

Job Network evaluation

Stage two: progress report

Evaluation and Program Performance Branch

Labour Market Policy Group

Department of Employment, Workplace Relations and Small Business

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Executive summary

Background

In the 1996–97 Budget, the Federal Government announced a new framework for the delivery of labour market assistance. The new system was introduced on 1 May 1998 and represented a move to a more flexible system of delivering employment assistance. The Government's four key objectives in reforming employment assistance were to:

- Deliver a better quality of assistance to unemployed people, leading to better and more sustainable outcomes.
- Target assistance based on need and capacity to benefit.
- Address the structural weakness and inefficiencies inherent in previous arrangements for labour market assistance, and to put into effect the lessons learnt from international and Australian experience of labour market assistance.
- Achieve better value for money.

More than 300 government, community and private organisations were contracted to deliver employment services. Centrelink was established as the gateway to Job Network with responsibility for registering and classifying job seekers for Job Network services. The first contract period for Job Network ended in February 2000, at which time the Government introduced changes to improve services under the second employment services contract (ESC 2) for the period 28 February 2000 to 2 March 2003.

Scope of stage two of the evaluation

The Evaluation Strategy for Job Network, as endorsed by the Government in December 1996, includes three evaluation reports (DEETYA 1998). The first report (which was released in May 2000) covered the first 17 months of Job Network and was aimed primarily at assessing the implementation of Job Network together with early market experiences. The second (the current report) is a report on progress and covers the operation of Job Network over the whole of the first contract period (May 1998 to end-February 2000) and the early months of the second contract period (generally to September 2000). The third report, on the effectiveness of Job Network in securing sustainable employment for job seekers, is due to be finalised at the end of 2001.

The current report focuses on four key areas of interest with respect to the operation of Job Network:

- The development of Job Network.
- Access to assistance for different job seeker groups.
- The performance of Job Network in achieving outcomes for clients.
- The regional performance of Job Network.

The report should be read in conjunction with *Job Network evaluation stage one* which included a description of the services available under Job Network and the rationale for the changes to employment services.

Main findings

Stage two of the evaluation found that the overall performance of Job Network is encouraging. Preliminary evidence suggests that Job Network is having a positive impact on the post-assistance employment prospects of those assisted. Job Network is delivering better value for money than the previous labour market assistance arrangements. Specifically:

- Job Network has made further progress towards a competitive market by expanding the geographic coverage and competitive basis of its services. The number of sites increased by 54% overall, doubling outside capital cities. One hundred and ten sites deliver specialist services, around one-third of them servicing indigenous job seekers. Competition was introduced for the first time for Intensive Assistance tenders, protected by a minimum set price, and explicit bids for specialist services were available to provide greater choice in the provision of Intensive Assistance tailored to particular job seeker groups.
- Client flows into Job Network services have been significant, with more than one million job seekers referred to Intensive Assistance. Over 670 000 Job Matching placements have been effected over the period of the market examined in the report (May 1998 to September 2000). Participation rates for most job seekers are close to expected, in terms of their share of assistance compared to their share of the Job Network-eligible population, and their participation relative to the rate of participation in Job Network for all job seekers.
- Post-assistance outcome levels for Job Network services compare well with those of previous labour market programs. Three months after a Job Matching placement, 73% of job seekers were either employed (70%) or undertaking education and training, while three months after leaving Job Search Training or Intensive Assistance, the outcome rates for job seekers were 47% (38% employed) and 42% (35% employed) respectively. Outcomes for NEIS were 84%, with 81% employed.
- Preliminary estimates of the contribution that Job Network makes to post-assistance income-support status (its effectiveness) suggest a substantial net impact of about 10 percentage points for Intensive Assistance and a more moderate impact of three percentage points for Job Search Training. These net impact levels are similar to the average net impact levels of those programs operating in the mid 1990s that were replaced by Job Search Training and Intensive Assistance.
- Job Network is achieving outcomes and net impact at a substantially lower cost than previous labour market assistance arrangements, thus providing better value for money. Data on efficiency (unit cost and cost-per-outcome) indicate that the cost of assistance under Job Network is well below that of the previous regime and, across all programs, is less than the unit cost of assistance provided during the 1990s:
 - Job Search Training is delivered at about half the cost-per-job of Job Clubs.
 - The cost-per-job for Intensive Assistance is more than \$5000 lower than the average of the programs which it replaced.

The evaluation, however, has identified some areas where Job Network's operation could be improved. Not all job seekers are benefiting equitably from Job Network assistance and there is considerable variation in employment outcome rates between job seeker groups. Groups with consistently low outcome rates compared to others include older job seekers (aged 55–64), those

on unemployment allowances for more than two years, job seekers with less than year 10 education, indigenous job seekers and those with a disability.

Detailed findings

The development of Job Network

Since implementation in May 1998, Job Network has made considerable progress towards a competitive market. The second tender increased Job Network's geographic site coverage by 54%. Around 200 organisations are now contracted to provide employment assistance services from 2010 sites. The number of sites outside capital cities has almost doubled (from about 600 to 1100) and more than 250 localities (half of which are in regional and rural areas) have an employment service where none previously existed. Specialist services are offered in 110 sites, around one-third of them servicing indigenous job seekers.

A key objective of the second tender was to lift the performance of the market by retaining good performers from the first contract and supplementing those with new market entrants that had the potential to perform well. About 87% of the organisations contracted in the first tender round were contracted for the second. Increased competition and basing contracts on demonstrated performance have led to a significant shift in the composition of organisations delivering services. There was a considerable increase in the market share of community-based and charitable organisations and private sector organisations.

Competition was also strengthened through the introduction of price competition for Intensive Assistance bids, with quality protected by a set minimum total price and stronger accountability measures to improve the monitoring of service. Competitive tendering was also introduced for specialist services to provide greater choice in the provision of Intensive Assistance tailored to particular job seeker groups.

The transition period to the second contract appears to have had a negative impact on Job Network operations. The tender process was resource intensive, temporarily disrupted placement and referral activity and imposed an increased workload on Centrelink. While open tenders have advantages, these adverse implications raise questions about the appropriateness in the future of the use of a full tender as the best means of purchasing employment services from Job Network providers.

Market share

The evaluation report presents several measures to indicate the extent of market penetration of Job Network in accessing available vacancies (necessary to maximise the potential for outcomes for job seekers). Indicators are encouraging, although more informed judgements about Job Network's share of the market are not possible until time series data are available on a range of measures including:

- The share of vacancies lodged with Australian Job Search (AJS) compared to total job vacancies lodged as measured by the Australian Bureau of Statistics (AJS averaged 46% per month of total vacancies for 1999–00).
- AJS Internet vacancies as a proportion of total Internet vacancies (AJS represents 36% of the advertisements covered by the ANZ internet survey).

- The proportion of employers using Job Network (38% of employers recruiting in the year to June 1999).
- Job Network placement activity compared to total placement activity by employment placement businesses, as measured by the ABS (at 30 June 1999, Job Network comprised only 16% of employment placement businesses, but placed 64% of permanent employment placements and 10% of all placements in the year to end June 1999).

Trends in client flows

Client flows into the main Job Network services have been significant. Between May 1998 and September 2000:

- There have been a total of 676 600 Job Matching placements, of which 20% went to job seekers who were only eligible for Job Matching services. The 'Job Matching only' service was introduced in August 1998 and the proportion of 'Job Matching only' job seekers (31% in September 2000) has increased over time.
- More than 425 800 job seekers were referred to Job Search Training, an average of 23 100 per month for the six months to September 2000. The overall take-up rate (the number of clients commencing as a proportion of those referred) was 32%. This rate has declined over time, and stood at 22% in September 2000. Preliminary research shows that the main reason for job seekers not taking up Job Search Training was that they no longer met the requirements for continued income support—this includes job seekers who obtained employment between being referred and commencing in assistance.
- More than one million job seekers have been referred to Intensive Assistance. Of these, 66% commenced in assistance. The take-up rate for Intensive Assistance has also declined over time. In Intensive Assistance, however, the take-up rate appears to be influenced by the availability of other labour market assistance options such as the Community Support Program, Community Development Employment Projects for indigenous job seekers, the Department of Family and Community Services' funded disability employment services and other Mutual Obligation activities (such as Work for the Dole).
- More than 14 600 job seekers commenced the New Enterprise Incentive Scheme (NEIS). Commencement numbers averaged 6600 during 1999–00, compared to the annual average of 6800 over the period 1996–97 to 1998–99.

The volume of clients becoming eligible for assistance and the take-up rate (commencement to referral ratios) will influence the extent to which Job Network can meet placement and commencement numbers set for the second contract period. Recent data indicate that activity levels in Job Network may be lower than estimated. The extent to which this reflects stronger than anticipated labour market conditions in 1999–00 underlies the need for providers to be sufficiently flexible to be able to respond to changing market conditions.

Access to assistance

Participation rates for most job seekers are close to expected. Some job seeker groups, however, have participation rates either below their representation in the Job Network-eligible population or below their predicted participation rates. These groups include indigenous job seekers (whose participation rates in Intensive Assistance are lower than those for any other group of disadvantaged job seekers), youth, sole parents and job seekers in receipt of income support other than Newstart Allowance. Participation in Job Network is voluntary for job seekers not on income support (which includes many youth) and for those in receipt of non-activity-tested allowances (such as sole parents).

Indigenous job seekers

A survey of indigenous job seekers showed that Centrelink's role, as the gateway to Job Network is not well understood by many—only 8% of indigenous job seekers perceived that registering with Centrelink was useful in looking for work. Research findings demonstrate the importance of services that are culturally appropriate. Access to indigenous staff or staff who were sensitive and familiar with indigenous communities was important, particularly for job seekers living in remote locations and in communities. Within Centrelink, responsiveness to cultural and personal circumstances and the competence of staff in classifying job seekers and explaining information (eg, using indigenous-specific information sessions) are critical service factors.

There is scope for improvement in indigenous job seeker servicing, especially post-referral follow-up (including those who do not commence) and post-placement support. Building relationships between Job Network and indigenous communities (including local Community Development Employment Projects) would help facilitate greater awareness and understanding of Centrelink's role and Job Network services.

Performance in achieving outcomes

The performance of Job Network to date has been assessed in this report by examining outcome measures, together with preliminary estimates of effectiveness and efficiency. A more comprehensive analysis will be available for the third stage of the evaluation.

Post-assistance outcomes

Preliminary post-assistance outcome levels for Job Network services compare well with those of previous labour market programs. Three months after a Job Matching placement (between March and June 2000), 73% of job seekers had achieved a 'positive' outcome, ie, were either employed (70%) or in education and training. For Job Search Training and Intensive Assistance, post-assistance positive outcome rates for those who left assistance between May 1998 and June 2000 were 47% (38% employed) and 42% (35% employed) respectively. The positive outcome rate for NEIS in this period was 84%, with 81% employed.

A comparison of shares of job seekers leaving assistance with shares of outcomes shows that these shares are broadly similar for most job seeker groups. There is considerable variation, however, in the outcome levels for different job seeker groups and some groups have consistently lower outcomes than other job seekers across all services. These include older job seekers (aged 55–64), those on unemployment allowances for more than two years, job seekers with less than year 10 education, indigenous job seekers and those with a disability.

Effectiveness

Effectiveness is measured by assessing what extra outcomes were achieved from participating in assistance, compared to the experience of a comparison group of similar job seekers who were not involved in assistance. The difference in outcomes achieved provides a measure of the net impact of assistance. Preliminary estimates of net impact for Job Search Training and Intensive Assistance have indicated that Job Network is having a positive impact on the post-assistance employment prospects of those assisted. These are comparable to levels experienced under employment programs operating prior to Job Network (under the banner of *Working Nation*).

- Off-benefit outcomes (the proportion of job seekers moving off unemployment allowances) for Intensive Assistance participants averaged over 31%, compared with a little over 21% for the comparison group—a net impact of around 10 percentage points.

- Job Search Training participants achieved an off-benefit outcome rate of just under 27% compared to under 24% for the comparison group—a net impact of about three percentage points.
- The average income-support net impact of the labour market programs replaced by Intensive Assistance was about 10 percentage points in 1996 and the income-support net impact of Job Clubs (that offered a similar type of assistance to Job Search Training) was estimated to be four percentage points in 1996.

The report examined a number of factors that may contribute to net impact—an analysis of the types of services offered by high-performing and low-performing providers and an analysis of activities and attitudes among Intensive Assistance participants, relative to their length of time in assistance.

Successful Job Search Training providers were more likely to provide assistance in preparing for interviews and to send job seekers to interviews to speak to employers than other providers. High-performing providers of Intensive Assistance were more likely to use training in job search skills than training in job specific skills. Again, the focus on interviews was stronger and associated with greater outcomes. High-performing providers also tended to have more success in improving job seekers' self-confidence.

Preliminary research into the variation in outcome levels for Intensive Assistance participants examined the impact of efforts to find work, attitudes to looking for work and to Intensive Assistance, and the frequency of contact between job seekers and their employment officer. This analysis indicated that optimism, motivation, job selectivity, attitudes to work and the extent of pro-active job search all contribute to differential outcome levels between job seeker groups. The distribution of outcomes by time in assistance and the change over time in the pattern of job search activities by Intensive Assistance participants suggests there is the potential for some disadvantaged job seekers to increase their job search activities and that some Job Network members could focus additional efforts in the second half of Intensive Assistance.

Efficiency

The performance of Job Network may also be assessed in terms of its efficiency with regard to the cost of assistance. The cost-per-participant (unit cost) was \$200, \$425 and \$2260 for Job Matching, Job Search Training and Intensive Assistance respectively. Costs-per-employment outcome are \$290 for Job Matching, \$1130 for Job Search Training and \$6200 for Intensive Assistance. Comparing the estimates for Job Search Training and Intensive Assistance to costs applying under the programs replaced by Job Network shows that:

- Job Search Training is delivered at about half the cost-per-job of Job Clubs (which offered a similar type of assistance).
- The cost-per-job for Intensive Assistance is, in real terms, more than \$5000 lower than the average of the major labour market programs operating in 1995–96 that it replaced.

Regional performance of Job Network

Performance variation between regions is closely related to the characteristics of job seekers in the local area and the strength of the local labour market. The report found regional variation in the application of the JSCI; coverage of services; participation in Job Network; and in measures of outcomes and effectiveness.

Variation in participation in the three main Job Network services reflects different labour market conditions and differences in the characteristics of job seekers at these locations. Take-up rates are lower in rural and remote areas. These results may reflect the greater difficulty the job seekers in these locations have in accessing Job Network. There are, however, a number of exceptions to the general trend of lower take-up in rural and remote areas that suggest that wider considerations may be at work than issues of access alone.

A preliminary net impact study of Intensive Assistance, to assess regional effectiveness of Job Network, showed some regional variation in effectiveness. For Intensive Assistance, strong labour markets such as Sydney, Brisbane and Perth appeared to do somewhat better than weaker labour markets such as South Australia and Tasmania. These findings contrast with a separate study into the effectiveness of Work for the Dole, which found net impact to be greater in weaker labour markets (DEWRSB 2000h).

Issues for the future

The overall performance of Job Network since its introduction in May 1998 is encouraging. This evaluation has also raised a number of issues worthy of consideration in the context of its future operation. These include:

- The appropriateness of the use of a full tender (global tendering) in the allocation of future business to Job Network providers. Owing to the uncertainty of prospective business volume and sizeable transition costs in the move to ESC 2, the use of global tendering has had a significant impact on placement and referral performance in the early months of ESC 2. DEWRSB is undertaking a review of the tendering process to identify the optimal approach to apply in the future.
- The extent to which business levels can be met from the available job seeker pool especially in a climate of good economic and labour market conditions. Trends in inflows and take-up of Job Search Training and Intensive Assistance indicate that there may already be some difficulty in meeting business levels in some areas. Economic conditions and take-up rates are not the only factors influencing whether business levels are maintained. Provider performance, eligibility changes and provider capacity are also relevant.
- The possibilities for increasing the effectiveness of Intensive Assistance. The pattern of outcomes and activity levels for those who remain in assistance longer—who tend to be the more disadvantaged job seekers—suggest that there may be scope to adopt strategies to increase net impact by increasing outcome levels for these disadvantaged job seekers. Further research is required into the distribution of outcomes and its implications for Intensive Assistance.
- The effectiveness of Intensive Assistance in stronger labour markets. Preliminary evidence suggests that effectiveness is somewhat greater in stronger labour markets. This prompts questions about the relative effectiveness of Intensive Assistance under more depressed economic conditions (eg, if there were an economic downturn). This, combined with the more general finding that local labour market conditions have a significant influence on a number of Job Network performance measures (including take-up rates), may have implications for the operation of Job Network where job seekers do not have access to strong labour markets.

1 Introduction

This report is stage two in a three-stage evaluation of Job Network (DEETYA 1998). The first evaluation report (*Job Network evaluation stage one*), released in May 2000, assessed the implementation of Job Network and early market experience (DEWRSB 2000c). A third report of the evaluation is expected to be completed by December 2001 and will provide a comprehensive assessment of the effectiveness of Job Network in improving the employment prospects of job seekers on a sustainable basis.

1.1 Scope of the report

Stage two of the evaluation examines Job Network's operation over the whole of the first contract period and the early months of the second (to September 2000). The report focuses on four areas:

- *Job Network development*: this includes allocation of business following the second tender round, and a comparison of the first Employment Services Contract (ESC 1) and second Employment Services Contract (ESC 2) rounds. It also includes an overview of trends in placements, referrals and commencements in Job Network services and usage of Job Network by employers.
- *Access to assistance*: this is a key equity indicator. The report examines who is getting assistance and the type of assistance being received. Administrative data and a survey of indigenous job seekers are the primary sources of information. This part of the report also includes a preliminary analysis of what happens to job seekers who are referred to but do not commence Job Search Training.
- *Performance*: there is now more information on outcomes than was available for the stage one report, including preliminary estimates of the net impact of Job Search Training and Intensive Assistance. This part of the report also examines the intensity of Intensive Assistance, based on data from a survey of Intensive Assistance participants and providers, supported by administrative information. Also reported are the numbers flowing through Intensive Assistance, service quality issues and the type of activities undertaken by job seekers.
- *Regional performance of Job Network*: this was an area highlighted for further research in the stage one report. The analysis in this report uses employment service areas as the basis for a comparison of referrals, commencements, placements, service quality and outcomes across regions. Also assessed are the extent to which regional performance is a function of service availability, the labour market, job seeker characteristics and other factors.

The main data sources for this stage of the evaluation are described in Attachment A.

1.2 Related review and research activity

A number of other reviews and evaluations, either under way or planned, are relevant to the future operation of the services delivered through Job Network. These include:

- Reform of Australia's welfare system, including the government's response to the report of the Reference Group on Welfare Reform released in August 2000, *Participation Support for a More Equitable Society* (the McClure report). The government's initial response to the McClure report was made in December 2000 (FaCS 2000a); detailed changes to current employment assistance arrangements foreshadowed there are expected to be considered in the 2001–02 Budget.

- A review of Australia's labour market by the OECD which commenced in October 2000. The review is examining Australia's labour market strategies to reduce unemployment, with particular emphasis on labour market assistance through Job Network.
- The government's response to the report *Age counts: An inquiry into issues specific to mature-age workers* (the Nelson report) by the House of Representatives Standing Committee on Employment, Education and Workplace Relations 2000.
- A proposed independent review of the Job Network policy framework planned to commence this year. This review is foreshadowed in the Evaluation Strategy for the Employment Services Market (DEETYA 1998).
- An inter-agency review of the objectives, design and administration of the Community Support Program, which is due to be completed in early 2001.
- Research and evaluations being conducted by the Department of Family and Community Services (FaCS), including:
 - Welfare Reform Pilots of mature-age workers, the very long-term unemployed and workless families (FaCS 2000c).
 - An evaluation of the effectiveness and appropriateness of activity-test arrangements. The findings of this evaluation are expected to be available in 2001.

2 Development of Job Network

Job Network began operating in May 1998. The first contract period lasted until end-February 2000, at which time the second contract period came into effect. This section of the report examines the nature of changes that took place in the way Job Network was to operate over the second contract period, the transition from the first to second contract periods, the allocation of business following the second tender, the range of public, private and community organisations operating in Job Network and participation by job seekers and employers.

2.1 Changes to Job Network for the second contract

The government introduced a number of changes to Job Network to improve its services for the second contract. These included:

- Changes in the regional labour market structure to improve the geographic coverage of Job Network services. The 29 regions that applied under the first contract were replaced with 19 regions, whose boundaries closely align with those of Centrelink Customer Service Centres and of the Australian Bureau of Statistics labour force regions (DEWRSB 1999a). Each labour market region was divided into a number of employment service areas (ESAs)¹ to improve administration and provide greater scope for tenderers to price their bids to reflect local labour market conditions. Prospective tenderers were able to price their bids at the ESA level, except in the case of the major metropolitan regions of Adelaide, Brisbane, Melbourne, Perth and Sydney, where a uniform price applied across all ESAs within the region.
- To facilitate greater flexibility in the way Job Network members operate, the *Management Information Guide* was replaced by *Policy Interpretation Information*. Feedback in 1999 from Job Network members suggested that the guide was interpreted too rigidly and inhibited flexibility. It was no longer considered to be as useful as it had been when Job Network was being established during the middle of 1998.
- Provision was made to allow Intensive Assistance providers to bid to specialise and deliver services to specific client groups only. This change recognised that some groups of job seekers experience particular needs best addressed by organisations with relevant skills and strategies. Tenderers bidding to provide Intensive Assistance services to a specific client group were required to show that there was a need for such a specialist service.
- To increase competition, bidding for Intensive Assistance was made price-competitive. This meant that tenderers could submit bids that reflected the needs of local job seekers and labour markets. To maintain an emphasis on quality and ensure potential providers did not under-cost proposed services and thereby encounter difficulties meeting commitments, a minimum total price for Intensive Assistance was set by DEWRSB.
- Intensive Assistance funding was changed from a three-tier system to one with two levels (levels A and B) to simplify both the classification of job seekers and the administrative arrangements for paying providers to service these job seekers. The revised fee structure assigned 30% of a provider's competitive bid to an up-front fee and 70% to an interim outcome payment. Final outcome payments were set at a fixed level in the tender (DEWRSB 1999b).

¹ There are 137 ESAs. ESAs generally consist of one or more Centrelink regions (DEWRSB 1999a).

Other changes strengthened accountability measures to ensure that job seekers received Intensive Assistance services tailored to their needs. These measures included: a Job Network member's Declaration of Intent; an Intensive Assistance Support Plan² (in addition to the activity agreement) with job seekers who had not been placed in employment or education in the first 13 weeks of assistance or who had not achieved an outcome within 26 weeks of assistance; and a requirement for providers to record all contacts with job seekers. An outcome fee for Job Search Training was also introduced.

A further change affecting Job Network is the introduction in July 2000 of Preparing for Work Agreements, which replace activity agreements. All job seekers registering with Centrelink for unemployment allowances are required to sign a Preparing for Work Agreement, which is tailored to an individual's needs and will include activities designed to improve a job seeker's chance of finding work. Following referral to Job Search Training or Intensive Assistance, job seekers and their providers renegotiate the agreement.

The impacts for some of the changes will only be measurable in the longer term. As a consequence, the current evaluation of second round changes is limited. A more comprehensive analysis of these changes is intended in the third stage of the evaluation.

2.2 Transition to the second Job Network contract

2.2.1 Transition overview

The first contract period applied from 1 May 1998 to 27 February 2000.³ In mid-1999 tenders were called for the second contract period for the delivery of all Job Network services.⁴

The challenge for the government, when planning the transition from Employment Services Contract 1 (ESC 1) to Employment Services Contract 2 (ESC 2), was to design and implement arrangements that would ensure services to both job seekers and employers were maintained. To facilitate as smooth a transition as possible, DEWRSB undertook regular consultation with both Centrelink and Job Network members.

The transition process was designed to accommodate three broad objectives. These were:

- To limit any adverse impact on job seekers, Job Network members and employers.
- To minimise the impact in terms of human and financial resources on the service arrangement with Centrelink.⁵
- To maintain the transparency and probity of the second Job Network tender.

2.2.2 Business allocation

Successful tenderers for the second contract period were offered contracts in December 1999.⁶ Contracts started on 28 February 2000 and operate until 2 March 2003. Almost 200

² The Declaration of Intent is part of a Job Network member's contract and provides a summary of the services the Job Network member expects to provide to job seekers referred for Intensive Assistance. The Intensive Assistance Support Plan is negotiated and signed between the job seeker and the Job Network member. It outlines activities and assistance Job Network members will provide.

³ The first contract was originally planned to cover the period 1 May 1998 to 30 November 1999, but was extended as part of an adjustment package introduced in late 1998.

⁴ As well as Job Matching, Job Search Training, Intensive Assistance and NEIS, the first employment services contract included New Apprenticeship Centres. The administration of New Apprenticeship Centres became the responsibility of the Department of Education, Training and Youth Affairs after Machinery of Government changes in October 1998.

⁵ Known as the Business Partnership Arrangement.

organisations were contracted to deliver services from 2010 sites⁷ (including 328 outreach⁸ sites). While the total number of organisations delivering Job Network services has declined for ESC 2, there has been an increase of 54% in the number of sites delivering services (Table 2.1). The number of sites delivering all four main services (Job Matching, Job Search Training, Intensive Assistance and the New Enterprise Incentive Scheme (NEIS)) has also increased.

Table 2.1: Job Network services by number of organisations and locations

| Job Network Service | Employment Services Contract 1 ¹ | | Employment Services Contract 2 ² | | Percentage change | |
|--------------------------|---|--------------|---|--------------|---------------------|-----------|
| | Job Network members | Sites | Job Network members | Sites | Job Network members | Sites |
| Job Matching | 223 | 1 113 | 168 | 1 679 | -25 | 51 |
| Job Search Training | 112 | 424 | 93 | 647 | -17 | 53 |
| Intensive Assistance | 125 | 745 | 121 | 1 119 | -3 | 50 |
| NEIS | 62 | 201 | 51 | 346 | -18 | 72 |
| Total³ | 262 | 1 309 | 196 | 2 010 | -25 | 54 |

1 As at February 2000.

2 As at 31 July 2000.

3 Two existing and two additional provider organisations were also contracted to deliver Job Network services following the fee for service tender in the second round. These contracts operate in six ESAs.

Source: Integrated Employment System

The allocation of business in ESC 2 reflected to a large degree the performance of providers in ESC 1. About 87% of contracted organisations from ESC 1 were also contracted for ESC 2. Significant changes occurred, however, in the allocation of Job Network business in relation to types of organisations involved, changes within the providers themselves,⁹ and in specialist services and regional coverage. The market share of community-based, charitable and private sector organisations increased significantly. At the time contracts were offered the Minister for Employment Services noted:

“Community-based and charitable organisations comprised about one-third of Job Network 1—but will be nearly half of Job Network 2. The private sector also expands from about a third to nearly half the Job Network.”

Specialist services

As noted earlier, specialist services have been given greater emphasis in ESC 2. In ESC 1, a provider whose assistance focussed on a particular client group was regarded as a provider of specialist services. Specialists covered the four main Job Network services (Job Matching, Job Search Training, Intensive Assistance and NEIS) and could assist job seekers from outside their group of interest. For ESC 2, potential specialist providers were required to bid explicitly for specialist services and the successful bidders were contracted to provide services to specific groups of job seekers. Specialist services only apply to Intensive Assistance and providers do not receive payment if they offer Job Network services to job seekers from outside their speciality. Specialists do not have access to job seekers referred through the automated referral process¹⁰. In making the decision to bid for specialist services, tenderers were required to balance the loss of access to auto-referrals against the potential benefits of servicing a specific

⁶ A second round of offers was made in April 2000 to a number of providers in areas where Job Network business had not been successfully tendered for.

⁷ This figure differs from the announcement of providers on 28 February, due to site closure and other factors.

⁸ These are not permanent sites but operate monthly, seasonally or as the need arises. They include 251 Job Matching sites, 164 for Intensive Assistance, 67 for Job Search Training and 78 NEIS sites.

⁹ Including gains and losses to market share for continuing organisations and changes to site addresses and personnel.

¹⁰ The automated referral process was introduced in March 1999 in response to low levels of referrals reported by Job Network members in some areas. See *Job Network evaluation stage one* for a discussion on the automated referral process.

client group. As arrangements for the provision of specialist services are now quite different between ESC 1 and ESC 2, it is not readily feasible to compare the number of specialist providers or the number of sites from which these services are offered.

Concerns were raised in the stage one evaluation about the level of access of indigenous job seekers to Job Network and the quality of services provided to those who gained access. More than one-third of the sites currently offering specialist Intensive Assistance services do so for indigenous job seekers (Table 2.2). Services to job seekers with a disability and to those from a non-English-speaking background are also prominent among specialist services under ESC 2.

Table 2.2: Number of specialist contracts by service type, Employment Services Contract 2¹

| Specialist service | Number | |
|---|--------------------------|------------|
| | Job Network Contracts | Sites |
| Indigenous Australians | 11 | 41 |
| People from a non-English-speaking background | 5 | 29 |
| People with a disability | 11 | 24 |
| Young people | 5 | 11 |
| People living with HIV/AIDS | 2 | 4 |
| Substance abuse | 1 | 1 |
| Total | 35 | 110 |

¹ As at 31 July 2000.

Source: Integrated Employment System

Regional coverage

The tendering arrangements and regional structure for Job Network were also changed for the second tender round to encourage greater regional coverage. The government emphasised in announcing conditional offers to prospective tenderers (3 December 1999) that, “more than 300 new Job Network sites (including outreach sites) will be established in towns that currently do not have a regular Job Network presence”.¹¹ While the overall increase in Job Network sites was 54%, the number of non-capital city sites nearly doubled from 600 to 1100 (Table 2.3). In four regions—Riverina, Western New South Wales, Greater Western Australia and Northern Territory—the number of sites more than doubled. Only in the ACT did the number of sites fall (by two, or 9%).

Chapter 5 of this report focuses on regional coverage and its relationship with Job Network regional performance. It examines, in particular, the balance between local demand for services and their availability, and the extent to which increased coverage in the second contract period has facilitated access to assistance.

2.2.3 Issues arising from the transition

The stage one evaluation report raised the question of whether a full open tender process would continue to be the most effective way to allocate business to Job Network providers in a maturing market (DEWRSB 2000c). It queried whether alternatives, such as extending contracts for high-performing providers, would reduce the disruption to job seekers midway through assistance resulting from a turnover of providers, and also whether it would lower the cost of tendering.

¹¹ Joint media release by the Hon John Anderson MP, Minister for Transport and Regional Services; The Hon Tony Abbott MP, Minister for Employment Services; and Senator the Hon. Ian Macdonald, Minister for Regional Services, Territories and Local Government.

Table 2.3: Employment Services Contracts 1 and 2 sites by Labour Market Regions¹

| Labour Market Regions | Number of sites | | Percentage change |
|---------------------------------|-----------------|---------------|-------------------|
| | Job Network 1 | Job Network 2 | |
| New South Wales | | | |
| Sydney | 200 | 239 | 20 |
| Hunter and North Coast | 90 | 140 | 56 |
| Illawarra and South East NSW | 49 | 92 | 88 |
| Western NSW | 76 | 172 | 126 |
| Riverina | 33 | 74 | 124 |
| Victoria | | | |
| Melbourne | 191 | 279 | 46 |
| Western Victoria | 69 | 107 | 55 |
| Eastern Victoria | 62 | 85 | 37 |
| Queensland | | | |
| Brisbane | 133 | 188 | 41 |
| Southern Queensland | 42 | 69 | 64 |
| Central and Northern Queensland | 54 | 96 | 78 |
| Western Australia | | | |
| Perth | 61 | 80 | 31 |
| Southern Western Australia | 33 | 49 | 48 |
| Greater Western Australia | 28 | 70 | 150 |
| South Australia | | | |
| Adelaide | 59 | 84 | 42 |
| South Australian Country | 45 | 71 | 58 |
| Northern Territory | 14 | 33 | 136 |
| ACT | 22 | 20 | -9 |
| Tasmania | 48 | 62 | 29 |
| Total | 1309 | 2010 | 54 |

¹ As at 31 July 2000.

Source: Integrated Employment System

Open tender rounds do have some advantages. They allow new entrants into all areas of the market and help prevent existing providers from becoming complacent because of an expectation of continuing business. All providers are required to win all business on merit. Indeed, contestability through Job Network's open tender process has resulted in substantial increases in the number of sites delivering employment services compared to previous arrangements under the CES, for both first and second contract rounds. Moreover, rewarding high performance providers by awarding additional business has also improved the potential performance of the market. Thus, the average performance of those providers in ESC 1 that gained contracts in ESC 2 was some 25% higher than the overall average performance of providers in the first contract.

There are, however, some disadvantages of large-scale tendering. The two employment service tenders conducted so far have been complex and resource-intensive. Such processes carried out on a large scale are also disruptive. Areas where Job Network's operations have been disrupted by this process include:

- The provision of services to job seekers whose providers did not win business in the new contract. The number of job seekers in this category was higher than anticipated for the second tender, because the number of existing providers not continuing business was higher than expected. Planning for this is difficult. The time taken to conduct the tender exacerbates the impact on both job seekers and providers.
- Business planning for Job Network members. There was uncertainty because of delays between bids and the awarding of contracts, and also because providers needed to negotiate

leases for office premises and to recruit and train staff. This can affect the quality of service to ongoing clients as well as delay effective servicing of new clients.

- A reduction in the operation of job seeker choice. This occurs when a job seeker's provider of choice loses business at the end of a contract period.

The transition process also imposed an increased workload on Centrelink, which had to communicate changes with job seekers and other stakeholders, and affected referrals and placements (discussed in Section 2.3). Extra costs have also arisen from additional up-front fees payable for job seekers continuing in Intensive Assistance, but commencing with another provider.

