



**NESA Response to Questions on Notice**

**SENATE EDUCATION AND EMPLOYMENT  
LEGISLATION COMMITTEE**

**Inquiry into the**

**SOCIAL SECURITY LEGISLATION AMENDMENT  
(STREAMLINED PARTICIPATION REQUIREMENTS AND OTHER  
MEASURES) BILL 2021**





## About NESA

**The National Employment Services Association (NESA) established in 1997 is the peak body of the Australian employment services sector. NESA is dedicated to a vision of opportunity for everyone through employment and inclusion.**

Employment inclusion and participation are cornerstones of the economic and social health of society. For the individual, employment participation is more than a means to income; it provides connection, purpose and inclusion. Employment participation and productivity are key drivers of economic growth and underpin the quality of life of all Australians enabling access to such things as a well-functioning health system, quality education and strong social safety net.

The Australian employment services sector plays a critical role in preparing Australians to participate productively in the labour market and connecting them to employment opportunities.

NESA's mission is to lead a sustainable, effective and diverse employment services sector to support individual job seekers and employers and to contribute to our nation's achievement of employment participation objectives.

NESA membership encompasses the breadth of Australia's diverse labour market assistance programmes including jobactive, Disability Employment Services (DES), the Community Development Programme (CDP) and all complementary programs and services. A large proportion of NESA members deliver multiple programmes.

Our membership is extensive and diverse, and open to all contracted providers (for-profit, not-for-profit and public). To illustrate, of providers of Australia's largest employment programme – jobactive – NESA members have a collective footprint covering 100% of Employment Regions.

NESA delivers intensive policy, operational and capacity building support to member organisations. NESA works collaboratively with Government Departments, agencies and non-government stakeholders to support the effective delivery of labour market assistance and social policy. Our extensive membership and intensive member and stakeholder interaction provide unique insight into the policy and operational settings that underpin effective labour market assistance.



## Response to Questions

1. **I note your view that ‘grossly insufficient time’ has been afforded to stakeholders to adequately analyse all the changes resulting from this Bill. You suggest that this Committee seek an extension of time to report on the Bill and provide further opportunity for stakeholders to make contribution via submissions and/or supplementary submissions. Why is this important?**

Consultation is very important to the provision of rich and full feedback. Our members have diverse views often shaped by actual experiences. As such consultation enables us to offer insight into how policies and programs are playing out at the coal face. This includes identification of barriers as well as strategies/responses used to overcome issues. This may assist in identifying not only the nature of problems but better discern underlying causal factors and/or appropriate solutions/alternatives. In addition our members are able to provide insight into how they perceive issues are impacting stakeholders such as job seekers and employers they service as well as the operational environment. For example consultation with our sector often enables discovery of other layers, interpretation and/or perspectives than are presented in papers and evaluation reports.

It has also been NESA experience that policy or program arrangements do not always play out as intended and consultation assists to identify unforeseen issues or unintended consequences, that may not be evident through system or data monitoring. NESA regularly forwards examples of issues gathered through consultation with our members to relevant parties such as Department of Education, Skills and Employment or Services Australia for investigation.

To illustrate NESA does not have direct vision of how Online Employment Services (OES) operates or job seekers experience of digital service that it could draw upon to prepare our submission. While broad consultation was not possible NESA was able to contact members in the New Employment Services Trial areas in relation to OES and Job Plans. Through this limited consultation we were able to gather feedback that:

- job seekers with a relationship with providers prior to being moved to OES, were in some cases approaching our members for assistance with Job Plans (and other matters)
- our members reported assisting these job seekers to contact the Digital Contact Centre to arrange amendments to their Job Plans
- we understand communication to OES job seekers was an important inclusion in our submission as we were informed that many job seekers attending providers for assistance did not understand they could and/or what they had to do to change a Job Plan (among other things)
- the on-hold wait times for the Digital Contact Centre was problematic however we were able to confirm recently this problem had been overcome
- we were also able to confirm that the process to vary a Job Plan requires job seekers to give a reason for wanting to vary the Job Plan which had to be accepted by the Digital Contact Centre for a change to be approved (which was somewhat different than what was understood from NESA’s briefing from DESE)

2. **Your submission focusses on 3 of the 10 schedules in the Bill. Why have you prioritised these 3 schedules?**

The timeframe permitted for examination and response in our view was grossly inadequate and as such we had to prioritise in accordance with our available resources. The 3 schedules that were included in our submission were those that we could most readily identify as being of concern. In relation to schedule 1 the number of amendments was such that we did not have sufficient time to cross reference the changes (noting no marked up version of the legislation was available) to analyse individual amendments or the result of all amendments combined and as such took a principle based approach.



**3. The explanatory memorandum refers to the Employment Services Expert Advisory Panel report, I Want to Work. Is this Bill consistent with that report? Were you consulted in the drafting of this Bill?**

NESA works in collaboration with the Department for the betterment of employment services at every opportunity but was not consulted in the drafting of this Bill. NESA was offered a briefing by the Department at 4 pm Monday 7<sup>th</sup> June. NESA accepted the offer of a briefing which was provided 4 pm Tuesday the 8<sup>th</sup> June to assist us submit a response due on Wednesday the 9<sup>th</sup> June.

The Employment Services Expert Advisory Panel (ESEAP) made a range of recommendations which were adopted and presented in the I Want to Work report as the blue print for the introduction of the New Employment Services Model. Many of the areas examined and the recommendations made by the ESEAP were high level. NESA notes that despite earlier acceptance, it is apparent that a number of the recommendations made in the report will not be realised.

