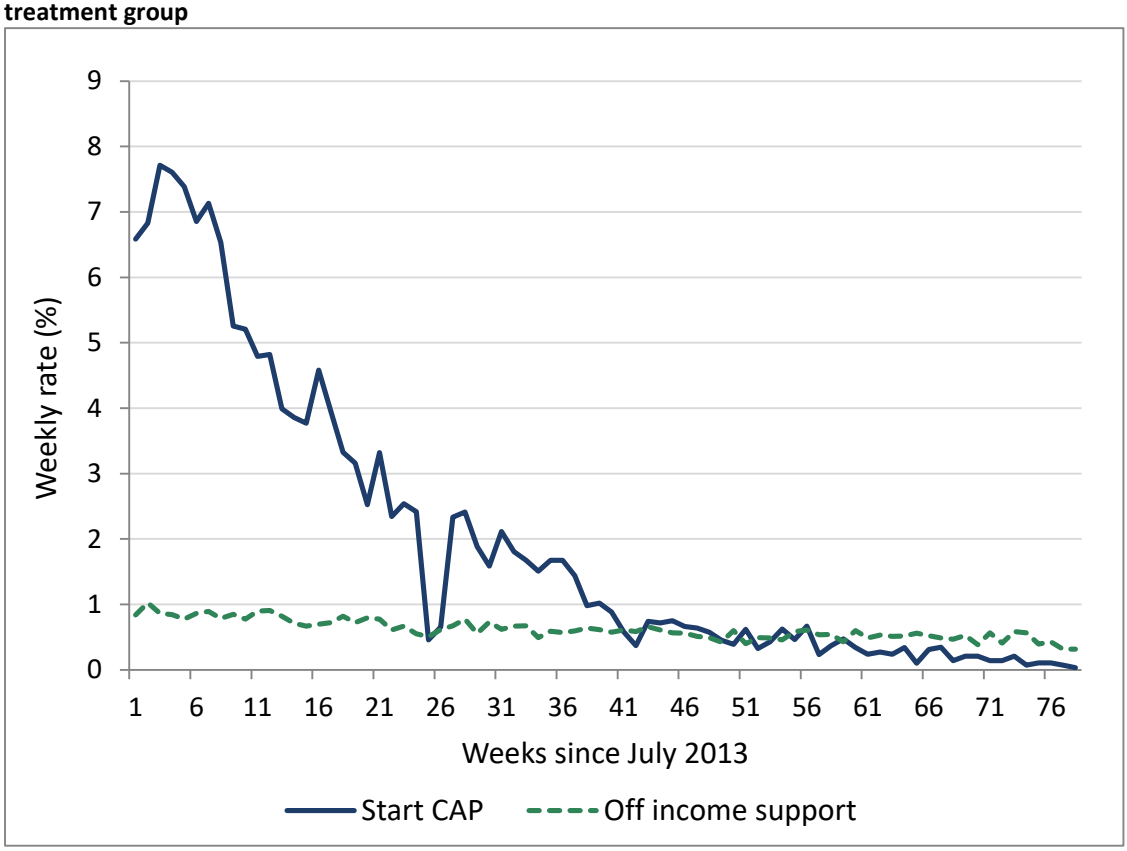
Exiting income support

This section examines whether job seekers left income support as a result of either declaring previous work or increased job search effort and resulting employment, just prior to entering the CAP Phase.

For the first six to eight weeks, CAP weekly start rates are at their highest. Job seekers in the treatment group were selected because they had been in the WEPh for 300 days and the CAP was due to begin when they had been in the WEPh for 365 days. The less steep decline in the CAP starting rates from eight weeks on is a result of providers commencing likely candidates with greater opportunities of being placed in activities as quickly as possible. More difficult to place job seekers, or those with possible exemptions pending, account for the delayed starts and thus, a drop-off in commencements. The dip at 26 weeks is around the Christmas break when most activity drops off.

Figure 6.1 shows no evidence to suggest a threat effect from the increase in compulsory activity imposed by the CAP. In the first ten weeks, the weekly rates of starting the CAP are between 6 and 8 per cent while rates of exiting income support are quite flat, remaining at less than 1 per cent each week.

Figure 6.1: Weekly rates of starting the Compulsory Activity Phase (CAP) and exiting income support for the treatment group

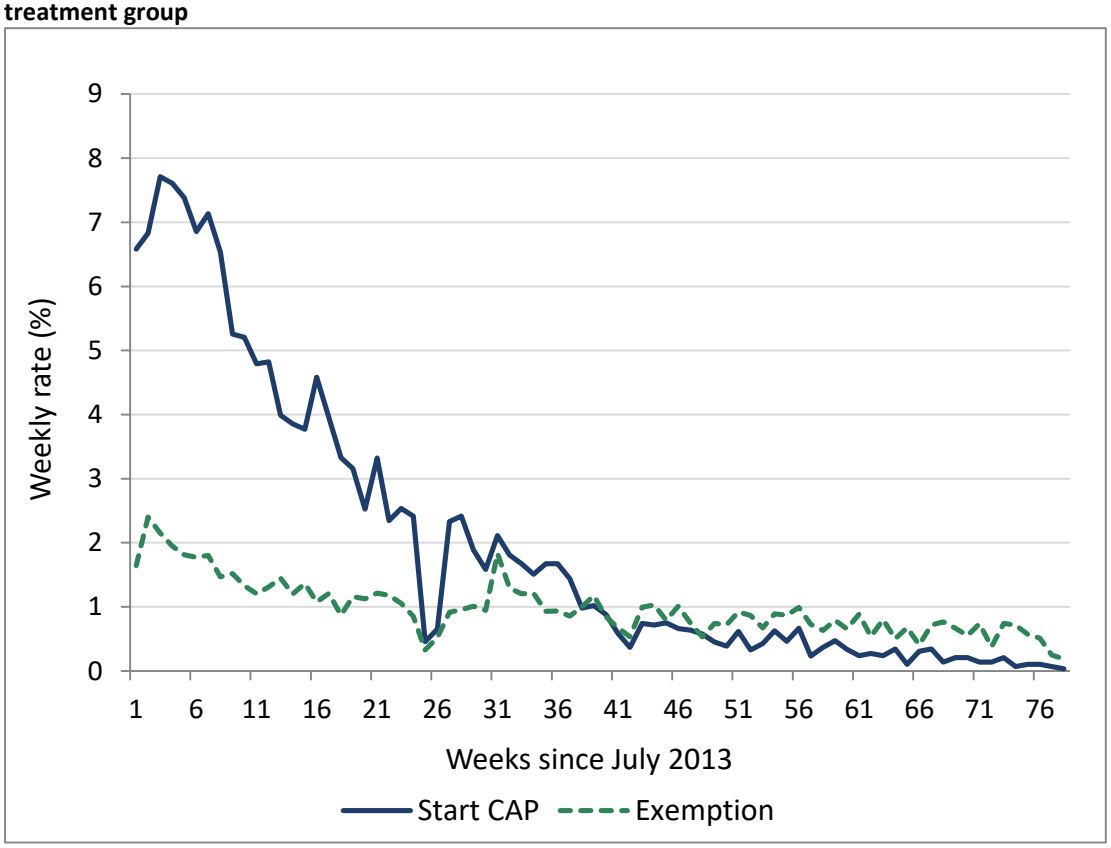


Note: Refer Appendix A2, Table A2.29.
Source: Department of Employment administrative data and Research and Evaluation datatset (RED).

Exemption from service

Overall, 53.7 per cent of job seekers in the treatment group had a first exemption in the 18-month study period. About 66 per cent of these exemptions were due to health or personal circumstances. A further 28 per cent of exemptions were study or work related. Table A2.30 provides a list of exemptions from service. There is a spike in the rate of exemptions just prior to the spike in the rate of CAP commencements at the beginning of the follow-up period. A further two spikes occur around week 31. This is suggestive of a threat effect; however, the patterns are not consistent enough to be conclusive (Figure 6.2). CAP was applied to very long-term unemployed (VLTU) job seekers, who are also the least likely to have capacity to leave income support or services of their own accord. It is likely then that they opt for an exemption from activities rather than leaving.

Figure 6.2: Weekly rates of starting the Compulsory Activity Phase (CAP) and starting exemption for the treatment group

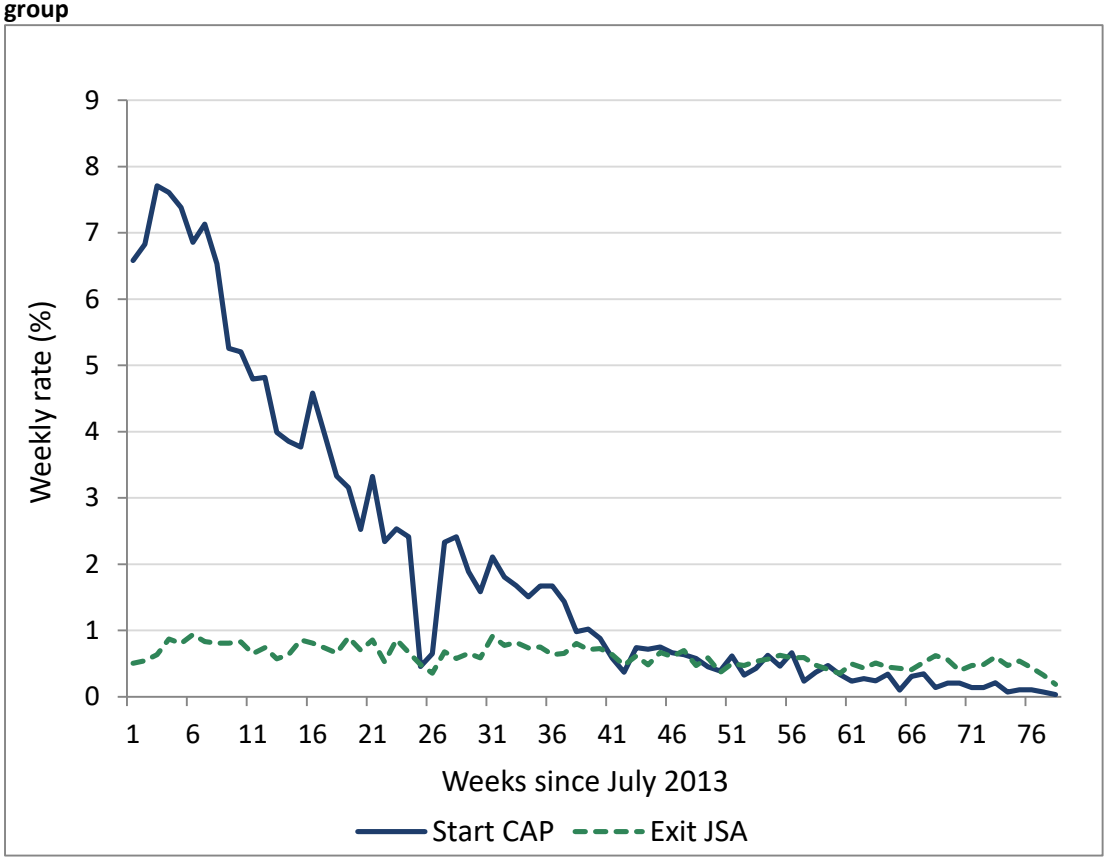


Note: Refer Appendix A2, Table A2.31.
Source: Department of Employment administrative data.

Exiting Job Services Australia

A consistent pattern of exits from JSA corresponding to, or slightly preceding entry to CAP, and prompting exits from service, would be evidence of a threat effect. No such pattern is evident, indicating no evidence of a threat effect (Figure 6.3).

Figure 6.3: Weekly rates of starting the Compulsory Activity Phase (CAP) and exiting JSA for the treatment group



Note: Refer Appendix A2, Table A2.32.
Source: Department of Employment administrative data.

Discussion

The above analyses relies heavily on the assumption that the timing of exiting income support, claiming exemption or exiting JSA is in anticipation of upcoming increased obligations, that is, that the CAP exerted a 'threat effect'. It also assumes that job seekers were in a position to respond to the threat of upcoming obligations by leaving income support and/or finding work. Given the income support status and length of unemployment of the treatment group, this assumption may not hold. Job seekers might not be able to exit income support and therefore exit provider services (as provider services are compulsory for income support recipients). This could be why any threat or avoidance which appears to exist pertains to exemptions (though this is not unequivocal in the data).

6.2.2 What is the overall impact of the Compulsory Activity Phase over 18 months

This analysis tracks job seekers in the treatment (July 2013) and comparison (July 2010) groups for their income support payment status for 18 months. Job seekers in the comparison group remained in JSA services at least until the end of December 2010. Job seekers in the treatment group who had started their CAP in the last six months of 2013 (that is, before or on 31 December 2013) were included in the analysis. Descriptions of the treatment and control groups, as well as further detail on the methodology are in Appendix B4.

Income support rates – predicted exits

The actual (raw or unregressed) rates of exiting income support are not comparable between the treatment and comparison groups because of variations in job seeker characteristics between the two groups (Table A1.4).

The regression methodology used to obtain the predicted rates of exit from income support for the comparison group implies that the difference between the actual and predicted rates for this group capture the impact of the CAP. Details of the significant variables used in the final regression model are shown in Table A2.33.

The modelling shows the predicted outcomes of the comparison group if they had been subject to the CAP (Table 6.2). The higher predicted proportions of job seekers exiting income support in the first six months is likely a response to the threat of increased obligations when job seekers enter the CAP. The evident changes in rates are less than one percentage point and it appears that this is the extent of any threat effect of the CAP.

Table 6.2: Proportion of job seekers getting off income support — actual and predicted (per cent and ppt)

Months [1]	Treatment group Actual (%)	Comparison group Actual (%)	Comparison group Predicted (%)	Difference (ppt)
3 months	3.6	1.1	1.6	0.5
6 months	7.9	2.9	3.5	0.7
9 months	11.6	7.2	5.7	-1.5
12 months	14.5	11.2	7.5	-3.7
15 months	17.0	14.4	9.1	-5.3
18 months	19.0	16.2	10.4	-5.8

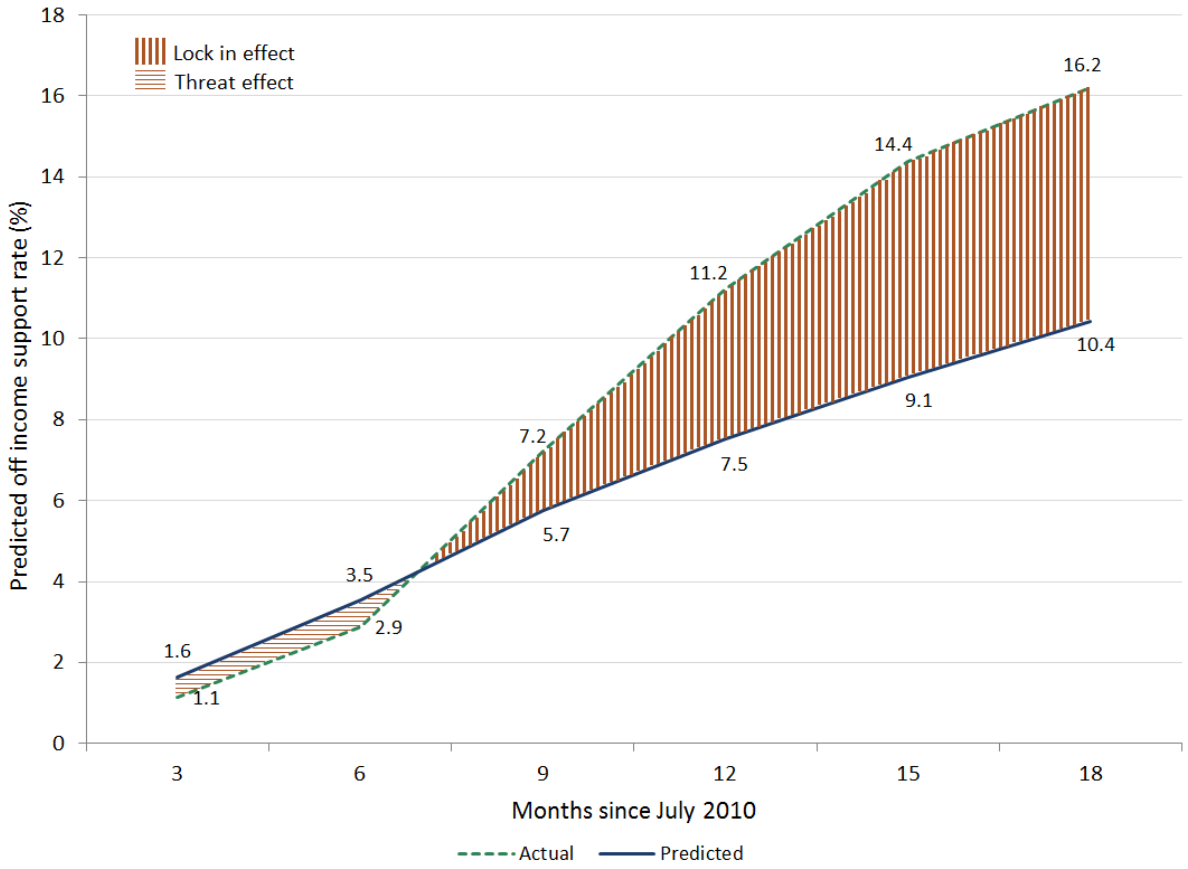
Notes:

1. Months measured from July 2010 for the comparison group (JSA 2009) and from July 2013 for the treatment group (JSA 2012).
2. Numbers may not add due to rounding errors.

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

After six months, the comparison group show higher off income support outcomes than if they had been serviced under the CAP. By 18 months, the difference between actual and predicted rate is almost six percentage points. This could either be a 'lock-in' effect, whereby job seekers devote so much time and energy to programme requirements, in this case compulsory activities, that they are unable (or unmotivated) to channel time and energy into job search. It is similarly possible that this pattern indicates an 'attachment effect' whereby job seekers are participating in activities which are developing skills that they value and so they lessen their job search effort while attaining these skills (particularly while undertaking training). Longer-term outcomes following training are often much better, but the lock-in causes a lag effect (Figure 6.4).

Figure 6.4: Comparison of actual and predicted rates of off income support for comparison group over time (per cent)



Note: Refer Appendix A2, Table A2.34.
Source: Department of Employment administrative data and Research and Evaluation datatset (RED).

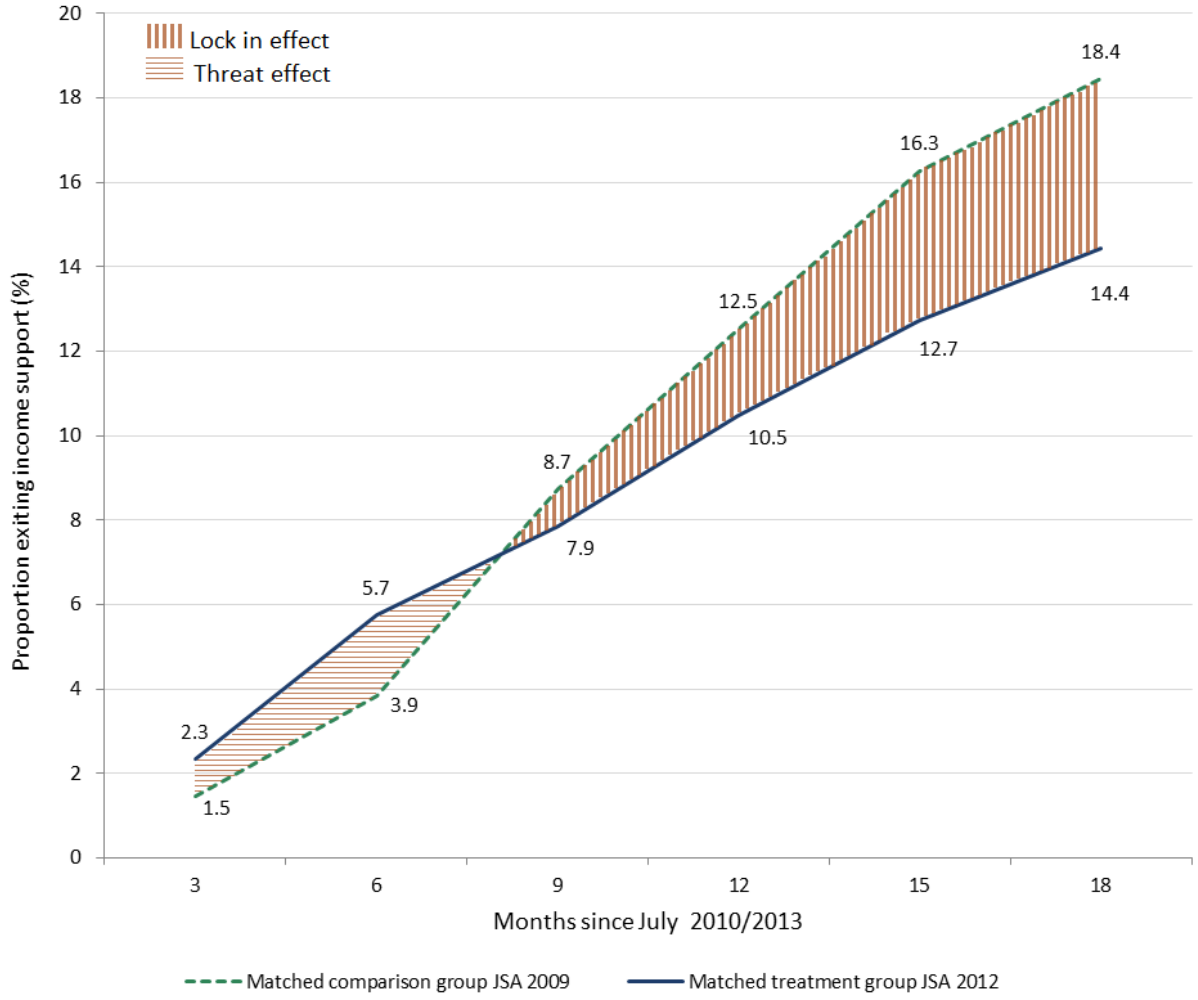
Income support rates – matched comparison group

In the above analysis, regression was used to account for differences in composition of the comparison groups. To test the regression modelling assumptions used, the analysis below creates new comparison groups using the 1:1 nearest neighbour matching method, based on estimated propensity scores.[53] Almost 18 (17.8) per cent of treatment group members paired with comparison group members by this method. Table A1.5 evaluates the quality of matches. The differences in characteristics between the two groups reduce significantly after the 1:1 matching (compare Table A1.4 and Table A1.5) to provide two readily comparable groups for analysis.

The proportions of job seekers exiting income support at three monthly intervals are shown in Figure 6.5. Results are similar to those gained from predicted exit analysis. In the first six months since July of the relevant year, a higher proportion of job seekers in the matched treatment group exited income support as compared to the matched comparison group. This can be interpreted as a threat effect, a consequence of increased obligations. After this time, a lock-in effect begins to take over with lower proportions of job seekers exiting income support in the matched treatment group compared to the matched comparison group.

53 See Appendix B4.3 for further information on this methodology.

Figure 6.5: Proportions exiting income support at 3-month intervals— matched groups (per cent)



Note: Refer Appendix A2, Table A2.35.
Source: Department of Employment administrative data and Research and Evaluation datatset (RED).

6.3 Conclusion

One of the likely effects of the CAP is a 'threat effect'. This generally occurs when job seekers faced with onerous obligations either declare previously undeclared work, or increase job search in order to leave income support. Other possible effects of the CAP include the 'lock-in effect' and 'attachment effect'. The 'lock-in effect' occurs when job seekers participating in CAP-type programmes do not have time, energy or motivation for job search and therefore tend to remain in the programme. The 'attachment effect' occurs when job seekers are participating in activities which are developing skills that they value and so they lessen their job search effort while attaining these skills (particularly while undertaking training).

Programme effects are generally longer-term effects which result from job seekers participating or completing or exiting the programme. There are several reasons why the analysis in this chapter is restricted in the extent to which programme effects can be analysed. Firstly, programme effects were less relevant to the CAP, as it was ongoing for 11 out of 12 months and therefore there was no exit or completion after which we could expect to identify a programme effect. Also, because the report covers data over the period to December 2014, which is 18 months from the caseload

snapshot date, it is unlikely that we would pick up any longer-term programme effects. Therefore, there is no attempt to estimate programme effects.

It is apparent that the threat effect for the CAP was negligible (less than 1 percentage point). The assumption underlying the operation of the threat effect is that job seekers are in a position to leave income support by finding employment. Arguably, this assumption is less likely to hold for job seekers who have been unemployed for long periods of time (those subject to the CAP). The threat, even of quite onerous obligations, will produce a very small effect on those who cannot leave income support and this appears to be the case for CAP.

The combination of lock-in and attachment effect for job seekers in CAP is up to six percentage points at 18 months. While attachment is often associated with training courses, where job search is to all intents temporarily suspended until the course is completed, it is also common in other activity types.

Whether or how this affected job seekers' longer-term employment prospects is not part of this analysis. The main finding of this analysis is that the identified lock-in/attachment effect of the CAP outweighed any negligible threat effect.

7 Other changes to the Job Services Australia model

7.1 Changes to encourage better servicing of Indigenous job seekers

Some changes were made with the JSA 2012 contract which were designed to improve outcomes for Indigenous job seekers.

Some were part of the JSA service delivery model and some were complementary, but sat outside the model. These changes included:

- the development of on-line 'Cultural Capability Training' for providers
- the Indigenous Mentoring Pilot
- the Indigenous Opportunity Policy.

Qualitative research with JSA providers was undertaken in 2014 to gain an understanding of the effectiveness of these changes. A description of the research methodology is at Appendix B5.

7.1.1 Indigenous Cultural Capability Training

Introduction

The Indigenous Cultural Capability Training Programme was developed by the Department and aimed to afford JSA staff with an overview of the following:

- Indigenous culture
- the impact of the arrival of people from Britain and Europe on that culture and identity
- how employment services are customised to meet the needs of Indigenous job seekers in remote or urban areas.

There were six on-line modules designed to be completed in a self-paced environment, including:

- Indigenous Identity and Culture
- Indigenous History and Reconciliation
- Indigenous Cultural Awareness in Employment Services
- Employment Services Delivery in Urban and Regional Locations
- Employment Services Delivery in Remote Locations
- Working with and Supporting Employers.

The training involved reading the information and answering questions at the end of each module. There is also a 'lite' version of the modules.

Key Findings

Just over half of employees at the JSA sites visited had completed all six modules. It seemed that if employees undertook the training they generally completed all modules. However, among the managers interviewed many remembered their own company cultural awareness training that included Indigenous group leaders. The majority did not recall departmental training even if they had done it.

To put this in context, most of the providers visited were national companies or had a number of offices. Many had their own cultural awareness programmes which were face-to-face and involved local Indigenous leaders and were therefore considered more appropriate than online training.

There was little feedback from JSA site managers regarding their own or staff perceptions of the modules. For several respondents, the modules provided some interest; for others, it sparked some conversation, but did not appear to affect their behaviour.

There was near-unanimous agreement that, for the training to be useful, it should be used as backup or discussion material. In the latter case, an Indigenous employment consultant or a local Indigenous leader could utilise the training material with groups of staff. They could watch the first module, have a discussion, and then meet weekly, and complete the modules over six weeks in a similar manner.

Conclusion

Qualitative evidence indicates that the training would have improved if conducted in small groups; preferably with an Indigenous mentor or community member who could answer specific questions (e.g. Why is the term 'aunty' used?). JSA managers generally supported a more experiential approach to the training.

The following could improve both the take-up and the impact of the Indigenous Cultural Capability Training:

- the modules should be undertaken by staff members in groups to allow for discussion
- if possible, an Indigenous mentor, employment consultant or local elder should be invited to assist with the sessions
- the modules should be undertaken over a six weeks period to allow time for more discussion and also to not impact too severely on the work of the office.

7.1.2 Indigenous Mentoring Pilot

Introduction

The 'Access to Mentoring Support for Indigenous Job Seekers Pilot' (the Indigenous Mentoring Pilot) was designed to trial the provision of culturally appropriate mentoring support for Indigenous job seekers. It included pre-placement support and ongoing mentoring throughout the first 26 weeks of employment. The pilot commenced on 1 July 2012 and attracted funding of $6.1 million over three years as part of the 2011 Budget. The overall objective was determining whether intensive and culturally appropriate mentor support contributes to improved sustainability of employment for Indigenous job seekers who commence work. Mentoring support (additional to the support expected) was provided to selected Indigenous job seekers, with priority given to job seekers in Streams 3 and 4.

The specific objectives of the Indigenous Mentoring Pilot were to:

- provide one-on-one mentoring support to Indigenous job seekers in areas with a relatively higher proportion of Indigenous persons and strong employer demand

- following employment placement of an Indigenous job seeker, provide mentoring support for up to 26 weeks
- achieve sustained employment outcomes for Indigenous Mentoring Pilot participants
- ascertain whether culturally appropriate mentoring support contributes to sustained employment outcomes for Indigenous job seekers
- contribute to the Closing the Gap on Indigenous employment outcomes objective to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.[54]

Table 7.1: Employment Services Areas (ESA) where the Indigenous Mentoring Pilot (IMP) was conducted

State	ESA
New South Wales	Central Coast
	Inner Sydney
	Lower Hunter
	Orana
	Outer Western Sydney
	Shoalhaven
Victoria	East Gippsland
	Kiewa
	Plenty
	Westgate
Queensland	Cairns
	Capricornia
	Gladstone
	Ipswich
	Logan
	North Brisbane
	South Brisbane
	Townsville
Western Australia	Goldfields/Esperance
	Mid West/Gascoyne
	North Metro
South Australia	North Country
	Western Adelaide
Northern Territory	Alice Springs

Key findings

Based on responses of the JSA managers who participated in the research (both those who were part of the Pilot and those who were not), the Indigenous Mentoring Pilot was a worthwhile programme. Providing concentrated assistance to Indigenous job seekers helps to ensure they are ready to start applying for jobs.

From the research, a key point about the Pilot is that it operated as much as a case management programme as a programme to get Indigenous jobs seekers into work. It was repeatedly pointed out that assisting these job seekers with housing, justice issues, Centrelink requirements, health and

54 DEEWR, March 2011. *Access to Mentoring Support for Indigenous Job Seekers Pilot Grant Program Guidelines.*

family issues formed the greater part of the mentor's role. For many Indigenous job seekers, it was only when those issues were resolved could attention be given to becoming job ready.

Questions arose during research as to where is the natural home for the mentoring programme.

If Vocational Training & Employment Services (VTECs)[55] are already in multiple locations and are to be further deployed around the country then the additional assistance they could provide may make them the natural home for many Indigenous job seekers. VTECs are intended to connect Indigenous job seekers with guaranteed jobs and bring together the support services necessary to prepare job seekers for long-term employment. VTECs are open to Indigenous job seekers and school leavers and prioritise those who are highly disadvantaged.

Despite the attraction of VTECs as a 'one stop shop' it is likely that there would still be many Indigenous job seekers who prefer a JSA provider. Others will prefer to utilise the services of the Aboriginal Employment Service (AES) where available. It seems likely therefore that Indigenous mentoring could be provided by JSA providers, VTECs, the AES and/or via community organisations.

The success of the Indigenous Mentoring Pilot appeared dependent on the following aspects:

Providers should:

- have a Reconciliation Action Plan (RAP), an implemented Indigenous Training, Employment and Supplier Plan and cultural capability training
- choose mentors from the local Indigenous community who are known and respected
- choose mentors who have had work experience and understand what it means to be in full-time work
- provide mentors with both the normal organisation's induction program and mentoring training
- consider providing mental health training for employment consultants and Indigenous mentors
- implement a 'mentor the mentors'- type programme, particularly when programmes are being set up
- look for ways of retaining their mentors as continuity of mentors is critical
- provide clarity within the JSA as to the differing roles and responsibilities of the employment consultants and the Indigenous mentor
- assist the mentor to maintain a manageable workload through allocation and monitoring as many clients require intensive assistance.

Mentors should:

- work closely with the families of job seekers
- have or develop strong contacts with organisations providing assistance such as the Aboriginal Legal Service and the Aboriginal Health Service
- develop strong contacts with employers either through employment consultants or independently
- understand Centrelink processes and how the JSA must interact with Centrelink

55 VTECs are based on the Generation One employment model.

- encourage companies and organisations that take on Indigenous job seekers to have their own Indigenous mentors would assist in keeping people in work.

Conclusion

The Indigenous Mentoring Pilot received positive feedback from providers who participated in the research. There was an acknowledgement, and some anecdotal evidence, that providing intensive assistance to Indigenous job seekers can have a positive effect on employment outcomes. However, the Pilot operated as much as a case management exercise as it did a programme for job placement and post-placement support. This is because the often multi and complex barriers this group face need to be addressed before focusing on employment.

Any future mentoring programme could potentially be managed from VTECs, the AES or jobactive providers.

The research found the ingredients that contribute to a successful mentoring programme include:

- mentors with experience of work, an understanding of the income support system, with links to support services, employers and the local community
- providers who have a RAP, some form or cultural capability training, adequate support for the mentor and continuity of mentoring staff
- employers who are willing to employ and mentor Indigenous staff.

7.1.3 Indigenous Opportunity Policy

Introduction

The Indigenous Opportunity Policy (IOP) was one of the Australian Government's Closing the Gap in employment initiatives.[56] Closing the gap in employment refers to the goal of halving the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade. Under the National Partnership Agreement on Indigenous Economic Participation, the Council of Australian Governments (COAG) made a commitment to strengthen current government procurement policies to maximise Indigenous employment. The IOP was part of the overall policy framework that non-corporate Commonwealth entities must comply with when undertaking procurement.

The policy stated that, where projects involve expenditure over $5 million ($6 million for construction) in regions where there are significant Indigenous populations, officials must:

- Consult with the IOP Administrator in the Department of the Prime Minister and Cabinet (PM&C), the Commonwealth Indigenous Coordination Centres or equivalent Commonwealth Office, and community council or group, as appropriate, in the planning stages of those projects.
- In each procurement process under those projects require each tenderer to submit as part of their tender a plan for providing training and employment opportunities to local Indigenous communities and for the use of Indigenous suppliers that are small and medium enterprises.[57]

56 The IOP was replaced by the Indigenous Procurement Policy (IPP) in July 2015.

57 Department of Employment, 2011. *Indigenous Opportunities Policy Guidelines, updated March 2014.*

Through awarding large Australian Government contract(s) the IOP aimed to increase the level of Indigenous employment and training as well as increase the level of involvement of Indigenous businesses in the delivery of goods and services under those contracts. The Government acknowledged that this would involve changes in the way that some businesses operate (including Indigenous businesses). This was a key intention of the Policy.

As at 1 July 2011 all relevant organisations responding to Approaches to Market for Australian Government business affected by the IOP had to develop and implement an Indigenous Training, Employment and Supplier Plan that specified how they intended to:

- provide training opportunities to local Indigenous Australians
- provide employment opportunities to local Indigenous Australians
- utilise Indigenous businesses that are SMEs.

Organisations were required to report on outcomes annually if they won an Australian Government contract to which the IOP applied. In practical terms, this meant that many organisations would have to plan how they trained and employed Indigenous Australians locally and how they could include Indigenous businesses in the production or delivery of goods and services for the Australian Government.

Key findings

Because recruitment, training and purchasing policy are generally developed and managed at a national level, providers who participated in the research (at a local level), though vaguely aware, were broadly unfamiliar with the IOP. Decisions around these types of policy were based on sound business practices above all else.

While the IOP itself did not impact on provider practices, some were undertaking some of the initiatives within the policy framework, such as approaching employers that seek to employ Indigenous job seekers.

Given the general absence of dissemination of the IOP from head offices to site offices perhaps the focus should be on encouraging providers to focus on their core business: providing Indigenous job seekers to companies and other organisations that must meet the requirements of the IOP.

Conclusion

From the qualitative research conducted, it was evident that the IOP was broadly unsuccessful as a policy in terms of changing provider behaviour at the site level. However, providers were inadvertently implementing aspects of the policy. Given the providers' core business – getting job seekers into jobs – a shift in focus to encouraging providers to work more closely with other businesses required to implement the IOP may be a more practical approach.

7.2 Changes to administrative procedures

7.2.1 Introduction

Publicly funded employment services are regulated to ensure accountability and value for money. In the delivery of employment services, providers, employers and job seekers are subject to a level of 'red tape' or compliance burden around regulatory activities. Under JSA costs associated with

compliance for regulation and contractual requirements changed over the contract periods of JSA 2009 and JSA 2012 and with the commencement of jobactive.[58]

What are red tape costs?

The Office of Best Practice Regulation (OBPR) defines administrative cost burden, 'red tape', or compliance costs as:

> '… the costs incurred by regulated entities primarily to demonstrate compliance with the regulation'.

Some examples of compliance costs are:

- costs of making, keeping and providing records
- costs of notifying the Government of certain activities
- costs of conducting tests
- costs of making an application
- compliance costs associated with financial costs, including the costs incurred in complying with government taxes, fees, charges and levies (excluding the actual amount paid)—for example, the time taken to pay a licence fee is a compliance cost.

Compliance costs include the time taken to demonstrate compliance with the regulation as well as the associated travel costs (for instance, the costs of travelling to a particular location to submit a form or waiting in a queue in order to comply with a requirement).[59]

Approaches to red tape cost reduction

Though regulation of employment services is required, the level of red tape imposed on stakeholders as a consequence may not be optimal. Regulation should be modernised to take advantage of technological improvements, new business models and increased availability of information.

Reductions in red tape can be achieved when regulations:

- are not required by the Department to effectively monitor or manage risk to the delivery of employment services
- provide benefits that do not exceed the costs. An example of this is streamlining the number of special claims for provider payments
- provides information that could be more effectively gained through other avenues such as:
    - inter-agency data exchange
    - by allowing for the collection of information electronically.

58 Red tape costs associated with DES and the RJCP are not considered as these programmes are run by the Department of Social Services (DSS) and the Department of Prime Minister and Cabinet (PM&C), respectively.

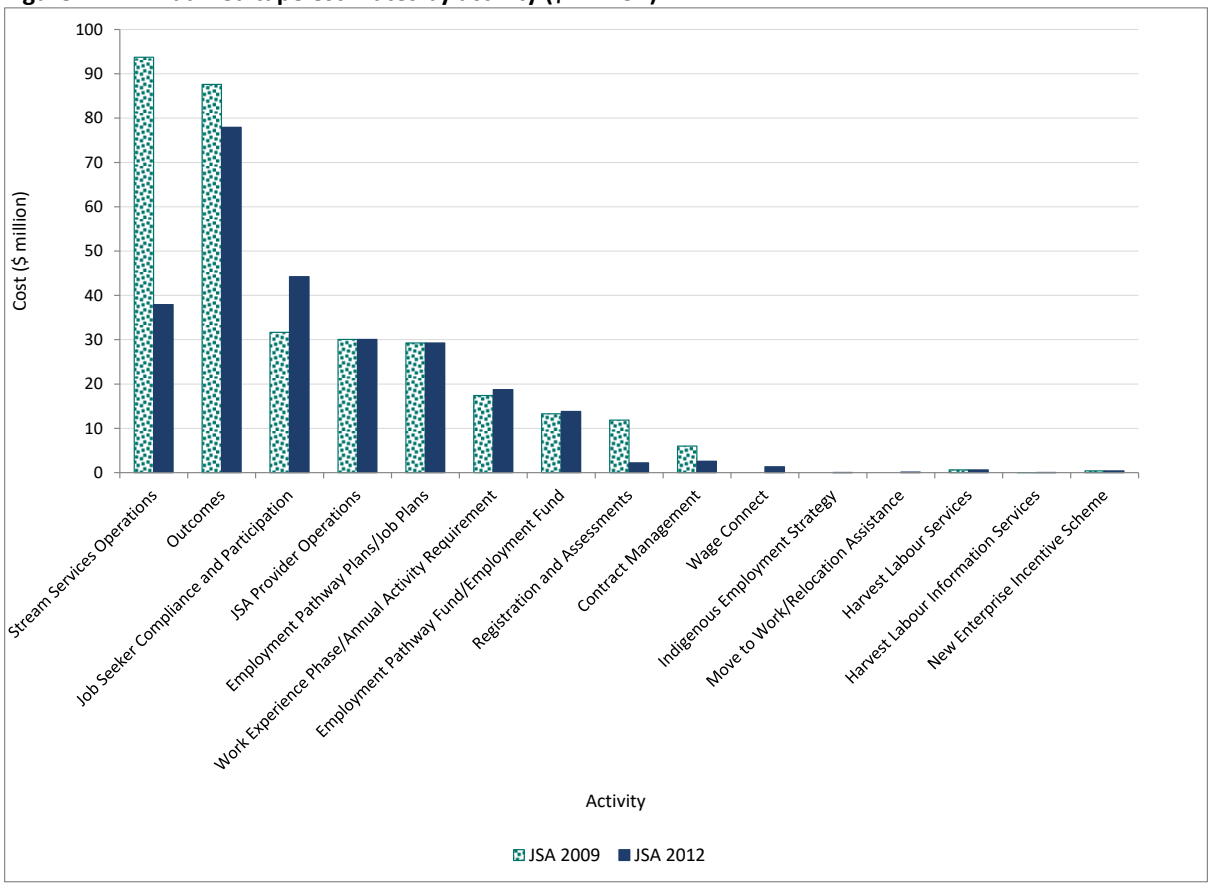
59 Department of Prime Minister and Cabinet (PM&C), July 2014. Regulatory Burden Measurement Framework, (website).

7.2.2 Key findings

Red tape estimates

The Department has estimated the level of red tape imposed on key stakeholders including providers, employers and job seekers, using items from the Regulatory Burden Measurement (RBM) Framework guidance provided by OBPR. Estimates are provided for each main component of the programme, (such as job seeker compliance and participation and Stream Services), and used to show how red tape costs have changed across contracts and which components of the programme are driving these costs. Further details of the methodology used for this analysis is in Appendix B6.

Figure 7.1: Annual red tape estimates by activity ($ million)



Notes:

1. Other includes programmes introduced in JSA 2012 period: Wage Connect, Indigenous Employment Strategy and Move to Work/Relocation Assistance.
2. Refer Appendix A2, Table A2.36.

Source: Department of Employment administrative data.

Annual estimates of red tape costs were produced by the Department for both contracts (JSA 2009 and JSA 2012).[60]

60 These estimates are subject to change but do give a reasonable indication of the differences in red tape costs between the contracts.