These considerations point to the merits of considering alternatives to open tenders that maintain the advantages of tendering, yet reduce its cost and disruption to the market. Any such alternatives would, of course, need to ensure transparency and probity in the awarding of government contracts, the retention of quality providers in the market, the attraction of new, potentially good performers and fostering of new service initiatives. DEWRSB is undertaking an internal review of the second employment services tender to find out the best purchasing arrangements for contracting services beyond March 2003.

2.3 Participation in Job Network

2.3.1 Job Matching

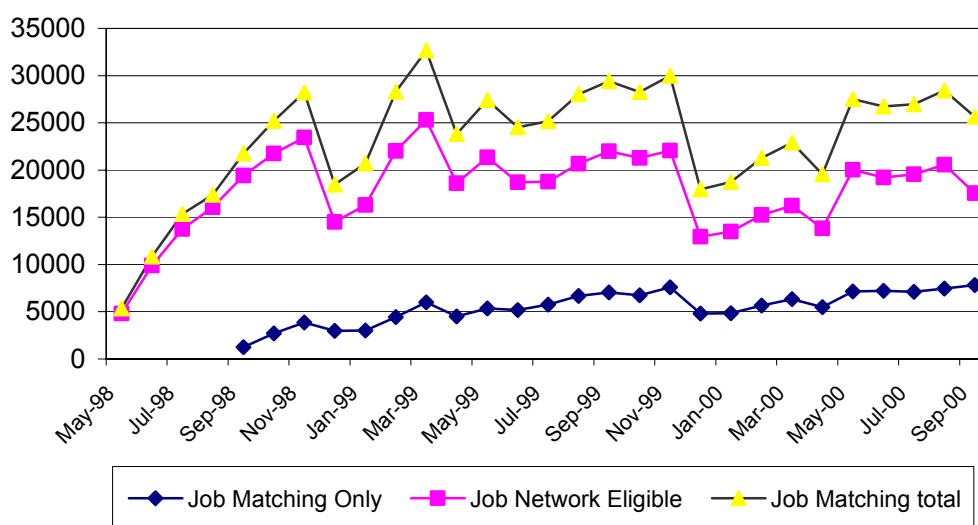
Since the start of Job Network there has been a total of 676 600 Job Matching placements. These include 519 300 placements (76.8%) of job seekers on income support and unemployed youth, and 137 100 placements (20.3%) of clients who are only eligible for Job Matching services (generally job seekers not on income support).¹² The proportion of placements going to 'Job Matching only' job seekers has increased over time.¹³ In September 1999, 'Job Matching only' job seekers comprised 23.9% of placements, rising to 30.5% in September 2000 (Figure 2.1).

Placement activity appears to have been affected by the change from ESC 1 to ESC 2. Activity levels between December 1999 and April 2000 were lower than those for the period December 1998 to April 1999. While seasonal factors lower activity levels around Christmas and the New Year, the large decrease from December 1999 compared to the previous year suggests some impact of the transition process.

For ESC 2, the Government budgeted for 400 000 Job Matching placements a year. To achieve this, Job Matching places need to average about 33 000 per month. Placements for the six months to September 2000 have averaged 25 800 per month (Figure 2.1).

¹² In August 1998, Job Matching was extended to job seekers working up to 15 hours a week who are not in full-time education, those aged over 20 who are not receiving income support, people with redundancy packages and working partners. This service is referred to as "Job Matching Only". The percentages quoted do not add to 100 because the total includes apprenticeships and traineeships. See Chapter 3 for a definition of eligibility for all Job Network services.

¹³ For a discussion of the issues on job seekers eligibility for Job matching see DEWRSB 2000c.

Figure 2.1: Job Matching placements¹, May 1998 to September 2000

1 Total includes apprenticeships and traineeships.

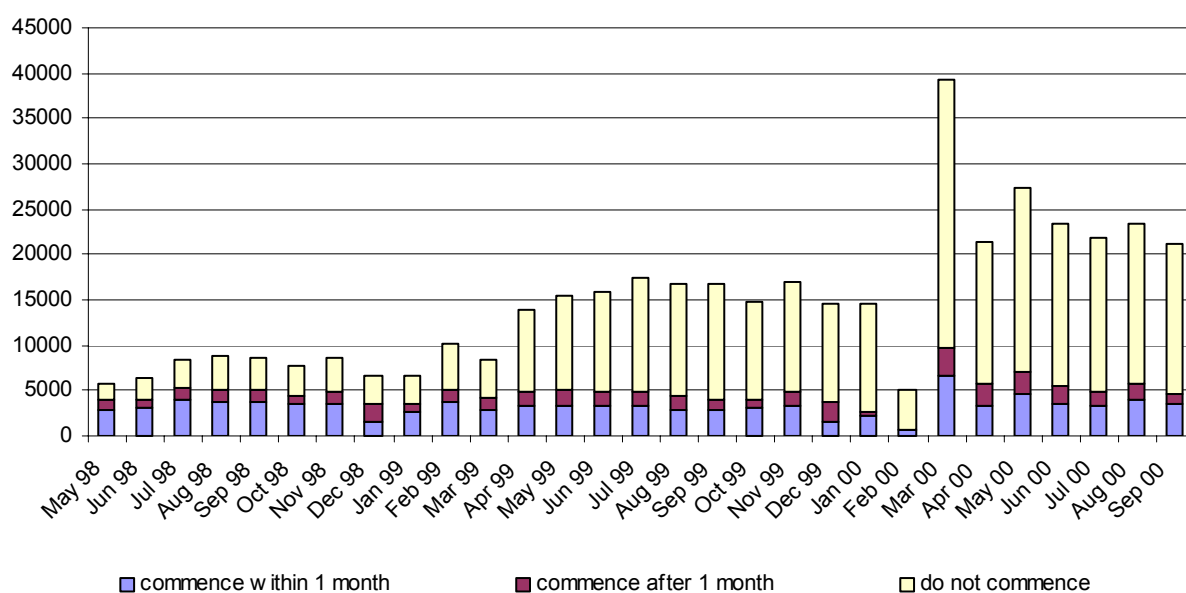
Source: Integrated Employment System

2.3.2 Job Search Training

More than 425 800 job seekers were referred to Job Search Training between May 1998 and September 2000. Of these, 136 200 (32.0%) commenced. The commencement to referral rate has declined over time and for September 2000 was 22.0%. Most (almost 70%) of those who commenced did so within a month, a proportion that has remained relatively stable over time. For much of the first contract period commencements in Job Search Training averaged about 4500 a month. Data on total commencements in Figure 2.2 indicate that the transition from the first to second contract rounds had a temporary impact on commencements.

The point at which the automated referral process was introduced to Job Search Training (March 1999) is reflected in Figure 2.2 in the large increase in referrals from April 1999. The number of commencements, however, changed little. Many job seekers referred to Job Search Training do not commence. Research is underway to examine the reasons for this and preliminary results are reported in the next chapter.

In the second contract period, Job Search Training was expanded and budgeted numbers were set at 90 000 commencements a year—a monthly average of 7500 commencements. There was a substantial increase in referral activity in March 2000 to compensate for lower activity in the previous month and to assist in meeting the expansion of Job Search Training. On the basis of the commencement rate for a stable period under the first contract round, the number of referrals required to achieve these commencements is about 26 000 each month. Average referrals over the six months, April to September 2000 were 23 300 per month. In the early months of ESC 2, the take-up rate has been about 25%, somewhat below the level required to achieve an annual figure of 90 000 a year. The number of referrals has been increased to meet the increase in commencements in ESC 2. This is evident from Figure 2.2.

Figure 2.2: Job Search Training referrals and commencements¹, May 1998 to September 2000

1 Job seekers referred in any month do not necessarily commence in that month.

Source: Integrated Employment System

To streamline administration and increase job seeker choice,¹⁴ further changes have recently been introduced to the referral process. Previously, once job seekers had received a letter advising them of their eligibility for Job Search Training, they had 10 working days to choose a provider. This is known as the job seekers' preference search period. If a job seeker did not give a preference to Centrelink within 15 days, the person was randomly assigned to a provider with a vacancy. The provider was required to give the job seeker a minimum of 10 working days notice for the initial Job Search Training assessment interview. This meant that even where providers had vacancies, it could take up to a month between referral and commencement. Since September 2000, the preference search period has been extended to 20 days and job seekers not on activity-tested allowances have been excluded from the automated referral process.

Extending the preference search period may slightly reduce commencement to referral ratios (because job seekers will have marginally longer to find a job before starting Job Search Training) but should improve job seeker choice—one of the principles underpinning a competitive market for employment services. Excluding job seekers not on activity-tested allowances from auto-referral is helping to increase the commencement to referral ratio. Compliance reporting procedures for providers will be updated to simplify providers' advising of Centrelink of non-activity-tested job seekers who do not commence Job Search Training following referral. Non activity-tested job seekers who do not commence will no longer be re-referred to Job Search Training, improving the conversion rate.

2.3.3 Intensive Assistance

More than one million job seekers have been referred to Intensive Assistance since Job Network started. Of these, 767 900 (66.3%) have commenced¹⁵. The proportion of job seekers referred to Intensive Assistance who actually commence has been trending downwards since the start of the market. In the quarter ending September 1998, for example, 74% of referrals commenced, while

¹⁴ Increased choice should ensure a higher proportion among commencements of job seekers with a preference of provider. On the basis of existing data those job seekers with a preference are more likely to commence Job Search Training than job seekers who do not make a choice.

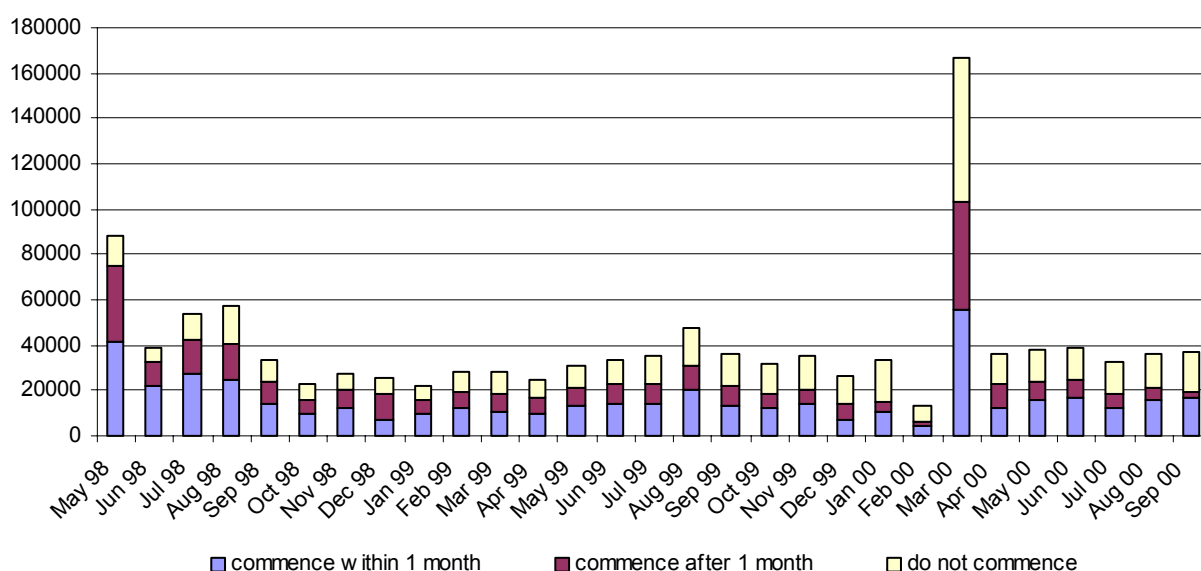
¹⁵ This includes 53 000 job seekers whose provider was unsuccessful in ESC2 and elected to withdraw from Job Network, and who were referred to a new provider in March 2000 and subsequently commenced Intensive Assistance.

in the corresponding quarter a year later the proportion was 64% (the trend is evident in Figure 2.3).¹⁶

Of those job seekers referred to Intensive Assistance who commence, about 60% commence within one month of referral (Figure 2.3). Each month approximately 20 000 to 30 000 job seekers commence Intensive Assistance.

The impact of the transition to the second contract period is apparent in Figure 2.3. A decline in referral activity towards the end of 1999 and early 2000 was more pronounced than the corresponding decline in the same period 12 months earlier, suggesting the influence of factors other than seasonal variation.¹⁷ As with Job Search Training, referral activity in March 2000 was increased substantially to compensate for lower activity in the previous month. Referrals in March 2000 (as noted earlier) also included 78 100 Intensive Assistance job seekers who were required to transfer to a new Job Network provider under the change to ESC 2, of whom around 53 000 actually commenced with a different provider (DEWRSB 2000e).

Figure 2.3: Intensive Assistance referrals and commencements¹, May 1998 to September 2000



1 Job seekers referred in any month do not necessarily commence in that month.
Source: Integrated Employment System

2.3.4 Other services

New Enterprise Incentive Scheme (NEIS)

During 1999–00, 6600 job seekers commenced in the New Enterprise Incentive Scheme. This compares to an annual average of 6800 over the period 1996–97 to 1998–99. Since the start of Job Network, more than 14 600 job seekers have commenced NEIS assistance.

Project Contracting (Harvest Labour Services)

Project Contracting has operated as a Job Network service for the 1998–99 and 1999–00 harvest seasons. Almost 19 500 job seekers were placed in harvest work in the first harvest period and

¹⁶ From December 2000, eligible non-activity-tested job seekers who do not express a preference are no longer referred to Intensive Assistance. This should help improve the take-up rate.

¹⁷ Referrals to some providers were halted in January and February 2000.

more than 17 300 job seekers were placed in harvest work under the second Project Contracting harvest period.

While anecdotal evidence suggests that farmers' needs are being met in areas where Project Contracting operates, the National Harvest Trail Working Group reported that growers, harvest offices and Job Network providers claimed they could not obtain sufficient labour to bring in the harvest and undertake other seasonal horticultural activities at critical times (DEWRSB 2000a).¹⁸

Participant data support the need for more marketing of job opportunities provided by the harvest trail and suggest that many of those eligible for Job Network are not aware of harvest jobs. For the two harvests over which Project Contracting has operated (1998–99 and 1999–00), 73% of placements were unregistered job seekers, 21% were for job seekers only eligible for Job Matching and 6% were for other Job Network-eligible job seekers.

A trial to address labour shortages and to improve participation by Job Network-eligible job seekers in harvest work began in South Australia's Riverland in the first week of September 2000. The four-month trial involves the inclusion of harvest-related job search as part of activity test requirements:

- All job seekers registering for Newstart or Youth Allowance in a harvest area from the start of the trial are required to look for harvest work as part of their Preparing for Work Agreement—unless they can demonstrate that this type of work is unsuitable for them. The Preparing for Work Agreement will therefore enhance the requirement for the job seeker to undertake harvest work.
- Job seekers who refuse to include harvest work in their Preparing for Work Agreement within seven days of their new claim interview can be breached for failing to enter into an activity agreement.
- Job seekers who fail to actively seek harvest work could be breached by Centrelink for not fulfilling their Preparing for Work Agreement.

A report into the effectiveness of the trial is due in April 2001.

2.4 Market share

The extent to which Job Network captures vacancies in the market is one indicator of the performance of Job Matching. By capturing the available vacancies, the employment opportunities for the Job Network-eligible population are maximised. Measuring the extent to which Job Network has penetrated the vacancy market, however, has proved difficult. Various measures provide a gauge of Job Network's market share. These include the number of vacancies lodged through Job Network onto the national vacancy data base (Australian Job Search, or AJS) as a proportion of all available vacancies that could potentially be lodged, and the extent to which employers use Job Network compared with other methods to fill vacancies.

Vacancies

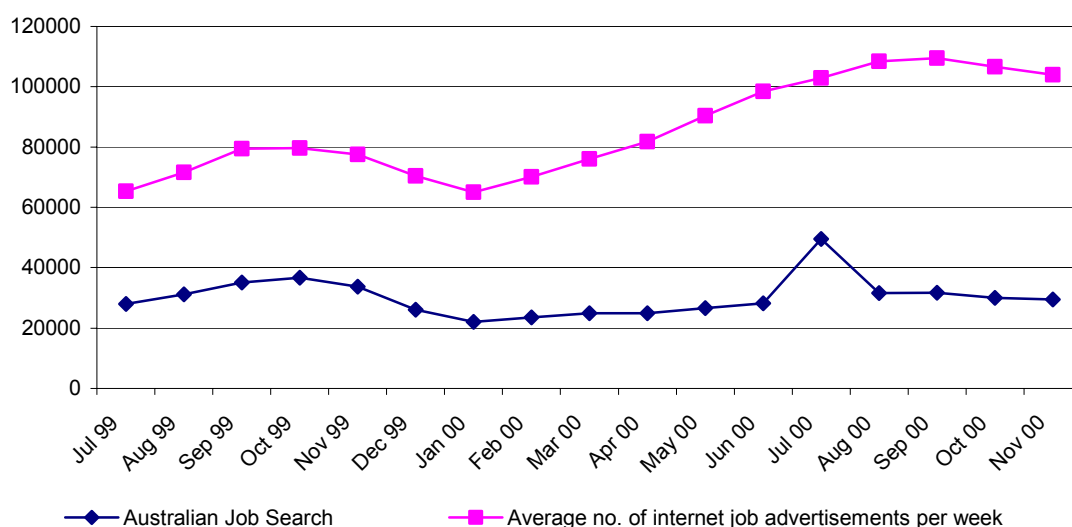
From July 1999 to September 2000, there were more than 950 000 vacancies lodged through Job Network on AJS. An indication of Job Network's share of the vacancy market is available by comparing vacancies (in terms of the number of positions available to be filled on a particular

¹⁸ A key recommendation of the report was the development and promotion of a harvest trail to increase the supply of harvest labour for growers and to provide year-round employment for pickers. In October 2000, the AJS website was upgraded to include a seasonal work page and a Harvest Trail pathway.

day) on AJS to total job vacancies as measured by the Australian Bureau of Statistics (ABS)¹⁹. Positions available to be filled on AJS averaged about 49 900 per month for 1999–00, or 46% of the average of 108 200 job vacancies per month as measured by the ABS (ABS 2000b).

A further indication of market share is provided by the ratio of AJS vacancies to all internet vacancies. According to Hitwise Australia, during 1999 and 2000, the AJS Internet site consistently rated within the top 25 of all sites visited nationally, and as the leading employment and government site. The most comprehensive estimate of vacancies on the internet is that published by the ANZ Bank (ANZ internet series) since September 1999. For the period July 1999 to November 2000, AJS vacancies represented about 36% of this estimate (Figure 2.4).²⁰

Figure 2.4: Internet job vacancies, July 1999 to November 2000¹



1 The data are not seasonally adjusted. Seasonal adjustment normally requires at least five years' data.
Source: Australian Job Search and ANZ Internet Series

Internet job advertisements from the five major private agencies and DEWR's AJS site have risen over the period examined (July 1999 to November 2000), with the strongest growth between January and August 2000. Over the year to July 2000, the internet job advertisement series increased by 57.5% (Figure 2.4). AJS vacancies have remained relatively constant for the period examined. Much of the increase in the total number of jobs advertised on the internet relates to increases in jobs in information technology, an industry and skilled occupation area which Job Network typically does not attract.

Employer use of Job Network

An indication of market share was provided in 1999 when DEWR's conducted an employer survey that included a measure of employers' use of Job Network (DEWR's 2000c). As reported in the first stage of the Job Network evaluation, of employers who recruited in the 12 months prior to the survey, 38% lodged a vacancy with Job Network. The survey also found that

¹⁹ A sample of approximately 4500 employers selected from the Australian Bureau of Statistics (ABS) Business Register are surveyed. The sample is updated each quarter to reflect changes in the ABS register of businesses.

²⁰ Internet data are based on information provided by the operators of the following sites: seek.com.au; jobnet.com.au; morganbanks.com.au; employment.com.au; hotjobs.com.au and DEWR's AJS – jobsearch.gov.au. It should be noted that the ANZ internet series relates to the number of advertisements rather than the number of positions (for example, a job advertisement for three position will only be counted once in the series). For AJS, however, there are almost twice as many positions available as the number of job advertisements. All Job Matching providers must advertise their vacancies with AJS, making them available to job seekers via touch screens and on the internet.

Job Network was the third most common method of recruitment used in the year preceding the survey, after newspaper advertising and head hunting. Job Network has achieved its greatest penetration in the manufacturing (52%), accommodation, cafes and restaurants (51%) and communications services industries (51%). More than half of employers in these industries used Job Network. Industries with least use of Job Network were education (15%), agriculture, forestry and fishing (24%) and government/administration and defence (24%) (DEWRSB 2000b).

A further indication of market share is provided by measuring the share of placement activity by Job Network compared to total placement activity by businesses engaged in the employment placement industry. An ABS survey found that at 30 June 1999, businesses involved in Job Network comprised 15.7% of businesses engaged in employment placement activity, and 12.6% of all businesses involved in the Employment Services Industry (ABS 2000a). While Job Network represented only a small part of the industry, it accounted for 64% of permanent employment placements²¹ and 10% of all placements in the year to 30 June 1999.

2.5 Conclusion

This chapter has provided an overview of aspects of Job Network's recent development, including the allocation of business to Job Network members following the second employment services tender, the distribution of services and participation in the market by job seekers and employers. Job Network has made considerable progress in terms of using performance as the basis for awarding business and in the availability of services and client volumes. Indicators of market share are encouraging, although more time series data on this issue are required.

Job Network activity, particularly Job Matching placements, fell in the transition between contract rounds and the early months of the second contract period. This drop appears greater than accounted for by seasonal factors alone and strengthens the argument for considering alternatives to global tendering. A departmental review of the second tender round is currently underway. The review is expected to inform future policy directions on the purchase of employment services.

The volume of clients becoming eligible for assistance and the commencement to referral ratios will influence the extent to which Job Network can meet placement and commencement numbers set for the second contract period. Future volumes will be influenced by economic conditions (which in turn influence the numbers available for Job Network assistance) as well as administrative changes, such as those flowing from any modifications due to welfare reforms. While it is too early to predict whether the numbers budgeted for the second contract period will be met, continuation of current buoyant economic conditions and commencement to referral ratios is likely to have an impact on the availability of job seekers to meet these numbers. In September 2000, the commencement to referral ratio for Job Search Training was 22% and 66% for Intensive Assistance. The recent change to the referral process whereby job seekers not on activity-tested allowances are excluded from auto-referral should improve the ratio for Job Search Training.

²¹ Defined by the ABS as job placement on a full-time, part-time, casual or temporary basis where the business performing the placement is not responsible for the payment of wages or associated costs of the person placed (ABS 2000a).

3 Access to assistance

A major criterion for measuring the success of Job Network is its performance in achieving equity of access to assistance for individuals and disadvantaged groups—including indigenous Australians, those with low levels of education, the long-term unemployed, people with disabilities, job seekers from a non-English-speaking background and sole parents. Equitable access is an important consideration in the provision of employment services as governments seek to ensure that job seekers who are disadvantaged in the labour market do not carry an unfair burden of unemployment.

It should be noted that equity of access to assistance is not the same as equity of outcomes. The performance of Job Network in achieving equity in outcomes is discussed in Chapter 4. Equity of access to Job Network assistance is assessed by comparing the participation of job seeker groups in Job Network services to each group's representation in the Job Network-eligible²² population. A number of factors influence participation by job seekers in Job Network. These include their actual level of labour market disadvantage, Centrelink's performance in identifying job seekers most likely to remain unemployed, the quality of Centrelink services²³ as perceived by job seekers, and the take-up of assistance offered (the extent to which job seekers referred to assistance actually commence). Equity of access to assistance also has a regional dimension and this is examined in Chapter 5 of this report.

This chapter also explores two issues relating to participation in Job Network, which were discussed in *Job Network evaluation stage one*. The situation of job seekers who do not commence assistance following referral is analysed to identify whether particular groups of job seekers fall through service gaps and/or face particular access barriers. Preliminary results of this study are presented. The first stage of the evaluation also identified concerns about the participation of indigenous job seekers in Job Network. It found that indigenous people were less likely than most other job seekers to have been classified by the Job Seeker Classification Instrument (the JSCI)²⁴ and, while their selection rates for Intensive Assistance were high, fewer were commencing following referral (DEWRSB 2000c). To improve employment services for indigenous people, the government introduced an Indigenous Employment Policy in July 1999 and made a number of changes to Job Network for the second contract period.²⁵ While it is still too early to measure the impact of these particular initiatives, the chapter does provide further analysis of indigenous job seeker access to Job Network.

3.1 Participation in Job Network services

Targeting assistance to disadvantaged job seekers helps both to reduce the disproportionate burden of unemployment on this group and to expand labour supply to allow better matching of skill supply and demand. In the longer term, this helps to increase competition in the labour market, reduce wage pressures and enables economic growth to occur at a faster rate. This is

²² To access Job Network services other than Job Matching, job seekers must be registered as unemployed with Centrelink and, if older than 20, be eligible for qualifying government income support (Newstart Allowance, Youth Allowance, Special Benefit, Partner Allowance, Mature-age Partner Allowance, Parenting Payment Partnered, Widow Allowance, Bereavement Allowance, Parenting Payment Single, Disability Support Pension, Wife Pension, Widow Pension, Carer's Payment [not eligible for NEIS]). In addition to these job seekers, eligibility for Job Matching includes people working fewer than 15 hours per week who were not in full-time education and not in receipt of income support, including job seekers with redundancy packages and working partners, and people changing jobs.

²³ Service quality benchmarks are set under the Business Partnership Arrangement between Centrelink and the Department of Employment, Workplace Relations and Small Business.

²⁴ Indigenous job seekers are more likely than other job seekers to live in remote locations where it has proved more difficult for Centrelink to apply the JSCI. Just under 10% of indigenous job seekers live in remote locations.

²⁵ This includes a requirement for Centrelink to provide post-referral follow-up to indigenous job seekers referred to Intensive Assistance and the contracting of specialist Intensive Assistance providers from 41 sites around Australia.

particularly important in a buoyant economy where skill shortages can constrain investment and industry expansion and/or lead to increased wage pressures.

Targeting of assistance within Job Network occurs both within and between services.²⁶ Job seekers with specific job search needs or few barriers to employment are directed to Job Search Training and those with a high level of disadvantage are referred to Intensive Assistance. Within Intensive Assistance, the payment regime is designed to encourage Job Network members to focus on achieving outcomes. The level of fees varies according to the level of disadvantage of job seekers.²⁷

In addition to targeting, participation in Job Network services is influenced by the availability of employment services outside Job Network. As these services are also targeted, their influence will be different for different job seeker groups. Employment services outside Job Network include the Community Support Program for job seekers with significant and multiple barriers to employment, Community Development Employment Projects and the Indigenous Employment Policy (for indigenous job seekers), and the Disability Employment Services administered by the Department of Family and Community Services (FaCS). Job seekers with a Mutual Obligation requirement can participate in activities outside Job Network that may also influence their participation in Job Network services.

3.1.1 Job Search Training, Intensive Assistance and NEIS

For the period May 1998 to September 2000, job seeker participation levels in the main Job Network services (Job Search Training and Intensive Assistance) appear appropriate for most job seeker groups²⁸ (see Table 3.1). Groups more likely to include higher proportions of disadvantaged job seekers, such as the longer-term unemployed, were over-represented in Intensive Assistance, while the relatively less disadvantaged were over-represented in Job Search Training. Those on income support for less than six months, for example, represented 30.4% of the Job Network-eligible population but comprised 43.7% of participants in Job Search Training and 24.8% of participants in Intensive Assistance. On the other hand, those on income support for between 24 and 36 months represented 11.8% of the Job Network-eligible population and comprised 4.0% of Job Search Training participants and 15.4% of participants in Intensive Assistance.

While indigenous job seekers had very low participation in Job Search Training (less than 1% of Job Search Training commencements were indigenous people), their representation in Intensive Assistance was similar to their representation in the Job Network-eligible population (5.6% compared to 5.7%). Job seekers aged 55 years and over represented 7.5% of the Job Network-eligible population, 2.7% of Job Search Training commencements but 8.9% of Intensive Assistance commencements. Sole parents and job seekers aged less than 21 years who were not

²⁶ Of the main Job Network services, targeting applies to Job Search Training and Intensive Assistance. Job Matching represents a basic level of service and does not involve targeting. As placements of job seekers into employment by Job Network members represent the outcome objective of Job Matching, equity issues for Job Matching are examined in Chapter 4 of the report, which deals with outcome information.

²⁷ To be eligible for Intensive Assistance job seekers must have a JSCI score of 24 or more. Job seekers eligible for Intensive Assistance are classified into two funding levels, A and B, reflecting level of disadvantage. Differential pricing has been introduced in incentives to avoid a concentration of effort on those who are relatively easy to place. Minimum fees were set for funding level A of \$4663 and \$9219 for funding level B. Providers submit a competitive price that includes an upfront service fee, an interim outcome fee and final outcome fee. Secondary interim and final outcome payments and primary final outcome fees are fixed.

²⁸ This analysis compares point-in-time data (the Job Network-eligible population) with flow data (commencements). Point-in-time data can understate the proportion of job seekers with short durations of income support relative to their representation in flow data. It is not possible to estimate a Job Network-eligible population over time from DEWRB's administrative data. Alternatives to the analysis presented in Table 3.1 were examined, including a comparison of the point-in-time Job Network-eligible population with point in time distributions of Job Search Training and Intensive Assistance participants. The number of point-in-time Job Search Training participants, however, disaggregated by job seeker characteristics, was considered unreliable because the characteristics of this population change considerably over time.

on income support had lower representation in both Job Search Training and Intensive Assistance than their representation in the Job Network-eligible population.

Table 3.1: Job seeker characteristics of the Job Network-eligible population and commencements in Intensive Assistance, Job Search Training and NEIS, May 1998 to September 2000

| Job seeker characteristics | Job Network-eligible ¹ | Job Search Training Commencements (n=136 200) | Intensive Assistance Commencements (n=776 900) | NEIS Commencements (n=14 600) |
|---|-----------------------------------|---|--|-------------------------------|
| | | | | |
| Gender | | | | |
| Male | 65.9 | 65.4 | 69.8 | 56.5 |
| Female | 34.1 | 34.6 | 30.2 | 43.5 |
| Age | | | | |
| Less than 18 | 3.3 | 3.3 | 3.1 | - |
| 18–20 | 14.7 | 14.6 | 8.6 | 1.4 |
| 21–24 | 14.4 | 17.5 | 11.1 | 7.9 |
| 25–34 | 24.7 | 31.0 | 25.1 | 34.3 |
| 35–44 | 19.7 | 21.1 | 22.1 | 33.0 |
| 45–54 | 15.6 | 9.8 | 21.2 | 18.8 |
| 55 or more | 7.5 | 2.7 | 8.9 | 4.6 |
| Duration on income support² | | | | |
| Less than 6 months | 30.4 | 43.7 | 24.8 | 44.1 |
| 6–12 months | 18.3 | 30.7 | 11.2 | 20.5 |
| <i>Less than 12 months</i> | <i>48.7</i> | <i>74.4</i> | <i>35.9</i> | <i>64.6</i> |
| 12–24 months | 15.2 | 18.4 | 20.8 | 17.1 |
| 24–36 months | 11.8 | 4.0 | 15.4 | 8.4 |
| 3–5 years | 15.2 | 2.4 | 16.5 | 6.5 |
| 5 years or more | 9.0 | 0.5 | 11.0 | 3.4 |
| <i>12 months or more</i> | <i>51.2</i> | <i>25.3</i> | <i>63.7</i> | <i>35.4</i> |
| Education level | | | | |
| Less than year 10 | 25.2 | 4.8 | 31.9 | 8.3 |
| Year 10 completed | 29.0 | 24.7 | 31.2 | 20.6 |
| Year 11 completed | 8.9 | 8.2 | 8.7 | 6.9 |
| Secondary school completed | 18.5 | 28.1 | 14.7 | 18.5 |
| Trade/TAFE qualifications | 12.2 | 21.6 | 9.2 | 17.3 |
| Tertiary qualifications | 6.1 | 12.6 | 4.3 | 28.3 |
| Disadvantaged groups | | | | |
| Indigenous Australians | 5.6 | 0.8 | 5.7 | 0.7 |
| Non-English-speaking background | 14.6 | 11.6 | 21.2 | 14.5 |
| People with disabilities | 21.1 | 9.9 | 21.2 | 10.3 |
| Sole parents | 6.7 | 3.7 | 6.0 | 3.6 |
| Type of income support² | | | | |
| Newstart Allowance | 74.9 | 82.4 | 85.0 | 78.2 |
| Youth Allowance | 9.7 | 12.4 | 7.2 | 0.9 |
| Eligible other allowance | 7.2 | 3.7 | 6.6 | 20.9 |
| Youth not on allowance | 8.2 | 1.0 | 0.6 | n.a. |
| Persons | 100.0 | 100.0 | 100.0 | 100.0 |

1 As at September 2000.

2 Totals do not add to 100% where unknowns and job seekers not on Job Network-eligible allowances have been excluded.

Source: Integrated Employment System

Table 3.1 also compares the characteristics of job seekers who have participated in NEIS with the characteristics of the Job Network-eligible population. Participation in NEIS is voluntary, but limited to job seekers on eligible allowances looking for full-time work. To qualify for the program job seekers must have a viable business plan approved by a NEIS advisory committee. Over the period May 1998 to the end of June 2000, NEIS participants (relative to their share of the Job Network-eligible) were more likely to be women, aged 25–54 years, short-term

unemployed, better educated, and less likely to be either indigenous people or people with a disability.

