

Customised Assistance, Job Search Training, Work for the Dole and Mutual Obligation - A Net Impact Study

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EXECUTIVE SUMMARY

Job Network currently uses a range of individualised programmes and requirements to help Australian job seekers find employment, including Job Search Training, Customised Assistance Work for the Dole (WfD) and Mutual Obligation.

To evaluate the effectiveness of these programmes, a net impact approach was used to compare the outcomes achieved by programme participants with those of a matched comparison group. This net impact study is based on employment outcomes. Programs can also have a range of other positive outcomes including clients entering further education. While not assessed in this study, such benefits can be substantial as typically around 10 percent of clients undertake study following program participation.

It is important to clearly differentiate between employment outcomes and net impacts. Net impacts represent the *improvement* in outcomes a programme delivers and is based on comparing employment outcomes following participation in a programme with those that would have occurred in the absence of such participation. Employment outcomes show the proportion of participants who gain jobs following participation and do not consider the extent to which those outcomes would have occurred in the absence of assistance.

It is possible to measure net impact from a number of points. This study examines the net impact from *commencement* in a particular programme or service. Impacts from commencement capture the net improvement in employment prospects as a result of programme participation off-setting attachment effects (where there is a reduction in job search activity as a result of time spent participating in a programme with a consequent reduction in net impact). Some job seekers referred to programmes will leave income support and not commence the programme, also leading to outcomes that would not be achieved without this intervention (referral net impacts). However, under the Active Participation Model estimates of net impact from referral to a programme can no longer be accurately derived as compliance effects are now more distributed across a job seeker's time in assistance. In practice, this means that the net impacts from the Active Participation Model as a whole are greater than the sum of net impacts measured from commencement in individual programme elements.

This report compares the findings of the April 2001 study, the November 2002 study and the February 2005 study to assess the historical effects of these programmes on job seeker employment prospects. In considering the findings for Work for the Dole, it is important to remember that it does not have employment outcomes as a direct objective of the program.

Net Impact Results

Customised Assistance, Job Search Training, Work for the Dole and Mutual Obligation were found to be effective forms of assistance with significant impacts from commencement in the programme.

- Job Search Training achieved a net impact of 11.2%,
- Customised Assistance achieved a net impact of 10.1%,
- Work for the Dole achieved a net impact of 7.3%, and
- Mutual Obligation achieved a net impact of 8.2%.

EXECUTIVE SUMMARY

These impacts indicate a strong improvement over previous estimates and are equal to or better than those of high performing programs internationally.

Specifically, the results found that:

- All four programmes showed consistently high employment net impacts.
- All four programmes were effective in helping the most disadvantaged job seekers find work, particularly Job Search Training and Customised Assistance.
- All four programmes helped job seekers to completely leave income support.
- Work for the Dole now has less of an attachment effect than in previous years.

Taken together, these findings suggest that Job Network's programmes, Job Search Training, Customised Assistance, Work for the Dole and Mutual Obligation are becoming progressively more effective at helping people gain employment.

BACKGROUND

With the introduction of the Active Participation Model (APM), job seekers remain continuously engaged in employment assistance until they find suitable employment. The majority of job seekers who remain unemployed after 3 months receive specialised one-on-one assistance from a Job Network Member. This assistance is known as Intensive Support and starts with Job Search Training. Job seekers who are still unable to find work after 6 months of unemployment move into a period of Mutual Obligation, which may include Work for the Dole and then on to a more intensive form of assistance known as Customised Assistance. In the year to end June 2005, around 144,300 job seekers participated in Job Search Training, 298,900 in Customised Assistance and 148,000 in Mutual Obligation, of whom 81,900 participated in Work for the Dole.

Job Search Training seeks to improve job search skills by providing 15 days of job search training and support, with participants receiving help with résumés, presentation skills, interview preparation and identifying new work areas where their experience may also be applicable.

Customised Assistance typically provides up to 6 months of personalised, intensive assistance to disadvantaged job seekers. Within this framework providers have a great deal of flexibility in the type and amount of assistance provided to individual job seekers and are able to access additional employment related assistance using the Job Seeker Account. This includes a wide range of assistance such as bus fares to attend interviews, wage subsidies and access to interpreter services.

Work for the Dole provides work experience placements within approved activities designed to provide tangible value to the local community and increase participants' employability skills. Work for the Dole participants are required to work on a project for up to two and a half days a week for a period of 6 months. Some typical Work for the Dole projects involve assisting in busy occasional childcare centres, or assisting Park Rangers in daily maintenance of National and State Parks. While it should be noted that Work for the Dole does not have the objective of improving employment outcome levels it none-the-less does have good employment outcomes and it is important to consider its effect on client job prospects in order to fully assess the programme's performance, and the overall effectiveness of the APM and Mutual Obligation.

Mutual Obligation activities, including Work for the Dole, Community Work, part time work, study and voluntary work, provide participants with an opportunity to improve their employability whilst giving something back to the Australian community. Job seekers participate in Mutual Obligation activities for periods of 6 months while in Intensive Support. Work for the Dole can be undertaken to meet Mutual Obligation requirements, but it is only one of a suite of options that can be undertaken. As such both Work for the Dole and Mutual Obligations have been included in the study, although net impacts associated with Work for the Dole will be included in those measured for Mutual Obligations.