NESA notes that the Bill includes many matters that were not in the scope of the ESEAP however it does support implementation of a number of recommendations made by the ESEAP in particular these are in relation to:

- Establishment of Online Employment Services to assist employers and job seekers who are job ready and have capacity to self manage their journey to employment
- A more tailored and flexible approach to Mutual Obligation and Activity Requirements

**4. You make the comment in your submission that “it is disappointing that the commitments to increase investment in those most disadvantaged in the labour market have not been realised”. To what commitments are you referring and can you please explain why you have arrived at that conclusion?**

The I Want to Work report was clear in its intent that the new model of employment services should be focused on directing more resources to those job seekers who need the most assistance through implementing smarter and more targeted investment as indicated in the following quote:

*“The future employment services system will ensure that funds are invested in smarter, more targeted ways. It is smarter to invest in a digital and data ecosystem which helps all job seekers look for work, with many being able to self-service. This creates cost efficiencies. It is smarter to invest in automating business processes and administration. This creates time efficiencies. It is smarter to invest in a data ecosystem which analyses what works and what doesn’t for job seekers. This creates outcome efficiencies. **It is smarter to spend this time and money on job seekers who need the most help. It is the best chance we have to break cycles of welfare. It’s the best chance we have to cut entrenched unemployment. This is how we will invest”.***

NESA also notes the Doorstop Melbourne - Transforming employment services with The Hon Kelly O'Dwyer MP Minister for Jobs and Industrial Relations and Minister for Women held on 20 March 2019 in which she stated: “Critically, the savings that will come from the digital-first model will be reinvested into people who are long-term unemployed so that they get the wraparound services that they need in order to reduce their barriers to employment so that they can get and keep a job”. (Full version appendix 1)

NESA acknowledges and notes that the Government has invested some of the savings made through measures outlined in the 2021 – 2022 Budget to continue and/or expand selected complementary programs. However, Enhanced Services is the element of New Employment Services that is principally targeted at job seekers long-term unemployed and the most disadvantaged (notionally those in Streams B and C of current jobactive; however we note there is no transparency of proposed service eligibility criteria e.g. JSCI score thresholds). As discussed elsewhere in this response from the information that is available it appears that there has been no increase of investment in Enhanced Services compared to current arrangements and further there is potentially a decrease.

*Among the recommendations in the I Want to Work report were the top 10 things the Government should not do. Two of these top ten things not to do were to cherry pick recommendations; and to pocket savings from moving to digitalised services. It is the sectors view that the Government has done both of these things.*



**5. Please explain how you have arrived at the conclusion that under the payment structure announced for the New Employment Services - Enhanced Services there has likely been a considerable reduction in investment for the cohort of job seekers currently in Streams B and C (those most aligned to Enhanced Services target group)?**

A proposed funding model for New Employment Services – Enhanced Services was released for consultation in late 2020. As part of the Commonwealth 2021-2022 Budget the final proposed funding model for Enhanced Services was released. The final funding structure for Enhanced Services includes a small number of amendments in response to feedback, from that originally proposed.

Despite requests there is no transparency of the assumptions underpinning the funding model or the proposed Job Seeker Classification Instrument (JSCI) score thresholds for service eligibility and outcome payments. In the absence of sound assumptions on which to produce a financial model NESAs has consulted with members in the New Employment Services Trial Regions about their experience of the financial viability of the payment model and conducted some simple side by side comparisons of current funding for job seekers in Streams B and C (notional target group) and payment structure proposed under Enhanced Services.

To the best NESAs can determine the funding model represents a decline in resources allocated to Enhanced Services for support to the most disadvantaged job seekers compared to current arrangement for the same cohort in jobactive. In addition there has been no provision to adjust for the loss of economies of scale and flexibility that allow providers to allocate resources within the funding envelope to those who need it most. As such arrangements that enable revenue for servicing Stream A job seekers and Employment Fund credits to be redirected into Stream B and C are not accounted for in the Enhanced Services payment model.

NESA has raised our concern that Enhanced Service does not appear to have received an increase in investment as expected to support those most disadvantaged. Furthermore, NESAs has stated that potentially the funding model represents a decreased investment compared to current arrangements for the same cohort. Our concerns have been noted in writing through submissions and in various discussions with Department of Education, Skills and Employment. These concerns have not been refuted or confirmed.

Please find in attachment 1 NESAs response to the New Employment Services funding model consultation with amendments to highlight changes to the model announced in the Budget.

**6. In relation to Schedule 1, you suggest that following principle be applied: “only supporting proposed streamlining and consolidation of legislation where there is a high degree of confidence that there are no adverse implications for current income support recipients or future applicants”. What are the potential adverse implications and which cohort of job seekers is most at risk?**

NESA is of the view that there may be potential adverse implications may occur for many cohorts who experience challenges in the online environment. We have a primary concern for job seekers who lack adequate language and digital literacy to use OES comprehensively. This is particularly a concern given the assessments (JSCI or Job Seeker Snapshot as the online version is known and digital literacy) are conducted online. As such disadvantaged job seekers may experience issues and/or delays trying to connect with services and therefor have their income support payments affected.

Moving to Online Employment Services increases the cost of participation for all job seekers and increases the importance of having access to the internet and electronic devices to avoid risk of non compliance, incurring demerits and potential impacts on income support. Job seekers in areas with poor IT infrastructure, such as exists in many regional and rural areas may experience a higher volume of access issues and potentially higher interaction with compliance systems.



7. **Do you have concerns that this Bill omits current safeguards for income support recipients and future applicants (particularly those who are known to face increased barriers, vulnerabilities and be on the wrong side of the digital divide including Indigenous people, people with disability, principal carers, refugees and mature age workers)?**

NESA is concerned that while a significant proportion of employment services are moving to a digital environment there are no new protections tailored to this environment to ensure job seekers rights are maintained. In particular there is no specific undertaking in the Bill about measures to ensure job seekers are informed and understand their rights, responsibilities and avenues to access assistance when engaging via OES.

