



# Work for the Dole

a net impact study

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Evaluation and Program Performance Branch  
Labour Market Policy Group  
Department of Employment, Workplace Relations and Small Business

August 2000

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Department of Employment, Workplace Relations and Small Business  
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## Executive Summary

Evaluations of the impact of different forms of labour market assistance draw on a variety of performance measures. These include measures of the employment and education outcomes of participants and whether they have come off income support after leaving a program.

A more comprehensive assessment of the impact of a program needs to account for the fact that some proportion of those receiving assistance would be likely to achieve a positive outcome even if they had not been on a program. To measure the *effectiveness* of a program therefore involves assessing what extra outcomes were achieved from being referred to and commencing a program, compared to the experience of a control group of similar job seekers that were not involved in the program. Using a standard evaluation method, the difference in outcomes achieved gives a measure of the *net impact* of the program. It is also possible to estimate the cost of achieving that result – the *cost effectiveness* of the program - by having regard to the cost of each program place (which is called the *cost per net impact*).

This paper reports the findings of a net impact study of Work for the Dole (WfD), assessed in terms of the proportion of job seekers that left income support altogether (off benefit). It compares the off benefit outcomes of a sample of 2100 WfD participants with those of a matched comparison group of the same size that had not been referred to, or participated in, WfD in the previous 6 months.

In order to ensure comparability with the department's previous studies, the same methodology was employed as in previous net impact studies for six of the labour market programs that operated in the mid-1990s (under the Working Nation banner). However, it should be noted that direct comparisons between labour market programs are constrained by the fact that alternative programs may have different objectives and target different job seeker groups and may operate under different conditions.

During 1999, around 30 000 (4 per cent) of all job seekers on unemployment allowances (allowees) who were aged under 35 participated in WfD, with around half of such job seekers being in assistance at any point in time. (With the growth in program places available in 2000 and the introduction of Community Work Coordinators, participation rates should increase considerably). A very small proportion of allowees aged over 35 participated in WfD on a voluntary basis.

While more work is needed to investigate the full effects of the off benefit net impacts of WfD, it is possible to make some significant conclusions from the evaluation undertaken to date. The study shows that:

- WfD participants are significantly more likely to leave income support than similar job seekers who have not recently participated in the program: the prospects are some 76 per cent higher
  - the WfD off benefit outcome averaged 30 per cent compared with 17 per cent for the control group, yielding a high net impact of 13 percentage points
  - with the vast majority (80-90 per cent) leaving benefits for a job or education and training.

- 
- WfD compares favourably with the suite of previous labour market programs operating in the mid-1990s (under Working Nation), in terms of off benefit net impacts (which averaged 9 per cent, although individual programs varied widely).
  - The WfD program is very cost effective: at around \$11 500 per net impact outcome, it was only one-third of the average cost per net impact (in 1999 dollars) of Working Nation programs that were evaluated in the mid-1990s (although some programs were more cost effective than others)
    - almost half of the WfD participants in the study were very long-term unemployed (two years or more).
  - While further study is required, referral to the WfD program appears to have a significant motivational effect on job seekers to increase their job search activity
    - this is supported by the fact that job seekers referred to WfD, but who did not actually commence a placement, achieved similar outcome levels to those who participated in a project.

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## 1. Background

During 1999, around 30 000 job seekers or 4 per cent of all job seekers on unemployment allowances (allowees<sup>1</sup>) aged under 35 participated in Work for the Dole (WfD), with around half of these in assistance at any point in time. With the growth in program places available in 2000 and the introduction of Community Work Coordinators, participation rates should increase considerably in 2000. A very small proportion of allowees aged over 35 participated in WfD on a voluntary basis.

WfD aims to develop the work habits of job seekers through participation in work experience on projects of benefit to the local community. From this, it is possible to identify several areas for consideration when assessing the effectiveness of WfD. These include, among others, the effectiveness of the program in improving participant self confidence, the desire to find a job and the value to the local community of the work undertaken through the project.

This study continues the evaluation of WfD that commenced with the evaluation of the WfD pilot program released in May 1999<sup>2</sup>. That initial report examined how the WfD pilot projects performed against program objectives and provided a preliminary analysis of stakeholder perceptions and participant outcomes of the program.

In terms of improving participant self esteem, various studies have shown that participants have very positive opinions of their WfD experience and believe that their motivation to find work and self confidence have been improved (see DEWRSB 1999). Local communities also have very favourable perceptions about the benefits that WfD projects have been able to bring to their local area.

This study examines the impact of the program on improving job seekers' chances of leaving income support entirely, that is Newstart or Youth Allowance (Other). This is a conservative assessment as there would also be effects from job seekers moving from full to part-benefit, but data limitations have prevented this from being taken into account.

While off benefit and employment outcomes are not the sole or direct goal of the WfD program, they are clearly an indicator of the success of the program in developing the work habits of participants. Consistent with previous practice, the study uses a net impact approach to compare the outcomes achieved by program participants with those of a matched comparison group. This approach was used by the department to assess the effectiveness of six of the labour market programs that operated in the mid-1990s under the Working Nation banner<sup>3</sup>.

To further ensure the reliability of the results, a regression methodology was also employed, with both approaches yielding similar results. The study also examined whether the program is associated with any wider effects, notably deterrence effects - which occur where job seekers find employment in order to avoid participation in a program.

Attachment A details the characteristics of job seekers who participate in WfD. Attachment B examines the Post Program Monitoring (PPM) outcomes of the program. Attachment C outlines the research methodology. The methodology and results of the net impact study for Working Nation programs are summarised in Attachments D and E.

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<sup>1</sup> It is important to remember that not all allowees aged under 35 are eligible to participate in WfD.

<sup>2</sup> See DEETYA, Evaluation of the Work for the Dole Pilot Programme, EMB Report 1/99, May 1999.

<sup>3</sup> See DEETYA, The Net Impact of Labour Market Programs 1997.

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## 2. Methodology – net impact

This study compares the income support outcomes of WfD participants with those of a matched comparison group that had not been referred to, or participated in, WfD in the previous 6 months. To allow comparisons with previous studies the methodology used by the department in previous net impact studies of labour market programs was employed. However, it should be noted that direct comparisons are still constrained by the fact that different labour market programs have different goals and target different job seeker groups and may operate under different conditions.

The study included 2100 job seekers who left a WfD project in August 1999 and an equally sized comparison group of 2100 job seekers who had not participated in or been referred to WfD in the previous 6 months. The study included both those who completed their WfD placement and those who left early. Because the study involved those who left a WfD project in August 1999, the results relate mainly to job seekers aged under 25 years. Eligibility for WfD was not extended to those aged 25 to 34 until July 1999.

The comparison group consisted of Newstart and Youth Allowance (Other) recipients and was matched on the basis of age, gender and duration on benefits, in line with the approach used in previous departmental evaluations. The income support status of both the WfD group and the comparison group was monitored for 5 months up to January 2000. Previous departmental studies have examined the impact of a range of demographic factors such as aboriginality, educational attainment and disability and found that these extra variables had only a small effect on the results. In this study, sensitivity analysis revealed that controlling for a range of these additional variables did not affect the overall results. Alongside a comprehensive list of demographic variables<sup>4</sup>, the job seeker's local area unemployment rate was also included in the analysis. The results were confirmed using a regression analysis methodology controlling for a wider range of job seeker characteristics.

Off benefit outcomes are derived from the department's administrative systems and are known for all those included in the study - hence, no sampling error or response bias is present. This is not the case for survey based studies, as even with a census approach there will be a proportion of job seekers who do not respond to the survey.

Job seekers can participate in WfD on a voluntary basis and it is not known what effect this will have on the estimate of net impact. Given the wide scope of options available for meeting mutual obligation requirements, it is not possible to ascertain exactly which job seekers participated on a voluntary basis. Even where job seekers are compelled to participate in a mutual obligation activity, there is a menu of 14 possible activities that a job seeker may choose from, and it is not possible to identify why individual participants selected WfD.

Attachment C provides a more comprehensive coverage of the methodology.