A more rigorous means of assessing the equity of Job Network participation (in Job Search Training and Intensive Assistance) involves comparing predicted and actual participation rates (expressed as a percentage of the Job Network-eligible in each job seeker group). Predicted rates of participation are estimated from factors that influence participation levels, including the rate at which job seekers are classified by the JSCI, their level of disadvantage (in terms of the proportion of job seekers from a group who are eligible for Intensive Assistance) and take-up of services. To calculate predicted participation rates, the classification rate and take-up rates for *all* job seekers were used. The predicted rate, therefore, represents the participation rate that would have occurred if each job seeker group had the same classification rate and take-up rates as all job seekers. Actual rates were based on known classification and take-up rates for each job seeker group for the period May 1998 to September 2000. If, for example, sole parents were classified by the JSCI at the same rate as all job seekers and their Job Search Training take-up rate was the same as the overall take-up rate for this service, their predicted rate of participation in Job Search Training would be 12% of their Job Network-eligible population. Their actual rate is 8% of their Job Network-eligible population (Table 3.2).

This analysis assumes that each job seeker who has been classified by the JSCI has the same chance of referral to either Job Search Training (for those with a JSCI score below 24) or Intensive Assistance²⁹ (for those with a score of 24 or more). Also, it is not possible to control for the impact of waiting lists on job seekers where providers do not have vacancies.

For the overwhelming majority of job seekers, predicted and actual participation rates were similar (Table 3.2). Some groups, however, exceeded their predicted participation rates by at least three percentage points. For Job Search Training, these groups included job seekers aged 21–24 years (16% compared to 19%), those aged 35–44 years (11% compared to 14%), those with an education level of less than year 10 (6% compared to 9%)³⁰ and the tertiary qualified (19% compared to 22%). Job seekers aged 35–44, 45–54 and job seekers on Newstart Allowance had participation rates in Intensive Assistance at least three percentage points higher than predicted.

A number of job seeker groups had lower than predicted participation in Job Search Training, Intensive Assistance or both. Broadly, these groups include younger job seekers (the Job Search Training participation rate for 18–20 year olds was six percentage points below predicted while the rate for Intensive Assistance was down by four percentage points), sole parents, job seekers receiving income support other than Newstart Allowance (Job Search Training only) and indigenous job seekers. The Intensive Assistance participation rate for indigenous job seekers (based on a comparison of actual and predicted) was the lowest for any disadvantaged group.

This analysis looks at the period since the start of Job Network and may therefore not reflect changes over time in participation rates, including any recent improvements for different job seeker groups. For indigenous job seekers, a key performance indicator in the Business Partnership Arrangement between DEWRSB and Centrelink requires indigenous participation in

²⁹ This would not be the case for job seekers eligible for other forms of assistance (such as the Community Support Program) and those excluded from the automated referral process (such as job seekers with less than year 10 education who are not eligible for Intensive Assistance).

³⁰ Job seekers with less than year 10 qualifications are generally excluded from Job Search Training which largely accounts for their low predicted participation rate compared to other job seekers. Those who are referred have a relatively high take-up, probably reflecting a relatively high proportion of voluntary participants. As shown in Table 3.1, the ratio of Job Network-eligible to Job Search Training commencements is quite low for this group (25.2% to 4.8%) in contrast to the corresponding ratio for job seekers with year 10 (29.0% to 24.7%).

Intensive Assistance to be at least 6.2% of total commencements. Centrelink has recently achieved this benchmark. In the three months leading into and including September 2000, 6.5% of Intensive Assistance clients were indigenous job seekers. This compares with less than 5% for the same period a year before. While the data show changes in the proportion of commencements going to indigenous job seekers, commencements need to be compared to the groups' proportion in the Intensive Assistance-eligible population over time to see if they represent real participation rate changes.

Table 3.2: Predicted¹ and actual Job Search Training and Intensive Assistance participation rates, May 1998 to September 2000

| Job seeker characteristics | Job Search Training | | Intensive Assistance | |
|-----------------------------------|---------------------------|-----------|----------------------|-----------|
| | Predicted | Actual | Predicted | Actual |
| | % of Job Network-eligible | | | |
| Gender | | | | |
| Male | 12 | 11 | 33 | 32 |
| Female | 14 | 15 | 28 | 28 |
| Age | | | | |
| Less than 18 | 17 | 13 | 23 | 18 |
| 18–20 | 18 | 12 | 20 | 16 |
| 21–24 | 16 | 19 | 24 | 24 |
| 25–34 | 13 | 14 | 31 | 30 |
| 35–44 | 11 | 14 | 34 | 37 |
| 45–54 | 7 | 9 | 43 | 47 |
| 55 or more | 6 | 7 | 45 | 43 |
| Duration on income support | | | | |
| Less than 6 months | 19 | 21 | 18 | 18 |
| 6–12 months | 17 | 17 | 23 | 23 |
| <i>Less than 12 months</i> | <i>18</i> | <i>19</i> | <i>22</i> | <i>22</i> |
| 12–24 months | 12 | 11 | 33 | 33 |
| 24–36 months | 7 | 9 | 43 | 41 |
| 3–5 years | 3 | 4 | 51 | 51 |
| 5 years or more | 2 | 3 | 54 | 56 |
| <i>12 months or more</i> | <i>5</i> | <i>5</i> | <i>46</i> | <i>45</i> |
| Education level | | | | |
| Less than year 10 | 6 | 9 | 45 | 43 |
| Year 10 completed | 11 | 10 | 34 | 34 |
| Year 11 completed | 14 | 12 | 30 | 29 |
| Secondary school completed | 17 | 17 | 22 | 23 |
| Trade/TAFE qualifications | 18 | 20 | 21 | 23 |
| Tertiary qualifications | 19 | 22 | 19 | 21 |
| Disadvantaged groups | | | | |
| Indigenous Australians | 3 | 2 | 52 | 37 |
| Non-English-speaking background | 8 | 10 | 42 | 44 |
| People with disabilities | 9 | 10 | 40 | 40 |
| Sole parents | 12 | 8 | 34 | 27 |
| Type of income support | | | | |
| Newstart Allowance | 11 | 13 | 34 | 37 |
| Youth Allowance | 15 | 11 | 26 | 21 |
| Eligible other allowance | 22 | 4 | 11 | 12 |
| Youth not on allowance | 13 | 7 | 31 | 21 |
| Persons | 13 | 13 | 32 | 32 |

¹ The predicted rate represents the participation rate that would have occurred if each job seeker group had had the same JSCI classification rate and take-up rates as all job seekers.

Source: Integrated Employment System

3.1.2 Use of self-service facilities

The services available to job seekers include self-service facilities. These are available in most Centrelink offices to help with job searching and to obtain information on Job Network members. The facilities include touch screen terminals for accessing jobs on DEWR's national vacancy data base via Australian Job Search (access that is also available through the Internet)³¹ and a range of resources and information, including computers, faxes, printers, telephones and newspapers (known as the Job Network Access employment self-help facilities).

Factors influencing equity of access include the availability of the services and the ease of their use for different groups of job seekers. At some locations the facilities are not available, either because they have not been installed or because their operation is apparently unreliable.³² As a result, job seekers at these locations may be disadvantaged relative to job seekers at other locations. The extent to which Centrelink helps people use the facilities can also influence usage patterns by the different groups of job seekers.

Table 3.3: Use of self-help services by characteristics of job seekers, February 2000

| Job seeker characteristics | Used touch screens | | | Used other facilities |
|---|--------------------|------------------------------|----------------------|-----------------------|
| | To look for work | To find a Job Network member | At least once a week | |
| | % | | | |
| Gender | | | | |
| Males | 65.5 | 44.5 | 54.2 | 37.6 |
| Females | 53.7 | 38.0 | 42.7 | 37.5 |
| Age group | | | | |
| Less than 21 | 66.6 | 43.3 | 47.4 | 40.6 |
| 21–24 | 67.0 | 42.2 | 56.7 | 43.3 |
| 25–44 | 57.6 | 40.8 | 50.7 | 40.5 |
| 45 or more | 55.5 | 41.1 | 44.2 | 26.3 |
| Duration on income support | | | | |
| Less than 6 months | 64.5 | 43.1 | 53.3 | 41.0 |
| 6–12 months | 56.8 | 41.9 | 51.3 | 39.1 |
| 12–36 months | 55.4 | 36.9 | 48.1 | 36.1 |
| 3 years or more | 63.4 | 45.9 | 44.9 | 33.1 |
| Education level | | | | |
| Less than year 11 | 59.5 | 41.1 | 49.1 | 30.6 |
| Secondary school completed ¹ | 60.9 | 39.9 | 52.4 | 40.0 |
| Trade/TAFE qualifications | 65.1 | 45.9 | 44.1 | 44.9 |
| Tertiary qualifications | 60.2 | 44.4 | 47.6 | 40.8 |
| Disadvantaged group | | | | |
| Non-English-speaking background | 56.0 | 45.9 | 55.5 | 37.4 |
| People with disabilities | 60.7 | 44.8 | 46.1 | 39.9 |
| Persons | 60.1 | 41.6 | 49.7 | 37.6 |

¹ Secondary School completed includes completed year 11 only.

Source: Survey of job seekers' satisfaction with Centrelink services 2000

Available information on equity of access to the self-service facilities is restricted to data on actual usage patterns. In a February 2000 survey of job seekers who had had contact with Centrelink in the previous six months, 60.1% reported that they had used the touch screens to

³¹ As at 9 November 2000, touch screens are available in 1070 locations across Australia, including Centrelink customer service centres, offices of Job Network members and a number of sites in the general community. By the end of 2000, 309 Centrelink offices will have access to AJS via the Intranet.

³² Access to the self-help facilities has improved. In a 2000 survey of job seekers' perception of Centrelink services, 84.5% reported having a fair opportunity to use the self-help facilities (compared to 75.5% in a similar 1999 survey), where 75.9% reported that the facilities were in working order — there was paper in printers and so on (up from 70.2% in 1999).

look for work and 41.6% had used them to help find a Job Network member (Table 3.3). Job Network Access was used by 37.6% of job seekers. Patterns of usage by different job seeker groups were unclear, though younger job seekers and those on income support for shorter periods seemed to make greater use of self-service facilities than older job seekers, those on unemployment allowances for three or more years and the less well educated. While job seekers from a non-English-speaking background appeared to be equally likely to use the facilities than other job seekers, they were more likely to need help with the facilities. Approximately 20% of seekers using self-help facilities reported needing assistance while for those from a non-English-speaking background the proportion needing help was 43%.

3.2 Factors affecting equity of access to Job Network services

The extent of labour market disadvantage faced by job seekers is an important determinant of their eligibility for Job Network services and the type of service they are eligible for. Generally, the greater the disadvantage the greater the level of assistance required. Participation in Job Network is also influenced by a number of other factors, including administrative requirements,³³ service quality (from Centrelink and Job Network members), job seeker perceptions, availability of services and the rate of take-up of assistance (ie, the proportion of job seekers referred to assistance who actually commence).

3.2.1 Centrelink services

Centrelink acts as the gateway to Job Network and undertakes the registration and classification of job seekers for employment services.³⁴ Centrelink's capacity to administer the JSCI and the quality of its services (including maintenance of the self-service facilities), as perceived by job seekers, will influence participation in Job Network and the equity of access to these services for different job seeker groups.

Application of the JSCI

The JSCI is used to estimate the relative disadvantage of job seekers and assists in the identification of job seekers eligible for Intensive Assistance. The JSCI is fundamental to accessing Job Network services. The JSCI score (which for each job seeker is the sum of the points assigned for each factor in the instrument—see Attachment B) is a relative measure of a job seeker's difficulty in getting a job (DEWRSB 1999c). Job seekers without a JSCI score cannot be referred to Intensive Assistance or for a Special Needs Assessment.³⁵

As would be expected, job seekers who have greater relative labour market disadvantage receive a higher JSCI score than those less disadvantaged. This is demonstrated clearly in the data in Table 3.4 and Figure 3.1. Table 3.4 compares the characteristics of all job seekers with a JSCI score to those with a score in the top 10% (ie, a JSCI score of 39 or more). Those in the top 10% are more likely to be older, in receipt of income support for longer, less well educated, indigenous, from a non-English-speaking background, or have a disability. Figure 3.1 shows the distribution of JSCI scores for selected groups of disadvantaged job seekers and compares these to the distribution of scores for all job seekers who have been classified by the JSCI. Figure 3.1 clearly demonstrates the relative disadvantage of different job seeker groups.

³³ Job seekers on activity-tested allowances (Newstart and Youth Allowance recipients who are not full-time students) are required to participate in Job Network services or face loss of income support. Participation by other Job Network-eligible job seekers is voluntary. This clearly influences participation levels by different job seeker groups.

³⁴ Centrelink also refers to Job Network services any job seekers who are excluded from the auto referral process.

³⁵ A Special Needs Assessment is required for referral to the Community Support Program. For further detail see *Job Network evaluation stage one* (DEWRSB 2000c).

More disadvantaged job seekers are more likely to be selected for Intensive Assistance (Figure 3.2). Of indigenous job seekers classified for Job Network services, for example, 90% are selected as eligible for Intensive Assistance. A more fundamental Job Network access issue, however, is the rate at which job seekers have been classified by the instrument and the extent to which this rate varies by job seeker characteristics.

Table 3.4: Comparison of JSCI scores by characteristics of job seekers, September 2000

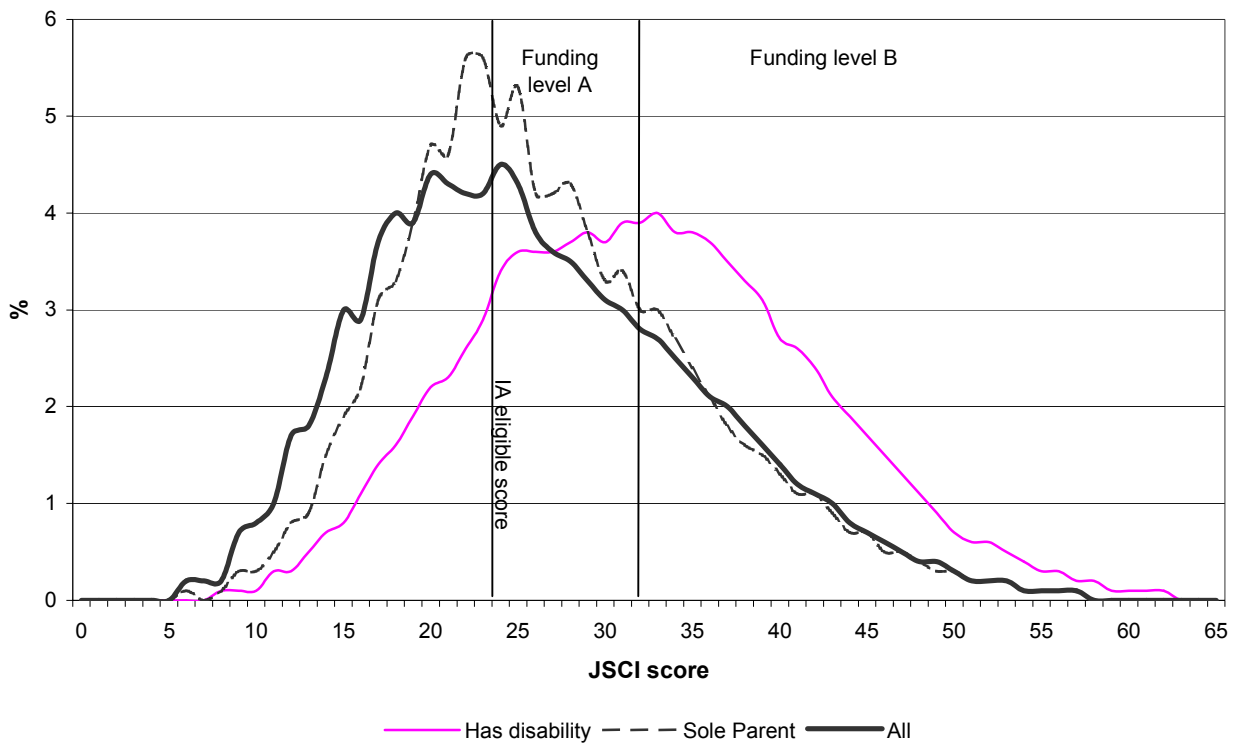
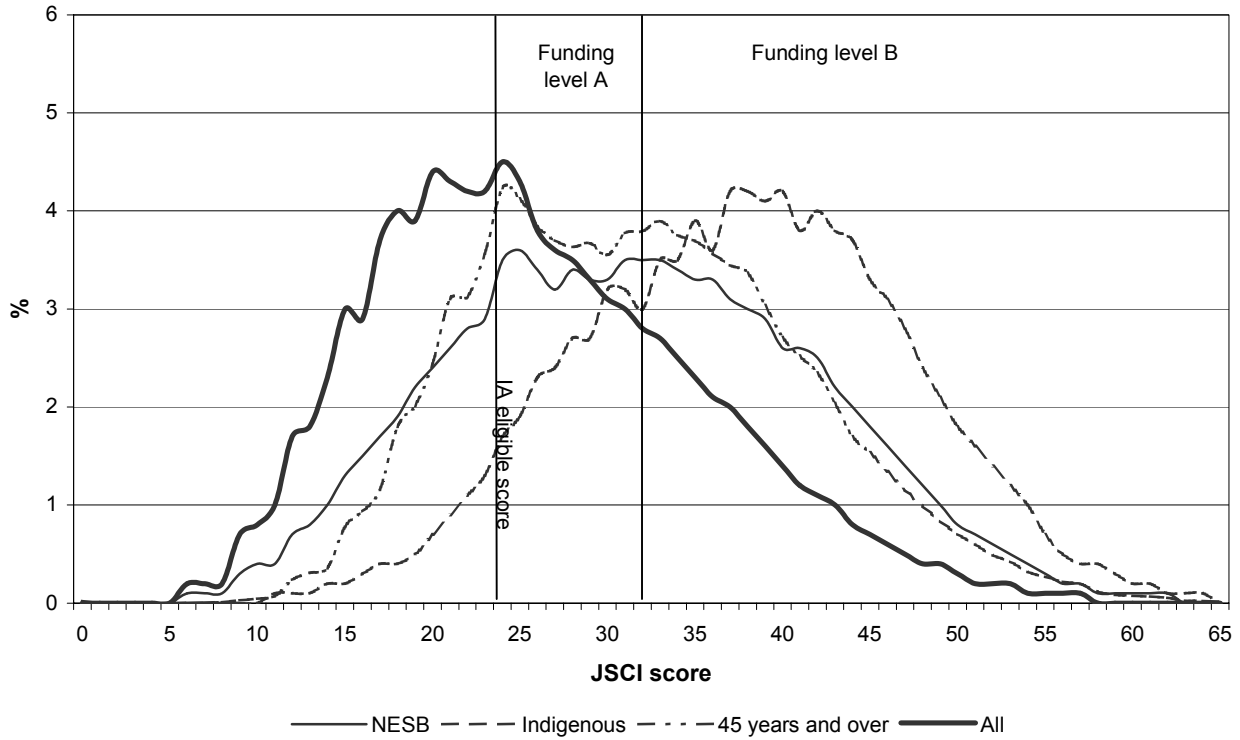
| Job seeker characteristics | JSCI Score | |
|-------------------------------------|-----------------|--------------|
| | Top 10 per cent | All scores |
| | % | |
| Gender | | |
| Male | 76.1 | 66.5 |
| Female | 23.9 | 33.5 |
| Age | | |
| Less than 18 | 0.9 | 3.5 |
| 18–20 | 4.1 | 15.3 |
| 21–24 | 5.7 | 15.1 |
| 25–34 | 21.4 | 25.0 |
| 35–44 | 21.3 | 19.5 |
| 45–54 | 30.1 | 14.9 |
| 55 or more | 16.4 | 6.8 |
| Duration on income support | | |
| Less than 6 months | 9.5 | 32.4 |
| 6–12 months | 8.9 | 19.2 |
| 12–24 months | 10.6 | 15.2 |
| 24–36 months | 13.0 | 11.0 |
| 3–5 years | 29.2 | 13.9 |
| 5 years or more | 28.7 | 8.3 |
| Education level | | |
| Less than year 10 | 57.2 | 24.0 |
| Year 10 completed | 24.5 | 28.9 |
| Year 11 completed | 4.8 | 9.1 |
| Secondary school completed | 7.3 | 19.3 |
| Trade/TAFE qualifications | 4.1 | 12.7 |
| Tertiary qualifications | 2.0 | 5.9 |
| Disadvantaged groups | | |
| Indigenous Australians | 20.4 | 4.8 |
| Non-English-speaking background | 32.3 | 13.8 |
| People with disabilities | 41.7 | 18.4 |
| Sole parents | 5.7 | 6.2 |
| Type of income support | | |
| Newstart Allowance | 88.8 | 75.4 |
| Youth Allowance | 3.5 | 10.3 |
| Eligible other allowance | 6.5 | 5.8 |
| Youth not on allowance | 0.1 | 2.6 |
| Non eligible allowance ² | 1.0 | 5.9 |
| Persons | 100.0 | 100.0 |

1 As at September 2000.

2 Job seekers on allowances not eligible for Job Network assistance.

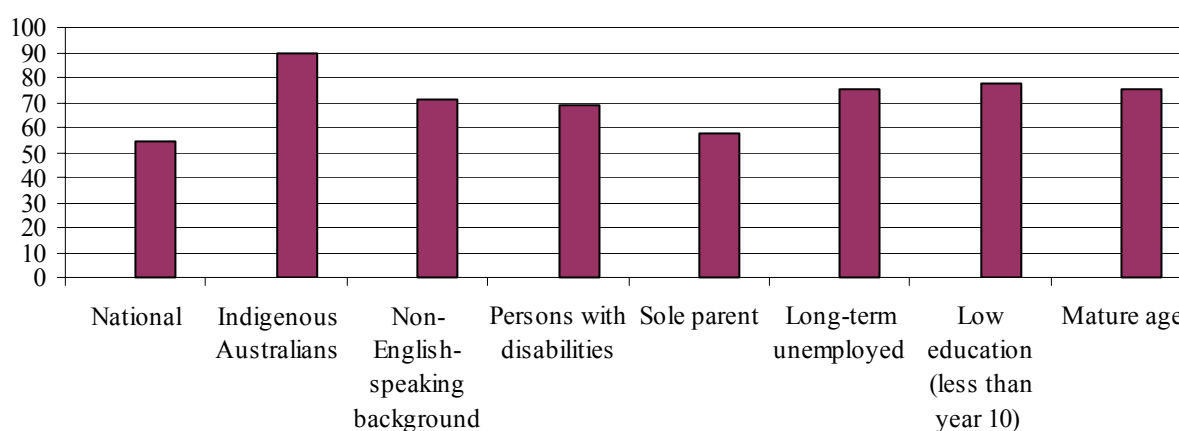
Source: Integrated Employment System

Figure 3.1 Distribution of JSCI scores for selected disadvantaged groups and all job seekers, September 2000



Source: Integrated Employment System

Figure 3.2: Proportions of job seekers classified for Intensive Assistance by disadvantaged group, September 2000



Source: Integrated Employment System

Differential rates of classification for job seeker groups influence Job Network participation and in turn influence the extent to which there is equity of access to assistance. The quality of classification also affects equity of access if the quality varies between job seeker groups. In a system such as Job Network, where services are rationed, an inaccurate classification can potentially mean that a job seeker requiring assistance misses out. Quality is influenced by the willingness of job seekers to disclose information they perceive to be sensitive, the ability of Centrelink officers to elicit this information and the accuracy with which any information is recorded. While all information on the quality of classification is not available at this stage, there is reason to believe that improvements could be made. The Post Implementation Review of the JSCI, for example, noted the need to develop better techniques for identifying relative disadvantage in literacy and language (DEWRSB 2000c). Since the Post Implementation Review, a number of changes have been made to the instrument and further changes are planned.³⁶ DEWRSB has developed a more effective Geographic Location Factor model for estimating regional disadvantage (see Chapter 5) that is expected to be implemented in 2001. A review of all weights in the instrument is also planned for 2001.

Job seekers registering with Centrelink are classified by the JSCI to establish their likelihood of becoming or remaining long-term unemployed. Centrelink's target is to classify all job seekers within seven days of the job seeker's first contact with Centrelink.³⁷ As at the end of September 2000, 89.7% of the Job Network-eligible population had been classified (Table 3.5). Of those groups with lower than predicted participation rates in Job Network (youth, indigenous and sole parents and job seekers on allowances other than Newstart Allowance), the classification rates for youth were above average (93.4% for those less than 18, 91.6% for 18–20 year olds and 92.4% for 21–24 year olds and 93.8% for Youth allowees). This suggests that the application of the JSCI is not a major factor in explaining these groups' lower participation in Job Network.

³⁶ These changes include adjusting upwards the points scale for Personal Factors to reflect the substantial disadvantages of job seekers with these barriers (from 0, 2, 4 and 6 points to 0, 3, 6 and 9 points for the different levels), and permitting Centrelink Occupational Psychologists to override the JSCI classification outcome in exceptional cases; referring all job seekers who disclose an intellectual disability for disability secondary classification; redesigning the triggers for secondary classification, especially with regard to personal factors and mental illness; and broadening the definition of homelessness to include those in 'accommodation crisis'.

³⁷ Centrelink is required to reapply the JSCI every 12 months that a job seeker remains unemployed. Changes in job seeker circumstances may also result in updates to a JSCI score.

This is not the case, however, for indigenous, sole parent job seekers and youth not on allowance. Classification rates for indigenous job seekers (77.2%), sole parents (82.7%) and youth not on allowance (74.2%) were well below average.

Table 3.5: JSCI selection rates and Job Search Training and Intensive Assistance take-up, May 1998 to September 2000

| Job seeker characteristics | Proportion with a JSCI score ¹ | Commencement rate ² | |
|-----------------------------------|---|--------------------------------|----------------------|
| | | Job Search Training | Intensive Assistance |
| | % | % | |
| Gender | | | |
| Male | 90.6 | 32.3 | 66.1 |
| Female | 88.1 | 28.6 | 62.3 |
| Age | | | |
| Less than 18 | 93.4 | 21.9 | 49.3 |
| 18–20 | 91.6 | 19.9 | 51.2 |
| 21–24 | 92.4 | 36.3 | 62.1 |
| 25–34 | 90.7 | 31.5 | 63.9 |
| 35–44 | 89.6 | 37.2 | 70.6 |
| 45–54 | 86.8 | 40.8 | 72.3 |
| 55 or more | 82.8 | 36.2 | 66.4 |
| Duration on income support | | | |
| Less than 6 months | 95.7 | 32.3 | 61.1 |
| 6–12 months | 93.2 | 30.4 | 62.4 |
| 12–24 months | 89.5 | 28.1 | 65.3 |
| 24–36 months | 83.4 | 40.6 | 66.6 |
| 3–5 years | 82.7 | 43.9 | 69.5 |
| 5 years or more | 83.2 | 45.2 | 72.5 |
| Education level | | | |
| Less than year 10 | 86.8 | 45.2 | 64.2 |
| Year 10 completed | 89.4 | 28.2 | 63.7 |
| Year 11 completed | 91.1 | 27.7 | 63.4 |
| Secondary school completed | 92.7 | 29.3 | 66.1 |
| Trade/TAFE qualifications | 93.4 | 32.9 | 68.7 |
| Tertiary qualifications | 86.9 | 37.5 | 71.9 |
| Disadvantaged groups | | | |
| Indigenous Australians | 77.2 | 28.0 | 53.9 |
| Non-English-speaking background | 87.7 | 40.4 | 69.8 |
| People with disabilities | 88.8 | 36.1 | 66.1 |
| Sole parents | 82.7 | 21.7 | 56.1 |
| Type of income support | | | |
| Newstart Allowance | 90.7 | 36.4 | 68.7 |
| Youth Allowance | 93.8 | 21.1 | 48.9 |
| Eligible other allowance | 90.2 | 6.0 | 67.9 |
| Youth not on allowance | 74.2 | 19.8 | 51.5 |
| Persons | 89.7 | 31.0 | 64.9 |

1 As at September 2000.

2 Commencement rates are less than those quoted in Chapter 2 because these data have been extracted at an earlier date.

Source: Integrated Employment System

Quality of service

As indicated above, the quality of Centrelink's services is important given the agency's key role in providing access to Job Network. There are financial incentives for most job seekers to visit Centrelink (if they do not maintain contact with the agency they may lose income support).

Some job seekers, however, may not be inclined to maintain such links if they think the quality of service is poor or that their job prospects would not be improved by attending Centrelink. The perceived quality of Centrelink's employment services has improved over time. Surveys carried

out for DEWRSB indicate that job seeker satisfaction with Centrelink's performance increased from 75% in 1999 to 79% in February 2000 (Table 3.6). The improvement may be due to Centrelink's introduction in December 1999 of a single point of contact for job seekers and its provision of training sessions to give staff a better understanding of the range of employment services available to job seekers.

Table 3.6: Satisfaction levels with Centrelink services, 1999 and 2000

| Aspect of satisfaction | 1999 | 2000 | | | | | |
|---|------|------|--------------------|------------------------------|-------------------|-------------------|--------------|
| | All | All | Youth ¹ | Mature-age ² % | NESB ³ | With a disability | Sole parents |
| Overall satisfaction | 75.4 | 78.8 | 80.4 | 82.6 | 79.5 | 81.2 | 77.1 |
| Satisfaction at registration | 74.6 | 78.6 | 80.3 | 77.8 | 72.2 | 83.7 | 81.4 |
| Primary contributors to satisfaction | | | | | | | |
| Service aspects | | | | | | | |
| Acting quickly to meet needs | 70.0 | 77.5 | 74.0 | 84.6 | 76.0 | 81.9 | 78.2 |
| Made job seekers feel that staff wanted to help | 71.8 | 79.4 | 75.9 | 86.6 | 80.9 | 80.0 | 83.9 |
| Professional | 75.6 | 82.1 | 82.5 | 83.7 | 76.7 | 79.3 | 83.5 |
| Staff knowledge | 66.7 | 75.2 | 76.0 | 79.0 | 76.5 | 70.7 | 73.2 |
| Gave time and attention required | 76.5 | 82.7 | 79.7 | 88.6 | 82.8 | 86.5 | 86.3 |
| Made job seekers feel welcome | 74.7 | 81.3 | 80.0 | 83.9 | 80.2 | 79.8 | 81.8 |
| Provide enough privacy | 72.9 | 79.1 | 82.7 | 78.4 | 76.2 | 82.2 | 78.4 |
| Treated with respect | 82.4 | 86.0 | 84.6 | 89.9 | 86.2 | 87.5 | 88.2 |
| Treated job seekers like a person not a number | 69.3 | 76.5 | 73.6 | 81.3 | 77.0 | 73.8 | 80.9 |
| Friendly and courteous | 83.2 | 87.2 | 85.5 | 89.7 | 87.0 | 84.9 | 89.5 |
| Information | | | | | | | |
| Easy to understand | 79.4 | 85.6 | 89.1 | 86.5 | 83.9 | 85.7 | 84.2 |
| Accurate | 77.9 | 83.7 | 85.3 | 83.7 | 79.1 | 79.8 | 83.3 |
| Secondary contributors to satisfaction | | | | | | | |
| Job Network Access | | | | | | | |
| Usefulness in applying and looking for work | 85.0 | 83.6 | 88.3 | 80.4 | 79.0 | 82.1 | 80.2 |
| Assistance provided by staff ⁴ | 90.0 | 89.8 | - | - | - | - | - |
| Fair opportunity to use facilities | 75.5 | 84.5 | 88.2 | 81.8 | 82.5 | 87.3 | 73.8 |
| In working order | 70.2 | 75.9 | 81.0 | 74.5 | 66.6 | 76.1 | 60.3 |
| Well presented and tidy | 85.6 | 91.0 | 92.3 | 93.0 | 87.7 | 91.2 | 88.8 |
| Linking with Job Network | | | | | | | |
| Ease of linking with Job Network | n.a. | 71.7 | 74.6 | 71.2 | 69.8 | 72.8 | 67.7 |

1 Job seekers aged between 15 and 24.

2 Job seekers aged 45 years or more.

3 Non-English-speaking background.

4 Sample sizes are too small to report for special groups.

Source: Survey of job seekers' satisfaction with Centrelink services

Two important contributors to the level of satisfaction with Centrelink are customer service (such as Centrelink acting quickly to meet job seeker needs and job seekers feeling that staff want to help them) and the provision of accurate information that is easy to understand. Secondary contributors include satisfaction with self-help facilities (particularly their usefulness in applying and looking for work) and Centrelink's help in linking job seekers with Job Network. Between 1999 and 2000, satisfaction increased with all service aspects, especially with the accuracy of information provided and the ease of understanding this information (Table 3.6).

The perceived quality of Centrelink services varies, however, by job seeker characteristic. Mature-age job seekers and youth tended to be more satisfied with Centrelink services, while job seekers from a non-English-speaking background are somewhat less satisfied in some areas (Table 3.6).

Overall, these findings suggest the perception of service quality does not appear to be a major factor affecting access to Job Network and subsequent participation levels. It should be noted, however, that these data do not cover the experiences with Centrelink of either indigenous job seekers or job seekers who chose not to register with Centrelink. The telephone interviewing methodology used to gather satisfaction data from job seekers has been found to be inefficient when applied to the indigenous population. A separate survey was conducted in 2000 to collect reliable data from indigenous job seekers. To the extent that the findings of this survey provide insights into the participation of indigenous job seekers in Job Network, they are discussed in Section 3.3 of this chapter. Job seekers who are deterred from registering with Centrelink and who are genuinely disadvantaged in the labour market represent potential unmet demand for Job Network services. While these job seekers are most likely to be young³⁸, data on their number and characteristics are not available.