To illustrate the narrative with the Bill states that job seekers in OES will have access to assistance from a human where they choose but it does not state how they will be advised of this or how someone indicating a need for assistance will not be disadvantaged. For example if a person in OES cannot complete their Job Plan independently and requests assistance but cannot access it and develop an approved Job Plan on the same day, their start date will be impacted.

NESA notes that the experiences from the OES Trial indicate the importance of improved communication. Participants in the OES Trial were individually screened to ensure they had no significant barriers to employment, they were digitally literate, had access to a digital device and they were briefed and volunteered to be involved in the trial. Despite this level of interaction the evaluation report shows that OES participants has a lower awareness of service than the control group in face to face services with only 72% understanding they had the right to opt out of OES.

8. **In your submission you state that 'NESA opposes the amendments under schedule 8 in their current form'. You argue that attaching the payment start date to the acceptance of the Job Plan will place pressure on job seekers to accept a Job Plan that is not suitable to their circumstance in order to receive payment. Can you explain why the Online Job Seeker Classification Instrument (JSCI) Trial Evaluation Report found that of all trial participants, 51% completed the JSCI and 80% of these did so because they thought it was a compulsory part of the income support process?**

The Online Job Seeker Classification Instrument (JSCI) Trial Evaluation Report indicated that of all participants enrolled in the trial only 51% went on to actually complete the JSCI online. It further notes that when surveyed about why they completed the JSCI 80% of these did so because they thought it was a compulsory part of the income support process. As indicated there were also many reasons why job seekers reported they did not complete the JSCI some of which highlight the need to ensure requirements and rights are clearly communicated and there is some mechanism to ensure job seekers understand what these are.

Please find a copy of the Online Job Seeker Classification Instrument (JSCI) Trial Evaluation Report attachment 2.

9. **You make the point that job seekers engaged in face-to-face services have the right to be informed of and accept a period of up to 48 hours 'think time' to consider their Job Plan before accepting it, without impact to their payment start date. However under the proposed arrangements job seekers in online services would experience a change in their payment start date if they took time to consider the appropriateness of their Job Plan before accepting it; and this potentially leads to inequity. Isn't it possible that a job seeker in online services could agree to a perhaps less than satisfactory Job Plan almost immediately in order to secure their payment start date and then subsequently vary it at their leisure?**

Yes it is possible that a job seeker could agree to perhaps a less than satisfactory Job Plan almost immediately in order to secure their payment start date, and then subsequently vary it at their leisure. However while the suggested process may be a workaround it introduces another level of complexity for the job seeker that NESA considers is avoidable.

As an over arching comment NESA is concerned that the issue of job seekers taking too long to complete Job Plans is being attributed to chosen behaviour and addressed by punitive measures. Our members experience in servicing large numbers of job seekers referred from OES and who had failed to complete their Job Seeker Snapshot and/or Job Plans while in OES is that many needed assistance and/or did not understand the requirements or the technical process.



As we are in the process of developing the digital employment services platform there is a question of why this issue cannot be addressed through a technological solution e.g. enabling job seekers the choice to lodge a provisional acceptance of their Job Plan triggering a 2 days think time option before final acceptance without impact on their start date – where the person needs think time.

If a person accepts a Job Plan, requirements must be met and this may be an issue if there is any unforeseen barrier to changing it. As per below - Provisions do not explicitly state that job seekers are permitted to vary a Job Plan at their discretion. There is also no guarantee that limitations would not be introduced through operating measures/guidelines. NESA's experience is that systems/guidelines are often changed as a result of the behaviour of few which then impacts many. It is quite reasonable to assume there is a high risk of a few job seekers making excessive variations to Job Plans to avoid requirements. NESA anticipates if such behaviour became evident consequently efforts to address this behaviour through change to systems/guidelines would be implemented.

#### **40V Variation, cancellation and review of employment pathway plans**

##### **Variation**

- (1) The Employment Secretary may vary an employment pathway plan that is in force under Subdivision A in relation to a person after discussion with the person and after taking into account the matters mentioned in paragraphs 40D(5)(a), (b), (c) and (d).
- (2) The Employment Secretary may vary the plan on the Employment Secretary's own initiative or on request of the person.
- (3) If the person requests a variation of the plan, the Employment Secretary must:
  - (a) make a decision under subsection (1) to vary the plan; or
  - (b) make a decision to refuse to vary the plan.
- (4) The Employment Secretary must notify the person of the variation or of the decision to refuse to vary the plan.
- (5) If an employment pathway plan is in force under Subdivision A in relation to a person, the person may vary the plan in accordance with the processes referred to in subsection 40B(1).

The job seeker would have to initiate the suggested workaround and that requires that they know they are permitted to change their Job Plan at any time. As such NESA reiterates its position that job seekers being services via OES must be adequately informed of their rights and responsibilities just as job seekers serviced in person are required to receive and confirm they have understood.

- 10. You note that the Bill contains no definition/guidance on what types of circumstance are intended to constitute "circumstance beyond a person's control" for failure to enter into a Job Plan earlier that should satisfy the Employment Secretary. Do you have concerns with the degree of discretion available to the Employment Secretary? If so, why?**

NESA holds concerns that without some substance to understand the intent which could include definitions or principles that there is a significant risk of inconsistency and inequity. In addition without some indication of how this protection may be called upon we have no indication if the process itself may be too difficult and thus will be of no protection or remedy.

To illustrate, an inability to purchase data to access OES and accept a Job Plan may be attributed to the individual's budgetary decisions and therefore in their control. For example, it may be deemed they could have gone to Services Australia, McDonald's or the library to use computers/WiFi. In such a case, will the person have to prove they had insufficient funds?

In NESA experience when such matters are not well outlined the outcome of processes are often dependent on the agency of the individual and their capacity to advocate for themselves.