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<sup>4</sup> See Attachment C

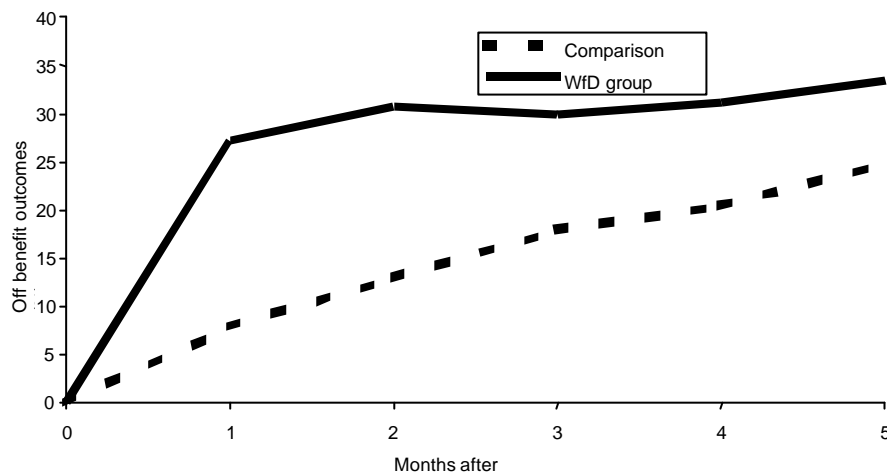
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### 3. Findings

The study revealed that WfD participants who left assistance in August 1999 achieved an off benefit outcome rate of around 30 per cent. This compares with those in a matched comparison group who achieved an off benefit outcome rate of around 17 per cent, representing a net impact of 13 percentage points. Analysis of the destination of those leaving benefits indicates that the overwhelming majority (80-90 per cent) went onto a job or education/training.

Figure 1 reveals that the net impact of WfD ranges from around 20 per cent in the month the job seeker left the project, to around 10 per cent 5 months later. A similar pattern of high early net impact was found under Working Nation<sup>5</sup> for work experience programs such as JobSkills and JobStart.

**Figure 1: WfD Net Impact**



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<sup>5</sup> See DEETYA, The Net Impact of Labour Market Programs 1997

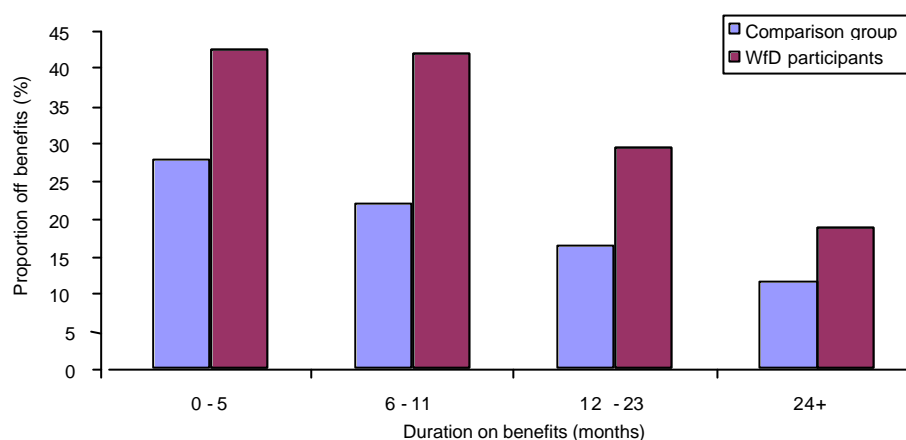
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## 4. Net impact for different types of job seekers

### 4.1. Duration on benefits

Figure 2 shows the net impact at 3 months after leaving the WfD project by duration on benefits prior to commencement. It can be seen that those on benefits for less than two years prior to commencing have a higher net impact than very long-term beneficiaries. Even so, the very long-term unemployed are still associated with quite high net impact levels. These job seekers have been traditionally hard to place into work and many would have already received a series of labour market interventions (some under Working Nation programs).

**Figure 2:** *Net impact by duration on benefit*  
(as measured by the difference in height between the two bars)

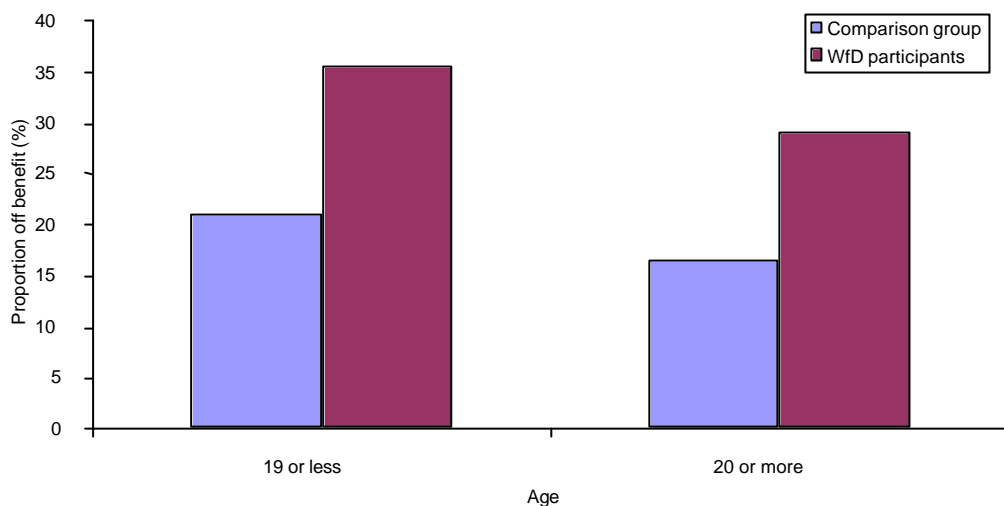


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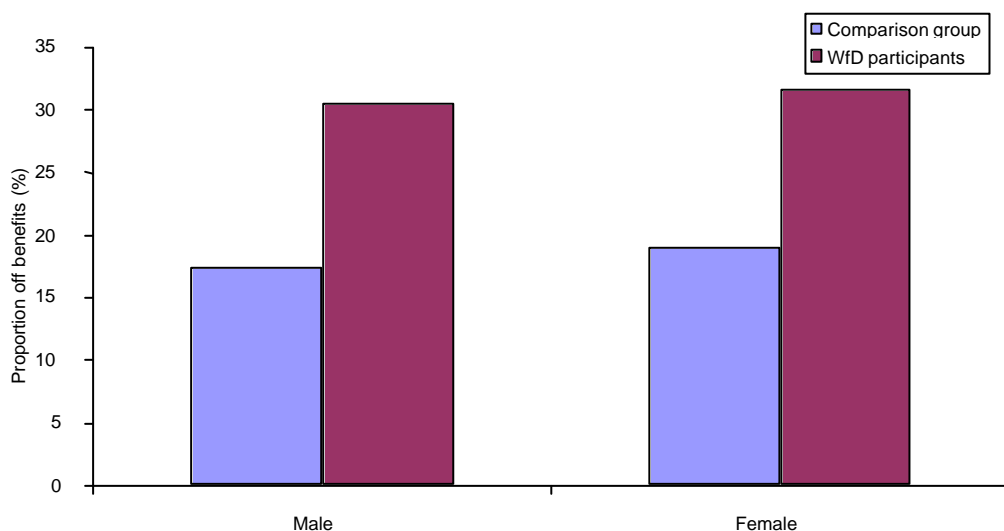
## 4.2. Age and gender

Figures 3 and 4 show net impact by age and gender. A similar improvement in outcomes was found for both males and females as well as for those aged under or over 20. It should be noted that most WfD participants were aged under 25 during the study period.