This study examines the impact of these programmes on job seeker employment outcomes using a net impact methodology. This approach has been used to assess the effectiveness of labour market programmes both in Australia and internationally¹. It is a measure of programme

¹ See for example, DEETYA 1997 *The Net Impact of Labour Market Programs* and Martin, John P. & Grubb, David, 2001. *What works and for whom: a review of OECD countries' experiences with active labour market policies*.

effectiveness that takes into account those employment outcomes that would have occurred in the absence of assistance. Conceptually, net impact measures the competing effects of:

- ⇒ an *attachment effect*, where there is a reduction in job search activity as a result of participation in the programme with a consequent reduction in net impact²; and
- ⇒ a *programme effect*, the increase in the probability of gaining employment as a result of actually participating in the programme.

Measuring net impact from the point of *commencement* in the programme captures the programme effects as well as the attachment effects. Previous net impact estimates also incorporated the measurement of net impact from the point of *referral* to a programme to capture a third effect:

- ⇒ a *compliance effect*, where referral to a programme often acts as a catalyst to increase job search activity or the reporting of changed circumstances (declaring earned income for example) to avoid participation in the programme;

The introduction of continuous assistance under the Active Participation Model, however, has meant that compliance effects have become shared across multiple programmes and more frequent contact rather than isolated to a single programme or event. The way in which job seekers are referred to some programmes, including Work for the Dole has also changed. As a result, this study is unable to accurately measure the compliance effects associated with referral to a specific programme. In previous studies, compliance effects have been estimated as being up to 4 times as large in numerical terms as program net impacts.

It is important to clearly differentiate between employment outcomes and net impacts. Net impacts represent the *improvement* in outcomes a programme delivers compared to what would have happened in the absence of assistance. Employment outcomes, as presented in Table 1, show the proportion of participants who gain jobs following participation. They do not consider the extent to which those outcomes would have occurred in the absence of assistance. Table 1 shows that employment outcome levels for JST and Customised Assistance are almost double the programmes they replaced.

² Attachment effects can result from people reducing their job search activity either to accommodate programme activities or because programme participants may no longer be subject to at least the equivalent of regular Centrelink job search requirements.

Table 1: Employment outcomes

	Employment outcomes at the 3 month post program mark (%)
JST 2004/05	55.0
Customised Assistance 2004/05	45.8
Work for the Dole 2004/05	32.3
Working Nation* 1995/96	27.4
Job Clubs 1995/96	24.9

As shown here Working Nation includes SkillShare, JobStart, JobTrain New Work Opportunities, Special Intervention, LEAP and JobSkills. Customised Assistance replaced Working Nation while JST replaced Job Clubs.

METHODOLOGY

The study compares the outcomes of programme participants with those of similar job seekers who did not participate in the programme in the previous 6 months³. The methodology examines impacts 12 months from commencement in a programme. This study represents the first net impact survey since the introduction of the Active Participation Model. In making comparisons between net impacts for different programmes it should be noted that programmes may have different objectives and target different client groups, and that their contribution to the effectiveness of the APM as a whole is more than their individual net impacts.

Universal access to assistance as it applies in Australia means that determining an accurate control group is difficult. A pure experimental approach would provide an accurate control group, but would be unfair in terms of randomly allocating some job seekers to assistance and others to a comparison group where they would *not* receive the assistance they needed for a period of time. More recently the changes to assistance associated with the Active Participation Model, where most job seekers participate in continuous assistance, has made delivering an accurate control group even more difficult. Members of the control group may now be referred to other forms of assistance thereby improving their outcomes and reducing any difference between their outcomes and those of the programme group. As a result, *the reported net impacts within this study are, other things being equal, likely to be more conservative than those in the past.*

In line with the approach endorsed by the OECD and the Productivity Commission, this study uses a *matched comparison approach* whereby the programme group is broadly matched with comparison job seekers using individual characteristics (i.e. age, gender, duration of unemployment) and local area factors (i.e. employment growth and unemployment rate). The study then utilises logistic regression to control for variations in the client demographics and local labour market conditions. Under this approach a regression model using only comparison group members is developed. The resulting coefficients are then applied to members of the programme group to ascertain an expected outcomes level for programme group members in the absence of assistance. This expected outcomes level is then compared to the actual outcomes level achieved following programme participation, the difference being the net impact. The regression controls for a range of variables including age, gender, duration on unemployment

³ The study addressed those job seekers who had been in receipt of Newstart or Youth Allowance in February 2004.

allowance, disability, culturally different backgrounds, Indigenous heritage, educational attainment and local economic conditions.

Employment outcomes were measured through self-reported surveys. The sample size was around 20,000 and the survey delivered an overall response rate of 52.5 percent, which is a strong result for a survey of this kind.

A range of issues need to be considered when assessing the measured net impact including:

- those selected in the comparison group may subsequently participate in the programme, and this can potentially affect net impact estimates. While removing these job seekers from the survey would be possible, it would lead to biased results as only those who remained unemployed could subsequently participate in programmes;
- job seekers may be eligible for and participate in a range of other assistance including State government labour market programmes;
- those with sickness exemptions are not removed from the study. However, the results do not tend to differ significantly when they are removed; and
- job seekers are not required to participate in Work for the Dole if they are on part benefit. As such, the comparison and programme groups for Work for the Dole were selected from those on full benefit.

In light of these issues the results should be interpreted as having a downward bias. The net impacts are likely to be understated because the effective comparison is with job seekers who receive *other* forms of assistance rather than *no* assistance at all.

EMPLOYMENT NET IMPACTS

The estimated net impact from commencement provides a measure of the impact of actually participating in the programme. Table 2 shows the results from the February 2005 survey.