- 11. The explanatory memorandum indicates that before a job seeker is offered the opportunity to enter an employment pathway plan via the new online arrangements, they will have their circumstances assessed with those job-ready being able to use and access Digital Services to choose to manage their**



**requirements online, without being serviced by a provider. What concerns do you have about that assessment process and the criteria that will be used?**

The Job Seeker Classification Instrument (JSCI) is a questionnaire. It seeks to identify an individual's risk of becoming long-term unemployed. The Job Seeker Snapshot is the online version of the JSCI. The Job Seeker Classification Instrument and the online version Job Seeker Snapshot; do not assess job readiness. To NESA knowledge there is no validated assessment of job readiness in the current or proposed New Employment Services Model. As such NESA does not consider that the assessment process is an acceptable assurance that job seekers with inadequate capacity will not inadvertently be assigned to Online Employment Services.

The Job Seeker Snapshot and the digital literacy assessment are conducted online and if a job seeker is having issues their access to income support will be impacted.

An examination of those job seekers in jobactive Stream A (prior to covid) as the indicative target group will demonstrate a proportion of this cohort have low education attainment (less than yr 12), no post secondary qualifications, and have disadvantaged circumstance such as homelessness, refugees, recently released prisoners, disability and mental health conditions, experienced domestic violence and the like.

- 12. You note that being classified as Stream A means job seekers are supposed to have a lower probability of remaining unemployed for more than 12 months than others. How is it possible that, as you say in your submission, "in reality many Stream A job seekers are long term unemployed or at risk of becoming long term unemployed, do not have job search skills and would not be considered job ready using tools specifically designed to measure job readiness"?**

As stated in our submission a high proportion of job seekers classified as Stream A are long-term unemployed. NESA notes that duration of unemployment is no longer a factor included in the Job Seeker Classification Instrument (JSCI) and as such when a person remains unemployed they do not attract additional score enabling movement to more intensive service Streams. The JSCI does not assess job readiness or independent job search capability.

The JSCI is, as the name indicates, a classification tool that uses relative disadvantaged to assign service eligibility rather than an individual assessment of service needs. The sector notes that many job seekers who are not job ready and who face significant barriers such as homelessness, recently released prisoners, refugees, people with a disability and people with poor literacy/numeracy to name a few are classified as Stream A.

There is no transparency of how service eligibility thresholds (JSCI score for each service/service level) are determined other than we understand that they reflect the programs financial modelling e.g. the proportion of job seekers permitted to be eligible for Stream A, B or C or in the case moving forward the proportion eligible for OES and for Enhanced Services.

- 13. From October 2021, there will be an additional requirement for job seekers who have been participating in jobactive and Online Employment for six months to undertake an activity (such as a short training course, or an 8-week version of Work for the Dole). How will this be managed in the jobactive and online systems?**

Management of Activity Requirements and Mutual Obligations have been a significant part of the face to face employment services since the introduction of the Active Participation Model in 2003. Providers will work with job seekers to ensure they are in a suitable activity as determined by the guidelines and circumstance by the required time with funding available through the Employment Fund to pay for activities where required. NESA notes that additional credits to the Employment Fund are available to pay for Work for the Dole under jobactive. At this time there is no indication of similar credits to the Employment Fund being available under Enhanced Services and how it is expected that providers cover the cost of such activity in the new model.

NESA is unaware of the proposed service model to assist job seekers in OES to access a suitable activity in the required timeframe or how such activity will be funded.



# Appendix 1 – Doorstop Melbourne - Transforming employment services

Accessed online from The Hon Kelly O'Dwyer MP Media Centre

Date: 20 March 2019

Ministers:

The Hon Kelly O'Dwyer MP

Minister for Jobs and Industrial Relations

Minister for Women

## KELLY O'DWYER:

Today, I'm announcing one of the most significant and transformative changes to Australia's employment services system. We know that one of the most important things that any government can do is to give people a helping hand to get and keep a job. Getting a job can change people's lives for the better - giving them choices and opportunities, helping to build their confidence, their dignity, and their financial independence. And our Government is proud of our achievements in this space, with more than 1.2 million jobs created since coming into Government, the majority of those jobs being full-time jobs, and of course, the majority of those jobs being held by women. We have got a record number of people in employment now and a record number of women in employment. We have the lowest levels of welfare dependency in 30 years and we have steadily been closing the gender pay gap, which under Labor reached a high of 17.2 per cent and has come down under us to 14.2 per cent.

We have an employment services system that has been in place since around 1946. But it is a system that has been delivering for so many millions of Australians, but we know there is even more that can be done. Around 1.3 million placements have been made since 2015, but still the long term unemployed, who are still reliant on welfare payments, remains very entrenched, with one in five people on employment services still receiving welfare payments five years on. We want to see that number changed because, of course, whilst the cost to the Australian taxpayer of people being reliant on welfare is to the tune of around about \$411 billion over the life cycle of someone of working age, I want to put it another way, around \$315,000 per person. But very significantly, it has a direct impact for that person as well. We know it can lead to intergenerational welfare dependency, with around 39 per cent of people who are reliant on income support payments having children who themselves are receiving income support by the age of 20.

That is why today, we are announcing a transformative change to employment service provision. We are announcing a pilot that will begin on 1 July in New South Wales and in South Australia that will put employers and jobseekers at the centre of our employment services system. It will have a focus on digital-first, where people will be able to search for their jobs and the government gets out of the way. But it will also, importantly, have a safety net for those people who need it, where they can talk to somebody directly, person to person, to make sure that they get the support that they need.

Critically, the savings that will come from the digital-first model will be reinvested into people who are long-term unemployed so that they get the wraparound services that they need in order to reduce their barriers to employment so that they can get and keep a job. This is a critical change. We also know that only around 4 per cent of employers currently use our employment services system right now because there's too much red tape and it's too cumbersome to be able to access the support that they need. This will also change so that they will have a free online tool to help them get the people to fill the skill shortages that they need when they need it.