**Figure 3:** *Net impact by age*  
(as measured by the difference in height between the two bars)



**Figure 4:** *Net impact by gender*  
(as measured by the difference in height between the two bars)

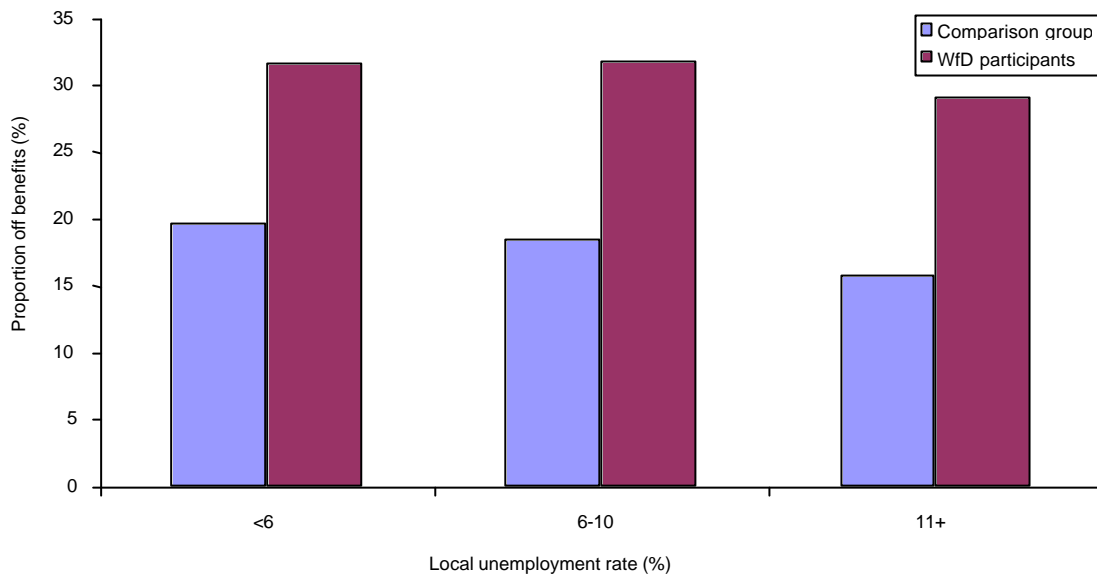


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### 4.3. Local labour market conditions

The study also examined the effect of local labour market conditions. Specifically, it considered the net impact in terms of the local unemployment rate faced by job seekers. As shown in Figure 5, the net impact of WfD was similar, even in areas of high unemployment.

**Figure 5:** *Net impact by local unemployment rate*  
(as measured by the difference in height between the two bars)



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## 5. Comparisons with other forms of assistance

It is possible to compare the net impact of WfD with that achieved through certain other forms of labour market assistance, based on previous departmental net impact studies. As noted earlier, however, such comparisons are limited by differences in program objectives and targeted job seeker groups, and possible differences in the environment in which various programs have operated.

Table 1 below shows the distribution of job seeker duration on benefit for WfD and a range of six Working Nation programs for which net impact studies were conducted. This indicates some of the differences in the target groups affected by different programs that need to be taken into account in comparing the relative performance of various programs. Thus, WfD provides assistance to a higher proportion of very long-term beneficiaries than did JobStart, Job Clubs, JobTrain and SkillShare. JobSkills and New Work Opportunities assisted job seekers who had been on benefits for one year or more.

**Table 1: Commencements by duration on benefit**

	Duration on benefit		
	0 to less than 12 months	12 to less than 24 months	24 months or more
Work for the Dole <sup>1</sup>	25.9	27.3	46.8
JobStart <sup>2</sup>	37.6	30.6	31.8
Job Clubs <sup>2</sup>	38.4	30.9	30.7
JobTrain <sup>2</sup>	37.0	29.8	33.1
SkillShare <sup>2</sup>	42.1	27.2	30.7
JobSkills <sup>2</sup>	4.2	34.9	60.9
New Work Opportunities <sup>2</sup>	7.6	18.8	73.5

1. Work for the Dole commencements in 1999.

2. Working Nation commencements in 1995-96.

Previous off benefit net impact studies have generally shown small to modest net impacts for most programs, which is consistent with overseas evaluations of many labour market interventions<sup>6</sup>. Wage subsidies have been the main exception with much higher net impacts. For Working Nation programs, net impact estimates - in terms of the proportion of job seekers that leave income support<sup>7</sup> - had a weighted average of about 9 per cent, but ranged from a few percentage points for JobTrain to 14 percentage points for JobSkills and up to 31 percentage points for JobStart.

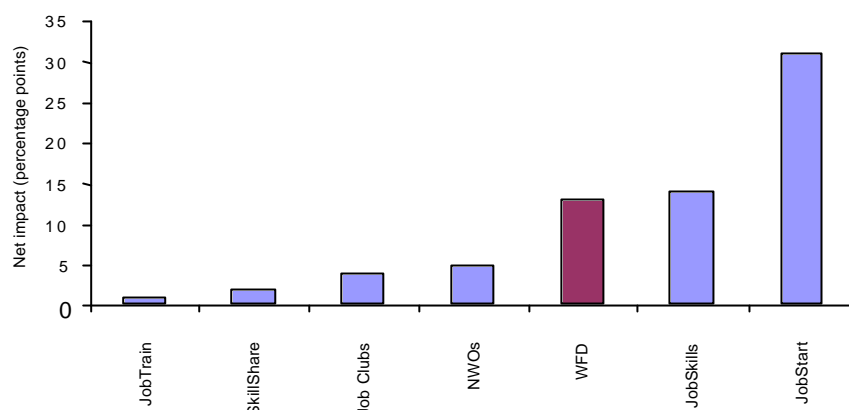
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<sup>6</sup> See Attachment E, or DEETYA 1997, The Net Impact of Labour Market Programs.

<sup>7</sup> It should be noted that Working Nation programs were able to significantly increase the probability of participants gaining part-time work while remaining on benefits. A survey is planned to examine whether WfD is as effective in this regard.

Figure 6 shows that only JobStart and JobSkills achieved a higher off benefit net impact than WfD.

**Figure 6:** *Net impact – selected programs*



The actual *cost effectiveness* of a program in terms of its impact on people leaving benefits must take into account the cost of program placements. Table 2 shows the cost associated with each off benefit net impact outcome (referred to as the *cost per net impact outcome*). For consistency, these measures have all been costed in 1999 dollars. As can be seen, the cost per net impact of WfD is about one-third that for the weighted average of the Working Nation programs.

**Table 2:** *Cost net additional off benefit outcome<sup>1</sup>*

	Cost per net impact outcome (\$)
Work for the Dole	11 500
<i>Working Nation Programs<sup>2</sup></i>	<i>34 300</i>
JobStart	9700
Job Clubs	16 500
JobSkills	75 700
SkillShare	79 500
JobTrain	92 700
<b>New Work Opportunities</b>	<b>180 000</b>

1. Costs for all programs are indexed to 99/00. Wage subsidy programs have been indexed by increases in average earnings while other programs have been indexed by inflation.
2. Weighted average for JobStart, Job Clubs, JobSkills, SkillShare, JobTrain and New Work Opportunities

The low net impact associated with the SkillShare and JobTrain programs resulted in a high cost per net impact, even though these programs were relatively inexpensive. On the other hand the relatively low cost of Job Clubs meant that the program had a more reasonable level of cost effectiveness. The combination of the high cost of New Work Opportunities and its relatively low level of effectiveness resulted in the lowest level of cost effectiveness of all the programs analysed.

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While JobSkills produced a comparable net impact to WfD, it did so at a much greater cost. WfD was found to be almost seven times more cost effective than JobSkills. Only JobStart achieved a lower cost per net impact than WfD. However, it may be noted that WfD participants are likely to be more disadvantaged than JobStart participants. For example, around 47 per cent of WfD participants in 1999 had been on benefit for more than 2 years, compared to 32 per cent of JobStart participants at the time of the Working Nation net impact study (in 1995-96). It has also been argued that the outcome for JobStart may be inflated due to selection bias – in that only those job seekers who were actually put on by employers were considered to have commenced the program. Hence, given eligibility, those selected into the program would, by definition, have been the candidates most attractive to employers (and most likely to remain in employment and off benefits)<sup>8</sup>.

No attempt has been made in this study to assess the community benefits that result from WfD projects<sup>9</sup>. Typically, projects are involved in building community infrastructure. Such benefits would reasonably be offset against the cost of the program, which would further improve the cost effectiveness of WfD in comparison to most other programs. (Working Nation programs with some community benefits included New Work Opportunities and Landcare and Environment Action Program (LEAP)).

## 6. The impact of referral

Net impact studies generally focus on measuring the increase in employment prospects of attaining employment and leaving income support for program participants compared to similar job seekers who did not participate in a program. For most job seekers, participation in programs is compulsory and this in itself - rather than just participation in the program - can have an effect on behaviour. Hence, observance strategies used to ensure program participation can have a positive motivational effect - or what evaluators call the deterrent effect - on job seekers' continued reliance on income support.