Overall red tape declined significantly between the two JSA contracts, from $321.9 million to $259.3 million per annum (19.5 per cent) (Figure 7.1).[61] The main findings are:

- Red tape costs are primarily incurred by providers, accounting for approximately 8 per cent and 84.5 per cent of total red tape costs for 2009-12 and 2012-15 respectively. The main changes resulted from the following activities:
    - Red tape cost estimates declined by 81.3 per cent for registration and assessments. This was primarily due to changes in the Job Seeker Classification Instrument (JSCI) process with providers taking less time and with fewer transactions. The transition from Job Network (JN) to JSA 2009 resulted in a significant number of JSCI assessments and re-assessments that did not occur at the commencement of JSA 2012.
    - Red tape cost estimates declined by 59.6 per cent for Stream Services operations. This is due to the removal of a number of documentary evidence requirements regarding job seeker appointments and interviews.
    - Red tape cost estimates declined by 11.1 per cent for outcomes reporting. This is because providers were no longer required to distinguish between Provider Brokered Outcomes and Provider Assisted Outcomes that influenced the costing estimate.
    - Red tape cost estimates increased by 7.6 per cent for the Work Experience Phase (WEPh), because of an increase in the number of job seekers undertaking an activity.
    - Red tape cost estimates increased by 39.6 per cent for job seeker compliance and participation, primarily due to an increase in the number of transactions.
- Red tape costs are generally concentrated around the reporting of whether job seekers are meeting their mutual obligation requirements. Outcome payment processing is also a significant cost due to the requirement for documentary evidence from all stakeholders.
- Despite an overall decline in red tape, estimates of costs imposed on providers, employers and job seekers were still significant, representing an estimated 20.9 per cent of programme funding under JSA 2012.[62]

Provider feedback

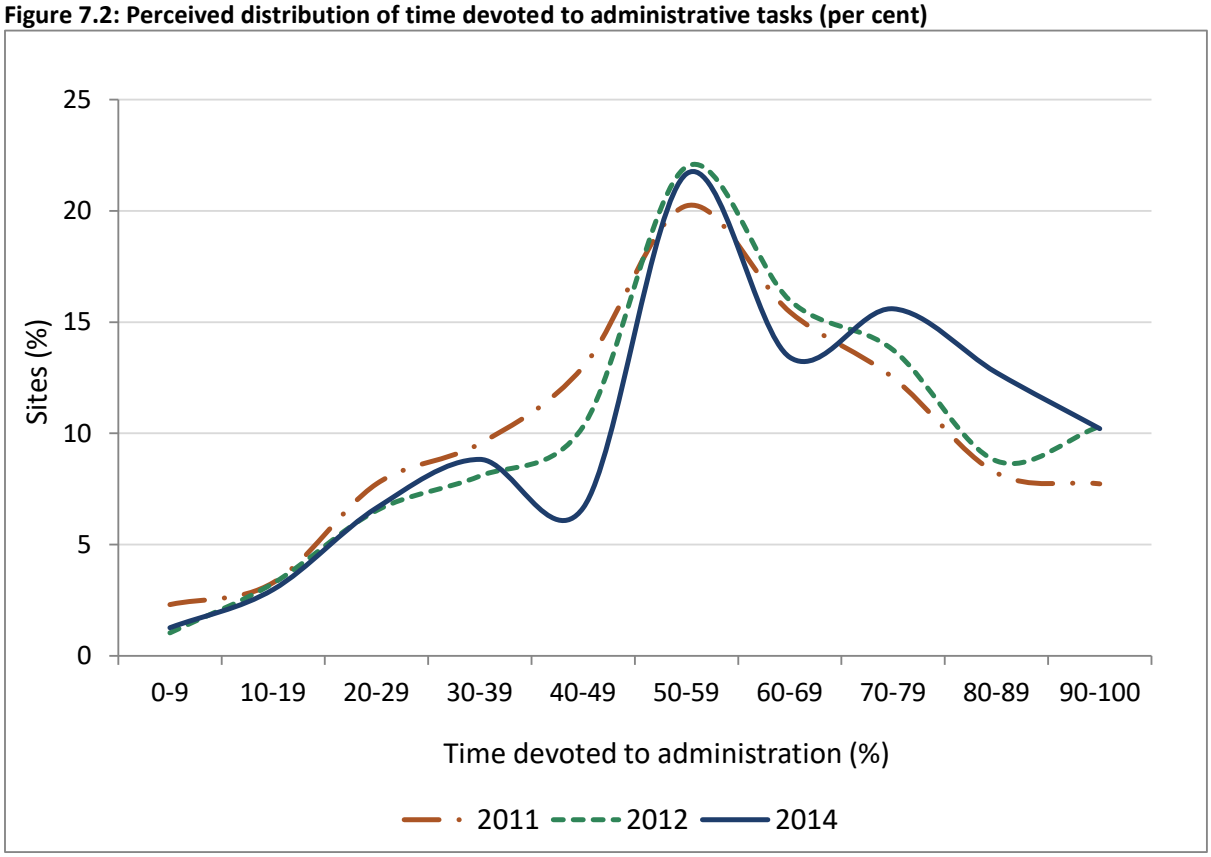
The Department conducted annual surveys of employment services providers throughout the JSA period that asked specific questions on red tape. This section analyses the main findings from the provider surveys.

Figure 7.2 shows the proportion of staff time (by site), devoted to meeting the Department's administrative requirements. Though this varies significantly across sites, the average time spent is high. For example, over 20 per cent of sites report spending an average of 50 to 60 per cent of time on administrative requirements.

61 Some reductions in red tape that occurred under JSA may not have been applied as reductions occurred in the financial year 2014-15 only.

62 This is based on total expenditure on JSA in the 2012-13 financial year, as published in the annual report.

Figure 7.2: Perceived distribution of time devoted to administrative tasks (per cent)



Notes:

1. A distribution was not produced for 2010, 2013 or 2015 as no equivalent question on percentage of time devoted to administration was asked.
2. Based on responses to the question: 'On average, what **percentage** of staff time is devoted to meeting the Department's administrative requirements for the JSA contract at your site?'
3. Refer Appendix A2, Table A2.37.

Source: Department of Employment Services Provider survey, 2011, 2012 and 2014.

This perceived level of administration is supported by qualitative feedback which was typified by the example below:

> I think the frustrating thing is the level of compliance. We have such a large number of boxes to tick before they even really think about getting someone a job… I guess there is a dichotomy between what is expected one day and another thing another day. We get a report on a regular basis that says these are the Department of Employment issues and I think staff know what to do but when things change all the time, it gets very frustrating and demoralising.
>
> JSA provider (area manager), Regional, Large provider [63]

In another indication of the high level of red tape on providers, 82.3 per cent of staff reported spending the same or more time on administrative tasks as they do on clients.[64] Results also show

63 Department of Employment, 2015. Survey of Employment Services Providers.

64 Department of Employment, 2015. Survey of Employment Services Providers.

that complex administrative requirements were an issue for 69.7 per cent of sites and too much paper work is a problem for 76.1 per cent of sites.

Table 7.2 identifies tasks provider site staff perceived to be the most time consuming.[65] They included monitoring activity placements, arranging activity placements and record keeping. This aligns with the activities estimated to have high red tape costs - the WEPh and job seeker compliance and participation.

Table 7.2: Activities providers perceive to be the most time consuming (per cent)

Activity	Proportion of providers that included this activity in the top three most time consuming activities (%)
Monitoring activity placements / work experience	75.0
Arranging activity placements / work experience	68.3
Record keeping	57.0
Updating the Employment Services System (ESS)	32.7
Conducting Skills Assessment	26.6
Processing claims	18.2
Preparing participation reports	18.2
No tasks are time consuming	1.4

Note: Providers were asked to identify the three most time consuming activities.

Source: Department of Employment Services Provider survey, 2014.

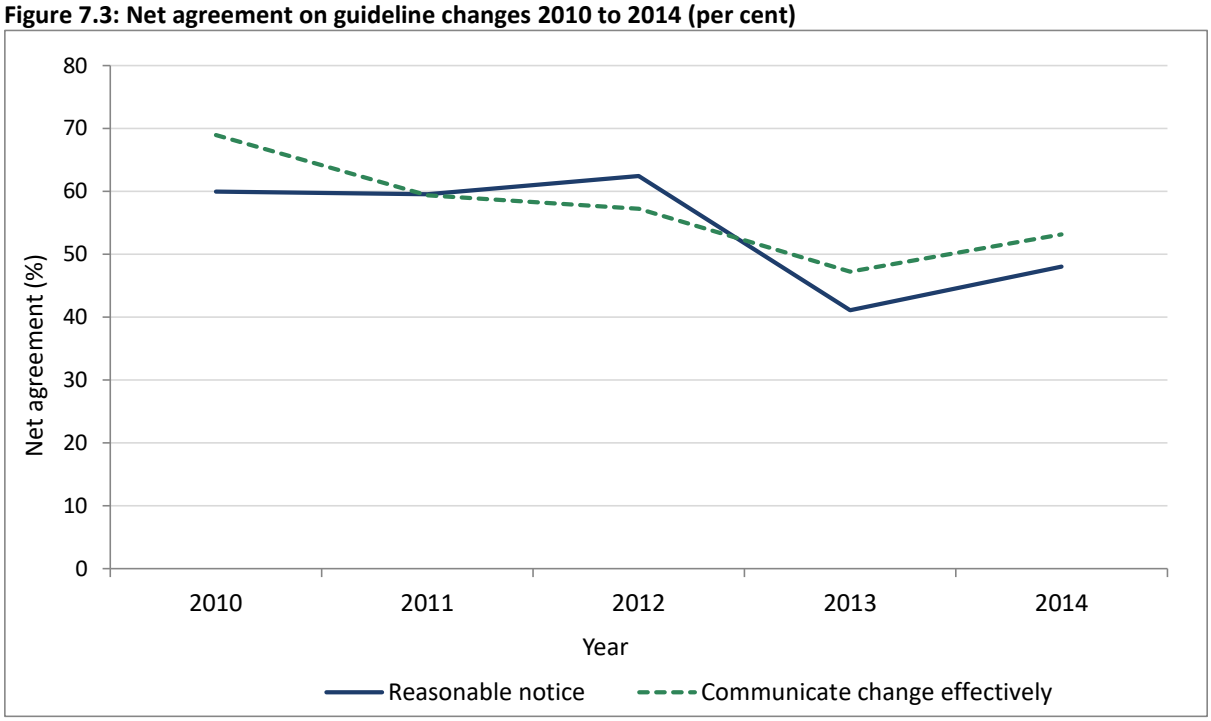
Red tape costs are not just a consequence of broader regulation but also a result of requirements being unnecessarily complex. Survey results on the Department's communication approach with providers indicate that this was likely a contributing factor to red tape costs. The cost of understanding programme changes involves:

- time spent learning new material
- extra cost from poor communication by the Department.

These in turn made it more difficult to gain proficiency in understanding the material than necessary. Over time providers have lost confidence in the reporting of guideline processes. Net agreement (those that agree minus those that disagree) with the statements that guideline changes were communicated effectively and were given reasonable notice declined over the contract period to around 50 per cent (Figure 7.3).

65 Providers were asked to identify the three most time consuming tasks.

Figure 7.3: Net agreement on guideline changes 2010 to 2014 (per cent)



Notes:

1. The scale of answers for 2010 varied from other survey years.
2. Refer Appendix A2, Table A2.38.

Source: Department of Employment Sevice Provider survey, 2010 to 2014.

The Provider Portal is the main method for communicating policy and procedural changes to providers. Provider feedback shows a decline in perceptions on various aspects of the information given on the portal (with the exception of the information being up-to-date) (Table 7.3). While complying with contractual requirements is mandatory and imposes red tape on providers, feedback indicates that part of the costs relate to problems with communication processes.

Table 7.3: Provider feedback on information given on the provider portal, 2011 – 2014 (per cent)

Year	Accurate	Up-to-date	Easy to understand	Useful format	Relevant	Timely	Consistent
2011	83.0	76.1	60.5	63.5	85.6	79.0	81.5
2012	79.7	77.6	57.5	60.4	85.4	74.7	78.1
2013	78.3	79.9	50.2	58.8	84.2	73.1	75.4
2014	81.1	77.9	51.1	54.2	81.9	73.7	73.9

Source: Department of Employment Sevice Provider survey, 2010 to 2014.

The Department's red tape cost estimates and survey results therefore suggest that the level of red tape in employment services is still significant, despite estimated reductions in red tape across the two contracts.

7.2.3 Conclusion

Regulations in employment services are designed to ensure appropriate risk management and accountability for the funding expenditure. These regulations impose red tape on key stakeholders such as providers, employers and job seekers in demonstrating compliance with their requirements.

Despite reductions in red tape over the JSA contract period[66], the level of red tape in employment services remained significant. Under JSA 2012, annual red tape cost estimates equated to approximately 20.9 per cent of programme funding. Survey results indicate that the majority of staff spent the same or more time on administrative tasks as they did on time servicing clients. Red tape costs were grouped into particular administrative processes or key pressure points across activities in employment services.

The majority of red tape costs were linked to ensuring that job seekers were meeting their mutual obligation requirements. As mutual obligation is a cornerstone of the employment and income support framework, removing these requirements is counter-intuitive. Consequently, if the number of requirements placed on job seekers is considered appropriate, alternative options for easing compliance costs require exploration. However, it may be difficult to identify and achieve significant savings, though options could include:

- simplifying and/or automating of processes used to collect information, assuming there is significant scope for improvement
- further explore technological solutions, beyond those that have already been implemented
- exploration of behavioural economics strategies as a non-regulatory approach
- employing risk management to reduce red tape, for example, by placing more of a focus on random auditing to ensure integrity with the consequence of deliberate compliance failure made clear through financial penalties or loss of contract.

7.3 The Quality Assurance Framework pilot

An internal evaluation of the Quality Assurance Framework (QAF) pilot was conducted in 2014 and the report is available on the Department's website.[67] The information in this section is drawn from the QAF pilot evaluation report.

7.3.1 Introduction

Under JSA the performance of providers was assessed against three Key Performance Indicators (KPI), the Code of Practice and the Service Guarantees for the Services. Feedback from industry and contract management activity suggested that the KPI 3 Quality Framework did not provide enough practical information to support continuous improvement in service quality.

In response, the QAF was designed with an emphasis on quality service delivery and incorporates two audit components:

- certification by an independent auditor against one of four quality standards deemed acceptable by the Department: Standard ISO 9001, Employment Services Industry Standards, Disability Service Standards and Investors in People
- adherence to eight overarching quality principles with supporting key performance measures.

66 Preliminary estimates of red tape costs and feedback from providers shows that under jobactive red tape has been reduced further.

67 Department of Employment, 2014. *JSA Quality Standards Pilot Evaluation Report*, Canberra.

The JSA Quality Standards pilot (the pilot) was conducted to finalise the operational detail of the QAF prior to national implementation on 1 July 2015 under jobactive. The pilot commenced on 1 January 2013, and ran for 15 months to 31 March 2014. Two groups of providers participated in the pilot, those who:

- were required to participate due to poor performance in the 2012 Programme Assurance Audit of Provider Brokered Outcome claims
- volunteered to participate.

7.3.2 Key findings

The key aspects explored by the evaluation were whether:

- the pilot demonstrated that the QAF would drive continuous improvement
- the adoption of quality standards would result in improvements to services delivery
- there was benefit realisation between the cost to providers and improvements to service delivery.

Continuous improvement

Feedback collected through the evaluation suggested that the QAF would drive continuous improvement and may have greater potential than the JSA KPI 3 Quality Framework.

Improved service delivery

Provider Chief Executive Officers (CEOs), Quality Managers[68] and front line staff reported positive impacts on their businesses and service delivery, indicating that they saw short-term improvements to client services and business operations. They were also optimistic about the longer-term prospects of the QAF for delivering improved services to job seekers and, perhaps to a lesser extent, employers.

The evaluation noted however, that views of job seekers and employers (not canvassed in the course of the evaluation) should also be considered to provide an objective assessment of whether the QAF pilot had driven improvements to service delivery.

Benefit realisation

Provider CEOs' and Quality Managers' estimates of financial costs associated with the pilot varied significantly, with estimates for:

- preparing for an audit ranging from $10,000 to $260,000, with a median cost estimate of $47,500.
- conducting an audit ranging from $2,700 to $150,000, with a median cost estimate of $36,000.

68 Quality Managers were provider nominated staff within the organisation tasked with the responsibility of managing the pilot process.

There was overwhelming agreement that involvement in the pilot had been a worthwhile investment of time. Just over one-third (35 per cent) of CEOs agreed or strongly agreed that the audit represented 'value for money'.

Around two-thirds of providers indicated that time and costs were greater than expected (68 per cent and 64 per cent respectively). Lack of preparedness for the audit, e.g. poor choice of Quality Standard and not having correct documentation on hand for the auditor were thought to have been contributing factors to this finding. Other factors beyond the control of providers were: the overlap between the Quality Standards and Quality Principles (and the Key Performance Measures within them); waiting for the Employment Services Industry Standards to be certified; and an apparent lack of understanding of the process, the Deed and JSA more generally, among some auditors.

The evaluation concluded that as the Department and providers become more familiar with the intricacies and processes involved in establishing and maintaining the QAF, costs will reduce or at least become more predictable, with this aspect likely to be a key factor in the successful promotion and implementation of the QAF.

7.3.3 Conclusion

Overall, the evaluation found that if cost and time requirements are managed within reasonable limits it is anticipated that the QAF should benefit all parties and might be an improvement on the JSA KPI 3 Quality Framework, with the evaluation making several recommendations to achieve a balance between costs and benefits of adopting the QAF.

7.4 Changes to the job seeker participation and compliance framework

7.4.1 Introduction

The job seeker participation and compliance framework was designed to be flexible and responsive to the needs of the job seeker and support providers to deliver appropriate servicing. The JSA contracts employed procedural justice principles along with early intervention strategies to maintain job seekers engagement and compliance with social security legislation. The most notable change to the framework under JSA 2012 was the 'Strengthening the Job Seeker Compliance Framework' measure, introduced in two stages (Stage 1 included two phases) between 1 July 2014 and 1 January 2015.[69]

These changes were designed to incentivise job seekers to attend appointments to ensure there were no impacts to their income support payments. If the risk of a financial penalty affects the probability of job seeker compliance, then these changes should have increased appointment attendance rates. Further, any increase should be attributable to higher attendance rates at re-engagement appointments.

7.4.2 Key findings

There was an increase in appointment attendance between JSA 2009 and JSA 2012 (from 60.8 per cent to 62.9 per cent). This was likely due in part to changes in compliance and appointment

69 See Appendix C for details of these changes.

rescheduling following the introduction of the 'Strengthening the Job Seeker Compliance Framework' measure. Further details of the methodology used for this analysis is in Appendix B7.

Post introduction of 'Strengthening the Job Seeker Compliance Framework' measure, during JSA 2012, job seekers without a valid reason for not attending their appointment were significantly more likely to attend their re-engagement appointment (as their income support payment had been suspended). This increase was substantial across all streams with re-engagement appointment attendance rates around 90 per cent or higher. Attendance rates for job seekers with a Vulnerability Indicator (VI) also significantly improved (a 19.5 percentage point increase to 87.6 per cent) (Table 7.4).

Table 7.4: Appointment attendance rates before and after introduction of the Strengthening the Job Seeker Compliance Framework measure (per cent)

Stream	All appointments before (%)	Re-engagement appointments before (%)	All appointments after (%)	Re-engagement appointments after (%)	All appointments change (ppt)	Re-engagement appointments change (ppt)
1	81.3	78.0	82.1	92.4	0.8	14.4
2	74.0	76.5	76.4	91.8	2.3	15.2
3	73.9	76.4	75.2	91.0	1.3	14.7
4	68.4	68.3	69.5	89.5	1.1	21.2
VI	64.3	68.1	66.0	87.6	1.7	19.5

Source: Department of Employment administrative data.

7.4.3 Conclusion

An increase in appointment attendance rates, across all streams and for job seekers with a VI demonstrated that the introduction of the 'Strengthening the Job Seeker Compliance Framework' measure was successful in increasing job seekers' compliance. The increase for re-engagement appointments was greatest for Stream 4 job seekers, and for all appointments, for Stream 2 job seekers. This is an indication that incentivising job seekers to attend appointments to ensure there are no impacts to their income support payments has a positive effect on attendance rates.

8 Wage subsidies in Job Services Australia

8.1 Introduction

While Australian wage subsidy programmes vary in their targeting and payment particulars, at the time of this analysis all were temporary, or hiring, subsidies paid to employers who recruit an unemployed person through an employment services intermediary. This analysis is confined to wage subsidies negotiated under JSA.

8.1.1 The role of wage subsidies

Wage subsidies are a feature of active labour market programmes (ALMPs). Effective activation strategies used in combination have been associated with significantly reduced rates of income support in a number of Organisation for Economic Cooperation and Development (OECD) countries, including Denmark, Ireland, the Netherlands, the United Kingdom, Australia and New Zealand (OECD, 2005).

Previous departmental research has revealed risk-averse employer attitudes towards hiring certain groups, particularly the long-term unemployed, young people and people with disability (DEEWR, 2011, 2012). The difficulty for many unemployed people is that employers believe that their transformation to productive employee will take longer and be more costly than for other employees.

An employer wage subsidy can be used to overcome their initial reluctance, help pay for additional upfront costs (for example training or required supervision), and give an unemployed person the opportunity to demonstrate their suitability for a job and further develop their skills. Used effectively, wage subsidies help to place unemployed people in jobs and encourage employers to assess each job applicant as an individual, not according to a stereotype.[70]

Wage subsidies may provide job seekers with the primary benefit of getting a job that they would not get otherwise – this may be a new job created by the wage subsidy ('additionality'), or the subsidised worker might be taken on instead of an unsubsidised worker ('substitution'). Wage subsidies may also provide secondary benefits to employees, including more hours of work and extra training and support. Arguably, efficient job reallocation, rather than job creation per se, is the main objective of these programmes, particularly in weak labour markets (Immervoll & Scarpetta, 2012). On the other hand, wage subsidies can result in 'deadweight loss', when used to place a job seeker who would have got the job without a subsidy.

Not all job vacancies in employment services are subsidised. Previous literature emphasises careful targeting and design as the key to getting the best return from investment in wage subsidies.[71] Targeting of subsidies occurs on two levels: programme guidelines specify the broad target group and payment terms and conditions (targeting policy) and operating within these guidelines employment services providers make on-the-ground judgements about when to offer a wage subsidy (targeting practice). JSA providers had discretion to offer a subsidy to an employer when negotiating a placement, informed by a range of factors including job seeker characteristics and

70 Department of Employment, 2016. *The Effectiveness of Wage Subsidies in Australian Government Services,* Canberra.

71 Department of Employment, 2016. *The Effectiveness of Wage Subsidies in Australian Government Services,* Canberra.

experience, local labour market conditions, and a sense of an employer's willingness to hire. More limited targeting practice acts as a means of protecting against deadweight loss, unsuitable placements and separations (resulting in returns to service/income support). Australia has made good progress on targeting policy, but the evidence points to a need for more effective targeting on the ground.[72]

8.1.2 Wage subsidies in JSA

Table 8.1 shows key aspects about the Employment Pathway Fund (EPF) and Wage Connect wage subsidies which operated under both JSA contracts.

Table 8.1: Rules for Employment Pathway Fund (EPF) and Wage Connect wage subsidy programmes

Aspect	EPF wage subsidies	Wage Connect
Programme start date	1 July 2009	1 January 2012[1]
Structure	Demand-driven[2]	Capped at 10,000 per annum[3]
Job seeker eligibility: Income support payment type	Flexible	Very long-term unemployed (VLTU) job seekers - Must have been receiving income support for at least 24 months
Job seeker eligibility: Unemployment duration	Flexible	No job placements and insufficient income to reduce to nil rate income support over 24 months
Timing and amount[4]	Negotiable within guidelines - subsidy duration should have been around 26 weeks and must have been paid in arrears. The subsidy amount should have been commensurate with the job seeker's level of disadvantage and must not have exceeded 100 per cent of the wage over the subsidy period. Practical limits to the wage subsidy amount were the provider's EPF credit balance.	Full rate Newstart Allowance (NSA) over 26 weeks
Placement eligibility	Negotiable – could be used to extend employment conditions (e.g. provide more hours of work per week)	Minimum 15 hours per week

Notes:

1. Wage Connect was temporarily paused to new applications from February 2013 until June 2013 and again from December 2013.
2. Subject to a provider having sufficient EPF credits.
3. Allocation across JSA and DES, available on a first come first served basis, capped at 35,000 over four years.
4. Amounts exclude GST. Wage subsidy could not exceed wages during the subsidised employment period. Pro-rata payments might have been available if employment did not last for the duration of the subsidised period.

8.2 Key findings

This analysis aims to answer three questions:

1. Did a temporary wage subsidy lead to higher off-income support outcomes than unsubsidised job placements?
2. How did EPF subsidies and Wage Connect compare?

72 Department of Employment, 2016. *The Effectiveness of Wage Subsidies in Australian Government Services,* Canberra.

3. Did the availability of Wage Connect, a targeted wage subsidy for VLTU job seekers lead to more employment opportunities for this group compared with the broadly targeted EPF wage subsidies?

When considering the results below it should be noted that the comparability of wage subsidy agreements for Wage Connect and funding commitments for EPF wage subsidies is questionable, which could mean that results for EPF wage subsidies relative to Wage Connect are overstated. Caution should be exercised in making this comparison.

8.2.1 Impact of wage subsidies on employment outcomes and welfare dependency

Table 8.2 shows the effect of an offer of a wage subsidy, represented by a wage subsidy agreement, on employment outcomes at 26 weeks and income support status at 52 weeks after job placement (whether off or on a reduced amount of income support), with a focus on Newstart Allowance (NSA), Youth Allowance (Other) (YA(O)) and Parenting Payment (single or partnered) (PPS / PPP) recipients.

Table 8.2: Predicted probability of outcome for jobs with and without a wage subsidy agreement, by type of agreement and income support type

Income support type at time of placement	ELIGIBLE Wage Connect Wage Connect subsidy	ELIGIBLE Wage Connect EPF wage subsidy	ELIGIBLE Wage Connect No wage subsidy agreement	NOT ELIGIBLE Wage Connect EPF wage subsidy	NOT ELIGIBLE Wage Connect No wage subsidy agreement
NSA/YA(O) 26-week outcome	0.47	0.70	0.27	0.71	0.33
NSA/YA(O) 52-week reduced income support	0.48	0.58	0.45	0.62	0.53
NSA/YA(O) 52-week off income support	0.36	0.48	0.33	0.58	0.48
PPS/PPP 26-week outcome	0.60	0.78	0.44	0.76	0.43
PPS/PPP 52-week reduced income support	0.55	0.67	0.59	ns	0.57
PPS/PPP 52-week off income support	0.12	ns	0.17	ns	0.20
Not classified[5] 26-week outcome	n.a.	n.a.	n.a.	0.77	0.52
Not classified 52-week reduced income support	n.a.	n.a.	n.a.	n.a.	n.a.
Not classified 52-week off income support	n.a.	n.a.	n.a.	n.a.	n.a.
Total 26-week outcome	0.51	0.72	0.33	0.72	0.36
Total 52-week reduced income support	ns	0.60	0.48	0.61	0.53
Total 52-week off income support	ns	0.39	0.29	0.56	0.46

n.a. not applicable.
ns not significantly different to 'No wage subsidy agreement' (5% level of significance).
Notes:
1. Based on job placements between 1 February and 30 November 2012.

2. Table shows predicted probabilities of outcome for Wage Connect and EPF negotiated placements where the difference between these groups and 'No wage subsidy' is statistically significant. Corresponding odds ratios are available in the original publication.
3. Results are for groups with or without a wage subsidy agreement (or EPF funding commitment) regardless of whether a wage subsidy was actually claimed.
4. Base population is job seekers placed in a job. Stream 1 excluded from 26-week outcome models.
5. Includes fully eligible non-Allowees and other job seekers whose income support payment type at time of job placement could not be determined because of timing issues.

Source: Department of Employment administrative data.

The analysis shows that:

26-week employment outcomes

Job placement with a wage subsidy agreement (EPF or Wage Connect) was associated with significantly higher 26-week employment outcomes, for both VLTU and non-VLTU employees in receipt of either NSA, YA(O) or PP benefits.

52-week income support outcomes

For job seekers (both VLTU and non-VLTU) in receipt of NSA or YA(O), a wage subsidy agreement (either EPF or Wage Connect) was associated with significantly better 52 week off income support outcomes. The estimated probability of being either off income support or at a reduced rate of income support at 52 weeks was significantly higher for subsidised job seekers than for employees without wage subsidy agreements. Predicted probabilities were relatively higher for EPF placements compared to Wage Connect placements.

On the other hand, while wage subsidies were associated with significantly higher 26-week employment outcomes for PP recipients, this did not translate to higher off-income support outcomes at 52 weeks.

For non-VLTU PP recipients, EPF wage subsidy agreements had no significant impact on income support status at 52 weeks.

For VLTU PP recipients:

- a wage subsidy agreement (either EPF or Wage Connect) was associated with a significantly lower probability of being off income support at 52 weeks compared to employees without wage subsidy agreements
- Wage Connect was also associated with a significantly lower probability of having reduced income support payments at 52 weeks
- positively, however, the EPF was associated with a significantly higher probability of reduced income support payments compared to no subsidy.

The significantly poorer 52 week outcomes for VLTU PP recipients might reflect targeting of Wage Connect in practice by JSA providers towards job seekers who would otherwise not be placed (e.g. because of their length of unemployment, initial low attachment to the labour market and low skill levels). Results might also reflect a common preference of PP recipients for part-time employment. Lower participation requirements for PP recipients may also have resulted in their being less likely to exit income support.

Apart from wage subsidies, a number of other factors had a significant impact on outcomes:

- PP recipients placed in employment were significantly less likely to be off income support at 52 weeks than NSA and YA(O) recipients, but were more likely to have reduced income support
- higher educational qualifications and higher skilled jobs were associated with significantly higher 52-week off income support outcomes
- part-time jobs were significantly more likely to result in 52 week off income support outcomes than jobs recorded in the system as 'casual'
- while the effects of wage subsidies do not differ significantly by age group, age itself is significantly associated with employment outcome. Job seekers aged 30 to 49 were significantly more likely to be off income support or have reduced income support at 52 weeks than job seekers aged 50 years and over
- female job seekers were significantly more likely to achieve a 26-week outcome than males, but less likely to have a reduced or off income support outcome at 52 weeks
- being Indigenous, from a non-English speaking background, living outside a major city or having disability were associated with significantly lower probability of all three outcomes examined.

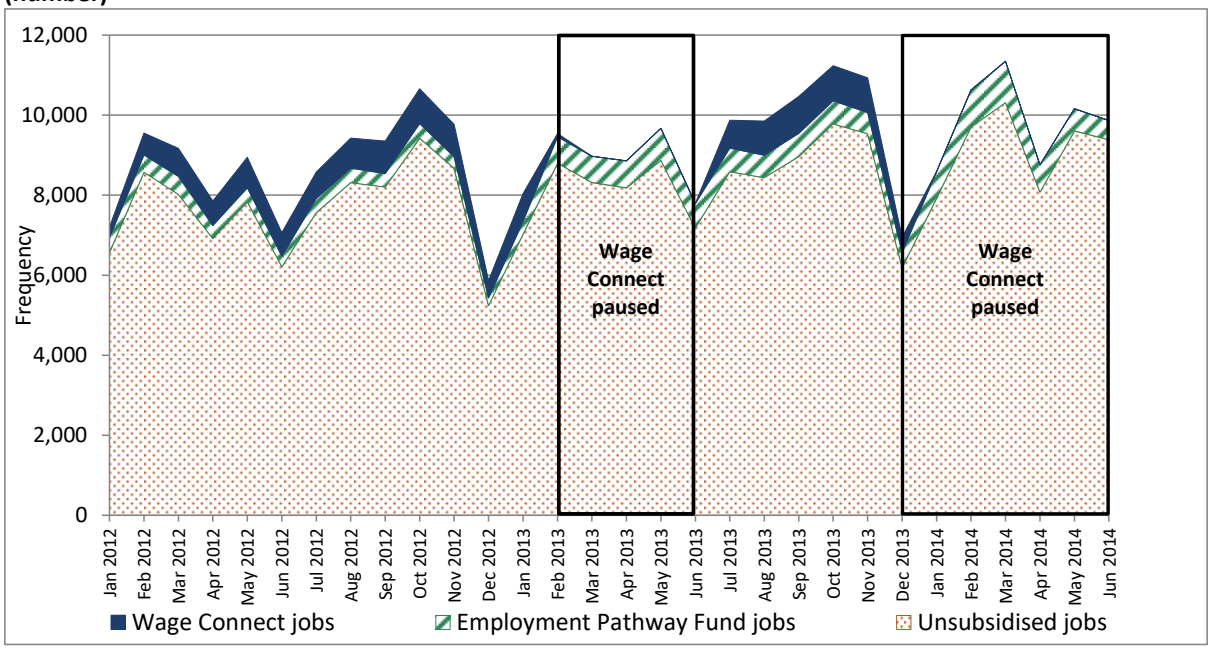
Did Wage Connect create more employment opportunities for VLTU?

This section looks at whether the pausing of Wage Connect affected opportunities and outcomes for VLTU job seekers in JSA.

During the first paused period (February to June 2013), there was a visible shift from Wage Connect to EPF subsidised employment while the VLTU caseload steadily increased.

Across both paused periods, closing Wage Connect to new applications coincided with a 15 per cent drop (0.5 percentage point decrease) in the Wage Connect-eligible job placement rate (Figure 8.1). The shift to EPF-subsidised jobs did not entirely compensate for the decrease apparently associated with the pausing of Wage Connect. Around 114,000 Wage Connect eligible job seekers were placed in the 12 months that Wage Connect was paused to June 2014. Pausing Wage Connect for 12 months appears related to the difference between actual (114,000) and expected (129,000) numbers of placements, around 15,000 fewer placements for Wage Connect-eligible job seekers.

Figure 8.1: Job placement rate for Wage Connect eligible JSA job seekers, January 2012 to June 2014 (number)



Note: Job placement rate is the count of job placements divided by number of job seekers. Some job seekers were placed more than once.

Source: Department of Employment, 2016. *The Effectiveness of Wage Subsidies in Australian Government Services,* Canberra.

Did pausing Wage Connect affect employment outcomes for VLTU?

Job seekers in receipt of NSA, YA(O) and PP recorded a significantly, (2 percentage point) higher probability of being off income support at 52 weeks when Wage Connect was available compared to when Wage Connect was not available. However, for PP recipients, this appears more related to policy changes which took effect from January 2013[73] than to Wage Connect. Once individuals impacted by the changes were excluded, Wage Connect availability was not significant for either 26-week employment or 52-week income support outcomes for PP recipients.

8.2.2 The net cost of wage subsidies for Newstart Allowance and Youth Allowance recipients

Given levels of deadweight loss, substitution and additionality, which to varying extents are unknown, the analysis examines the net cost of subsidised employment in order to give a partial picture of its cost effectiveness. Specifically, the net cost (i.e. the amount paid in subsidies minus corresponding reductions in income support for subsidised employees) is compared with reductions in income support for unsubsidised employees over the 52 weeks following job placement. Cost analysis is undertaken only in respect of NSA and YA(O) recipients because this was the only group to record significantly and consistently higher 52-week outcomes connected with wage subsidies.

During the reference period, unsubsidised job placements saved the government an estimated average of $3,403 per VLTU job seeker and $4,690 per non-VLTU job seeker, via reduced NSA and

73 These changes are the Welfare Reform changes described in Table 1.2, where by many PP recipients were moved to NSA.

YA(O) payments. Savings were less than the full rate NSA and YA(O) because some employees did not earn enough to reduce their benefit and/or the job was lost.

By comparison, net savings associated with subsidised job placements were lower, but positive, averaging:

- $2,492 per VLTU job seeker placed with an EPF wage subsidy; $562 if placed with Wage Connect
- $3,497 per non-VLTU job seeker placed with an EPF wage subsidy.

It is possible that subsidised employment produced benefits over longer timeframes than the 52-week period used in this analysis. For example, even if a job was not maintained it might still have contributed to improved long-term prospects by giving the person the experience of work and helping to maintain labour market attachment.

8.2.3 Employer and provider perspectives

Feedback from providers and employers about wage subsidies, collected in Department-commissioned surveys, was generally consistent.

The majority (85 per cent) of employers surveyed in 2013 who had used employment services were aware that they may be able to access a wage subsidy when recruiting an unemployed job seeker. Of these employers who had used JSA, 42 per cent said they had received a wage subsidy in the previous 12 months, in most cases initiated by an employment services provider. Most (94 per cent) employers who had received a subsidy said they would consider recruiting with a wage subsidy again.[74] [75]

While most employers reported their primary consideration was getting the right person for the job, with financial incentives being a secondary consideration, some providers expressed a concern that employers occasionally seek job applicants from employment services just to receive a wage subsidy, and suggest that this has increased with employers' increasing awareness of subsidies.[76]

Most JSA providers consider wage subsidies to be an important labour market assistance tool and agree that employers are receptive to wage subsidies. In particular, providers consider wage subsidies to be particularly important for VLTU job seekers and job seekers with disability. On the other hand, while most employers reported that the offer of a wage subsidy would make them more inclined to recruit from most groups, most stated that it would have no effect or make them less likely to consider hiring Indigenous job seekers and job seekers with a physical or psychological disability (Figure 8.2).[77]

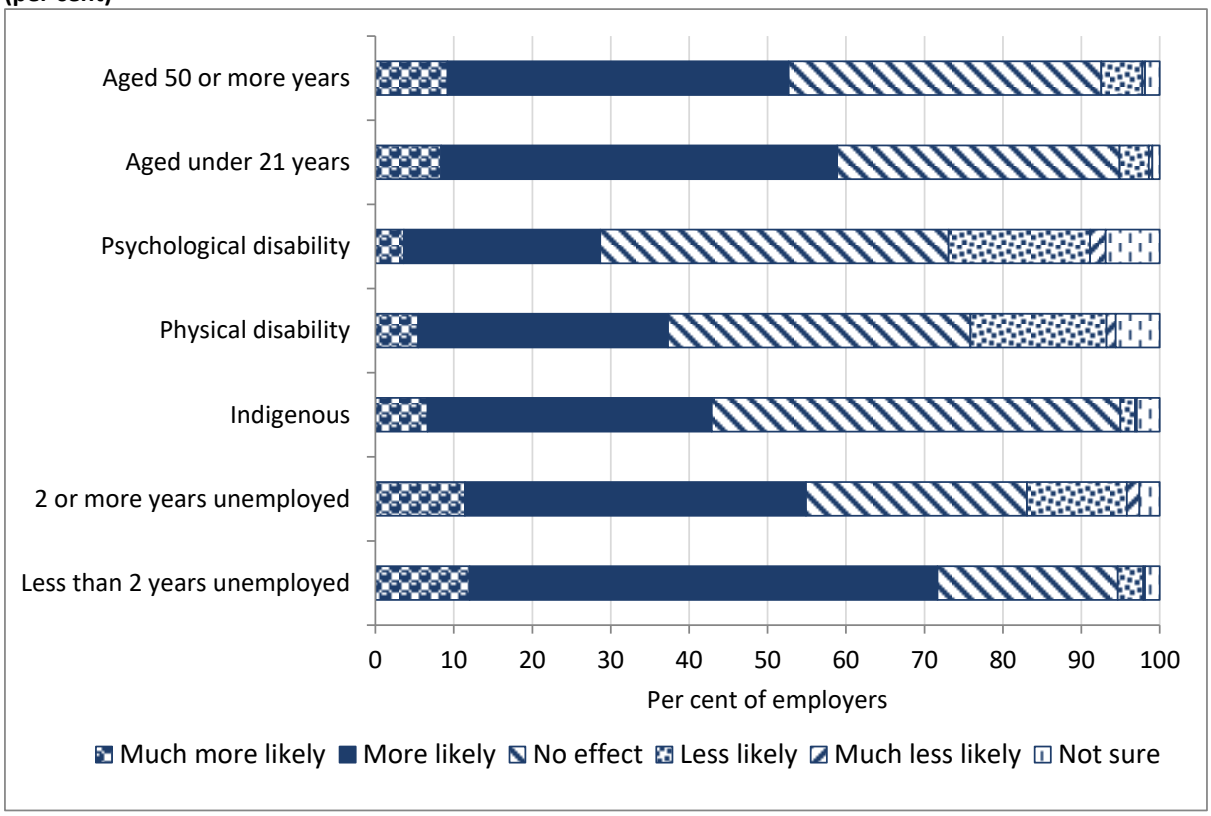
74 Department of Employment, 2013 Survey of Employers.

75 The high percentage of employers who have used wages subsidies in this period may be due to the popularity of Wage Connect (Internal departmental research).

76 Department of Employment, 2013 Survey of Employers.

77 Department of Education, Employment and Workplace Relations, 2011 Employer Incentives Survey.

Figure 8.2: Employer perceptions of the influence of wage subsidies on hiring decisions for job seeker groups (per cent)



Note: Based on responses to the question 'Do you think financial incentives make employers more or less likely to consider hiring...?'

Source: Department of Employment, 2016. *The Effectiveness of Wage Subsidies in Australian Government Services,* Canberra.

Although wage subsidies were more likely used by large rather than small and medium employers, subsidies reportedly had a comparatively stronger influence on recruitment decisions, and delivered higher primary benefits and lower deadweight loss, for small employers.

Most employers (87 per cent) reported that new recruits typically became fully productive within six months. Where subsidised employment did not continue into unsubsidised employment, it appears that this was most often because the employee lacked the 'soft' skills—good attitude and work ethic—rather than problems with job-specific skills or business-related factors (Table 8.3).

Table 8.3: Employer-stated reasons why Employment Pathway Fund (EPF)-subsidised employee no longer employed (per cent)

Reason	Per cent
Business-related factors: Financial incentive ran out	1.5
Business-related factors: Fixed term position ended	4.9
Business-related factors: Business restructured/downsized/closure	6.0
Business-related factors: Insufficient work to retain employee	17.5
Business-related factors sub total	26.7
Better prospects elsewhere: Wanted different hours or conditions	4.5
Better prospects elsewhere: Employee found another job	23.1
Better prospects elsewhere sub total	25.1
Productivity: Needed too much supervision	1.5
Productivity: Low productivity	6.0

Reason	Per cent
Productivity: Consistent underperformance	7.5
Productivity sub total	8.4
Skills or experience deficit: Language difficulties	0.4
Skills or experience deficit: Insufficient work experience	1.9
Skills or experience deficit: Lacked required education or training	1.9
Skills or experience deficit sub total	1.6
'Soft skills' deficit: Personality conflict, didn't get on with others	4.5
'Soft skills' deficit: Poor attitude	9.0
'Soft skills' deficit: Attendance problems	11.6
'Soft skills' deficit: Decided to leave/didn't like it	18.4
'Soft skills' deficit sub total	38.3
Total	100.0

Notes:

1. Two in three employers surveyed were still employing the person recruited with an EPF wage subsidy, when surveyed in 2011. One in three said the person was no longer employed. Table shows data for question "Earlier you said that <NAME> is no longer working for you. Why is that?" (Separated employees).
2. Results exclude answers of "Illness—unable to continue", "Don't know", "Other", and refusal to answer.
3. Rows can sum to more than subtotal because multiple responses were possible. For example, if an employer said that a person consistently underperformed and needed too much supervision then they are counted in both rows but only once in the 'Productivity' sub-total.
4. Where an employer listed several categories, they are counted only once in order of categories (i.e. business related factors first, followed by better prospects elsewhere, etc.).