The study showed that 58.9, 46, 39.4, and 46.6 percent of job seekers who commenced Job Search Training, Customised Assistance, Work for the Dole and Mutual Obligation respectively, were in employment 12 months later. This compares with matched comparison groups which achieved outcomes levels of 47.7, 35.9, 32.1 and 38.3 percent. The difference between the outcomes of these two groups imply net impacts of 11.2, 10.1, 7.3 and 8.3 percentage points for Job Search Training, Customised Assistance, Work for the Dole and Mutual Obligation, respectively.

Table 2: February 2005 employment net impacts from commencement

Programme	Control Group	Treatment Group	Net Impact (percentage points)	Improvement from programme participation (per cent)
Job Search Training	47.7	58.9	11.2	23.5
Customised Assistance	35.9	46.0	10.1	28.1
Work for the Dole	32.1	39.4	7.3	22.7
Mutual Obligation	38.3	46.6	8.2	21.4

Source: EPPB February 2005 Net Impact Study

INTERNATIONAL AND HISTORICAL COMPARISONS

Overall, Job Network's labour market programmes achieved employment impacts of between 7 and 11 percentage points. This represents a strong improvement on the net impacts achieved by programmes in the past, especially those in place under Working Nation.

Net impact results from some earlier studies are not directly comparable because the methodology has been improved over time. A new approach to measuring net impact has been developed due to increased availability of administrative data and a desire to improve the evaluation methodology. This new methodology has since been endorsed by the Productivity Commission and the OECD. The net impact estimates for Working Nation programmes such as *JobStart*, *JobTrain* and *SkillShare*, previously released in *The Net Impact of Labour Market Programs, February 1997*, were overstated to the extent that they ignored the opportunity cost of the time spent in assistance. It is, however, possible to recalculate net impacts for these programs using the current methodology and off benefits outcomes data (rather than employment). Applying the improved methodology to Working Nation programmes leads to net impacts for these programmes of around 2 to 4 percentage points, or less than half that found for the current programmes. This implies a very strong improvement in Job Network performance compared to Working Nation.

It is difficult to make direct comparisons with other countries' programmes because the timing of outcome measurement, the specific features of different programmes, eligibility rules for allowances and the persons targeted for assistance (including their level of disadvantage) vary from country to country. Despite these limitations, it is useful to make broad comparisons with other OECD countries to identify practical levels of performance for active labour market programmes.

International Net Impacts

International academic reviews of active labour market programme evaluations⁴ indicate that programmes similar to Job Search Training that provide counselling, advice and job search assistance tend to achieve employment impacts between 6 and 11 percentage points. This suggests that Job Search Training, which consistently achieved impacts around 11 percentage points since 2002, is performing at best practice levels. As with Australia's Job Search Training, the successful programmes of this type in other OECD countries appeared to help most groups of disadvantaged job seekers.

Customised Assistance as a labour market programme differs from the assistance provided in other OECD countries in that it provides highly flexible and individual assistance (including through the job seeker account). As a result, it is difficult to make direct comparisons. While less flexible than Customised Assistance, the United Kingdom's programme "A New Deal" uses personal advisors with access to a range of tools to help their clients. This programme has achieved net impacts of around 5 percentage points for the long term unemployed⁴. More generally, the net impacts achieved by training and vocational skills programmes typically range between 2 and 10 percentage points. This suggests that compared to intensive training and vocational skills assistance, Customised Assistance, with a net impact of 10 percentage points, performs at least as well as high performing programmes overseas.

⁴ Meager. N., & Evans. C. (1998). Fay (1996). Martin & Grubb (2001).

International work experience programmes along the lines of Work for the Dole, that provide work experience whilst providing value to the local communities, have achieved mixed results. The net impacts are typically small or negative due to strong attachment effects. Like Work for the Dole and Mutual Obligation, however, some of the more successful programmes achieved positive impacts 1-3 years after implementation, and the sustainability of subsequent jobs was better than for non-participants. Several New Zealand work experience programmes - Community Taskforce, Community Work, Activity in the Community, Taskforce Green and Job Connection - demonstrated *off-benefit* net impacts of between 2 and 6 percentage points⁵. In comparison, Mutual Obligation activities achieved slightly higher off-benefit impacts at around 7 percentage points. Overall, the net impacts achieved by Work for the Dole and Mutual Obligation appeared to be stronger than similar overseas programmes.

Overall, international comparisons appear to suggest that the individual programme elements, and the Active Participation Model and Job Network in general, are performing at international best practice.

Historical Change

Table 3 and Figure 1 below present the results from a number of previous Australian studies of net impact. The net impact survey conducted in April 2001 related to clients commencing just after the 2000 tender round. The November 2002 survey represents the net impact study conducted just prior to the introduction of the Active Participation Model. The latest estimates from the survey conducted in February 2005 represent the first net impact study since the implementation of the Active Participation Model in July 2003. Historical comparisons for Mutual Obligation are unable to be made as a net impact study of Mutual Obligation has not previously been conducted.

The Active Participation Model introduced radical changes to the way in which Job Network provided employment assistance to Australian job seekers. The introduction of Customised Assistance as a replacement for Intensive Assistance has led to major changes to the provider fee structure, the amount of time spent in each placement, the amount of contact job seekers have with their provider and the resources available to providers (e.g. through the Job Seeker Account). While current estimates reflect an improvement on previous performance, care needs to be taken when drawing conclusions from such comparisons because of changes in programme design, including program length and cost.