3.2.2 Take-up of Job Network services

It was noted earlier that participation rates in Job Network are partly a function of take-up (ie, the extent to which job seekers commence when referred to services). The take-up of Job Search Training is much lower than that for Intensive Assistance (32.0% compared to 66.3% respectively, see Chapter 2). There are also variations in take-up between different job seeker groups.

Job seekers whose participation in Job Network is voluntary have below average take-up rates. These groups include job seekers not on activity-tested allowances—for example, sole parents.³⁹ The commencement rates for sole parents were 21.7% for Job Search Training and 56.1% for Intensive Assistance (Table 3.5). Young job seekers (a group which includes some job seekers not on activity-tested allowances) also had below-average commencement rates for both Job Search Training and Intensive Assistance. (The take-up rates for job seekers aged less than 18 years being 21.9% and 49.3% respectively—the corresponding rates for job seekers aged 18–20 years were 19.9% and 51.2%.) Indigenous job seekers had a Job Search Training take-up rate that was close to the average, but an Intensive Assistance take-up rate that was well below average (53.9%). Job seeker groups with above average take-up rates for both services included older job seekers (45–54 year olds had a Job Search Training take-up rate of 40.8% and an Intensive Assistance take-up rate of 72.3%), the tertiary qualified (37.5% and 71.9% respectively) and those from a non-English-speaking background (40.4% and 69.8% respectively).

Take-up of Job Network services is influenced by the availability of other labour market assistance options and by the choices that job seekers have. Labour market assistance other than Job Network services include other Mutual Obligation activities (such as Work for the Dole) for 18–34 year old job seekers on activity-tested income support, Community Development Employment Projects for indigenous job seekers, and employment services for people with a disability operated by FaCS.

³⁸ That is, young job seekers do not have to be receiving income support to be Job Network-eligible. Participation in Job Network is voluntary for those not receiving income support.

³⁹ Approximately 60% of sole parents are on non-activity tested allowances.

Also important in understanding further why some job seekers do not take up assistance, are the referral process, the role of job seeker choice within this process and the outcomes for job seekers who do not commence the assistance they are referred to.

The referral process

Since March 1999, selection for referral to Job Search Training has been automated, using administrative data gathered by Centrelink through the answers to the JSCI and taking into account the length of time on unemployment allowance (eligibility has been reduced from six months since the start of Job Network). Currently job seekers identified as eligible are sent both a letter informing them that they need to attend Job Search Training and a list of local providers. They are asked to telephone Centrelink within 20 days to advise their choice of provider. Activity-tested job seekers are automatically assigned a local provider with a vacancy if they have not made a choice within that period. From September 2000 non activity-tested job seekers who do not express a preference have not been included in the auto-referral process.

Job seekers are currently referred to Intensive Assistance if they obtain a JSCI score of 24 points or higher.⁴⁰ This level is set to ensure effective access based on the number of places contracted for by the government. Where places are available, a referral letter is sent asking the job seeker to make a choice of provider. If the person does not make a choice, or chooses a provider with no spare capacity, he or she is automatically referred to a provider who has spare capacity in order to meet contracted capacity levels. Where the number of job seekers selected for referral exceeds the number of contracted places available in an area, the job seekers are placed on a waiting list until such time as referral can be made to an available place.⁴¹ The use of automatic referrals attempts to maximise access to assistance and to balance job seeker choice with the overall viability of providers in having access to sufficient job seekers to meet their contractual requirements.

Job seekers and employers can make their own choices about which Job Matching providers they use. Job seekers can also select providers for Job Search Training and Intensive Assistance (including specialist providers). At this stage, however, the number exercising this choice is unknown, and this means it is not possible to assess the influence of choice on take-up, or the extent to which lack of choice may reduce take-up.

Job seekers referred to Job Network services who do not commence

Not all job seekers referred to assistance take up the offer, and as noted in Chapter 2, the take-up rates for Job Search Training and Intensive Assistance have declined over time, particularly since the introduction of automated referral. Falling take-up rates carry implications for achieving the expansion of Job Search Training places under the ESC 2 and, in the case of Intensive Assistance, maintaining the providers' point-in-time capacity.⁴² Whether this take-up trend raises equity issues depends on the reasons for not commencing. Clearly, if job seekers find a job between referral and when they are due to commence, this is regarded as a good outcome, although it may have implications for the way assistance is targeted.⁴³ For other groups, such as indigenous job seekers, concerns have been raised about the quality of Job Network services for those in Intensive Assistance (DEWRSB 2000c). This may have affected job seeker perceptions of the benefits of assistance, thereby deterring others from participating.

⁴⁰ From 26 July 1999. Previous eligibility commenced at a score of 26 (between 23 July 1998 and 25 July 1999) and at 27 (between 1 May and 22 July 1998).

⁴¹ Job seekers on a waiting list can be referred to Work for the Dole, which can influence the take-up rate for Intensive Assistance.

⁴² Point-in-time capacity is the maximum number of job seekers that can be in Intensive Assistance at any time.

⁴³ It could imply high deadweight costs.

The preliminary findings of ongoing analysis of administrative data provide further insight into failure to commence. This indicates the extent to which job seekers referred to assistance are exempt, are subject to breach activity associated with failing to commence and other possible reasons for not commencing. As noted earlier, almost two-thirds of job seekers referred to Job Search Training since the start of Job Network did not commence. Twelve per cent of these job seekers were exempt from assistance. The main reasons for exemption were ill health or incapacity (32% of those exempted), participation in other employment services, including Jobs Education and Training (JET) and other Mutual Obligations activities (34%), and studying (24%). Many (28%) who did not commence were recommended for breaches, primarily because they failed to enter into an agreement with their Job Search Training provider.

It is not possible from the administrative data to get a clear idea of the extent to which job seekers who do not commence assistance are deterred from continued receipt of income support or take up employment offers, either in response to the referral or before they have had time to commence. Data from administrative systems indicate that employment was the reason for non-commencement in 5% of cases. The most common reason for not commencing (31%) was that the job seeker no longer met requirements for continued income support. In some cases this would presumably include job seekers who had a job. About one-quarter of those referred were not eligible for the assistance,⁴⁴ 10% were considered unsuitable by their provider and 7% were re-referred but not able to commence at that time.

Other research conducted by DEWRSB found that job seekers who did not attend the initial provider assessment interview were highly unlikely to commence Job Search Training (DEWRSB 2000d). This research suggests take-up could be improved if providers made significant efforts to get referred job seekers to attend the initial assessment interview, marketed the benefits of participation to job seekers and tailored assistance to the circumstances of the job seekers.

3.3 Further research into participation of Indigenous Australians in Job Network

Job Network evaluation stage one notes concerns about participation in Job Network by indigenous job seekers (DEWRSB 2000c). At this stage, their participation level remains below that of other job seekers; their actual participation rate in Intensive Assistance is significantly below that predicted (as shown in Table 3.2). In response to concerns about the extent to which indigenous job seekers were accessing employment services including Job Network, and their low outcomes relative to other job seekers, the government introduced an Indigenous Employment Policy in July 1999. Changes were also made to Job Network for the second contract round including the introduction of specialist Intensive Assistance providers for indigenous job seekers. While the proportion of Intensive Assistance commencements going to indigenous job seekers has recently increased, it is too early to measure the impact of these changes in terms of improved access, outcomes and effectiveness.

To gain greater insight into the factors that contribute to indigenous job seekers' participation in Job Network, a survey was carried out of indigenous job seekers in 15 communities covering capital cities and large regional towns. The sample for this study was not necessarily representative of all indigenous job seekers in Australia and may not be applicable across

⁴⁴ As recorded on the Integrated Employment System. Presumably the automated referral process cannot identify this ineligibility. In many cases this will be because job seekers whose circumstances have changed since registration have not advised Centrelink.

Australia. Analysis of the survey data identified a number of servicing issues (described below) relevant to indigenous job seekers that cover their experiences with both Centrelink and Job Network members and which are consistent with the findings of other research on indigenous job seekers (DEWRSB 2000c). The issues suggest ways of further improving the participation of indigenous job seekers in Job Network.

In addition to the job seeker survey, focus group sessions were held with key informants in some communities. These included people in a leadership or work role in the community, most likely working in a community-based organisation. Many were indigenous. A series of unstructured interviews and focus group sessions were also carried out with job seekers in remote areas. These highlighted a number of issues affecting job seeker access to employment services in these locations.

3.3.1 Centrelink's employment services

As the "gateway" to employment services, Centrelink has a crucial role to play in providing job seekers with access to touch screens and self-help facilities within Centrelink offices, as well as explaining the Job Network system and facilitating contact with Job Network members. The way indigenous job seekers view these roles is likely to be a key factor influencing participation in Job Network.

The survey of indigenous job seekers showed that Centrelink's role, as the gateway to Job Network, is not well understood by many. Only 8% of indigenous respondents thought that registering with Centrelink was useful in helping them look for work. This issue seems to be affected by a perceived tension between Centrelink's two roles of income support and employment assistance. When asked about the Centrelink registration process, indigenous job seekers were more likely to recall being told about breaching (80%) and activity testing (71%) than about how to get help from a Job Network member (64%) or how to use the touch screens (16%).

Despite the focus on Centrelink's entitlements function, awareness among indigenous job seekers of touch screens and self-help facilities was high. About two-thirds of those surveyed recalled that touch screens were one of the main services that Centrelink provided for people looking for work. Touch screens had been used by 65% of survey respondents and 35% had used other facilities.

Job seekers who had been shown how to use the touch screens were more likely to have used them compared with job seekers who had not received this orientation. Of job seekers who used the self-help facilities, 73% reported that help with using the equipment would have been useful; however, only half of these had actually sought help from Centrelink staff or from the telephone help-line. Community leaders in the focus groups suggested that job seekers would not be comfortable using touch screens in a public environment and that difficulty with literacy and a lack of familiarity with computers would be barriers to accessing job opportunities. The findings suggest that a more proactive (showing indigenous job seekers how to use the facilities) and a more personalised service would benefit this group.

Referral and post-referral follow up by Centrelink makes a significant difference to whether indigenous job seekers make contact with a Job Network member. Of those who had made contact with a Job Network member, 87% recalled being referred by Centrelink and 44% recalled being followed up by Centrelink to see if they had made contact. This is much lower for those job seekers who had not contacted Job Network, as they were less likely to recall a Centrelink referral (30%) and less likely to report that Centrelink had followed up to see if they had made contact (15%). Post-referral follow-up after employment outreach services and

indigenous specific information services need to be consistently delivered by Centrelink to indigenous job seekers.

Overall, 60% of indigenous job seekers were satisfied with Centrelink services. Some 28% of those surveyed expressed dissatisfaction, giving reasons such as poor and frustrating service (14%), unresponsive staff (14%) or impersonal and unsympathetic treatment by staff (11%). Responses highlight the importance to job seekers of a perception of being respected and of dealing with staff capable of understanding the needs of indigenous clients. Just under half (49%) of indigenous job seekers felt that Centrelink took their personal circumstances into account when providing services. Waiting times were also important, with only 44% of indigenous job seekers being satisfied with front counter waiting times and only 48% agreeing that staff acted quickly to meet the job seeker's needs.⁴⁵

While receiving assistance from an indigenous staff member was correlated with marginally higher levels of satisfaction among indigenous job seekers,⁴⁶ this was not the sole criterion for judging service quality. About two-thirds of survey respondents indicated that they did not mind whether the Centrelink officer they dealt with was indigenous or not. The quality of service was an overriding factor affecting satisfaction.

3.3.2 Job Network services

Levels of awareness and understanding of Job Network also influence participation in Job Network for indigenous job seekers; job seeker perceptions of the quality of Job Network services; and the perceived effectiveness of agencies in finding job seekers appropriate work or positions to apply for.

Lack of awareness was an important issue in all locations surveyed. A quarter of indigenous job seekers in cities and regional centres stated they were not aware of a local Job Network member while 29% had not yet contacted a member. Levels of contact were lowest among job seekers in regional areas (58%) compared to inner metropolitan locations (82%) and among females (61%) compared to males (77%). As noted earlier, only 53.9% of indigenous job seekers commence after being referred to Intensive Assistance. Improved awareness of Job Network is likely to increase the take-up rate among indigenous job seekers.

Indigenous job seekers indicated that they received a variety of services from Job Network members (Table 3.7). While the majority of job seekers received a Job Matching service, job seeker recall of services relating to Job Search Training and Intensive Assistance was lower. The types of assistance reported by respondents were generally the same for Job Matching, Job Search Training and Intensive Assistance clients.

Sixty-five per cent of indigenous job seekers who had contact with Job Network agencies were satisfied with the services provided. Satisfaction with the services received also seems to affect the likelihood of ongoing contact with a Job Network member. Only 52% of those who were dissatisfied with their Job Network member intended going back to that member, compared to 86% of those who were satisfied.

⁴⁵ Although not directly comparable, the corresponding proportions from a survey of all job seekers were 71% and 78%.

⁴⁶ Forty-five per cent of survey respondents indicated that they had received assistance in a Centrelink office from an indigenous staff member, with 12% indicating they had contact with Centrelink indigenous staff on most visits.

Table 3.7: Type of help received from Job Network members, May 2000

| Type of service | Proportion of indigenous job seekers using Job Network |
|--|--|
| | % |
| Job referrals and facilitation | |
| Contacting about jobs or arranging job interviews | 33 |
| Looking for jobs/matching with available jobs | 61 |
| Providing facilities to write job applications, resumes | 57 |
| Training/service/assistance received | |
| Training in job search techniques | 57 |
| Training in how to do interviews/present yourself | 43 |
| Counselling about what sorts of work would suit you | 32 |
| Training in skills for a specific job | 31 |
| Organising work experience or voluntary work | 25 |
| Improving your literacy or numeracy ¹ | 20 |
| Providing monetary assistance | 25 |
| Encouragement and support | |
| Discussion/advice about personal, health and family issues | 30 |
| Helping to apply for a traineeship | 25 |
| Advice and information | |
| Advising about Wage Assistance Card | 22 |
| Referring or informing about CDEP | 16 |

¹ It is possible that respondents interpreted this fairly broadly since take-up of formal literacy and numeracy training indicated here is considerably higher than statistics collected by DETYA and other findings would suggest.

Source: Year 2000 survey of indigenous job seekers' experiences of employment services

The factors identified most often with overall satisfaction were: being contacted by their Job Network member, good advice from Job Network member staff, helpful staff, being comfortable about asking staff for help, and believing that staff knew what they were doing. One of the strongest areas of dissatisfaction with Job Network members related to the failure to find a job. A common theme from the open-ended questions in the survey was the disappointment of job seekers who thought that the service had been ineffective in finding them appropriate work or positions to apply for. In areas where few jobs exist and where availability of jobs is outside the control of Job Network members, their role is to improve the job seeker's chances of getting a job. The survey found that 65% of job seekers felt that their Job Network member could help them find work and 63% felt their Job Network member did all they could to help them.⁴⁷

For Job Network's second contract, as part of the Indigenous Employment Policy, specialist indigenous providers were contracted and regional coverage was expanded. The indigenous job seeker survey, however, was conducted at a time when many of these new agencies had been established for only a few weeks. In locations where a specialist provider exists, 42% of indigenous job seekers were aware of one. Only a small proportion of survey respondents (10%) had contacted a specialist provider (as far as they knew) at the time of the survey, yet those who had were more satisfied with services provided than those in contact with generalist agencies (85% compared to 61%).

The presence of indigenous staff in generalist agencies is also associated with greater satisfaction with Job Network. Having access to indigenous staff was commonly suggested as a way of improving Job Network services. Indigenous community workers interviewed in the preliminary stages of the study considered the appointment of indigenous organisations as Job Network providers to be a highly positive development, especially in remote areas where they are co-

⁴⁷ Although not directly comparable, the corresponding proportions for Intensive Assistance participants from the survey of all job seekers were 67% and 85%.

located with other services such as Community Development Employment Projects. Participants reported that co-location improved accessibility to Job Network services and that indigenous organisations were considered more likely to provide culturally appropriate services.

3.3.3 Indigenous job seekers in remote areas

In remote areas, especially where there are no office-based services available, provision of income support was often the only service that job seekers claimed Centrelink provided. As might be expected, indigenous job seekers in remote locations were also less likely to be aware of, or to use Job Network agencies. In those locations many participants were unable to identify the local Job Network member, possibly because there was no permanent office within the community. In some communities the nearest Job Network member was some distance away in a large regional town, and in these cases the Job Network member was largely unknown.⁴⁸

Job seekers in remote areas were dissatisfied with Job Network's inability to find work for them, particularly where jobs are scarce. These job seekers reported a mismatch between their skills and experiences and the few jobs available. Job seekers also identified a lack of basic skills and appropriate vocational training as a gap in Job Network servicing. This suggests that in remote locations, some job seekers do not perceive that either Centrelink or Job Network is meeting their needs.

3.4 Conclusion

Job Network participation rates for most job seekers are close to expectations. Some job seeker groups, however, have participation rates either well below their representation in the Job Network-eligible population or below predicted rates. These groups include indigenous job seekers (whose participation rates in Job Network are lower than those for any other group of disadvantaged job seekers), youth, sole parents and job seekers on income support other than Newstart Allowance.

A number of factors have been examined in this chapter to explain the differences in Job Network participation between these groups of job seekers. Key factors include the level of labour market disadvantage, whether or not participation in services is voluntary, the quality of Centrelink services as perceived by job seekers, Centrelink's performance in identifying job seekers most likely to remain unemployed (particularly through application of the JSCI), its capacity to provide services appropriate to the needs of the more disadvantaged job seeker, and the take-up of services (ie, the extent to which job seekers referred to assistance actually commence).

The influence of these factors on access to Job Network services differs between job seeker groups. For indigenous job seekers, for example, the rate at which they are classified by the JSCI and their take-up rate of Intensive Assistance are low. Centrelink's capacity to apply the JSCI to indigenous job seekers is in turn influenced by the fact that some indigenous job seekers are more likely than other job seekers to live in remote locations. The application and accuracy of the JSCI are crucial for job seekers to be able to access Job Network services and the level of assistance they require from Job Network.⁴⁹ At the end of September 2000, almost 90% of Job Network-eligible job seekers had a JSCI score.

⁴⁸ Moreover, Centrelink report that some providers are reluctant to visit remote communities.

⁴⁹ The accuracy of classifications can also affect access to other assistance for some groups. Indigenous job seekers, for example, cannot access employment programs under the Indigenous Employment Policy if they do not identify with Centrelink for employment purposes.

While data on quality of services do not demonstrate a clear relationship between participation in Job Network and perceptions of service, there is some evidence of perceived improvements over the previous year in Centrelink's performance as the gateway to Job Network. Job seeker satisfaction generally increased across all measures of staff quality. In particular, Centrelink improved its ability to satisfy job seeker information needs. Crucial in this result is Centrelink's ability to give job seekers an understanding of the next steps to get help through Job Network members. The services and help available from them are important for job seekers' satisfaction. Good service also includes encouraging job seekers to use Job Network members for Job Matching. These improvements are reflected in a rise in overall satisfaction with Centrelink among job seekers, from 75% in 1999 to 79% in 2000. These findings, however, do not appear consistent for all job seeker groups, particularly indigenous job seekers.

It is too early to determine whether the introduction of the Indigenous Employment Policy and changes made to Job Network for ESC 2 have contributed to improvements in access for indigenous job seekers. The findings of research into the experiences of indigenous job seekers, however, provide some encouragement. They show the importance of services that are culturally appropriate. Access to indigenous staff or staff who were sensitive and familiar with indigenous communities is important for satisfaction, particularly for job seekers living in remote locations and in communities. Within Centrelink, responsiveness to cultural and personal circumstances and the competence of staff in classifying job seekers and explaining information (eg, using indigenous-specific information sessions) are also essential service factors for indigenous job seekers.

The research also identified some areas where improvements could be made to indigenous job seeker servicing, especially in relation to contacts and in raising awareness and understanding. Contacts include post-referral follow-up (including those who do not commence) and post-placement support to job seekers and employers. Building relationships between Job Network and communities (including local Community Development Employment Projects) would facilitate greater awareness and understanding of Centrelink's role as the gateway to Job Network and the employment services available from Job Network members.

The research with indigenous job seekers has implications for measuring service quality generally. An important reason for conducting this research was to measure indigenous job seekers' perceptions of the quality of Centrelink and Job Network member services. The level of satisfaction with Centrelink services by indigenous survey respondents was 60%. This level is not directly comparable to the level obtained in the survey of a sample of all job seekers because of the different methodologies employed in gathering data (face-to-face interviewing in the case of the indigenous job seekers' survey and telephone interviewing in the survey of a sample of all job seekers). It indicates that using different methodologies to measure satisfaction levels can lead to different findings.

4 Performance in achieving outcomes

4.1 Introduction

Any assessment of the performance of Job Network must necessarily focus on its success in achieving outcomes and how efficiently it does this. At this stage, it is possible to provide some preliminary data on the performance of Job Network in terms of both outcomes and efficiency. A more comprehensive analysis of these measures is expected in the third stage of the evaluation. Outcome data are examined from a range of perspectives, including equity, sustainability and net impact.

The first part of the chapter examines outcomes from an equity point of view. Equity of outcomes provides a measure of whether targeting mechanisms are working. Factors outside the control of Job Network influence outcome levels but targeting, if properly carried out, should contribute to a reduction in the difference between outcome levels for different types of job seekers. Equity of outcomes is examined by a comparison across services of employment and education outcomes (defined as positive outcomes) with job seeker characteristics. Equity can also be examined within service types by comparing the outcomes obtained by job seeker groups with their shares of assistance. Some explanation of variation in outcomes for different groups of job seekers in Intensive Assistance is provided by examining the relationship between activation of job seekers and their attitudes in looking for work. This is the first attempt to examine activation and attitudes within Intensive Assistance. This complex relationship will be examined more thoroughly in the third stage evaluation report.

Two indicators of effectiveness are also examined: sustainability of outcomes, and the net impact of assistance. Job sustainability is a key objective of Job Network and is built into the Job Network incentive structure by rewarding providers for placements in jobs lasting at least three months. One potentially important factor governing effectiveness is the difference that individual Job Network members make in achieving outcomes for job seekers. Preliminary estimates of net impact provide a measure of the difference Job Network assistance makes to job seekers over and above what would have happened in the absence of assistance. Service strategies used by high-performing and low-performing providers offer some explanation of differences in performance. Information on changes in job seeker activation and attitudes during participation in Intensive Assistance points to issues about the design of this element of Job Network.

The performance of Job Network from the perspective of efficiency is also examined in the chapter. Detailed information on cost efficiency is now available for all services. Care should be taken in forming judgments based on cost efficiency alone, however, as a cheaper unit cost may not necessarily indicate good value for money. Efficiency indicators (unit costs and costs per outcome) are compared to those of labour market programs applying before Job Network.

4.2 How equitable is the performance of Job Network?

As noted in Chapter 3, Job Network services are targeted to job seekers on the basis of relative labour market disadvantage. Comparing the level of outcomes within and between service types to determine the extent to which differences exist provides a means of assessing whether targeting achieves equity of outcomes. Within each service (Job Search Training and Intensive Assistance), equity of outcomes is also measured by comparing shares of positive outcomes for

different groups of job seekers to their share in assistance. This assessment,⁵⁰ together with that of access to services examined in Chapter 3,⁵¹ provides an overall picture of how well Job Network caters for a population with often quite diverse characteristics and service needs. Data for the assessment are based on short-term outcomes measured three months after assistance collected in DEWRSB's Post-program Monitoring Survey.

4.2.1 Outcomes of Job Network services

Table 4.1 indicates that, three months after assistance, positive outcomes (including both employment and education and training outcomes) vary according to type of service and, therefore, level of disadvantage. The positive outcome rate for Job Matching was 72.9% while that for Intensive Assistance was considerably lower at 41.9%.

Table 4.1: Labour force status of job seekers three months after assistance by type of assistance, May 1998 to September 2000

| Outcome | Job Matching ¹ | Job Search Training ² | Intensive Assistance ² | | | NEIS ² |
|--------------------------------------|---------------------------|----------------------------------|-----------------------------------|--------------|--------------|-------------------|
| | | | Funding A | Funding B | Total | |
| | % | | | | | |
| Employed | 69.7 | 38.4 | 40.1 | 24.7 | 35.4 | 81.2 |
| Full-time | 42.6 | 19.8 | 18.9 | 10.6 | 16.3 | 65.2 |
| Part-time | 27.1 | 18.6 | 21.3 | 14.1 | 19.1 | 16.0 |
| Unemployed | 26.8 | 52.0 | 43.3 | 55.0 | 46.9 | 11.8 |
| Not in the labour force | 3.5 | 4.7 | 13.7 | 17.5 | 14.9 | 7.0 |
| Further assistance ³ | - | 4.9 | 2.9 | 2.8 | 2.9 | - |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Education/training | 10.0 | 13.6 | 8.5 | 7.3 | 8.1 | 8.9 |
| Positive outcomes⁴ | 72.9 | 47.1 | 46.8 | 31.1 | 41.9 | 83.8 |

1 Job seekers placed between March and June 2000.

2 Outcomes achieved three months after assistance for job seekers who ceased assistance between 1 May 1998 and 30 June 2000. The funding levels refer to the level of disadvantage as defined by the JSCI. Three levels existed under the first contract period, 3.1, 3.2 and 3.3, with 3.3 being the most disadvantaged. There are two levels, A and B, under the second contract with funding level B the most disadvantaged. Funding level 3.1 is included in funding level A while funding levels 3.2 and 3.3 are included under funding level B.

3 Includes commencements in Job Network and other services—Work for the Dole, the Indigenous Employment Program and DETYA programs—New Apprenticeships, Literacy and Numeracy and Advanced English for Migrants.

4 Positive outcomes include employed and education/training outcomes, but are not the sum of these two outcomes because some job seekers can achieve both an employment and education outcome.

Source: Post-program Monitoring Survey

Both employment and positive outcomes for Job Search Training were higher than those for Intensive Assistance overall. Moreover, Job Search Training participants were more likely to be in further employment assistance and still in the labour force following assistance than job seekers who had participated in Intensive Assistance. More disadvantaged job seekers in Intensive Assistance (those at funding level B) are much less likely to be employed three months after assistance than those attracting funding level A. Just under one-quarter (24.7%) of these job seekers find employment while slightly less than one-third (31.1%) achieves a positive outcome (Table 4.1). Fifty-five per cent of job seekers who exit Intensive Assistance are still unemployed three months after assistance, while 17.5% opt out of the labour force entirely.⁵² On the basis of these data it is apparent that the provision of differential levels and types of services does not of itself fully correct for inherent relative disadvantage.

⁵⁰ Ideally, this analysis would involve comparing outcomes by job seeker groups in the absence of targeting, to see whether targeting makes a difference.

⁵¹ Access to Job Matching was not considered in Chapter 3 as placements are the key activity and these are treated as outcomes.

⁵² Some would go onto other forms of income support.

Direct comparisons over time between different forms of labour market assistance are problematic because different types of assistance have different objectives and service arrangements, are targeted at job seekers with different characteristics and operate under different economic conditions. Given these qualifications, the outcomes of Job Network services do appear to compare favourably with those of previous comparable labour market assistance arrangements. Outcomes for Job Search Training (38.4% employed and 47.1% positive outcome) were substantially higher than outcomes for Job Clubs in 1995–96 (24.9% and 29.9%) (DEWRSB 2000c). Intensive Assistance outcomes (35.4% and 41.9% respectively) also compare favourably with the average outcomes of a range of labour market programs⁵³ (27.4% and 34.6%) replaced by Intensive Assistance (DEWRSB 2000e). A table comparing post assistance outcomes for different forms of assistance is at Attachment C.

The above analysis of outcomes does not reflect any changes over time, which overall have not been large. For Job Matching, positive outcome levels three months after placement were 72.1% in 1999 and 72.9% in 2000. For Job Search Training and Intensive Assistance participants in the 12 months ended September 1999, positive outcome rates three months after assistance were 45.5% and 42.9%. The corresponding proportions for participants in the 12 months to September 2000 were 49.0% and 41.1%.

4.2.2 Equity within services

Job Matching

Placing a job seeker in an ‘eligible’ vacancy represents a Job Matching placement.⁵⁴ Job Matching services are available to most job seekers who are work-ready and working less than 15 hours per week. This recognises the relatively high level of job turnover, particularly for the short-term unemployed, where job seekers are often re-employed shortly after leaving jobs. Generally, these job seekers are job-ready and only need access to vacancies to find work.

Comparing shares of placements with representation among the eligible population shows a high level of consistency for 25–34 year old job seekers, lower educational levels and gender (Table 4.2). Job seekers receiving a lower share of placements than their share of the population include those aged 35 years and over, job seekers on income support for more than two years and those in identified equity groups—people with disabilities (who have a particularly low share of placements at 9.7% compared to 21.1% of those eligible), indigenous job seekers (2.7% compared to 5.6%) and people from a non-English speaking background (10.6% compared to 14.6%).

Job seekers who achieved a relatively high share of placements were short-term beneficiaries and younger job seekers (aged under 25). Just under half of all placements (48.4%) went to those receiving income support for less than six months, whereas they comprised only 30.4% of the eligible pool.

One important issue from a policy point of view is the extent to which initial placements are successful into the medium term. To provide information on this issue, the extent to which job seekers remain employed or undertake further education or training was measured three months after placements for a sample of job seekers in 1999 (during the first contract period) and in 2000 (during the second contract period). The data show that women were more likely to remain

⁵³ JobSkills, JobTrain, JobStart, Landcare Environment Action Program, New Work Opportunities, SkillShare and Special intervention.

⁵⁴ These include jobs found for job seekers who are eligible for Job Matching as well as placements matched to vacancies for job seekers who have participated in Job Search Training and Intensive Assistance.

employed than men (76.3% compared to 64.4% in 2000). Younger job seekers and those with higher levels of education or training, or on shorter durations of income support, were also more likely than other job seekers to remain employed or regain a new job in the three months following placement.

Table 4.2: Job Matching placements May 1998 to September 2000 and three-month post-placement employment and education rate, 1999 and 2000

| Job seeker characteristics | Eligible population ¹ | Placements ² | Three months post-placement | | | |
|-----------------------------------|----------------------------------|-------------------------|-----------------------------|-------------------|-------------------|--------------|
| | | | 1999 ³ | | 2000 ⁴ | |
| | | | Employed | In education | Employed | In education |
| | | | % | | | |
| Gender | | | | | | |
| Males | 65.9 | 64.7 | 62.9 | 12.4 | 64.4 | 7.6 |
| Females | 34.1 | 35.3 | 75.0 | 17.7 | 76.3 | 13.1 |
| Age | | | | | | |
| Less than 18 | 3.3 | 6.7 | 69.0 | 26.2 | 65.0 | 17.9 |
| 18–20 | 14.7 | 20.4 | 76.1 | 26.1 | 76.9 | 18.7 |
| 21–24 | 14.4 | 15.7 | 70.8 | 19.1 | 71.6 | 13.2 |
| 25–34 | 24.7 | 25.3 | 66.3 | 11.7 | 67.9 | 8.5 |
| 35–44 | 19.7 | 16.6 | 67.0 | 9.9 | 67.4 | 6.0 |
| 45–54 | 15.6 | 11.9 | 63.2 | 7.4 | 71.3 | 6.9 |
| 55 or more | 7.5 | 3.3 | 58.6 | 6.1 | 65.3 | 5.9 |
| Duration on Income Support | | | | | | |
| Less than 6 months | 30.4 | 48.4 | 70.1 | 13.9 | 75.1 | 10.8 |
| 6–12 months | 18.3 | 13.0 | 62.4 | 14.3 | 66.0 | 7.1 |
| 12–24 months | 15.2 | 14.9 | 52.5 | 9.2 | 63.7 | 9.9 |
| 24–36 months | 11.8 | 9.1 | 52.4 | 9.2 | 59.4 | 10.6 |
| 3–5 years | 15.2 | 8.3 | 48.1 | 9.9 | 62.3 | 10.7 |
| 5 years or more | 9.0 | 6.3 | 51.5 | 8.8 | 47.0 | 4.9 |
| Educational level | | | | | | |
| Less than year 10 | 25.2 | 26.3 | 52.1 | 8.2 | 53.2 | 4.0 |
| Year 10 completed | 29.0 | 29.2 | 64.2 ⁵ | 10.0 ⁵ | 65.0 | 7.4 |
| Year 11 completed | 8.9 | 9.7 | | | 68.1 | 12.7 |
| Secondary school completed | 18.5 | 20.6 | 73.2 | 21.4 | 74.8 | 12.9 |
| Trade/TAFE qualifications | 12.2 | 9.2 | 71.3 | 13.0 | 69.6 | 7.8 |
| Tertiary qualifications | 6.1 | 5.0 | 74.8 | 19.1 | 77.1 | 8.6 |
| Disadvantaged group | | | | | | |
| Indigenous Australians | 5.6 | 2.7 | 55.7 | 13.4 | 50.0 | 10.5 |
| NESB ⁶ | 14.6 | 10.6 | 60.0 | 13.6 | 66.5 | 12.3 |
| People with disabilities | 21.1 | 9.7 | 50.3 | 10.0 | 58.9 | 8.1 |
| Sole parents | 6.7 | 2.1 | 72.0 | 15.5 | 65.0 | 10.4 |
| Total | 100.0 | 100.0 | 68.2 | 14.6 | 69.7 | 10.0 |

1 Eligible clients refer to those eligible at September 2000. Includes job seekers registered with Centrelink as unemployed, excluding those registered for Job Matching only.

2 Excludes Job Matching only placements.

3 Placements between 1 April and 30 May 1999 and outcomes achieved in July and August 1999. Excludes outcomes for apprenticeships and traineeships.

4 Placements between March and June 2000 and outcomes achieved by September 2000. Excludes outcomes for apprenticeships and traineeships.