This deterrent effect occurs where job seekers increase their job search activity in order to avoid program participation and, as a result, find employment. There may also be a reporting effect, where those that may have been inappropriately claiming benefits (for example by not declaring earnings from existing paid employment) may opt to move off benefits to avoid disclosing other activities or after declaring their earnings<sup>10</sup>. Deterrent effects rely to a large extent on the fact that participation in a program usually requires regular full-time attendance (at least on several days a week) that precludes pursuing an additional activity on those days.

Strategies that exert such effects are not new. Activity testing has long been a key function in the administration of income support systems. Thus, under Working Nation job seekers could be compelled to participate in various programs or risk losing their benefits. While these strategies are most likely to affect those referred to a program, those in the eligible target group - and even those who are at risk of entering an eligible target group - may also be affected. Given the likely impact on all job seekers, and even those at risk of becoming unemployed, isolating the deterrence effect from factors such as economic growth and changing labour market conditions typically proves to be very difficult.

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<sup>8</sup> See Dockery (1999).

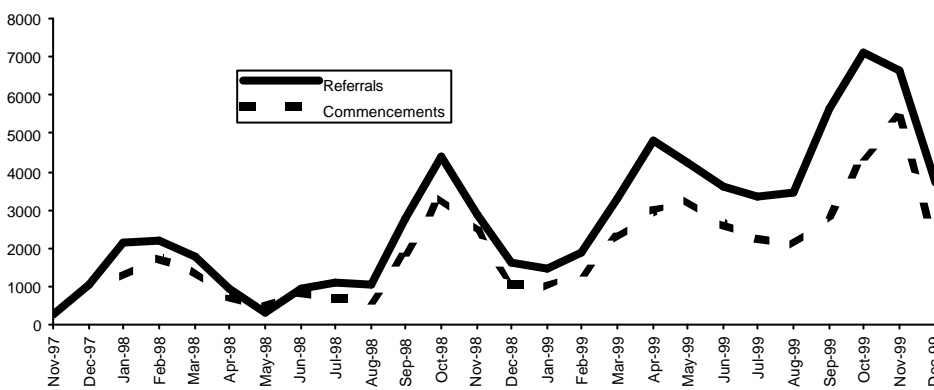
<sup>9</sup> A separate departmental study will examine this issue.

<sup>10</sup> The 2000-01 Budget papers indicated that job seekers faced with the Mutual Obligation requirement have reported other earnings from employment or voluntary work at a rate 30 to 40 per cent higher than for allowees who are not so required.

It is possible, however, to gain a limited measure of any such effects by comparing the income support exit rate of those who, while referred to a WfD placement, did not actually commence the placement with similar job seekers who were not referred.

A more detailed study of the effects of deterrence, including the interaction of Job Network and mutual obligation, is currently in its preliminary stage. Early findings from that study show that, since March 1999, about one-third of job seekers referred to WfD places did not subsequently commence a placement (Figure 7). Job seekers who were referred but who did not commence WfD places achieved a similar off benefits outcome rate to those who actually commenced. This suggests that referral to the program also motivates job seekers to increase their job search activity.

**Figure 7:** *WfD referrals and commencements*



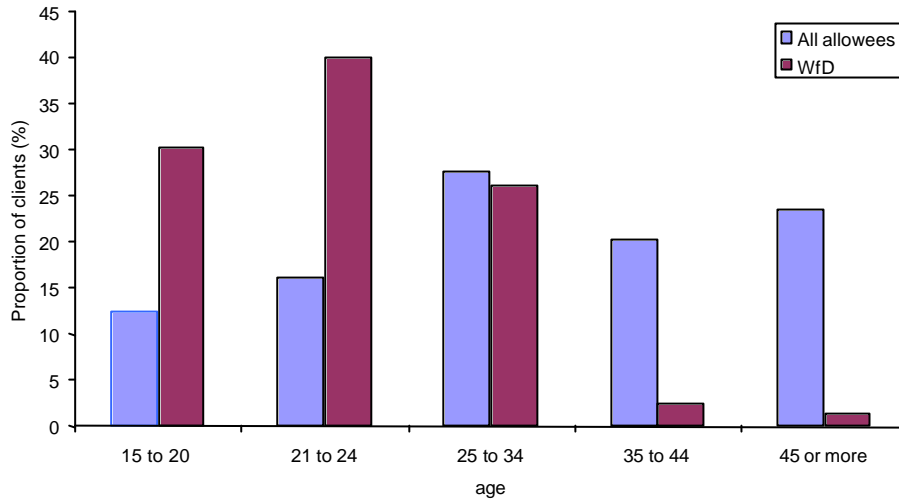
# Attachment A

## Characteristics of job seekers assisted

This section provides details of the type of job seekers who are assisted under WfD.

Figure A1 shows the age profile of WfD participants and all allowees in general. With WfD targeted towards young people, it is not surprising that most job seekers are aged under 34.

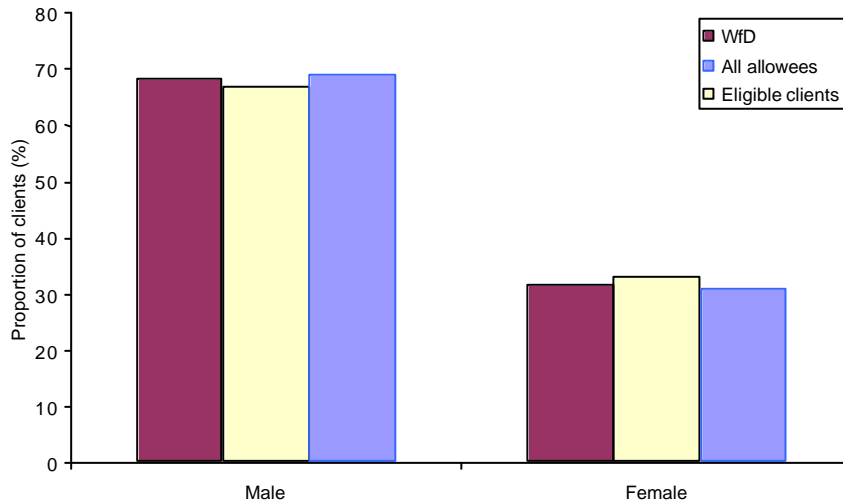
**Figure A1:** *WfD participants and all allowees by age<sup>1</sup>*



1. WfD participants include those who commenced a WfD placement in 1999. All allowees include those on Newstart and Youth Allowance during September 1999.

Figure A2 shows the gender profile of WfD participants, eligible job seekers<sup>1</sup> and all allowees. Both males and females appear to participate in proportion to their register share.

**Figure A2:** *WfD participants, eligible allowees and all allowees by gender<sup>1</sup>*

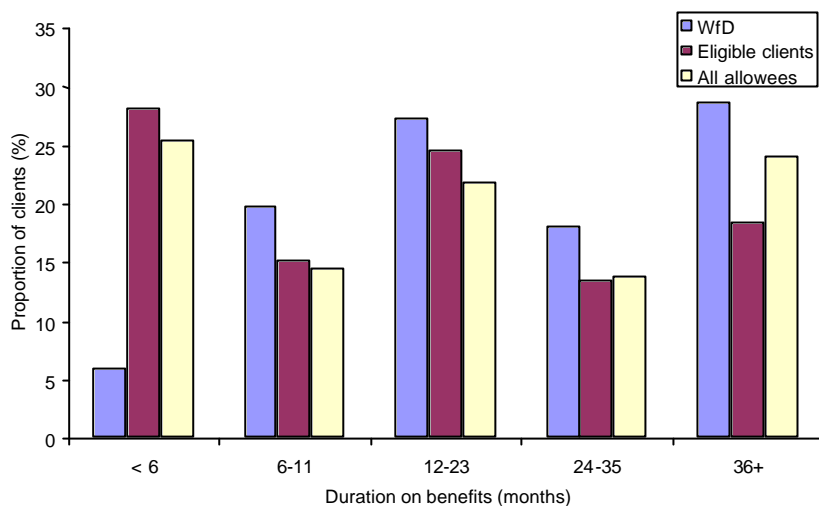


1. WfD participants include those who commenced a WfD placement in 1999. All allowees include those on Newstart and Youth Allowance during September 1999. Eligible job seekers shown here are those Newstart and Youth Allowance recipients aged less than 35.