Source: Department of Employment, 2016. The Effectiveness of Wage Subsidies in Australian Government Services, Canberra.

Providers noted that administrative requirements can reduce the attractiveness of wage subsidies, as expressed in concerns of some employers about paperwork and waiting periods for payment.

Among employers who had used EPF subsidies (Table 8.4):

- more than half (63 per cent) received payment at 13- and 26-weeks, despite it being among the least preferred payment schedules, presumably because it lacked an upfront element. The timing of subsidy payments to coincide with 13- and 26-week outcome payments to providers might also have encouraged premature or inappropriate placement, thereby reducing the effectiveness of wage subsidies.
- a further 27 per cent received full payment in arrears, raising the question of whether guidelines to pay in arrears might place too much risk on employers
- most preferred option was part payment upfront and the rest at the end of the subsidy period. On the other hand, employers showed no preference for very frequent (e.g. weekly or fortnightly) payments, perhaps because of the additional accounting and administrative requirement.

Providers correctly perceived that employers prefer some upfront or early payment for wage subsidies, even though this is rarely the method of payment.

Table 8.4: Timing of payments to employers for Employment Pathway Fund (EPF) wage subsidies and employers' preferred payment schedule (per cent of surveyed employers)

Payment plan	Actual [2]	Preferred [3]
Full amount in arrears	27	9
Full amount upfront	1	13
Weekly or fortnightly instalments	1	14
Monthly instalments	2	18
At 13- and 26-weeks[1]	63	12
Part upfront, rest in arrears	Not asked	27
Other schedule, not specified	3	2
Not stated	4	4
Total	100	100

Notes:

1. Or quarterly instalments.
2. Answers to question 'How was the financial incentive paid?'
3. Answers to question 'What is the best way of paying financial incentives to employers?'

Source: Department of Employment, 2016. *The Effectiveness of Wage Subsidies in Australian Government Services,* Canberra.

8.3 Conclusion

Assuming that income support status at 52 weeks is employment-related, the analysis finds that EPF and Wage Connect negotiated job placements were significantly more likely to result in sustained employment and reduced welfare dependency than unsubsidised placements for unemployed NSA and YA(O) recipients. However, the analysis finds no evidence that subsidised placements assist PP recipients to reduce reliance on income support, wage subsidies may still help these individuals maintain labour market attachment and consequently improve long-term employment prospects.

Where demand for wage subsidies exceeds supply, as was the case for Wage Connect, it is recommended to exclusively target eligible job seekers with full-time participation requirements (currently, NSA and YA(O) recipients) on the basis of significantly reduced reliance on income support and demonstrated net saving for this group, rather than closing a programme to all applicants.

Subsidised job placements do not always lead to ongoing employment. Employers report that they look for job applicants who possess the 'soft skills', willingness to work and reliability, and are often willing to provide on-the-job training to help develop job-specific skills. Employment services providers need to use other strategies to help job seekers become work ready before referring to employers, and use wage subsidies only for those who are ready and willing to work.

To encourage better job matching by service providers, it is recommended that pro-rata payments for placements that end prematurely be removed, as they seem to reduce the risk to service providers who place job seekers inappropriately. Payment schedules that reduce the upfront risk to employers (e.g. pay a proportion of the subsidy upfront and the remainder at the end of the subsidy period), and decouple the final claim from provider outcome payments, are recommended. Furthermore, as wage subsidies for small employers deliver higher primary benefits and lower deadweight loss than subsidies paid to large employers, subsidies may be best targeted at small to medium enterprises.

9 Employer servicing

9.1 Introduction

Under the Job Services Australia (JSA) service delivery model, providers were required to work with employers to determine their needs and focus on skills development to meet skill shortages. This chapter explores changes to provider services between the 2009 and 2012 contracts, awareness of the JSA brand, both between JSA contracts and compared to its predecessor (Job Network (JN)) and employer use and perceptions of job seekers and services under the last JSA contract (JSA 2012).

9.2 Key findings

9.2.1 Changes to provider services between contracts

The services typically provided to employers include:

- advertising job vacancies
- reverse marketing job seekers[78]
- referring job seekers to vacancies
- screening and shortlisting candidates
- providing post-placement support and follow-up[79]
- pre- and post-placement training.

Changes to the way providers reported and were renumerated for some services relating to employer servicing were implemented between the two contracts. These are outlined in Table 9.1

Table 9.1: Changes to provider services between the JSA 2009 and JSA 2012 contracts

JSA 2009	JSA 2012
Batch Commitments allowed for claiming Provider Services sub-categories of additional contacts, reverse marketing, Post-Placement support and mentoring; and wage subsidies.[1]	Batch commitments were removed for these services.
No requirement for entries to be included in a job seeker's Employment Pathway Plan (EPP) or Barrier Management Tool.	Entries had to be included in a job seeker's Employment Pathway Plan (EPP) or Barrier Management Tool that justified Employment Pathway Fund (EPF) expenditure.[2]
Estimates for time spent on cost of Provider Services could be estimated in 15-minute blocks.	Standard rates were auto-calculated for the provider services sub-categories of additional contacts, reverse marketing, post-placement support and the new mentoring sub-category. In order to auto-calculate the cost, providers were required to estimate the duration of the service down to the nearest minute.

78 Reverse marketing encourages providers to actively market job seekers to potential employers where vacancies have not been advertised, and to refer and place job seekers into those jobs. Reverse marketing provides a mechanism to stimulate demand for labour by pre-empting employers' labour needs before they create a vacancy.

79 Post-placement support is designed to support job seekers by addressing issues likely to impact the sustainability of an employment or education/training placement.

JSA 2009	JSA 2012
Reverse marketing could be bulk billed for multiple job seekers based on invoice	For reverse marketing commitments, the employer's name and contact details were required to be recorded in comments in ESS for commitments created from 1 July 2013

Notes:

1. Batch commitments allowed providers to create an EPF commitment without attributing each amount to individual job seekers.
2. This provision was removed in 1 July 2014.

Impact of changes on post-placement support and reverse marketing

Providers could access the Employment Pathway Fund (EPF) to provide services to employers, including post-placement support and reverse marketing. Expenditure on provider services, incorporating these services, as well as additional contacts, mentoring, outreach services, provider transport costs, skills assessment tools and intensive activity, declined significantly under JSA 2012, particularly for reverse marketing and post-placement support (Table 9.2).

Table 9.2: Employment Pathway Fund (EPF) expenditure overall, post-placement support and reverse marketing by JSA contract ($ value and per cent)

Provider services

EPF Expenditure Type	JSA 2009	JSA 2012
Total $ (million)	141.3	77.7
Average $ transaction	74.6	54.6
Percentage of Total	12.9	6.4

Post-placement support

EPF Expenditure Type	JSA 2009	JSA 2012
Total $ (million)	13.5	3.5
Average $ transaction	57.0	48.9
Percentage of Total	1.2	0.3

Reverse marketing

EPF Expenditure Type	JSA 2009	JSA 2012
Total $ (million)	82.7	29.4
Average $ transaction	57.0	49.0
Percentage of Total	7.5	2.4

Source: Department of Employment administrative data.

The decline in expenditure for reverse marketing and post-placement support was likely due to an increase in the level of information required for substantiating expenditure when accessing the EPF for provider services (Table 9.1).

Reduced spending on reverse marketing and post-placement support can have a negative impact on provider's ability to develop suitable long-lasting relationships with employers in their area. As noted by the Australian Chamber of Commerce and Industry:

> Industry feedback suggests that some JSA providers do not have sufficient specialist industry knowledge to make a satisfactory placement so opportunities for real employment outcomes in industry are lost. JSAs with strong industry links and understanding enable those JSAs to better understand the needs of

employers, the skills and labour requirements for that industry and better link training services for jobseekers to ensure that training is relevant to the needs of the employer.[80]

Reducing the support available to build relationships with providers can further erode their specialist knowledge of the industries and employers in their areas, leading to lower employment opportunities for job seekers.

Survey evidence from providers however suggests that the reduction in EPF expenditure had limited impact on providers engaging in reverse marketing and post-placement support. The 2012 Provider Survey reveals that 81 per cent of providers often or always deliver ongoing support to job seekers as part of their employer servicing strategies. This remained relatively unchanged (80 per cent) in the 2015 survey. Similar survey results are found for reverse marketing. In 2012, 94 per cent of providers often or always use reverse marketing to facilitate job placements. The figure for 2015 was slightly lower (88 per cent). This suggests that the tightening of evidentiary requirements was unlikely to have significantly reduced the level of employer servicing undertaken by providers.

9.2.2 Employer awareness and use of Job Services Australia

Data used in the following sections is from the 2014-15 Survey of Employers, unless otherwise stated.[81] The 2014-15 Survey of Employers found that three-quarters of employers (77 per cent) were aware that government funded employment services exist.[82] However, this general awareness did not follow through into awareness of the JSA brand, with only 33 per cent of employers recognising JSA. Conversely, 70 per cent of employers were aware of Job Network (JN) in 2007 (Table 9.3).

Table 9.3: Awareness and use of mainstream government funded employment services, 2007 to 2015 (per cent)

Awareness/Use	Job Network (2007) (%)	JSA (2010 (%)	JSA (2012) (%)	JSA (2014-15) (%)
Awareness	70	39	28	33
Use	18	4	7	N.c.

Notes:

1. Usage questions were only asked of those that were aware of the services.
2. These results were obtained from random samples of employers who had recruited or tried to recruit in the previous 12 months
3. N.c. = Not Comparable

Sources: Department of Employment and Workplace Relations 2007 Survey of Employers,
Department of Education, Employment and Workplace Relations 2010 and 2012 Survey of Employers
Department of Employment 2014-15 Survey of Employers.

A partial explanation for lower awareness of JSA compared to JN may be the focus of employers specifically on employment services providers rather than the overall JSA brand. That the Job Network brand existed for almost twice as long as the Job Services Australia brand would also go to explaining the greater brand recognition for JN. Table 9.3 indicates that changing programme branding results in a drop in awareness and usage of employment services. Consistent branding

80 Australian Chamber of Commerce and Industry, 2013. *Submission to the Department of Education, Employment and Workplace Relations regarding the 'Employment services: building on success' issues paper*, March, 2013.

81 Department of Employment, 2014-15 Survey of Employers.

82 Question is – 'Before today, were you aware that there are government-funded employment services that support unemployed job seekers and provide **FREE** recruitment services to employers?'

across contracts (JSA 2009 and JSA 2012) promoted increased awareness and usage over the longer-term.

Greater promotion of employment services in general can also complement the reverse marketing strategies of individual providers. Survey data indicates that the main way employers come to use government-funded employment services is from being directly approached by the provider (34 per cent). This is likely to have driven higher usage over time despite lower overall awareness of the JSA brand relative to JN. Promoting greater awareness of the brand may mean that an increasing proportion of employers will also seek out providers on their own initiative. Relying on employer awareness of JSA through their association with individual providers is not a viable long-term strategy as individual providers are not a constant under the employment services model.

Of the employers who reported awareness of government funded employment services, typically they did not use the service to recruit staff because they did not think of it (50 per cent). This indicates a need to not only increase awareness of government-funded services, but also to better promote their services and benefits to employers.

As part of these services, the relationship built between the provider and employer can allow the provider to better understand the business needs of the employer, allowing for targeted service delivery. This may include better identification of the most suitable job seekers, and providing training relevant to the position.

Encouragingly, employers positively rated the services delivered by providers. Specifically, employers rated the following services as either good or very good:

Advertising a vacancy for an employer	88 per cent
Providing support and follow-up to an employer after someone started working	84 per cent
Training people before they are employed	79 per cent
Referring potential employees to an employer	78 per cent
Keeping employers informed	76 per cent
Understanding employer needs	76 per cent
Screening and shortlisting job applicants	75 per cent
Training people after they are employed	75 per cent

This suggests that providers can value add to an employer's recruitment process. Promoting these benefits to employers would, at the very least, encourage employers to consider using government employment services providers before deciding on a recruitment approach.

Strategies such as the above to increase employer usage over time will have two major benefits:

- provide another avenue for employers to fill vacancies with staff that have the relevant skills sets/experience and/or training or who had the right attitude, motivation and/or presentation
- increase the likelihood of job seekers obtaining employment as they have access to a larger employer network.

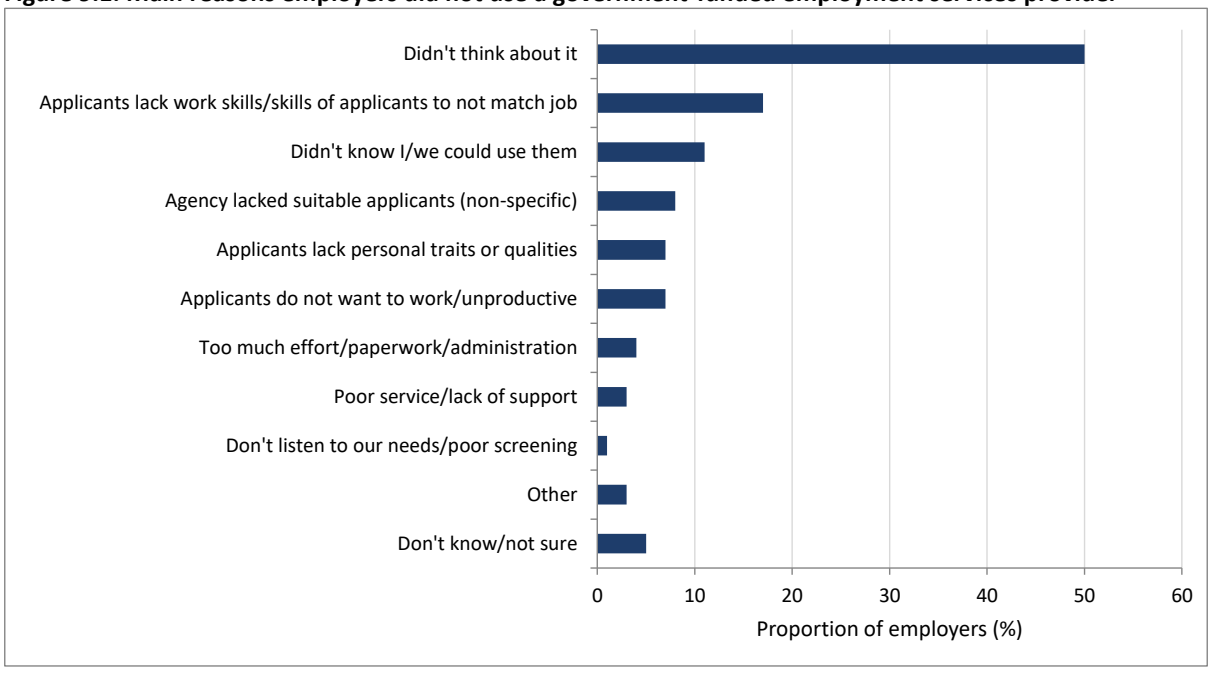
9.2.3 Employer perceptions and recruitment experiences in JSA 2012

Employers consider reliability, willingness to work and motivation the most valued attributes in potential candidates. Relevant work skills/experience and qualifications are also highly valued.[83] The relative importance between these two types of attributes depends on the degree of skill required for the available position. Greater importance is placed on reliability, willingness to work and motivation for lower skilled positions. For positions in the services and professional industry sector, relevant work skills/experience and qualifications were considered more important. One important difference between these two types of attributes is that candidates can more readily develop relevant work skills and experience relative to soft skills. Consequently, employers suggest that they are more willing to hire candidates with a positive attitude and to invest in developing their work related skillset if required.

Aside from not having considered the option, a significant proportion of employers did not use government employment services because they perceive the job seekers to (Figure 9.1):

- lack suitable work related skills
- lack suitable personal traits
- not want to work
- be unproductive.

Figure 9.1: Main reasons employers did not use a government-funded employment services provider



Note: Refer Appendix A2, Table A2.39.
Source: Department of Employment, 2014-15 Survey of Employers

Consequently, employers stated that candidates sourced from government-funded employment services were:

- a lower quality or calibre relative to other sources
- less likely to stay in the position if hired.

83 Department of Employment, 2014-15. Survey of Employers.

Almost three-quarters of employers (73 per cent) who had recruited through employment services providers stated they would use one again. This result is similar across tertiary, secondary and primary industries, and suggests that despite initial perceptions, employers do benefit from using employment services and do receive suitable candidates across all skill levels. Considering that over half of employers who intend to recruit staff state it is unlikely they would recruit through government-funded employment services, overcoming these negative perceptions offers a significant opportunity to increase the use of employment services.

However, managing perceptions does not overcome the issue of a third (32 per cent) of employers reporting that the overall quality of job seekers referred to them by employment services was poor or very poor. Providers could be expected to improve these statistics by fulfilling employer expectations about the type of candidates they need, including:

- developing an understanding of employer needs
- matching jobs to the skills and interest of the job seekers
- providing training to job seekers relevant to industry needs and the local labour market
- negotiating work experience placements or wage subsidies to build a job seeker's work experience and/or soft skills and reduce the initial cost to the employer
- providing post-placement support to help retain job seekers in those positions.

By maximising the likelihood that candidates referred to employers are suitable for the position and are given appropriate support, providers build a trusting relationship with the employer. For example, almost three-quarters (74 per cent) of employers who used a provider's services were satisfied or very satisfied with the services they received. However, those employers of job seekers who received pre- or post-placement training recorded high levels of satisfaction (86 and 88 per cent, respectively), suggesting that working with employers can improve their satisfaction with the job seekers they receive. Providing employers with suitable candidates means employers may be more likely to use providers in the future to source candidates, in a similar fashion to the way almost half of employers (44 per cent) currently rely on word of mouth to find appropriate candidates from a trusted source.

9.2.4 Employer attitudes to disadvantaged job seeker groups

Almost half (43 per cent) of employers who recruited in the previous 12 months had difficulty finding good staff, primarily relating to relevant skills sets/experience and/or training or who had the right attitude, motivation and/or presentation. Employers considered that their ability to source candidates with required work and soft skills differed across job seeker groups. Mature age job seekers for example, were viewed positively, particularly in terms of attitudes to work, productivity and level of supervision required. Conversely, attitudes towards the long-term unemployed and Indigenous job seekers were less favourable, particularly regarding attitudes to work and integration into the workplace.

Other perceptions about retaining Indigenous job seekers included that they were (Table A2.40):

- less likely to have access to transport (especially in regional areas)
- more likely to have issues with phone and internet access affecting their flexibility and availability

- more likely to have family and community commitments that were an impost on workplace flexibility.

The ability of young people (aged 18 to 24) to integrate into the workforce, was viewed positively, but employers had negative views on their attitudes towards work and the level of supervision required.

Employers had concerns about the level of supervision required for people with disability as well as their capacity to undertake certain roles, though positively viewed their attitude to work. Employers also suggested that people with a mental disability may face issues that impact on their reliability and flexibility.

These attitudes impact the likelihood of these different in obtaining employment. Around three-quarters (74 per cent and 71 per cent, respectively) of employers reported currently employing a mature age or young person. In line with this result, only a small proportion (5 per cent) stated they would not consider hiring young people in the future. Conversely, less than a quarter (21 per cent) of employers employed people with disability, the long-term unemployed (20 per cent) and Indigenous job seekers (19 per cent). Employers were most likely to state they would not hire a person with disability (26 per cent) which may be due to Workplace Health and Safety requirements. A further 13 per cent of employers would also not consider hiring a long-term unemployed job seeker, likely reflecting that employers considered these job seekers to lack appropriate work related and soft skills (Table 9.4).

Table 9.4: Employers who currently employ or would not consider hiring particular job seeker groups (per cent)

Cohort	Currently employ (%)	Would not consider hiring (%)
People with disability	21	26
Mature age job seekers	74	3
Long-term unemployed job seekers	20	13
Young people aged 18 to 24	71	5
Indigenous job seekers	19	4

Source: Department of Employment Survey of Employers, 2014-15.

Differing employer attitudes to these disadvantaged groups require the need for targeted employer servicing strategies to address their specific concerns. For example:

- Indigenous employment could be improved by encouraging employers to institute a proactive policy which increases the likelihood of actually employing Indigenous job seekers. Nearly half of all employers stated that instituting such a policy has assisted them in hiring an Indigenous job seeker. Providers can also help ensure that employers have access to cultural awareness training and provide pre and post-placement training to Indigenous job seekers to improve their employment related skills.
- Providers can assist employers in hiring people with disability through the screening process and by providing effective post-placement support.
- Wage subsidies and work-experience placements can reduce the up-front costs of hiring long-term unemployed job seekers and can help persuade employers to give these job

seekers the chance to demonstrate their abilities and build the skills needed to undertake their work.

9.3 Conclusion

Changes to provider services in the JSA 2012 contract made it more challenging for providers to claim for employer-related services, such as post-placement support and reverse marketing. Significantly less was claimed for these services in the JSA 2012 contract than the JSA 2009 contract. However, survey evidence from providers suggests that the reduction in EPF expenditure had limited impact on providers engaging in reverse marketing and post-placement support. [84]

Awareness of JSA was low at the beginning of the 2009 contract and actually decreased over time, whereas usage increased, supporting indicative data that providers, to some extent, were generating awareness through connecting with employers. However, at the end of the JSA 2012 contract usage was still lower than usage of JN. This shows that changing the brand name of the employment service can have a significantly negative impact on employer usage that takes a long time to recover.

Most employers who did use JSA rated a number of services as good or very good including advertising a vacancy for an employer and providing support and follow-up to an employer after someone started working.

Employers consider reliability, willingness to work and motivation the most valued attributes in potential candidates. About half of employers who were aware of JSA, but did not use it, stated that JSA job seekers lacked suitable work related and soft skills as their reasons. About a third of employers who used the service indicated that the quality of job seekers referred to them was poor or very poor, but most were happy with the post-placement support they received. This emphasises the importance of submitting suitable candidates to employers.

Employers who had recruited staff in the last 12 months also had perceptions about disadvantaged job seeker groups which may have influenced their willingness to source job seekers from JSA providers (for those who were aware of such services). Providers can influence these perceptions through: working to understand employer needs; effective screening of job seekers; and offering pre- and post-placement training and support, as well as wage subsidies to ease the burden of employing disadvantaged job seekers.

84 The type, intensity and effectiveness of services provided may have declined under JSA 2012, though this cannot be determined from the data items in the Survey of Employers.

10 Providers

10.1 Introduction

As with JSA 2009, there were both 'for profit' and 'not for profit' providers in the JSA 2012 contract, and providers were also contracted to deliver generalist and/or specialist services.[85]

At the commencement of the JSA 2012 contract there were around 100 providers in around 2,100 sites. By the end of the contract, in June 2015 the number had dropped to around 80 providers in around 2,000 sites. Of these 80 providers, 50 were 'for profit' and 30 were 'not for profit'. There were 37 providers that provided 'generalist services' only, and 13 that provided 'specialist services' only, with the remainder providing both.

Under both JSA contract periods the payment structure sought to encourage job seeker outcomes in the first year of unemployment to negate long-term unemployment.[86] For those job seekers who became long-term unemployed (LTU) the incentive for providers to achieve results came more from outcome fees than service fees.

10.1.1 Service fees

The following table outlines the service fee structure and rationale in the JSA 2012 contract.

Table 10.1: Service fee structure and rationale for the JSA 2012 contract

Service fee structure	Rationale
Higher payments for the higher streams	Reflecting greater servicing needs of these job seekers
Significantly higher in the first year of service	Encouraging providers to assist job seekers achieve outcomes in their first year of unemployment
Lower in the Work Experience Phase (WEPh) (second year of service) and Compulsory Activity Phase (CAP) (third year of service)[1]	In recognition that these periods require less provider involvement
Further reduced for periods of service beyond the first year of CAP	In recognition that these periods require less provider involvement

Note: The Employment Pathway Fund (EPF) could be used to arrange work experience projects under the work experience group based activities EPF expenditure category.

10.1.2 Placement fees

Placement fees were paid at the same monetary rate under both models.[87] They were however, not paid for Stream 1 job seekers in the first 3 months of service under JSA 2009. Under the 2012 model they were payable for eligible job seekers in all four service streams during the first three months of service.

85 Specialist services were for the homeless, youth, people with disability, Indigenous job seekers, people from Culturally and Linguistically Diverse (CALD) backgrounds, and ex-offenders, among others.

86 The payment structure allowed for both high service fees and high outcome fees during the first 12 months of service.

87 Placement fees were paid for placing job seekers in education or employment.

10.1.3 Outcome fees

Outcome fees were paid for 13-and-26-week (education or employment) outcomes. The level at which they were set depended on:

- the job seeker's stream of service
- the job seeker's length of unemployment (less than one year, one to five years or longer)
- the type of outcome achieved (whether the job seeker fully left income support or had their income support dependency had been sufficiently reduced for employment outcomes).

10.1.4 Changes to the model between contracts

Changes were made to Stream 1 servicing (Chapter 4) which affected how service and placement fees were paid.

Table 10.2: Changes to service and placement fees for Stream 1 job seekers between JSA 2009 and JSA 2012

JSA 2009	JSA 2012
Service fees paid in the first year of service for Stream 1 job seekers from $781	Service fees paid in the first year of service for Stream 1 job seekers from $581[1]
Job placement fees became payable after three months of service	Job placement fees became payable from registration

Note: As Stream 1 job seekers represent around 70 per cent of new entrants this reduction would have had a significant effect on total service fees paid.

Also, in the JSA 2012 contract, a single tiered outcome payment structure was introduced for all job seekers, with lower maximum outcome fees payable for each of the four streams (when compared to the two tiered outcome fee structure in the JSA 2009 model).

10.2 Key findings

10.2.1 Provider remuneration

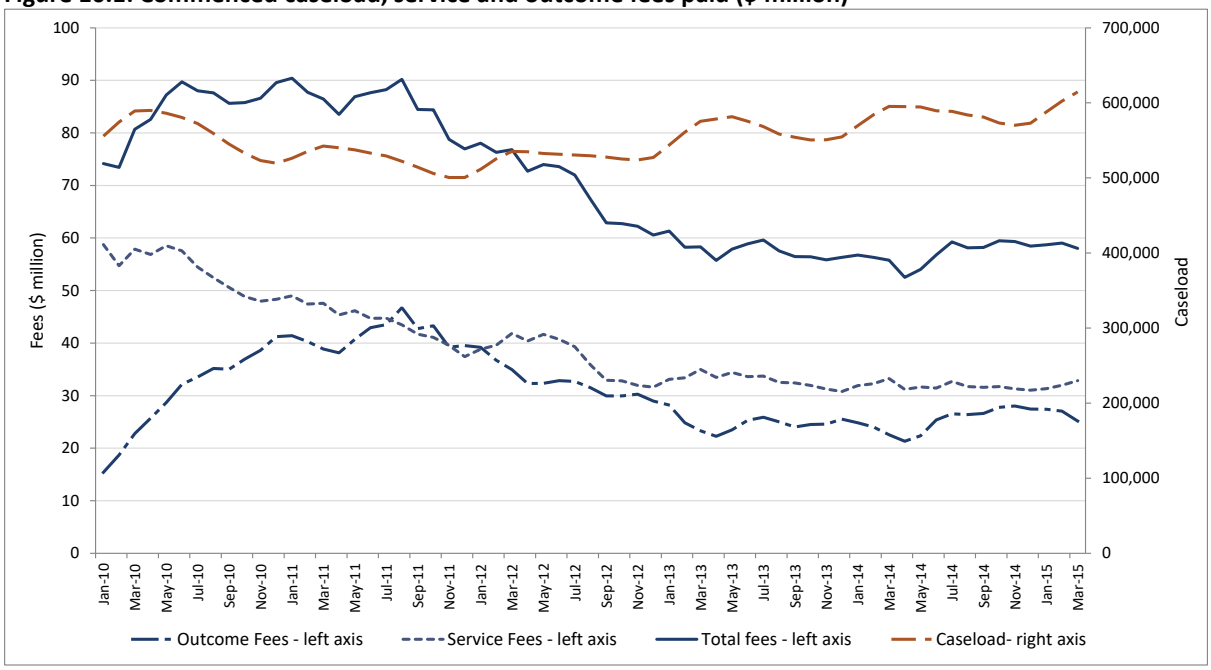
The JSA model incorporated the use of an incentivised fee structure, coupled with access to an Employment Pathway Fund (EPF) for approved activities. Use of the EPF is addressed in section 10.2.2.

The JSA model had three types of programme fees:

- preparing for employment – Service fees
- obtaining employment –Placement fees
- maintaining employment – Outcome fees.

Figure 10.1 shows the caseload, service and outcome fees paid between July 2010 and March 2015. Outcome payments peaked in mid-2011, preceding a transitional decline between the two models. From early 2013 outcome payment levels plateau at a much lower rate than observed for JSA 2009.

Figure 10.1: Commenced caseload, service and outcome fees paid ($ million)



Notes:

1. Amounts are running averages, calculated as the average of the current and previous two months.
2. Refer Appendix A2, Table A2.41.

Source: Department of Employment administrative data.

The decline in service fees is likely the result of a combination of factors, including:

- lower service fees for Stream 1 job seekers ($581 rather than $781) (section 10.1.4).
- Stream 1 job seekers remaining in service longer, with analysis showing fewer outcomes over a given period
- a greater proportion of Stream 1 job seekers remaining in service for more than 12 months. As service fees were only paid in the first 12 months this reduced the average service fee per job seeker paid to providers
- the transfer of remotely located job seekers to the Remote Jobs and Communities Programme (RJCP) (Table 1.2), removing a group of job seekers who attracted higher service fees[88].

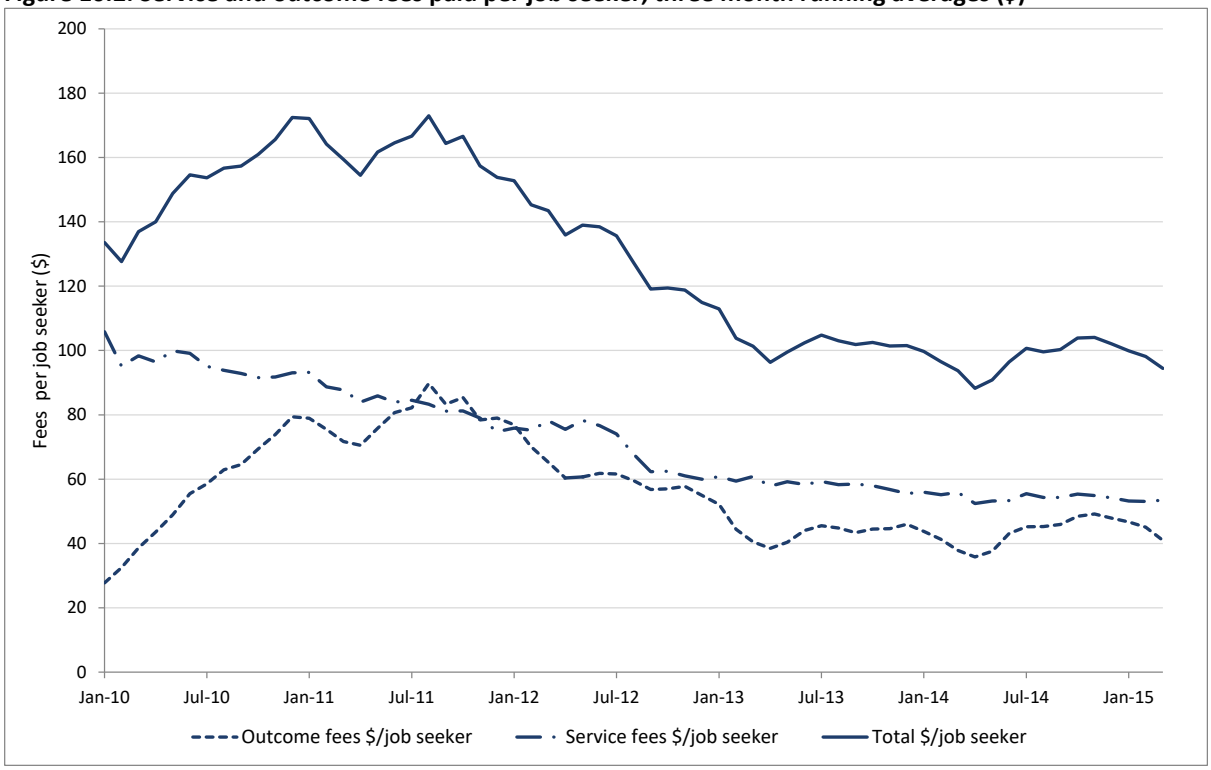
The pattern of change in outcome payments is likely the result of a combination of the following factors:

- deteriorating labour market conditions (reflected in an increase in the unemployment rate) during JSA 2012 (Figure 1.2), leading to a change in the caseload composition (and level and proportion of disadvantaged job seekers), and subsequent impact on outcome rates
- changes in the composition of the caseload, provider practices and job seeker motivation during this period, which may have resulted in more of the caseload being less likely to generate paid outcomes.

88 Job seekers in remote regions attracted service fees with a loading of 1.7 times (JSA 2009-12 Request for Tender).

Overall, total fees (that is income per job seeker for providers) were much higher in JSA 2009 than JSA 2012.[89]

Figure 10.2: Service and outcome fees paid per job seeker, three month running averages ($)



Notes:

1. The number of job seekers used in the calculations is the caseload at the end of each month.
2. Amounts are running averages calculated as the average of the current and previous two months.
3. Refer Appendix A2, Table A2.42.

Source: Department of Employment administrative data.

Total fees paid per job seeker increased during the JSA 2009 period, but decreased over the JSA 2012 period (Figure 10.2). While not definitive, the data could suggest that the funding model provided a more challenging environment for providers as labour market conditions changed.

A comparison of the income stream to providers between JSA 2009 and JSA 2012 is shown in Table 10.3. Providers received about one-third less per job seeker under JSA 2012 than JSA 2009.

Table 10.3: Commenced caseload service and outcome fees paid for JSA 2009 and JSA 2012 (average and percentage difference)

	JSA 2009	JSA 2012	Difference (%)
Average monthly caseload	536,200	578,310	107.9
Average outcome fees / job seeker ($)	71.38	43.44	60.9
Average service fees / job seeker ($)	87.46	55.58	63.5
Average total fees / job seeker ($)	158.84	99.02	62.3

Notes:

1. Averages calculated based on two-year periods: March 2010 to February 2012 for JSA 2009 and March 2013 to February 2015 for JSA 2012.

89 This is compounded by inflation further eroding provider payments, not accounted for in the analysis.

2. The number of job seekers used in these calculations is the caseload at the end of each month. Changes in provider practices may also account for a decrease in outcome payments. Expenditure on EPF is one area of provider practices that can be examined to assess this.

Source: Department of Employment administrative data.

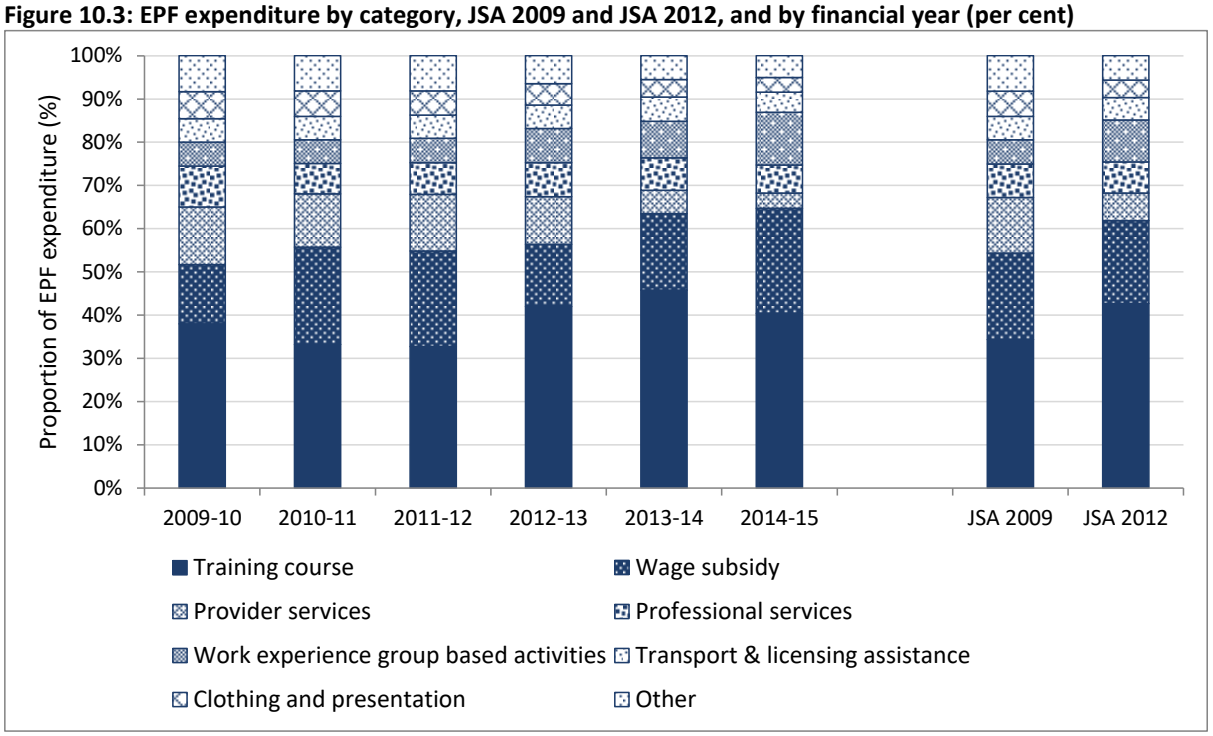
10.2.2 Employment Pathway Fund assistance[90]

The level of EPF credits available in the JSA 2012 contract was similar to JSA 2009. In addition two new credits were introduced under JSA 2012: one for the Compulsory Activity Phase (CAP) and another for Early School Leavers (ESL).

Under both JSA contracts, the EPF expenditure category against which most EPF funds were spent was training courses (increasing to 42.6 per cent of total in JSA 2012 compared with 34.3 per cent in JSA 2009) (Figure 10.3).

The categories with the greatest differential between contracts were provider services (down from 12.9 per cent in JSA 2009 to 6.3 per cent in JSA 2012) and work experience group based activities (up from 5.6 per cent in JSA 2009 to 9.7 per cent of JSA 2012).

Figure 10.3: EPF expenditure by category, JSA 2009 and JSA 2012, and by financial year (per cent)



Notes:

1. Job seekers may be assisted in more than one category. They may be assisted in more than one financial year, but only once in each three year model.
2. Excludes a small amount of EPF commitments (less than 0.5 per cent of total EPF expenditure) that had not been reimbursed at the time that data was extracted.
3. Excludes funds not allocated to specific job seekers such as assistance provided under work experience group based activities, labour market assistance packages (LAP) and other batch purchases.
4. Refer Appendix A2, Table A2.43.

Source: Department of Employment administrative data.

90 Percentages used in this section are percentages of the total EPF expenditure for the two JSA contracts.

Provider services

Provider services expenditure was fairly consistent for each of the three years of the JSA 2009 model (13.4 per cent in 2009-10, 12.3 per cent in 2010-11 and 13.1 per cent in 2011-12). The most dramatic change occurred between 2012-13 and 2013-14 where expenditure on provider services fell from 11.0 per cent to 5.5 per cent, then to 3.5 per cent in 2014-15.

Under both models the provider services sub category that most expenditure was allocated against was reverse marketing, representing 7.5 per cent in JSA 2009 and just 2.5 per cent in JSA 2012. This fall is a result of a drop in both the number of job seekers assisted through reverse marketing (325,302 in JSA 2009 down to 177,164 in JSA 2012) and the average expenditure on reverse marketing per job seeker ($254 in JSA 2009 down to $166 in JSA 2012).

Outreach services dropped from for 2.8 per cent in JSA 2009 to 1.7 per cent in 2012 (59,963 job seekers to 49,893 job seekers) and average expenditure was also lower ($507 in JSA 2009 compared with $423 in JSA 2012).

There was also a decrease in the number of job seekers assisted through the post-placement support sub-category of provider services between the two models (91,598 in JSA 2009 compared with 30,061 in JSA 2012).

These changes in spending for the provider services category were likely the result of a combination of factors, including:

- From 1 July 2013 providers were unable to make EPF commitments against the provider services and the professional services categories using bulk transactions, having to allocate them at the commitment stage to specific job seekers, and in the case of reverse marketing provide name and contact details of employers approached. It is possible that this administrative change had an impact on provider practices. [91]
- The proportion of the caseload in employment services for more than 12 months increased under JSA 2012 (Table A1.2). This may have resulted in increasing expenditure in categories such as professional services or training courses.
- There was a large increase in the number of job seekers assisted through the skills assessment and intensive activity provider services EPF sub-categories as a result of changes made to Stream 1 servicing (Table 1.1).