Table 3: 2005, 2002 and 2001 Employment Net Impacts across the programmes

Impact from Commencement	JN Stage 3 Evaluation April 2001 ¹	November 2002 ²	February 2005 ¹
Job Search Training	8.3	11.6	11.2
Intensive Assistance/ Customised Assistance	0.6	6.2	10.1
Work for the Dole	na	4.0	7.3

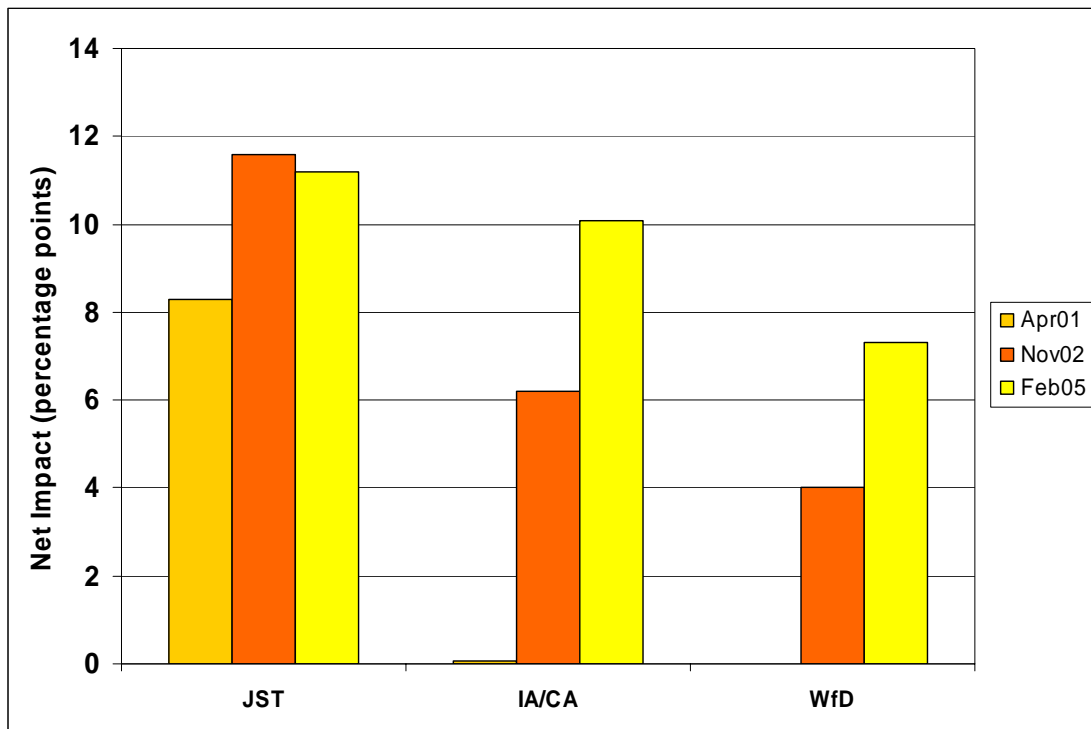
1. Net impacts measured 12 months after commencement in the programme or service.

2. Net impacts measured 16 months after commencement in the programme or service.

Source: EPPB April 2001, November 2002 and February 2005 Net Impact Studies

⁵ Johri, de Boer, Pusch, Ramasamy & Wong (2004).

Figure 1: Net Impact Estimates in 2001, 2002 and 2005



The commencement net impacts for Work for the Dole have also improved from 4.0 percentage points in November 2002 to 7.3 percentage points in February 2005. This improvement is likely to derive from a combination of improved Work for the Dole activities and a better referral process. Previously, job seekers were automatically referred to Work for the Dole based on their individual characteristics and duration of unemployment. More recently, job seekers have been referred to Work for the Dole by their Job Network Members and this has enabled greater care to be taken when referring job seekers to the programme. This change in the way people are referred to Work for the Dole has resulted in an improved commencement rate from around 20 percent to 70 percent as well as greater employment outcomes from the programme.

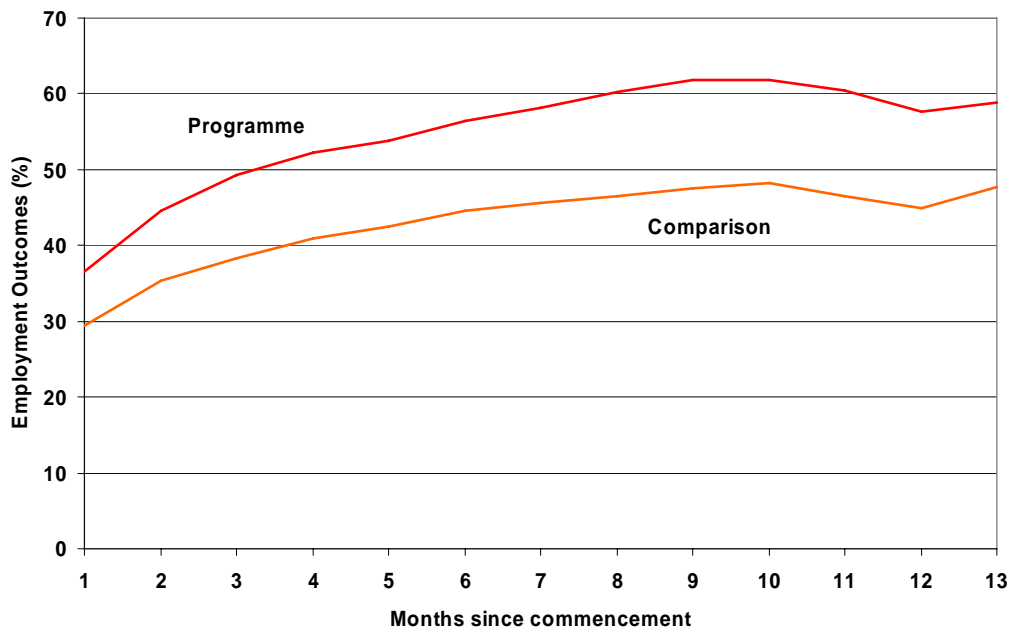
Sustained improvements for Job Search Training, Customised Assistance and Work for the Dole suggest that Job Network’s programmes are becoming more effective at getting job seekers into paid employment.