<sup>1</sup> Eligible job seekers shown here are those Newstart and Youth Allowance recipients aged under 35. Some of these job seekers may not actually be eligible to participate in WfD because, for example, they are in part time employment. A small number of volunteers aged over 35 participate in WfD.

Figure A3 shows the duration on benefit profile of WfD participants, eligible job seekers (as defined above) and all allowees. WfD participants tend to be drawn from those with higher durations on benefit. While most programs target those with higher durations on benefit, the extent to which WfD targets such job seekers is greater than the JobStart, SkillShare, JobTrain and Job Clubs programs under Working Nation. On the other hand, both JobSkills and New Work Opportunities had higher proportions of those with longer durations on benefit.

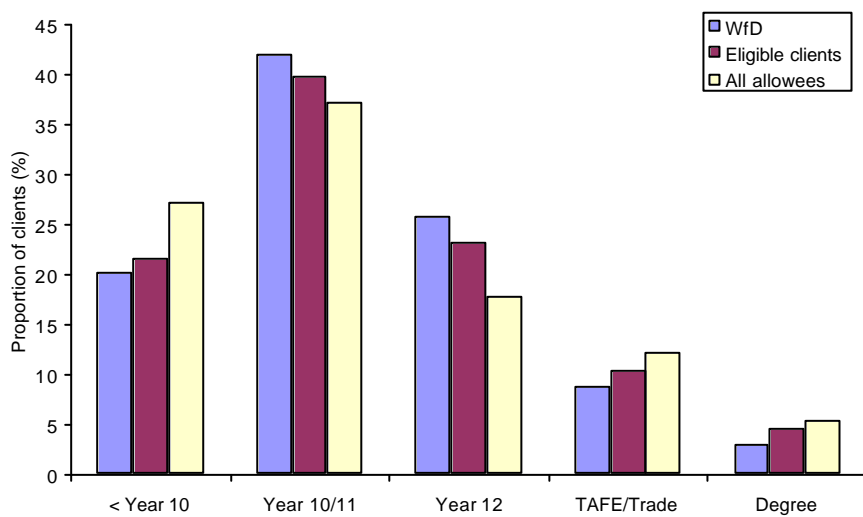
**Figure A3: WfD participants, eligible allowees and all allowees by duration on benefits<sup>1</sup>**



1. WfD participants include those who commenced a WfD placement in 1999. All allowees include those on Newstart and Youth Allowance during September 1999. Eligible job seekers shown here are those Newstart and Youth Allowance recipients aged less than 35.

Figure A4 shows the educational attainment profile of WfD participants, eligible job seekers (as defined above) and all allowees. The educational attainment levels of WfD participants were found to be similar to all allowees and eligible job seekers.

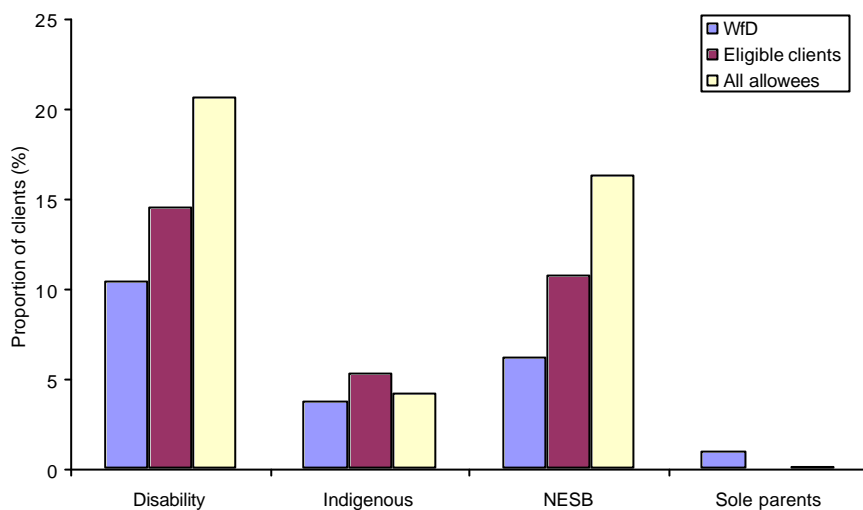
**Figure A4: WfD participants, eligible allowees and all allowees by educational attainment<sup>1</sup>**



1. WfD participants include those who commenced a WfD placement in 1999. All allowees include those on Newstart and Youth Allowance during September 1999. Eligible job seekers shown here are those Newstart and Youth Allowance recipients aged less than 35.

Figure A5 shows the equity group share of WfD participants, eligible job seekers (as defined above) and all allowees. Those with disabilities, indigenous job seekers and from a non-English-speaking background (NESB) appear to be under represented but this is almost entirely accounted for by the fact that most WfD participants are under 25 years of age while those with disabilities or from NESBs tend to be, on average, older.

**Figure A5: WfD participants, eligible allowees and all allowees by equity group<sup>1</sup>**



1. WfD participants include those who commenced a WfD placement in 1999. All allowees include those on Newstart and Youth Allowance during September 1999. Eligible job seekers shown here are those Newstart and Youth Allowance recipients aged less than 35.

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# Attachment B

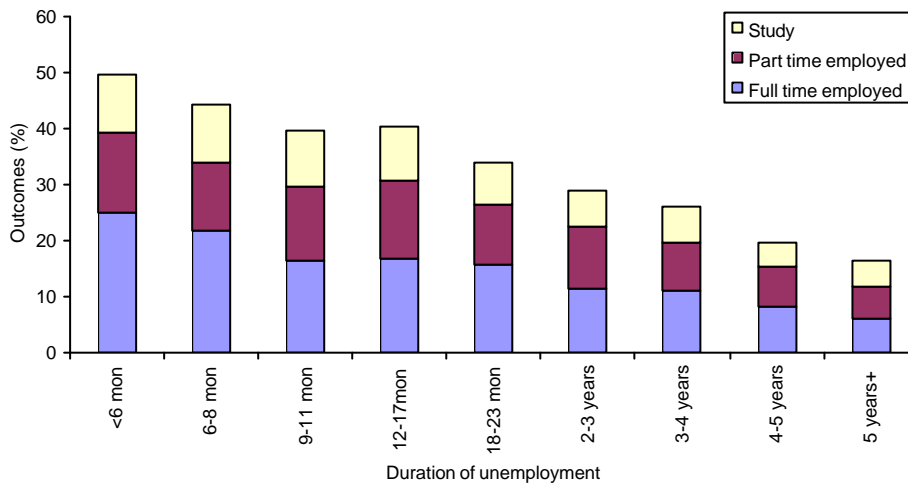
## Post Program Monitoring (PPM) outcomes

This section details PPM employment and education or training outcomes for WfD. PPM outcomes are collected through a survey of all participants. The survey is sent to participants three months after they leave the program and provide, for those who respond, information on participant's post program employment and education status. As the survey is ongoing, it allows for a more detailed examination of outcomes for differing job seeker groups than the Net Impact Study which was limited to those ceasing WfD placements in August 1999.

### Job seeker characteristics

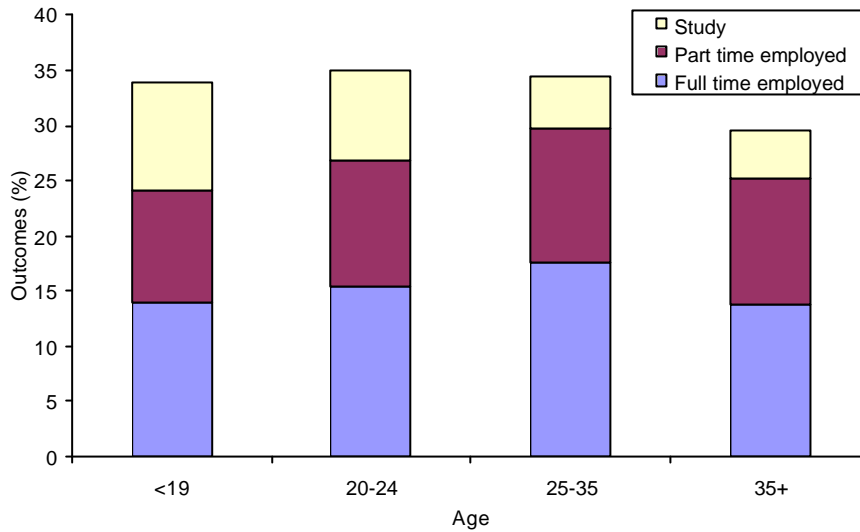
Figure B1 shows PPM outcomes by job seeker duration on benefit. While outcomes decline with duration on benefit, even the most disadvantaged job seekers with benefit durations of over five years still achieve outcomes.