We also are re-confirming our commitment to mutual obligation. Those people who are receiving welfare support do need to be searching for a job. That is going to be a critical part of this new system as well. But it needs to be more tailored and more flexible to the individual needs of those who are searching for a job.



Finally, there will be a licenced framework rather than a rolling tender process every five years or so. This will mean that we can preserve the best parts of the system and keep within the system those people who are doing a good job whilst exiting those people who are not achieving the outcomes for job seekers and employers that we expect and demand.

So, in summary, this is a significant and transformative change. It's a change that will help millions of Australians be able to get and keep a job. It builds on the strengths that the Coalition has been able to achieve during our time in Government and compares to that that would be offered by a Bill Shorten government, which when they were last in government, saw around 200,000 extra people left in unemployment and one in every eight manufacturing jobs lost. They also have a recipe for industrial relations chaos and division, which will do nothing to grow our economy, create new investment, and create new job opportunities.

**JOURNALIST:**

Will this shift to a more digital service result in less face to face services at all?

**KELLY O'DWYER:**

There are a lot of people who tell us that they want to simply be able to find their jobs online, and this is what we would expect in a changing jobs environment that is so focused in the digital space now, with Australians being some of the first adopters of digital technology. But we can't leave people behind. We know that there are some people who don't have the digital literacy to be able to actually access digital services and for them, of course, it's going to be important that they have face-to-face services to help them to be able to obtain a job.

**JOURNALIST:**

Will there be less, though? Will it be the same amount or is there going to be a reduction?

**KELLY O'DWYER:**

There will be a reduction in the caseload of people that job service providers will be dealing with, absolutely, but they will more intensively be working with the caseload that they have. And importantly, the money that is saved from the digital-first model will be reinvested in those people who need to have further help and further support; those people who have barriers to their employment – they might live in regional communities where they have less access to transport. And of course, intensive services to help them being able to overcome those barriers will be an important part of the new framework that will be in place.

**JOURNALIST:**

With the digitisation of the Centrelink system, we saw the whole robo-debt saga. Can you guarantee that there won't be similar problems with this system?

**KELLY O'DWYER:**

It's important to say that we are piloting the system for two years for very good reason. We recognise this is such a fundamental and transformative change and in order to make sure that the national rollout is done in a methodical and careful and structured manner, you need to have that pilot process to make sure that there are no unintended consequences, and that's precisely what we have announced. It is important for us to get this right, and to get it right from day one and to make sure that any requirements that we need to put into the national rollout are done through the



Attachment 1

NESA

Response to the

# **Proposed payment model for the New Employment Services Model**

Discussion paper

With notations regarding Payment schedule  
announced in

Commonwealth Budget 2021 – 2022

December 2020











## About NESA

The National Employment Services Association (NESA) established in 1997 is the peak body of the Australian employment services sector. NESA is dedicated to a vision of opportunity for everyone through employment and inclusion.

Employment inclusion and participation are cornerstones of the economic and social health of society. For the individual, employment participation is more than a means to income; it provides connection, purpose and inclusion. Employment participation and productivity are key drivers of economic growth and underpin the quality of life of all Australians enabling access to such things as a well-functioning health system, quality education and strong social safety net.

The Australian employment services sector plays a critical role in preparing Australians to participate productively in the labour market and connecting them to employment opportunities.

NESA's mission is to lead a sustainable, effective and diverse employment services sector to support individual job seekers and employers and to contribute to our nation's achievement of employment participation objectives.

NESA membership encompasses the breadth of Australia's diverse labour market assistance programmes including jobactive, Disability Employment Services (DES), the Community Development Programme (CDP) and all complementary programs and services. A large proportion of NESA members deliver multiple programmes.

Our membership is extensive and diverse, and open to all contracted providers (for-profit, not-for-profit and public). To illustrate, of providers of Australia's largest employment programme – jobactive – NESA members have a collective footprint covering 100% of Employment Regions.

NESA delivers intensive policy, operational and capacity building support to member organisations. NESA works collaboratively with Government Departments, agencies and non-government stakeholders to support the effective delivery of labour market assistance and social policy. Our extensive membership and intensive member and stakeholder interaction provide unique insight into the policy and operational settings that underpin effective labour market assistance.



## Background

The jobactive program implemented in 2015 has been achieving more employment outcomes than its predecessor programs. However, opportunities for improvement led to an extensive consultation process to design the Next Generation of Employment Services in 2018<sup>1</sup>. A considerable investment of time and expertise has been invested in making a contribution to the development of a new model of employment assistance. This included an Employment Services Expert Advisory Panel, 560 participants in consultation sessions and 451 written submissions. This consultation process culminated in the release of the I Want to Work report<sup>2</sup> which provided a blueprint for new employment services.

The I Want to Work report was clear in its intent that the new model of employment services should be focused on directing more resources to those job seekers who need the most assistance through implementing smarter and more targeted investment.

*“The future employment services system will ensure that funds are invested in smarter, more targeted ways. It is smarter to invest in a digital and data ecosystem which helps all job seekers look for work, with many being able to self-service. This creates cost efficiencies. It is smarter to invest in automating business processes and administration. This creates time efficiencies. It is smarter to invest in a data ecosystem which analyses what works and what doesn’t for job seekers. This creates outcome efficiencies. **It is smarter to spend this time and money on job seekers who need the most help. It is the best chance we have to break cycles of welfare. It’s the best chance we have to cut entrenched unemployment. This is how we will invest”.***

The objective of smarter investment is to provide more help through an increase in resources and provider time to support job seekers needing more help, with those more job ready and serviced through the digital channel. This includes providers having adequate resources to ensure service quality through smaller caseloads enabling greater personalisation of services and improved investment in the professionalism of the employment services workforce. Of the top ten things the I Want to Work paper stated that should not be done is to cherry pick recommendations and not to pocket savings from the efficiencies gained through digitalisation rather than reinvesting in those who need it most. As such it is concerning that since the I Want to Work paper was released in 2018 there has been a number of efficiency measures applied to employment services that have significantly reduced investment in services for unemployed Australians. Despite a promise of more help for disadvantaged job seeker the approach to resource allocation for new employment services appears to be shifting.