5 Year 10 and 11 combined.

6 Non-English-speaking background.

Source: Integrated Employment System and Post-program Monitoring Survey

Outcome rates for most job seeker groups were higher in 2000 than they were in 1999. In particular, some of the groups that include more disadvantaged job seekers have relatively large increases in employment outcome rates over this period. The post-placement employment rate for job seekers on income support for between three to five years, for example, increased from 48.1% in 1999 to 62.3% in 2000, while for those on income support for 12 to 24 months, the increase was from 52.5% to 63.7% (Table 4.2).

Table 4.3: Job Search Training post-assistance outcome rates¹ and shares of assistance and outcomes by participant characteristics, May 1998 to September 2000

| Job seeker characteristics | Full-time employment | Part-time employment | Education/ training | Positive outcomes ² | Share of exits | Share of positive outcomes |
|-----------------------------------|----------------------|----------------------|------------------------|--------------------------------|----------------|----------------------------|
| | % | | | | % | |
| Gender | | | | | | |
| Male | 21.1 | 14.4 | 11.0 | 43.2 | 65.3 | 60.2 |
| Female | 17.3 | 26.0 | 16.4 | 53.7 | 34.7 | 39.8 |
| Age group | | | | | | |
| Less than 18 | 19.8 | 18.4 | 19.5 | 52.7 | 3.0 | 3.3 |
| 18–20 | 22.4 | 19.9 | 18.2 | 54.4 | 14.5 | 16.3 |
| 21–24 | 21.9 | 21.4 | 17.9 | 54.6 | 17.4 | 19.6 |
| 25–34 | 21.4 | 18.9 | 12.6 | 48.5 | 31.4 | 31.5 |
| 35–44 | 18.7 | 17.4 | 11.2 | 43.6 | 21.2 | 19.1 |
| 45–54 | 17.2 | 18.4 | 9.3 | 42.2 | 9.9 | 8.6 |
| 55 or more | 11.0 | 14.6 | 5.7 | 29.5 | 2.7 | 1.6 |
| Duration on income support | | | | | | |
| Less than 6 months | 24.2 | 19.1 | 15.1 | 53.1 | 35.9 | 40.3 |
| 6–12 months | 19.6 | 18.2 | 12.1 | 46.2 | 34.1 | 33.3 |
| 12–24 months | 16.0 | 18.9 | 12.2 | 43.3 | 21.8 | 19.9 |
| 24–36 months | 13.6 | 17.1 | 10.7 | 37.9 | 4.7 | 3.7 |
| 3–5 years | 13.1 | 17.6 | 10.1 | 37.1 | 2.9 | 2.3 |
| 5 years or more | 10.8 | 19.5 | 8.5 | 36.0 | 0.7 | 0.5 |
| Educational level | | | | | | |
| Less than year 10 | 15.0 | 13.7 | 5.3 | 32.9 | 5.5 | 3.9 |
| Year 10 completed | 18.4 | 17.0 | 8.4 | 41.4 | 24.3 | 21.4 |
| Year 11 completed | 19.1 | 18.2 | 9.2 | 44.2 | 7.8 | 7.4 |
| Secondary school completed | 19.6 | 20.4 | 16.3 | 50.6 | 28.0 | 30.3 |
| Trade/TAFE qualifications | 22.2 | 17.7 | 11.7 | 47.6 | 16.4 | 16.7 |
| Tertiary qualifications | 20.9 | 20.5 | 18.0 | 53.2 | 18.0 | 20.4 |
| Disadvantaged groups | | | | | | |
| Indigenous Australians | 15.1 | 9.4 | 12.1 | 34.5 | 0.8 | 0.6 |
| NESB ³ | 18.1 | 16.0 | 17.9 | 47.3 | 12.5 | 12.6 |
| People with disabilities | 17.1 | 16.9 | 10.1 | 40.9 | 6.9 | 6.0 |
| Sole parents | 11.9 | 23.8 | 18.6 | 49.1 | 2.5 | 2.6 |
| Total | 19.8 | 18.6 | 13.6 | 47.1 | 100.0 | 100.0 |

1 Outcomes achieved three months after assistance for job seekers who ceased assistance between 1 May 1998 and 30 June 2000.

2 Positive outcomes include employed and education/training outcomes, but are not the sum of these two outcomes because some job seekers can achieve both an employment and education outcome.

3 Non-English-speaking background.

Source: Post-program Monitoring Survey

Job Search Training

Positive outcomes from Job Search Training were distributed fairly consistently among the majority of job seeker groups participating in this type of assistance (Table 4.3). Those on income support for less than six months had a share of positive outcomes above their share of exits. A number of groups, including older job seekers, those with longer durations of income

support and those with less than year 10 education, and indigenous job seekers' shares of positive outcomes were below their shares of exits.

Outcomes data show that short-term income-support recipients fared better than the average for all job seekers in obtaining full-time work, while females and sole parents had high part-time employment outcomes. Females, job seekers aged less than 25, short-term beneficiaries, the better educated, those from a non-English-speaking background and sole parents had higher education and training outcomes.

Job seekers with well below-average positive outcomes included mature-age job seekers, those with lower levels of education, those on income support for over two years, people with disabilities and indigenous job seekers.

Intensive Assistance

The more disadvantaged generally have a lower share of positive outcomes relative to their share of exits compared to other job seekers. Job seekers on funding level B, for example, account for 30.1% of exits from Intensive Assistance but 22.2% of those that achieve a positive outcome (Table 4.4).

As noted earlier, 41.9% of Intensive Assistance participants achieve a positive outcome, with the majority of outcomes being into employment (about 85%). Four in ten job seekers who achieved a positive outcome obtained a full-time job (Table 4.1). Women (47.1%) and sole parents (44.8%) had higher positive outcomes than other job seekers, primarily due to their participation in part-time work and education or training (Table 4.4).

Job seekers who were most successful were those unemployed for less than 12 months before assistance, the better educated, and those aged less than 45. Higher than average take-up rates for education or training were achieved by younger job seekers, especially those aged under 25 years, those with higher levels of education attainment and those from equity groups (other than job seekers with a disability) (Table 4.4).

Outcomes for indigenous job seekers were also encouraging. While their employment outcomes were below those of other job seekers (27.6% compared to 35.4%), they were more likely than other job seekers to take up post-assistance education and training (11.9% compared to 8.1%).

Job seeker groups whose outcomes were below average included:

- Job seekers aged over 55 years, who were far less likely to gain employment (particularly full-time) and less likely than other groups to take up educational opportunities.
- Those on income support for more than two years:
 - Those on income support for five years and over had the lowest rate of full-time employment—8.2% compared to 16.3% overall.
- Job seekers with a disability, whose employment outcomes were below average:
 - It can be argued that outcomes for job seekers with a disability (as recorded on administrative records) should be examined further to assess their eligibility for and take-up of the Community Support Program. Access to disability services available

from the Department of Family and Community Services (FaCS)⁵⁵ will also influence the take-up of Job Network services and outcomes for this group.

- Job seekers with less than year 10 qualifications (positive outcome of 34.0%) and those attracting the higher funding fee (level B) (positive outcome of 31.1%).

Table 4.4: Intensive Assistance: post-assistance outcomes¹ and shares of assistance and outcomes by job seeker characteristics, May 1998 to September 2000

| Job seeker characteristics | Full-time Employment | Part-time Employment | Education/ Training | Positive Outcomes ² | Share of exits | Share of positive outcomes |
|-----------------------------------|-------------------------|-------------------------|------------------------|-----------------------------------|----------------------|----------------------------------|
| | % | | | | % | |
| Funding level | | | | | | |
| A | 18.9 | 21.3 | 8.5 | 46.8 | 69.9 | 77.8 |
| B | 10.6 | 14.1 | 7.3 | 31.1 | 30.1 | 22.2 |
| Gender | | | | | | |
| Male | 17.9 | 16.2 | 6.4 | 39.4 | 69.7 | 65.8 |
| Female | 12.9 | 25.1 | 11.6 | 47.1 | 30.3 | 34.2 |
| Age group | | | | | | |
| Less than 18 | 16.5 | 14.8 | 21.6 | 50.1 | 3.2 | 3.7 |
| 18–20 | 18.6 | 17.6 | 14.7 | 48.0 | 8.6 | 9.5 |
| 21–24 | 18.5 | 18.5 | 12.6 | 46.9 | 11.2 | 12.1 |
| 25–34 | 19.0 | 19.3 | 9.7 | 46.0 | 25.5 | 27.1 |
| 35–44 | 17.1 | 20.3 | 8.5 | 44.2 | 21.5 | 21.9 |
| 45–54 | 15.2 | 21.0 | 6.0 | 40.9 | 20.9 | 19.7 |
| 55 or more | 9.8 | 15.2 | 3.2 | 27.7 | 9.2 | 5.9 |
| Duration on income support | | | | | | |
| Less than 6 months | 22.0 | 19.4 | 9.9 | 49.5 | 24.6 | 29.0 |
| 6–12 months | 19.1 | 19.3 | 9.5 | 46.1 | 12.3 | 13.5 |
| 12–24 months | 16.8 | 19.6 | 8.6 | 43.2 | 23.0 | 23.6 |
| 24–36 months | 14.0 | 19.0 | 7.1 | 38.7 | 16.2 | 14.9 |
| 3–5 years | 11.9 | 19.2 | 6.6 | 36.3 | 14.4 | 12.4 |
| 5 years or more | 8.2 | 16.4 | 5.4 | 29.1 | 9.4 | 6.5 |
| Education level | | | | | | |
| Less than year 10 | 13.5 | 16.0 | 5.3 | 34.0 | 32.4 | 26.3 |
| Year 10 completed | 16.6 | 20.3 | 6.6 | 42.1 | 30.9 | 31.2 |
| Year 11 completed | 18.6 | 21.4 | 8.5 | 46.6 | 8.5 | 9.5 |
| Secondary school completed | 18.7 | 20.9 | 13.0 | 50.0 | 14.5 | 17.3 |
| Trade/TAFE qualifications | 19.7 | 20.0 | 10.1 | 47.7 | 7.1 | 8.1 |
| Tertiary qualifications | 17.0 | 20.0 | 13.9 | 47.9 | 6.6 | 7.5 |
| Disadvantaged groups | | | | | | |
| Indigenous Australians | 13.4 | 14.2 | 11.9 | 37.3 | 5.4 | 4.8 |
| NESB ³ | 16.8 | 16.8 | 11.8 | 43.6 | 21.5 | 22.3 |
| People with disabilities | 11.8 | 16.0 | 6.1 | 32.9 | 18.4 | 14.3 |
| Sole parents | 11.0 | 23.3 | 13.4 | 44.8 | 0.9 | 0.9 |
| Total | 16.3 | 19.1 | 8.1 | 41.9 | 100.0 | 100.0 |

1 Outcomes achieved three months after assistance for job seekers who ceased assistance between 1 May 1998 and 30 June 2000.

2 Positive outcomes include employed and education/training outcomes, but are not the sum of these two outcomes because some job seekers can achieve both an employment and education outcome.

3 Non-English-speaking background.

Source: Post-program Monitoring Survey

⁵⁵ Job seekers with a disability can access disability services through Centrelink (including Job Network services) or by directly approaching service providers funded by FaCS. Eligibility for services is determined by assessing the impact of a person's disability on their ability to work. Work Ability Tables (WAT) are used to assess this impact, resulting in a WAT score. Job seekers with a score of 50 or more are streamed to FaCS funded services, while those with a score below 50 are eligible for Job Network Services (FaCS 2000b).

Factors affecting low outcome levels

Job seeker characteristics are an important factor affecting job seekers' prospects of obtaining both employment and education and training outcomes. It is evident from the previous discussion that personal characteristics, educational qualifications and duration of welfare receipt have an impact on labour market competitiveness—males, mature-age job seekers, those with low levels of education and job seekers who had extended periods on welfare support all have relatively low outcomes. These findings confirm conventional wisdom and, to varying degrees, reflect recognised labour market disadvantages.

Table 4.5: Intensive Assistance participants: characteristics by pro-active job search and attitudes to looking for work by characteristics, June 2000

| Job seeker characteristics | Pro-active job search ¹ | Attitudes to looking for work | | |
|-----------------------------|------------------------------------|--|--|---|
| | | Job selectivity: | Motivation: | Attachment to work: |
| | | I prefer to wait and find the right job for me | I find it hard to get motivated enough to go to job interviews | I think I would be better off on a benefit than working |
| | % participating | | % agreeing ² | |
| Males: | | | | |
| Under 25 | 72 | 43 | 12 | 9 |
| 25–44 | 65 | 49 | 12 | 4 |
| Mature-age ³ | 65 | 44 | 5 | 15 |
| <i>Total</i> | <i>66</i> | <i>46</i> | <i>9</i> | <i>9</i> |
| Females: | | | | |
| Under 25 | 75 | 33 | 32 | 13 |
| 25–44 | 73 | 43 | 21 | 1 |
| Mature-age ³ | 58 | 25 | 21 | 11 |
| <i>Total</i> | <i>68</i> | <i>34</i> | <i>23</i> | <i>7</i> |
| Duration of benefit: | | | | |
| Less than 6 months | 69 | 51 | 12 | 21 |
| 6–12 months | 66 | 39 | 7 | 9 |
| 12–24 months | 71 | 29 | 12 | 6 |
| 2 years or more | 65 | 45 | 15 | 7 |
| Education Level: | | | | |
| Less than year 10 | 65 | 49 | 16 | 19 |
| Year 10 completed | 62 | 45 | 18 | 4 |
| Year 11 completed | 65 | 51 | 7 | 4 |
| Secondary school completed | 67 | 26 | 10 | 3 |
| Trade/TAFE qualifications | 90 | 30 | 9 | 11 |
| Tertiary qualifications | 67 | 36 | 4 | - |
| Total | 66 | 42 | 13 | 9 |

1 Job seekers who had undertaken at least one of the following activities in the previous week: ring or visit employers; advertise for work wanted; prepare or update resume; prepare & send a job application; prepare for job interview; or attend a job interview.

2 The percentages are derived from only those job seekers who strongly agreed, agreed, strongly disagreed or disagreed with each statement. The percentages shown combine strongly agreed and agreed.

3 Job seekers aged 45 years or more.

Source: Survey of activity and attitudes of Intensive Assistance participants

A range of other factors also has the potential to impact on labour market success. These include efforts taken to find employment, motivation and work attitudes. Research by the OECD indicates that “investment in active placement efforts and raising the motivation of the unemployed, as well as taking steps to encourage and monitor their job search behaviour, pay dividends in terms of getting the unemployed back into work faster” (Martin 2000, p. 95). To help explore the relationship between job search activity, attitudes and labour market success,

DEWRSB commissioned a survey of Intensive Assistance participants (see Attachment A for an explanation of the survey). Key findings are summarised below.

Table 4.5 shows that the level of pro-active job search may partly explain low outcome levels, but is by no means the full picture. The level of pro-active job search is substantially lower for mature-age females and slightly lower for job seekers on benefit for two years or more. A stronger relationship is evident between job seeker groups with low outcome levels and particular attitudes to looking for work.

Job seeker groups with low outcome levels (Table 4.4) are more likely than other job seekers to have one or more of the following views: they are more selective about finding the right job for them, they find it harder to get motivated to go to interviews, or they appear to be less attached to work:

- Males demonstrated higher job selectivity than females, with 46% of males surveyed agreeing that they would prefer to wait and find the right job for them compared with 34% of females. Less educated job seekers and those on benefit for two years or more were also more selective.
- Less educated job seekers and women were more likely to agree that they find it hard to get motivated to go to job interviews.
- Some mature-age job seekers, particularly males, show lower attachment to work as 15% agree they would be better off on a benefit than working compared with 9% for all job seekers. The high level of agreement with this statement shown by very short-term beneficiaries (21%) is largely the view of mature-age short-term beneficiaries. Less educated job seekers also show lower attachment to work.

New Enterprise Incentive Scheme

Employment outcomes for NEIS were higher than outcomes for any other Job Network service. Three months after assistance, 81.2% of participants were employed: 65.2% were in self-employment and 16.0% in other employment (Table 4.6). Total employment outcomes ranged between 59.9% for youth to 85.3% for the tertiary qualified. Younger job seekers were much less likely than other job seekers to be self-employed three months after NEIS assistance, but more likely to have found other employment. This reflects their greater job mobility.

Table 4.6: NEIS post-assistance outcomes¹ by characteristics, May 1998 to September 2000

| Job seeker characteristics | Self-employed | Employed | Total employed | Education/ training | Positive outcomes ² |
|-------------------------------------|---------------|-------------|----------------|------------------------|--------------------------------|
| | % | | | | |
| Gender | | | | | |
| Female | 61.9 | 16.2 | 78.1 | 9.8 | 81.0 |
| Male | 67.8 | 15.9 | 83.7 | 8.2 | 86.0 |
| Age | | | | | |
| Less than 20 | 28.2 | 31.7 | 59.9 | 16.7 | 73.3 |
| 21–24 | 59.2 | 25.8 | 85.0 | 14.2 | 88.5 |
| 25–34 | 65.5 | 18.1 | 83.6 | 9.1 | 86.1 |
| 35–44 | 67.4 | 13.0 | 80.4 | 8.4 | 82.8 |
| 45–54 | 64.3 | 15.8 | 80.1 | 7.9 | 82.2 |
| 55 or more | 67.8 | 10.0 | 77.8 | 6.4 | 79.5 |
| Educational level | | | | | |
| Less than year 10 | 60.5 | 17.5 | 78.0 | 5.4 | 79.3 |
| Year 10 completed | 60.4 | 15.5 | 75.9 | 6.5 | 78.4 |
| Year 11 completed | 71.3 | 11.4 | 82.7 | 4.6 | 83.8 |
| Secondary school completed | 64.8 | 14.2 | 79.0 | 10.7 | 83.5 |
| Trade/TAFE qualifications | 67.1 | 16.3 | 83.4 | 9.6 | 85.7 |
| Tertiary qualifications | 67.1 | 18.2 | 85.3 | 11.1 | 87.6 |
| Job seeker group | | | | | |
| NESB ³ | 62.2 | 15.3 | 77.5 | 9.3 | 80.3 |
| People with disabilities | 62.7 | 10.6 | 73.3 | 7.1 | 76.5 |
| Mature-age ⁴ | 65.0 | 14.8 | 79.8 | 7.6 | 81.7 |
| Youth | 28.2 | 31.7 | 59.9 | 16.7 | 73.3 |
| Long-term income-support recipients | 54.9 | 15.1 | 70.0 | 10.2 | 72.8 |
| Total | 65.2 | 16.0 | 81.2 | 8.9 | 83.8 |

1 Outcomes achieved three months after assistance for job seekers who ceased assistance between 1 May 1998 and 30 June 2000.

2 Positive outcomes include employed and education/training outcomes, but are not the sum of these two outcomes because some job seekers can achieve both an employment and education outcome.

3 Non-English-speaking background.

4 Job seekers aged 45 and over.

Source: Post-program Monitoring Survey

4.3 Effectiveness

Effectiveness of Job Network can be assessed by examining whether labour market assistance contributes to sustainable labour market participation and enhanced employment prospects for job seekers. Simple outcome measures, such as those discussed earlier in the chapter, serve only as a guide to progress towards the goal of effective labour market assistance. These measures, however, cannot provide a reliable indicator of program effectiveness, as a certain level of outcome would have been achieved irrespective of whether the job seekers were assisted. Estimates of program effectiveness need to gauge the sustainability of outcomes and the *additional* (ie, net) impact of the program. This part of the chapter provides preliminary data on these two aspects of effectiveness:

- Sustainability, as indicated by income-support status six months after participation in Job Network services (or placement, in the case of Job Matching).⁵⁶

⁵⁶ It should be noted that off-benefit outcomes represent the percentage of job seekers who remain off Newstart Allowance, Youth Allowance or any other allowance recorded on the Integrated Employment System six months after leaving assistance. Only those who were in receipt of Youth or Newstart Allowance at the start of the assistance are included in the analysis. This is a conservative measure of outcomes because it does not include job seekers who obtain part-time work and remain on income support.

- The net impact of assistance on job seekers' employment prospects.

Measures of net impact attempt to gauge the extent to which participation in assistance contributes to post-assistance outcomes by controlling for outcomes that would have been achieved in the absence of assistance. It does this by attempting to isolate the contribution of employment assistance to job seeker outcomes from other influences. The net impact of a program derives from two potential measures—referral to a program⁵⁷ and the effect of participating in a program.

The data on sustainability of outcomes and net impact presented here are preliminary and (in the case of net impact) only report the participation effect. They represent the initial findings (based on data from the first employment services contract) of ongoing comprehensive research on Job Network's effectiveness. For stage three of the evaluation, the current measures of sustainability (income-support status six months after leaving assistance and longer term outcomes for Job Matching placements) will be supplemented by further measures of employment and education and training status 9 to 12 months after assistance and by information on the quality of labour market outcomes.⁵⁸

The net impact findings described below are based on a comparison between participants in Intensive Assistance and Job Search Training and similar groups of job seekers (the comparison group) who had not participated (for a more detailed description of the methodology see DEWRSB 2001). For Job Search Training, the income-support status of participants was tracked for 12 months after they left assistance, while Intensive Assistance participants were tracked for five months. The income-support status of job seekers in the comparison groups was tracked over the same periods. The characteristics of both participant and comparison groups were measured at the time job seekers in the participant group started assistance. This approach is consistent with the approach used to measure the net impact of previous labour market programs, described in *The net impact of labour market programmes: improvements in the employment prospects of those assisted* (DEETYA 1997). This allows comparisons of Job Network effectiveness to be made with assistance delivered previously. The impact of partial withdrawal from benefit is not examined, because of data limitations, which may substantially understate the real impact of assistance.

Alternative approaches are available and will be used for the third stage of the evaluation to provide a more comprehensive assessment of Job Network's effectiveness. These include supplementing measures of income support with details of the employment and education status of job seekers after assistance, as well as tracking job seekers for longer. Various combinations of these options are being explored.

The factors that contribute to effectiveness are addressed in the next section of the chapter by examining the strategies of service providers and, in the case of Intensive Assistance, the attitudes and activities of participants throughout their time in assistance.

4.3.1 Sustained outcomes

As shown in Table 4.7, off-benefit outcome rates were generally lower for Intensive Assistance than for Job Search Training, Job Matching and NEIS, reflecting the greater level of disadvantage of participants. Within each program there was also substantial variation by

⁵⁷ Rather than participate in assistance, job seekers may choose to exit the unemployment register, and this may include job seekers who declare earnings not previously disclosed (eg, because they are already working).

⁵⁸ Including income and occupation.

characteristics. There was, for example, a difference of about 30 percentage points in outcomes between those on benefits for less than six months and those on benefits for more than five years.

With the exception of job seekers over 55, off-benefit outcomes generally declined as age increased. The increase in off-benefit outcomes for job seekers over 55 probably reflects movement out of the labour force (including to other types of income support), given their relatively low rate of employment outcomes (Tables 4.2 to 4.4).

The results for equity groups were mixed. People with a disability had substantially lower off-benefit rates in Job Matching and Job Search Training (eight and six percentage points respectively), but only marginally lower outcomes for Intensive Assistance (three percentage points lower) (Table 4.7). Job seekers from a non-English-speaking background had higher off-benefit outcomes for Job Search Training and Intensive Assistance and lower Job Matching outcomes than other job seekers. Job Matching outcome rates for indigenous job seekers were lower than those of other job seekers, whereas for Job Search Training and Intensive Assistance, their rates were similar to those of other job seekers. It is possible that the relatively better performance following Intensive Assistance may be partly due to some indigenous job seekers being in subsidised employment through the Indigenous Employment Program. Also, indigenous job seekers participating in a Community Development Employment Project are counted as an off-benefit outcome.

Further research into the longer-term outcomes for job seekers placed through Job Matching indicates that the quality of jobs improves over time. A sample of job seekers placed in 1999 were followed up 15 months later. This survey found that:

- Of the 68% who were employed three months after their Job Matching placement, 83% were also employed 15 months after placement.
- Job seekers in temporary, seasonal and casual work had a good chance of moving into permanent positions. Of those job seekers in these types of jobs who were still employed 12 months later, 41.9% were in permanent jobs.

A more detailed report of the findings of this survey is being prepared by DEWRSB. Further research is also needed to measure the extent to which these changes are influenced by economic conditions.

Table 4.7: Off-benefit¹ outcomes six months after participation in Job Network assistance²

| Job seeker characteristics | Job Matching | Job Search Training | Intensive Assistance | NEIS |
|-----------------------------------|--------------|---------------------|----------------------|-----------------|
| | % | | | |
| Gender | | | | |
| Female | 55 | 42 | 39 | 73 |
| Male | 52 | 40 | 35 | 70 |
| Age | | | | |
| Less than 18 | 59 | 49 | 47 | |
| 18–20 | 60 | 47 | 41 | 70 ³ |
| 21–24 | 55 | 42 | 36 | |
| 25–34 | 52 | 40 | 37 | 72 |
| 35–44 | 49 | 35 | 33 | 72 |
| 45–54 | 49 | 37 | 33 | 70 ⁴ |
| 55 or more | 49 | 46 | 45 | |
| Duration on income support | | | | |
| Less than 6 months | 65 | 48 | 50 | 78 |
| 6–12 months | 55 | 38 | 40 | 72 |
| <i>Less than 12 months</i> | <i>62</i> | <i>44</i> | <i>47</i> | <i>76</i> |
| 12–24 months | 48 | 33 | 35 | 70 |
| 24–36 months | 41 | 27 | 31 | 60 |
| 3–5 years | 36 | 24 | 28 | 50 ⁵ |
| 5 years or more | 29 | 18 | 21 | |
| <i>12 months or more</i> | <i>42</i> | <i>31</i> | <i>30</i> | <i>63</i> |
| Educational level | | | | |
| Less than year 10 | 44 | 32 | 33 | 66 |
| Year 10 completed | 51 | 37 | 36 | 69 |
| Year 11 completed | 53 | 37 | 37 | 71 |
| Secondary school completed | 60 | 42 | 41 | 70 |
| Trade/TAFE qualifications | 60 | 42 | 39 | 71 |
| Tertiary qualifications | 62 | 44 | 36 | 76 |
| Disadvantaged group | | | | |
| Indigenous Australians | 46 | 40 | 39 | - |
| Non-English-speaking background | 50 | 43 | 40 | 71 |
| People with disabilities | 45 | 34 | 33 | - |
| Total | 53 | 40 | 36 | 71 |

1 The percentage of Newstart and Youth Allowance recipients who were off Newstart Allowance, Youth Allowance or any other allowance recorded on the Integrated Employment System six months after leaving assistance. Job seekers who move from Newstart or Youth Allowance to income-support payments not recorded on the Integrated Employment System, such as Community Development Employment Projects, age pension or any other pension where the job seeker is not registered with Centrelink as looking for work, are counted as off-benefit outcomes.

2 Off-benefit outcomes for Job Matching placements and job seekers leaving Job Search Training between May 1998 and February 2000 and for job seekers leaving Intensive Assistance between May 1999 and February 2000. NEIS outcomes are for those who left assistance between January 1999 and December 1999.

3 Age groups under 25 years combined due to small numbers.

4 Age groups 45–54 and 55 and over combined.

5 Duration of income support three years and over.

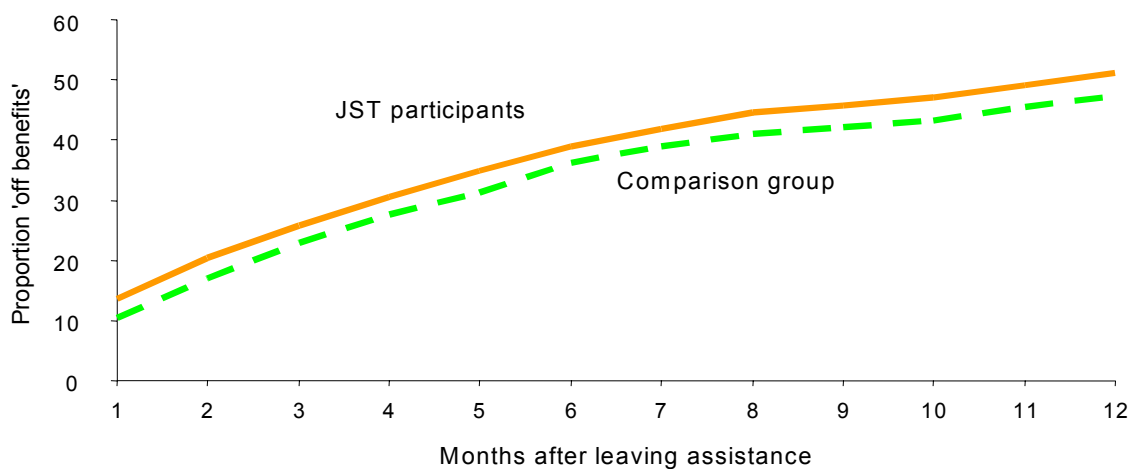
Source: Integrated Employment System

4.3.2 Net impact

Job Search Training

Three months after leaving assistance, participants who left Job Search Training in March 1999 had achieved an off-benefit outcome rate of just under 27% (Figure 4.1).⁵⁹ This compares with an outcome rate of under 24% for a similar group defined, as noted above, on the basis of gender, age and duration of benefit. This results in a net impact of about three percentage points. Figure 4.1 below shows that this level of effectiveness (the gap between the two lines) is maintained over the 12 months following assistance, and is consistent with the four percentage points off-benefit net impact in 1996 for the Job Clubs program that operated before Job Network (DEETYA 1997).

Figure 4.1: Off-benefit net impact¹ of Job Search Training²



1 Net impact is reflected in the difference between the two lines.

2 For participants who left Job Search Training in March 1999.

Source: Integrated Employment System

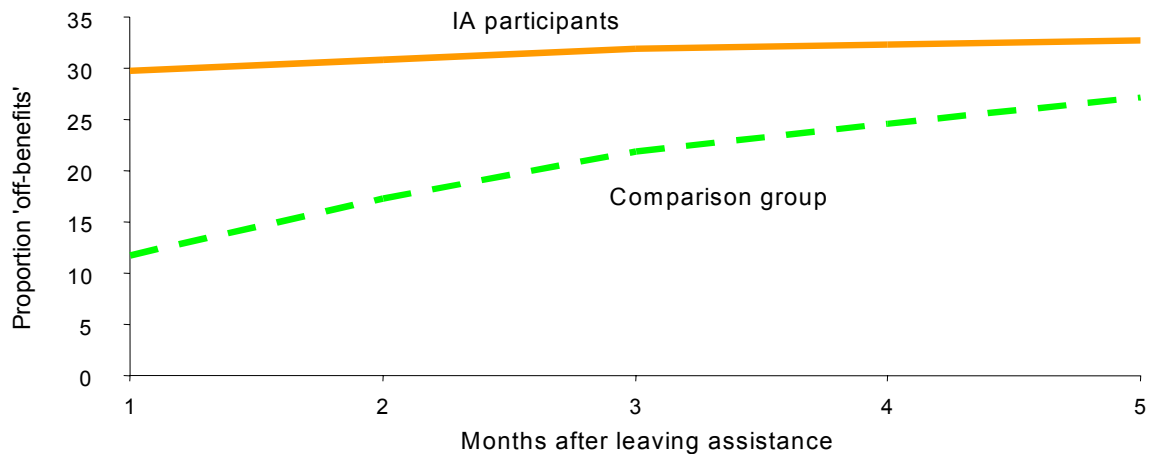
Intensive Assistance

Off-benefit outcomes for Intensive Assistance participants averaged over 31%, compared with a little over 21% for the comparison group.⁶⁰ This yielded a net impact of about 10 percentage points.⁶¹ Figure 4.2 suggests that the net impact of Intensive Assistance ranges from about 18 percentage points in the month following participation, to about six percentage points five months later. This compares to an average of about 10 percentage points for the main labour market programs operating in the mid-1990s (under *Working Nation*), that were replaced by Intensive Assistance, although results for individual programs varied widely (DEETYA 1997).

⁵⁹ To measure the impact of Job Search Training, about 5000 Job Search Training participants were compared with a similar number of job seekers who had not participated in or been referred to Job Search Training in the previous six months. The comparison group consisted of Newstart and Youth Allowance recipients and was matched on age, gender and duration on benefits. The income-support status of both the program group and the comparison group was monitored for the 12 months to March 2000.

⁶⁰ To gauge the impact of Intensive Assistance, about 26 000 job seekers who left assistance in August 1999 (including those who completed their placement and those who left early) were compared with a comparison group of about 26 000 job seekers who had not participated in or been referred to Intensive Assistance in the previous six months. The comparison group consisted of Newstart and Youth Allowance recipients and was also matched on age, gender and duration on benefits. The income-support status of both groups was monitored for five months to January 2000.

⁶¹ A regression methodology was used to test the reliability of results. Previous departmental studies have shown that a range of demographic factors such as aboriginality, educational attainment and disabilities had only had a small effect on the results. In this study, sensitivity analysis revealed that controlling for these and other variables produced a slightly more positive net impact for Intensive Assistance and a marginally less positive result for Job Search Training, possibly as a result of the use of the JSCI to quantify disadvantage. The job seeker's local area unemployment rate was also included in the analysis.

Figure 4.2: Off-benefit net impact¹ of Intensive Assistance²

1 Net impact is reflected in the difference between the two lines.

2 For participants who left Intensive Assistance in August 1999 (including those who completed their placement and those who left early).

Source: Integrated Employment System

4.4 Factors that contribute to effectiveness

Some of the factors that contribute to improved prospects for job seekers (of achieving a job or exiting from income support) are addressed below. For both Job Search Training and Intensive Assistance, information is available from job seekers on the quality and nature of assistance that gives a clear indication of how Job Network member service strategies are related to performance. Further analysis is included on the impact of length of participation in Intensive Assistance on the attitudes and activities of job seekers.