Work experience group based activities

EPF expenditure on work experience group based activities reimbursed providers for costs in establishing projects for work experience activities. Spending against this EPF expenditure category increased under JSA 2012 for the following reasons:

- funding for Work for the Dole pilot projects (in 2014-15)
- the introduction of the CAP in JSA 2012 which meant providers were required to set up more projects

91 See section 9.2.1 for more information regarding these changes.

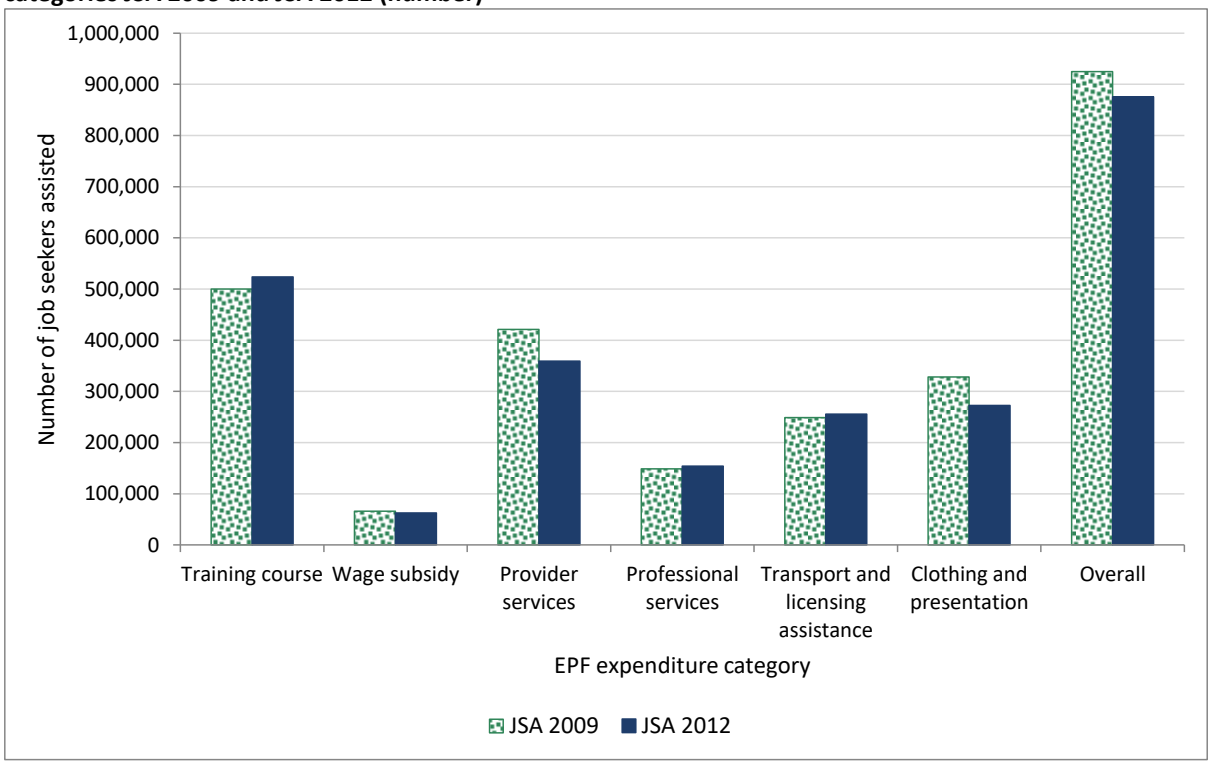
- the proportion of the caseload that was in employment services for more than 12 months was greater under JSA 2012 than JSA 2009 (Table A1.2). Therefore a larger proportion of job seekers would be required to undertake work experience activities.
- fewer outcome fees under JSA 2012 may have resulted in providers focusing on education in order to secure these outcomes
- In summary, changes in expenditure within EPF categories between the two models may reflect changes:
    - in the evidentiary requirements for reverse marketing and post-placement support between the models (resulting in falls in spending in both these categories)
    - in the job seeker caseload mix. As shown in Table A1.2, the JSA 2012 caseload compared to the JSA 2009[92] had more job seekers:
        - in Stream 4 (20.4 per cent compared with 15.3 per cent)
        - unemployed for longer periods (52.6 per cent LTU/VLTU compared with 48.2 per cent)
        - receiving either Newstart Allowance (NSA) and Youth Allowance (Other) (YA(O)) (83.5 per cent compared with 69.0 per cent in the 2009 contract) and less likely to be on Parenting Payment (PP) as a result of changes to grandfathering of PP recipients (5.4 per cent compared with 12.1 per cent in the 2009 contract).
    - to the model that affect the type of EPF assistance required e.g. introduction of CAP and changes to Stream 1 Servicing.

These changes could also be reflective of changes in provider practices that may, or may not have, affected job seeker outcomes.

Total EPF expenditure under JSA 2012 was around 12 per cent higher than for JSA 2009. The average monthly JSA caseload in JSA 2012 was on average about 7 per cent greater than for JSA 2009. The number of job seekers assisted each year and under which categories they received the assistance differed (Figure 10.4). Although expenditure was higher in JSA 2012, overall it appears that a larger proportion of the JSA 2009 caseload received EPF assistance than the JSA 2012 caseload (with almost 50,000 fewer job seekers assisted in JSA 2012). However, it should be noted that this result does not take in to account the job seekers assisted through the EPF work experience group based activity category. The expenditure for this category was almost double under JSA 2012 (Figure 10.3).

92 As measured at two snapshot dates: 31 March 2010 for JSA 2009 and 31 March 2013 for JSA 2012.

Figure 10.4: Number of job seekers assisted, selected Employment Pathway Fund (EPF) expenditure categories JSA 2009 and JSA 2012 (number)



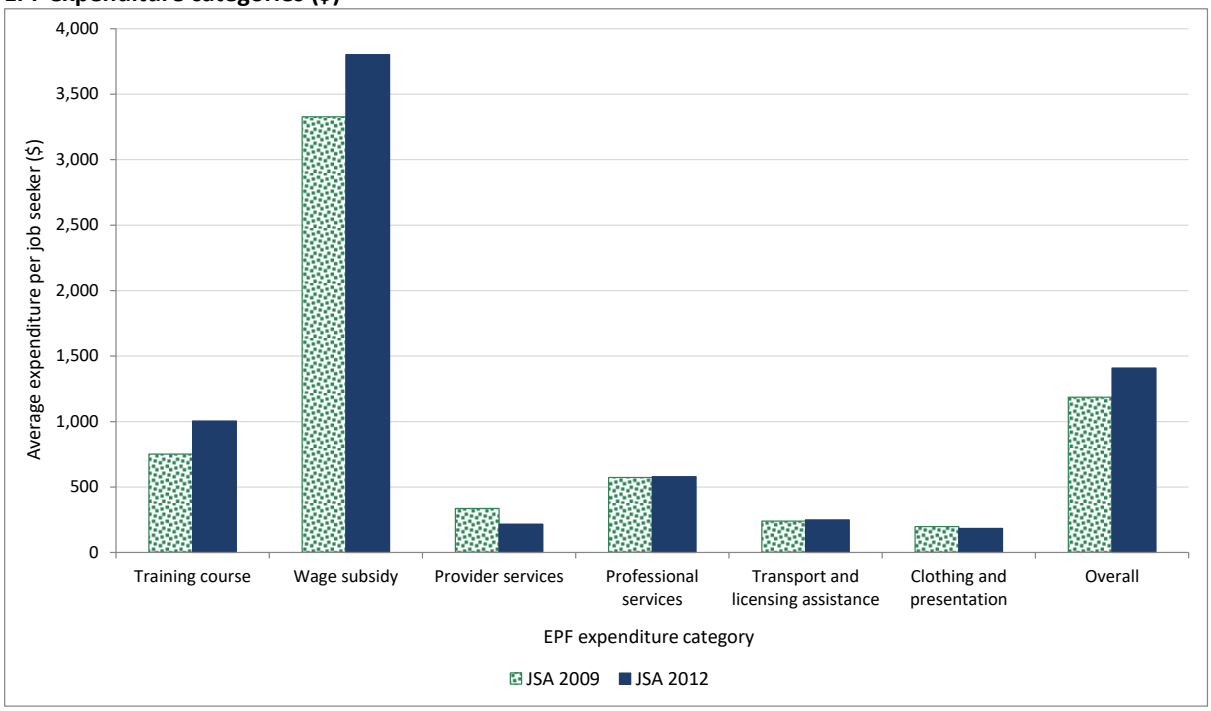
Notes:

1. Job seekers may be assisted in more than one category.
2. Excludes a small amount of EPF commitments (less than 0.5 per cent of total EPF expenditure) that had not been reimbursed at the time that data was accessed.
3. Excludes funds not allocated to specific job seekers such as assistance provided under work experience group based activities, labour market assistance packages (LAP) and other batch purchases.
4. Refer Appendix A2, Table A2.44.

Source: Department of Employment administrative data.

Average spending for job seekers assisted through EPF was greater under JSA 2012 ($1,409) than JSA 2009 ($1,185). Wage subsidy spending represented the largest average job seeker expenditure (Figure 10.5).

Figure 10.5: Average amount of Employment Pathway Fund (EPF) dollars allocated to job seekers, selected EPF expenditure categories ($)



Notes:

1. Job seekers may be assisted in more than one category.
2. Excludes a small amount of EPF commitments (less than 0.5 per cent of total EPF expenditure) that had not been reimbursed at the time that data was accessed.
3. Excludes funds not allocated to specific job seekers such as assistance provided under work experience group based activities, labour market assistance packages (LAP) and other batch purchases.
4. Refer Appendix A2, Table A2.45.

Source: Department of Employment administrative data.

10.2.3 Star Ratings and provider performance

Star Ratings were a key part of the provider performance framework. A discussion of the Star Ratings mechanics is at section 1.1.1.

Over the life of the JSA model, there was a tendency for Star Ratings to cluster at the average of 3 Stars. This resulted in many more providers over time becoming 3 stars or above (Table 10.4). This put them out of scope for either business reallocation or automatic performance management.[93]

Table 10.4: Site Star Ratings (3, 4 and 5) as at June 2010 – 2014 (number and per cent)

	As designed	June 2010	June 2011	June 2012	June 2013	June 2014
Number of sites 3, 4 or 5 stars	-	1,638	1,767	1,752	1,642	1,614
Total Number of sites (rated)	-	2,279	2,247	2,065	1,920	1,857
Sites 3, 4 or 5 stars (per cent)	70.0	71.9	78.6	84.8	85.5	86.9

Notes:

1. Total number of sites = number of sites which had valid Star Ratings.
2. Provider sites 3, 4 or 5 stars = number of sites which had valid Star ratings of 3, 4 or 5 stars.
3. Sites which did not have a valid Star Rating assigned were omitted from calculations.

93 Sites with a 3 or higher Star Rating were exempt from automatic performance management and business reallocation (precluding any other performance or compliance issues).

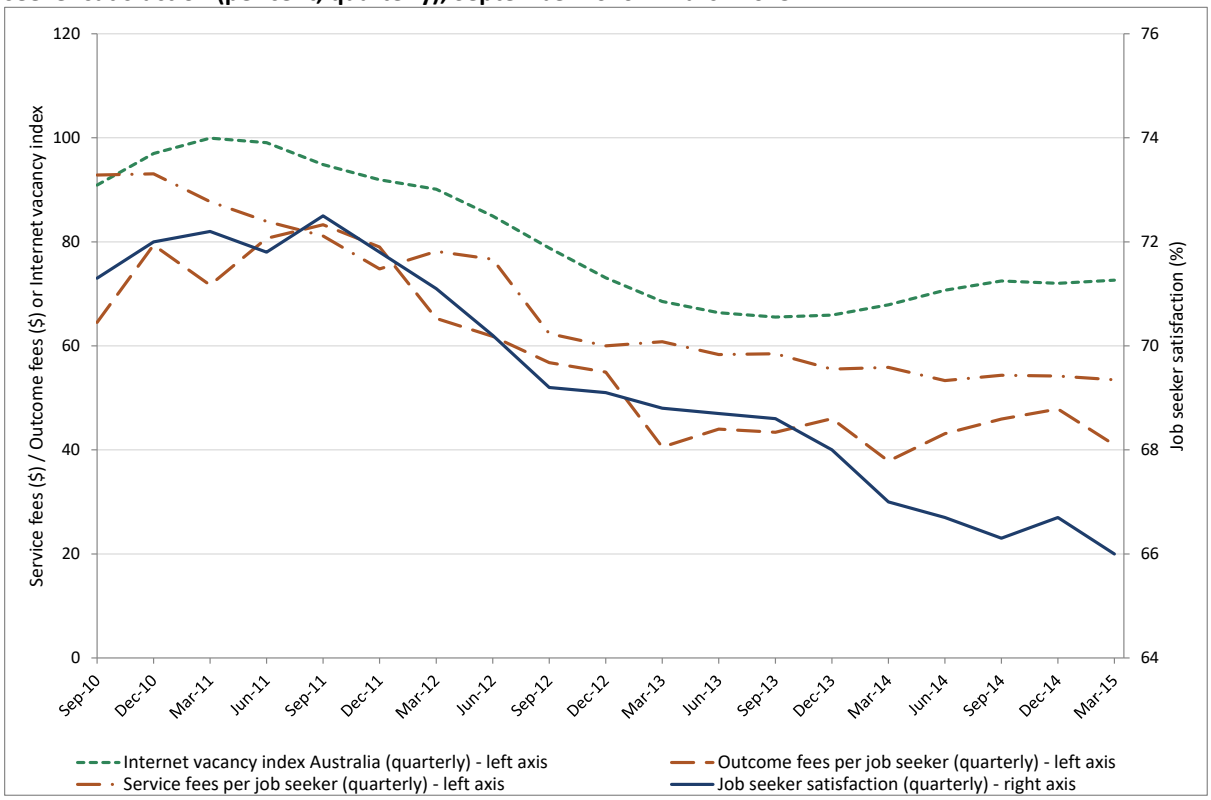
Source: Calculated from JSA Star Ratings – Department of Employment website

The trend of clustering toward 3 Stars may have had some impact on outcomes over the JSA period. It is possible that providers may have been content with their Star Rating, and therefore the imperative of striving for business improvements early in the first JSA contract became less of an imperative. As such, this may be a contributing factor in the overall decrease in outcomes between the JSA 2009 and JSA 2012 contracts.

10.2.4 Provider behaviour

Figure 10.6 charts the trends in service and outcome fees, macroeconomic conditions (using the Internet Vacancy Index), against job seeker satisfaction. Service and outcome fees follow a similar trend to the macroeconomic environment. There is an expected drop in fees and outcomes around the transition from JSA 2009 to JSA 2012. While fees and the economic environment level out again, there is a continuous drop in job seeker satisfaction over the second contract. This may be an indication that once providers have begun to adapt business practices in response to lower fees there is little incentive to revert to previous behaviour as macroeconomic conditions improve (and hence fees increase).

Figure 10.6: Service and outcome fees ($ per job seeker), Internet Vacancy Index (quarterly index) and job seeker satisfaction (per cent, quarterly), September 2010 – March 2015



Note: Refer Appendix A2, Table A2.46.

Source: Department of Employment administrative data, Department of Employment Internet Vacancy Index measure and Post Programme Monitoring survey data.

The extent to which providers changed their business model in response to the changed fee structure is unknown, but the question of whether it resulted in reduced service quality for job seekers is important.

10.3 Conclusion

Compared to JSA 2009, providers received lower service fees and outcome fees, while servicing a larger caseload during JSA 2012. The JSA 2012 caseload on average experienced longer periods in employment services, leading to a larger proportion of the caseload in the WEPh, or the CAP. Theoretically these job seekers require less direct provider servicing as they spend increasingly more time participating in activities. It may be surmised then, that the fall in fees over time was, to some extent, offset by the decreased necessity to directly service these job seekers.

Fewer job seekers were assisted by EPF funds in the JSA 2012 model, however average expenditure per job seeker was higher (largely a result of higher average expenditure on training courses and wage subsidies, countering lower expenditure on provider services). As the JSA 2012 caseload was larger on average than that of JSA 2009 it would appear that a lesser proportion of job seekers were assisted through EPF. These results do not take into account job seekers who were assisted through the work experience group based activity category (expenditure on which doubled between the models).

EPF expenditure patterns differed between the models. In JSA 2012 more was spent on work experience group based activities (which can be explained by the increased proportion of the JSA 2012 caseload that was unemployed for longer periods and the introduction of CAP and the Work for the Dole Pilot). Training was given a high priority by providers, while reverse marketing, outreach services and post-placement support declined under JSA 2012.

Analysis of EPF expenditure shows that many changes made to how these funds were spent are within expectations given changes to the JSA model and caseload compositions, but may also reflect changes in provider practices that may or may not have had an impact on job seeker outcomes. The focus on education and training for example may reflect an attempt by providers to offset falling employment outcome payments with education outcomes.

It is clear from other analysis in this report that changes made to the JSA model such as the changes to Stream 1 servicing and the introduction of CAP contributed to a negative impact on outcome rates. Whether lower fees for providers were a factor in these results cannot be determined as it is not possible to isolate the programme effects of individual changes.

11 Conclusions and recommendations

11.1 Conclusions - How effective were the programme changes?

The following changes were implemented between the two JSA contracts:

- changes to Stream 1 job seeker servicing
- cessation of the Stream Services Review (SSR)
- increased help for Indigenous job seekers
- changes to reduce provider red tape
- changes to evidentiary requirements
- changes to the job seeker participation and compliance framework
- introduction of new wage subsidies including Wage Connect.

Analysis used to assess the overall effectiveness of JSA 2012 is regressed where possible to account for macroeconomic conditions, and is based on constructed comparable populations designed for the purpose of analysis undertaken for this report.

11.1.1 Changes to Stream 1 job seeker servicing

Compared to JSA 2009, new entrant Stream 1 job seekers in JSA 2012:

- had a longer median time to exit (21 days)
- were less likely to be off income support after 12 months in service (by 10.5 per cent).

The Intensive Activity regime in JSA 2012 did not prompt a referral effect, which is in contrast to the noticeable effect in JSA 2009. The combined effect of all changes made to the service delivery for Stream 1 job seekers appears to have resulted in lower short to medium-term outcome rates. Compared with JSA 2009, Stream 1 service costs were lower in the first 12 months of service in JSA 2012. The overall effect of all service delivery model changes led to a longer median time in service.

11.1.2 Stream Services Review (SSR) changes

Three-quarters of SSRs conducted for Stream 1 to 3 job seekers in JSA 2009 recommended transition to the WEPh suggesting that such a universal approach to determining job seeker readiness for the Work Experience Phase (WEPh) was unnecessary.

The risk of job seekers not ready to transition to the WEPh being 'missed' without the 'safety net' of the SSR in JSA 2012 was probably low. Around 75 per cent of those who had an assessment recommending a change to a higher stream or Disability Employment Services (DES) occurred before 12 months in service.

Effectiveness of identifying job seekers needing to be upstreamed or moved to DES

In JSA 2012, for Stream 1 job seekers there was evidence of assessment activity recommending higher levels of service around the three, six and twelve months in service, suggesting that these assessments occurred before the SSR was required. A similar peak in assessment activity was seen for Stream 2 job seekers after three months in service.

Efficiency of transferring job seekers to the WEPh

Job seekers in JSA 2012 transitioned to the WEPh more quickly than job seekers under JSA 2009. There is also less upstreaming in the JSA 2012 job seeker SSR study population, so it would be expected that JSA 2012 job seekers would, on average, move to the WEPh sooner, given they would reach the 12 months in service stream point sooner. The removal of SSRs was likely to be another contributing factor, as delays in having SSRs conducted were not uncommon.

The median time to transition to the WEPh by Stream 4 job seekers was shorter under the JSA 2012 model. A longer median time would have been expected had providers let all job seekers wait until the 78-week deadline to transition, suggesting that providers more efficiently moved job seekers to the WEPh than was the case when SSRs were a requirement.

Given that analysis of the WEPh reported in the JSA 2009-2012 evaluation indicated that the WEPh is effective at moving job seekers into employment this is likely to be a good outcome for many job seekers. There are also cost savings as a result of fewer assessments and less upstreaming (resulting in lower service and fewer outcome payments).

11.1.3 Introduction of the Compulsory Activity Phase

One of the likely effects of the Compulsory Activity Phase (CAP) is a 'referral effect'. This generally occurs when job seekers faced with onerous obligations either declare previously undeclared work (compliance effect), or increase job search in order to leave income support (threat effect). Other possible effects of the CAP are the *'lock-in effect',* when job seekers participating in CAP-type programmes do not have time, energy or motivation for job search and therefore tend to remain in the programme, and the 'attachment effect' whereby job seekers are participating in activities which are developing skills that they value and so they lessen their job search effort while attaining these skills (particularly while undertaking training).

The threat effect for the CAP is negligible (less than 1 percentage point). The assumption underlying the operation of the threat effect is that job seekers are in a position to leave income support by finding employment. Arguably, this assumption is less likely to hold for job seekers who have had long periods of unemployment (those subject to the CAP).

The combination of lock-in and attachment effect for job seekers in CAP is up to six percentage points at 18 months. While lock-in/attachment is often associated with training courses, where job search is to all intents temporarily suspended until the course is completed, it is also common in other activity types where job seekers cannot find the time or motivation to properly engage in job search.

Whether or how this affects job seekers' longer-term employment prospects is not part of this analysis. The main finding of this analysis is that the identified lock-in effect of the CAP outweighs any negligible threat effect.

11.1.4 Changes to encourage better servicing of Indigenous job seekers

Indigenous Cultural Capability Training

Just over 50 per cent of employees at the JSA sites visited had completed all six training modules. Qualitative data indicates that staff remembered their own company cultural awareness training where it included Indigenous group leaders. The majority did not recall departmental training even if they had done it.

There was near-unanimous agreement that for the training to be useful, it should be used as backup or discussion material. In the latter case, an Indigenous employment consultant or a local Indigenous leader could utilise the training material with groups of staff.

Indigenous Mentoring Pilot

The Indigenous Mentoring Pilot (IMP) received positive feedback from providers who participated in the research. There was an acknowledgement, and some anecdotal evidence that providing intensive assistance to Indigenous job seekers can have a positive effect on employment outcomes.

The IMP operated as much as a case management programme as a programme to get Indigenous job seekers into work. Assisting job seekers with housing, justice issues, Centrelink requirements, health and family issues formed the greater part of the mentors' role. For many Indigenous job seekers, it was only when those issues were resolved could attention be given to becoming job ready.

Any future mentoring programme could potentially be managed from JSA providers, VTECs, the AES and/or via community organisations.

The success of the IMP appeared dependent on the following aspects:

- mentors with experience of work, an understanding of the income support system, with links to support services, employers and the local community
- providers who have a RAP, some form or cultural capability training, adequate support for the mentor and continuity of mentoring staff
- employers who are willing to employ and mentor Indigenous staff.

Indigenous Opportunities Policy

Based on qualitative findings, awareness of the IOP at site level was low. Decisions around these types of policy were based on sound business practices above all else, therefore the IOP was broadly unsuccessful as a policy in terms of changing provider behaviour at the site level. However, providers were inadvertently implementing aspects of the policy. Given the providers core business – getting job seekers into jobs – a shift in focus to encouraging providers to work more closely with other businesses required to implement the IOP may be a more practical approach.

11.1.5 Changes to administrative procedures (red tape)

Despite reductions in red tape over the JSA contract period[94], the level of red tape in employment services remains significant. Under JSA 2012, annual red tape cost estimates equate to approximately 22.8 per cent of programme funding. Survey results indicate that the majority of staff spend the same or more time on administrative tasks as they do on time servicing clients. These results indicate the need to explore options to reduce red tape in order to maximise the funding provided for employment services.

11.1.6 Changes to evidentiary requirements for Employment Pathway Fund claims

Changes to the evidentiary requirements when providers claimed Employment Pathway Fund (EPF under the 'Provider Services' category in the 2012 JSA contract made it more challenging to claim for employer-related services, such as post-placement support and reverse marketing. Significantly less was claimed for these services in the JSA 2012 contract than the JSA 2009 contract. Survey evidence from providers, however suggests that the reduction in EPF expenditure had limited impact on providers engaging in reverse marketing and post-placement support. While employers indicated they were happy with follow-up once a job seeker commenced work, there is no other evidence from employers to indicate how they connected with the provider and whether the vacancy was existing or reverse marketed. While survey evidence from providers shows that the level of reverse marketing did not change much, it is not possible to determine the effectiveness of reverse marketing between contracts.

11.1.7 Changes to the job seeker participation and compliance framework

An increase in interview attendance rates, across all streams and for those job seekers with a vulnerability indicator demonstrate that the introduction of the Strengthening the Job Seeker Compliance Framework measure was successful in increasing compliance among job seekers. The increase for reconnection interviews is greatest for Stream 4 job seekers, and for all interviews, for Stream 2 job seekers. This is an indication that incentivising job seekers to attend appointments to ensure there are no impacts to their income support payments has a positive effect on attendance rates.

11.1.8 Introduction of new wage subsidies including Wage Connect

Job placement with a wage subsidy agreement (EPF or Wage Connect) was associated with significantly higher 26-week employment outcomes, for both VLTU and non-VLTU employees in receipt of either NSA, YA(O) or PP benefits. However, the analysis finds no evidence that subsidised placements assist Parenting Payment (PP) recipients to reduce reliance on income support. Wage subsidies may still help these individuals maintain or initiate labour market attachment.

Subsidised job placements do not always lead to ongoing employment. Employers report that they look for job applicants who possess the 'soft skills', willingness to work and reliability, and are often willing to provide on-the-job training to help develop job-specific skills. Providers need to use other

94 Preliminary estimates of red tape costs and feedback from providers shows that under jobactive red tape has been reduced further.

strategies to help job seekers become work ready before referring to employers, and use wage subsidies only for those who are ready and willing to work.

11.2 Unintended consequences

11.2.1 Changes to Stream 1 job seeker servicing

Part of the justification for making changes to Stream 1 servicing, particularly changes made to the Intensive Activity phase was to reduce programme costs. This did have the desired cost effect for the programme. An unintended consequence, however, was the reduction in the threat effect, which this phase produced prior to the changes. This resulted in a longer time on income support on average for Stream 1 job seekers. The outcome then when measured using a 'cost to government' approach is that the JSA 2012 model is not as cost-effective as the JSA 2009 model for most types of new entrant Stream 1 job seekers. This resulted in cost-shifting from the JSA programme to the income support system under JSA 2012.

11.2.2 Introduction of the Compulsory Activity Phase

The introduction of the Compulsory Activity Phase (CAP) was designed to further engage very long-term job seekers. The fact is though that much of the effect of such 'activation measures' is a result of the referral effect. This is a mix of the compliance effect (where job seekers declare previously undeclared work) and the 'threat' effect (where job seekers increase the effectiveness or intensity of job search in order to gain employment and thereby avoid the activity. The assumption underlying the operation of the threat effect is that job seekers are in a position to leave income support by finding employment. Arguably, this assumption is less likely to hold for job seekers who have been unemployed for long periods of time (those subject to the CAP). Due to the continuous nature of the CAP (11 months out of 12), the lock-in effect is also likely to be exacerbated for these job seekers as they are less likely to be able to find the energy or motivation to job search in combination with the compulsory activity phase.

11.2.3 Provider remuneration

Many factors affected the remuneration of JSA providers between the models. These largely reflected economic conditions (Figure 1.2 and 1.3). However, the differences in remuneration were exacerbated by changes such as:

- transfer of remotely located job seekers to the Remote Jobs and Communities Programme (RJCP) (Table 1.2), removing a group of job seekers who attracted higher service and outcome fees[95]
- deteriorating labour market conditions (indicated by higher unemployment rates) during JSA 2012 (Figure 1.2), leading to a change in the caseload composition (and level and proportion of disadvantaged job seekers), and subsequent impact on outcome rates (Table A1.2)
- welfare system changes, such as changes to the grandfathering of Parenting Payment (Table 1.2), provider practices and job seeker motivation
- a drop in service fees per job seeker as a result of more job seekers being LTU (who attract lower service fee levels) as more job seekers moved into the CAP and WEPh Phase.

95 Job seekers in remote regions attracted service fees with a loading of 1.7 times (JSA 2009-12 Request for Tender).

It appears that lower remuneration levels may have prompted some changes in servicing suggested in Chapter 10 which may have in turn have affected overall job seeker satisfaction with the programme. See Figure 10.6.

11.3 Recommendations

11.3.1 Stream 1 changes

1 Initiatives which prompt referral effects are best placed earlier in a job seekers period of service. This is shown by the fact that exits from income support were much stronger for JSA 2009 Intensive Activities (at 17 weeks in service) than for JSA 2012 Intensive Activities (at 30 weeks in service). This is likely because job seekers who are easily able to gain employment will have already been out of service by 30 weeks. The effect therefore at 30 weeks is less pronounced.

2 Initiatives which prompt referral effects should also be made reasonably intensive. This is evident in that the 25-hour requirement for intensive activities in JSA 2012 failed to produce a measurable referral effect which was observable in JSA 2009 (where the requirement was 60 hours). This is likely a result of job seekers with previously undeclared part-time or casual work being less able to continue to work and comply with requirements. Intensive activities, full-time or near full-time, produce a stronger compliance effect.

3 The Department of Finance does not assess whole of government impacts of new policy proposals for programme delivery. The programmes are costed (and funded) in isolation. This analysis shows how cost shifting between government programmes can occur and suggests that the possible impacts on related programmes/systems should be considered when savings are proposed.

11.3.2 Stream Services Reviews

4 A more targeted, individualised assessment of job seeker suitability for the WEPh, aligned with the individualised tailored servicing philosophy of the JSA model, would appear to be more appropriate than a blanket 'time-in-service' assessment trigger. This is particularly relevant considering the level of deadweight cost for these blanket assessments.

11.3.3 The Compulsory Activity Phase

5 Much of the effect of 'activation measures' such as those involved in the CAP is a result of the referral effect. As such they are more likely to be effective for job seekers who are more able to exit service by entering employment. Targeting these activities toward more job ready job seekers is likely to produce more robust measurable effects.

6 Targeting these activities at those who have been unemployed longest (and are often more disadvantaged) is also likely to exacerbate the lock-in effect as these less resilient job seekers are less likely to be able to combine successful job search activities with compulsory activities.

7 The lock-in effect of the CAP was likely to also be exacerbated because the phase was 11 out of every 12 months. It is possible that the perpetuity of the CAP did not give some job seekers any sense of having completed the phase in order to move forward. It is likely that completion of a programme or phase may result in job seekers finding more energy and enthusiasm for job

search and finding employment. Such interventions in future then may be better designed with a shorter duration in order to minimise the duration of lock-in and attachment effects.

11.3.4 Indigenous Cultural Capability training

8 The effectiveness of the training modules designed by the Department could be increased if they were conducted in small groups, preferably with an Indigenous mentor or community member who can answer specific questions.

9 Retention of material and take-up could also be improved if the modules were undertaken over a six-week period which would allow time for more discussion and also not impact too severely on the work of the office.

11.3.5 Indigenous Mentoring Pilot

10 The IMP appeared successful based on qualitative research undertaken by the Department. Should similar programmes be considered in the future the following success factors for the IMP should be considered:

- mentors with experience of work, an understanding of the income support system, with links to support services, employers and the local community
- providers who have a RAP, some form or cultural capability training, adequate support for the mentor and continuity of mentoring staff
- employers who are willing to employ and mentor Indigenous staff.

11.3.6 Indigenous Opportunity Programme

11 Given the general absence of knowledge and implementation of the policy, perhaps the focus should be on encouraging providers to concentrate on their core business: providing Indigenous job seekers to companies and other organisations that must meet the requirements of the IOP.

11.3.7 Changes to reduce red tape

12 The majority of red tape costs were linked to ensuring that job seekers are meeting their mutual obligation requirements, which is a cornerstone of the employment and income support framework. Consequently, if the number of requirements placed on job seekers is considered appropriate, alternative options for easing compliance costs will require exploration. Options could include:

- simplifying and/or automating information collection processes
- further exploring technological solutions
- exploration of behavioural economics principles as an alternative to regulation
- employing risk management to reduce red tape, for example, by placing more of a focus on random auditing.

11.3.8 Wage subsidies

13 It is recommended that where funds are limited, to exclusively target eligible job seekers with full-time participation requirements (currently, NSA and YA(O) recipients) on the basis of significantly reduced reliance on income support and demonstrated net saving for this group.

14 Closing a programme to all applicants rather than tighter targeting is not as effective. Closing Wage Connect to all applicants resulted in lower job placement rates for long-term unemployed people overall.

15 To encourage better job matching by service providers, it is recommended that pro-rata payments for placements that end prematurely be removed, as they seem to reduce the risk to service providers who place job seekers inappropriately.

16 Payment schedules that reduce the upfront risk to employers (e.g. pay a proportion of the subsidy upfront and the remainder at the end of the subsidy period), and decouple the final claim from provider outcome payments, are recommended.

17 As wage subsidies for small employers deliver higher primary benefits and lower deadweight loss than subsidies paid to large employers, subsidies may be best targeted at small to medium enterprises.

Glossary

Attachment effect	This is an effect produce when job seekers are enjoying or seeing some benefit in being involved in an activity. It is very common with training courses where job seekers will suspend job search until completion of the course. Where the effect is associated with other activities it is difficult to differentiate from the lock-in effect.
Compliance effect	This is when job seekers who are referred or undertaking a programme or activity declare previously undeclared work. This sometimes results in exit from service or income support.
Employment Pathway Fund	A funding pool allocated to Job Services Australia provider sites to be drawn down on for specified categories of expenditure to support individual job seekers, including for wage subsidies.
Income support	Any government payment that provides financial support to persons who do not engage in substantial paid employment. Includes but is not limited to unemployment benefits.
Job seeker	In this study, a person registered in Job Services Australia.
Lock-in effect	This effect is produced when job seekers lack the time, energy or motivation to maintain job search intensity while engaged in a compulsory activity.
Pro-rata payment	In this report, 'pro-rata' refers to partial payment of a wage subsidy to an employer when a job placement does not continue for the agreed wage subsidy period, pro-rated based on the actual period of employment. The term does not refer to proportional payment of wage subsidies for less than full-time hours worked per week.
Referral effect	The effect produced by being referred to an activity or programme. This is usually a combination of the threat and compliance effects.
Threat effect	This effect is produced when job seekers faced with onerous obligations, such as participation in a compulsory activity, increase the effectiveness and/or intensity of their job search and therefore find employment.
Unemployment benefit	Financial support to persons because they are not in substantial paid employment. In this report, the term is used to refer to Newstart Allowance and Youth Allowance (Other).

Wage Connect	A wage subsidy programme that provides a 26-week wage subsidy to employers who recruit eligible job seekers to fill eligible job placements. Wage Connect operates under Job Services Australia and Disability Employment Services.
Wage Connect eligible	In the Employment Services System job seekers are flagged as Wage Connect eligible if they meet the eligibility criteria for the Wage Connect wage subsidy which is broadly equivalent to unemployed for two years or more.
Wage Connect ineligible	Job seekers who are not Wage Connect eligible.
Wage subsidy	In this report, a wage subsidy is a financial incentive paid to an employer over a defined period of time (typically up to 26 weeks) for hiring an unemployed job seeker.
Wage subsidy agreement	A formal agreement between an employment services provider and an employer that outlines the conditions and financial payments offered to the employer to support the placement of a job seeker in employment.
Wage subsidy claim	A claim by an employment services provider for the Department to reimburse the provider for a wage subsidy amount paid to an employer.

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Appendix A Statistical tables

List of tables

A1 Characteristics of the main study populations

Table A1.1: Characteristics of the new entrant study populations (per cent and ppt difference)

Characteristic	JSA 2009 (per cent)	JSA 2012 (per cent)	Difference (ppt)
Commencement stream: Stream 1	74.2	71.6	-2.6
Commencement stream: Stream 2	19.2	20.4	1.2
Commencement stream: Stream 3	4.4	4.6	0.2
Commencement stream: Stream 4	2.3	3.4	1.1
Age: Less than 25 years	44.4	38.4	-6.0
Age: 25 to 30 years	13.2	13.2	0.0
Age: 30 to 50 years	31.5	34.1	2.7
Age: 50 or more years	10.9	14.3	3.3
Gender: Females	47.7	44.1	-3.6
Gender: Males	52.3	55.9	3.6
Geographic location: Major Cities of Australia	68.4	69.1	0.7
Geographic location: Inner Regional Australia	21.0	20.6	-0.4
Geographic location: Other	10.6	10.3	-0.3
Highest level of education: Less than Year 10	6.2	5.2	-1.0
Highest level of education: Year 10/11	23.6	21.2	-2.4
Highest level of education: Year 12	26.3	23.9	-2.4
Highest level of education: TAFE/Diploma	25.9	33.8	7.9
Highest level of education: Degree/Post graduate	18.1	15.9	-2.2
Work capacity: Full-time	84.3	84.0	-0.3
Work capacity: Part-time	15.7	16.0	0.3
Income support: NSA/YA(O)	68.1	76.6	8.5
Income support: PPP/PPS	6.0	5.0	-1.0
Income support: DSP	0.2	0.2	0.0
Income support: Other income support	3.4	2.2	-1.2
Income support: Not on income support	22.2	16.0	-6.2
Client group: Disability identified	14.3	15.7	1.4
Client group: Indigenous	4.7	4.8	0.1
Client group: Early school leavers	7.3	11.9	4.6
Client group: Single parents	6.9	6.4	-0.5
Client group: Homeless	3.8	3.0	-0.8
Client group: Ex-offenders	6.1	4.7	-1.4
Client group: Mixed or low English proficiency	5.5	5.3	-0.2
Total number of job seekers	173,258	212,065	38,807

Notes:

1. Percentages may not add to exactly one hundred as a result of rounding.
2. Table excludes those job seekers that commenced service in Stream 1 Limited, as most analyses did not use include these job seekers.

3. Characteristics are at the commencement in service except for disability status, which is derived from information closest to the end of the job seekers' period of assistance.
4. Geographical locations are defined using the Australian Standard Geographical Classification (ASGC) developed by the Australian Bureau of Statistics. This classification provides an indication of the degree of remoteness (or distance) from major cities (ABS, 2006). The geographical locations defined are not comparable with those used to classify JSA Labour Market Regions, as defined in the Employment Services Deed ESD4. Job seekers are assigned to geographical locations using the job seeker's home postcode at commencement in service.
5. Disability status is not strictly comparable between the JSA 2009 and 2012 study populations because of changes to income support eligibility and participation requirements and changes to assessment procedures (in February 2011). The tightening of JCA/ESAt processes in 2011 resulted in a drop in the numbers of these referrals.
6. A small proportion of job seekers did not have recent JSCI or other information available for some job seeker characteristics. For this reason percentages of job seekers in some client groups are calculated as a percentage of job seekers for whom recent information was available. The proportions of each population for which recent information was not available are:
   For the JSA 2009 new entrant study population: Indigenous status: 0.7 per cent; English proficiency, highest level of education, homeless and single parent status: 0.8 per cent; ex-offender status: 1.9 per cent.
   For the JSA 2012 new entrant study population: Indigenous status: 0.9 per cent; English proficiency, highest level of education, homeless and single parent status: 0.8 per cent; ex-offender status: 2.0 per cent.

Source: Department of Employment administrative data.

Return to section 2.2.1 where this data is referenced.

Table A1.2: Characteristics of JSA 2009 and JSA 2012 long-term unemployed study populations and total Active Caseload at snapshot dates (per cent)

Characteristics	JSA 2009 LTU study population per cent	JSA 2012 LTU study population per cent	JSA 2009 Active Caseload per cent	JSA 2012 Active Caseload per cent
Assessed stream: Stream 1 Limited	0.3	0.5	4.0	2.9
Assessed stream: Stream 1	23.1	16.8	41.6	36.5
Assessed stream: Stream 2	22.6	25.5	20.3	22.6
Assessed stream: Stream 3	28.9	26.4	18.1	17.5
Assessed stream: Stream 4	24.5	30.8	15.3	20.4
Assessed stream: Unable to allocate	0.6	0.1	0.7	0.1
Actual stream: Stream 1 Limited	0.3	0.5	4.0	2.9
Actual stream: Stream 1	15.8	12	28.1	31.0
Actual stream: Stream 2	22.9	26.2	30.4	25.7
Actual stream: Stream 3	36.7	30.5	22.1	19.9
Actual stream: Stream 4	24.3	30.8	15.3	20.4
Actual stream: Unable to allocate	0.0	0.1	0.1	0.1
Males less than 25 years old	13.6	12.6	15.8	15.2
Males 25 to less than 30 years old	6.6	6.3	7.0	6.9
Males 30 to less than 50 years old	20.8	19.8	20.6	20.1
Males 50 to less than 55 years old	3.5	3.7	3.4	3.5
Males 55 years and over	7.4	7.7	6.3	6.5
Males total	52.0	50.0	53.2	52.2
Females less than 25 years old	10.0	9.0	12.6	12
Females 25 to less than 30 years old	3.6	3.6	4.4	4.4
Females 30 to less than 50 years old	23.7	24.4	21.2	21.2

Characteristics	JSA 2009 LTU study population per cent	JSA 2012 LTU study population per cent	JSA 2009 Active Caseload per cent	JSA 2012 Active Caseload per cent
Females 50 to less than 55 years old	4.6	5.2	3.8	4.1
Females 55 years and over	6.0	7.7	4.8	6.1
Females total	48.0	50.0	46.8	47.8
Persons less than 25 years old	23.6	21.6	28.4	27.2
Persons 25 to 29 years old	10.2	10.0	11.4	11.3
Persons 30 to 49 years old	44.5	44.1	41.9	41.3
Persons 50 to 55 years old	8.2	8.9	7.2	7.6
Persons 55 years and over	13.5	15.4	11.1	12.6
Indigenous	9.7	9.4	7.6	8.0
Non-Indigenous	90.3	90.6	92.4	92.0
Non-English speaking background	17.6	18.8	18.6	19.0
Disability based on ESAt or JCA	29.5	19.8	22	15.3
Disability based on JSCI only	9.5	14.0	7.9	13.4
Total people with disability	39.0	33.8	29.9	28.7
Mixed or low English proficiency	14.1	14.9	11.1	12
Homeless	13.9	13.8	10.1	10.7
Ex-offenders	12.8	13.5	10.8	10.9
Single parents	17.7	16.7	14.7	14.2
Grandfathered single parents	17.1	14.3	11.5	10.0
Benefit type: Newstart Allowance	66.9	80.3	59.4	70.7
Benefit type: Youth Allowance (Other)	9.0	10.4	9.6	12.8
Benefit type: Disability Support Pension	2.3	1.0	1.5	0.8

Characteristics	JSA 2009 LTU study population per cent	JSA 2012 LTU study population per cent	JSA 2009 Active Caseload per cent	JSA 2012 Active Caseload per cent
Benefit type: Parenting Payment Partnered	2.2	0.2	1.8	0.4
Benefit type: Parenting Payment Single	12.6	3.1	10.3	5.0
Benefit type: Other income support type	1.7	1.2	2.2	1.5
Benefit type: Not on income support	5.4	3.8	15.2	8.9
Newstart Allowance, full time participation requirements	53.4	51.8	49.7	51.3
Newstart Allowance, part-time participation requirements	13.3	28.4	9.1	19.0
Youth Allowance (Other), full time participation requirements	8.3	9.5	8.9	11.8
Youth Allowance (Other), part-time participation requirement s	0.3	0.6	0.2	0.4
Disability Support Pension, full or part-time participation requirements	0.7	0.5	0.4	0.4
Disability Support Pension, volunteer	1.6	0.5	1.1	0.4
Parenting Payment, part-time participation requirements	13.0	2.3	9.6	3.4
Parenting Payment, volunteer	1.6	0.9	2.4	1.8
Benefit type and participation requirements: Other	7.7	5.6	18.6	11.5
Full-time capacity to participate in the labour force	61.3	63.1	69.3	69.1
Part-time capacity to participate in the labour force	38.7	36.9	30.7	30.9
Highest level of education: Less than Year 10	20.9	15.4	14.9	11.9
Highest level of education: Completed Year 10/11	38.2	32.2	32.9	28.9
Highest level of education: Completed Year 12	14.6	14.0	17.6	17
Highest level of education: Vocational qualification	18.9	31.4	22.1	32.4
Highest level of education: Tertiary qualification	6.6	6.8	9.9	8.7
Highest level of education: Unknown / not stated	0.8	0.2	2.6	1.1
Visa: Refugee/special global humanitarian/protection	2.4	2.8	2.3	2.7

Characteristics	JSA 2009 LTU study population per cent	JSA 2012 LTU study population per cent	JSA 2009 Active Caseload per cent	JSA 2012 Active Caseload per cent
Visa: Skilled immigrant	0.2	0.1	0.5	0.2
Visa: Other/ no visa/no visa information	97.4	97.1	97.2	97.1
Geographical location: Major Cities	62.9	63.6	65.8	65.8
Geographical location: Inner Regional	24.0	23.8	22.2	22.4
Geographical location: Outer Regional	12.0	11.6	11.0	10.9
Geographical location: Remote	1.0	0.9	0.9	0.9
Geographical location: Very Remote	0.1	0.0	0.1	0.0
Geographical location: Unknown/not able to classify	0.0	0.0	0.0	0.0
Length of unemployment: Less than 1 year	0.0	0.0	51.8	47.4
Length of unemployment: 1 to less than 2 years	43.7	35.7	21.1	18.8
Length of unemployment: 2 to less than 5 years	39.2	43.3	18.9	22.7
Length of unemployment: 5 years or more	17.1	21.1	8.2	11.1
Duration in employment services: Less than 1 year	0.0	0.0	51.8	47.4
Duration in employment services: More than 1 year	100.0	100.0	48.2	52.6

Other aspects

Characteristics	JSA 2009 LTU study population	JSA 2012 LTU study population	JSA 2009 Active Caseload	JSA 2012 Active Caseload
Males average age	37.0	37.5	35.5	35.9
Females average age	39.2	40.5	36.8	37.8
Persons average age	38.0	39.0	36.1	36.8
Total number	371,559	385,164	770,574	732,684

Notes:

1. Both JSA 2009 and JSA 2012 caseloads and study populations exclude job seekers living in communities that were subsequently transferred to the Remote Jobs and Communities Programme in July 2013.
2. Characteristics are those at the snapshot date, except for disability status, which is derived from information closest to the end of the job seekers' period of assistance.
3. A substantial proportion of job seekers did not have recent (within 2 years of snapshot date) JSCI or other information available for some job seeker characteristics. For this reason percentages of job seekers in some client groups are calculated as a percentage of job seekers for whom recent information was available. The proportions of each population for which recent information was not available are:
   For the JSA 2009 LTU study population: Indigenous status: 3.5 per cent; English proficiency and homeless status: 13.6 per cent; single parent status: 10.4; ex-offender status: 14.9 per cent.
   For the JSA 2012 LTU study population: Indigenous status: 2.4 per cent; English proficiency and homeless status: 14.2 per cent; single parent status: 14.1 per cent; ex-offender status: 15.7 per cent.
   For the JSA 2009 caseload population: Indigenous status: 2.0 per cent; English proficiency and homeless status: 9.5 per cent; single parent status: 7.6 per cent; ex-offender status: 10.8 per cent.
   For the JSA 2012 caseload population: Indigenous status: 1.6 per cent; English proficiency and homeless status: 9.0 per cent; single parent status: 8.8 per cent; ex-offender status: 10.5 per cent.
4. Many job seekers in the JSA 2009 populations had different assessed streams to their actual stream at snapshot date. This is partly because of the transition arrangements from Job Network to JSA, by which job seekers were allocated to streams in JSA based on their length of unemployment and prior level of service in Job Network as well as on assessment information. In addition, some job seekers in all JSA populations received services at a higher stream than their assessed stream because of the Learn or Earn policy or other special circumstances.
5. Geographical locations are defined using the Australian Standard Geographical Classification (ASGC) developed by the Australian Bureau of Statistics. This classification provides an indication of the degree of remoteness (or distance) from major cities (ABS, 2006). The geographical locations defined are not comparable with those used to classify JSA Labour Market Regions, as defined in the Employment Services Deed ESD4.
6. Job seekers are assigned to geographical locations using the job seeker's home postcode at the snapshot date.