Much has changed since the I Want to Work report was released as the accepted blueprint for new employment services, particularly as a result of the COVID-19 pandemic. The imperatives that drove new employment service design recommendations are now more critical. There is now higher unemployment, higher underemployment and increasing numbers of people leaving the labour market than when I Want to Work was released in 2018. Critically, a major priority in seeking reform of employment services was to address the persistent and growing problem of long and very long-term unemployment. This issue is even more critical in the current context, as job seekers face greater competition for employment with fewer job opportunities. An inclusive recovery depends on prioritising those citizens most disadvantaged having access to adequate social support and protection. As has been said many times, the best form of welfare is a job and as such ensuring that job seekers are supported to build capacity for, find and sustain employment should be an investment priority.

NESA welcomes this opportunity to contribute to the development of the proposed payment model for the New Employment Services Model (NEM). The payment model is the foundation of employment program structures and is critical to achievement of service quality and outcome performance objectives.

<sup>1</sup> The next generation of employment services discussion paper, Department of Jobs and Small Business 2018

<sup>2</sup> I want to work, Employment Services 2020 Report, Department of Jobs and Small Business 2018



## Overview of New Employment Services Payment Model

Market and/or provider failure are significant risks in any major reform and have destabilising effectiveness and efficiency consequences. The delivery of Australian employment services requires significant upfront and ongoing investment in infrastructure, resources and mandatory accreditation requirements. To commit to such investment it is critical that potential new and existing employment service providers are able to produce a reliable financial model to assess with a level of confidence whether they have the financial capacity and risk appetite to participate in NESM.

The webinar presentation delivered by the Department of Education, Skills and Employment (the Department) on the 10 November 2020 has provided a proposed structure for the payment model for new employment services. As was outlined in the presentation, the payment model for NESM – Enhanced Services has some significantly different elements to the existing jobactive arrangements. One of the key principles in the design of jobactive was to create efficiencies through economies of scale with fewer providers and larger caseloads. Given the significant differences in the service models and expected size and nature of the caseload in NESM compared to jobactive a simple comparison of proposed payments is insufficient to provide genuine understanding of the business model.

The information provided in the webinar focused on payment structure, types and rates but there is insufficient information to model potential total revenue based on caseload and performance scenarios. Greater transparency and more detailed information are required to enable indicative modelling to achieve well informed input into the payment model and reduce risks of market failure upon implementation. To illustrate, to fully assess the adequacy of the Engagement Fee it is necessary to understand what assumptions have been made about factors such as (but not limited to) the indicative flow of job seekers into Enhanced Services, the expected average duration of service and transfer rates. The introduction of an outcome payment system based on Job Seeker Classification Instrument (JSCI) scores is a major change to existing arrangements. While information has been given about payment levels for moderate and high scores there has been no detail of what will constitute a moderate or high score or any underpinning assumptions such as the indicative proportion of job seekers likely to have a moderate or high score; or what the historical outcome types and rates achieved for job seekers with such scores. As was stated in the presentation Stream is not a proxy for JSCI scores and while providers can consider the outcome fee level per individual, they are unable to confidently assess what this translates to in terms of potential total revenue based on their capacity to perform and deliver outcomes.

The sector also notes that while the New Employment Services Trial (NEST) is underway and allows some testing of the model it has been disrupted and is of insufficient duration to enabling understanding of how the payment model will support services over the life of the program. NESA notes NEST was introduced cooperatively with negotiation around infrastructure and upfront payments that need to be considered in evaluating the adequacy of the payment model. Many NEST providers have reported these elements have been instrumental in the viability of NEST but they are not proposed for the full implementation of NESM. The adequacy of the payment model also needs to be assessed in the context of service requirements. At this time for example there is no or little information regarding service requirements associated with mutual obligation and annual activity requirements such as Work for the Dole. While the presentation mentioned the Employment Fund will have a regional loading it was silent as to the level of credits that will be made for job seekers, and to support activities such as Work for the Dole and wage subsidies.



Revised with Payment Schedule Announced at Budget 2021 – 2022

Employment Fund Credit \$1600

Employment Fund credits for Work for the Dole \$0 – current credits in table below

Employment Fund Credits for Wage Subsidy - \$0 – current see table below

\*Separate demand driven funding pool will continue for Youth Bonus wage subsidy of \$10,000 to support disadvantaged young people aged 15-24 in Enhanced Services, ParentsNext and all Transition to Work participants with Mutual Obligation requirements.

**Work for the Dole Fees as indicated in jobactive Deed Table 2B**

Place	Fee
Six month Work for the Dole Place in an Individual Hosted Activity	\$1000
Six month Work for the Dole Place in Group Based Activity	Up to \$3500

**LTU Wage Subsidy credit to Employment Fund - jobactive DEED Table 4 -**

Stream	LTU Wage Subsidy credit (paid once only)	When credited
Streams A to C	\$990	When the Department's IT Systems show that an LTU Wage Subsidy credit should be allocated in accordance with any Guidelines.

During previous reforms such as this the Department has provided NESAs with underpinning assumptions to enable it to engage appropriate expertise to build a sector funded financial modelling tool. These financial modelling tools, such as that built for the transition of Job Network 2 to Job Network 3 - Active Participation Model which involved similarly significant reform as NESM, enabled providers to manage risk and prepare tender bids that were aligned with their financial capacity and sustainability reserves.