**Figure B1:** *Positive outcomes by duration on benefit*



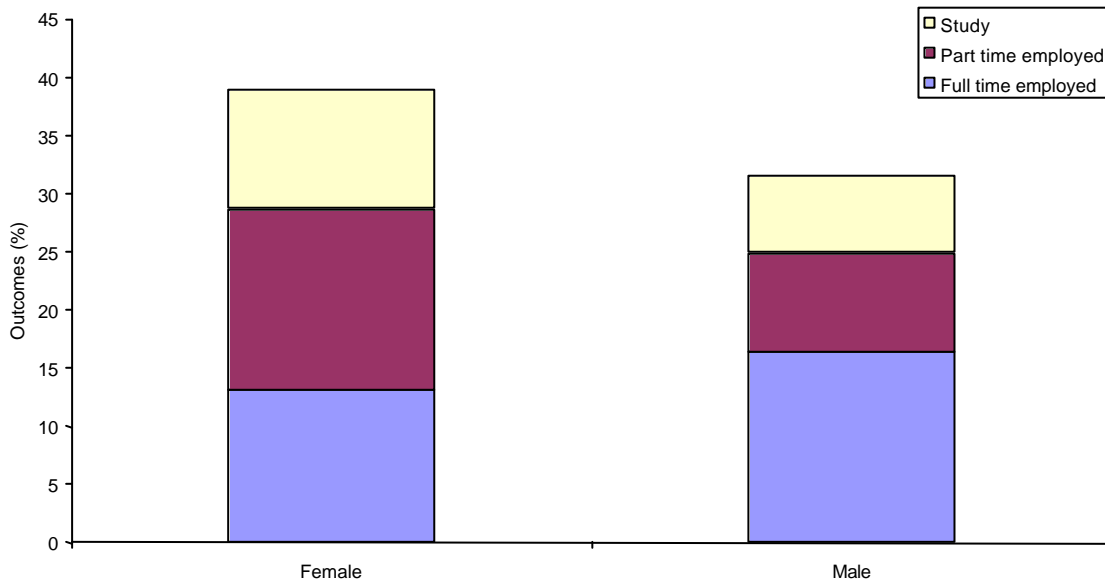
Positive outcomes were found to not vary significantly with age (Figure B2). It should be noted, however, that most WfD participants are under 25 years of age.

**Figure B2:** *Positive outcomes by age*



While males were shown to have lower overall outcomes, they were more likely to achieve full-time employment outcomes (Figure B3).

**Figure B3:** *Positive outcomes by gender*



As expected, young people with higher levels of formal education achieved higher outcome levels (Figure B4). Around 10 percent of participants possessed either a TAFE/Trade qualification or a degree/diploma (Attachment A).

**Figure B4:** *Positive outcomes by educational attainment*

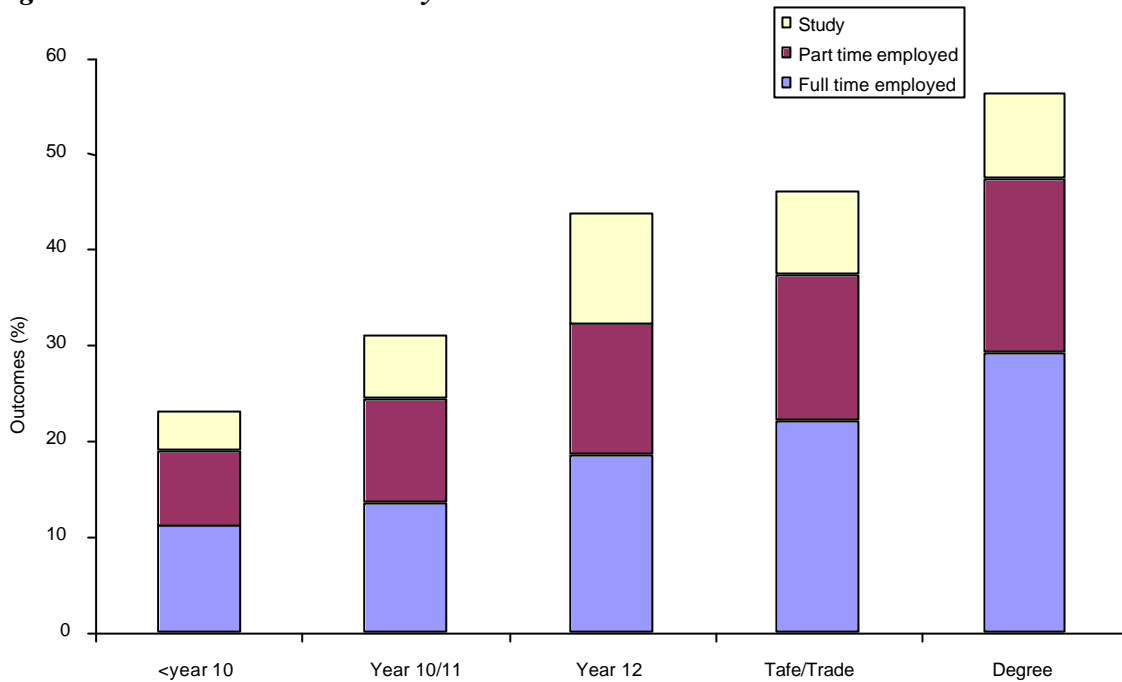
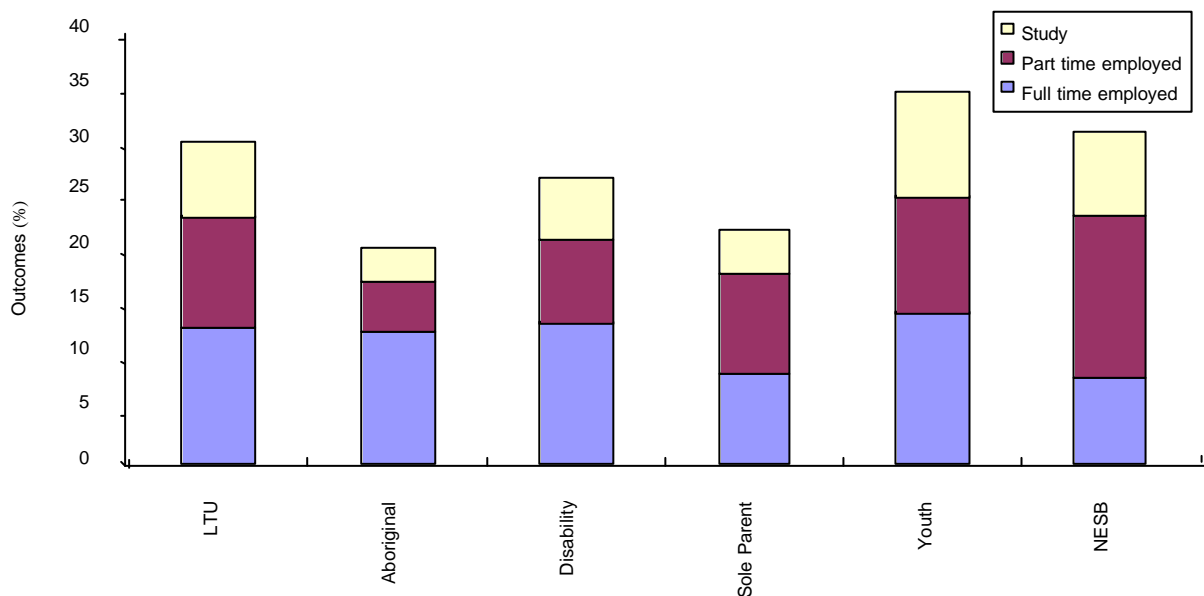


Figure B5 shows outcomes by equity group. As can be seen all equity groups achieve high outcomes, with the long term unemployed (LTU), youth and non-English-speaking background job seekers doing particularly well.