Net Impacts Over Time

Net impact estimates are essentially a snap-shot of programme effectiveness at a point in time. It is also of interest, however, to assess the effect a programme or service has on the achievement of outcomes over a period of time. The February 2005 survey asked respondents to indicate their employment status for each month between February 2004 and February 2005. Specifically, job seekers indicated whether they were mainly working full-time, working part-time, looking for work and not working, or not looking for work and not working in each month. Asking people to recall previous experiences can, of course, be influenced by problems such as recall bias and telescoping (moving events forward in time). Despite these methodological limitations, assessing impact effects over time provides an opportunity to compare the rate at which outcomes are achieved for participants with that for similar job seekers.

Figure 2 presents the commencement outcomes for Job Search Training for each month between February 2004 and February 2005. The Job Search Training programme group demonstrated consistently higher outcomes than the comparison group, resulting in a net impact difference of around 11 percentage points. The slight dip in outcomes towards the end of the period reflects seasonal influences over the Christmas months. It is worth noting in this context that external influences such as seasonal effects or the impact of the economy affect both the programme and comparison groups in a similar fashion. As a result the difference in outcomes between the two groups (the net impact estimates) remain largely unaffected by such factors.

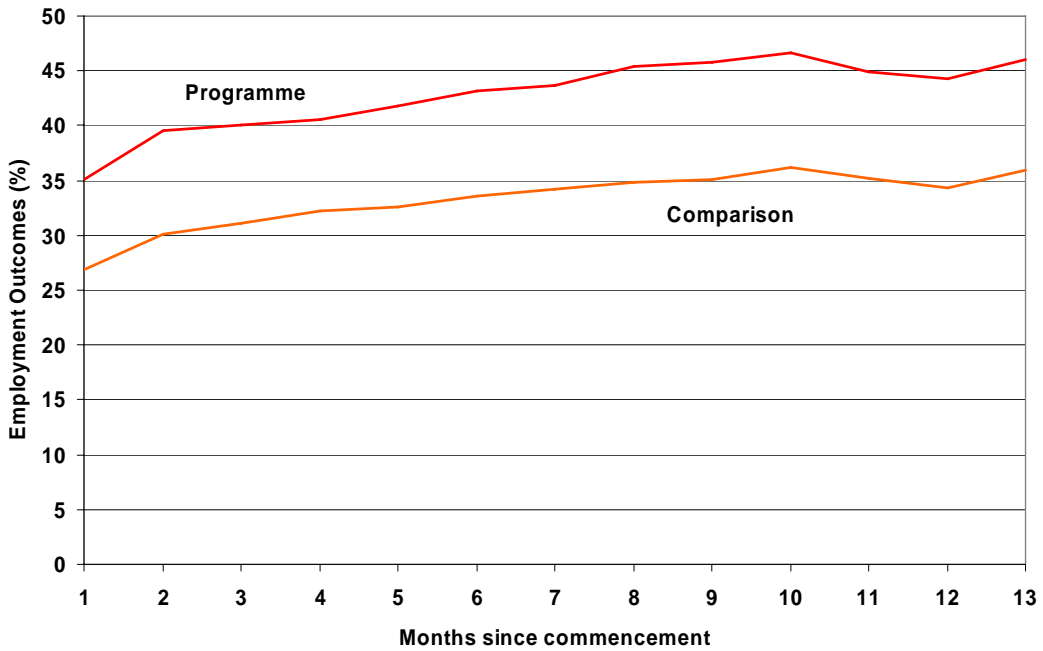
Figure 2: Monthly Job Search Training Commencement Outcomes between February 2004 and February 2005



The monthly commencement outcomes for the Customised Assistance programme group demonstrated consistently higher outcomes than the comparison group, ending in a net impact difference of around 10 percentage points (Figure 3). The difference (net impact) one month after commencement between the programme group and the comparison group is larger for Customised Assistance (8 percentage points) than the previous programme of Intensive Assistance (5 percentage points) estimates derived in November 2002. This suggests that the programme effects associated with Customised Assistance outweigh the attachment effects earlier than its predecessor, Intensive Assistance⁶.