- i. NESAs recommend that there is greater transparency regarding the investment approach for Enhanced Services NESM; and
- ii. NESAs recommend that to reduce the risks of market and/or provider failure, detailed assumptions underpinning NESM are made available to enable a comprehensive financial modelling tool to be developed and released prior to commencement of purchasing.



## Engagement Fee

The I Want to Work paper stated that the NESM payment structure would include higher up-front payments for immediate investment in supporting enhanced services to job seekers.

The sector strongly supports the premise that higher upfront payments are critical to ensure intensive and quality case management services are available to job seekers and realising the full intent of the NESM. NESM focuses on job seekers with the most complex barriers to employment and are more likely to require more intensive and a longer duration of assistance to achieve employment.

NESM is expected to commence with a caseload of job seekers who are predominately long-term unemployed, with a high proportion being very long term. It is expected that only a small proportion of more recently unemployed job seekers with significant barriers to employment will be eligible for Enhanced Services. As the NESM Payment Model presentation rightly states the longer a person is unemployed the lower their chances of gaining employment. The sector adds that long duration of unemployment can also impact the job seekers capacity to sustain employment and they generally require more intensive post place support for an eligible outcome to be achieved.

The I Want to Work paper outlines the intent for services delivered in NESM including but limited to more assistance than is currently provided and more time with consultants enabled by lower caseloads. The sector considers the proposed Engagement Fee of \$1000 as a one-time payment per job seeker falls very short on the commitment and intent outlined in the I Want to Work paper. The following outlines the reasons for this view

1. It is proposed for NESM that an Engagement fee is \$1000 and will be available once for each job seeker per period of unemployment compared to the current model where an Administration fee is paid every 6 months the job seeker remains in the service (pro rata). The NESM Payment Model webinar stated that the proposed NESM Engagement fee equated to approximately 2 years of the current Administration Fee. The sector notes that this claim is based on the lowest current Administration Fee 'All Other Stream Participants' at the metropolitan rate.

The extent that the proposed fee represents a significant reduction in up-front funding to invest in services to job seekers across the life of the NESM in non-regional areas is illustrated in the following table:

**Table 1: Metropolitan Funding comparison – jobactive 6 mthly Admin Fee – Proposed NESM \$1000 Engagement Fee**

Current Administration Fee		2 Year Funding Comparison		3 Year Funding Comparison		4 Year Funding Comparison	
Job Seeker Type	6 monthly Admin Fee	jobactive Admin Fee 2 Years	Proposed Fee % of Current	jobactive Admin Fee 3 Years	Proposed Fee As % of Current	jobactive Admin Fee 4 Years	Proposed Fee As % of Current
SPI Participants	\$377	\$1,508	-34%	\$2,262	-56%	\$3,016	-67%
All other Stream Participants	\$270	\$1,080	-7%	\$1,620	-38%	\$2,160	-54%

Data Source: Jobactive DEED Table 2A: Administration Fees (with January 1 2018 Mid Contract Fee Increase included)

Revised with Payment Schedule Announced at Budget 2021 – 2022

**Table 1: Metropolitan Funding comparison – jobactive 6 mthly Admin Fee – NESM \$1200 Engagement Fee**

Current Administration Fee		2 Year Funding Comparison		3 Year Funding Comparison		4 Year Funding Comparison	
Job Seeker Type	6 monthly Admin Fee	jobactive Admin Fee 2 Years	Proposed Fee % of Current	jobactive Admin Fee 3 Years	Proposed Fee As % of Current	jobactive Admin Fee 4 Years	Proposed Fee As % of Current
SPI Participants	\$377	\$1,508	-20%	\$2,262	-47%	\$3,016	-60%
All other Stream Participants	\$270	\$1,080	11%	\$1,620	-26%	\$2,160	-44%



2. In a media release on the launch of jobactive the then Prime Minister the Hon Tony Abbott MP stated one of the features on the model was the introduction of a new regional loading recognising that labour market conditions vary across Australia (March 31 2015). The absence of regional loading on the NESM Engagement Fee represents a reduction in the current overall investment in upfront fees compared to jobactive and regional services will experience a greater comparative reduction in the transition to NESM than their metropolitan counterparts as indicated in the table below.

Table 2: Regional Funding comparison – jobactive 6 mthly Admin Fee – Proposed NESM \$1000 Engagement Fee

Current Administration Fee		2 Year Funding Comparison		3 Year Funding Comparison		4 Year Funding Comparison	
Job Seeker Type	6 monthly Admin Fee	jobactive Admin Fee 2 Years	Proposed Fee % of Current	jobactive Admin Fee 3 Years	Proposed Fee As % of Current	jobactive Admin Fee 4 Years	Proposed Fee As % of Current
SPI Participants	\$472	\$1,889	-47%	\$2,833	-65%	\$3,777	-74%
All other Stream Participants	\$337	\$1,350	-26%	\$2,024	-51%	\$2,699	-63%

Data Source: Jobactive DEED Table 2A: Administration Fees (with January 1 2018 Mid Contract Fee Increase included)

Revised with Payment Schedule Announced at Budget 2021 – 2022

Table 2: Regional Funding comparison – jobactive 6 mthly Admin Fee – NESM \$1200 Engagement Fee

Current Administration Fee		2 Year Funding Comparison		3 Year Funding Comparison		4 Year Funding Comparison	
Job Seeker Type	6 monthly Admin Fee	jobactive Admin Fee 2 Years	Proposed Fee % of Current	jobactive Admin Fee 3 Years	Proposed Fee As % of Current	jobactive Admin Fee 4 Years	Proposed Fee As % of Current
SPI Participants	\$472	\$1,889	-36%	\$2,833	-58%	\$3,777	-68%
All other Stream Participants	\$337	\$1,350	-11%	\$2,024	-41%	\$2,699	-56%

Regional NESM services will be more reliant on Outcome payments to be financially sustainable. There is a prevalence of depressed labour markets with limited job opportunities in Regional Australia generally and many regional economies have been further impacted by the recent bush fire crisis, drought and the COVID-19 pandemic. Additionally, NESM understands that many regional areas have a higher proportion of partial than full outcomes which provides significantly less outcome revenue to reinvest in service delivery with part time and seasonal work more prevalent than full time permanent opportunities in these areas. The difference in regional labour markets has traditionally been accounted for in the performance model with the removal of a regional loading the sector holds concerns that we may see the re-emergence of high performing regional providers becoming financially unsustainable.