**Figure B5:** *Positive outcomes by equity group*

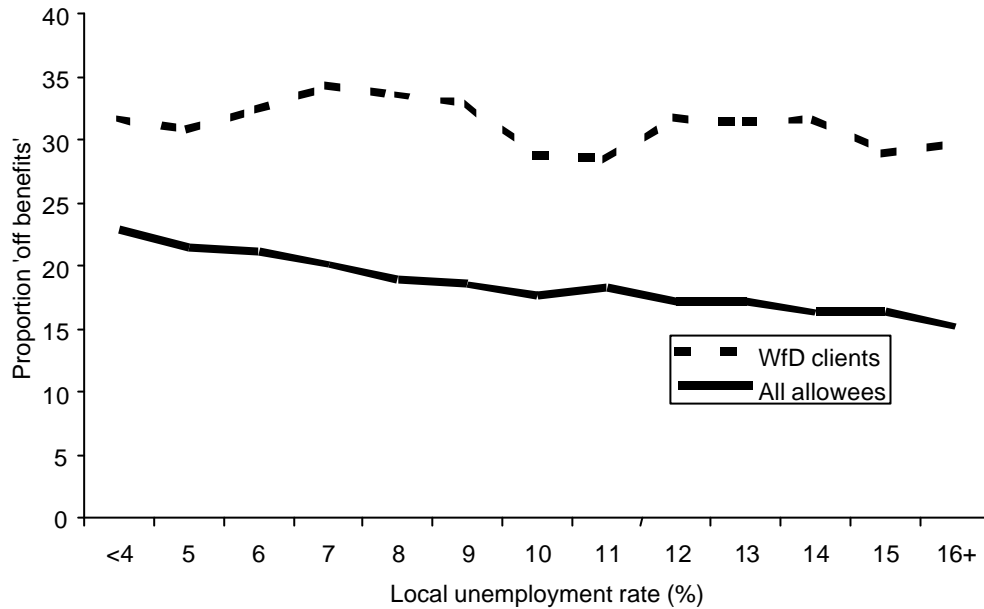


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## Local labour market conditions

Figure B6 compares off benefit outcomes for WfD participants and all allowees by the local unemployment rate. As can be seen, while outcomes for all allowees were lower in areas with a higher unemployment rate, WfD outcomes held up even in the most disadvantaged areas.

*Figure B6: Off benefit outcomes by local unemployment rate*



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## Attachment C

### Methodology for the net impact Work for the Dole study

The study compares the outcomes of WfD participants with those of a matched comparison group of allowees who had not participated in the WfD program. The research team followed the methodology used in the department's 1996 net impact study<sup>8</sup> to ensure maximum comparability between the results of the current WfD study and those published previously on Working Nation programs.

#### ***Outcomes for WfD participants***

WfD participant outcomes were obtained by matching program participation records with income support allowance records from the department's administrative systems. Outcomes relate to the 2100 job seekers who left WfD places during August 1999. The allowance status of these job seekers was determined on a monthly basis over the next five months. The majority of job seekers who leave benefits do so as a result of finding employment with the PPM survey finding that around 80 percent of WfD participants who achieved income support outcomes were in either employment or, to a lesser extent, study. While the reason other participants left benefits is not known, possible reasons include changes in family/living arrangements and job seekers leaving the labour market.

While there may be some impact from income support breaching, the vast majority of breaches are reduced rate breaches which do not remove job seekers from benefit. There are also slight timing differences between the survey which is typically responded to between 10 and 15 weeks after job seekers leave assistance and off benefit outcomes which are determined at 13 weeks. In addition to those who leave benefits, around 10 percent of former WfD participants were in part time-work while remaining on benefits.

Off benefit outcomes are derived from the department's administrative systems and are known for all those included in the study. Hence, no sampling error or response bias is present. This is not the case for survey-based studies as even with a census approach there will be a proportion of job seekers who do not respond to the survey.

#### ***Outcomes for the comparison groups***

The comparison group consisted of 2100 job seekers who were registered as receiving Newstart or Youth Allowance in August 1999. The allowance status of these job seekers was determined on a monthly basis over the next five months. Job seekers included in the comparison groups had not been referred to or participated in WfD at any time in the preceding six months. As with the program group the data are collected from administrative systems and off benefits outcomes are ascertained for all job seekers selected.

#### ***Matching of program and comparison groups***

In order to make reliable comparisons between the outcomes of participants and non-participants, it is essential that the two groups are matched on key criteria. For this study, the groups were matched on the basis of gender, age and duration on benefits.

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<sup>8</sup> DEETYA, *The Net Impact of Labour Market Programmes – Improvements In The Employment Prospects Of Those Assisted*, Evaluation and Monitoring Branch report 2/97.

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For other demographic characteristics, there are small differences between the program and comparison groups. These differences are not of a sufficient magnitude to have affected the survey findings. Regression analysis was employed to ascertain whether other job seeker characteristics have had an effect on the observed net impact.

The regression analysis included characteristics such as age, gender, duration on benefits, Aboriginal and Torres Strait Islander background, disability, non-English-speaking background, educational attainment, the local area unemployment rate and a variable indicating whether the job seekers had previously participated in Working Nation programs. The Working Nation program participation variable was included as a secondary proxy for duration of unemployment, to cover cases where long-term beneficiaries have had recent short-term employment. The regression analysis confirmed the results of the matched comparison group analysis.

### ***Employment surveys***

To measure the net impact of program participation on job seeker employment prospects a survey needs to be conducted to determine the labour force status of both a program and a control group. A survey of this type is currently being planned.

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## Attachment D

### Previous net impact studies

Studies of the extent to which programs may improve the job prospects of participants in comparison to those unemployed who are not assisted are reported in earlier Department of Employment, Education and Training (DEET) publications: Program Monitoring Report (December 1995 edition), An Evaluation of JobStart, Evaluation and Monitoring Branch 7/93; Evaluation of JobTrain, Evaluation and Monitoring Branch 4/93; SkillShare Evaluation; Evaluation and Monitoring Branch 5/93 and Net Impact Study of Job Clubs, Evaluation and Monitoring Branch 5/94.

### 1996 net impact survey

#### *Outcomes for program participants*

Program outcomes were obtained through the Post Program Monitoring (PPM) survey and by matching program participation records with Department of Social Security (DSS) allowance records. PPM estimates are obtained through a survey conducted three months after job seekers leave program assistance. Outcomes relate to job seekers who left assistance during the month of February 1996. These job seekers were surveyed during May and June 1996. Job seekers who had continued to a further DEET employment program within 12 weeks are not included in the PPM survey and are not included in the calculation of outcomes estimates. Job seekers included in the study were on a DSS allowance at the start of their placement.

#### *Employment outcomes of comparison groups*

The comparison groups consisted of job seekers who were registered as unemployed with the Commonwealth Employment Service (CES) at the end of February 1996. Registration details were extracted from Jobssystem, as was their DSS allowance status. This survey was conducted during May and June 1996 with a questionnaire similar to that used in PPM. In line with PPM, job seekers in employment program placements at the time of the survey were not included in the survey sample or the calculation of outcomes estimates. Job seekers included in the comparison groups had not received program assistance in the preceding six months. Job seekers included in the comparison groups were on a DSS allowance at the end of February 1996.

#### *Matching of program and comparison groups*

In order to make reliable comparisons between the outcomes of participants and non-participants, it is essential that the two groups are matched on key criteria. For this study, the groups were matched on the basis of gender, age (in five year groupings) and duration of unemployment (in two month groupings).

For other demographic characteristics, there are small differences between the program and comparison groups. Sensitivity analysis revealed that these differences were not of a sufficient magnitude to have affected the survey findings.

# Attachment E

## 1996 net impact study findings<sup>9</sup>

In 1996, CES job seekers were included in a PPM style survey designed to measure the difference between the employment levels of job seekers who received program assistance and those who did not. The survey included people receiving income support and registered as unemployed at the end of February 1996 who had not participated in programs in the previous six months and gathered information on their labour market status around three months later. The outcomes of these job seekers were compared with those of program participants who were on income support at the start of their placement and who ceased assistance in February 1996. Program participants and non-participant comparison group members were matched in terms of key characteristics.