4.4.1 Service strategies

Job Search Training

In order to determine which strategies were the more likely to be successful, the approaches of the top-performing providers were compared with those of the bottom-performing providers.⁶²

It is important to note that in this analysis there were no major differences in the characteristics of job seekers assisted by the top and bottom providers. The groups of job seekers were similar in terms of gender, duration of unemployment and representation in equity groups. Job seekers from top providers, however, were slightly younger than those from the bottom providers.

The main differences reported by job seekers between these Job Search Training providers were in the areas of referrals to jobs and the help they provided in preparing for interviews. Better performing providers appeared to give more assistance in preparing for interviews and sent more job seekers to job interviews or to speak to employers about a job. Of those job seekers surveyed, 52% from the top-performing providers reported being sent to a job interview or speaking to an employer about a job, compared with 21% of job seekers from the bottom-

⁶² Based on provider performance data from May 1998 to July 1999. The performance of Job Network members was assessed against a range of performance indicators, such as the proportion of exits from a case load that attract outcome payments and the proportion of job seekers commencing a service who are still employed 13 weeks after leaving assistance. This assessment was used to calculate a score for each Job Network member (at the contract level) to provide a national ranking of Job Network member contracts for each service type. The model that measures provider performance controls for local labour market conditions and the characteristics of job seekers.

performing providers (Table 4.8). The assistance in interview preparation seems to have been successful as more referrals from the top providers resulted in paid full-time work.

Table 4.8: Job Search Training assistance provided to job seekers¹, 1999

| Type of assistance | Top-performing providers | Bottom-performing providers |
|--|--------------------------|-----------------------------|
| | % | |
| Referral to a vacancy | | |
| Sent to job interview or spoke to an employer about a job | 52 | 21 |
| Referral resulted in paid full-time job | 32 | 17 |
| Service and assistance | | |
| Provided overall high quality service and assistance | 82 | 66 |
| Job search help to improve chances of getting a job | 82 | 68 |
| Provider listened to job seeker views about what to include in their JSS ² Plan | 90 | 91 |
| Offered all the help they said they would | 90 | 87 |
| Talked about skills needed to get job | 91 | 91 |
| Writing resumes | 82 | 83 |
| Looking for work | 83 | 83 |
| Writing job applications | 70 | 71 |
| Getting references for jobs | 63 | 61 |
| Preparing for interview | 87 | 77 |

1 Included 361 job seekers.

2 Of those job seekers who had a Job Search Skills Plan, negotiated between the job seeker and provider, which outlines the timing and services to be delivered to the job seeker.

Source: 1999 job seeker satisfaction survey.

Intensive Assistance

Similar comparisons for Intensive Assistance providers⁶³ indicated that providers who achieved higher job seeker outcome levels used a confidence building/job matching strategy and offered, in the view of job seekers, training that was more targeted and useful. High-performing providers appear to do less formal training than low-performing providers—the emphasis is on job search skills training rather than job-specific skills training (Table 4.9). The focus on interviews was stronger and the ‘strike-rate’ from interviews better. As with Job Search Training, more high-performing providers sent job seekers to interviews or spoke to an employer on a job seeker’s behalf.

Together, these findings suggest the strategy employed by the more successful providers includes elements which provide:

- More emphasis on getting job seekers to go to interviews and preparing them for job search rather than job-specific skills training. These findings are similar to OECD research quoted earlier into what works in assisting job seekers (Martin 2000).
- An improvement in job seekers’ self-confidence.
- Better matching of training to job seeker needs.

These strategies are very similar to those being used to great effect by Working Links in various Employment Zones in the United Kingdom.⁶⁴

⁶³ Again, the analysis was based on the top and bottom performing providers. See previous footnote.

⁶⁴ The UK Department for Education and Employment has recently introduced a pilot program in various zones in the United Kingdom where the incidence of long-term unemployment is high. Agencies such as Working Links, which have a monopoly in a given Employment Zone, are paid on an outcomes basis for getting the long-term unemployed into sustainable jobs (McCurry 2000).

Table 4.9: Services provided to job seekers¹ in Intensive Assistance

| Type of assistance | Top-performing providers | Bottom-performing providers |
|---|--------------------------|-----------------------------|
| | % | |
| Referral to a vacancy | | |
| Sent to a job interview or spoke to an employer about a job | 35 | 19 |
| Referral resulted in paid full-time job | 25 | 9 |
| Training received | | |
| Job search skills, eg writing resume and job application, preparing for interview | 32 | 37 |
| Job specific skills, eg computer course or special certificate course | 14 | 26 |
| English language training ² | - | 6 |
| Encouragement and support | | |
| Improved self confidence | 69 | 53 |
| Gave right kind of encouragement and support | 90 | 81 |
| Satisfaction with services | | |
| Job search help improved chances of getting a job | 81 | 62 |
| Training improved chances of getting a job | 81 | 86 |
| Provider knew a lot about the sort of training needed by job seekers | 78 | 63 |
| Provided overall high quality service and assistance | 88 | 76 |
| Overall satisfaction | 89 | 83 |

1 Included 647 job seekers. 2 Sample size too small to report.
Source: 1999 job seeker satisfaction survey

4.4.2 Time in assistance

Job seekers can participate in Intensive Assistance for up to 21 months⁶⁵ in recognition of the time it may take for their barriers to employment to be overcome. Predictably, job seekers who leave assistance early are more likely to secure a positive outcome (employment or education) than those who leave later:

- Almost 70% of job seekers who leave after a month or less of Intensive Assistance were either employed or in education and training three months after leaving (Figure 4.3).⁶⁶ In each of the first four months of assistance over half of those job seekers who leave obtain positive outcomes. The rate of post-assistance positive outcomes was above 30% for those in assistance for between six and 11 months and just below 30% for those in assistance for longer than 12 months. This suggests that an extended time in assistance is required for some job seekers to secure a positive outcome:
 - Not all post-assistance positive outcomes qualify for an outcome payment (ie, a paid outcome⁶⁷). Early on in assistance, however, positive outcomes are much more likely to be paid outcomes than those later on. Almost three-quarters of paid outcomes were achieved in the first five months of assistance, whereas 48% of positive outcomes occurred after this time.

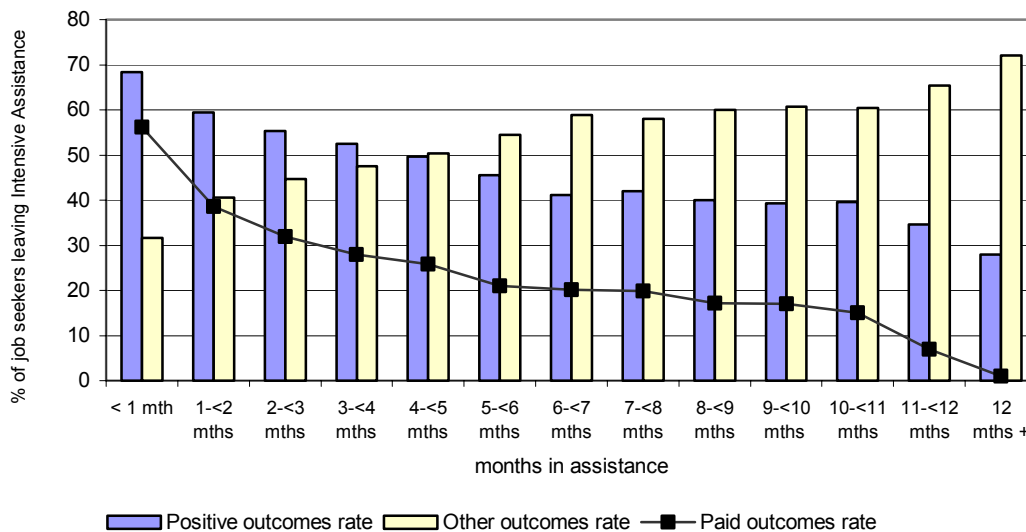
⁶⁵ Job seekers classified at funding level A are referred to Intensive Assistance for up to 12 months assistance, while those at funding level B are referred for up to 15 months. The option exists to extend the period of assistance for a further six months for all those referred to Intensive Assistance.

⁶⁶ One interpretation of this high level is that participation in Intensive Assistance may act as a strong motivator or deterrent, so that those who can, do leave.

⁶⁷ These are job seekers who have left Intensive Assistance and where the job seeker is placed in and retains paid work (either full-time or part-time) and the provider successfully claims an interim outcome fee. The provider becomes eligible to claim an interim outcome payment 13 weeks after the placement. Because the qualifying period for this claim is 13 weeks and post-assistance outcomes are measured around 13 weeks after assistance, most job seekers who secure a paid outcome will also secure a positive post-assistance outcome.

- Many job seekers leave Intensive Assistance in the early months without securing a positive outcome (ie, undertaking further assistance, remaining unemployed or moving out of the labour force). This level was around 40% for those in Intensive Assistance in the first three months, rising to over 70% for those in assistance for more than 12 months:
 - Possible reasons for job seekers leaving Intensive Assistance and not securing an outcome include transferring to another provider, incompatibility between job seeker and provider, change of income-support eligibility and reaching the end of assistance.
- The number of job seekers leaving assistance was higher in the early months of assistance (Figure 4.3). As noted earlier, around 42% of all Intensive Assistance post-assistance outcomes were positive, and around half of these positive outcomes (48%) occurred in the first five months of Intensive Assistance. About one-quarter of all other outcomes (26%) occurred in the first five months of Intensive Assistance, while 74% occurred afterwards.

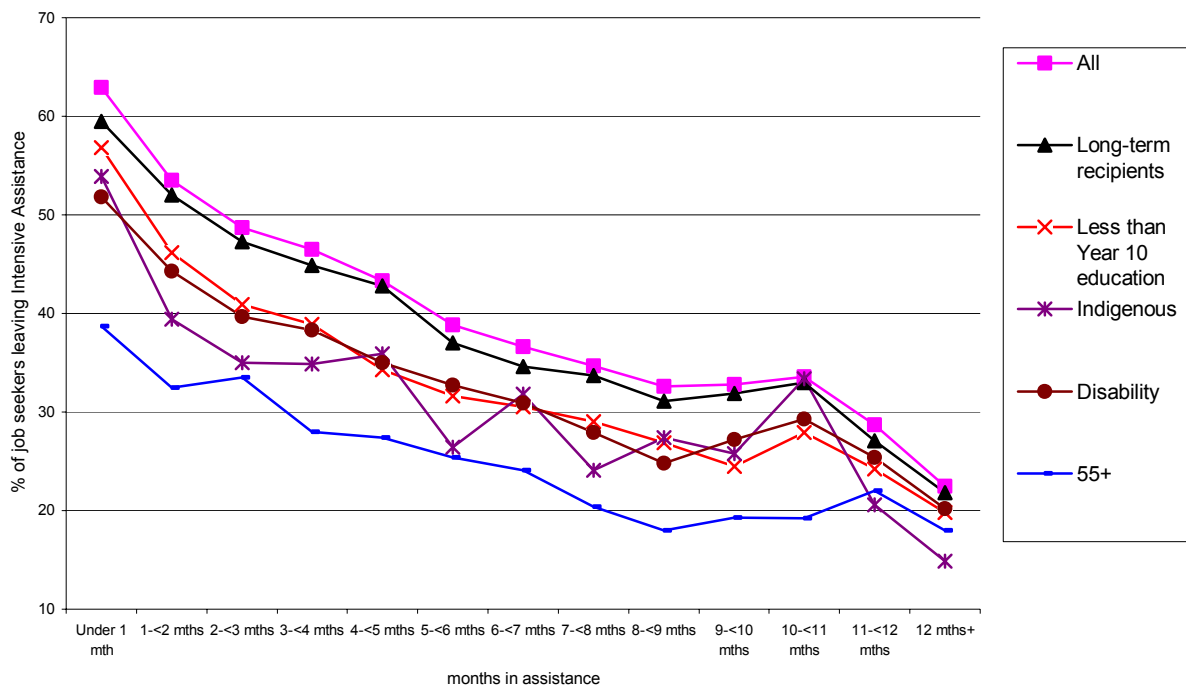
Figure 4.3: Intensive Assistance post-assistance outcomes¹ and exits by duration in assistance, May 1998 to Nov 1999



1 Positive outcomes refer to job seekers undertaking employment and or education and training three months after assistance. Other outcomes refer to job seekers being unemployed, out of the labour force or undertaking further employment assistance three months after assistance.
Source: Post-program monitoring survey

Figure 4.4 shows that the declining trend in positive outcomes by duration of assistance is consistent across all equity groups. The overall pattern of outcomes suggests that there may be room to pursue more positive outcomes, especially in the second half of Intensive Assistance.

Figure 4.4: Post-assistance employment outcomes from Intensive Assistance by duration in assistance for selected job seeker groups, May 1998 to November 1999



Source: Post-program Monitoring Survey

For most job seekers, duration of participation in Intensive Assistance is considerably less than 12 months. Two-thirds of job seekers leave Intensive Assistance within the first eight months. Job seekers who remain in Intensive Assistance longer are more likely to be more disadvantaged. As Table 4.10 shows, the factor most strongly associated with extended duration in Intensive Assistance is the previous length of time on income support. Job seekers on income support for long durations have low positive outcome levels relative to other job seekers.

Table 4.10: Duration in Intensive Assistance for selected groups of job seekers, May 2000

| Selected groups ² | Duration in Intensive Assistance ¹ | | | Total |
|-------------------------------|---|----------|-------------|-------|
| | 1-4 mths | 5-8 mths | 9 mths plus | |
| | % of each duration group | | | |
| Males | 67 | 67 | 68 | 67 |
| Mature-age males | 30 | 23 | 35 | 29 |
| Mature-age females | 13 | 8 | 11 | 12 |
| On income support for 2 yrs + | 60 | 57 | 74 | 61 |
| Less than year 10 education | 31 | 21 | 31 | 30 |
| Year 10 education | 31 | 35 | 32 | 32 |

1 Excludes job seekers who had only participated in Intensive Assistance for one month.

2 Job seekers may be in more than one of these selected groups.

Source: Integrated Employment System

Further research is needed into the distribution of outcomes by length of time in assistance and its implications for Intensive Assistance. This should include an examination of factors driving the high level of outcomes in the first month of assistance and other reasons for job seekers leaving assistance in the early months of Intensive Assistance. The research findings reported in the next section contribute to our understanding of the outcomes distribution.

4.4.3 Job seeker attitudes and activities throughout assistance

The Intensive Assistance survey of job search activities and attitudes to looking for work carried out by DEWRSB found a similar trend to that in Figures 4.3 and 4.4. As time in assistance increases the intensity of job search activity and motivation of job seekers declines.

The pattern of job search activity and attitudes throughout Intensive Assistance can be broadly described as:

- Initial high levels of pro-active job search and contact with employment officer, and more positive views about job prospects and Intensive Assistance in the early phase of assistance.
- A waning of activity levels and positive attitudes in the middle period.
- Later in assistance, an increase in the level of involvement in unpaid work, such as community or volunteer work, unpaid baby-sitting or home help and some improvement in motivation and willingness to pursue *any* job.

Changes in attitudes to work and job search

The Intensive Assistance survey also reveals that job seekers' optimism about their chances of finding a job declines as length of time in Intensive Assistance increases. Job seekers who had been in assistance for nine months or more were less inclined than job seekers in the first few months of assistance to believe they would soon find a job.

Table 4.11: Level of agreement¹ with attitude statements by duration in Intensive Assistance, June 2000

| Attitude statements | Duration in Intensive Assistance ² | | |
|--|---|----------|-------------|
| | 1-4 mths | 5-8 mths | 9 mths plus |
| | % agreed | | |
| I know I will find a job soon | 82 | 78 | 74 |
| I am doing everything I can but it's hard to get a job | 98 | 87 | 96 |
| I think even if I try hard it will take me a long time to find the right job | 64 | 51 | 64 |
| I find it hard to get motivated enough to go to a job interview | 13 | 16 | 13 |
| I would take just about any reasonable job at the moment | 86 | 81 | 88 |
| I think I would be better off on benefit than working | 10 | 2 | 6 |

¹ The percentages are derived from only those job seekers who strongly agreed, agreed, strongly disagreed or disagreed with each statement. Percentage agreed combines 'strongly agreed' and 'agreed'.

² Excludes those job seekers who had only participated for one month.

Source: Survey of activities and attitudes of Intensive Assistance participants

Of job seekers in Intensive Assistance for between one and four months, 82% reported that they thought they would find a job soon, compared to 74% of those in assistance for nine months or more (Table 4.11). This change became evident after about five months of assistance. In the middle period of participation, job seekers' general optimism about their chances of getting a job and belief in finding the right job for them declined.

Job search activities

The survey also attempted to gather information about activities that job seekers had undertaken that contributed to job readiness and job search. The survey did not report the activities undertaken by employment officers on behalf of their job seekers and therefore may not be the full picture of job search efforts. While almost all job seekers had undertaken activities to collect information about vacancies, 66% conducted pro-active job search in the previous week (Table 4.12). The survey data indicated that job seekers who had been in Intensive Assistance

for a short time (one to four months) were more pro-active in their job search than those who had been in assistance longer (five months or more).

Table 4.12: Intensive Assistance participants: rate of participation in activities undertaken in the week prior to interview by duration in assistance¹, June 2000

| Activities in the previous week | Duration in Intensive Assistance | | | Total |
|---|----------------------------------|-----------|-------------|-----------|
| | 1–4 mths | 5–8 mths | 9 mths plus | |
| | | | % | |
| Job Search—Collecting Information: | 95 | 97 | 94 | 95 |
| Read the newspapers | 89 | 90 | 91 | 90 |
| Use the touch screens | 61 | 50 | 49 | 58 |
| Visit or ring other Job Network members or Job Agency | 23 | 19 | 22 | 22 |
| Look at job boards | 33 | 34 | 31 | 33 |
| Use the internet | 20 | 15 | 14 | 18 |
| Word of mouth | 52 | 60 | 53 | 53 |
| Pro-active job search: | 69 | 62 | 56 | 66 |
| Ring or visit employers | 51 | 41 | 34 | 48 |
| Advertise work wanted | 3 | 4 | 4 | 3 |
| Attend a job interview | 12 | 9 | 11 | 12 |
| Prepare or update resume | 17 | 15 | 13 | 16 |
| Prepare/send job application | 25 | 31 | 24 | 26 |
| Prepare for an interview | 2 | 1 | 2 | 2 |
| Discussions with Employment Officer: | 43 | 31 | 32 | 40 |
| Speak/discuss—job search | 41 | 27 | 27 | 37 |
| Speak/discuss—anything else | 10 | 9 | 9 | 9 |
| Training: | 23 | 20 | 16 | 22 |
| Enquire/apply training course | 9 | 11 | 8 | 9 |
| Attend training course or study | 12 | 11 | 8 | 11 |
| Enquire/apply Traineeships/Apprenticeships | 3 | 4 | 3 | 3 |
| Other Activities: | 44 | 44 | 51 | 45 |
| Do casual/part time work | 20 | 18 | 20 | 19 |
| Do unpaid baby-sitting/home help | 12 | 17 | 16 | 13 |
| Do Community or volunteer work | 15 | 11 | 15 | 14 |
| Get work experience | 3 | 3 | 5 | 3 |
| Small business/self-employment | 9 | 5 | 6 | 8 |
| Work preparation | 1 | 2 | 3 | 1 |

1 Excludes those job seekers who had only participated for one month.

Source: Survey of activities and attitudes of Intensive Assistance participants

Throughout assistance, passive information-gathering was undertaken by almost all job seekers, irrespective of the length of time in assistance. The range of job search and job readiness approaches used by job seekers also declined with time, with those in assistance longer undertaking fewer activities. The average number of activities undertaken in the week prior to the survey declined from 5.2 for job seekers in Intensive Assistance for one to four months, to 4.7 for job seekers in assistance for nine months or more.

Frequency of contact with employment officer

Employment officers have a key role in maintaining the intensity of job search activity and motivating job seekers. The data collected, however, suggested that on average the frequency of regular contact (monthly or more) declined consistently with duration⁶⁸ (Table 4.13). The proportion of job seekers who had regular contact towards the end of their assistance dropped from 85% for those in assistance for one to four months to 72% for those assisted for nine months or more.

⁶⁸ Further analysis is required to compare these survey data with information on the frequency of provider contacts with clients.

Table 4.13: Intensive Assistance participants: frequency of contact with Employment Officer in the previous four months by duration in assistance, June 2000

| Frequency of contact | Duration in Intensive Assistance ¹ | | | Total |
|---|---|----------|-------------|-------|
| | 1–4 mths | 5–8 mths | 9 mths plus | |
| | | | % | |
| Contact with Employment Officer: | | | | |
| At Least Weekly | 21 | 13 | 12 | 19 |
| Fortnightly | 32 | 33 | 32 | 32 |
| Monthly | 32 | 31 | 28 | 31 |
| <i>Monthly or more often</i> | 85 | 77 | 72 | 83 |
| Once or Twice | 14 | 19 | 22 | 15 |
| Not at all | 1 | 4 | 5 | 2 |

¹ Excludes those job seekers who had only participated for one month.

Source: Survey of activities and attitudes of Intensive Assistance participants

Attitudes to Intensive Assistance

Along with diminishing activity levels over time is a decline in the view that Intensive Assistance is useful. Job seekers who had been in Intensive Assistance for one to four months had the strongest belief that their employment officer was helping them to focus on getting a job (84% agreed), compared with 67% of those in assistance for five to eight months and 78% of job seekers participating for nine months or more. The decline in the middle period of participation coincides with the drop in job seekers' general optimism about their chances of getting a job. The recovery in optimism about the usefulness of Intensive Assistance is associated with an increase in the level of involvement in community or volunteer work. It may also reflect reduced expectations or a change in the strategy used to improve job prospects after nine months of participation.

The extent to which providers motivate job seekers to do job search appears to decline somewhat over time. The survey found that the level of job seekers' agreement that Intensive Assistance is just a way of checking what they are doing to look for work is higher for job seekers who have remained in Intensive Assistance for longer (58% for job seekers in Intensive Assistance for nine months or more compared with 53% for one to four months).

This change in the nature of job seekers' activities and attitudes in assistance over time goes some way towards explaining high outcomes in the early stage of assistance, though lack of success in finding work can be expected to impact on attitudes as well. It does, however, raise a question about whether the strategies used by providers have a sufficient impact in the second half of Intensive Assistance, given that later on in assistance job seekers' optimism recovers. The first stage of the evaluation reported that "some providers acknowledged they were unwilling to invest time or resources in job seekers who they felt would be unable to help achieve an outcome" (DEWRSB 2000c, p. 87). This latest research indicates this may be an issue for some job seekers who remain in Intensive Assistance for longer periods.

4.5 Efficiency

It is possible to measure the efficiency of delivery of labour market assistance in a variety of ways. Such measures include: the cost-per-participant (gross unit cost); and cost-per-outcome. A further measure—cost-per-net impact of assistance—combines estimates of efficiency and

effectiveness into a measure of cost effectiveness, which recognises that lower unit costs do not automatically imply better value for money.⁶⁹

It is only possible in this report to provide estimates of assistance on a unit cost and cost-per-employment outcome basis. While preliminary net impact measures have been derived, unit cost data for the period for which net impact has been measured are not yet available⁷⁰. In 1999–00 the unit cost of Job Matching was \$200, \$425 for Job Search Training and \$2260 for Intensive Assistance (Table 4.14). Data on Job Network cost-per-employment outcome are \$290 for Job Matching, \$1130 for Job Search Training and \$6200 for Intensive Assistance.

Table 4.14: Costs of labour market assistance in 1995–96 and 1999–00

| Type of labour market assistance | Cost-per-participant (\$) (1999–00 prices) ¹ | Cost-per-employment outcome (\$) (1999–00 prices) |
|--|---|---|
| Job Network² | | |
| Job Matching | 200 | 290 |
| Job Search Training | 425 | 1 130 |
| Working Nation program (1995–96) | | |
| Job Clubs | 625 | 2 500 |
| Job Network | | |
| Intensive Assistance ² | 2 260 | 6 200 |
| Working Nation programs (1995–96)³ | | |
| JobSkills | 10 500 | 37 380 |
| JobTrain | 2 205 | 9 345 |
| JobStart | 2 686 | 5 560 |
| LEAP ⁴ | 6 720 | 33 030 |
| New Work Opportunities | 10 500 | 58 695 |
| SkillShare | 1 575 | 5 953 |
| Special Intervention | 2 048 | 15 645 |
| Average | 3 318 | 12 075 |

1 Cost estimates for *Working Nation* programs relate to 1995–96. The figures have been indexed to 1999–00 for inflation, except for JobStart, which is indexed by growth in average weekly earnings.

2 Based on outcomes for job seekers who left assistance to the year ended September 1999 except for Job Matching outcomes, that are for those placed in jobs between 1 April 1999 and 30 May 1999.

3 Average for the seven programs listed, which were replaced by Intensive Assistance.

4 Landcare and Environment Action Program.

To obtain an indication of the efficiency of Job Network assistance relative to previous labour market assistance arrangements, these estimates have been compared to unit costs (adjusted for 1999–00 prices) and costs per outcome for the labour market programs operating in 1995–96. As noted earlier, however, great care is needed when making this type of comparison. Moreover, there are differences in the way unit costs are estimated for different types of assistance.

Mindful of these caveats, it appears that assistance under Job Network has been delivered more efficiently than previously. Job Search Training, for example, appears to be delivered at about half the cost-per-job of Job Clubs (a program which delivered similar assistance). The cost-per-job of Intensive Assistance is lower than the equivalent costs of most of the major labour market

⁶⁹ Gross unit cost is the gross cost of employment assistance divided by the number of participants in that assistance. The cost-per-outcome, in the case of employment outcomes, refers to the cost of each job secured after participation in employment assistance. Cost-per-(employment) net impact is the cost of each additional (employment) outcome secured because of program participation.

⁷⁰ Estimates of cost-per-net impact are now available (DEWRSB 2001).

programs operating in 1995–96 that it replaced—more than \$5000 less. Moreover, while the measures of cost effectiveness have still to be derived, the available data on unit costs and net impact indicate that Job Network appears to be delivering better value for money than the previous labour market assistance arrangements.

4.6 Conclusions

Post-assistance outcome levels for Job Network services compare well with those of previous labour market programs. There is considerable variation, however, in the outcome levels for different job seeker groups and some groups have consistently lower outcomes than other job seekers across all services. These groups include older job seekers (especially those aged 55 years and over), those on benefit for more than two years, those with less than year 10 schooling, indigenous Australians and job seekers with a disability.

There are a number of factors related to differential outcome levels including different levels of labour market disadvantage among individuals and variations in local labour market conditions (explored in the next chapter of the report). These disadvantages are taken into account in the targeting of assistance through the JSCI. While level of disadvantage clearly affects a job seeker's prospects of finding work, the relationship is not always straightforward and it can be influenced by individual attitudes and behaviours. An analysis of factors affecting low outcome levels for Intensive Assistance participants examined the attitudes of job seekers to looking for work and to Intensive Assistance, the extent of pro-active job search and the frequency of contact between job seeker and employment officer. This analysis indicates that optimism, motivation, job selectivity, attitudes to work and the extent of pro-active job search all contribute to differential outcome levels between job seeker groups. It suggests that within Intensive Assistance there is the potential for some disadvantaged job seekers to increase their activities aimed at securing employment and that some Job Network members could focus additional efforts in the second half of Intensive Assistance.

A key objective of Job Network is to deliver assistance that leads to sustainable employment outcomes. The effectiveness of Job Network will be substantially judged on the extent to which this objective is met. Preliminary estimates of the contribution that Job Network makes to post-assistance income-support status found a moderate positive impact (three percentage points) for Job Search Training and a significant impact of about 10 percentage points for Intensive Assistance.⁷¹

Encouraging as these results are, they need to be supported by further analysis of the impact of Job Network, including its impact on employment prospects and the sustainability of jobs that result from participation in Job Network services. Other issues also have to be addressed in measuring effectiveness, including the net impact of Job Network services on different job seeker groups and an identification of factors that explain net impact. Policy development and dissemination of best practice information directed towards making greater gains from labour market intervention need to be based on a good understanding of how the intervention works. To date, this evaluation has examined a number of possible factors that may contribute to net impact for Intensive Assistance. This work will continue in the third stage of the evaluation.

It is also important to identify what path job seekers follow when they have participated in assistance without achieving an outcome. While the focus of Job Network is to place job seekers

⁷¹ These levels of net impact are consistent with evidence from evaluations of employment assistance in Australia and overseas which generally show that “only a minority of those who participate find a job as a result of an intervention” (DEWRSB 2000c, p. 87).

into jobs or to provide assistance to help them get jobs, it is also recognised that not all job seekers are capable of getting jobs. In assessing performance, it is appropriate to examine what happens to job seekers in this situation. Understanding this better may point to ways of improving services.

5 Regional performance of Job Network

In previous chapters this report has concentrated on Job Network's performance at a national level. In this chapter the analysis is extended to regional performance issues—in particular, whether the national picture holds in different areas of Australia. This includes an analysis of the sensitivity of the Job Seeker Classification Instrument (JSCI) to local conditions, access to and coverage of services, service delivery and outcomes (including preliminary estimates of regional net impact). Through this analysis it is possible to comment on the performance of Job Network in weak, medium and strong labour markets and the extent to which local performance in terms of access and outcomes is a function of local conditions. It is important to note that while the extent of local variation in Job Network performance and possible reasons for this variation are examined, the analysis is the first attempt at a more systematic coverage of regional issues in Job Network's performance. Many of the issues raised are preliminary and warrant further analysis.

The results of the analysis are presented at a number of geographic levels, depending on the extent to which the data can be disaggregated. The basic geographic classification for much of the analysis is the employment service area (ESA).⁷² Other levels of analysis include: metropolitan and regional,⁷³ and strong, average and weak labour markets. While the analysis covers all the main Job Network services, the focus is on Job Search Training and Intensive Assistance. This reflects the importance of these two services to the quantum of assistance delivered by Job Network and the ability to readily disaggregate data on these services by ESA and other regional classifications.

5.1 Regional characteristics

Variation between regions in the performance of Job Network is closely related to the characteristics of the job seekers in the local area and the strength of the local labour market. Both factors vary by region. Labour markets in Sydney, the Australian Capital Territory and the Northern Territory, for example, have been considerably stronger than those of Tasmania, the Hunter and North Coast of New South Wales, as indicated by the unemployment rates in these locations (Table 5.1). In the Northern Territory, a job seeker is much more likely to be an indigenous Australian than elsewhere. In fact, more than 60% of the Job Network-eligible in the Northern Territory is indigenous. The region with the next highest proportion of indigenous job seekers is Greater Western Australia where the proportion is 32.0%. On other measures of regional disadvantage, such as the proportion of the Job Network-eligible population on income support for three years or more, variations are also large. In the regions of Hunter and North Coast and Tasmania, more than 30% of the Job Network-eligible have been on income support for three years or more, while in Brisbane, Central and Northern Queensland and all of Western Australia, the proportion is less than 20%. At the ESA level, not surprisingly, there are even more pronounced variations.

5.2 Assessment

5.2.1 Application of the JSCI

The JSCI is used by Centrelink to identify job seekers at “high risk” of long-term unemployment. The JSCI provides a measure of a job seeker's relative labour market disadvantage. Job seekers may have similar levels of disadvantage determined by the JSCI but

⁷² To provide greater flexibility for tenderers and to provide wide geographic coverage, DEWR's 19 labour market regions for the second Job Network contract were divided into 137 ESAs. These generally consist of one or more Centrelink regions (DEWR 1999a).

⁷³ Metropolitan areas include state capital cities and large regional centres such as Geelong and Newcastle. Regional includes elsewhere.

each may have different needs and a different profile of skills and circumstances. Without a JSCI score, job seekers cannot be referred to Job Search Training or Intensive Assistance. Regular classification of job seekers by the JSCI helps ensure that the level and type of assistance provided under Job Network is the most appropriate to their current needs. JSCI scores are updated on an annual basis to reflect changes in job seeker details, such as age and duration of unemployment.