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

Return to section 2.2.2 where this data is referenced.

Table A1.3: The JSA 2012 LTU study population by relationship to the JSA 2009 LTU study population

Relationship	Number	Per cent
Short term unemployed in 2010, exited and re-entered services	20,054	5.2
Short term unemployed in 2010, remained in services	43,511	11.3
Long term unemployed in 2010, exited and re-entered services	20,669	5.4
Long term unemployed in 2010, remained in services	99,852	25.9
Not in services in 2010	201,078	52.2
Total	385,164	100.0

Source: Department of Employment administrative data.

Return to Figure 2.2 where this data is referenced.

Table A1.4: Profile of job seekers — treatment and comparison group for the Compulsory Activity Phase (CAP) analysis

Job seeker characteristics [1]

Characteristics	Treatment group JSA 2012 (%)	Comparison group JSA 2009 (%)
Females	42.3	43.9
18-29 years	37.8	23.5
30-49 years	62.2	76.5
Highest educational attainment: Less than Year 10	18.0	21.7
Highest educational attainment: Completed Year 10/11	33.4	39.9
Highest educational attainment: Completed Year 12	13.1	14.4
Highest educational attainment: Non-trade vocational education/diploma equivalent	25.8	11.8
Highest educational attainment: Trades qualification	4.6	8.1
Highest educational attainment: Tertiary qualification	5.2	4.2
Type of income support: Newstart Allowance	85.6	84.6
Type of income support: Youth Allowance (other)	13.8	4.0
Type of income support: Parenting payment	0.6	11.4
Indigenous	14.1	26.1
Non-English speaking country of birth	17.0	10.7
Ex-offenders	17.1	13.5
Reported to have a disability or medical condition	29.2	11.9
Required at least one component of workplace support	9.6	7.5
Previous work experience: worked in the last 2 years	26.2	26.6
Resides in metropolitan or inner regional area	80.3	61.4
No access to transport	7.5	6.2
Access to own transport	52.0	77.6
Access public transport	40.5	16.2
Good English proficiency	83.5	81.1
Mixed English proficiency	9.1	13.4
Poor English proficiency	7.4	5.5

Average unemployment rate[2]

	Treatment group JSA 2012 (%)	Comparison group JSA 2009 (%)
Average unemployment rate in job seeker's local area	5.6	5.5

Mean unemployment duration[3]

	Treatment group JSA 2012 (months)	Comparison group JSA 2009 (months)
Job seeker's mean unemployment duration	65.4	128.0

Notes:

1. Characteristics as at July 2010 for comparison group, and July 2013 for treatment group.
2. Based on job seeker's local (Statistical Areas Level 4) unemployment rates, average over 18 months
3. Large differences in average unemployment durations of the treatment and comparison groups (65 months versus 128 months) reflect the differences in transition rules between the Job Network (JN) and Job Services Australia contracts. The transition of job seekers between the two JSA contracts (JSA 2009 and JSA 2012) followed a simple rule: "job seeker will transfer in their current stream and maintain their current Period of Service". Therefore, when the JSA 2012 job seekers entered the Work Experience Phase, they had generally been in Stream Services for about 12 months and on entry to CAP, they had generally been in WEPh for about 12 months.
4. Treatment group size (JSA 2012): 10,336. Comparison group size (JSA 2009): 12,032.

Source: Department of Employment administrative data.

Go to section 6.2.2 where this data is referenced.

Table A1.5: Profile of job seekers — 1:1 nearest neighbour matching for the Compulsory Activity Phase (CAP) analysis (per cent)

Job seeker characteristics

Characteristics after matching	Treatment group JSA 2012 (%)	Comparison group JSA 2009 (%)
Female	40.5	40.4
Age group: 18-29	30.0	29.2
Age group: 30-49	70.0	70.8
Highest educational attainment: Less than Year 10	22.2	21.5
Highest educational attainment: Completed Year 10/11	39.3	37.1
Highest educational attainment: Completed Year 12	12.3	12.3
Highest educational attainment: Non-trade vocational education/diploma equivalent	15.7	18.2
Highest educational attainment: Trades qualification	6.6	6.8
Highest educational attainment: Tertiary qualification	4.0	4.1
Type of income support: Newstart Allowance	91.2	89.3
Type of income support: Youth Allowance (other)	2.6	4.2
Type of income support: Parenting payment	6.2	6.5
Indigenous	20.1	19.6
Non-English speaking country of birth	11.7	11.6
Ex-offenders	16.9	17.4
Reported to have a disability or medical condition	25.4	30.8
Required at least one component of workplace support	12.0	11.9
Previous work experience: worked in the last 2 years	24.5	24.7
Resided in metropolitan or inner regional area	72.3	72.8
No access to transport	7.0	6.6
Access to own transport	68.9	66.5
Access to public transport	24.1	26.9
Good English proficiency	82.9	84.0
Mixed English proficiency	12.3	11.2
Poor English proficiency	4.8	4.9

Average unemployment rate(1)

	Treatment group JSA 2012 (%)	Comparison group JSA 2009 (%)
Average unemployment rate	5.5	5.5

Mean unemployment duration

	Treatment group JSA 2012 (months)	Comparison group JSA 2009 (months)
Mean unemployment duration (months)	103.6	104.9

Notes:

1. Based on job seeker's local (Statistical Areas Level 4) unemployment rates, average over 18 months.
2. N=1,844 in each of the groups (treatment and comparison).

Source: Department of Employment administrative data.

Go to section 6.2.2 where this data is referenced.

A2 Other statistical tables

Table A2.1: Active caseload, July 2012 to June 2015 (number)

Month	Eligibility TBD	Stream 1 Limited	Stream 1	Stream 2	Stream 3	Stream 4	Total
July 2012	10,393	15,832	209,518	181,278	161,520	160,982	739,523
August 2012	13,773	15,636	209,231	179,721	156,614	160,588	735,563
September 2012	13,743	16,214	207,776	178,070	154,588	160,627	731,018
October 2012	13,109	16,750	208,215	177,165	152,629	160,668	728,536
November 2012	12,739	16,865	210,989	179,331	151,475	160,789	732,188
December 2012	6,107	14,812	221,000	183,011	160,616	160,786	746,332
January 2013	5,966	16,095	238,857	192,300	164,899	162,687	780,804
February 2013	5,743	18,232	237,849	193,599	167,319	162,472	785,214
March 2013	5,446	19,699	239,292	193,978	167,771	162,448	788,634
April 2013	5,077	19,798	241,678	194,006	167,265	162,242	790,066
May 2013	4,819	18,440	243,128	195,556	167,795	162,662	792,400
June 2013	4,242	16,864	244,616	192,915	148,446	155,158	762,241
July 2013	4,082	15,588	244,226	193,537	148,985	155,798	762,216
August 2013	3,960	14,075	242,376	193,115	149,340	155,884	758,750
September 2013	3,755	13,120	243,708	192,676	149,731	155,980	758,970
October 2013	3,625	12,287	246,610	191,091	148,524	155,609	757,746
November 2013	3,543	11,630	252,685	192,211	148,346	155,461	763,876
December 2013	3,571	10,323	262,517	195,167	147,707	154,564	773,849
January 2014	3,491	10,988	281,541	200,792	149,254	155,945	802,011

Month	Eligibility TBD	Stream 1 Limited	Stream 1	Stream 2	Stream 3	Stream 4	Total
February 2014	3,528	12,340	286,043	201,810	149,831	155,906	809,458
March 2014	3,247	13,356	284,703	200,478	149,811	155,175	806,770
April 2014	2,487	13,264	284,034	199,840	148,695	155,088	803,408
May 2014	2,281	12,536	288,386	200,745	148,918	155,577	808,443
June 2014	2,201	12,424	288,573	200,879	149,526	155,705	809,308
July 2014	2,076	12,791	284,069	201,227	149,728	156,699	806,590
August 2014	1,992	11,758	280,563	198,022	144,478	157,228	794,041
September 2014	1,938	11,263	273,983	195,618	143,407	156,777	782,986
October 2014	2,026	10,557	265,914	197,967	150,025	156,914	783,403
November 2014	1,932	10,451	268,097	198,283	150,385	156,933	786,081
December 2014	2,064	9,893	276,659	200,143	149,840	156,193	794,792
January 2015	2,056	10,325	294,700	204,983	151,759	157,458	821,281
February 2015	1,943	10,982	297,780	206,556	153,439	158,152	828,852
March 2015	1,808	11,566	295,707	205,388	153,553	157,384	825,406
April 2015	1,798	11,680	294,395	204,208	153,052	156,663	821,796
May 2015	1,770	11,269	292,698	201,950	152,608	155,904	816,199
June 2015	1,895	10,945	290,594	199,401	150,996	155,358	809,189

Note: Data as at 30 June 2015.
Source: Department of Employment administrative data**.**

Return to Figure 2.1 where this data is referenced.

Table A2.2: Number of days taken for job seekers to commence after registration (per cent)

JSA 2009

Days	Stream 1 Not RapidConnect	Stream 1 RapidConnect	Stream 2 Not RapidConnect	Stream 2 RapidConnect	Stream 3 Not RapidConnect	Stream 3 RapidConnect	Stream 4 Not RapidConnect	Stream 4 RapidConnect	Total Not RapidConnect	Total RapidConnect
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	11.54	12.24	14.27	15.49	18.67	21.35	14.23	21.12	13.04	12.60
4	20.79	47.48	23.01	43.90	28.29	48.80	15.82	50.00	21.75	47.21
5	25.40	60.92	28.01	56.55	33.68	60.89	16.90	58.19	26.34	60.55
6	29.82	71.96	32.35	67.21	38.36	70.26	17.84	68.53	30.56	71.55
7	33.38	80.09	35.84	74.80	42.33	76.47	19.07	74.57	34.01	79.62
8	36.49	85.37	39.37	80.26	46.38	83.22	20.12	78.88	37.19	84.92
9	39.38	89.19	42.47	85.10	49.62	86.71	21.25	84.48	40.07	88.82
10	42.94	92.49	45.92	88.92	53.15	89.65	22.60	88.79	43.47	92.17
11	45.67	94.23	48.35	91.38	55.47	90.96	23.81	90.09	46.00	93.96
12	47.67	95.20	50.16	92.89	57.28	92.59	24.80	90.09	47.88	94.98
13	49.63	96.02	52.01	93.94	58.64	93.57	25.77	91.81	49.70	95.82
14	51.45	96.76	53.71	94.72	60.06	94.44	27.17	91.81	51.43	96.56
15	53.28	97.45	55.47	95.73	61.51	95.32	28.87	93.10	53.20	97.28
16	55.62	98.12	57.64	96.65	63.25	96.51	30.45	95.26	55.40	97.98
17	58.61	98.77	60.20	97.27	65.29	97.28	33.25	96.12	58.19	98.63
18	60.90	99.05	61.95	97.73	67.03	97.71	35.38	96.55	60.28	98.93
19	62.57	99.19	63.38	98.05	68.05	97.93	36.78	96.98	61.81	99.08
20	64.08	99.31	64.69	98.35	69.34	98.37	38.23	97.41	63.25	99.22
21	65.32	99.42	65.97	98.49	70.37	98.47	39.52	97.41	64.48	99.33
22	66.64	99.50	67.14	98.70	71.41	98.91	41.03	97.41	65.75	99.42
23	68.23	99.59	68.44	98.91	72.60	99.02	42.72	97.41	67.23	99.52
24	70.02	99.69	70.08	99.15	74.02	99.24	45.17	97.84	68.99	99.64
25	71.44	99.74	71.47	99.35	75.14	99.35	47.13	98.28	70.41	99.70
26	72.43	99.77	72.43	99.49	76.11	99.35	48.37	98.28	71.40	99.74

Days	Stream 1 Not RapidConnect	Stream 1 RapidConnect	Stream 2 Not RapidConnect	Stream 2 RapidConnect	Stream 3 Not RapidConnect	Stream 3 RapidConnect	Stream 4 Not RapidConnect	Stream 4 RapidConnect	Total Not RapidConnect	Total RapidConnect
27	73.41	99.81	73.31	99.57	76.80	99.35	49.85	98.71	72.36	99.78
28	74.34	99.83	74.27	99.67	77.65	99.35	51.39	98.71	73.32	99.81
29	75.20	99.87	75.01	99.76	78.55	99.56	52.60	98.71	74.18	99.85
30	76.30	99.90	76.03	99.81	79.65	99.78	54.18	99.14	75.28	99.89
31	77.72	99.95	77.50	99.91	80.67	99.89	56.34	99.57	76.72	99.95
32	78.81	99.98	78.56	99.97	81.28	100.00	57.87	100.00	77.79	99.98
33	79.61	99.99	79.40	99.97	82.01	100.00	59.30	100.00	78.63	99.99
34	80.29	99.99	80.07	99.98	82.62	100.00	60.21	100.00	79.31	99.99
35	80.92	100.00	80.71	99.99	83.08	100.00	61.26	100.00	79.95	100.00
36	81.62	100.00	81.28	99.99	83.74	100.00	62.68	100.00	80.65	100.00
37	82.35	100.00	82.09	99.99	84.35	100.00	63.87	100.00	81.42	100.00
38	83.32	100.00	83.07	99.99	85.06	100.00	65.62	100.00	82.42	100.00
39	84.09	100.00	83.83	99.99	85.59	100.00	66.77	100.00	83.18	100.00
40	84.62	100.00	84.47	100.00	85.96	100.00	68.01	100.00	83.76	100.00
41	85.14	100.00	84.98	100.00	86.32	100.00	68.98	100.00	84.29	100.00
42	85.58	100.00	85.41	100.00	86.71	100.00	69.81	100.00	84.75	100.00
43	86.01	100.00	85.81	100.00	87.01	100.00	70.89	100.00	85.20	100.00
44	86.63	100.00	86.40	100.00	87.59	100.00	71.94	100.00	85.83	100.00
45	87.29	100.00	87.18	100.00	88.43	100.00	73.42	100.00	86.58	100.00
46	87.92	100.00	87.71	100.00	88.84	100.00	74.41	100.00	87.19	100.00
47	88.37	100.00	88.14	100.00	89.20	100.00	75.09	100.00	87.64	100.00
48	88.74	100.00	88.57	100.00	89.59	100.00	75.92	100.00	88.05	100.00
49	89.09	100.00	88.88	100.00	89.76	100.00	76.70	100.00	88.40	100.00
50	89.40	100.00	89.12	100.00	90.01	100.00	77.32	100.00	88.70	100.00
51	89.80	100.00	89.46	100.00	90.44	100.00	78.13	100.00	89.11	100.00
52	90.29	100.00	89.99	100.00	90.72	100.00	79.10	100.00	89.62	100.00
53	90.66	100.00	90.37	100.00	91.10	100.00	79.77	100.00	90.01	100.00
54	90.96	100.00	90.73	100.00	91.39	100.00	80.33	100.00	90.34	100.00

Days	Stream 1 Not RapidConnect	Stream 1 RapidConnect	Stream 2 Not RapidConnect	Stream 2 RapidConnect	Stream 3 Not RapidConnect	Stream 3 RapidConnect	Stream 4 Not RapidConnect	Stream 4 RapidConnect	Total Not RapidConnect	Total RapidConnect
55	91.27	100.00	91.01	100.00	91.66	100.00	80.71	100.00	90.64	100.00
56	91.52	100.00	91.28	100.00	91.89	100.00	81.25	100.00	90.92	100.00
57	91.81	100.00	91.56	100.00	92.20	100.00	81.60	100.00	91.20	100.00
58	92.14	100.00	91.89	100.00	92.40	100.00	82.38	100.00	91.55	100.00
59	92.57	100.00	92.26	100.00	92.74	100.00	83.05	100.00	91.97	100.00
60	92.90	100.00	92.64	100.00	92.96	100.00	83.80	100.00	92.32	100.00
61	93.13	100.00	92.82	100.00	93.22	100.00	84.26	100.00	92.56	100.00
62	93.33	100.00	93.00	100.00	93.32	100.00	84.77	100.00	92.76	100.00
63	93.54	100.00	93.25	100.00	93.51	100.00	85.31	100.00	93.00	100.00
64	93.75	100.00	93.44	100.00	93.71	100.00	85.63	100.00	93.21	100.00
65	94.02	100.00	93.66	100.00	93.90	100.00	85.96	100.00	93.46	100.00
66	94.30	100.00	93.94	100.00	94.20	100.00	86.41	100.00	93.75	100.00
67	94.57	100.00	94.14	100.00	94.57	100.00	86.92	100.00	94.03	100.00
68	94.74	100.00	94.28	100.00	94.74	100.00	87.36	100.00	94.20	100.00
69	94.91	100.00	94.46	100.00	94.81	100.00	87.73	100.00	94.38	100.00
70	95.07	100.00	94.64	100.00	94.96	100.00	88.00	100.00	94.55	100.00
71	95.21	100.00	94.75	100.00	95.17	100.00	88.35	100.00	94.70	100.00
72	95.38	100.00	94.98	100.00	95.29	100.00	88.84	100.00	94.90	100.00
73	95.61	100.00	95.23	100.00	95.44	100.00	89.29	100.00	95.14	100.00
74	95.78	100.00	95.47	100.00	95.52	100.00	89.59	100.00	95.33	100.00
75	95.92	100.00	95.59	100.00	95.57	100.00	89.99	100.00	95.47	100.00
76	96.04	100.00	95.78	100.00	95.66	100.00	90.26	100.00	95.61	100.00
77	96.15	100.00	95.91	100.00	95.74	100.00	90.58	100.00	95.74	100.00
78	96.27	100.00	96.03	100.00	95.79	100.00	90.77	100.00	95.85	100.00
79	96.40	100.00	96.17	100.00	95.95	100.00	91.01	100.00	96.00	100.00
80	96.57	100.00	96.42	100.00	96.25	100.00	91.42	100.00	96.21	100.00
81	96.73	100.00	96.56	100.00	96.30	100.00	91.71	100.00	96.36	100.00
82	96.86	100.00	96.66	100.00	96.35	100.00	92.04	100.00	96.49	100.00

Days	Stream 1 Not RapidConnect	Stream 1 RapidConnect	Stream 2 Not RapidConnect	Stream 2 RapidConnect	Stream 3 Not RapidConnect	Stream 3 RapidConnect	Stream 4 Not RapidConnect	Stream 4 RapidConnect	Total Not RapidConnect	Total RapidConnect
83	96.96	100.00	96.71	100.00	96.46	100.00	92.17	100.00	96.58	100.00
84	97.04	100.00	96.77	100.00	96.49	100.00	92.39	100.00	96.66	100.00
85	97.12	100.00	96.87	100.00	96.51	100.00	92.68	100.00	96.75	100.00
86	97.24	100.00	97.02	100.00	96.61	100.00	93.01	100.00	96.89	100.00
87	97.36	100.00	97.19	100.00	96.68	100.00	93.30	100.00	97.02	100.00
88	97.44	100.00	97.38	100.00	96.83	100.00	93.52	100.00	97.15	100.00
89	97.52	100.00	97.47	100.00	96.90	100.00	93.81	100.00	97.24	100.00
90	97.62	100.00	97.56	100.00	96.95	100.00	94.00	100.00	97.34	100.00
91	97.70	100.00	97.62	100.00	97.07	100.00	94.19	100.00	97.42	100.00
92	97.77	100.00	97.66	100.00	97.15	100.00	94.43	100.00	97.50	100.00
93	97.88	100.00	97.77	100.00	97.30	100.00	94.83	100.00	97.63	100.00
94	97.99	100.00	97.84	100.00	97.46	100.00	95.10	100.00	97.74	100.00
95	98.08	100.00	97.93	100.00	97.59	100.00	95.32	100.00	97.84	100.00
96	98.15	100.00	97.98	100.00	97.66	100.00	95.45	100.00	97.91	100.00
97	98.23	100.00	98.04	100.00	97.74	100.00	95.56	100.00	97.98	100.00
98	98.30	100.00	98.11	100.00	97.83	100.00	95.64	100.00	98.06	100.00
99	98.35	100.00	98.18	100.00	97.86	100.00	95.70	100.00	98.11	100.00
100	98.41	100.00	98.28	100.00	97.91	100.00	95.86	100.00	98.19	100.00

JSA 2012

Days	Stream 1 Not RapidConnect	Stream 1 RapidConnect	Stream 2 Not RapidConnect	Stream 2 RapidConnect	Stream 3 Not RapidConnect	Stream 3 RapidConnect	Stream 4 Not RapidConnect	Stream 4 RapidConnect	Total Not RapidConnect	Total RapidConnect
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	6.37	12.72	10.75	18.50	17.49	26.18	13.40	21.67	8.58	13.42
4	19.18	44.20	24.05	48.76	30.02	54.66	16.93	54.74	20.98	44.80
5	26.72	58.48	31.53	61.78	36.55	63.02	19.05	66.82	28.13	58.91
6	32.40	69.47	37.03	72.01	40.75	72.20	20.95	76.31	33.45	69.80
7	37.49	78.05	41.61	79.83	44.80	79.22	22.77	82.09	38.17	78.27
8	41.64	83.79	45.29	84.60	48.00	83.94	24.51	87.37	42.01	83.91
9	45.61	88.09	48.97	88.18	51.39	87.58	26.59	90.45	45.77	88.13
10	49.74	91.16	52.94	90.80	55.26	90.28	28.53	92.81	49.73	91.15
11	52.80	92.94	55.45	92.73	57.81	92.04	30.44	93.99	52.56	92.94
12	55.18	94.16	57.46	93.76	59.58	93.25	31.94	94.89	54.76	94.13
13	57.39	95.14	59.29	94.89	60.98	93.93	33.38	95.79	56.79	95.12
14	59.52	96.07	60.97	95.81	62.61	94.87	34.89	96.41	58.75	96.04
15	61.71	96.89	62.76	96.60	63.93	95.55	36.65	96.97	60.76	96.86
16	64.40	97.67	64.92	97.20	65.84	96.49	38.69	97.64	63.24	97.62
17	67.34	98.41	67.49	97.99	68.20	97.57	41.81	98.43	66.06	98.37
18	69.28	98.69	69.24	98.34	69.74	98.11	44.13	98.65	67.95	98.66
19	70.75	98.86	70.38	98.64	70.95	98.38	46.25	98.76	69.36	98.83
20	72.11	99.01	71.54	98.80	71.97	98.65	48.04	98.99	70.67	98.99
21	73.39	99.16	72.69	98.96	72.86	99.06	49.45	99.10	71.90	99.14
22	74.59	99.30	73.83	99.07	74.07	99.19	51.19	99.27	73.11	99.28
23	76.01	99.43	75.17	99.22	75.34	99.46	52.91	99.33	74.52	99.41
24	77.51	99.56	76.56	99.32	76.79	99.46	54.84	99.38	76.02	99.54
25	78.68	99.64	77.78	99.43	77.84	99.60	56.50	99.55	77.21	99.62
26	79.56	99.70	78.64	99.58	78.65	99.60	57.94	99.66	78.12	99.69
27	80.36	99.75	79.50	99.68	79.53	99.60	59.49	99.66	78.98	99.74
28	81.15	99.80	80.30	99.73	80.36	99.73	60.84	99.78	79.81	99.79

Days	Stream 1 Not RapidConnect	Stream 1 RapidConnect	Stream 2 Not RapidConnect	Stream 2 RapidConnect	Stream 3 Not RapidConnect	Stream 3 RapidConnect	Stream 4 Not RapidConnect	Stream 4 RapidConnect	Total Not RapidConnect	Total RapidConnect
29	81.94	99.85	81.08	99.81	81.04	100.00	62.15	99.83	80.61	99.85
30	82.81	99.91	81.96	99.89	81.89	100.00	63.82	99.89	81.53	99.90
31	83.79	99.95	83.00	99.98	82.86	100.00	65.35	100.00	82.54	99.95
32	84.54	99.98	83.73	99.99	83.58	100.00	66.49	100.00	83.31	99.98
33	85.14	99.99	84.27	99.99	84.14	100.00	67.75	100.00	83.93	99.99
34	85.68	100.00	84.78	99.99	84.77	100.00	68.77	100.00	84.50	100.00
35	86.23	100.00	85.37	99.99	85.26	100.00	69.80	100.00	85.08	100.00
36	86.78	100.00	85.99	99.99	85.87	100.00	70.76	100.00	85.67	100.00
37	87.37	100.00	86.59	99.99	86.42	100.00	71.86	100.00	86.28	100.00
38	88.07	100.00	87.31	100.00	87.04	100.00	73.13	100.00	87.01	100.00
39	88.60	100.00	87.84	100.00	87.63	100.00	74.03	100.00	87.57	100.00
40	89.00	100.00	88.33	100.00	87.89	100.00	74.74	100.00	88.00	100.00
41	89.39	100.00	88.75	100.00	88.25	100.00	75.66	100.00	88.42	100.00
42	89.77	100.00	89.12	100.00	88.59	100.00	76.50	100.00	88.82	100.00
43	90.15	100.00	89.41	100.00	88.86	100.00	77.10	100.00	89.18	100.00
44	90.61	100.00	89.86	100.00	89.32	100.00	77.90	100.00	89.66	100.00
45	91.10	100.00	90.33	100.00	89.78	100.00	78.69	100.00	90.16	100.00
46	91.52	100.00	90.70	100.00	90.20	100.00	79.66	100.00	90.59	100.00
47	91.82	100.00	91.00	100.00	90.59	100.00	80.45	100.00	90.93	100.00
48	92.14	100.00	91.33	100.00	90.85	100.00	81.18	100.00	91.27	100.00
49	92.43	100.00	91.62	100.00	91.12	100.00	81.70	100.00	91.57	100.00
50	92.70	100.00	91.95	100.00	91.37	100.00	82.19	100.00	91.86	100.00
51	93.04	100.00	92.27	100.00	91.66	100.00	82.75	100.00	92.21	100.00
52	93.43	100.00	92.68	100.00	91.95	100.00	83.52	100.00	92.61	100.00
53	93.67	100.00	92.95	100.00	92.29	100.00	83.97	100.00	92.88	100.00
54	93.91	100.00	93.20	100.00	92.55	100.00	84.51	100.00	93.14	100.00
55	94.10	100.00	93.46	100.00	92.75	100.00	85.01	100.00	93.36	100.00
56	94.32	100.00	93.73	100.00	92.98	100.00	85.41	100.00	93.60	100.00

Days	Stream 1 Not RapidConnect	Stream 1 RapidConnect	Stream 2 Not RapidConnect	Stream 2 RapidConnect	Stream 3 Not RapidConnect	Stream 3 RapidConnect	Stream 4 Not RapidConnect	Stream 4 RapidConnect	Total Not RapidConnect	Total RapidConnect
57	94.53	100.00	93.97	100.00	93.18	100.00	85.76	100.00	93.82	100.00
58	94.78	100.00	94.22	100.00	93.48	100.00	86.23	100.00	94.09	100.00
59	95.04	100.00	94.58	100.00	93.77	100.00	86.74	100.00	94.39	100.00
60	95.27	100.00	94.76	100.00	94.05	100.00	87.28	100.00	94.63	100.00
61	95.45	100.00	94.93	100.00	94.24	100.00	87.63	100.00	94.82	100.00
62	95.62	100.00	95.07	100.00	94.37	100.00	87.95	100.00	94.99	100.00
63	95.77	100.00	95.26	100.00	94.48	100.00	88.42	100.00	95.16	100.00
64	95.94	100.00	95.45	100.00	94.66	100.00	88.83	100.00	95.35	100.00
65	96.12	100.00	95.65	100.00	94.91	100.00	89.09	100.00	95.54	100.00
66	96.31	100.00	95.86	100.00	95.13	100.00	89.54	100.00	95.75	100.00
67	96.47	100.00	96.02	100.00	95.30	100.00	89.93	100.00	95.92	100.00
68	96.60	100.00	96.17	100.00	95.48	100.00	90.23	100.00	96.07	100.00
69	96.72	100.00	96.32	100.00	95.63	100.00	90.50	100.00	96.21	100.00
70	96.81	100.00	96.44	100.00	95.75	100.00	90.93	100.00	96.33	100.00
71	96.94	100.00	96.52	100.00	95.84	100.00	91.17	100.00	96.45	100.00
72	97.06	100.00	96.68	100.00	95.91	100.00	91.51	100.00	96.59	100.00
73	97.20	100.00	96.80	100.00	96.04	100.00	91.88	100.00	96.73	100.00
74	97.31	100.00	96.92	100.00	96.14	100.00	92.18	100.00	96.86	100.00
75	97.42	100.00	96.99	100.00	96.22	100.00	92.40	100.00	96.96	100.00
76	97.51	100.00	97.06	100.00	96.33	100.00	92.65	100.00	97.06	100.00
77	97.60	100.00	97.15	100.00	96.40	100.00	92.91	100.00	97.15	100.00
78	97.70	100.00	97.23	100.00	96.48	100.00	92.98	100.00	97.24	100.00
79	97.80	100.00	97.35	100.00	96.61	100.00	93.28	100.00	97.37	100.00
80	97.91	100.00	97.49	100.00	96.67	100.00	93.62	100.00	97.49	100.00
81	97.99	100.00	97.61	100.00	96.76	100.00	93.94	100.00	97.59	100.00
82	98.07	100.00	97.67	100.00	96.85	100.00	94.18	100.00	97.68	100.00
83	98.12	100.00	97.70	100.00	96.91	100.00	94.41	100.00	97.73	100.00
84	98.17	100.00	97.81	100.00	97.01	100.00	94.56	100.00	97.80	100.00

Days	Stream 1 Not RapidConnect	Stream 1 RapidConnect	Stream 2 Not RapidConnect	Stream 2 RapidConnect	Stream 3 Not RapidConnect	Stream 3 RapidConnect	Stream 4 Not RapidConnect	Stream 4 RapidConnect	Total Not RapidConnect	Total RapidConnect
85	98.24	100.00	97.87	100.00	97.11	100.00	94.74	100.00	97.88	100.00
86	98.30	100.00	97.95	100.00	97.22	100.00	94.97	100.00	97.96	100.00
87	98.40	100.00	98.06	100.00	97.36	100.00	95.17	100.00	98.07	100.00
88	98.49	100.00	98.14	100.00	97.50	100.00	95.36	100.00	98.16	100.00
89	98.54	100.00	98.20	100.00	97.62	100.00	95.55	100.00	98.23	100.00
90	98.59	100.00	98.25	100.00	97.71	100.00	95.62	100.00	98.28	100.00
91	98.64	100.00	98.30	100.00	97.73	100.00	95.87	100.00	98.35	100.00
92	98.68	100.00	98.40	100.00	97.75	100.00	96.00	100.00	98.40	100.00
93	98.72	100.00	98.45	100.00	97.86	100.00	96.18	100.00	98.46	100.00
94	98.79	100.00	98.49	100.00	97.93	100.00	96.35	100.00	98.52	100.00
95	98.86	100.00	98.56	100.00	98.00	100.00	96.41	100.00	98.59	100.00
96	98.91	100.00	98.62	100.00	98.08	100.00	96.52	100.00	98.65	100.00
97	98.96	100.00	98.65	100.00	98.14	100.00	96.61	100.00	98.70	100.00
98	98.99	100.00	98.72	100.00	98.17	100.00	96.67	100.00	98.74	100.00
99	99.03	100.00	98.78	100.00	98.23	100.00	96.69	100.00	98.78	100.00
100	99.08	100.00	98.82	100.00	98.35	100.00	96.82	100.00	98.84	100.00

Source: Department of Employment administrative data**.**

Return to Table 3.2 where this data is referenced.

Table A2.3: Employment and education outcomes for new entrants, JSA 2009 (per cent)

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Commencement stream: Stream 1	39.8	29.0	68.8	21.9
Commencement stream: Stream 2	27.3	24.7	52.0	29.1
Commencement stream: Stream 3	17.5	22.5	40.0	33.6
Commencement stream: Stream 4	23.3	12.9	36.2	31.5
Long-term capacity to participate in the labour force: Partial capacity	15.6	29.5	45.1	24.5
Long-term capacity to participate in the labour force: Not partial capacity	39.6	26.4	66.0	25.0
Gender and age group: Males aged < 25 years	40.6	22.2	62.8	32.7
Gender and age group: Males aged 25-49 years	48.3	19.4	67.7	19.5
Gender and age group: Males ages 50+ years	35.8	20.1	55.9	9.0
Gender and age group: Females aged < 25 years	31.7	30.4	62.1	37.2
Gender and age group: Females aged 25-49 years	29.0	33.4	62.4	24.5
Gender and age group: Females aged 50+ years	19.8	32.9	52.7	16.4
Income support type: NSA/YA(O)	37.7	25.5	63.2	24.2
Income support type: PPP/PPS	19.5	36.9	56.4	29.0
Income support type: Other income support type/not on income support	24.6	22.3	46.9	33.4
Geographic location: Major Cities of Australia	36.5	25.6	62.1	24.2
Geographic location: Inner Regional	31.1	32.0	63.1	25.6
Geographic location: Other	33.0	26.8	59.8	23.6
Highest level of education: Less than Year 10	20.7	17.9	38.6	28.7
Highest level of education: Year 10/11	28.0	27.1	55.1	20.9

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Highest level of education: Year 12	33.1	29.0	62.1	32.4
Highest level of education: TAFE/Diploma	38.2	28.8	67.0	20.3
Highest level of education: Degree/Post-graduate	47.5	27.1	74.6	21.5
Client group: Indigenous	25.4	15.9	41.3	33.2
Client group: Non-Indigenous	35.4	27.6	63.0	24.1
Client group: Job seekers with a disability as identified by JCA/ESAt	16.1	24.3	40.4	24.4
Client group: Non-English speaking background	29.9	21.2	51.1	30.7
Client group: Mixed or low English proficiency	20.0	15.9	35.9	38.8
Client group: Single parents	22.6	39.6	62.2	27.8
Client group: Ex-offenders	38.2	15.3	53.5	12.4
Client group: Homeless	32.4	18.8	51.2	29.0
Total	35.0	27.1	62.1	24.5

Note: Excludes job seekers living in communities that were subsequently transferred to the Remote Jobs and Communities Programme in July 2013.
Source: Department of Employment Post Programme Monitoring Survey.

This data is referenced more than once in this report.

- Return to Figure 3.2 where this data is referenced.
- Return to Figure 3.3 where this data is referenced.
- Return to Figure 3.4 where this data is referenced.

Table A2.4: Employment and education outcomes for new entrants, JSA 2012 (per cent)

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Commencement stream: Stream 1	37.3	25.7	63.0	21.6
Commencement stream: Stream 2	18.3	23.8	42.1	28.3
Commencement stream: Stream 3	8.4	16.4	24.8	29.5
Commencement stream: Stream 4	n.a.	n.a.	31.2	42.2
Long-term capacity to participate in the labour force: Partial capacity	9.3	23.2	32.5	24.8
Long-term capacity to participate in the labour force: Not partial capacity	36.1	24.8	60.9	24.1
Gender and age group: Males aged < 25 years	33.4	22.1	55.5	33.2
Gender and age group: Males aged 25-49 years	44.6	16.7	61.3	17.5
Gender and age group: Males ages 50+ years	28.3	20.2	48.5	12.5
Gender and age group: Females aged < 25 years	27.2	28.7	55.9	35.9
Gender and age group: Females aged 25-49 years	25.5	30.8	56.3	27.8
Gender and age group: Females aged 50+ years	19.5	27.2	46.7	13.9
Income support type: NSA/YA(O)	33.7	24.4	58.1	23.3
Income support type: PPP/PPS	8.7	29.4	38.1	33.2
Income support type: Other income support type/not on income support	14.1	20.7	34.8	35.5
Geographic location: Major Cities of Australia	32.5	23.0	55.5	23.6
Geographic location: Inner Regional	27.2	27.2	54.3	24.7
Geographic location: Other	30.5	26.4	56.9	22.1
Highest level of education: Less than Year 10	19.0	16.7	35.7	21.0
Highest level of education: Year 10/11	24.8	20.8	45.6	18.5

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Highest level of education: Year 12	26.6	26.3	52.9	31.4
Highest level of education: TAFE/Diploma	33.7	25.6	59.3	22.9
Highest level of education: Degree/Post-graduate	44.5	26.3	70.8	21.1
Client group: Indigenous	24.1	13.1	37.2	28.7
Client group: Non-Indigenous	31.6	24.6	56.2	23.4
Client group: Job seekers with a disability as identified by JCA/ESAt	9.5	15.7	25.2	16.3
Client group: Non-English speaking background	26.7	19.9	46.6	28.0
Client group: Mixed or low English proficiency	19.6	13.2	32.8	32.6
Client group: Single parents	11.7	33.3	45.0	35.5
Client group: Ex-offenders	31.6	13.8	45.4	n.a.
Client group: Homeless	27.5	15.9	43.4	26.5
Total	31.1	24.2	55.3	23.7

n.a.: Not available due to high relative standard errors.

Note: Excludes job seekers living in communities that were subsequently transferred to the Remote Jobs and Communities Programme in July 2013.

Source: Department of Employment Post Programme Monitoring Survey.

This data is referenced more than once in this report.

- Return to Figure 3.2 where this data is referenced.
- Return to Figure 3.3 where this data is referenced.
- Return to Figure 3.4 where this data is referenced.