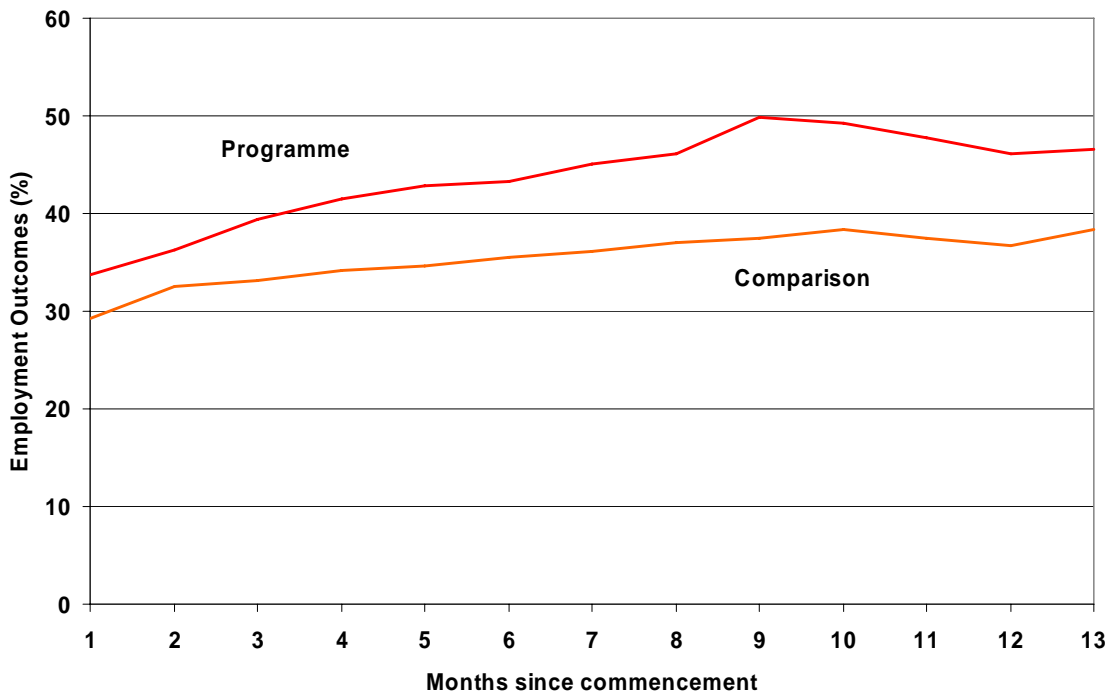
⁶ Attachment to the programme results in reduced job search intensity whilst participating in the programme and the programme effect improves job search activity and intensity due to the programme itself.

Figure 3: Monthly Customised Assistance Commencement Outcomes between February 2004 and February 2005



As with Job Search Training and Customised Assistance, job seekers who commence in Mutual Obligation activities demonstrate consistently higher outcomes than the comparison group after the first month of participation (Figure 4).

Figure 4: Monthly Mutual Obligation Commencement Outcomes between February 2004 and February 2005

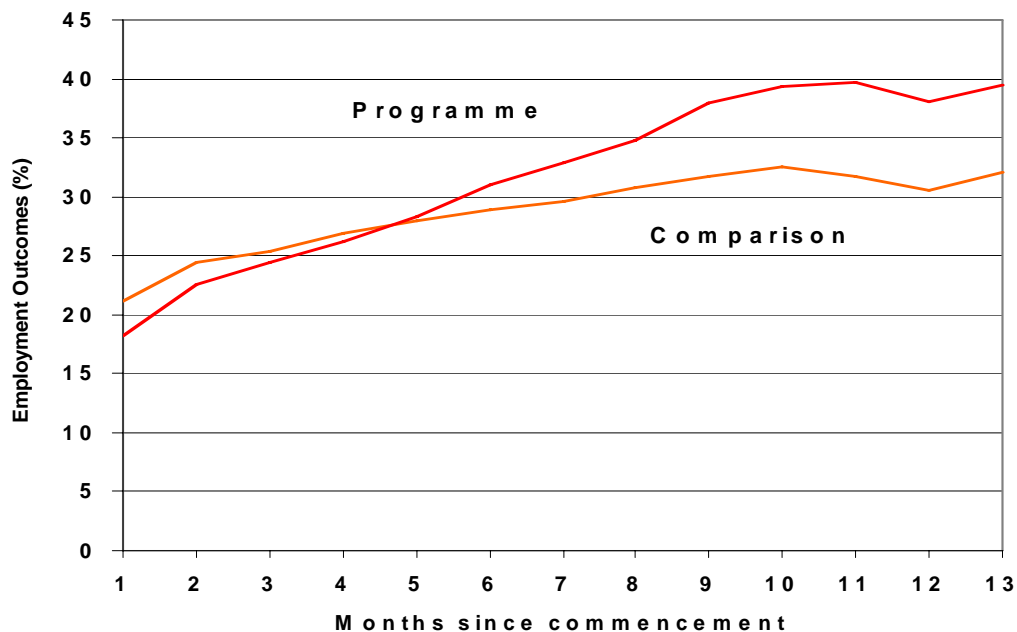


It should be emphasized that the point after commencement at which employment outcomes are measured is critical. Along with the other programmes, outcomes for both the Mutual Obligation programme participants and the comparison group improve steadily over time as job seekers have longer to gain employment. As a result, measuring net impacts 12 months after commencement provides both the programme and comparison groups adequate opportunity to convert job search into employment. Previous studies have measured net impact at 16 months after commencement, which will also provide those job seekers with longer to find employment.

The monthly commencement outcomes for Work for the Dole (Figure 5) sheds light on the competing influences of *attachment* to the programme and the *programme effect*⁷. For programmes with substantial attachment effects like Work for the Dole, the outcomes of programme participants tend to be lower relative to the comparison group for the duration of the programme. The average length of a Work for the Dole project is between 3 and 6 months. After participants exit the programme attachment effects die away and the programme effects become evident.

As can be seen in Figure 5, the attachment effects associated with Work for the Dole outweigh the programme effects for up to 5 months. Beyond the 5 month mark the programme effects become evident and outcomes improve at a steady rate until around the 11 month mark at which point they plateau off. This cross-over at the 5 month mark represents a marked improvement from the previous Work for the Dole estimates in November 2002, where the cross-over from attachment effect to the programme effect took place at around 10 months. This positive result is likely to derive from a combination of improved Work for the Dole activities and the continued contact job seekers now have with their Job Network Member while participating in the Work for the Dole project.