Table 5.1: Unemployment rate and characteristics of the Job Network-eligible population by region, September 2000

| Region | Unemployment rate | Proportion of Job Network-eligible in each region: | | | | | |
|-------------------------------------|-------------------|--|-----------------|-------------------------------|-----------------------------|------------|---------------------------------|
| | | Aged less than 21 | Aged 55 or more | On benefits 12 months or more | On benefits 3 years or more | Indigenous | Non-English-speaking background |
| % | | | | | | | |
| New South Wales | | | | | | | |
| Sydney | 4.2 | 16.3 | 8.5 | 50.1 | 22.3 | 2.2 | 34.6 |
| Hunter and North Coast | 9.0 | 17.2 | 6.9 | 58.0 | 30.9 | 4.2 | 3.5 |
| Illawarra and SE NSW | 7.0 | 18.6 | 8.9 | 56.8 | 28.3 | 4.3 | 8.5 |
| Western NSW | 4.9 | 19.9 | 7.1 | 56.9 | 28.4 | 15.5 | 2.2 |
| Riverina | 6.7 | 20.7 | 7.1 | 52.6 | 25.2 | 6.6 | 4.5 |
| Victoria | | | | | | | |
| Melbourne | 5.8 | 15.0 | 8.2 | 52.5 | 24.4 | 0.5 | 28.6 |
| Eastern Victoria | 7.6 | 18.5 | 8.3 | 54.5 | 27.1 | 2.7 | 5.4 |
| Western Victoria | 7.2 | 17.3 | 8.5 | 56.1 | 29.9 | 1.6 | 5.1 |
| Queensland | | | | | | | |
| Brisbane | 7.8 | 19.9 | 7.4 | 46.2 | 19.7 | 2.6 | 10.0 |
| Southern Queensland | 6.1 | 17.6 | 9.0 | 52.7 | 26.6 | 6.0 | 3.6 |
| Central and Northern QLD | 6.7 | 22.0 | 6.6 | 47.0 | 18.6 | 18.2 | 4.6 |
| Western Australia | | | | | | | |
| Perth | 5.7 | 18.9 | 7.2 | 43.2 | 15.6 | 4.0 | 16.2 |
| South Western Australia | 6.4 | 20.8 | 7.7 | 42.4 | 15.4 | 5.1 | 3.2 |
| Greater Western Australia | 6.4 | 20.4 | 6.4 | 43.6 | 14.6 | 32.0 | 3.6 |
| South Australia | | | | | | | |
| Adelaide | 7.8 | 18.9 | 6.3 | 52.9 | 25.7 | 1.9 | 13.3 |
| South Australia Country | 6.4 | 18.0 | 7.9 | 54.9 | 27.8 | 5.8 | 4.2 |
| Tasmania | 9.4 | 17.9 | 7.4 | 61.4 | 33.7 | 3.7 | 2.8 |
| Northern Territory | 4.9 | 18.2 | 4.5 | 54.7 | 23.5 | 61.7 | 4.8 |
| Australian Capital Territory | 4.2 | 22.1 | 5.6 | 52.1 | 24.0 | 2.1 | 16.2 |
| Australia | 6.2 | 18.1 | 7.5 | 51.2 | 24.2 | 5.6 | 14.6 |

Source: *Small Area Labour Markets-Australia, September Quarter 2000* (DEWRSB 2000g) and Integrated Employment System

As noted in Chapter 3, at the end of September 2000, 9% of Newstart and Youth Allowance recipients did not have a JSCI score. The proportion of recipients without a JSCI score varied throughout the country, from less than 5% in Sunraysia in Victoria and Parkes in New South Wales to about 60% in the Top End where many of the job seekers live in remote locations. In most ESAs fewer than one in six job seekers did not have a JSCI score. In just over one-tenth of ESAs, however, 20% or more of job seekers did not possess a JSCI score (Table 5.2). Most ESAs with less than 70% JSCI score coverage were in the Northern Territory.

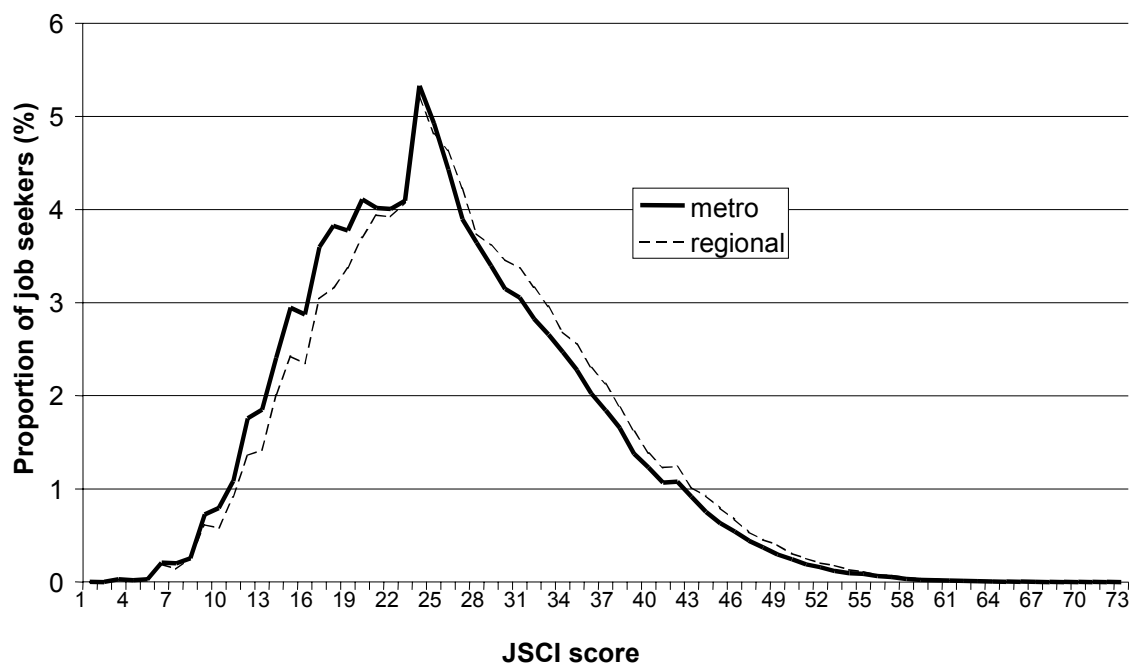
Table 5.2: Proportion of job seekers in ESA with no JSCI score

| Proportion of job seekers with no JSCI score | Proportion of ESAs (%) |
|--|------------------------|
| 0–9% | 22.6 |
| 10–14% | 43.8 |
| 15–19% | 21.9 |
| 20–29% | 8.0 |
| 30+% | 3.6 |
| Total | 100.0 |

Source: Integrated Employment System

5.2.2 Distribution of JSCI scores

The JSCI is a measure of a job seeker's relative difficulty in getting a job based on the factors (personal characteristics or employment barriers) included in the instrument.⁷⁴ As factors vary by job seeker and as job seekers may choose not to divulge some information, the measurement of disadvantage through the JSCI is widespread. Estimates of the summary score reflecting client disadvantage can range from 0 to more than 70. In practice, most estimates lie in the range 10 to 40 (Figure 3.1). Information on a metropolitan/regional basis is presented in Figure 5.1. Interestingly, the distribution of scores was similar in both metropolitan and regional areas, although, as may be expected, metropolitan areas had a slightly lower JSCI average. This suggests a slightly higher level of labour market disadvantage outside metropolitan centres. Both distributions peak at 24, which happens to be the cut-off point for Intensive Assistance. Some element of subjectivity on the part of Centrelink staff (ie, the desire to make clients

Figure 5.1: Distribution of JSCI scores in metropolitan¹ and regional areas

1 State capital cities and large regional centres.

Source: Integrated Employment System

⁷⁴ Factors include age, educational attainment, recency of work experience, Aboriginal and Torres Strait Islander status, geographic location, disability/medical condition and language and literacy (see Attachment B). Each factor is assigned a numerical weight indicative of the average contribution the factor makes to the difficulty of placing a job seeker into employment (DEWRSB 1999c).

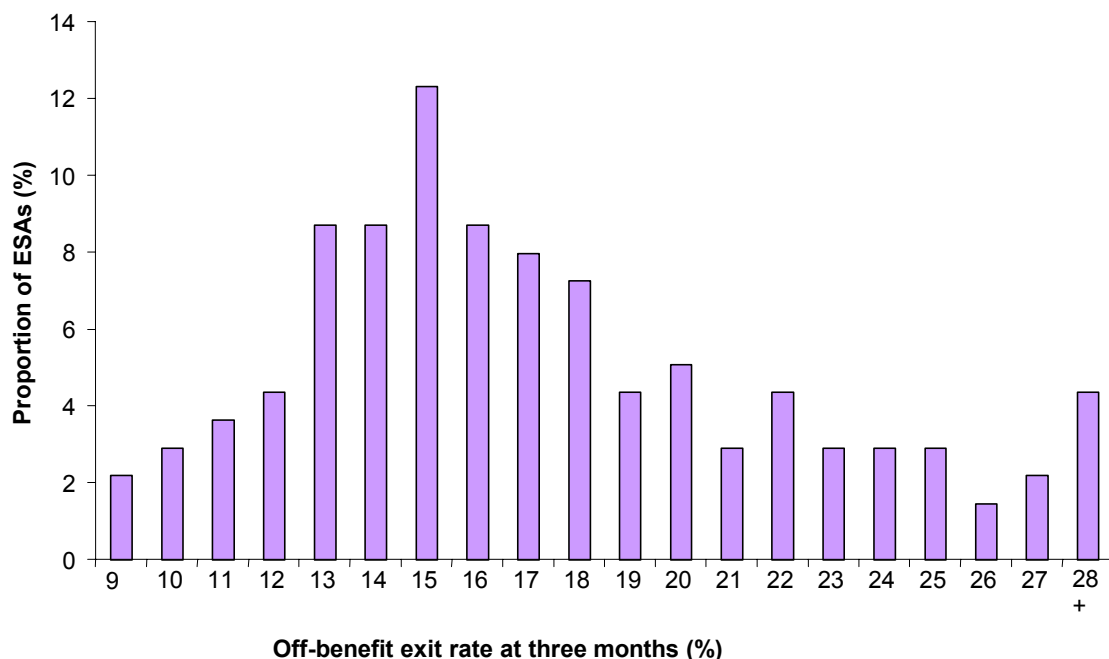
eligible for assistance) may affect this pattern. This suggests some flexibility in the application of the JSCI.

5.2.3 Sensitivity to local conditions

The JSCI is based on a series of weights for different variables, reflecting the risk of becoming long-term unemployed. The weights were developed on the basis of regression analysis, adjusted for the views of a group of advisers with expertise in the field of employment placement. It is possible for weights to become out-of-date, so that they no longer accurately reflect the contribution of a factor to risk of becoming long-term unemployed. To prevent this situation arising the weights need to be re-estimated periodically.⁷⁵ This is particularly important in relation to the instrument's capacity to accurately reflect the level of regional disadvantage faced by some job seekers. Regional disadvantage may vary significantly over time as local labour market conditions change.

Regional disadvantage is currently estimated in the JSCI by assigning one of four scores to non-indigenous job seekers depending on the state of the labour market in the region in which they live. All job seekers within a particular region are allocated the same points for regional disadvantage. The current weights in the JSCI are based on the 29 labour market regions used⁷⁶ in the first employment services contract period and were estimated in 1997. The only other regional factors in the JSCI is for remote clients who live more than 90 minutes from a population centre of more than 10 000 and a metropolitan/non-metropolitan indicator for indigenous job seekers.

Figure 5.2: Off-benefit exit rates by ESA for job seekers with a JSCI score between 30 and 34



Source: Integrated Employment System. The analysis does not control for variations in provider performance.

It is important that the current weights in the JSCI adequately reflect variations in the labour market at the ESA level. One way of assessing this is to examine off-benefit outcomes for job

⁷⁵ Over time, factors change at different rates. Consequently, some factors will require more frequent updates than others.

⁷⁶ As noted in Chapter 2 the 29 labour market regions of the first employment services contract were replaced by 19 regions for the second contract.

seekers with similar scores across ESAs. If the performance of providers is similar, all factors are measured accurately, and all weights are correct, outcomes should be similar. Figure 5.2 presents a distribution of off-benefit outcomes for job seekers with similar levels of disadvantage (JSCI scores of 30 to 34) across ESAs. As can be seen, there is substantial variation in off-benefit outcomes (ranging from 9% through to over 28%). Although the analysis does not control for variation in provider performance, the spread of off-benefit rates suggests that local labour market conditions are not fully taken into account when the geographic factor is based on 29 labour market regions. While the 30 to 34 point JSCI group represents job seekers with a high level of disadvantage, similar variation is present when other groupings of JSCI scores (eg, 20 to 24, 25 to 29 and 35 to 39) are considered. Moreover, there is a high degree of overlap in off-benefit exit rates between groups. It should also be noted that the JSCI is based on estimating employment prospects which may differ from the benefit exit rate used in the analysis, especially in terms of job seekers taking up educational opportunities or leaving the labour market.

It is also possible that other factors such as the lack of updating of other coefficients of the JSCI score may contribute to the variation in outcomes across regions. If the coefficient for a factor such as duration of unemployment, for example, is not updated, this will affect the accuracy of the JSCI. Provider performance and the time that job seekers have to wait between referral to Intensive Assistance and commencement may also contribute to the observed variations in Figure 5.2, if they vary between local labour markets. Variation across regions in the lags between updating can itself lead to variations in accuracy on a regional basis. Within ESAs, there is obviously potential for further variation in relation to individual clients.

Notwithstanding the preliminary nature of this research, it supports moves by DEWRSB to update the geographic location factor in the JSCI. A Geographic Location Factor model has been developed for estimating regional labour market disadvantage that is more sensitive to local labour market conditions. The new model allocates points at the ESA level rather than the labour market region level and is expected to be implemented in mid-February 2001. In addition, a review of the appropriateness of all weights in the JSCI is planned for 2001.

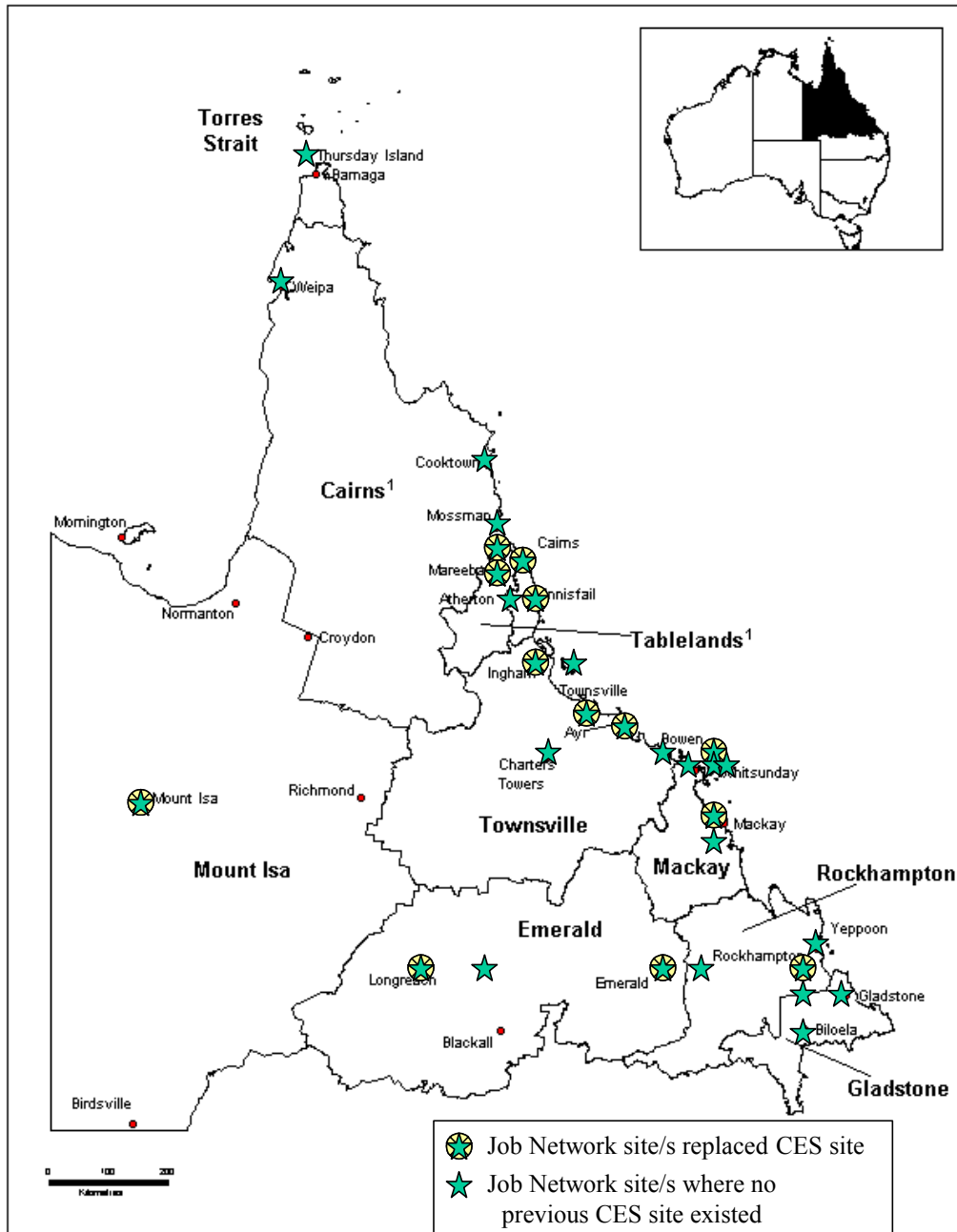
5.3 Access and coverage

The expansion of sites under the second tender round has provided a substantial improvement in access for job seekers (see Chapter 2). As noted earlier, the total number of sites has increased from about 1400 to more than 2000. In rural and regional areas there is better geographical access to Job Network services than provided under the first employment services contract. The number of sites outside capital cities has almost doubled from about 600 to about 1100. More than 250 localities (half in regional and rural areas) have an employment service where none existed before. This represents a significant improvement on the 300 or so CES sites that existed prior to Job Network.

The increase in the availability of sites can be demonstrated by examining the Central and Northern Queensland region (Figure 5.3). Previously in this region there were 15 CES sites. This number increased to 52 in the first Job Network contract period. Those sites, however, were concentrated in 19 separate locations (defined here as a town or city). For the second Job Network tender the number of sites increased to 96 in 35 locations. On this basis, it appears that the first Job Network contract period increased choice and competition to a larger extent than it did geographical coverage, whereas the second Job Network tender resulted in a substantial increase in geographical coverage as well. As noted in Chapter 2, this was facilitated by

allowing tenderers to bid at a price which reflected the relative difficulties of delivering service in regional or remote areas.

Figure 5.3: Location of Job Network services in Central and Northern Queensland, February 2000



Locations with multiple Job Network Sites: Aitkenvale (2), Atherton (2), Ayr (4), Blackwater (2), Bowen (3), Cairns (12), Charters Towers (2), Emerald (3), Gladstone (4), Ingham (3), Innisfail (4), Mackay (6), Mareeba (2), Moreton (2), Mossman (3), Mt Isa (4), Mt Morgan (2), Rockhampton (7), Townsville (11), Whitsunday (2) and Yeppoon (2)

Source: DEWRSB Internet

In some cases, the second tender round also resulted in a large number of sites operating in particular locations. Thirteen Job Network members, for example, were contracted to operate from Parramatta in Sydney.⁷⁷ Even in a regional hub such as Townsville, 11 Job Network sites

⁷⁷ Not all sites offer the same services. In Parramatta, for example, Intensive Assistance was offered from eight sites, Job Search Training from four and Job Matching from eleven.

were contracted in the second Job Network tender process. The large concentration of sites in some locations has the potential to limit the coverage in surrounding areas and means some job seekers may have to travel further than if there were a more even spread of providers. It remains to be seen whether such an outcome is financially viable in the longer term for all providers.

The expansion in coverage and redistribution of business between providers has led to short-term difficulties in a number of areas. Many Job Network members faced a large increase in both contracted capacity and geographic coverage as a result of the second tender process. A number of Job Network members who had previously operated in one region became multi-region providers. Providers who had previously operated in metropolitan areas tended to expand into other metropolitan areas, while regional providers tended to expand into adjoining regional areas. A number of tenderers, however, experienced difficulties in rolling out sites for the second contract period, especially where they faced large expansions in their business levels. About 10 sites were still not operational six months after the start of the second contract period. This highlights the difficulties associated with making large changes in business levels as a result of the tender.

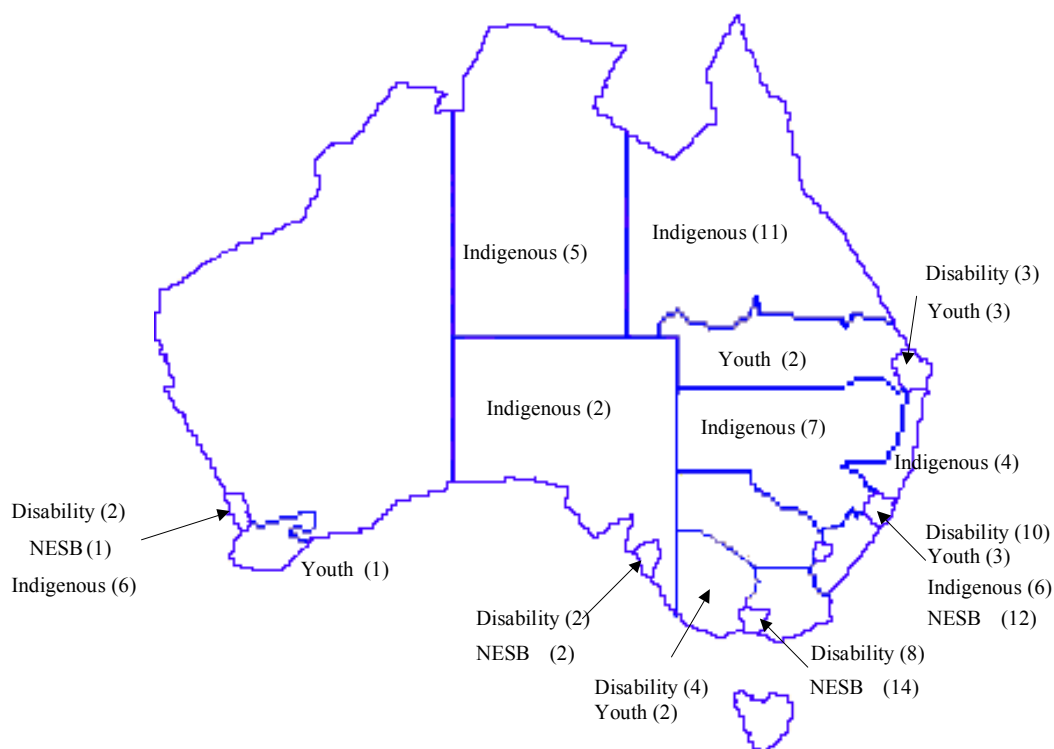
5.3.1 Fee for service tender

Notwithstanding the substantial increase in the overall number of sites in the second tender round, a number of market gaps were left in remote areas. The tender process did not produce an outcome for all services in Alice Springs, Katherine, Tennant Creek, the Top End, the Torres Strait and the far west of New South Wales in particular. As a result, DEWRSB conducted a fee-for-service tender in those areas. This tender process was able to ensure suitable providers for all of these areas.

5.3.2 Specialists

The second Job Network tender process also allowed potential providers to deliver Intensive Assistance services to specific client groups such as indigenous people, people with disabilities, people from non-English-speaking backgrounds and young people. When bidding to deal exclusively with specific client groups, tenderers were required to demonstrate the need for the specialisation. As at July 2000, 35 Job Network member contracts were in place to deliver specialist services from 110 sites. Specialists in metropolitan areas are more likely to be for people with disabilities, while in rural areas specialists for indigenous people are more common. There is a fairly even spread of youth providers between rural and metropolitan areas. In six regions there were no successful tenderers to provide specialist services (Figure 5.4).

Figure 5.4: Specialist sites¹ by region, second Job Network tender



1 As at 31 July 2000. Specialist provider sites for people living with HIV/AIDS and for people with substance abuse are included with disability sites.

Source: Integrated Employment System

5.3.3 Remote areas

About 0.5% of job seekers are classified as living in an area that is too remote to allow for the delivery of Job Network services. While these clients are able to access Job Network services if they are prepared to travel to their nearest Job Network site, they are not required to do so for the purposes of the activity test. For the vast majority of these clients, there is no functional labour market in the remote area in which they live, substantially reducing the potential for assistance. Some of these job seekers do have access to Australian Job Search on-line facilities in Centrelink offices, however, and this enables them to see job vacancies listed across Australia and view these by location or occupation.

5.4 Regional differences in participation

5.4.1 Participation in Job Network

Participation rates in the three main Job Network services vary by region. The Hunter and North Coast region, for example, contains 6.2% of the Job Network-eligible population (Table 5.3) but accounted for just 4.7% of Job Matching places, 6.0% of Job Search Training commencements and 8.0% of Intensive Assistance commencements.

As noted in Chapter 3, differences in participation rates can be attributed in part to Centrelink's capacity to administer the JSCI, the level of disadvantage of job seekers in the local area and take-up rates (see Section 5.4.2). At a local level the performance of the local provider may also influence participation, as would provider capacity in terms of whether or not local providers have vacancies in their case loads (although examining data over a longer period should reduce

the impact of this factor). At this stage, it is not possible to determine the separate contributions of these factors to regional participation rates in Job Network.

Table 5.3: Participation in Job Network assistance by region, May 1998 to September 2000

| Region | Job Network-eligible | Job Matching (JNE) ¹ | % | |
|-------------------------------------|----------------------|---------------------------------|---------------------|----------------------|
| | | | Job Search Training | Intensive Assistance |
| New South Wales | | | | |
| Sydney | 13.8 | 13.9 | 17.8 | 15.9 |
| Hunter and North Coast | 6.2 | 4.7 | 6.0 | 8.0 |
| Illawarra and SE NSW | 3.3 | 2.5 | 3.4 | 3.2 |
| Western NSW | 3.0 | 4.3 | 2.2 | 2.9 |
| Riverina | 1.1 | 2.1 | 1.4 | 1.4 |
| Victoria | | | | |
| Melbourne | 17.5 | 15.6 | 16.8 | 16.6 |
| Eastern Victoria | 2.5 | 3.0 | 2.7 | 2.8 |
| Western Victoria | 3.7 | 5.1 | 4.5 | 5.3 |
| Queensland | | | | |
| Brisbane | 15.5 | 15.2 | 15.6 | 13.1 |
| Southern Queensland | 2.6 | 4.1 | 2.7 | 3.4 |
| Central and Northern QLD | 5.7 | 7.2 | 4.5 | 4.4 |
| Western Australia | | | | |
| Perth | 8.3 | 5.4 | 6.6 | 5.8 |
| South Western Australia | 1.7 | 1.7 | 1.2 | 1.1 |
| Greater Western Australia | 1.5 | 1.6 | 0.7 | 1.1 |
| South Australia | | | | |
| Adelaide | 6.5 | 5.3 | 6.5 | 6.7 |
| South Australia Country | 2.5 | 3.3 | 2.2 | 2.7 |
| Tasmania | | | | |
| | 2.3 | 2.3 | 2.6 | 3.5 |
| Northern Territory | | | | |
| | 1.2 | 1.5 | 0.8 | 1.0 |
| Australian Capital Territory | | | | |
| | 1.3 | 1.3 | 1.7 | 1.0 |
| Australia | 100.0 | 100.0 | 100.0 | 100.0 |

¹ Includes Job Network-eligible job seekers who may be eligible for all Job Network services and those only eligible for Job Matching.

Source: Integrated Employment System

5.4.2 Take-up of services

Since the start of Job Network, less than a third of job seekers referred to Job Search Training have commenced assistance. Of those referred to Intensive Assistance, about 66% have commenced. Take-up rates, however, have declined steadily since the start of Job Network (see Chapter 2). Take up rates also vary across Australia, with lower take up rates occurring in rural and especially remote areas. In Greater Western Australia and Northern Territory only 22.5% and 24.7% respectively of those referred to Job Search Training in the period May 1998 to September 2000 commenced and 50.9% and 51.3% of those referred in the same period to Intensive Assistance commenced (Table 5.4). There are a number of exceptions to the general trend of lower take-up in rural and remote areas. In Sydney, despite the relative ease of transport options, Job Search Training take-up is low. Of the 13 ESAs in the Sydney region, the Job Search Training take-up rate was below that achieved nationally in nine areas.

Table 5.4: Take-up of services by region, May 1998 to September 2000

| Region | With a JSCI score ¹ | Take-up of: ² | |
|-------------------------------------|--------------------------------|--------------------------|----------------------|
| | | Job Search Training | Intensive Assistance |
| % | | | |
| New South Wales | | | |
| Sydney | 89.7 | 30.3 | 63.1 |
| Hunter and North Coast | 90.6 | 32.5 | 66.3 |
| Illawarra and SE NSW | 88.2 | 33.0 | 68.5 |
| Western NSW | 90.0 | 24.6 | 67.2 |
| Riverina | 94.6 | 29.6 | 66.2 |
| Victoria | | | |
| Melbourne | 90.5 | 31.3 | 65.8 |
| Eastern Victoria | 95.0 | 28.9 | 68.4 |
| Western Victoria | 93.2 | 33.1 | 71.4 |
| Queensland | | | |
| Brisbane | 91.5 | 31.9 | 63.4 |
| Southern Queensland | 92.6 | 32.4 | 67.4 |
| Central and Northern Qld | 90.3 | 29.4 | 63.4 |
| Western Australia | | | |
| Perth | 88.9 | 31.1 | 62.7 |
| South Western Australia | 89.9 | 26.9 | 61.1 |
| Greater Western Australia | 88.0 | 22.5 | 50.9 |
| South Australia | | | |
| Adelaide | 91.1 | 31.5 | 65.8 |
| South Australia Country | 90.6 | 31.9 | 66.8 |
| Tasmania | | | |
| | 82.2 | 34.4 | 68.3 |
| Northern Territory | | | |
| | 61.8 | 24.7 | 51.3 |
| Australian Capital Territory | | | |
| | 87.3 | 32.4 | 65.6 |
| Australia | 89.7 | 31.0 | 64.9 |

1 As at September 2000.

2 Commencement rates are less than those quoted in Chapter 2 because these data have been extracted at an earlier date.

Source: Integrated Employment System

Greater variability is apparent in the Job Search Training take-up rate by ESA than for Intensive Assistance. Over the period July 1999 to September 2000 more than a quarter of all ESAs had a take-up rate for Job Search Training of less than 20% (Table 5.5). For Intensive Assistance, most ESAs have take-up rates close to the national average. Less than 10% of ESAs, for example, have a take-up rate for Intensive Assistance that is below 50%. Further analysis of the reasons underlying take-up rates is warranted, and as noted in Chapter 3, is in progress.

Table 5.5: Job Search Training and Intensive Assistance take-up by ESAs, July 1999 to June 2000

| Job Search Training | | Intensive Assistance | |
|---------------------|--------------------|----------------------|--------------------|
| Percentage take-up | Proportion of ESAs | Percentage take-up | Proportion of ESAs |
| <20 | 25.9 | <50 | 9.2 |
| 20–24 | 20.7 | 50–59 | 33.6 |
| 25–29 | 25.9 | 60–69 | 42.0 |
| 30+ | 27.6 | 70+ | 15.1 |
| Total | 100.0 | Total | 100.0 |

Source: Integrated Employment System

5.4.3 Types of assistance

The delivery of Job Search Training is similar in regional and metropolitan locations. There is, however, a substantial difference in the administration of this service with regional providers more likely to operate on a block commencement basis, whereas rolling starts are more common in metropolitan areas. This is likely to be related to larger client loads in metropolitan areas.

The type of assistance provided under Job Search Training appears in general not to vary with location, although the extent to which participants report involvement in different types of activities shows some variation. While it has not been possible to analyse this issue in detail, a 1999 survey of job seeker perceptions of the quality of Job Network member services collected some information on variation by region. The survey found that job seekers in weak labour markets appear to have received a higher level of assistance, with slightly greater proportions reporting that they were given training or assistance in aspects of job search, such as resume writing and preparing for interviews (Table 5.6). Participants also indicated that providers in weak labour markets were more likely to listen to their views and to provide the assistance that they promised.

Table 5.6: Assistance to Job Search Training participants, 1999

| Type of service/assistance | Metro-politan | Non-metro-politan | Type of labour market | | |
|---|---------------|-------------------|-----------------------|---------|------|
| | | | Strong % | Average | Weak |
| Provider listened to job seeker views about what to include in their JSS Plan | 91 | 91 | 89 | 91 | 92 |
| Offered all the help they said they would | 84 | 85 | 82 | 85 | 86 |
| Talked about skills needed to get job | 91 | 89 | 90 | 90 | 92 |
| Writing resumes | 78 | 79 | 77 | 78 | 81 |
| Writing job applications | 73 | 74 | 71 | 72 | 78 |
| Getting references for jobs | 58 | 62 | 60 | 57 | 62 |
| Looking for work, eg, approaching employers, following up leads | 80 | 79 | 78 | 80 | 83 |
| Preparing for interviews | 78 | 76 | 77 | 76 | 80 |

Source: 1999 survey of job seeker satisfaction with Job Network members

For Intensive Assistance, the survey found reasonably similar levels of different types of assistance in different types of labour markets. Job seekers in regional locations appeared to be somewhat more likely to receive assistance in job search skills and job-specific skills than those in metropolitan labour markets (Table 5.7).

Table 5.7: Assistance to Intensive Assistance participants, 1999

| Type of service/assistance | Metro-politan | Non-metro-politan | Type of labour market | | |
|--|---------------|-------------------|-----------------------|---------|------|
| | | | Strong % | Average | Weak |
| Job search skills, eg, writing resume and job application, preparing for interview | 42 | 46 | 46 | 41 | 44 |
| Job specific skills, eg, computer course or special certificate course | 16 | 21 | 17 | 18 | 17 |
| General numeracy or reading course | 4 | 4 | 3 | 5 | 4 |
| English language training | 4 | 3 | 3 | 5 | 4 |

Source: 1999 survey of job seeker satisfaction with Job Network members

5.5 Outcomes

5.5.1 Job Matching activity

Between May 1998 and September 2000, some 676 600 job seekers were placed in Job Matching vacancies (Table 5.8). Nationally, job seekers only eligible for Job Matching services filled 20.3% of all job placements.