Table A2.5: Comparison of employment and education outcomes for new entrants, JSA 2009 and JSA 2012 (percentage point difference)

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Commencement stream: Stream 1	-2.5	-3.3	-5.8	-0.3
Commencement stream: Stream 2	-9.0	-0.9	-9.9	-0.8
Commencement stream: Stream 3	-9.1	-6.1	-15.2	-4.1
Commencement stream: Stream 4	n.a.	n.a.	-5.0	10.7
Long-term capacity to participate in the labour force: Partial capacity	-6.3	-6.3	-12.6	0.3
Long-term capacity to participate in the labour force: Not partial capacity	-3.5	-1.6	-5.1	-0.9
Gender and age group: Males aged < 25 years	-7.2	-0.1	-7.3	0.5
Gender and age group: Males aged 25-49 years	-3.7	-2.7	-6.4	-2.0
Gender and age group: Males ages 50+ years	-7.5	0.1	-7.4	3.5
Gender and age group: Females aged < 25 years	-4.5	-1.7	-6.2	-1.3
Gender and age group: Females aged 25-49 years	-3.5	-2.6	-6.1	3.3
Gender and age group: Females aged 50+ years	-0.3	-5.7	-6.0	-2.5
Income support type: NSA/YA(O)	-4.0	-1.1	-5.1	-0.9
Income support type: PPP/PPS	-10.8	-7.5	-18.3	4.2
Income support type: Other income support type/not on income support	-10.5	-1.6	-12.1	2.1
Geographic location: Major Cities of Australia	-4.0	-2.6	-6.6	-0.6
Geographic location: Inner Regional	-3.9	-4.8	-8.8	-0.9
Geographic location: Other	-2.5	-0.4	-2.9	-1.5
Highest level of education: Less than Year 10	-1.7	-1.2	-2.9	-7.7
Highest level of education: Year 10/11	-3.2	-6.3	-9.5	-2.4

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Highest level of education: Year 12	-6.5	-2.7	-9.2	-1.0
Highest level of education: TAFE/Diploma	-4.5	-3.2	-7.7	2.6
Highest level of education: Degree/Post-graduate	-3.0	-0.8	-3.8	-0.4
Client group: Indigenous	-1.3	-2.8	-4.1	-4.5
Client group: Non-Indigenous	-3.8	-3.0	-6.8	-0.7
Client group: Job seekers with a disability as identified by JCA/ESAt	-6.6	-8.6	-15.2	-8.1
Client group: Non-English speaking background	-3.2	-1.3	-4.5	-2.7
Client group: Mixed or low English proficiency	-0.4	-2.7	-3.1	-6.2
Client group: Single parents	-10.9	-6.3	-17.2	7.7
Client group: Ex-offenders	-6.6	-1.5	-8.1	n.a.
Client group: Homeless	-4.9	-2.9	-7.8	-2.5
Total	-3.9	-2.9	-6.8	-0.8

n.a.: Not available due to high relative standard errors.

Note: Excludes job seekers living in communities that were subsequently transferred to the Remote Jobs and Communities Programme in July 2013.

Source: Department of Employment Post Programme Monitoring Survey.

This data is referenced more than once in this report.

- Return to Figure 3.2 where this data is referenced.
- Return to Figure 3.3 where this data is referenced.
- Return to Figure 3.4 where this data is referenced.

Table A2.6: Income support status rates and average marginal effect (AME) estimates for the predicted probability of income support status 12 months after registration date, JSA 2012 compared with JSA 2009

Job seeker characteristics	OFF Observed (%)	OFF AME estimate (ppt)	PARTIAL Observed (%)	PARTIAL AME estimate (ppt)	FULL Observed (%)	FULL AME estimate (ppt)
Total Streams 1 to 4	55.8	-6.5	12.3	0.3	31.9	6.2
Stream 1	61.7	-6.8	10.9	0.8	27.4	6.1
Stream 2	38.8	-5.5	18.3	-0.8	42.8	6.3
Stream 3	19.3	-1.7	19.4	-3.1	61.3	4.7
Stream 4	33.5	-3.3	8.4	-0.7	58.1	3.9
Indigenous, total	43.5	-5.4	8.2	-0.5	48.3	5.9
Indigenous Stream 1	58.9	-3.7	7.5	-0.4	33.6	4.1
Indigenous Stream 2	45.0	-8.1	8.5	-0.1 *	46.4	8.2
Indigenous Stream 3	25.1	-2.0	10.2	-1.4	64.7	3.5
Indigenous Stream 4	30.8	-5.1	4.2	-0.6	65.0	5.7
Part-time capacity, total	22.0	-4.8	22.7	-1.7	55.3	6.6
Part-time capacity Stream 1	29.4	-6.8	21.4	-0.1 *	49.1	6.9
Part-time capacity Stream 2	15.6	-3.1	27.9	-3.2	56.6	6.3
Part-time capacity Stream 3	8.6	-0.6	23.3	-3.7	68.1	4.4
Part-time capacity Stream 4	12.8	0.1 *	11.1	-0.4 *	76.1	0.3 *
Males, total	59.6	-7.0	9.2	0.5	31.1	6.4
Males Stream 1	63.1	-7.3	8.8	0.7	28.1	6.4
Males Stream 2	42.5	-5.4	13.3	-0.6	44.2	6.0
Males Stream 3	33.5	-0.6 *	10.6	-3.3	56.0	3.9
Males Stream 4	37.8	-4.4	6.6	-0.7	55.5	5.1
Females, total	51.3	-6.1	15.9	0.1	32.8	5.9
Females Stream 1	59.7	-6.5	13.9	1.0	26.4	5.6
Females Stream 2	36.5	-5.7	21.5	-0.8	42.0	6.5
Females Stream 3	16.0	-2.1	21.5	-3.0	62.5	5.1
Females Stream 4	25.8	-1.5	11.7	-0.9	62.5	2.3
Youth (under 25 years), total	58.1	-5.8	9.6	0.8	32.3	5.0

Job seeker characteristics	OFF Observed (%)	OFF AME estimate (ppt)	PARTIAL Observed (%)	PARTIAL AME estimate (ppt)	FULL Observed (%)	FULL AME estimate (ppt)
Youth Stream 1	63.1	-5.8	9.0	1.0	27.9	4.8
Youth Stream 2	45.1	-6.5	12.4	0.3	42.5	6.3
Youth Stream 3	26.9	-2.8	11.3	-0.9	61.8	3.7
Youth Stream 4	35.9	-1.5	5.6	-0.8	58.5	2.3
Aged 25 to 30 years, total	61.4	-6.2	8.9	0.4	29.7	5.8
Age 25 to 30 Stream 1	66.3	-6.5	7.9	0.7	25.8	5.8
Age 25 to 30 Stream 2	38.2	-3.7	15.4	0.2	46.4	3.6
Age 25 to 30 Stream 3	13.5	-1.9	20.4	-2.7	66.1	4.6
Age 25 to 30 Stream 4	36.0	-5.2	7.3	-2.4	56.7	7.6
Aged 30 to 50 years total	53.8	-7.5	14.2	-0.2	32.0	7.7
Age 30 to 50 Stream 1	60.2	-7.9	12.3	0.5	27.4	7.4
Age 30 to 50 Stream 2	28.5	-5.8	25.9	-2.3	45.7	8.1
Age 30 to 50 Stream 3	13.6	-1.1	24.2	-4.4	62.2	5.5
Age 30 to 50 Stream 4	31.5	-4.4	10.4	0.5 *	58.1	4.0
Mature Age (50 years or older), total	47.9	-6.1	19.5	0.3	32.5	5.8
Mature Age Stream 1	54.8	-7.0	17.6	1.1	27.6	5.8
Mature Age Stream 2	35.7	-4.6	24.3	-1.2	40.0	5.9
Mature Age Stream 3	26.0	-1.5 *	22.5	-2.2	51.5	3.7
Mature Age Stream 4	27.6	-4.7	14.8	-1.8	57.6	6.5
Single parents, total	26.4	-5.0	27.7	-2.3	45.9	7.3
Single parents Stream 1	43.0	-7.9	26.0	0.1 *	31.0	7.8
Single parents Stream 2	16.5	-4.0	35.9	-3.1	47.6	7.1
Single parents Stream 3	6.8	-1.1	24.2	-4.3	69.0	5.3
Single parents Stream 4	14.0	-0.2 *	17.6	1.6 *	68.5	-1.4 *
Disability with employment restrictions, total	22.8	-7.5	17.0	-1.8	60.2	9.3
Disability with employment restrictions Stream 1	25.6	-10.5	17.7	-0.9	56.7	11.4
Disability with employment restrictions Stream 2	19.4	-2.9	18.1	-4.0	62.6	7.0
Disability with employment restrictions Stream 3	11.2	-1.6	15.7	-3.5	73.1	5.1

Job seeker characteristics	OFF Observed (%)	OFF AME estimate (ppt)	PARTIAL Observed (%)	PARTIAL AME estimate (ppt)	FULL Observed (%)	FULL AME estimate (ppt)
Disability with employment restrictions Stream 4	19.3	2.8	10.1	-0.5 *	70.6	-2.4
Major cities of Australia, total	57.5	-6.5	11.3	0.4	31.1	6.1
Major cities of Australia Stream 1	62.5	-6.9	10.2	0.8	27.4	6.1
Major cities of Australia Stream 2	38.7	-4.9	17.8	-0.9	43.5	5.9
Major cities of Australia Stream 3	17.6	-0.7 *	19.6	-2.5	62.9	3.2
Major cities of Australia Stream 4	34.6	-3.9	8.3	-1.1	57.0	4.9
Inner regional Australia, total	52.0	-5.7	14.9	-0.2	33.1	6.0
Inner regional of Australia Stream 1	58.9	-6.0	13.3	0.3	27.7	5.7
Inner regional of Australia Stream 2	37.6	-5.3	20.5	-1.3	41.9	6.5
Inner regional of Australia Stream 3	17.1	-1.8	20.3	-2.9	62.6	4.8
Inner regional of Australia Stream 4	31.0	-3.0	9.3	0.0 *	59.7	3.1
Other geographic locations, total	52.1	-7.8	13.5	0.7	34.4	7.1
Other geographic locations Stream 1	61.0	-8.5	12.0	1.5	27.0	7.0
Other geographic locations Stream 2	41.3	-7.8	16.7	0.7	42.0	7.1
Other geographic locations Stream 3	24.4	-2.9	18.3	-4.2	57.4	7.1
Other geographic locations Stream 4	32.3	-2.1 *	7.4	0.7 *	60.2	1.4 *
Highest level of education - Less than year 12, total	47.7	-7.0	12.2	-0.6	40.1	7.6
Less than year 12 education Stream 1	54.9	-7.8	10.7	0.1 *	34.4	7.8
Less than year 12 education Stream 2	32.3	-5.1	17.9	-1.4	49.9	6.5
Less than year 12 education Stream 3	14.6	-1.6	18.8	-2.9	66.6	4.4
Less than year 12 education Stream 4	31.4	-3.4	7.5	-1.2	61.1	4.6
Highest level of education - Year 12, total	55.6	-7.5	12.9	0.9	31.6	6.7
Year 12 education Stream 1	60.6	-7.5	11.4	1.3	28.0	6.2
Year 12 education Stream 2	40.8	-7.9	18.0	-0.2 *	41.2	8.2
Year 12 education Stream 3	24.4	-5.3	20.6	-1.9	55.0	7.2
Year 12 education Stream 4	33.4	-1.6 *	10.7	0.0 *	55.9	1.7 *
Highest level of education - TAFE/Diploma, total	57.5	-7.3	13.0	0.3	29.5	7.0
TAFE/Diploma education Stream 1	62.0	-7.7	11.5	0.7	26.5	6.9

Job seeker characteristics	OFF Observed (%)	OFF AME estimate (ppt)	PARTIAL Observed (%)	PARTIAL AME estimate (ppt)	FULL Observed (%)	FULL AME estimate (ppt)
TAFE/Diploma education Stream 2	36.5	-5.9	22.3	-1.3	41.2	7.3
TAFE/Diploma education Stream 3	16.8	-1.3 *	23.5	-3.5	59.6	4.8
TAFE/Diploma education Stream 4	34.8	-3.6	11.0	0.2 *	54.2	3.4
Highest level of education - Bachelor degree or above, total	70.6	-3.6	10.3	0.9	19.2	2.8
Bachelor degree or higher education Stream 1	72.5	-4.1	9.4	1.0	18.0	2.9
Bachelor degree or higher education Stream 2	59.0	-2.0	16.2	0.1 *	24.9	1.9
Bachelor degree or higher education Stream 3	36.4	3.3 *	22.5	-1.5 *	41.0	-1.9 *
Bachelor degree or higher education Stream 4	40.5	0.6 *	13.2	-7.4	46.4	6.9

* indicates there was no significant different difference between JSA 2009 and JSA 2012 for this subgroup at p ≤ .01 .All other AME's in the table are significantly different at p≤.01 for the specified subgroup within the model.

Notes:

1. Stream 1 (Limited) and job seekers 65 and over are excluded.
2. Observed results are unregressed. AME figures are from regression analysis.
3. Discrepancies may occur between sums of the component items and totals due to rounding.
4. The observed results in the above table are the combined results for the two study populations (JSA 2009 and JSA 2012). These observed results are provided to give the reader an appreciation of the relative proportions that the AME figures relate to. For instance:
   a. the five percentage point difference (AME) between models estimated as the proportion of single parents that are off income support at 12 months (derived using regression methods to control for differences between the two study populations) relates to around a quarter of single parents (26.4 per cent observed result across both populations)
   b. the estimated 5.4 percentage point difference (AME) between the two models for the proportion of Indigenous job seekers that are off income support at 12 months relates to around 40 per cent of Indigenous job seekers (43.5 per cent observed across both populations).

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

Return to Figure 3.5 where this data is referenced.

Table A2.7: Estimated length of time job seekers were on income support by year of registration in JSA (per cent)

Number of fortnights	JSA 2009 in 2009	JSA 2009 in 2010	JSA 2009 in 2011	JSA 2012 in 2012	JSA 2012 in 2013	JSA 2012 in 2014
1	6.09	6.37	6.18	5.29	4.79	4.68
2	6.35	6.61	6.43	5.56	5.07	4.95
3	6.30	6.53	6.37	5.57	5.10	4.99
4	6.12	6.33	6.19	5.46	5.04	4.94
5	5.99	6.17	6.05	5.41	5.02	4.93
6	5.62	5.77	5.67	5.13	4.80	4.72
7	5.10	5.22	5.14	4.72	4.44	4.38
8	4.42	4.50	4.45	4.13	3.92	3.86
9	3.97	4.03	3.99	3.75	3.58	3.53
10	3.55	3.59	3.57	3.39	3.26	3.22
11	3.15	3.18	3.16	3.04	2.94	2.91
12	2.94	2.96	2.95	2.86	2.78	2.76
13	2.69	2.70	2.69	2.64	2.58	2.57
14	2.41	2.41	2.41	2.39	2.35	2.34
15	2.20	2.19	2.20	2.20	2.17	2.16
16	1.98	1.97	1.98	2.00	1.99	1.98
17	1.81	1.79	1.80	1.84	1.83	1.83
18	1.67	1.65	1.67	1.71	1.72	1.72
19	1.52	1.50	1.51	1.57	1.58	1.58
20	1.39	1.36	1.38	1.44	1.46	1.46
21	1.27	1.24	1.26	1.33	1.35	1.35
22	1.15	1.12	1.14	1.21	1.24	1.24
23	1.05	1.03	1.04	1.12	1.15	1.15
24	0.94	0.92	0.94	1.01	1.04	1.05
25	0.90	0.87	0.89	0.96	1.00	1.00
26	0.84	0.82	0.83	0.91	0.95	0.95

Source: Department of Employment administrative data.

Return to Figure 3.6 where this data is referenced.

Table A2.8: Income support status 12 months after exiting income support, new entrant job seekers (per cent and percentage point)

Client group	OFF Observed (%)	OFF AME (ppt)	PARTIAL Observed (%)	PARTIAL AME (ppt)	FULL Observed (%)	FULL AME (ppt)
Stream 1	90.2	-1.7	2.5	0.1	7.2	1.7
Stream 2	86.0	-2.3	3.7	0.1	10.3	2.2
Stream 3	82.9	-2.8	3.6	0.1	13.5	2.7
Stream 4	76.3	-3.3	3.2	0.0	20.6	3.3
Total	89.5	-1.8	2.6	0.1	7.9	1.8

Notes:

1. Observed results are unregressed. AME figures are from regression analysis.
2. Discrepancies may occur between sums of the component items and totals due to rounding.
3. The observed results in the above table are the combined results for the two study populations (JSA 2009 and JSA 2012). These observed results are provided to give the reader an appreciation of the relative proportions that the AME figures relate to.

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

Return to Table 3.3 where this data is referenced.

Table A2.9: Exits from employment services due to disability, selected long-term unemployed (LTU) job seeker groups (per cent of jobseekers who exited)

Characteristics	JSA 2009 On DSP	JSA 2009 Exited to DES	JSA 2009 On DSP and exited DES	JSA 2009 Total exits to disability	JSA 2012 On DSP	JSA 2012 Exited to DES	JSA 2012 On DSP and exited DES	JSA 2012 Total exits to disability
Stream 1	1.6	5.2	0.2	7.0	1.0	4.1	0.1	5.2
Stream 2	6.8	12.6	0.8	20.2	2.1	7.4	0.3	9.8
Stream 3	15.5	19.8	1.4	36.7	8.6	24.5	0.9	34.0
Stream 4	27.9	12.2	1.4	41.5	15.2	14.7	0.9	30.8
Age: Less than 21	2.1	4.0	0.4	10.1	1.8	5.2	0.3	7.3
Age: 21 to 24	4.3	7.7	0.5	19.7	2.5	7.6	0.4	10.5
Age: 25 to 29	7.0	9.1	0.7	25.2	3.9	8.6	0.5	13.0
Age: 30 to 49	15.0	14.6	0.6	30.2	8.3	14.3	0.6	23.2
Age: 50 plus	21.9	18.5	1.5	41.9	12.1	21.1	0.7	33.9
Indigenous	12.5	7.0	0.8	20.3	7.2	7.5	0.5	15.2
Job seekers with a disability as identified by JCA/ESAt	31.7	32.0	2.4	66.1	24.4	45.5	1.9	71.8
Single parents	7.5	10.4	0.5	18.4	4.8	9.8	0.4	15.0
Ex-offenders	11.1	8.6	0.7	20.4	8.9	10.5	0.5	19.9
Long-term reduced capacity to participate	27.1	18.6	2.0	47.7	15.6	24.1	1.2	41.0
Total	12.0	12.1	0.9	25.0	6.8	12.8	0.5	20.1

Note: Figures for JSA 2009 differ from those previously reported in the *Long-term unemployed job seekers: JSA Effectiveness* report due to differences in the study populations and methodology, including a shorter study period and the removal from both study populations of job seekers in communities that subsequently transferred to the Remote Jobs and Communities Programme.
Source: Department of Employment administrative data.

Return to section 3.2.2 where this data is referenced.

Table A2.10: Estimated odds ratios of exits from employment services for variables in the predicted exits from services regression models, by stream, for the JSA 2012 LTU study populations

Independent variable	Stream 1	Stream 2	Stream 3	Stream 4
Females: Under 25 years	n.s.	1.74	1.78	1.70
Females: 25 to 29 years	n.s.	1.70	1.53	1.50
Females: 50 plus	n.s.	0.72	0.86	0.98
Males: Under 25	n.s.	1.09	1.17	1.14
Males: 25 to 29 years	n.s.	1.23	1.18	1.20
Males: 50 plus	n.s.	0.73	0.96	0.91
Age: Under 25	n.s.	1.29	1.31	1.25
Age: 25 to 29 years	n.s.	1.12	1.11	1.04
Age: 30 to 49 years	n.s.	0.80	0.86	0.84
Age: 50 plus	n.s.	0.79	0.78	0.90
Highest level of education: Less than Year 10	0.81	0.85	0.89	0.94
Highest level of education: Year 11-12	0.85	0.92	0.91	0.95
Highest level of education: Year 12	1.01	1.05	1.00	1.05
Highest level of education: Graduate/Post Graduate	1.24	1.14	1.06	1.20
Capacity to participate in the labour force: Part-time capacity	1.29	1.50	1.87	2.26
Participation requirement: Part time requirement	0.66	0.71	0.87	0.66
Participation requirement: Volunteer	2.11	1.96	2.27	1.49
Indigenous	n.s.	0.90	n.s.	0.96
Job seekers with a disability as identified by JCA/ESAt	0.92	1.18	2.48	1.47
Single Parents	0.58	0.69	0.69	0.74
'Grandfathered' Parenting Payment recipients	0.77	n.s	0.89	0.90
Ex-Offenders	n.s.	0.92	0.94	1.07
Length of unemployment: 2 or more years	0.83	. .	0.81	. .
Length of unemployment: 2 to less than 5 years	. .	0.83	. .	0.81
Length of unemployment: 5 years or more	. .	0.62	. .	0.62
Income support type: PPP/PPS	1.80	1.71	1.72	2.50
Income support type: Other income support type	5.05	5.70	7.74	11.5
Income support type: No Income support type	2.72	3.30	2.85	3.54
Geographic location: Inner Regional Australia	0.90	0.86	0.88	0.99
Geographic location: Other	0.87	0.85	0.90	0.95
Recent work experience: Outside the labour force/Unpaid	0.86	0.80	0.89	0.89
Recent work experience: Unemployed	0.85	0.81	0.88	0.85
Personal factors: High Impact	0.70	1.08	1.16	0.86
Personal factors: Medium Impact	0.88	1.09	1.14	0.98
Personal factors: Low Impact	0.95	1.11	1.11	0.98
Personal factors: Other	0.98	1.04	1.01	0.96
Country of birth: Medium disadvantage	1.04	1.08	1.27	1.18

Independent variable	Stream 1	Stream 2	Stream 3	Stream 4
Country of birth: High/very high disadvantage	0.92	0.97	1.09	1.23
Phone: Contactable	0.76	0.9	0.86	n.s.
Vocational qualifications: Useful vocational qualifications	n.s.	0.96	n.s.	0.93
Regional disadvantage: Very low disadvantage ESA	n.s.	1.02	0.93	0.98
Regional disadvantage: Moderate to high disadvantage ESA	n.s.	1.00	1.01	0.97
Regional disadvantage: High/very high/ extreme disadvantage ESA	n.s.	1.05	0.97	0.95
Access to transport: Public	0.75	0.76	0.77	0.83
Access to transport: Other	0.86	0.86	0.88	0.86
Access to transport: None	0.74	0.72	0.80	0.84

- .. Not calculated, due to low numbers in some cells.
- n.a. Not applicable.
- n.s. Not significant at the 95 per cent level.

Note: Reference categories are:

a. Gender: Male
b. Age: 30 to 49 years
c. Highest level of education: TAFE/Diploma
d. Capacity to participate in the labour force: full-time capacity
e. Participation requirement: full time requirement
f. Not Indigenous
g. No disability identified
h. Not single parent
i. Not grandfathered parenting payment recipient
j. Not ex-offender
k. Length of unemployment: 1 to less than 2 years
l. Income support type: NSA/YA(O)
m. Geographic location: Major cities of Australia
n. Recent work experience: Full time/Part time/Seasonal
o. factors: No Impact
p. Country of birth: Low/ very low disadvantage
q. Phone: Non contactable
r. Vocational qualifications: No vocational qualifications/Non useful qualifications
s. Regional disadvantage: Low to moderate disadvantage ESA
t. Transport: Own transport

Source: Department of Employment administrative data.

Return to section 3.2.2 where this data is referenced.

Table A2.11: Sustainability of outcomes: income support status rates and average marginal effect (AME) estimates for the predicted probability of income support status 12 months after exiting from services, JSA 2012 compared with JSA 2009 (per cent and percentage point)

Client group	OFF Observed (%)	OFF AME (ppt)	PARTIAL Observed (%)	PARTIAL AME (ppt)	FULL Observed (%)	FULL AME (ppt)
Stream 1	62.1	-3.9	9.4	n.s.	28.5	3.7
Stream 2	51.2	-3.1	12.0	-0.8	36.8	3.9
Stream 3	29.0	-2.4	13.7	-2.2	57.3	4.6
Stream 4	26.8	n.s.	6.1	-1.0	67.1	0.5
Long-term reduced capacity	18.3	-1.2	13.4	-1.7	68.3	2.9
Not LT reduced capacity	60.2	-2.9	8.2	-0.7	31.6	3.6
Indigenous	32.5	-1.0	5.5	-0.9	62.0	2.0
Disability with employment restrictions	17.8	-1.8	11.6	-1.2	70.6	2.9
Single parents	33.9	-3.3	17.8	-2.8	48.3	6.1
Youth (aged less than 25)	44.9	-2.0	7.0	-0.6	48.1	2.6
Aged 25 to less than 50	42.8	-2.3	10.3	-1.2	46.9	3.5
Mature age (aged 50 or more)	29.4	-0.3	16.1	-2.2	54.5	2.5
Females	35.8	-1.8	13.7	-1.7	50.5	3.4
Males	45.0	-2.4	7.8	-0.7	47.2	3.1
Unemployed 1 to less than 2 years	48.8	-3.4	10.4	-1.1	40.8	4.5
Unemployed 2 to less than 5 years	35.7	-1.2	11.1	-1.2	53.2	2.5
Unemployed 5 years or more	22.1	-0.3	10.2	-1.5	67.7	1.8
Total	40.6	-2.1	10.6	-1.2	48.8	3.3

- **Notes**:
  1. Observed results are not regressed. AME figures are from regression analysis.
  2. Discrepancies may occur between sums of the component items and totals due to rounding.
  3. AME are calculated only for job seekers with recent JSCI. This is so that observed differences between the populations can be properly accounted for.
  4. n.s Not significant at the 99 per cent level.
  5. The observed results in the above table are the combined results for the two study populations (JSA 2009 and JSA 2012). These observed results are provided to give the reader an appreciation of the relative proportions that the AME figures relate to. For instance:
     a. the 2.9 percentage point difference (AME) between models in the proportion of job seekers with disability that were on full income support 12 months after exiting income support (derived using regression methods to control for differences between the two LTU study populations) relates to around three-quarters of LTU job seekers with disability (70.6 per cent observed result across both populations)
     b. the estimated 2.4 percentage point difference (AME) between the two models of the proportion of Stream 3 job seekers that were off income support 12 months after exiting income support relates to about a quarter of Stream 3 job seekers (29.0 per cent observed across both populations).

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

Return to Table 3.5 where this data is referenced.

Table A2.12: Income support status rates and average marginal effect (AME) estimates for the predicted probability of income support status 12 months after snapshot date, JSA 2012 compared with JSA 2009, long-term unemployed (LTU) job seekers

Client group	OFF Observed (%)	OFF AME (ppt)	PARTIAL Observed (%)	PARTIAL AME (ppt)	FULL Observed (%)	FULL AME (ppt)
Stream 1	35.5	-6.9	24.0	0.2	40.5	6.8
Stream 2	26.3	-4.9	26.4	-0.6	47.4	5.5
Stream 3	13.7	-2.4	24.8	-2.7	61.5	5.1
Stream 4	13.2	-0.8	9.1	-1.2	77.7	2.0
Long-term reduced capacity	9.7	-1.7	24.4	-1.8	65.9	3.5
Not LT reduced capacity	25.8	-3.7	18.5	-1.1	55.7	4.8
Indigenous	17.2	-1.7	9.3	-1.2	73.5	2.9
Disability with employment restrictions	10.4	-1.1	13.5	-3.2	76.1	4.4
Single parents	12.9	-2.6	35.7	-1.7	51.4	4.3
Youth (aged less than 25)	28.6	-3.3	9.7	-0.7	61.8	4.0
Aged 25 to less than 50	19.1	-3.0	21.8	-1.1	59.1	4.1
Mature age (aged 50 or more)	12.4	-2.7	29.1	-3.8	58.5	6.5
Females	16.6	-3.1	28.0	-1.4	55.4	4.5
Males	22.7	-3.4	13.7	-1.4	63.6	4.8
Unemployed 1 to less than 2 years	27.7	-4.6	19.1	-1.7	53.2	6.3
Unemployed 2 to less than 5 years	16.9	-2.2	22.6	-1.2	60.5	3.4
Unemployed 5 years or more	9.0	-1.2	20.0	-2.4	71.0	3.6
Total	19.7	-3.2	20.7	-1.4	59.6	4.6

Notes:

1. Observed results are not regressed. AME figures are from regression analysis.
2. Discrepancies may occur between sums of the component items and totals due to rounding.
3. AME are calculated only for job seekers with recent JSCI. This is so that observed differences between the populations can be properly accounted for.
4. The observed results in the above table are the combined results for the two study populations (JSA 2009 and JSA 2012). These observed results are provided to give the reader an appreciation of the relative proportions that the AME figures relate to. For instance:
    a. the 4.5 percentage point difference (AME) between models in the proportion of females who were on full income support 12 months after the snapshot date (derived using regression methods to control for differences between the two LTU study populations) relates to a full income support rate of 55.4 per cent)
    b. the 4.6 percentage point difference (AME) between the two models in the proportion of those who had been unemployed for between one and two years who were off income support 12 months after the snapshot date relates to less than a third of such job seekers (27.7 per cent observed across both populations).

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

This data is referenced more than once in this report.

- Return to Table 3.6 where this data is referenced.
- Return to Table 3.7 where this data is referenced.

Table A2.13: Employment, education and positive outcomes for job seekers between JSA 2009, LTU (per cent)

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Commencement stream: Stream 1	30.3	31.7	62.0	19.2
Commencement stream: Stream 2	28.0	26.7	54.7	17.7
Commencement stream: Stream 3	14.4	24.8	39.2	18.8
Commencement stream: Stream 4	12.3	14.2	26.5	16.1
Long-term capacity to participate in the labour force: Partial capacity	11.5	25.0	36.5	16.7
Long-term capacity to participate in the labour force: Not partial capacity	25.1	22.9	48.0	19.0
Gender and age group: Males aged < 25 years	29.7	16.3	46.0	20.2
Gender and age group: Males aged 25-49 years	24.9	16.9	41.8	14.2
Gender and age group: Males ages 50+ years	17.3	16.6	33.9	11.5
Gender and age group: Females aged < 25 years	21.1	20.2	41.3	28.4
Gender and age group: Females aged 25-49 years	16.0	32.4	48.4	22.3
Gender and age group: Females aged 50+ years	9.7	32.3	42.0	16.9
Length of unemployment: 1 to less than 2 years	26.3	24.4	50.7	19.5
Length of unemployment: 2 to less than 5 years	16.2	24.7	40.9	18.2
Length of unemployment: 5 years or more	9.7	21.0	30.7	14.2
Income support type: NSA/YA(O)	19.3	21.5	40.8	17.1
Income support type: PPP/PPS	15.5	36.5	52.0	21.4
Income support type: Other income support type/not on income support	27.3	19.8	47.1	19.6
Geographic location: Major Cities of Australia	20.1	22.7	42.8	19.5
Geographic location: Inner Regional	19.2	25.7	44.9	15.8

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Geographic location: Other	18.7	25.5	44.2	15.2
Highest level of education: Less than Year 10	14.2	15.6	29.8	20.4
Highest level of education: Year 10/11	19.5	23.3	42.8	14.4
Highest level of education: Year 12	21.8	26.8	48.6	22.8
Highest level of education: TAFE/Diploma	23.2	27.5	50.7	16.8
Highest level of education: Degree/Post-graduate	23.4	30.9	54.3	20.1
Indigenous	16.7	14.7	31.4	20.5
Non-Indigenous	19.9	24.5	44.4	18.0
Job seekers with a disability as identified by JCA/ESAt	9.5	18.2	27.7	14.8
Non-English speaking background	17.7	21.6	39.3	26.2
Mixed or low English proficiency	14.1	14.9	29.0	27.3
Single parents	17.7	38.2	55.9	20.6
Ex-offenders	21.6	14.3	35.9	10.5
Homeless	17.7	17.2	34.9	17.8
Total	19.7	23.8	43.5	18.1

Note: Both JSA 2009 and JSA 2012 caseloads and study populations exclude job seekers living in communities that were subsequently transferred to the Remote Jobs and Communities Programme in July 2013.
Source: Department of Employment Post Programme Monitoring Survey.

This data is referenced more than once in this report.

- Return to Figure 3.7 where this data is referenced.
- Return to Figure 3.8 where this data is referenced.
- Return to Figure 3.9 where this data is referenced.

Table A2.14: Employment, education and positive outcomes for job seekers between JSA 2012, LTU (per cent)

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Commencement stream: Stream 1	21.5	30.7	52.2	17.2
Commencement stream: Stream 2	15.7	32.0	47.7	22.6
Commencement stream: Stream 3	8.4	26.1	34.5	24.8
Commencement stream: Stream 4	5.8	14.8	20.6	23.4
Long-term capacity to participate in the labour force: Partial capacity	4.7	27.0	31.7	22.8
Long-term capacity to participate in the labour force: Not partial capacity	14.3	25.0	39.3	23.5
Gender and age group: Males aged < 25 years	22.0	18.3	40.3	38.7
Gender and age group: Males aged 25-49 years	16.6	18.4	35.0	21.5
Gender and age group: Males ages 50+ years	4.5	17.5	22.0	7.4
Gender and age group: Females aged < 25 years	11.9	20.3	32.2	26.0
Gender and age group: Females aged 25-49 years	7.0	38.3	45.3	29.7
Gender and age group: Females aged 50+ years	5.6	27.9	33.5	21.0
Length of unemployment: 1 to less than 2 years	15.3	22.4	37.7	29.2
Length of unemployment: 2 to less than 5 years	11.3	26.7	38.0	17.8
Length of unemployment: 5 years or more	3.7	27.1	30.8	24.6
Income support type: NSA/YA(O)	10.8	24.8	35.6	23.0
Income support type: PPP/PPS	n.a.	n.a.	24.1	29.0
Income support type: Other income support type/not on income support	14.8	23.1	37.9	16.7
Geographic location: Major Cities of Australia	11.3	26.3	37.6	23.9
Geographic location: Inner Regional	11.7	21.1	32.8	20.5

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Geographic location: Other	11.1	21.0	32.1	23.4
Highest level of education: Less than Year 10	5.9	15.2	21.1	28.0
Highest level of education: Year 10/11	11.8	22.0	33.8	21.5
Highest level of education: Year 12	8.4	27.7	36.1	28.1
Highest level of education: TAFE/Diploma	14.1	29.6	43.7	18.7
Highest level of education: Degree/Post-graduate	16.0	32.6	48.6	22.7
Indigenous	9.0	21.9	30.9	21.6
Non-Indigenous	11.4	25.2	36.6	23.2
Job seekers with a disability as identified by JCA/ESAt	3.5	11.8	15.3	18.8
Non-English speaking background	9.9	25.6	35.5	31.8
Mixed or low English proficiency	12.3	15.4	27.7	32.3
Single parents	9.5	39.2	48.7	27.8
Ex-offenders	13.9	19.3	33.2	15.9
Homeless	12.1	12.0	24.1	33.0
Total	11.2	24.8	36.0	23.2

n.a.: Not available due to high relative standard errors.

Note: Both JSA 2009 and 2012 caseloads and study populations exclude job seekers living in communities that were subsequently transferred to the Remote Jobs and Communities Programme in July 2013.

Source: Department of Employment Post Programme Monitoring Survey.

This data is referenced more than once in this report.

- Return to Figure 3.7 where this data is referenced.
- Return to Figure 3.8 where this data is referenced.
- Return to Figure 3.9 where this data is referenced.

Table A2.15: Comparison of employment, education and positive outcomes for job seekers between JSA 2009 and 2012, LTU (percentage point difference)

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Commencement stream: Stream 1	-8.8	-1.0	-9.8	-2.0
Commencement stream: Stream 2	-12.3	5.3	-7.0	4.9
Commencement stream: Stream 3	-6.0	1.3	-4.7	6.0
Commencement stream: Stream 4	-6.5	0.6	-5.9	7.3
Long-term capacity to participate in the labour force: Partial capacity	-6.8	2.0	-4.8	6.1
Long-term capacity to participate in the labour force: Not partial capacity	-10.8	2.1	-8.7	4.5
Gender and age group: Males aged < 25 years	-7.7	2.0	-5.7	18.5
Gender and age group: Males aged 25-49 years	-8.3	1.5	-6.8	7.3
Gender and age group: Males ages 50+ years	-12.8	0.9	-11.9	-4.1
Gender and age group: Females aged < 25 years	-9.2	0.1	-9.1	-2.4
Gender and age group: Females aged 25-49 years	-9.0	5.9	-3.1	7.4
Gender and age group: Females aged 50+ years	-4.1	-4.4	-8.5	4.1
Length of unemployment: 1 to less than 2 years	-11.0	-2.0	-13.0	9.7
Length of unemployment: 2 to less than 5 years	-4.9	2.0	-2.9	-0.4
Length of unemployment: 5 years or more	-6.0	6.1	0.1	10.4
Income support type: NSA/YA(O)	-8.5	3.3	-5.2	5.9
Income support type: PPP/PPS	n.a.	n.a.	-27.9	7.6
Income support type: Other income support type/not on income support	-12.5	3.3	-9.2	-2.9
Geographic location: Major Cities of Australia	-8.8	3.6	-5.2	4.4
Geographic location: Inner Regional	-7.5	-4.6	-12.1	4.7

Characteristics	Full time Employment	Part time Employment	Total Employment	Education
Geographic location: Other	-7.6	-4.5	-12.1	8.2
Highest level of education: Less than Year 10	-8.3	-0.4	-8.7	7.6
Highest level of education: Year 10/11	-7.7	-1.3	-9.0	7.1
Highest level of education: Year 12	-13.4	0.9	-12.5	5.3
Highest level of education: TAFE/Diploma	-9.1	2.1	-7.0	1.9
Highest level of education: Degree/Post-graduate	-7.4	1.7	-5.7	2.6
Indigenous	-7.7	7.2	-0.5	1.1
Non-Indigenous	-8.5	0.7	-7.8	5.2
Job seekers with a disability as identified by JCA/ESAt	-6.0	-6.4	-12.4	4.0
Non-English speaking background	-7.8	4.0	-3.8	5.6
Mixed or low English proficiency	-1.8	0.5	-1.3	5.0
Single parents	-8.2	1.0	-7.2	7.2
Ex-offenders	-7.7	5.0	-2.7	5.4
Homeless	-5.6	-5.2	-10.8	15.2
Total	-8.5	1.0	-7.5	5.1

n.a.: Not available due to high relative standard errors.

Note: Both JSA 2009 and 2012 caseloads and study populations exclude job seekers living in communities that were subsequently transferred to the Remote Jobs and Communities Programme in July 2013.

Source: Department of Employment Post Programme Monitoring Survey.

This data is referenced more than once in this report.

- Return to Figure 3.7 where this data is referenced.
- Return to Figure 3.8 where this data is referenced.
- Return to Figure 3.9 where this data is referenced.

Table A2.16: Intensive activity type, 2009 and 2012 Steam 1 servicing study population (per cent)

Intensive activity type	JSA 2009	JSA 2012
Training in Job Search Techniques	56.8	53.4
Part Time/Casual Paid Employment	24.0	25.8
Accredited /Non-accredited Education and Training (Vocational)	14.2	15.3
Voluntary Work in community/non-profit sector	1.5	0.9
Work for the Dole	1.1	0.7
Education/Training Non-vocational	0.8	2.9
Unpaid Work Experience	0.4	0.3
Other activity	1.1	0.7
Total	100.0	100.0

Notes:

1. Numbers may not add up due to rounding.
2. Includes all Intensive Activities commenced in the first 12 months of service.

Source: Department of Employment administrative data.

Return to section 4.2.1 where this data is referenced.

Table A2.17: Number of weeks in service to start of Intensive Activity, 2009 and 2012 Steam 1 servicing study population (per cent)

Weeks	JSA 2009	JSA 2012
1	0.43	0.10
2	0.15	0.03
3	0.16	0.03
4	0.16	0.03
5	0.19	0.03
6	0.16	0.08
7	0.14	0.04
8	0.25	0.04
9	0.36	0.07
10	0.61	0.09
11	1.13	0.12
12	2.16	0.16
13	6.29	0.26
14	16.42	0.31
15	15.37	0.43
16	12.31	0.38
17	9.79	0.36
18	6.99	0.48
19	4.89	0.42
20	3.58	0.48
21	3.01	0.48
22	2.37	0.78
23	1.82	1.04
24	1.57	1.57
25	1.34	2.39
26	1.14	6.62
27	0.92	15.28
28	0.91	14.12
29	0.80	11.92
30	0.62	9.31
31	0.59	6.27
32	0.43	4.58
33	0.42	3.88
34	0.30	3.18
35	0.29	2.47
36	0.28	2.01
37	0.20	1.77
38	0.22	1.34
39	0.23	1.10
40	0.20	0.93
41	0.11	0.88
42	0.13	0.70
43	0.08	0.60
44	0.09	0.50
45	0.08	0.49

Weeks	JSA 2009	JSA 2012
46	0.11	0.44
47	0.06	0.45
48	0.05	0.28
49	0.03	0.20
50	0.04	0.17
51	0.03	0.16
52	0.02	0.15

Notes:

1. Periods of interest where job seekers did not undertake an Intensive Activity are excluded.
2. Weeks in service excludes periods during which the job seeker was suspended from service or took allowable breaks.

Source: Department of Employment administrative data.

Return to Figure 4.1 where this data is referenced.

Table A2.18: Number of weeks in service to conduct Skills Assessment, 2009 and 2012 Steam 1 servicing study population (per cent)

Weeks	JSA 2009	JSA 2012
1	2.30	3.21
2	0.39	0.20
3	0.36	0.13
4	0.33	0.18
5	0.32	0.16
6	0.30	0.10
7	0.36	0.11
8	0.47	0.10
9	0.61	0.12
10	1.03	0.17
11	1.68	0.22
12	3.53	0.37
13	10.16	0.98
14	21.07	1.64
15	15.86	1.21
16	11.73	0.95
17	7.54	0.80
18	5.30	0.78
19	3.36	0.72
20	2.48	0.75
21	1.93	0.98
22	1.44	1.47
23	1.10	1.58
24	0.94	2.17
25	0.81	3.25
26	0.67	7.22
27	0.59	15.32
28	0.52	13.09
29	0.43	10.05
30	0.40	7.52
31	0.31	5.21
32	0.27	3.70
33	0.15	2.58
34	0.19	2.29
35	0.15	1.73
36	0.15	1.43
37	0.14	1.17
38	0.09	1.05
39	0.09	0.88
40	0.10	0.74
41	0.06	0.63
42	0.03	0.57
43	0.05	0.49
44	0.04	0.37

Weeks	JSA 2009	JSA 2012
45	0.03	0.33
46	0.04	0.30
47	0.03	0.28
48	0.02	0.19
49	0.02	0.15
50	0.01	0.15
51	0.01	0.10
52	0.01	0.11

Notes:

1. Excludes those job seekers that did not have Skills Assessment.
2. Weeks in service excludes periods during which the job seeker was suspended from service or took allowable breaks.

Source: Department of Employment administrative data.

Return to Figure 4.2 where this data is referenced.