Figure 5: Work for the Dole net impact in the year to end February 2005



⁷ Job seekers are not required to participate in Work for the Dole if they are on part benefit. As such, both the comparison group and the commencement groups were selected from those on full benefit.

Generally, for each of the programmes, the employment outcomes achieved by participants improved over time. Taking into account the employment outcomes that would have occurred without the programme we can see that programme impacts remain fairly stable over time for Job Search Training⁸ and Customised Assistance suggesting that much of the impact of the programme occurs within the first few months. In contrast, the impacts for Mutual Obligation and Work for the Dole tend to vary over time and this can, in part, be attributed to the competing forces of attachment and programme effects.

Off-benefit Net Impacts: Sustainability of Employment

A key objective of Job Network is to help unemployed Australians find *sustainable* employment. As such, it is also interesting to assess the extent to which the programmes, Job Search Training, Customised Assistance, Work for the Dole and Mutual Obligation, help job seekers engage in sustainable employment. An indication of whether the employment outcomes being achieved by programme participants are more sustainable than the comparison group can be gauged from job seekers' reliance on income support⁹. The net impact methodology can be used to compare the extent to which those job seekers who participated in a programme left income support more often or more quickly that would have occurred in the absence of assistance.

These net impact estimates¹⁰ are presented in Table 3. Although these estimates assess the extent to which job seekers leave income support completely, it is important to remember that off-benefit estimates are a proxy measure of entry into employment, and whilst most exits from income support are for employment, a small proportion of people leave for other reasons, including travelling overseas, leaving the labour force, becoming eligible for another form of assistance, becoming incarcerated in prison, or being deceased. This approach, however, does not include net impacts in terms of part-rate benefit reductions which occur where participants find part time employment.

As can be seen in Table 4, programme participants were less likely to rely on income support 6 months after commencing in a programme than the comparison group. These positive off-benefit estimates increase significantly over time, with impacts around 12, 6, 9 and 11 percentage points at 20 months after commencement for Job Search Training, Customised Assistance, Work for the Dole and Mutual Obligation, respectively. This suggests that job seekers who participated in one of Job Network's programmes were much more likely to leave income support completely than job seekers in the comparison group.

⁸ Remembering that the Job Search Training programme generally runs for a total of 3 weeks full-time.

⁹ Income support for job seekers has been defined as Newstart and Youth Allowance.

¹⁰ The off-benefit methodology uses administrative data collected from the DEWR EA3000 database rather than a survey methodology. As a result, the entire net impact research sample can be used to calculate the estimates as opposed to the smaller sample of returned surveys.

Table 4: Off-benefit Net Impacts across the programmes

Job Network Programme	February 2005 Employment Net Impacts	Off-benefit Net Impacts (months since commencement)		
		6 Months ¹	12 Months ²	20 Months ³
Job Search Training	11.2	5.77	9.41	12.13
Customised Assistance	10.1	1.07	4.49	6.30
Work for the Dole	7.3	0.55	4.88	9.33
Mutual Obligation	8.2	1.17	7.14	11.03

1. Net impacts measured in June 2004.

2. Net impacts measured in January 2005.

3. Net impacts measured in September 2005.

Source: DEWR CMIS administrative database.

Employment Net Impacts by Job Seeker Characteristics¹¹

Each of the programmes within Job Network’s assistance suite address different individual barriers to employment. Similarly, for jobseekers, individual differences such as age, gender, education and duration of unemployment can have a direct effect on job search intensity as well as employment outcomes¹².

As with other international programmes of this type, Job Search Training demonstrated strong impacts for most groups of disadvantaged job seekers, particularly job seekers from a non-English speaking background (17.8 percentage points), those aged between 25 and 44 years (15.8 percentage points), those with a trade qualification (17 percentage points) and the very long term unemployed (18.7 percentage points).

Customised Assistance also demonstrated strong impacts for most groups of job seekers. Customised Assistance was, however, particularly effective for job seekers with a disability (12.6 percentage points) and those with a trade qualification (13.5 percentage points).

Work for the Dole commencement net impacts are strongest for Indigenous job seekers (15.1 percentage points) and job seekers with a degree (15.2 percentage points). These strong impacts are derived from a combination of weaker attachment effects whilst participating in the Work for the Dole activity and stronger programme effects for these two groups. This finding suggests that Indigenous job seekers and those with tertiary qualifications may benefit from the practical experience provided through employment experience programmes as well as continued contact with their Job Network Member.

Mutual Obligation commencement net impacts are strongest for job seekers from a non-English speaking background (18.3 percentage points) and job seekers with a disability (15.7 percentage points). As with the other programmes, Mutual Obligation is effective for some of the most disadvantaged job seekers.

Significantly, the results show that Job Search Training, in particular, is an effective programme for some of the most disadvantaged job seekers. This finding strongly supports the new Active Participation Model where the vast majority of job seekers will receive Job Search Training after a few months of unemployment, followed by periods of Mutual Obligation and Customised

¹¹ These figures represent the average monthly net impact from February 2004 through to February 2005. Work for the Dole impacts are lower due to the strong attachment effect evident within the first 5 months. As a result it is difficult to compare across programmes.

¹² Kanfer, R., Wanberg, C. R., & Kantrowitz, T. M. (2001); Meager & Evans (1998).

Assistance should individuals continue to remain unemployed. The effectiveness of these latter programmes is a major contributing factor to helping job seekers gain employment and leave income support benefits.