Table 5.8: Comparison of Job Matching placements by region, May 1998 to September 2000

| Region | Job Matching | | | % share of JMO placements |
|-------------------------------------|------------------|------------------|--------------------|---------------------------|
| | JNE ¹ | JMO ² | Total ³ | |
| New South Wales | | | | |
| Sydney | 71 700 | 20 400 | 93 900 | 21.8 |
| Hunter and North Coast | 25 600 | 5 000 | 31 500 | 16.0 |
| Illawarra and South-East NSW | 13 000 | 3 300 | 16 800 | 19.5 |
| Western NSW | 20 800 | 7 600 | 29 000 | 26.2 |
| Riverina | 10 000 | 4 000 | 14 500 | 27.9 |
| Victoria | | | | |
| Melbourne | 80 300 | 20 200 | 105 700 | 19.1 |
| Eastern Victoria | 15 000 | 4 500 | 20 600 | 21.6 |
| Western Victoria | 26 100 | 6 700 | 34 400 | 19.4 |
| Queensland | | | | |
| Brisbane | 81 000 | 20 100 | 102 700 | 19.6 |
| Southern Queensland | 21 300 | 6 100 | 28 000 | 21.7 |
| Central and Northern QLD | 35 800 | 11 700 | 48 400 | 24.2 |
| Western Australia | | | | |
| Perth | 30 000 | 5 700 | 36 700 | 15.4 |
| South Western Australia | 8 200 | 2 800 | 11 400 | 24.2 |
| Greater Western Australia | 6 800 | 3 700 | 10 600 | 34.9 |
| South Australia | | | | |
| Adelaide | 30 800 | 3 700 | 35 900 | 10.4 |
| South Australia Country | 17 200 | 4 400 | 22 200 | 19.9 |
| Tasmania | 12 800 | 2 100 | 15 600 | 13.7 |
| Northern Territory | 6 900 | 3 400 | 10 300 | 33.1 |
| Australian Capital Territory | 6 100 | 1 700 | 8 500 | 20.4 |
| Australia | 519 300 | 137 100 | 676 600 | 20.3 |

1 Job Network-eligible job seekers that may be eligible for all Job Network services.

2 Job Matching Only—job seekers who are only eligible for Job Matching services.

3 Total includes apprenticeships and traineeships.

Source: Integrated Employment System

Some variation is apparent on a regional basis in the share of job placements going to job seekers only eligible for Job Matching. Greater Western Australia, Northern Territory, Western New South Wales and Riverina had a much higher share than the national average. Adelaide, Tasmania, Perth and Hunter and North Coast had a much lower share of job placements for these job seekers.

5.5.2 Job Search Training and Intensive Assistance outcomes

It is important to examine the extent to which outcomes from assistance vary by region. Data from the Post-program Monitoring survey indicate that the only region with three-month post-assistance employment and education outcomes above the national average for *both* Job Search Training and Intensive Assistance⁷⁸ for the period May 1998 to September 2000 was the Australian Capital Territory (Table 5.9). New South Wales had strong employment and education outcomes for Job Search Training, but employment outcomes for Intensive Assistance were generally below the national level in New South Wales. Elsewhere, Job Search Training and Intensive Assistance employment outcomes were stronger outside the main metropolitan areas. In Queensland, for example, employment outcomes for Job Search Training were 41.1% and 42.2% in Southern Queensland and Central and Northern Queensland, compared to 39.1% in Brisbane.

⁷⁸ Three-month post-assistance outcomes for Job Matching and NEIS are not available by region.

Table 5.9: Post-assistance employment outcomes¹ by labour market region, May 1998 to September 2000

| Region | Job Search Training | | | Intensive Assistance | | |
|-------------------------------------|---------------------|-------------|-------------|----------------------|------------|-------------|
| | Employed | Education | Positive | Employed | Education | Positive |
| % | | | | | | |
| New South Wales | | | | | | |
| Sydney | 36.8 | 16.6 | 48.3 | 33.9 | 10.2 | 42.4 |
| Hunter and North Coast | 37.4 | 16.1 | 48.1 | 33.1 | 9.3 | 40.4 |
| Illawarra and SE NSW | 39.4 | 15.5 | 49.9 | 31.8 | 8.1 | 38.2 |
| Western NSW | 33.7 | 15.1 | 44.5 | 29.0 | 8.9 | 36.0 |
| Riverina | 39.1 | 12.4 | 47.2 | 32.9 | 8.9 | 39.5 |
| Victoria | | | | | | |
| Melbourne | 37.5 | 12.3 | 45.7 | 34.5 | 8.8 | 41.8 |
| Eastern Victoria | 42.7 | 8.5 | 48.4 | 36.7 | 6.5 | 41.8 |
| Western Victoria | 44.1 | 12.4 | 51.7 | 38.2 | 6.6 | 43.4 |
| Queensland | | | | | | |
| Brisbane | 39.1 | 11.3 | 46.7 | 38.0 | 6.4 | 43.1 |
| Southern Queensland | 41.1 | 12.0 | 48.6 | 35.3 | 6.2 | 40.2 |
| Central and Northern QLD | 42.2 | 10.4 | 48.5 | 37.6 | 7.5 | 43.4 |
| Western Australia | | | | | | |
| Perth | 37.4 | 12.3 | 45.9 | 39.0 | 9.3 | 46.5 |
| South Western Australia | 38.6 | 8.6 | 44.5 | 42.5 | 6.9 | 47.7 |
| Greater Western Australia | 40.3 | 8.9 | 46.2 | 34.7 | 5.9 | 38.8 |
| South Australia | | | | | | |
| Adelaide | 35.5 | 12.5 | 44.0 | 35.3 | 7.3 | 41.4 |
| Southern Australia Country | 38.7 | 9.0 | 44.3 | 35.4 | 5.5 | 39.4 |
| Tasmania | 38.6 | 11.4 | 46.8 | 36.4 | 7.0 | 42.1 |
| Northern Territory | 33.8 | 8.6 | 39.2 | 33.7 | 8.6 | 40.0 |
| Australian Capital Territory | 42.6 | 17.1 | 53.2 | 37.8 | 12.1 | 47.1 |
| Australia | 38.4 | 13.6 | 47.1 | 35.4 | 8.1 | 41.9 |

1 Outcomes achieved three months after assistance for job seekers who ceased assistance between 1 May 1998 and 30 June 2000.

Source: Post-program Monitoring Survey

Wide variations in outcomes were experienced at a more disaggregated regional level. Employment outcomes data from the Post-program Monitoring survey show that in 16.5% of ESAs Job Search Training outcomes were above 40%, whereas in 7.8% of ESAs outcome levels were less than 30%. In contrast, for Intensive Assistance more ESAs had outcomes of less than 30%, and fewer ESAs had outcomes above 40%.

Table 5.10: Distribution by ESA of Post-assistance employment outcomes, July 1999 to June 2000

| Percentage outcome levels achieved | Proportion of ESAs (%): | |
|------------------------------------|-------------------------|----------------------|
| | Job Search Training | Intensive Assistance |
| Less than 30 | 7.8 | 14.2 |
| 30–34 | 31.3 | 38.1 |
| 35–39 | 44.3 | 36.6 |
| 40 or more | 16.5 | 11.2 |
| Total | 100 | 100 |

Source: Post-program Monitoring Survey

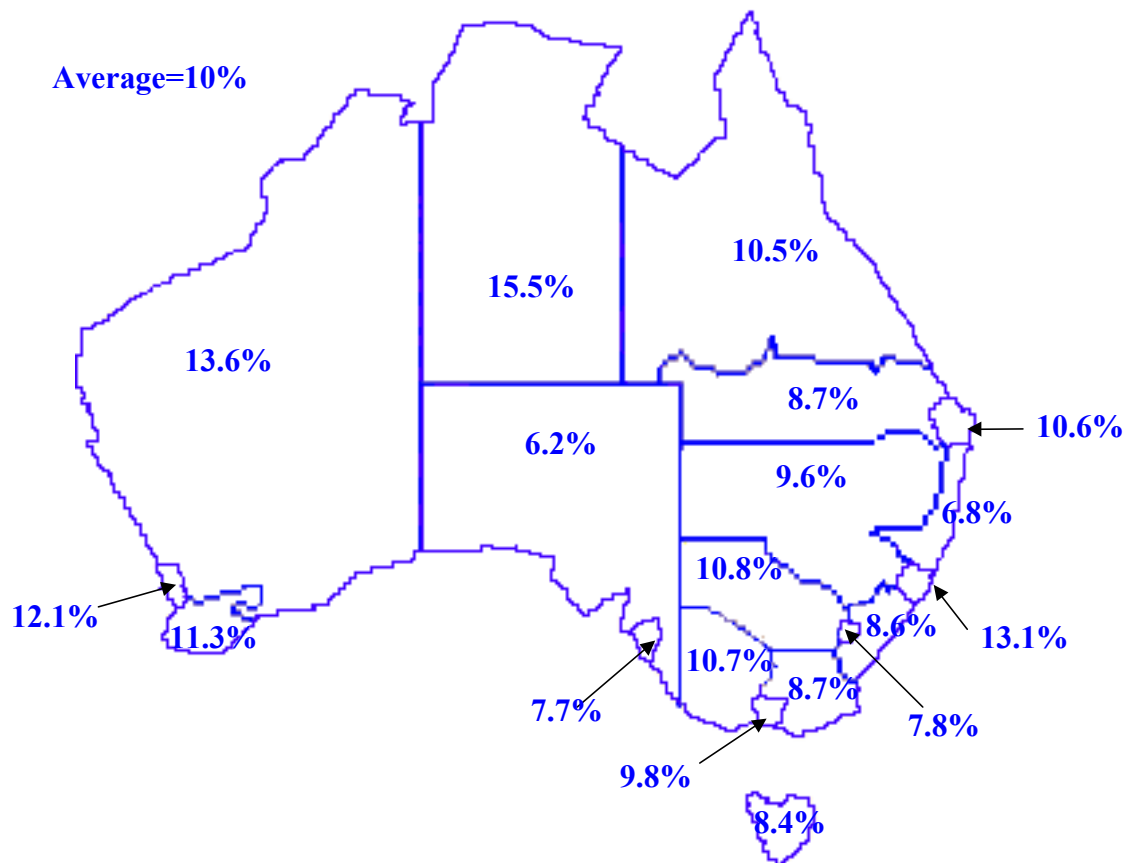
5.6 Regional effectiveness

Chapter 4 examined the net impact of Intensive Assistance and Job Search Training at the national level. In this section regional variations in net impact for Intensive Assistance are

explored.⁷⁹ A regional net impact study of Job Search Training is currently in the planning stage. Net impact was assessed in terms of the proportion of job seekers who left activity-tested income-support payments⁸⁰ (referred to as off-benefit outcomes). The study compared the off-benefit outcomes of a sample of 26 000 Intensive Assistance participants with those of a matched comparison group of the same size who had not been referred to, or participated in, Intensive Assistance in the previous six months. In order to ensure comparability with previous studies, the same methodology was employed as in the net impact studies for six of the main labour market programs that operated in the mid-1990s (DEETYA 1997).

The net impact study reveals some regional variation in the effectiveness of Intensive Assistance (Figure 5.5). Strong labour markets such as Sydney, Brisbane and Perth appear to have performed particularly well, while areas with weaker labour markets, such as South Australia and Tasmania, performed less well. While the net impact was highest in the Northern Territory, this finding was based on a relatively small sample size (about 260 in each of the program and comparison groups).

Figure 5.5: Net impact of Intensive Assistance by region



Source: Integrated Employment System

⁷⁹ Net impact studies are used to assess the effectiveness of assistance by controlling for factors known to influence outcomes. The methodology and findings of the net impact studies of Job Search Training and Intensive Assistance are described in Chapter 4.

⁸⁰ For the net impact studies, Job Network-eligible job seekers who leave Newstart Allowance and Youth Allowance to take up other forms of income support are counted as an off-benefit outcome. See section 4.3.

To further test the relationship between labour market conditions and the net impact of Intensive Assistance, local areas were grouped into strong, average and weak labour markets and the net impact of these groupings measured. The analysis supported the proposition that the impact of Intensive Assistance and Job Search Training tended to be lower in weaker labour markets. The overall differences in impacts, however, were found to be only moderate. Nevertheless, the preliminary finding of higher effectiveness in stronger labour markets has implications for the operation of Job Network in less favourable economic conditions.

5.7 Conclusion

Evidence suggests that Job Network's performance exhibits some degree of regional variation in the application of the JSCI, the level and take-up of services, and the outcomes and effectiveness of assistance. Factors that contribute to this variation include differences in local labour market conditions, differences in the characteristics of job seekers living in these areas and the availability and quality of local services. Further analysis is needed to better understand the relative contribution of each factor to observed performance. There is, for example, considerable geographical variation in the take-up of Job Search Training, with some ESAs achieving take-up rates below 15% compared to a national take up rate of 32.0%. Those areas with very low take-up have many job seekers who live in remote locations and this could largely explain the poor take-up.

Provider performance and Centrelink's capacity to administer the JSCI (which is related to the location of job seekers in that in more remote areas administration of the JSCI is more difficult) may also be a contributing factor. At this stage it is not possible to measure the extent of the contribution. Similar considerations apply to other indicators of regional performance. Modelling for the second Job Network tender to measure provider performance identified regional variations in performance after client mix and local labour market condition were controlled for. Extending this modelling to measure regional variation across a range of performance indicators may be warranted.

In summary, the regional analysis supports the planned move to update the coefficients of the JSCI using data for ESAs rather than the 29 labour market regions from the first employment services contract. The analysis also suggests that:

- Subsequent tender processes should ensure the best possible spread of providers, especially where there are a large number of providers at particular locations.
- Adjusting the mix of programs to accord with local labour market conditions may be worthwhile as Intensive Assistance works better in stronger labour markets.
 - This finding suggests that the effectiveness of Intensive Assistance may not be as great under more depressed economic conditions (if there were an economic downturn) and that, in such an event, there may be merit in greater use of the Work for the Dole program.⁸¹ The somewhat better performance of Intensive Assistance in stronger labour markets combined with the more general finding that local labour market conditions have a significant influence on a number of Job Network performance measures, including take-up rates, in turn has implications for the operation of Job Network in locations where job seekers do not have access to strong labour markets.

⁸¹ A net impact study using the same methodology found that the effectiveness of Work for the Dole was greater in weaker labour markets (DEWRSB 2000h).

6 Conclusion

The evaluation of Job Network includes three major reports. The findings of the first stage of the evaluation were released in a report in May 2000. The second stage of the Job Network evaluation continues the process of assessing Job Network's performance against the key criteria of market development, quality of services, equity of access to assistance and of outcomes, effectiveness and efficiency. The third stage is due to be completed by the end of 2001. The extent to which issues are covered in different stages of the evaluation depends in large part on the availability of data. Thus, the focus of stages one and two has been on quality of services, equity of access, development of the market and early indicators of efficiency and effectiveness. Efficiency and effectiveness only receive limited coverage in these stages because Job Network has not operated long enough for comprehensive data on all services to be available.

The stage two analysis has covered the whole of the first Job Network contract period and the early months of the second (generally to the end of September 2000). This period has in the main been treated as a single period of operation for Job Network. This has not been done to downplay the significance of either the changes to Job Network introduced for the second employment services contract, nor the impact on Job Network services of the second tender round itself. Rather, it has been to focus attention on the development of Job Network since its inception. Moreover, much of the data available for stage two of the evaluation only covered the early months of the second contract period. These data do not allow a detailed assessment of the impact on performance of the changes introduced as part of the second tender. The impact of these changes will be analysed in the third stage of the evaluation.

There are reasons to be encouraged about the overall performance of Job Network, as discussed in this report, while the evaluation also raises several issues. These are discussed below within a framework of the key evaluation criteria.

6.1 Market development

Job Network made further progress toward a competitive market by expanding the geographic coverage and competitive basis of its services as a result of the allocation of business following the second contract tender. For the first time, bids for Intensive Assistance business were competitive, but with the viability and quality of the service protected by a set floor price. Extra coverage and increased competition resulted from an increase of 54% in the number of sites delivering services, although the number of providers was reduced by one-quarter. This has the potential, in combination with the greater emphasis on specialist services, to improve Job Network's responsiveness to local labour market conditions and employer and job seeker needs.

A key objective of the second tender was to lift the performance of the market through a process of retaining good performers from the first employment services contract and supplementing those with new market entrants that had the potential to perform well. Increased competition and basing contracts on demonstrated performance have also resulted in a significant shift between the first and second contract rounds in the composition of organisations delivering services. There was a considerable increase in the market share of community-based, charitable and private sector organisations in the second contract. The impact of these developments on the way that competition drives performance of the market over the longer term is still evolving, and the balance of market share may shift again as the market continues to mature.

An issue for the future operation of Job Network is the size of the available pool of job seekers relative to the number of providers in the market, depending on the relative strength of the labour

market and Job Network's capacity to respond effectively to significant swings in either direction. Against the background of very buoyant conditions during 1999–00, for example, trends have emerged in the potential availability of job seekers (due to inflows and take-up of assistance) that may make it difficult to meet the proposed expansion of Job Search Training under the second contract to 90 000 places annually, and to maintain the 85% point-in-time capacity for Intensive Assistance.

The numbers starting Job Search Training relative to the number of referrals appear to be declining. While some analysis of referrals to this service is underway, it is as yet too early to determine the factors that are at work and whether the take-up rate is amenable to improvement. If maintaining the numbers in Intensive Assistance becomes an issue, reducing the Job Seeker Classification Instrument (JSCI) cut-off for eligibility to this service would likely raise the post-assistance level of deadweight⁸² and reduce value for money. The current estimate of deadweight for Intensive Assistance, based on a measure of the net off-benefit impact three months after assistance, is about 20%. It is important in a maturing market to achieve a balance between provider viability and value for money. The extent to which job seekers participate in services outside Job Network (such as Work for the Dole) also needs to be considered in the light of client flows.

While the tender process for the second contract successfully rewarded good performance and saw less competitive providers removed from the market, it also involved some adverse side effects. The process affected placement and referral performance in the early months of the second employment services contract (early 2000) due to the uncertainty of prospective business and larger than expected transition costs in having a substantial turnover in contracts, particularly for Intensive Assistance. This raises the issue of whether there may not be a better way to link the requirement of a competitive market with maximising performance, as well as limiting any adverse impact on the ability of providers (and Centrelink) to service job seekers and employers.

A fully open tender allows for the entry of new potentially high-performing providers and supports the objective of contestability and winning business based on merit. In the past it has also resulted in substantial improvements to potential access to services through extra sites—in particular in the availability of employment services to areas not previously covered by the CES. On the other hand, there is evidence that providers have taken longer to set up their business this time around and that time is required to build market share for new entrants. Fixed term contracts could also be seen as constraining long-term planning. This can affect the overall performance of Job Network when there is a large turnover of providers.

6.2 Equity

Equity in both participation and outcomes has been examined to explore how disadvantaged job seekers have fared under Job Network. The analysis examines factors that influence equity, including the performance of the mechanisms for targeting assistance, perceptions of service quality and the extent to which job seekers take up assistance.

From the findings on equity of participation and outcomes it is possible to identify four groupings of job seekers⁸³—those with low participation and low outcomes, those with low participation and above-average outcomes, those with low outcomes but above-average

⁸² Deadweight refers to those job seekers who would have secured outcomes anyway and is the proportion off benefit from the comparison group in the net impact estimate discussed in Chapter 4.

⁸³ This analysis was confined to Job Search Training and Intensive Assistance. While a number of different outcome measures are discussed in Chapter 4, only positive outcomes have been considered.

participation and those with both above-average participation and outcomes. For most job seekers actual participation in Job Network is close to predicted and outcomes compare favourably with the outcomes achieved under the previous labour market assistance arrangements:

- Indigenous job seekers were the only job seekers to have both low participation and low outcomes for Job Search Training and Intensive Assistance.⁸⁴
- The low participation but above-average outcomes across both services included sole parents and younger job seekers.
- The grouping that includes job seekers with above average participation but low outcomes included the older unemployed and longer-term income-support recipients who had participated in Job Search Training. The low outcomes for these groups support the finding in the first stage of the evaluation (based on qualitative research) which questioned the relevance or effectiveness to older job seekers of Job Search Training. Older job seekers considered that the training was more suited to the needs of younger job seekers (DEWRSB 2000c). More analysis is needed to see whether these issues for older job seekers also apply to those on income support for long periods and the extent to which there is overlap between these two groups.
- Job seekers who combined good participation and outcome rates for both Job Search Training and Intensive Assistance included the better educated and those on unemployment benefits for less than six months.

Factors identified in the research that contribute to these participation and outcome levels include:

- Centrelink's performance in identifying those job seekers who are most likely to remain unemployed (including application and accuracy of the JSCI);
- where the job seekers live relative to the strength of their local labour market and the availability of services;
- whether or not participation in Job Network is voluntary; and
- the take-up of services.

The contribution of these factors to the participation of job seekers in Job Network varies by job seeker groups. Moreover, the factors that influence participation and outcomes are complex and interrelated and these interrelationships have yet to be fully explored.

The extent to which job seekers have the JSCI applied varies both by job seeker characteristics and regionally. Two groups—indigenous job seekers and mature-age job seekers—have low application rates. More remote areas, where application of the instrument is difficult and where the job seeker population is more likely to be indigenous, have much lower rates than elsewhere. There is also some likelihood that the accuracy of the JSCI may be diminished by the measure of regional disadvantage currently employed in the instrument. The analysis for the evaluation supports moves by DEWRSB to base the geographic location factor in the JSCI on the 137 employment service areas of the second contract round rather than the 29 labour market regions of the first employment services contract.

⁸⁴ Other disadvantaged job seekers such as those on income support for between 2 and 5 years, those aged 55 and over and those with less than year 10 educational attainment had below-average participation and outcomes for Intensive Assistance.

Variations in participation rates and outcome levels for different job seekers may also reflect differences in perceptions of services and job search behaviour. Perceptions and behaviour are influenced by motivation and attitudes.⁸⁵ A preliminary analysis of the perceptions of service quality (particularly of Centrelink's services) was examined as a possible factor explaining participation rates in Job Network services. While clear association was not evident for job seekers overall, more intensive research involving indigenous job seekers indicated that perceptions could be a factor. Only 8% of indigenous job seekers surveyed perceived that registering with Centrelink was helpful in looking for work. This finding indicates a need for strategies aimed at increasing the awareness of Centrelink's role in Job Network and the potential benefits of this among indigenous job seekers. The Government has recently introduced changes to employment services for indigenous job seekers, including the Indigenous Employment Policy and changes to Job Network for the second contract round. At this stage, it is too early to assess whether these changes have increased participation in Job Network by this job seeker group.

Preliminary analysis was also undertaken to see whether there was an association between relatively low post-assistance outcomes and below-average job search behaviour, lower motivation to find work and more negative attitudes towards assistance. Mature-age job seekers (particularly females) had lower rates of pro-active job search than other job seekers. Other groups with low outcomes tended to be more likely than job seekers overall to demonstrate greater selectivity about finding the right job and less motivation and work force attachment. Further research of these issues is warranted. It is important in particular to establish for job seekers in Intensive Assistance the strength of the relationship between pro-active job search and outcomes, and the variability of this relationship by job seeker characteristics, perceptions and level of motivation.

6.3 Effectiveness

The objective of labour market intervention is to improve the efficiency of job matching generally and to lift the performance of those who perform poorly in the labour market closer to that of those who do well. In this context it is important to assess whether Job Network makes a difference to the employment prospects of those assisted and if this difference varies by job seeker characteristics and region. It is also important to establish whether any impact is sustained and to identify the factors that contribute to any impact.

Answering these questions will establish how effective Job Network is and provide a basis for improving services, where necessary. Preliminary data on two indicators of effectiveness have been examined—sustainability as measured by post-assistance off-benefit status (six months after Job Matching placement or leaving Job Search Training, Intensive Assistance and the New Enterprise Incentive Scheme) and net impact. Off-benefit outcomes varied by job seeker characteristics, with lower outcomes being achieved by the more disadvantaged job seekers. As the evaluation progresses, this analysis will be supplemented with data on the quality of outcomes and the use of more extensive net impact approaches to control for longer term outcomes that would have occurred anyway.

The short-term net impacts of Job Search Training and Intensive Assistance (in terms of post-assistance income-support status) provided a preliminary assessment of the effectiveness of Job Network compared to the effectiveness of labour market programs delivered under the

⁸⁵ For a more detailed discussion of psychological theories of job search behaviour and their relevance to economic theory see McFadyen and Thomas (1997).

previous *Working Nation* arrangements. On the measures available, both Job Search Training and Intensive Assistance were much more cost effective—having impacts comparable with the types of assistance they replaced, but at a much lower cost (see below).

Regional variations have been observed for Intensive Assistance. In contrast to the findings on the effectiveness of Work for the Dole, the impact of Intensive Assistance was found to be greater in stronger labour markets. This could carry implications for the performance of this service under less buoyant economic conditions. It also provides, in combination with the findings for Work for the Dole, an opportunity to better coordinate the availability of assistance, especially in those locations where job seekers do not have access to a strong labour market. A departmental background paper to the OECD review of the Australian labour market noted “the links between income support and employment services and the links between services at different levels of government are not connected in ways that optimise the delivery of outcomes for individuals” (DEWRSB 2000f, p. 25). Linkage between services was also an issue raised in the report of the Reference Group on Welfare Reform (McClure 2000). The Government’s initial response to the McClure report has foreshadowed reforms in this area.

Within Intensive Assistance, it may be possible for some disadvantaged job seekers to increase their activities aimed at securing employment and for providers to adopt strategies to increase the outcome levels of those assisted. This would increase the impact of Intensive Assistance. Many job seekers leave Intensive Assistance without a positive outcome. Post-assistance employment outcomes for Intensive Assistance are much higher for those who leave after a short period of assistance than those who leave later, while the numbers leaving the provider case loads are evenly spread from month to month. As a proportion of total exits, 14% occur in the first two months, 16% in the next two and so on.

While job seekers who leave Intensive Assistance early tend to be less disadvantaged than those who remain, there would appear to be some scope for providers to adopt strategies to improve the outcome rate for job seekers who remain in Intensive Assistance longer. Evidence to date indicates that activity levels decline with increasing time in assistance, but increase again after about a year. The types of activities job seekers undertake early on also differ from those undertaken later. Pro-active job search activities are much more common in the early months of Intensive Assistance, while increased activity levels later in assistance are characterised by involvement in community work. The assistance provided early on in Intensive Assistance and the activities that job seekers pursue as a result do not seem to work as well once job seekers have been in assistance longer. This will be a function of the barriers to employment faced by job seekers who do not secure early outcomes, who on average are more disadvantaged than those who do. The issues, then, are what types of assistance these job seekers require in order to secure an outcome, what providers can be doing for these job seekers and whether the incentives for providers to spend money on these job seekers, if need be, are sufficient.

A further effectiveness issue for Job Network is the level of impact at the macro level. To date the net impact analysis has measured the contribution of Job Network services (Job Search Training and Intensive Assistance) to an individual job seeker’s prospects of leaving income support. To the extent that such job seekers displace other job seekers who subsequently become income-support recipients, the net impact at the overall level will be reduced—although the equity of access to job opportunities may still be improved. Whether it is possible to measure

the impact of Job Network at the aggregate level will be examined in the third stage of the evaluation.⁸⁶

6.4 Efficiency

Preliminary data on efficiency (unit cost and cost-per-outcome) indicate that the cost of assistance under Job Network is well below that of the assistance delivered under *Working Nation* and, in aggregate terms, less than the unit cost of assistance in the early 1990s. Lower unit costs, however, do not automatically imply better value for money. Value for money is most appropriately estimated on the basis of cost-per-net impact. While these measures were not available for this report⁸⁷, we do know that, on the basis of preliminary net impact estimates and lower costs, Job Network appears to be delivering better value for money than the previous labour market assistance arrangements.

⁸⁶ Targeting assistance to the more disadvantaged aims to improve the competitiveness of these job seekers and increasing labour market efficiency. If this occurs, net impact at the aggregate level may also occur, even though all the net impact at the individual level was a result of substitution. A more fundamental issue, however, is whether net impact at the aggregate level is measurable given all the other factors contributing to changes in aggregate employment and unemployment levels.

⁸⁷ This information is now available (DEWRSB 2001).

Attachment A

Sources of data

Survey of activity and attitudes of Intensive Assistance participants

This study was set up specifically for the stage two evaluation of Job Network and consisted of two surveys designed to investigate the type and variety of activities job seekers undertake while in Intensive Assistance and to obtain extensive information on job seekers' attitudes in looking for and finding work.

The first was a survey of 596 job seekers undertaken in February 2000. The job seeker survey was complemented by a survey of 60 employment officers to establish a perspective on provider activity and approach to assisting job seekers.

The second survey was conducted over a three-week period in June with 582 respondents participating in Intensive Assistance. The survey sought to validate the data gathered in February by repeating the collection at a more typical time of the year. It also expanded the type and range of questions previously asked on job seekers' attitudes to work.

Other sources

The evaluation report has used information from a range of other sources which include:

DEWRSB administrative systems

Primarily this refers to the Integrated Employment System, which contains information on job seekers who have received employment assistance and the type of assistance received, such as placements, commencements and paid outcomes. Income-support recipient numbers and the income-support status of former program participants are also derived from Centrelink income-support data in the system.

Post-program monitoring (labour market assistance outcomes) survey

The ongoing post-program monitoring survey is undertaken by DEWRSB to assess the employment and education status of former employment assistance participants. The survey attempts a full enumeration of all former employment assistance participants about three months after participation, except in the case of Job Matching where a sample of about 50 000 job placements each year are followed up. Job seekers who leave employment assistance and then proceed to another employment assistance place (that is, those in further employment assistance) are not surveyed as their outcome is known. The overall response rate for the post-program monitoring survey, at about 60%, provides outcomes estimates that are generally accurate to within plus or minus 1% at the national level.

A longer-term outcomes survey has also been conducted for Job Matching. A sample of 43 000 job seekers placed into jobs during April and May 1999 were surveyed in July and August that year and again in October 2000.

Service Quality Monitoring Program

The Service Quality Monitoring Program was developed to provide information on the quality and responsiveness of services delivered by Job Network and Centrelink. Quality of service

delivery is one of the key design principles of Job Network and has an important role in supporting the efficiency and effectiveness of the market.

The current program of surveys for measuring service quality was implemented in 1998–99 and the surveys were outlined in *Job Network evaluation stage one* (DEWRSB 2000c). The surveys described below are two recent additions to the program:

- *Job seeker satisfaction with Centrelink 2000*—approximately 3000 telephone interviews were conducted over a three-week period during February 2000 with job seekers who had used Centrelink in the past six months.
- *Year 2000 research study of indigenous job seekers' experiences of employment services*—this research was conducted in May and June 2000 and involved face-to-face interviews with 389 indigenous job seekers; focus groups and semi-structured interviews with 119 indigenous job seekers and focus groups with key informants. Key informants included people in a leadership or work role in the community from local land councils, educational institutions, Community Development Employment Projects, community organisations, health centres and the Aboriginal and Torres Strait Islander Commission.

Attachment B

Factors in the Job Seeker Classification Instrument

| Factor | Maximum points possible |
|--|-------------------------|
| Age | 12 |
| Educational attainment | 8 |
| Vocational qualifications | 2 |
| Duration of unemployment | 15 |
| Recency of work experience (main activity in five years before last registered) ¹ | 10 |
| Family status | 4 |
| Geographic location and Aboriginal and Torres Strait Islander status | 13 |
| Geographic location and Australian-born South Sea Islander status | 11 |
| Geographic location—other Australians | 6 |
| Transport | 2 |
| Contactability | 1 |
| Proximity to the labour market | 3 |
| Country of birth | 8 |
| English language and literacy | 5 |
| Disability/medical condition | 8 |
| Stability of residence | 6 |
| Disclosed ex-offenders | 8 |
| Disadvantage resulting from personal factors requiring professional or specialist judgement—secondary classification | 6 |

¹ In combination with duration of unemployment, the maximum number of points a job seeker may receive between the two factors is 15.

Attachment C

Post-assistance outcomes of current and previous labour market assistance

| Type of labour market assistance | Type of outcome ¹ | | | |
|--------------------------------------|------------------------------|------------------------|------------------------|--------------------|
| | Employment | Education and training | Positive outcomes % | Further assistance |
| Job Network² | | | | |
| Job Search Training | 37.9 | 12.5 | 46.3 | 5.3 |
| Intensive Assistance | 35.0 | 7.7 | 41.3 | 2.6 |
| NEIS | 81.8 | 8.9 | 84.1 | - |
| IEP | | | | |
| STEP | 63.0 | 22.8 | 67.8 | 6.4 |
| Wage Assistance | 53.8 | 12.6 | 57.3 | 6.1 |
| Work for the Dole³ | 27.4 | 11.1 | 35.7 | 16.6 |
| Working Nation | | | | |
| Job Clubs ⁴ | 24.9 | 7.4 | 29.9 | 31.7 |
| Working Nation⁵ | | | | |
| Job Skills | 28.1 | 7.8 | 33.4 | 11.7 |
| JobTrain | 23.6 | 8.6 | 29.9 | 30.0 |
| JobStart | 48.3 | 5.9 | 51.5 | 8.5 |
| LEAP | 22.4 | 8.9 | 29.3 | 13.1 |
| New Work Opportunities | 17.9 | 4.4 | 21.2 | 14.8 |
| SkillShare | 30.3 | 11.5 | 38.6 | 17.8 |
| Special Intervention | 13.1 | 12.7 | 24.2 | 38.7 |
| Average | 27.4 | 9.7 | 34.6 | 22.0 |

1 Outcomes three months after assistance. See DEWRSB 2000e for further information on the methodology.

2 Outcomes for those who left assistance between April 1999 and March 2000.

3 Outcomes for those who left projects (excluding pilot projects) to end December 1999.

4 Outcomes for 1995–96.

5 Outcomes for 1995–96, including the weighted average for the seven programs separately identified.

Source: Post-program monitoring survey

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List of acronyms

| | |
|--------|--|
| AJS | Australian Job Search |
| CES | Commonwealth Employment Service |
| DEETYA | Department of Employment, Education, Training and Youth Affairs |
| DEWRSB | Department of Employment, Workplace Relations and Small Business |
| ESA | Employment service area |
| ESC 1 | Employment Services Contract 1 |
| ESC 2 | Employment Services Contract 2 |
| FaCS | Department of Family and Community Services |
| JSCI | Job Seeker Classification Instrument |
| NEIS | New Enterprise Incentive Scheme |
| OECD | Organization for Economic Cooperation and Development |