Table A2.19: Comparison of employment, education and positive outcomes for the two Stream 1 servicing study populations (per cent)

Characteristics	JSA 2009 Employment	JSA 2009 Education	JSA 2012 Employment	JSA 2012 Education	Difference Employment	Difference Education
Males, under 21 years	70.8	37.0	57.5	46.5	-13.3	9.5
Males, 21-24 years	80.1	21.3	70.2	19.7	-9.9	-1.6
Males, 25-34 years	77.9	21.0	70.0	24.5	-7.9	3.5
Males, 35-49 years	77.4	12.5	72.1	12.2	-5.3	-0.3
Males, 50 years and older	72.9	8.8	58.8	9.4	-14.1	0.6
Males	75.7	19.5	66.4	19.7	-9.3	0.2
Females, under 21 years	71.5	40.8	58.9	44.5	-12.6	3.7
Females, 21-24 years	80.6	23.5	76.8	30.1	-3.8	6.6
Females, 25-34 years	79.8	20.9	76.9	26.5	-2.9	5.6
Females, 35-49 years	72.9	16.8	67.7	16.4	-5.2	-0.4
Females, 50 years and older	69.3	12.1	72.5	11.9	3.2	-0.2
Females	75.2	22.6	71.3	24.4	-3.9	1.8
Major Cities of Australia	75.1	20.8	67.2	21.5	-7.9	0.7
Inner Regional Australia	76.4	23.1	70.5	25.4	-5.9	2.3
Other	76.3	18.6	76.9	15.8	0.6	-2.8

Characteristics	JSA 2009 Employment	JSA 2009 Education	JSA 2012 Employment	JSA 2012 Education	Difference Employment	Difference Education
Highest level of education: Less than Year 10	67.2	^	61.4	^	-5.8	^
Highest level of education: Year 10 or Year 11	72.9	12.1	64.9	7.3	-8.0	-4.8
Highest level of education: Year 12	71.3	31.9	60.9	34.6	-10.4	2.7
Highest level of education: TAFE / Diploma	77.0	18.7	70.1	21.2	-6.9	2.5
Highest level of education: Degree or post graduate	80.3	19.5	76.6	19.5	-3.7	0.0
Without disability	76.5	21.0	70.1	22.0	-6.4	1.0
With disability	58.2	23.5	46.7	19.4	-11.5	-4.1
Not single parents	75.1	21.2	68.7	21.9	-6.4	0.7
Single parents	83.1	15.3	66.9	17.6	-16.2	2.3
Not Indigenous	75.5	21.1	68.8	21.7	-6.7	0.6
Indigenous	79.4	31.8	59.6	^	-19.8	^
Job seeker's income support type at commencement: NSA / YA(O)	77.5	20.5	72.0	21.3	-5.5	0.8
Job seeker's income support type at commencement: PPP / PPS	67.1	17.5	67.2	^	0.1	^
Job seeker's income support type at commencement: Other income support	56.1	27.9	56.5	31.9	0.4	4.0
Job seeker's income support type at commencement: Not on income support	73.0	21.9	59.8	21.0	-13.2	-0.9
Full time activity tested	76.4	20.0	70.2	21.0	-6.2	1.0

Characteristics	JSA 2009 Employment	JSA 2009 Education	JSA 2012 Employment	JSA 2012 Education	Difference Employment	Difference Education
Part-time activity tested	78.7	^	65.3	^	-13.4	^
Volunteer	71.8	25.7	61.9	26.1	-9.9	0.4
Very low/low disadvantage country of birth	77.6	20.8	70.8	21.2	-6.8	0.4
Medium disadvantage country of birth	64.6	21.4	56.0	24.5	-8.6	3.1
High disadvantage country of birth	64.4	43.0	66.2	^	1.8	^
Not CALD	77.8	20.8	71.1	21.4	-6.7	0.6
CALD	66.1	22.7	58.4	23.1	-7.7	0.4
Good English proficiency	76.2	21.0	69.6	21.8	-6.6	0.8
Mixed/poor English proficiency	57.6	24.9	50.2	17.2	-7.4	-7.7
Overall, Stream 1	75.5	21.1	68.7	21.8	-6.8	0.7

- ^ Relative standard error too high to provide a reliable estimate

Notes:

1. These Post Programme Monitoring Survey results relate to the Stream 1 servicing study populations.
2. These are observed results, not adjusted for job seeker or labour market characteristics during the two reference periods.
3. Disadvantage country of birth is a JSCI measure.

Source: Department of Employment Post Programme Monitoring survey.

This data is referenced more than once in this report.

- Return to Table 4.4 where this data is referenced.
- Return to Figure 4.3 where this data is referenced.

Table A2.20: Number of weeks to exit service, 2009 and 2012 Stream 1 servicing study populations (per cent)

Weeks	JSA 2009	JSA 2012
1	0.008	0.008
2	0.033	0.025
3	0.062	0.046
4	0.080	0.068
5	0.100	0.097
6	0.124	0.119
7	0.147	0.144
8	0.174	0.167
9	0.201	0.195
10	0.230	0.220
11	0.260	0.247
12	0.293	0.272
13	0.330	0.303
14	0.380	0.337
15	0.427	0.371
16	0.470	0.400
17	0.508	0.430
18	0.542	0.454
19	0.572	0.480
20	0.599	0.500
21	0.623	0.522
22	0.645	0.540
23	0.665	0.557
24	0.683	0.572
25	0.699	0.587
26	0.715	0.601
27	0.729	0.616
28	0.743	0.629
29	0.756	0.642
30	0.767	0.654
31	0.778	0.666
32	0.788	0.675
33	0.797	0.686
34	0.805	0.695
35	0.813	0.704
36	0.822	0.712
37	0.828	0.721
38	0.835	0.728
39	0.841	0.735
40	0.847	0.741
41	0.853	0.748
42	0.858	0.754
43	0.863	0.759
44	0.867	0.764

Weeks	JSA 2009	JSA 2012
45	0.872	0.770
46	0.876	0.774
47	0.880	0.779
48	0.884	0.783
49	0.888	0.788
50	0.891	0.792
51	0.895	0.797
52	0.899	0.800

Source: Department of Employment administrative data.

Return to Table 4.5 where this data is referenced.

Table A2.21: Conditional probability of leaving service in a given week, 2009 and 2012 Stream 1 servicing study populations

Weeks	JSA 2009	JSA 2012
1	0.008	0.008
2	0.024	0.017
3	0.031	0.021
4	0.019	0.023
5	0.022	0.031
6	0.026	0.024
7	0.026	0.029
8	0.032	0.027
9	0.033	0.033
10	0.036	0.031
11	0.039	0.035
12	0.044	0.034
13	0.052	0.042
14	0.075	0.049
15	0.075	0.051
16	0.075	0.047
17	0.072	0.049
18	0.069	0.043
19	0.066	0.046
20	0.062	0.040
21	0.059	0.043
22	0.059	0.038
23	0.056	0.038
24	0.055	0.033
25	0.049	0.036
26	0.052	0.033
27	0.052	0.037
28	0.051	0.035
29	0.048	0.036
30	0.047	0.031
31	0.045	0.035
32	0.046	0.029
33	0.043	0.032
34	0.042	0.029
35	0.042	0.030
36	0.044	0.027
37	0.038	0.030
38	0.038	0.025
39	0.038	0.026
40	0.037	0.024
41	0.036	0.025
42	0.035	0.023
43	0.034	0.023
44	0.033	0.022
45	0.034	0.023

Weeks	JSA 2009	JSA 2012
46	0.034	0.021
47	0.032	0.021
48	0.030	0.019
49	0.036	0.021
50	0.031	0.021
51	0.035	0.020
52	0.033	0.019

Source: Department of Employment administrative data.

Return to Figure 4.4 where this data is referenced.

Table A2.22: Median time in employment services, 2009 and 2012 Stream 1 servicing study populations (days)

	JSA 2009	JSA 2012
Males - other characteristics the same as reference job seeker except under 21 years old	107	127
Males - other characteristics the same as reference job seeker except 21 to 24 years old	110	131
Males - other characteristics the same as reference job seeker except 35 to 49 years old	112	135
Males - other characteristics the same as reference job seeker except 50 years or older	114	139
Females - other characteristics the same as reference job seeker except under 21 years old	105	124
Females - other characteristics the same as reference job seeker except 21 to 24 years old	102	121
Females - other characteristics the same as reference job seeker except 25 to 34 years old	100	119
Females - other characteristics the same as reference job seeker except 35 to 49 years old	114	139
Females - other characteristics the same as reference job seeker except 50 years or older	119	146
Single parents - other characteristics the same as reference job seeker	127	160
Geographic location: other characteristics the same as reference job seeker except inner regional	112	134
Geographic location: other characteristics the same as reference job seeker except outer regional	108	128
Level of education: other characteristics the same as reference job seeker except Year 10/11 education	112	134
Level of education: other characteristics the same as reference job seeker except Year 12 education	110	132
Level of education: other characteristics the same as reference job seeker except degree/post graduate education	100	118
Has disability - other characteristics the same as reference job seeker	128	161
Country of birth: other characteristics the same as reference job seeker except medium disadvantage country of birth	117	142
Country of birth: other characteristics the same as reference job seeker except high disadvantage country of birth	125	155
Reference job seeker (males, 25 to 24 years old)	109	130

Notes:

1. These results are regressed, controlling for job seeker and labour market characteristics during the two reference periods
2. The reference job seeker is:

- being serviced under JSA 2009
- male
- aged 25 to 34 years of age
- lives in a major city
- not Indigenous
- without disability
- born in a country of very low/low disadvantage
- highest level of education is TAFE/Diploma
- has useful vocational qualifications
- has access to private transport
- contactable by telephone
- not a single parent
- previous work experience was full-time or part-time work (for 8 to 30 hours)
- income support history -less than 12 months on income support in the previous ten years
- no personal impact issues identified

These categories were selected as when considered individually they are the most common characteristics that Stream 1 job seekers in both new entrant study populations possessed.

Source: Department of Employment administrative data.

Return to section 4.2.3 where this data is referenced.

Table A2.23: Probability of being off income support 12 months after commencing in service, 2009 and 2012 Stream 1 servicing study populations (probability and percentage point)

	JSA 2009 (Probability)	JSA 2012 (Probability)	Marginal effect on probability (ppt)	Proportional change in likelihood (%)
Females	0.77	0.68	-0.09	11.3
Aged under 21 years	0.77	0.68	-0.09	11.5
Aged 21 - 24 years	0.79	0.71	-0.08	10.4
Aged 35 - 49 years	0.79	0.71	-0.08	10.4
Aged 50 years or older	0.74	0.65	-0.09	12.6
Indigenous	0.79	0.71	-0.08	10.5
Inner regional location	0.77	0.69	-0.09	11.2
Outer regional location	0.79	0.71	-0.08	10.4
Less than Year 10 education	0.77	0.68	-0.09	11.3
Year 10 or 11 education	0.78	0.69	-0.09	11.1
Year 12 education	0.78	0.70	-0.08	10.8
Has a degree / postgraduate qualification	0.86	0.80	-0.06	7.1
Part-time activity tested	0.72	0.63	-0.10	13.3
Single parents	0.63	0.53	-0.11	16.9
With disability	0.44	0.34	-0.10	23.7
Medium disadvantaged country of birth	0.57	0.46	-0.11	19.4
High disadvantaged country of birth	0.65	0.55	-0.11	16.3
Reference type job seeker	0.79	0.71	-0.08	10.5

Notes:

1. These results are regressed, controlling for job seeker and labour market characteristics during the two reference periods.
2. The above results show the probability of being off income support for different job seeker characteristics (while holding all other defining variables for the reference job seeker constant). See Attachment A, Table A.2 for further description of the reference job seeker used throughout this report.

Source: Department of Employment administrative data.

Return to Figure 4.5 where this data is referenced.

Table A2.24: Cost effectiveness ratios, 2009 and 2012 Stream 1 servicing study populations

	JSA costs only	JSA and income support costs
Males – other characteristics the same as reference job seeker except under 21 years old	0.6	1.1
Males – other characteristics the same as reference job seeker except 21 to 24 years old	0.7	2.1
Males – other characteristics the same as reference job seeker except 35 to 49 years old	0.8	2.1
Males – other characteristics the same as reference job seeker except 50 years or older	0.8	2.1
Females – other characteristics the same as reference job seeker except under 21 years old	0.5	1.0
Females – other characteristics the same as reference job seeker except 21 to 24 years old	0.7	2.0
Females – other characteristics the same as reference job seeker	0.7	2.0
Females – other characteristics the same as reference job seeker 35 to 49 years old	0.7	2.1
Females – other characteristics the same as reference job seeker except 50 years or older	0.7	2.1
Single parents - other characteristics the same as reference job seeker	0.7	2.2
Location: - other characteristics the same as reference job seeker except inner regional	0.7	2.1
Location: - other characteristics the same as reference job seeker except outer regional	0.7	1.9
Level of education –other characteristics the same as reference job seeker except Year 10/11 education	0.8	2.2
Level of education – other characteristics the same as reference job seeker except Year 12 education	0.7	2.2
Level of education – other characteristics the same as reference job seeker except degree/post graduate education	0.7	2.0
Disability – has disability – other characteristics the same as reference job seeker	0.8	2.4
Country of birth – other characteristics the same as reference job seeker except medium disadvantage country of birth	0.7	2.1
Country of birth – other characteristics the same as reference job seeker except high disadvantage country of birth	0.8	2.5
Indigenous –other characteristics the same as reference job seeker	0.7	2.0
Reference job seeker[1] (males, 25 to 34 years)	0.7	2.1

Notes:

1. See Table A2.22 for the definition of a reference job seeker.
2. The cost effectiveness ratio used includes the average cost of servicing a job seeker for the first 12 calendar months after commencing in service and the estimated additional income support daily entitlements incurred as a result of longer median times in service for the different types of job seekers.
3. These results are regressed, controlling for job seeker and labour market characteristics during the two reference periods.

Source: Department of Employment administrative data.

Return to section 4.2.5 where this data is referenced.

Table A2.25: Number of days from registration to the conduct of a Stream Services Review (per cent)

Days in service	Stream 1	Stream 2	Stream 3	Stream 4
7	0.00	0.00	0.00	0.00
14	0.00	0.00	0.00	0.00
21	0.00	0.00	0.04	0.00
28	0.00	0.00	0.04	0.00
35	0.00	0.00	0.04	0.00
42	0.00	0.00	0.04	0.00
49	0.00	0.03	0.08	0.00
56	0.00	0.03	0.08	0.00
63	0.00	0.05	0.08	0.00
70	0.00	0.05	0.12	0.00
77	0.00	0.06	0.15	0.00
84	0.00	0.06	0.15	0.00
91	0.00	0.07	0.15	0.00
98	0.00	0.08	0.19	0.00
105	0.00	0.09	0.19	0.00
112	0.00	0.12	0.19	0.12
119	0.01	0.20	0.27	0.25
126	0.02	0.24	0.27	0.25
133	0.02	0.27	0.27	0.25
140	0.03	0.30	0.39	0.25
147	0.04	0.36	0.43	0.25
154	0.06	0.46	0.43	0.25
161	0.06	0.53	0.51	0.25
168	0.08	0.57	0.59	0.25
175	0.09	0.64	0.67	0.25
182	0.12	0.74	0.79	0.25
189	0.12	0.80	0.92	0.25
196	0.15	0.89	1.04	0.50
203	0.16	0.97	1.08	0.50
210	0.16	1.08	1.16	0.63
217	0.21	1.15	1.25	0.76
224	0.23	1.25	1.29	0.76
231	0.25	1.32	1.33	0.89
238	0.29	1.42	1.50	1.02
245	0.31	1.52	1.67	1.02
252	0.32	1.72	1.75	1.15
259	0.33	1.85	1.88	1.15
266	0.34	1.95	1.93	1.15
273	0.37	2.06	2.14	1.42
280	0.39	2.25	2.14	1.42
287	0.41	2.35	2.23	1.42
294	0.42	2.52	2.36	1.55
301	0.43	2.71	2.67	1.55
308	0.47	3.01	2.97	1.55
315	0.51	3.28	3.46	1.96

Days in service	Stream 1	Stream 2	Stream 3	Stream 4
322	0.53	3.62	3.78	1.96
329	0.58	3.93	4.27	2.10
336	0.62	4.45	4.86	2.38
343	0.66	5.33	6.04	2.53
350	1.00	7.18	7.46	4.12
357	10.54	11.33	12.11	6.60
364	18.60	16.42	16.61	8.80
371	24.73	21.25	20.81	12.52
378	30.92	25.70	26.22	16.30
385	38.98	32.43	33.94	20.88
392	44.79	39.05	41.69	25.97
399	48.95	43.79	47.30	31.91
406	52.20	48.30	51.32	36.78
413	54.45	51.62	55.25	39.94
420	56.47	54.31	58.22	45.37
427	58.15	57.00	61.78	48.12
434	59.84	59.46	63.86	51.38
441	61.16	61.25	66.05	54.53
448	62.29	62.81	68.00	57.22
455	63.45	64.35	69.93	60.11
462	64.56	65.78	71.57	62.88
469	65.67	67.26	72.70	64.63
476	66.63	68.51	74.22	66.59
483	67.64	69.52	75.38	68.58
490	68.64	70.45	76.78	70.43
497	69.57	71.37	77.98	71.19
504	70.47	72.01	78.96	72.16
511	71.29	72.78	80.02	73.55
518	72.10	73.56	80.76	74.35
525	72.92	74.22	81.65	75.16
532	73.65	74.94	82.29	75.79
539	74.47	75.74	83.28	76.65
546	75.17	76.73	83.89	76.87
553	75.96	77.41	84.60	77.56
560	76.65	78.07	85.19	79.19
567	77.32	78.80	85.58	80.18
574	77.97	79.58	86.32	80.44
581	78.46	80.28	86.85	81.53
588	78.92	80.79	86.94	81.53
595	79.53	81.78	87.34	82.41
602	80.05	82.39	87.76	83.72
609	80.70	82.97	88.09	84.46
616	81.30	83.65	88.58	84.88
623	81.79	84.19	88.84	86.27
630	82.34	85.10	89.12	87.31
637	83.02	85.89	89.69	87.31

Days in service	Stream 1	Stream 2	Stream 3	Stream 4
644	83.71	86.37	90.15	88.05
651	84.23	87.15	90.68	88.05
658	84.74	87.54	90.89	88.05
665	85.43	88.06	91.13	88.05
672	85.80	88.52	91.68	91.17
679	86.37	88.71	91.68	91.17
686	86.70	89.39	91.68	92.64
693	87.35	90.00	91.68	92.64
700	88.15	90.20	91.68	92.64
707	88.71	90.65	92.25	92.64
714	89.00	91.62	92.25	92.64
721	89.80	93.10	92.25	92.64

Note: Elapsed days.
Source: Department of Employment administrative data.

Return to Table 5.2 where this data is referenced.

Table A2.26: Time in service to the first assessment that recommended the job seeker move to a higher stream or to DES by commencement stream (days and ppt)

Stream and model	25th percentile	50th percentile	75th percentile	90th percentile
JSA 2009 Stream 1 (days)	91	162	335	402
JSA 2009 Stream 2 (days)	60	182	345	414
JSA 2009 Stream 3 (days)	57	152	293	395
JSA 2012 Stream 1 (days)	95	196	366	449
JSA 2012 Stream 2 (days)	67	167	330	441
JSA 2012 Stream 3 (days)	74	173	310	417
Proportional difference Stream 1 (ppt)	4.4	21.0	9.3	11.7
Proportional difference Stream 2 (ppt)	11.7	-8.2	-4.3	6.5
Proportional difference Stream 3 (ppt)	29.8	13.8	5.8	5.6

Note: Proportional difference expressed as a percentage of JSA 2012 results.
Source: Department of Employment administrative data.

Return to section 5.2.3 where this data is referenced.

Table A2.27: Number of days in service from commencement in Stream 1 to the first assessment that recommended higher servicing (per cent)

Days	JSA 2009	JSA 2012
7	5.40	3.17
14	4.95	2.91
21	2.42	2.36
28	1.73	2.06
35	1.44	1.76
42	0.92	1.87
49	1.05	1.43
56	1.00	1.25
63	0.89	1.32
70	1.06	1.29
77	1.14	1.23
84	1.27	1.28
91	2.34	1.90
98	3.67	2.57
105	3.39	2.20
112	2.69	2.02
119	2.75	1.84
126	2.48	1.83
133	2.09	1.75
140	2.05	1.59
147	1.70	1.56
154	1.74	1.65
161	1.61	1.49
168	1.68	1.49
175	1.50	1.29
182	1.53	1.58
189	1.43	1.92
196	1.34	1.78
203	1.28	1.38
210	1.34	1.52
217	1.14	1.27
224	1.14	1.16
231	1.19	1.22
238	1.09	1.25
245	0.93	1.10
252	1.02	1.04
259	1.04	0.96
266	0.95	0.97
273	0.78	0.81
280	0.80	0.76
287	0.75	0.70
294	0.71	0.76
301	0.73	0.72
308	0.67	0.72
315	0.61	0.70

Days	JSA 2009	JSA 2012
322	0.64	0.73
329	0.56	0.67
336	0.58	0.79
343	1.02	1.02
350	1.27	1.07
357	1.30	1.37
364	1.64	1.59
371	2.29	1.66
378	2.16	1.75
385	1.79	1.56
392	1.57	1.37
399	1.26	1.35
406	1.19	1.16
413	0.89	1.26
420	0.97	1.22
427	0.78	1.00
434	0.74	1.04
441	0.71	0.98
448	0.55	0.89
455	0.46	0.92
462	0.51	0.97
469	0.46	1.03
476	0.48	0.96
483	0.40	0.91
490	0.36	0.88
497	0.29	0.72
504	0.28	0.70
511	0.27	0.58
518	0.28	0.60
525	0.23	0.47
532	0.24	0.65
539	0.25	0.44
546	0.14	0.24

Source: Department of Employment administrative data.

Return to Figure 5.1 where this data is referenced.

Table A2.28: Number of days from registration to transition to the Work Experience Phase (per cent)

JSA 2009

Days	Stream 1	Stream 2	Stream 3	Stream 1- 3	Stream 4	Total
200	0.06	0.36	0.51	0.18	0.00	0.18
225	0.12	0.50	0.68	0.27	0.12	0.26
250	0.19	0.71	0.86	0.39	0.12	0.38
275	0.23	0.92	1.25	0.50	0.12	0.49
300	0.28	1.26	1.60	0.66	0.12	0.64
325	0.39	1.89	2.57	0.98	0.12	0.95
350	1.19	3.48	4.73	2.12	0.37	2.05
375	10.03	10.66	11.86	10.36	1.11	9.99
400	21.00	21.28	25.77	21.50	3.20	20.77
425	28.53	31.48	39.11	30.26	5.91	29.29
450	33.21	37.95	47.83	35.77	7.51	34.65
475	36.47	42.58	53.93	39.65	10.10	38.48
500	39.18	46.28	58.72	42.80	11.70	41.57
525	41.21	48.82	61.57	45.04	13.18	43.78
550	42.90	50.49	63.85	46.78	14.78	45.51
575	44.35	52.31	65.55	48.35	23.33	47.37
600	45.48	53.38	67.16	49.51	28.89	48.72
625	46.58	54.55	67.98	50.61	33.26	49.96
650	47.32	55.44	68.72	51.40	35.12	50.80
675	48.00	56.14	68.95	52.05	36.24	51.48
700	48.77	56.60	68.95	52.65	36.57	52.05
725	49.09	57.31	68.95	53.05	36.57	52.43

JSA 2012

Days	Stream 1	Stream 2	Stream 3	Stream 1- 3	Stream 4	Total
200	0.05	0.01	0.39	0.07	1.04	0.12
225	0.07	0.03	0.39	0.08	1.04	0.13
250	0.07	0.04	0.46	0.09	1.09	0.15
275	0.08	0.05	0.46	0.10	1.23	0.16
300	0.09	0.06	0.46	0.11	1.28	0.17
325	0.10	0.06	0.46	0.11	1.28	0.18
350	15.87	15.54	13.65	15.62	1.94	14.89
375	49.69	50.94	51.26	50.13	3.50	47.67
400	64.69	67.69	69.73	65.86	16.88	63.27
425	71.71	75.45	78.94	73.24	33.00	71.11
450	75.81	79.45	83.16	77.31	44.21	75.56
475	78.61	82.30	86.14	80.14	50.59	78.58
500	80.53	84.27	87.63	82.05	55.98	80.67
525	81.86	85.44	88.37	83.29	60.95	82.11
550	83.10	87.15	89.15	84.62	71.58	83.93
575	84.21	88.36	89.44	85.69	77.24	85.24
600	85.04	88.99	89.63	86.42	79.53	86.06
625	85.65	89.59	89.72	86.99	80.29	86.64
650	86.21	89.98	89.79	87.47	81.50	87.16
675	86.62	90.19	89.94	87.81	81.93	87.51
700	87.11	90.22	90.08	88.15	82.07	87.83
725	87.69	90.22	90.08	88.54	82.07	88.19

Note: Selected days shown only (in 25-day intervals).

Source: Department of Employment administrative data.

Return to Table 5.3 where this data is referenced.

Table A2.29: Weekly rates of starting the Compulsory Activity Phase (CAP) and exiting income support for the treatment group (per cent)

Weeks	Start CAP	Off income support
1	6.6	0.8
2	6.8	1.0
3	7.7	0.9
4	7.6	0.8
5	7.4	0.8
6	6.9	0.9
7	7.1	0.9
8	6.5	0.8
9	5.3	0.8
10	5.2	0.8
11	4.8	0.9
12	4.8	0.9
13	4.0	0.8
14	3.9	0.7
15	3.8	0.7
16	4.6	0.7
17	4.0	0.7
18	3.3	0.8
19	3.2	0.7
20	2.5	0.8
21	3.3	0.8
22	2.3	0.6
23	2.5	0.7
24	2.4	0.5
25	0.5	0.5
26	0.7	0.6
27	2.3	0.7
28	2.4	0.8
29	1.9	0.6
30	1.6	0.7
31	2.1	0.6
32	1.8	0.7
33	1.7	0.7
34	1.5	0.5
35	1.7	0.6
36	1.7	0.6
37	1.4	0.6
38	1.0	0.6
39	1.0	0.6
40	0.9	0.6
41	0.6	0.6
42	0.4	0.6
43	0.7	0.7
44	0.7	0.6

Weeks	Start CAP	Off income support
45	0.8	0.6
46	0.7	0.6
47	0.6	0.5
48	0.6	0.5
49	0.5	0.4
50	0.4	0.6
51	0.6	0.4
52	0.3	0.5
53	0.4	0.5
54	0.6	0.5
55	0.5	0.6
56	0.7	0.6
57	0.2	0.5
58	0.4	0.5
59	0.5	0.4
60	0.3	0.6
61	0.2	0.5
62	0.3	0.5
63	0.2	0.5
64	0.3	0.5
65	0.1	0.6
66	0.3	0.5
67	0.3	0.5
68	0.1	0.5
69	0.2	0.5
70	0.2	0.4
71	0.1	0.6
72	0.1	0.4
73	0.2	0.6
74	0.1	0.6
75	0.1	0.4
76	0.1	0.4
77	0.1	0.3
78	0.0	0.3

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

Return to Figure 6.1 where this data is referenced.

Table A2.30: Number and distribution of first exemption reason in the follow-up period (number and per cent)

Exemption reason	Number	Per cent
Temporary Medical Incapacity	2,542	34.3
Major Personal Crisis	759	10.3
Approved Overseas Absence Exemption	801	10.8
Caring Responsibilities/Claiming DSP/Other Special Circumstances	790	10.7
Subtotal	4,892	66.1
Approved Short Course	1,142	15.4
Job Seeker Undertaking Part-Time Work	433	5.8
Literacy and Numeracy/Full-Time Study/Apprenticeship	505	6.8
Subtotal	2,080	28.1
Other	431	5.8
Total	7,403	100.0

Note: The rules for transitioning job seekers from JN to JSA 2009 were quite different. Job seekers who were unemployed for more than 24 months (months elapsed between registration as a job seeker and date of transfer to Job Services Australia) would have transferred directly to WEPh as Stream 3 participants. Job seekers who were unemployed for 24 months or less would have transferred to the appropriate stream (depending on unemployment duration) and would have received Stream Services for between six and twelve months before entering the WEPh. These transition rules, which pertain to the JSA 2009 group, explain the large disparity in average unemployment duration.
Source: Department of Employment administrative data.

Return to section 6.2.1 where this data is referenced.

Table A2.31: Weekly rates of starting the Compulsory Activity Phase (CAP) and starting exemption for the treatment group (per cent)

Weeks	Start CAP	Exemption
1	6.6	1.6
2	6.8	2.4
3	7.7	2.2
4	7.6	1.9
5	7.4	1.8
6	6.9	1.8
7	7.1	1.8
8	6.5	1.5
9	5.3	1.5
10	5.2	1.3
11	4.8	1.2
12	4.8	1.3
13	4.0	1.5
14	3.9	1.2
15	3.8	1.4
16	4.6	1.1
17	4.0	1.2
18	3.3	0.9
19	3.2	1.2
20	2.5	1.1
21	3.3	1.2
22	2.3	1.2
23	2.5	1.1
24	2.4	0.9
25	0.5	0.3
26	0.7	0.5
27	2.3	0.9
28	2.4	1.0
29	1.9	1.0
30	1.6	0.9
31	2.1	1.8
32	1.8	1.3
33	1.7	1.2
34	1.5	1.2
35	1.7	0.9
36	1.7	0.9
37	1.4	0.9
38	1.0	1.0
39	1.0	1.2
40	0.9	0.8
41	0.6	0.7
42	0.4	0.5
43	0.7	1.0
44	0.7	1.0

Weeks	Start CAP	Exemption
45	0.8	0.8
46	0.7	1.0
47	0.6	0.7
48	0.6	0.5
49	0.5	0.7
50	0.4	0.7
51	0.6	0.9
52	0.3	0.9
53	0.4	0.7
54	0.6	0.9
55	0.5	0.9
56	0.7	1.0
57	0.2	0.7
58	0.4	0.6
59	0.5	0.8
60	0.3	0.7
61	0.2	0.9
62	0.3	0.5
63	0.2	0.8
64	0.3	0.5
65	0.1	0.7
66	0.3	0.4
67	0.3	0.7
68	0.1	0.8
69	0.2	0.7
70	0.2	0.6
71	0.1	0.7
72	0.1	0.4
73	0.2	0.7
74	0.1	0.7
75	0.1	0.6
76	0.1	0.5
77	0.1	0.2
78	0.0	0.2

Source: Department of Employment administrative data.

Return to Figure 6.2 where this data is referenced.

Table A2.32: Weekly rates of starting the Compulsory Activity Phase (CAP) and exiting JSA for the treatment group (per cent)

Weeks	Start CAP	Exit JSA
1	6.6	0.5
2	6.8	0.5
3	7.7	0.6
4	7.6	0.9
5	7.4	0.8
6	6.9	0.9
7	7.1	0.8
8	6.5	0.8
9	5.3	0.8
10	5.2	0.8
11	4.8	0.6
12	4.8	0.7
13	4.0	0.6
14	3.9	0.6
15	3.8	0.9
16	4.6	0.8
17	4.0	0.7
18	3.3	0.7
19	3.2	0.9
20	2.5	0.7
21	3.3	0.9
22	2.3	0.5
23	2.5	0.9
24	2.4	0.7
25	0.5	0.5
26	0.7	0.4
27	2.3	0.7
28	2.4	0.6
29	1.9	0.7
30	1.6	0.6
31	2.1	0.9
32	1.8	0.8
33	1.7	0.8
34	1.5	0.7
35	1.7	0.7
36	1.7	0.6
37	1.4	0.7
38	1.0	0.8
39	1.0	0.7
40	0.9	0.7
41	0.6	0.6
42	0.4	0.5
43	0.7	0.6
44	0.7	0.5

Weeks	Start CAP	Exit JSA
45	0.8	0.7
46	0.7	0.6
47	0.6	0.7
48	0.6	0.5
49	0.5	0.6
50	0.4	0.4
51	0.6	0.5
52	0.3	0.5
53	0.4	0.5
54	0.6	0.6
55	0.5	0.6
56	0.7	0.6
57	0.2	0.6
58	0.4	0.5
59	0.5	0.4
60	0.3	0.4
61	0.2	0.5
62	0.3	0.4
63	0.2	0.5
64	0.3	0.4
65	0.1	0.4
66	0.3	0.4
67	0.3	0.5
68	0.1	0.6
69	0.2	0.6
70	0.2	0.4
71	0.1	0.5
72	0.1	0.5
73	0.2	0.6
74	0.1	0.5
75	0.1	0.5
76	0.1	0.4
77	0.1	0.3
78	0.0	0.2

Source: Department of Employment administrative data.

Return to Figure 6.3 where this data is referenced.

Table A2.33: Estimated odds ratios for statistically significant independent variables in the final logistic regression model for the Compulsory Activity Phase (CAP) treatment group by number of months since July 2013 (odds ratios)[1]

Independent variables[2]	3 months	6 months	9 months	12 months	15 months	18 months
Female	0.71	0.65	0.62	0.60	0.64	0.67
Age group: 18-29 years	n.s.	1.30	1.29	1.31	1.33	1.48
Highest level of education: Less than Year 10	n.s.	0.73	0.76	0.75	0.82	n.s.
Highest level of education: Completed Year 12	1.51	n.s.	n.s.	n.s.	1.18	1.19
Highest level of education: Non-trade vocational education/diploma equivalent	n.s.	n.s.	n.s.	n.s.	n.s.	1.17
Highest level of education: Trades qualification	n.s.	1.36	1.39	1.28	n.s.	n.s.
Highest level of education: Tertiary qualification	1.71	1.33	1.61	1.65	1.61	1.62
Type of income support: Newstart Allowance	0.68	0.71	0.82	n.s.	n.s.	n.s.
Type of income support: Parenting payment	n.s.	0.30	0.35	0.29	0.32	n.s.
Non Indigenous	n.s.	1.39	n.s.	n.s.	n.s.	1.18
English speaking country of birth	n.s.	0.76	0.73	0.72	0.74	0.68
Not reported to have a disability or medical condition	1.69	1.41	1.41	1.44	1.49	1.46
Did not worked in the last 2 years	0.77	0.86	0.83	0.79	0.73	0.75
Resided in outer region/remote/very remote	n.s.	n.s.	0.85	0.86	0.83	n.s.
Access to transport: No transport	n.s.	n.s.	n.s.	n.s.	n.s.	0.81
Access to transport: Public transport	n.s.	0.78	0.83	0.84	0.80	0.81
Mean unemployment duration (months)[3]	0.99	0.99	0.99	0.99	0.99	0.99

Notes:

1. Odds ratio less than one means this level of the independent variable is associated with significantly reduced odds of exiting income support, compared to the reference level. Similarly, odds ratio greater than one means this level of the independent variable is associated with significantly greater odds of exiting income support, compared to the reference level.
2. The reference categories for independent variables in the regression model were:
    a. Male
    b. 30-49 years old
    c. Completed Year 10/11 education
    d. Youth Allowance (Other)
    e. Indigenous
    f. Non-English speaking country of birth
    g. With disability
    h. Has worked in the last 2 years
    i. Resided in major city or inner regional area
    j. Access to own transport
3. Estimated percentage change in odds of exiting income support per one-month increase in unemployment.
4. n.s. Not significant at the 10 per cent level.

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

Return to section 6.2.2 where this data is referenced.

Table A2.34: Comparison of actual and predicted rates of off income support for comparison group over time (per cent)

Months since July 2010	Actual	Predicted	Difference
3	1.1	1.6	0.5
6	2.9	3.5	0.7
9	7.2	5.7	-1.5
12	11.2	7.5	-3.7
15	14.4	9.1	-5.3
18	16.2	10.4	-5.8

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

Return to Figure 6.4 where this data is referenced.

Table A2.35: Proportions exiting income support at 3-month intervals – matched groups (per cent)

Months since July 2010/2013	Matched comparison group JSA 2009	Matched treatment group JSA 2012	Difference
3	1.5	2.3	0.9
6	3.9	5.7	1.9
9	8.7	7.9	-0.9
12	12.5	10.5	-2.1
15	16.3	12.7	-3.5
18	18.4	14.4	-4.0

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

Return to Figure 6.5 where this data is referenced.

Table A2.36: Annual red tape estimates by activity ($ million)

Activity	JSA 2009	JSA 2012
Stream Services Operations	93.7	37.9
Outcomes	87.6	77.9
Job Seeker Compliance and Participation	31.7	44.2
JSA Provider Operations	30.0	30.0
Employment Pathway Plans/Job Plans	29.3	29.3
Work Experience Phase/Annual Activity Requirement	17.4	18.7
Employment Pathway Fund/Employment Fund	13.3	13.8
Registration and Assessments	11.9	2.2
Contract Management	6.0	2.6
Other	0.0	0.0
Wage Connect	0.0	1.3
Indigenous Employment Strategy	0.0	0.0
Move to Work/Relocation Assistance	0.0	0.1
Harvest Labour Services	0.6	0.6
Harvest Labour Information Services	0.0	0.0
New Enterprise Incentive Scheme	0.4	0.4
Total	321.9	259.3

Source: Department of Employment administrative data.

Return to Figure 7.1 where this data is referenced.

Table A2.37: Perceived distribution of time devoted to administrative tasks (per cent)

Proportion of time	2011	2012	2014
0-9	2.3	1.0	1.3
10-19	3.3	3.3	3.0
20-29	7.7	6.5	6.7
30-39	9.5	8.1	8.8
40-49	13.0	10.3	6.7
50-59	20.2	22.0	21.7
60-69	15.5	16.0	13.4
70-79	12.5	13.8	15.6
80-89	8.2	8.8	12.7
90-100	7.7	10.3	10.2

Source: Department of Employment administrative data.

Return to Figure 7.2 where this data is referenced.

Table A2.38: Net agreement on guideline changes, 2010 to 2014 (per cent)

Year	Reasonable notice	Communicate change effectively
2010	60.0	68.9
2011	59.5	59.4
2012	62.5	57.2
2013	41.1	47.2
2014	48.0	53.2

Source: Department of Employment Services Provider Survey (2010 to 2014).

Return to Figure 7.3 where this data is referenced.

Table A2.39: Main reasons employers did not use a government funded employment services provider (per cent)

Main reason	Per cent
Don't know/not sure	5
Other	3
Don't listen to our needs/poor screening	1
Poor service/lack of support	3
Too much effort/paperwork/administration	4
Applicants do not want to work/unproductive	7
Applicants lack personal traits or qualities	7
Agency lacked suitable applicants (non-specific)	8
Didn't know I/we could use them	11
Applicants lack work skills/skills of applicants to not match job	17
Didn't think about it	50

Source: Department of Employment 2014-15 Survey of Employers

Return to Figure 9.1 where this data is referenced.

Table A2.40: Employer Statements for different job seekers groups (per cent)

Positive Statements

Per cent 'Yes'	Average agreement across groups (%)	Indigenous Australians (%)	People with disability (%)	Mature age people (%)	Long-term unemployed (%)	Young people aged 18 to 24 (%)
They can be as productive as other staff	66	60	61	88	59	62
They integrate well into the workplace	58	51	51	74	47	65
They have a good attitude towards work	55	42	72	86	41	35

Negative Statements

Per cent 'Yes'	Average agreement across groups (%)	Indigenous Australians (%)	People with disability (%)	Mature age people (%)	Long-term unemployed (%)	Young people aged 18 to 24 (%)
They don't tend to have the relevant skills or experience	29	31	31	21	36	43
They take more time off than other staff	25	22	23	5	27	47
They are only capable of taking on certain roles	32	21	52	31	32	39
They need more supervision than other staff	33	19	45	4	42	57
They are hard to train/re-train	20	16	26	25	26	17

Source: Department of Employment, 2014-15 Survey of Employers.

Return to section 9.2.4 where this data is referenced.

Table A2.41: Commenced caseload (number) and service and outcome fees paid ($ million)

Month	Outcome fees $ million	Service fees $ million	Total fees $ million	Commenced caseload
January 2010	15.4	58.8	74.2	555,656
February 2010	18.7	54.7	73.4	574,554
March 2010	22.8	57.9	80.7	589,152
April 2010	25.7	56.9	82.6	589,911
May 2010	28.7	58.5	87.2	586,193
June 2010	32.2	57.6	89.7	580,582
July 2010	33.5	54.5	88.0	572,328
August 2010	35.2	52.4	87.6	559,236
September 2010	35.0	50.6	85.6	545,093
October 2010	36.9	48.8	85.8	532,854
November 2010	38.6	48.0	86.6	523,167
December 2010	41.2	48.3	89.6	519,525
January 2011	41.4	49.0	90.4	526,347
February 2011	40.3	47.4	87.7	535,366
March 2011	38.9	47.6	86.5	542,478
April 2011	38.1	45.4	83.5	540,322
May 2011	40.7	46.2	86.9	537,529
June 2011	42.9	44.7	87.6	532,978
July 2011	43.5	44.7	88.2	529,217
August 2011	46.8	43.5	90.2	522,092
September 2011	42.8	41.7	84.5	514,361
October 2011	43.3	41.1	84.4	505,977
November 2011	39.2	39.5	78.8	500,642
December 2011	39.5	37.4	77.0	500,613
January 2012	39.2	38.8	78.0	511,555
February 2012	36.7	39.6	76.3	525,378
March 2012	34.9	41.9	76.8	535,481
April 2012	32.3	40.4	72.7	534,923
May 2012	32.3	41.7	74.0	532,599
June 2012	32.8	40.7	73.6	531,466
July 2012	32.7	39.3	72.0	530,688
August 2012	31.5	35.9	67.4	529,593
September 2012	30.0	32.9	62.9	527,807
October 2012	29.9	32.8	62.8	525,288
November 2012	30.3	32.0	62.2	523,908
December 2012	29.0	31.6	60.6	527,349
January 2013	28.2	33.1	61.3	543,800

Month	Outcome fees $ million	Service fees $ million	Total fees $ million	Commenced caseload
February 2013	24.8	33.4	58.2	561,112
March 2013	23.3	35.0	58.3	575,555
April 2013	22.3	33.5	55.7	578,610
May 2013	23.5	34.4	57.9	581,582
June 2013	25.3	33.6	58.9	575,573
July 2013	25.9	33.7	59.6	568,515
August 2013	25.0	32.5	57.6	558,587
September 2013	24.0	32.4	56.4	554,228
October 2013	24.5	31.9	56.4	550,673
November 2013	24.6	31.3	55.9	550,839
December 2013	25.5	30.8	56.3	554,700
January 2014	24.8	31.9	56.8	569,601
February 2014	24.0	32.3	56.3	584,181
March 2014	22.5	33.3	55.8	595,362
April 2014	21.3	31.2	52.5	594,969
May 2014	22.4	31.7	54.0	594,626
June 2014	25.4	31.4	56.8	589,506
July 2014	26.6	32.7	59.2	588,799
August 2014	26.4	31.7	58.1	583,929
September 2014	26.6	31.6	58.2	581,128
October 2014	27.8	31.7	59.5	573,155
November 2014	28.0	31.3	59.3	570,285
December 2014	27.4	31.0	58.5	572,970
January 2015	27.4	31.3	58.7	587,955
February 2015	27.1	32.0	59.0	602,449
March 2015	25.2	32.9	58.0	614,664

Notes:

1. Commenced caseload is calculated at the end of each month.
2. Running averages calculated as the average of the current and previous two months.

Source: Department of Employment administrative data.

Return to Figure 10.1 where this data is referenced.