Table E1 shows the unsubsidised employment outcome levels of former program participants and those of the matched non-participant comparison groups.

- As shown in Tables E2 to E6, three months after leaving assistance, participants in the JobStart, SkillShare, JobTrain, Job Clubs, JobSkills and New Work Opportunities programs had higher outcomes levels than non-participants.

### JobStart

Table E1 shows outcomes for JobStart participants and for a matched comparison group. Some 52 percent of JobStart participants were not receiving income support some three months after their JobStart subsidy ceased. This can be compared to just 21 percent of the comparison group having left assistance. In terms of job seekers who were off benefits and in employment, some 43 percent of JobStart participants achieved such an outcomes, compared to just 13 percent of comparison group members. On the other hand, the large improvements in the proportion of job seekers who were off benefits meant that JobStart participants were less likely to remain on benefits while achieving an employment outcome (generally part-time work).

Overall JobStart is shown to result in substantial improvements in outcomes, with the greatest improvements in the number of job seekers gaining real jobs that result in job seekers leaving income support.

**Table E1: JobStart - Comparison of participant and non-participant allowance status**

	Non-Participants %	JobStart Participants %	Difference Percentage Points
<b>Off Benefit</b>			
Unsubsidised employment	13	43	+30
Other	8	9	-1
Total off benefit	21	52	+31
<b>On Benefit</b>			
Unsubsidised employment	9	7	-2
Unemployed	70	41	-29
Total on benefit	79	48	-31
<b>Total Unsubsidised Employment</b>	<b>22</b>	<b>50</b>	<b>+28</b>

1. Outcomes data relate to job seekers who were registered as unemployed or who left program assistance in February 1996. Program participants were selected on the basis that they had been on income support at the start of their placement while the job seekers in the comparison group were on income support at the end of February 1996. Data are therefore subject to seasonal influences and can vary from annual program outcomes levels.

<sup>9</sup> This study was published in DEETYA 1997, The Net Impact of Labour Market Programmes

## SkillShare

Table E2 shows outcomes for SkillShare participants and for a matched comparison group. Overall, SkillShare is shown to result in slight improvements in outcomes, with the greatest improvements in the number of job seekers gaining part-time work while remaining on benefits. These gains must be considered in the light of the highly disadvantaged job seekers participating in SkillShare.

**Table E2: SkillShare - Comparison of participant and non-participant allowance status**

	<b>Non-Participants %</b>	<b>SkillShare Participants %</b>	<b>Difference Percentage Points</b>
<b>Off Benefit</b>			
Unsubsidised employment	14	15	+1
Other	8	8	0
Total off benefit	22	23	+1
<b>On Benefit</b>			
Unsubsidised employment	9	14	+5
Unemployed	69	62	-7
Total on benefit	78	76	-2
<b>Total Unsubsidised Employment</b>	<b>23</b>	<b>29</b>	<b>+6</b>

1. Outcomes data relate to job seekers who were registered as unemployed or who left program assistance in February 1996. Program participants were selected on the basis that they had been on income support at the start of their placement while the job seekers in the comparison group were on income support at the end of February 1996. Data are therefore subject to seasonal influences and can vary from annual program outcomes levels.

## JobTrain

Table E3 shows outcomes for JobTrain participants and for a matched comparison group. As with SkillShare, JobTrain is shown to result in slight improvements in outcomes, with the greatest improvements in the number of job seekers gaining part time work while remaining on benefits. These gains must be considered in the light of the highly disadvantaged job seekers participating in JobTrain.

**Table E3: JobTrain - Comparison of participant and non-participant allowance status**

	<b>Non-Participants %</b>	<b>JobTrain Participants %</b>	<b>Difference Percentage Points</b>
<b>Off Benefit</b>			
Unsubsidised employment	14	15	+1
Other	8	6	-2
Total off benefit	22	21	-1
<b>On Benefit</b>			
Unsubsidised employment	10	16	+6
Unemployed	69	63	-6
Total on benefit	79	79	0
<b>Total Unsubsidised Employment</b>	<b>24</b>	<b>31</b>	<b>+7</b>

1. Outcomes data relate to job seekers who were registered as unemployed or who left program assistance in February 1996. Program participants were selected on the basis that they had been on income support at the start of their placement while the job seekers in the comparison group were on income support at the end of February 1996. Data are therefore subject to seasonal influences and can vary from annual program outcomes levels. Off benefit net impact levels for JobTrain are reported in other sections of this report at the statistical upper confidence bound. This has the effect of slightly overstating the effectiveness of JobTrain in comparison to other programs.

## Job Clubs

Table E4 shows outcomes for Job Clubs participants and for a matched comparison group. Overall, Job Clubs is shown to result in substantial improvements in outcomes, with improvements spread between job seekers gaining full and part-time work.

**Table E4: Job Clubs - Comparison of participant and non-participant allowance status**

	Non-Participants %	Job Clubs Participants %	Difference Percentage Points
<b>Off Benefit</b>			
Unsubsidised employment	14	20	+6
Other	8	6	-2
Total off benefit	22	26	+4
<b>On Benefit</b>			
Unsubsidised employment	10	16	+6
Unemployed	68	58	-10
Total on benefit	78	74	-4
<b>Total Unsubsidised Employment</b>	<b>24</b>	<b>36</b>	<b>+12</b>

1. Outcomes data relate to job seekers who were registered as unemployed or who left program assistance in February 1996. Program participants were selected on the basis that they had been on income support at the start of their placement while the job seekers in the comparison group were on income support at the end of February 1996. Data are therefore subject to seasonal influences and can vary from annual program outcomes levels.

## JobSkills

Table E5 shows outcomes for JobSkills participants and for a matched comparison group. Overall, JobSkills is shown to result in substantial improvements in outcomes, with the greatest improvements in job seekers gaining real jobs that allow them to leave income support.

**Table E5: JobSkills - Comparison of participant and non-participant allowance status**

	Non-Participants %	JobSkills Participants %	Difference Percentage Points
<b>Off Benefit</b>			
Unsubsidised employment	11	22	+11
Other	9	12	+3
Total off benefit	20	34	+14
<b>On Benefit</b>			
Unsubsidised employment	8	8	0
Unemployed	72	57	-15
Total on benefit	80	65	-15
<b>Total Unsubsidised Employment</b>	<b>19</b>	<b>30</b>	<b>+11</b>

1. Outcomes data relate to job seekers who were registered as unemployed or who left program assistance in February 1996. Program participants were selected on the basis that they had been on income support at the start of their placement while the job seekers in the comparison group were on income support at the end of February 1996. Data are therefore subject to seasonal influences and can vary from annual program outcomes levels.

## ***New Work Opportunities***

Table E6 shows outcomes for New Work Opportunities participants and for a matched comparison group. As with JobSkills, New Work Opportunities is shown to result in slight improvements in outcomes, with the greatest improvements in job seekers gaining real jobs that allow them to leave income support.

**Table E6:** *New Work Opportunities (NWOs) - Comparison of participant and non-participant allowance status*

	<b>Non-Participants %</b>	<b>NWOs Participants %</b>	<b>Difference Percentage Points</b>
<b>Off Benefit</b>			
Unsubsidised employment	10	14	+4
Other	9	10	+1
Total off benefit	19	24	+5
<b>On Benefit</b>			
Unsubsidised employment	7	7	0
Unemployed	74	69	-5
Total on benefit	81	76	-5
<b>Total Unsubsidised Employment</b>	<b>17</b>	<b>21</b>	<b>+4</b>

1. Outcomes data relate to job seekers who were registered as unemployed or who left program assistance in February 1996. Program participants were selected on the basis that they had been on income support at the start of their placement while the job seekers in the comparison group were on income support at the end of February 1996. Data are therefore subject to seasonal influences and can vary from annual program outcomes levels.

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## List of acronyms

CES	Commonwealth Employment Service
DEET	Department of Employment, Education and Training
DEETYA	Department of Employment, Education, Training and Youth Affairs
DEWRSB	Department of Employment, Workplace Relations and Small Business
DSS	Department of Social Security
LEAP	Landcare and Environment Action Program
LTU	long-term unemployed
NESB	non-English-speaking background
NWOs	New Work Opportunities
PPM	post program monitoring
WfD	Work for the Dole