CONCLUSION

The purpose of this study was to assess the extent to which Job Network's suite of programmes help job seekers gain employment. This study used a net impact methodology to assess the effectiveness of the programmes taking into account those outcomes that would have occurred without assistance.

Job Search Training, Customised Assistance, Work for the Dole and Mutual Obligation all demonstrated strong positive employment net impacts suggesting that these programmes are effective at helping job seekers gain employment. Indeed, Job Search Training, Customised Assistance and Work for the Dole demonstrated sustained improvements on earlier net impact estimates. Furthermore, international comparisons indicate that Job Network is performing at best practice levels.

Importantly, the findings strongly support the recent changes in the service delivery model implemented as part of the Active Participation Model. The consistently high commencement net impacts for Job Search Training supports the referral of around 90 percent of job seekers who reach 3 months of unemployment to this important type of assistance. The dramatic improvement in net impacts for Customised Assistance is likely to reflect a smaller attachment effect associated with a shorter period of programme assistance, and larger programme effects associated with greater flexibility and individually tailored assistance (i.e. the Job Seeker Account).

Work for the Dole is also achieving stronger employment net impacts, a better commencement rate and a weaker attachment effect. Not only does the programme seem to deliver projects that benefit the community, it helps job seekers become more employable through employment experience. Mutual Obligation demonstrated a strong start with overall commencement impacts slightly higher than Work for the Dole. As with the other employment assistance programmes, Mutual Obligation also appears to be an effective form of assistance for several different disadvantaged groups. The improvements in effectiveness and efficiency for programmes such as Customised Assistance and Work for the Dole provide strong support for a service delivery model that actively engages people in assistance until they find suitable employment.

This study also examined the sustainability of employment through off-benefit net impacts. Typically, the off-benefit net impacts for each of Job Network's programmes indicated that job seekers who participate in these programmes are more likely to leave income support than non-participants.

Overall, the results are positive for all four programmes. Job Search Training, Customised Assistance, Work for the Dole and Mutual Obligation all demonstrated substantial improvements in the employment prospects of job seekers. Job Network's suite of programmes appears to have become more effective at helping Australian job seekers to find employment and reduce their reliance on income support.

TECHNICAL NOTES**Employment Net Impact Sample Details**

Employment surveys were mailed to around 2000, 2000, 3000 and 2000 programme participants of Job Search Training, Customised Assistance, Work of the Dole and Mutual Obligation, respectively, who commenced in February 2004. The study included both those who completed their placement and those who left early. The overall response rate for the study was 52.5 percent, with a response rate of 46, 52, 52, and 53 percent for Job Search Training, Customised Assistance, Work of the Dole and Mutual Obligation, respectively. These response rates provide good samples of programme participants with minimal response bias. Matched comparison groups for the programmes consisted of unemployed people in receipt of Newstart and Youth Allowance (Other) at the end of February 2004 who had not been referred to, or participated in the programme in the previous 6 months. The employment outcomes of all the programme and comparison groups were measured at February 2005, 12 months after commencement in the programme.

Nine percent of the comparison group had an active sickness exemption in February 2004. A separate net impact analysis was conducted to test the influence of this factor upon overall net impact estimates. The results did not differ significantly with sickness exemptions removed. As a consequence, those job seekers with a sickness exemption were not removed from the comparison groups to ensure that other individual and local area factors did not become truncated.

Off-Benefit Net Impact Sample Details

Administrative data associated with benefit history were used to assess off-benefit net impacts. As a consequence, the off-benefit samples included the entire 2000, 2000, 3000 and 2000 programme participants of Job Search Training, Customised Assistance, Work of the Dole and Mutual Obligation, respectively, who commenced in February 2004. The study incorporated both those who completed their placement and those who left early. As with the employment net impacts, the matched comparison groups included job seekers who received either Newstart and Youth Allowance (Other) at the end of February 2004 and had not been referred to, or participated, in the programme in the previous 6 months. The off-benefit outcomes of all the programme and comparison groups were measured each month between February 2004 and September 2005.

Alternative Statistical Techniques**Logistic Regression**

Due to the number of additional factors that can be controlled for when using logistic regression and the ability to break results down by demographic characteristics with relative ease, logistic regression was chosen as the appropriate tool to control for variations in client demographics and local labour market conditions. Under the logistic regression approach, a regression model using only comparison group members is developed. The resulting coefficients are then applied to members of the programme group to ascertain an expected outcomes level for programme group members in the absence of assistance. This expected outcomes level is then compared to the

actual outcomes level achieved following programme participation or referral, and the difference is the net impact.

Matched Pairs Technique – One-to-One Matching

A matched pairs approach was used to check the validity of the estimates reported. Job seekers from each of the programme groups were matched with job seekers from the comparison groups at an individual level using factors such as age, gender and unemployment duration. To maximise the proportion able to be matched, age was broken down into 5 year categories and unemployment duration was broken down into 3, 2, 9 and 9 month periods for Job Search Training, Customised Assistance, Work of the Dole and Mutual Obligation, respectively. The overall proportion of job seekers successfully matched across the programmes was around 80 percent.

The results of the matched pairs approach were similar to the logistic regression estimates, though the logistic regression estimates were more conservative with slightly smaller net impacts. While one to one matching enables a direct comparison with a similar job seeker, this approach is limited by smaller sample sizes and the difficulty of matching job seekers across a large number of factors. As a result, the logistic regression approach was identified as the most stable and effective form of matching, providing the most reliable and valid estimates of net impact.