Table A2.42: Service and outcome fees paid per job seeker ($)

Month	Outcome fees/job seeker $	Service fees/job seeker $	Total fees/job seeker $
January 2010	27.7	105.8	133.5
February 2010	32.5	95.1	127.6
March 2010	38.6	98.3	136.9
April 2010	43.6	96.4	140.0
May 2010	48.9	99.9	148.8
June 2010	55.5	99.1	154.6
July 2010	58.6	95.1	153.7
August 2010	62.9	93.8	156.7
September 2010	64.5	92.9	157.4
October 2010	69.3	91.6	160.9
November 2010	73.8	91.7	165.6
December 2010	79.4	93.1	172.5
January 2011	78.9	93.2	172.1
February 2011	75.5	88.7	164.2
March 2011	71.7	87.7	159.4
April 2011	70.6	83.9	154.5
May 2011	75.8	85.9	161.7
June 2011	80.7	83.9	164.6
July 2011	82.2	84.5	166.7
August 2011	89.7	83.3	173.0
September 2011	83.3	81.1	164.4
October 2011	85.4	81.2	166.6
November 2011	78.4	79.0	157.4
December 2011	79.0	74.8	153.8
January 2012	76.9	75.9	152.8
February 2012	70.0	75.2	145.3
March 2012	65.3	78.2	143.4
April 2012	60.4	75.5	135.9
May 2012	60.7	78.3	139.0
June 2012	61.8	76.6	138.4
July 2012	61.6	74.0	135.6
August 2012	59.5	67.7	127.2
September 2012	56.8	62.4	119.1
October 2012	57.0	62.5	119.5
November 2012	57.8	61.0	118.8
December 2012	55.0	60.0	115.0
January 2013	52.2	60.8	112.9
February 2013	44.4	59.4	103.8

Month	Outcome fees/job seeker $	Service fees/job seeker $	Total fees/job seeker $
March 2013	40.5	60.8	101.3
April 2013	38.5	57.9	96.3
May 2013	40.4	59.2	99.5
June 2013	44.0	58.3	102.4
July 2013	45.5	59.3	104.8
August 2013	44.8	58.3	103.0
September 2013	43.4	58.5	101.8
October 2013	44.5	58.0	102.5
November 2013	44.6	56.8	101.4
December 2013	46.0	55.5	101.5
January 2014	43.8	55.9	99.7
February 2014	41.3	55.2	96.5
March 2014	37.9	55.9	93.7
April 2014	35.8	52.4	88.3
May 2014	37.6	53.2	90.8
June 2014	43.1	53.3	96.5
July 2014	45.2	55.5	100.7
August 2014	45.3	54.3	99.6
September 2014	45.9	54.3	100.3
October 2014	48.5	55.4	103.8
November 2014	49.2	54.9	104.1
December 2014	47.9	54.2	102.0
January 2015	46.7	53.2	99.9
February 2015	45.1	53.1	98.1
March 2015	41.0	53.5	94.4

Notes:

1. The number of job seekers used in the calculations is the commenced caseload at the end of the month.
2. Running averages calculated as the average of the current and previous two months.

Source: Department of Employment administrative data.

Return to Figure 10.2 where this data is referenced.

Table A2.43: EPF expenditure by category, JSA 2009 and JSA 2012, and by year (per cent)

EPF expenditure category	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	JSA 2009	JSA 2012
Training course	37.9	33.2	32.7	42.0	45.8	40.4	34.3	42.6
Wage subsidy	13.7	22.5	22.1	14.4	17.7	24.3	20.0	19.2
Provider services	13.4	12.3	13.1	11.0	5.5	3.5	12.9	6.3
Professional services	9.5	7.0	7.3	7.8	7.5	6.5	7.8	7.2
Work experience group based activities	5.5	5.5	5.6	8.0	8.5	12.2	5.6	9.7
Transport & licensing assistance	5.4	5.4	5.4	5.4	5.6	4.6	5.4	5.2
Clothing and presentation	6.3	5.9	5.6	4.9	4.0	3.4	5.9	4.1
Other	8.3	8.1	8.2	6.5	5.6	5.0	8.2	5.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes:

1. Job seekers may be assisted in more than one category. They may be assisted in more than one financial year, but only once in each three year model.
2. Excludes a small amount of EPF commitments (less than 0.5 per cent of total EPF expenditure) that had not been reimbursed at the time that data was extracted.
3. Excludes funds not allocated to specific job seekers such as assistance provided under work experience group based activities, labour market assistance packages (LAP) and other batch purchases.
4. Percentages may not add to exactly one hundred as a result of rounding.

Source: Department of Employment administrative data.

Return to Figure 10.3 where this data is referenced.

Table A2.44: Number of job seekers assisted, selected Employment Pathway Fund (EPF) expenditure categories JSA 2009 and JSA 2012 (number)

Number of job seekers	JSA 2009	JSA 2012
Training course	500,301	523,779
Wage subsidy	65,972	62,373
Provider services	421,428	359,279
Professional services	148,670	153,801
Transport and licensing assistance	248,838	255,673
Clothing and presentation	328,135	272,498
Overall	925,148	875,599

Notes:

1. Job seekers may be assisted in more than one category.
2. Excludes a small amount of EPF commitments (less than 0.5 per cent of total EPF expenditure) that had not been reimbursed at the time that data was accessed.
3. Excludes funds not allocated to specific job seekers such as assistance provided under work experience group based activities, labour market assistance packages (LAP) and other batch purchases.

Source: Department of Employment administrative data.

Return to Figure 10.4 where this data is referenced.

Table A2.45: Average amount of Employment Pathway Fund (EPF) dollars allocated to job seekers, selected EPF expenditure categories ($)

Average amount	JSA 2009	JSA 2012
Training course	751	1,004
Wage subsidy	3,327	3,803
Provider services	335	217
Professional services	573	580
Transport and licensing assistance	239	250
Clothing and presentation	197	184
Overall	1,185	1,409

Notes:

1. Job seekers may be assisted in more than one category.
2. Excludes a small amount of EPF commitments (less than 0.5 per cent of total EPF expenditure) that had not been reimbursed at the time that data was accessed.
3. Excludes funds not allocated to specific job seekers such as assistance provided under work experience group based activities, labour market assistance packages (LAP) and other batch purchases.

Source: Department of Employment administrative data.

Return to Figure 10.5 where this data is referenced.

Table A2.46: Service and Outcome fees (per job seeker), Internet Vacancy Index (quarterly) and job seeker satisfaction (quarterly), September 2010 – March 2015 ($, index and per cent)

Month	Job seeker satisfaction (%)	Internet vacancy index Australia (index)	Outcome fees per job seeker ($)	Service fees per job seeker ($)
September 2010	71.3	90.9	64.5	92.9
December 2010	72.0	97.0	79.4	93.1
March 2011	72.2	99.9	71.7	87.7
June 2011	71.8	99.1	80.7	83.9
September 2011	72.5	94.8	83.3	81.1
December 2011	71.8	91.9	79.0	74.8
March 2012	71.1	90.1	65.3	78.2
June 2012	70.2	84.9	61.8	76.6
September 2012	69.2	78.8	56.8	62.4
December 2012	69.1	73.1	55.0	60.0
March 2013	68.8	68.5	40.5	60.8
June 2013	68.7	66.4	44.0	58.3
September 2013	68.6	65.5	43.4	58.5
December 2013	68.0	65.9	46.0	55.5
March 2014	67.0	67.9	37.9	55.9
June 2014	66.7	70.7	43.1	53.3
September 2014	66.3	72.5	45.9	54.3
December 2014	66.7	72.0	47.9	54.2
March 2015	66.0	72.6	41.0	53.5

Source: Department of Employment Administrative data, Department of Employment Internet Vacancy Index Measure and Post Programme Monitoring Survey Data.

Return to Figure 10.6 where this data is referenced.

Appendix B Methodology

List of Tables

Although a net impact study is sometimes used for this type of evaluation, it was found not to be feasible for JSA. Net impact studies are possible for smaller types or phases of programmes, but only where non-participants can be used as 'control groups'.[96] [97] This is the case where programmes are separate and distinct. For programmes which are universal and consist of such a broad suite of individualised interventions as JSA, a net impact study is not possible.

Given that the objectives of JSA remained largely unchanged between the 2009 and 2012 models and the evaluation of JSA 2009[98] addressed the performance of JSA in terms of effectiveness, efficiency and appropriateness against these objectives, this evaluation will focus mainly on the changes between contracts.

B1 Measuring overall effectiveness

B1.1 New entrants

B1.1.1 Measures

To assess the overall effectiveness of changes to the JSA model for new entrant job seekers the following measures are used:

- time to commencement in service
- compliance
- employment and education outcomes
- reliance on income support 12 months after registering for service
- length of time on income support.

Employment and education outcomes

Since 1987 the Department has conducted the Post Programme Monitoring Survey (PPM) 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.

This report uses PPM results for job seekers in the new entrant study populations to compare outcome rates between JSA 2009 and JSA 2012. These outcome rates cannot be compared with other published outcome rates which typically include all job seekers (not just new entrants). Because PPM results are not regressed, they do not account for differences in economic conditions and characteristics of the job seekers.

Income support reliance

Reliance on income support 12 months after registering with JSA is one measure used to assess the effectiveness of JSA 2012, compared to JSA 2009. Three outcomes are considered for this measure, whether at 12 months after registration the job seeker is:

96 A net impact study involves comparing a group of participants in a programme (treatment group) with a group which is similar, but did not participate in the programme (control group) in order to quantify the overall benefit of the programme.

97 A 'control group' is a group of participants in a similar circumstance not impacted by the programme being evaluated.

98 Department of Employment, 2016. Evaluation of Job Services Australia 2009 – 2012, Canberra.

- off income support
- on a partial rate of income support
- on a full rate of income support.

The partial rate of income support outcome for this measure is used as some job seeker groups are more likely than others to reduce their reliance on, rather than move off, income support. These job seekers include those with disability with employment restrictions, mature aged (50 years or more) job seekers and single parents.

Income support exit rates

This report uses actual and predicted income support exit rates. One of the primary objectives of JSA was to assist job seekers obtain sustainable employment thereby reducing welfare dependence. The time taken for job seekers to exit income support after registration is an indicator directly addressing this key objective. Predicted income support exit rates use calculations of actual exit levels for the JSA 2009 and compare them to predicted exit rates. These are derived using regression modelling based on JSA 2012 new entrant study population exit data. The difference between actual and predicted exits is a measure of the relative effectiveness of JSA 2012, controlling for participant characteristics and labour market conditions.

Sustainability of exits from income support rates

As noted above, one of the primary objectives of JSA was to assist job seekers obtain sustainable employment thereby reducing welfare dependence. One measure which can be used to assess the sustainability of employment is the sustainability of exit from income support. The sustainability indicator takes the income support status 12 months after the job seeker exited income support, with three possible outcomes considered:

- full rate of income support
- partial rate
- off income support (as used for the reliance on income support measure).

Because all job seekers in scope for this measure had left income support the extent to which they have returned to service is a measure of the sustainability of outcomes.

B1.1.2 Study populations

Two new entrant study populations of comparable job seekers assisted under JSA 2009 and JSA 2012 are used to compare the effectiveness of the programmes (Table B1.1). These groups comprise job seekers who:

- registered in the inflow interval
- had no periods of assistance in the quarantine period
- had commenced in employment services over a given six-month period
- had not lived in a community that was subsequently transferred to the RJCP.[99]

99 The Remote Jobs and Communities Programme (RJCP) replaced by the Community Development Programme (CDP).

Table B1.1: Definitions of study populations used to assess the effectiveness of JSA 2012 for the new entrant job seekers in compared with JSA 2009

Period	JSA 2009	JSA 2012
Inflow interval	1 October 2009 to 31 March 2010	1 October 2012 to 31 March 2013
Reference period	1 October 2009 to 30 September 2011	1 October 2012 to 30 September 2014
Quarantine period	1 July 2009 to 30 September 2009	1 July 2012 to 30 September 2012

For these job seekers the first periods of assistance that started within the reference period were selected.

A further 'super' population is also used to verify that differences found in income support rates between the two JSA periods are a result of a programme effect, rather than a conflation of variance in economic conditions between the contracts that may not have been fully accounted for in the regression analyses. This 'super' new entrant population is drawn over an extended inflow period of four-and-a-half years, which allows for a longer reference period of five-and-a-half years (Table B1.2). It comprised job seekers who:

- registered in the inflow interval
- were in receipt of income support within 28 days of registration
- had not lived in a community that was subsequently transferred to the RJCP.

Table B1.2: Definitions of additional super population used to assess the effectiveness of JSA 2012 for the new entrant job seekers compared with JSA 2009

Period	Definitions
Inflow interval	1 July 2009 to 31 December 2013
Reference period	1 July 2009 to 31 December 2014

Two other inflow populations are used to compare appointment attendance rates three months before and three months after implementation to assess the impact of the Strengthening the Job Seeker Compliance Framework Measure. These populations comprised all job seekers who entered employment services during these periods (Table B1.3).

Table B1.3: Definition of Strengthening the Job Seeker Compliance Framework study populations

Period	Pre-compliance period	Post compliance period
Inflow interval	1 January 2014 to 31 March 2014	1 January 2015 to 31 March 2015

B1.1.3 Statistical techniques used

Regression analyses are conducted where possible to account for differences in the demographic compositions of the two study populations and the macroeconomic conditions of the two time periods.

Propensity score matching is used in the compliance analysis to select job seekers from both of the Job Seeker Compliance Framework study populations with similar characteristics. See section B7 for further explanation of this statistical technique.

Survival analysis techniques are used in this report.

B1.2 Long-term unemployed

B1.2.1 Measures

This study is similar in structure to the effectiveness of JSA 2012 for new entrants study. It excludes some less relevant measures, and includes additional measures more relevant to the study of the long-term unemployed. The measures used are:

1. rates of exit from service
2. predicted vs actual rates of exit from services
3. income support status 12 months after the snapshot date
4. employment and education outcome rates
5. sustainability of exit measure – income support status 12 months after exit from services.

Exits from service

Rates of, and reasons for exit from employment services provide an indication of the efficiency and effectiveness of services. There is limited information on the reasons for exit for a substantial proportion of the LTU study populations; however information is available for job seekers who exit to Disability Employment Services (DES) or the Disability Support Payment (DSP).

Exit rates and exits to disability provide context to the other measures used in the report. In this report, they are not regressed to account for differences in job seeker characteristics or macroeconomic conditions between the LTU study populations.

Predicted exits from services

This measure compares the actual number of exits experienced by a group of job seekers under one employment services model with a predicted number of exits the same job seekers might have experienced had they participated in a different employment services model. It is one way to answer the question: How would the JSA 2009 LTU study population participants have fared under the JSA 2012 employment services delivery model? Regression techniques are used to account for different job seeker characteristics between the cohorts and changing macroeconomic circumstances.

Job seekers exit services for a variety of reasons, including:

- entering employment
- taking up study or parenting responsibilities
- entering DES or in receipt of DSP. Though this measure is an indicator of programme success (through exits from service) it does not directly reflect labour market outcomes
- becoming ineligible due to changes in partner circumstances, becoming partnered.

Income support status 12 months after the snapshot date

This measure assesses the effectiveness of employment services in assisting job seekers to reduce or move off income support. It captures a job seeker's income support status 12 months after the snapshot date. It applies to all job seekers in the study population, irrespective of whether or not

they exit services, and uses regression techniques to account for differences in characteristics between the job seeker cohorts and changing macroeconomic circumstances.

In this measure, income support status may be:

- fully off income support
- receiving partial income support, or
- receiving full income support.

This measure captures outcomes that are relevant for both full and partial capacity job seekers, in that it incorporates both off income support and on partial income support measures. Transfers between income support payment types are not captured using this measure.

Employment and education outcome rates

The Post Programme Monitoring (PPM) survey measures job seeker outcomes three months after leaving assistance and at various points during service. It provides information on actual employment and education outcomes for job seekers who do or do not exit services.

The PPM survey offers a more complete and consistent assessment of employment and education outcomes than any other measure, as under JSA, provider outcome payments for employment outcomes were only available for some job seekers and some job placements. However PPM results cannot be regressed and are therefore likely to be influenced by differences in the composition of the job seeker cohort and changes in macroeconomic circumstances between the two models.

Sustainability of exit measure–income support status 12 months after exit from services

This measure assesses the longer-term sustainability of outcomes associated with exits from services. Income support status (as described above) is measured 12 months after exit from employment services for those job seekers who exited during the study period. This measure gauges a job seeker's reliance on the income support system sometime after exiting assistance, and can be regressed to account for differences in cohort composition and macroeconomic conditions.

Many job seekers will likely remain at least on partial income support after exiting employment services. They include those with partial capacity to participate in the labour force because of disability or caring responsibilities. Other job seekers may exit both services and the labour force but remain on income support, for instance on the DSP, the age pension or study-related payments. This measure therefore provides an indication of the effectiveness of employment services in reducing income support reliance.

B1.2.2 Study populations

Two LTU study populations are used to compare the effectiveness of the JSA 2009 and JSA 2012 programmes. Both study populations include all job seekers who:

- were registered with employment services for one year or longer at the relevant snapshot date
- had an active registration at the snapshot date
- had commenced with JSA at the snapshot date

- had not lived in a community that was subsequently transferred to the RJCP.

These job seekers are followed throughout the reference period until they leave employment services, or to the end of the reference period, whichever comes first.

The snapshot dates were selected to coincide with the end of the inflow period for effectiveness of JSA 2012 for new entrants study (section B1.1)

Table B1.4: Definitions of study populations used to assess the effectiveness of JSA 2012 for the LTU job seekers in compared with JSA 2009

Period	JSA 2009	JSA 2012
Snapshot date	31 March 2010	31 March 2013
Reference period	31 March 2010 to 31 March 2011	31 March 2013 to 31 March 2014

The reference period extends for 12 months to ensure that the JSA 2012 period ended before any possible effects were felt from the introduction of new policies and programmes (from 1 July 2014), such as Work for the Dole (WfD) 2014-15.

The method of assessing job seekers and assigning them to streams of service did not change substantially between JSA 2009 and 2012. Therefore, the stream in which job seekers were placed at the snapshot dates was used to classify job seekers. This study presents analyses based on the job seeker's stream at the snapshot date.

B1.2.3 Statistical techniques used

Logistic regression is used in this study, for instance to determine the odds that job seekers exited services (measure 2). Multinomial logistic regression is also used to determine the predicted probability for the income support status of job seekers 12 months after the snapshot date (measure 3) and the 12 months after exiting services (measure 5). Appendix B8 provides information about these techniques.

Detailed results of individual regressions are provided in Appendix A, section A2. These tables show the independent variables used in each regression. Generally, the variables used were obtained from JSCI factors, such as age, gender, geographic location of residence, country of birth, highest level of education, ex-offender status, whether the job seeker identifies as Indigenous and if a job seeker with disability.

To control for macro-economic conditions a number of measures were explored, in both lagged and contemporaneous forms, including various ABS labour market status indicators such as unemployment and participation rates, measures based on Gross Domestic Product and the Department's vacancy rate series. The macro-economic variable used in regressions was the ABS unadjusted unemployment rate (derived from the Labour Force Survey) by gender at the local labour market region (SA4), averaged over the period of analysis e.g. the job seeker's time in services or the twelve months after exiting service.

B1.3 Cost Effectiveness

B1.2.1 Measures

New entrant estimate

The additional costs of income support for new entrant job seekers within 12 months of registration for JSA 2012 compared with JSA 2009 is determined based on:

- the proportion of the study population that was on income support at commencement (84 per cent and 78 per cent for JSA 2012 and JSA 2009 respectively) (Table A1.1)
- the average partial rate of income support that this group was receiving
- the probability that they would still be on income support at 12 months (0.469 and 0.404 respectively, after controlling for differences in the study populations and macroeconomic conditions (Table A2.6)
- the employment outcome rates achieved by this cohort (PPM results see Tables A2.3 and A2.4)
- a fortnightly income support rate of $402.70 (being the base rate for partnered YA(O) as at 1 July 2012).

This result is considered conservative in that it uses:

- the lower base rate of NSA, YA(O), PPS, PPP and DSP as at 1 July 2012
- the average partial rate of income support that this group was receiving taken as the lower of the average rates at 12 months and at commencement – 86 per cent for JSA 2012 and 84 per cent for JSA 2009
- ignores savings for those who were on income support at commencement but left income support at 12 months as it was shown that JSA 2012 took longer to exit such job seekers
- ignores savings of those who were off income support at commencement and at 12 months – there were more of these under JSA 2009.

LTU estimate

The additional costs of income support for LTU job seekers within 12 months of the snapshot date for JSA 2012 compared with JSA 2009 is determined based on:

- the proportion of the study population that was on income support at the snapshot date (96 per cent and 95 per cent for JSA 2012 and JSA 2009 respectively) (Table A1.2)
- the average partial rate of income support that this group was receiving
- the probability that they would still be on income support after 12 months (0.808 and 0.776 respectively, after controlling for differences in the study populations and macroeconomic conditions (Table A2.12)
- the employment outcome rates achieved by this cohort (PPM results see Tables A2.13 and A2.14)
- a fortnightly income support rate of $402.70 (being the base rate for partnered YA(O) as at 1 July 2012) for the majority of job seekers.

This result is considered conservative in that it uses:

- the lower base rate of NSA, YA(O), PPS, PPP and DSP as at 1 July 2012

- the average partial rate of income support that this group was receiving taken as the lower of the average rates at 12 months and at the snapshot date – 86 per cent for JSA 2012 and 87 per cent for JSA 2009
- ignores savings for those who were on income support at the snapshot date who but left income support after 12 months as it was shown that JSA 2012 took longer to exit such job seekers
- ignores savings of those who were off income support at the snapshot date and after 12 months (very small percentage)
- conservatively accounts for the larger rate of exit to DSP under JSA 2009 than JSA 2012 by assuming that these exits all occurred far earlier in JSA 2009 than JSA 2012, and thereby allocates higher costs to the JSA 2009 result (using DSP fortnightly rate of $524 – the partnered base rate at 1 July 2012 rather than the fortnightly rate of $402.70 used for all other income support calculations) (Table A2.9).

B2 Measuring the effect of Stream 1 changes

B2.1 Measures

The following indicators are used to assess the impact and effectiveness of all the changes that impacted new entrant Stream 1 job seekers:

Employment and education outcome rates

These outcome rates are measured by the Post Programme Monitoring Survey (PPM). They are estimates of employment and education outcome rates for the study populations in their first year of assistance in JSA. The outcomes of job seekers who remained in assistance for 12 months without exiting are measured three months after they reached the 12-month assistance point, while the outcomes of job seekers who exited within the first 12 months of assistance are measured three months after they exited. Differences in both macroeconomic conditions and the composition of the study populations limit the conclusions which can be drawn from this analysis.

Time in service

Measured in days, this indicator considers how long job seekers were receiving employment services from commencement to exit from service. Days that job seekers were suspended from service are excluded from this time in service measure.

Off income support rates

Off income support rates are the proportion of job seekers who were on income support when they commenced in employment services and were not on any type of income support 12 calendar months later.

Cost effectiveness

The relative cost-effectiveness between the JSA 2009 and JSA 2012 Stream 1 service delivery models is assessed using a simple measure of cost-effectiveness:

$$\frac{\text{Average costs per job seeker in 12 calendar months from commencement in service}}{\text{Median days in service}}$$

B2.2 Study populations

To assess the impact of changes in the service delivery model for the most job ready job seekers two study groups were used described in Table B1.1. These job seekers are subsets of the new entrant study populations described in section B1.1.2.

There are 99,260 job seekers in the JSA 2009 study population and 123,139 in the JSA 2012 study population. While the proportion of the overall new entrant study population (as described in section B1.1.2) that commenced in Stream 1 service was lower in JSA 2012 than JSA 2009 (decreasing from 74.2 per cent to 71.6 per cent) as the size of the new entrant study population was greater in JSA 2012 as a consequence of macroeconomic conditions prevalent at the time, the number of job seekers in the JSA 2012 Stream 1 servicing study population is 24 per cent greater than for JSA 2009.

Table B2.1: Time periods used for derivation of the 2009 and 2012 Stream 1 servicing study populations

Period	JSA 2009	JSA 2012
Inflow interval	1 October 2009 to 31 March 2010	1 October 2012 to 31 March 2013
Reference period	1 October 2009 – 31 March 2011	1 October 2012 to 31 March 2014
Quarantine period	1 July 2009 to 30 September 2009	1 July 2012 to 30 September 2012

Note: The reference period for this study is shorter than for some other studies discussed in this report. This is because the analysis for this specific study was conducted earlier than most other analyses presented in this report and as a consequence available data at the time placed limitations on the reference period**.**

Job seekers in the study populations were those who had:

- commenced in employment services during the inflow period
- no periods of assistance in the quarantine period
- commenced service in Stream 1 and did not change streams during their period of service. Those who went into Stream 1 (Limited) within this period were also included to allow situations where Stream 1 job seekers were suspended from service (as they could volunteer in Stream 1 (Limited) while on suspension).

On average, the JSA 2012 study population is older than the JSA 2009 group. The proportion of job seekers aged 25 years or older in the JSA 2009 group is 57.8 per cent compared with 66.9 per cent for the JSA 2012 group. More of the JSA 2012 population is male (60.6 per cent) compared with the JSA 2009 group (56.2 per cent). The proportion of activity-tested job seekers is also higher for JSA 2012 (86.9 per cent compared with 85 per cent for JSA 2009). This is largely due to an increased proportion of job seekers with part-time participation requirements. This in turn reflects changes to the Parenting Payment Single (PPS) rules. Proportions of Indigenous, Early School Leaver (ESL), culturally and linguistically diverse (CALD), homeless, ex-offender and single parent job seekers, as well as their geographical distributions, are similar between the two groups.

B2.3 Statistical techniques used

Logistic regression

Regression was used to determine the probability of job seekers being off income support 12 months after commencing in service. This analysis therefore controlled for differences in the demographic compositions of the two study populations and the macroeconomic conditions of the two time periods.

Survival Analysis (regressed)

Survival analysis is used in this section of the report, incorporating regression analysis. This enables those still in service at the end date for analysis to be included in the calculations for estimation of the median days in service, and at the same time accounts for differences in both the demographic compositions of the two study populations and the macroeconomic conditions of the two time periods.

Appendix B8 provides information about these techniques.

B3 Measuring the effect of SSR cessation

B3.1 Measures

The indicators used to assess the effect of the removal of Stream Services Reviews (SSRs) are:

- the median number of days from commencement in service until the first assessment that recommended a change in service - to assess how efficiently job seekers requiring higher levels of assistance (including upstreaming (i.e., being moved to a higher stream) or referral to Disability Employment Services (DES)) were identified
- the median number of days in service until transition to the Work Experience Phase (WEPh).

Qualitative data from the 2015 Service Provider survey was used to complement the findings of the quantitative analysis.

B3.2 Study populations

To assess the effect of ceasing Stream Services Reviews on streaming and assessment outcomes for job seekers two new entrant study populations were used. These were subsets of the new entrant study populations derived to compare the effectiveness of the JSA 2012 programme to the JSA 2009 programme (refer section B1.1). Those who:

- had commenced in employment services in either Stream 1, 2, 3 or 4 in the inflow period
- had no periods of assistance in the quarantine period
- had not lived in a community that was subsequently transferred to the RJCP.[100]

For these job seekers the first periods of assistance that started within the reference period were selected.

Table B3.1: Time periods used for derivation of the 2009 and 2012 SSR study populations

Period	JSA 2009	JSA 2012
Inflow interval	1 October 2009 to 31 March 2010	1 October 2012 to 31 March 2013
Reference period	1 October 2009 – 30 September 2011	1 October 2012 to 30 September 2014
Quarantine period	1 July 2009 to 30 September 2009	1 July 2012 to 30 September 2012
End date for analysis	30 September 2011	30 September 2014

Job seekers in regions where the Remote Jobs and Communities Programme (RJCP) was operating were excluded from the JSA 2009 and JSA 2012 study populations to ensure that the populations were comparable in respect to their geographical spread.

The JSA 2012 SSR study population has around 22 per cent more job seekers than the JSA 2009 SSR study population, with the largest proportional increase seen for those who commenced in Stream 4

100 The Remote Jobs and Communities Programme (RJCP) replaced by the Community Development Programme (CDP).

(increasing from 2.3 per cent of the JSA 2009 SSR study population to 3.4 per cent of the JSA 2012 SSR study population). This is largely a result of the weaker labour market conditions prevailing during the selection period for the 2012 study population.

Table B3.2: Job seekers in the 2009 and 2012 SSR study populations by commencement by stream (number and per cent)

Stream	JSA 2009 (Number)	JSA 2009 (%)	JSA 2012 (Number)	JSA 2012 (%)
Stream 1	128,574	74.2	151,917	71.6
Stream 2	33,186	19.2	43,261	20.4
Stream 3	7,551	4.4	9,767	4.6
Stream 4	3,947	2.3	7,120	3.4
Total	173,258	100.0	212,065	100.0

Source: Department of Employment administrative data.

B3.3 Assessments

JSCI assessments were conducted with job seekers at various stages, for example: at registration; when the job seekers disclosed changes in their personal circumstances, and; for a Stream Services Review (under the JSA 2009 model for Stream 1 to 3 job seekers). Each assessment created an updated JSCI record in the administrative data. The conduct of a second or any subsequent JSCI assessment did not necessarily result in all JSCI factors being updated. For instance when a Change of Circumstance assessment was conducted there was no requirement for all JSCI questions to be asked, only those questions that related to the disclosed information or their change in circumstances.

JSCI records were also automatically updated (creating an updated record) when job seekers changed address (with only geographic JSCI factors updated in this circumstance). If a JCA/ESAt was conducted and new information was provided that was inconsistent with the existing JSCI information, the job seeker's JSCI record was also automatically updated.

For this analysis details of all assessments conducted for the SSR study population job seekers were taken from administrative data to derive a master data set. This dataset included all JSCI assessments conducted, including records that:

- were updated as part of a JCA/ESAt assessment
- were automatically updated (for example through change of address)
- could not be matched to details of JCA/ESAts (i.e. assessments that did not result in a change to the JSCI record).

B3.4 Statistical techniques used

The analysis for this specific study did not require regression techniques. Survival analysis was used to estimate the median number of days in service until transition to the WEPh. Appendix B8 provides information about these techniques.

B4 Measuring the effect of the CAP

B4.1 Measures

Both the treatment and control groups were tracked for 18 months from July in the relevant year. Measures used include the time taken from the beginning of the study period to exit from service. Graphical and regression analysis were used to quantify the impact of the CAP. Table B4.1 provides further information on the treatment and comparison groups.

B4.2 Study populations

For this analysis two groups of job seekers (a treatment group from 1 July 2013 and a comparison group from 1 July 2010) were identified from JSA caseloads and followed for an 18-month period. The treatment group period was chosen to not overlap with the impact of the Work for the Dole 2014-15 programme (introduced on 1 July 2014). The comparison group was chosen for the same period, three years prior, to ensure similar model maturation conditions as far as possible. Job seekers were part of the treatment or control groups if they had a WEAR and had been in the Work Experience Phase (WEPh) for more than 300 days. In the case of the treatment group, these job seekers would soon become eligible for the CAP (at 365 days).

Table B4.1: Treatment and comparison groups used in Compulsory Activity Phase (CAP) study

Job seeker groups	WEPh Conditions: Job seekers (with a WEAR) were in WEPh for 300 days or more	CAP Conditions
Treatment Group: N = 13,794	Active caseload as at 1 July 2013	Some subject to increased obligations on entering CAP
Comparison Group: N = 14,874	Active caseload as at 1 July 2010	None subject to CAP

Table B4.2: Caseload detail on treatment and comparison groups

Number

Caseload	Treatment group JSA 2012 (number)	Comparison group JSA 2009 (number)
Number of job seekers in WEPh with a WEAR	77,603	28,190
Those who had been in WEPh for 300 days (around 43 weeks) or more	13,794	14,874[1]
Number of job seekers included for regression analysis	10,336[3]	12,032[2]

Proportion

Caseload	Treatment group JSA 2012 (%)	Comparison group JSA 2009 (%)
Those who had been in WEPh for 300 days (around 43 weeks) or more	17.8	52.8
Stream 1	8.8	—
Stream 2	21.0	—
Stream 3	28.5	96.2
Stream 4	41.7	3.9

Notes:

1. Just over 68 per cent of participants were transitioned from Job Network (JN) to JSA 2009.
2. Excluding those who exited JSA 2009 before/at the end of December 2010.

3. Including those who had entered their CAP from 1 July 2013 until the end of December 2013.
4. Treatment group details at 01 July 2013, comparison group at 01 July 2010.

Source: Department of Employment administrative data.

B4.3 Statistical techniques used

Two types of analyses were used. Firstly, regression analysis (which enables the use of all records in both control and treatment groups, but account for differences in the two populations) was used to establish the initial findings. Propensity score matching (which identified a 17 per cent match-rate for the two groups) was used to confirm the initial findings. Appendix B8 provides information about these techniques.

B5 Assessing changes to Indigenous servicing

As part of the evaluation of Jobs Services Australia 2012 – 2015, the Department of Employment engaged Hugh Watson Consulting to undertake qualitative research. The research was undertaken with a range of employment services provider site managers whose sites serviced Indigenous job seekers. The research included providers who had implemented the Indigenous Mentoring Pilot, whose staff had participated in the Indigenous Cultural Capability Training and whose organisations were subject to the Indigenous Opportunities Policy. The purpose of the research was to better understand the:

- role and use of the Indigenous Mentoring Pilot
- impact of the Indigenous Opportunities Policy
- influence of the Indigenous Cultural Capability Training
- impact the combination of policies and programmes have had on the outcomes of Indigenous job seekers.

The research was conducted in four phases:

Phase 1: Inception and preparation

Phase 2: Site visits

Phase 3: Transcription and analysis

Phase 4: Reporting.

In the **Inception and preparation phase** several meetings were held with the Department to receive further briefing and to confirm methodology, agree the scope of consultation, timeline, departmental inputs, reporting requirements, availability of source material and data and format for the final report.

Draft questions developed by the Department were reviewed and enhanced by the consultants, an interview guide was developed and a project plan presented. Agreement was reached on the Job Services Australia (JSA) providers to be contacted.

In the **Site visits phase** contact was made in advance with JSA managers to arrange visits. Several changes were made due to an unwillingness to participate or lack of response. Fifteen site visits were planned; however, two withdrew with no notice. One other was substituted. Site visits were made to JSA providers in Perth, Whyalla, Shoalhaven Hunter and Brisbane. Fourteen interviews were conducted, encompassing a total of eighteen site locations across four states covering major city, regional and excised locations.

At each site up to 90 minutes was spent with the site manager and often the Indigenous mentor or an Indigenous staff member. Interviews were recorded for transcription and interviewer notes were also taken.

In the **Transcription and analysis phase** the interviews were transcribed by an Australian based company. The consultants provided a summary report of the major issues and discussed these with the Department. Transcripts were provided to the Department for further analysis.

In the **Reporting phase** a draft report of findings based on common themes and linkages identified within the qualitative sessions was prepared and discussed with the Department. The report included recommendations for practice and policy changes based on the research findings. Following feedback from the Department a final report was presented.

B6 Measuring the changes to the red tape costs

The Department has estimated the level of red tape imposed on key stakeholders including employment services providers, employers and job seekers, using items from the Regulatory Burden Measurement (RBM) Framework guidance provided by the Office of Best Practice Regulation (OBPR). This is used to show how red tape costs have changed across contracts and which components of the programme are driving these costs.

Costs are based on the methodology in the OBPR cost calculator tool:

Total activity cost = (number of times activity is performed per year – generally based on ESS data) x (avg. time to do each activity (in hours)) x ($ labour cost per hour).

An hourly provider rate of $54.80 across each estimate was agreed to with NESA in 2013. It covers the rate for employment consultants with on-costs and overhead multiplier of 1.75, (as agreed with OBPR). This rate was used for all estimates of red tape costs under JSA.

Red tape costs for 2012-15 were provided to OBPR as official RIS costings. Red tape costings for 2009-12 results are not part of the official OBPR estimates, but were derived by programme areas in the Department by applying the same methodology for estimating red tape costs for the purpose of this research.

B7 Measuring the changes to the job seeker participation and compliance framework

B7.1 Measures

Measures used include the average attendance rate for all appointments and the average attendance rate for re-engagement appointments. Attendance rates for the treatment and control groups were compared. Attendance rates are calculated for all appointments as well as re-engagement appointments, on which the changes to the framework are likely to have a significant impact. Comparisons are undertaken for Streams 1 to 4 and for job seekers with a VI. This is to reflect that the measure slightly impacted compliance arrangements for job seekers with a VI.

B7.2 Study populations

For this analysis two groups of job seekers (a treatment group from 1 January 2015 to 31 March 2015 and a comparison group from 1 January 2014 to 31 March 2014) were identified and provider appointment attendance rates compared. The length of this analysis period was selected to ensure that the transition to jobactive from 31 March 2015 onwards did not impact the results of the analysis.

Table B7.1: Definitions of study populations used to assess the effect of the Strengthening the Job Seeker Compliance Framework measure

Period	JSA 2009	JSA 2012
Reference period	1 January 2014 to 31 March 2014	1 January 2015 to 31 March 2015

B7.3 Statistical Techniques

Propensity score matching is used in the compliance analysis to select job seekers from both of the Compliance Framework study populations with similar characteristics. It does this by matching each job seeker affected by the Strengthening the Job Seeker Compliance Framework Measure to a job seeker in the prior time period. There are multiple factors other than the compliance framework that could determine whether a job seeker attends an appointment, for example age of the job seeker. If both groups selected are similar in terms of everything that affects attendance except for the difference in the compliance framework, then differences in attendance rates can be attributed to impact of the Strengthening the Job Seeker Compliance Framework Measure.

Caution needs to be taken when examining differences in attendance rates between the two time periods using propensity score matching (Appendix B8 provides information about this technique) as this method doesn't control for all factors affecting attendance:

- The matching technique only controls for differences in characteristics that can be observed, i.e. that there is information available on. Differences in age, gender and so on between the two groups can be taken into account, but not unobserved factors like the motivation of a job seeker to attend an appointment.
- The observed factors are not necessarily the most important predictors of appointment attendance. Unobserved factors are also highly important, such as job seeker motivation, personal factors, how they feel on the day of the interview, the ability of the provider to encourage attendance etc. There is no way of knowing whether unobserved factors are balanced across both groups, as the propensity score matching only achieves balance across observable factors.
- This means that differences in attendance rates between the two groups might not just be due to the impact of the nudge, but as a result of other factors that cannot be accounted for.

B8 Statistical techniques used in the report

B8.1 Logistic regression

Logistic regression analyses are conducted to account for differences in both the demographic compositions between study populations and the macroeconomic conditions of the analysis periods. As for all regression analyses the models only control for factors that can be observed and are specified in the model. Therefore unobserved factors such as differences in job seeker motivation cannot be accounted for.

Logistic regression measures the relationship between a categorical dependent variable (for example achieving or not achieving a sustained employment outcome) and one or more independent variables (for example age, gender, country of birth). Logistic regressions produce odds ratios for each of the independent variables (or their interactions with each other if this type of complexity is included in the model specification), controlling for the effect of all other independent variables included in the model. For example logistic regression analyses presented in this report that compare outcomes for the JSA 2009 and JSA 2012 new entrant populations account for differences in both the demographic compositions of the study populations and the macro-economic conditions of the two time periods.

B8.2 Multinomial logistic regression

The multinomial logistic regression statistical technique is also used as this allows for analysis of dependent variables that are nominal with more than two levels, such as job seeker income support status which is categorised in to three levels: off income support; on partial income support; or on full income support. Differences in outcomes between the employment services models are expressed as average marginal effects (AMEs). AMEs represent the average, marginal effect of the employment services model on the predicted probability that a job seeker will have a particular outcome, holding other explanatory variables constant.

B8.3 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 macroeconomic conditions.

Survival analysis enables the inclusion of those who have not yet reached the outcome being considered by the end of the analysis period, but might had if the analysis period had been longer.

B8.4 Propensity score matching technique

Propensity score matching is used in the compliance analysis to select job seekers from both of the Job Seeker Compliance Framework study populations with similar characteristics. It does this by matching each job seeker affected by the Strengthening the Job Seeker Compliance Framework Measure to a job seeker in the prior time period. There are multiple factors other than the compliance framework that could determine whether a job seeker attends an appointment, for example age of the job seeker. If both groups selected are similar in terms of everything that affects attendance except for the difference in the compliance framework, then differences in attendance

rates can be attributed to impact of the Strengthening the Job Seeker Compliance Framework Measure.

Caution needs to be taken when examining differences in attendance rates between the two time periods using propensity score matching as this method does not control for all factors affecting attendance. The matching technique only controls for differences in characteristics that can be observed, i.e. that there is information available on. Differences in age, gender and so on between the two groups can be taken into account, but not unobserved factors like the motivation of a job seeker to attend an appointment. The observed factors are not necessarily the most important predictors of appointment attendance. Unobserved factors are also highly important, such as job seeker motivation, personal factors, how they feel on the day of the interview, the ability of the provider to encourage attendance etc. There is no way of knowing whether unobserved factors are balanced across both groups, as the propensity score matching only achieves balance across observable factors.

This means that differences in attendance rates between the two groups might not just be due to the impact of the Strengthening the Job Seeker Compliance Framework Measure, but as a result of other factors that cannot be accounted for.

Appendix C Changes to the job seeker participation and compliance framework

The most notable change to the job seeker participation and compliance framework under JSA 2012, the Strengthening the Job Seeker Compliance Framework measure, was introduced in two stages (Stage 1 included two phases) between 1 July 2014 and 1 January 2015 and included the following changes:

- From 1 July 2014, introduction of the Non-Attendance Report (NAR) to replace the Connection Failure Participation Report (CFPR) and Contact Request (for non-attendance at a provider interview). The NAR streamlined reporting processes and reduced red tape, because:
    - it did not require a DHS investigation
    - it required less information from the provider
    - most of the information was automatically populated.
- From 15 September 2014, providers took over the role from DHS of booking re-engagement appointments following non-attendance at a provider appointment
- From 1 January 2015, a NAR submission triggered automatic suspension of income support payments which remained suspended until:
    - the provider determined the job seeker cannot reasonably attend a re-engagement appointment within the next two business days from the contact occurring with the job seeker, or
    - the job seeker attended a Re-Engagement Appointment (previously they only had to agree to attend).

An additional policy change in the JSA 2012 contract period (which has carried over to the current jobactive contract) is the way in which payment suspensions are applied to job seekers with a Vulnerability Indicator (VI). Job seekers with a VI are subject to the same treatment with a Non-Attendance Report resulting in an automatic suspension of payment.