3. The economies of scale in jobactive will not exist in NESM which will have smaller caseloads comprised of the most disadvantaged job seekers. In jobactive providers are able to provide more intensive services to those more disadvantaged in Streams B and C by re-directing a proportion of revenue from Stream A with lower support needs. As such providers' current investment in service to job seekers in Streams B and C is greater than that provided by the Administration Fee, and this is not reflected in the level of the Engagement Fee proposed for NESM.
4. There are widespread concerns across the sector that the proposed one time only payment per job seeker will not support quality of services, particularly not over time and will contribute to increased potential risk of both provider and market failure. The sector notes the I Want to Work report indicated 64.9% of job seekers in jobactive were unemployed for more than 1 year and 19.6% for over 5 years. ABS Labour Force Data at October 2020 indicates approximately 25% of all job seekers were unemployed more than 104 weeks. As such as the NESM caseload matures funding for services to job seekers will become increasingly dependent on outcome fee; an identified issue in jobactive that NESM was intended to address. Additionally, this is likely to be an even greater concern in more depressed and disadvantaged labour markets where the average duration on the caseload is likely to be higher.

Revised with Payment Schedule Announced at Budget 2021 – 2022

Introduction of a Transfer Fee of \$600



It is proposed that if a job seeker changes provider the receiving provider will be expected to meet the cost of service without an upfront Engagement Fee. NESA understands from NEST providers that for the limited time the trial has run this arrangement has been 'manageable', noting the extended period of time mutual obligation was suspended and the number of transfers has generally been low. However, there is a strong view that as the caseload matures that there is likely to be less capacity to absorb such costs and maintain delivery of intensive services as intended and needed by the target cohort.

Additionally, as NESM matures and providers exit and new entrants join the market the one-time payment will be very problematic. Under this scenario a new provider has the potential to inherit an entire caseload for which they will receive no Engagement Fee to invest in services to job seekers. Further under current and previous arrangements there has been the opportunity to drive and reward high performing providers with additional market share. Under the one-time payment model high performers could potentially be punished financially if they accept additional market share made up of job seekers without Engagement Fees, and which may in turn undermine their capacity to maintain high performance.

5. To maintain real value at current investment levels the sector would reasonably expect that a fee increase would occur of at least equal to CPI at July 2022 when NESM is due to be implemented. Current jobactive contract arrangements include a mid term fee increase which was last applied in January 2018. According to the Reserve Bank of Australia as at September 2020 CPI has increased by 3.6 percentage points since December 2017. The NESM Payment Model webinar did not reference any arrangements for fee increases to the Engagement or any other fee during the life of NESM to ensure real investment is sustained over time.

- iii. **NESA Recommendations the current level of upfront investment in services to job seekers should not be diminished in the implementation of NESM. The Engagement fee should be:**
  - A. Increased to be equal to 100% of 4 current jobactive Administration payments plus CPI to maintain real investment levels in transition to NESM, and
  - B. Paid every two years the job seeker remains in service rather than being a one-time payment, and
  - C. Include Regional Loadings



## Employment Outcomes and VLTU Bonus

The payment model presentation provided on the Employment Outcomes and VLTU bonus provide an overview but as indicated earlier contains insufficient information of which to assess the adequacy of these payment arrangements.

It was indicated in the presentation that most of the proposed payment levels were greater than currently available in jobactive. However, as detailed earlier in this submission without adequate information it is not possible to confidently assess the adequacy of the model. While the payment levels on an individual basis are transparent the potential outcome revenue is not.

The NEST outcome data presented in the webinar provides total outcome numbers with no breakdown by moderate or high JSCI score. In the absence of evidence to the contrary, it is reasonable to assume a small proportion of job seekers will have a high JSCI score. There is little doubt that regional providers will have less outcome revenue with the removal of regional loading. The webinar indicated that approximately 30% of 12 and 26 week outcome claims made in NEST thus far had attracted the VLTU bonus. As indicated previously the sector requires the underpinning assumptions to fully understand and provide informed feedback into the outcome model. However, in the absence of data to the contrary, it is difficult not to conclude that while individual payment rates may be similar (for non-regional jobactive), a lower proportion of job seekers will be eligible for higher level payments in NESM compared to jobactive Streams B & C and that the model will subsequently deliver less overall revenue to support services.

### VLTU Bonus

Feedback from NEST providers has indicated that the VLTU Bonus is a positive and significant factor in the sustainability of the outcome payment model and it has generally been well received by the sector more broadly. However, providers have requested more detailed information about the proportions of VLTU expected in the NESM caseload by region to enable modelling.

### JSCI as basis for setting payment levels

One of the concerns raised by NESA members is how the JSCI which is subject to change with circumstance will interact with payment eligibility. To illustrate when providers assist job seekers to overcome barriers this may potentially result in a reduced JSCI score. It would be counterproductive to financially disadvantage provider for being effective in improving the employability and job readiness of job seekers. There were a number of questions regarding the JSCI and its review including how it will interact with the proposed assessment framework to ensure job seekers circumstances are fully considered. Providers noted the prevalence of disclosure post commencement into services and the increase of this since the introduction of self-completion of the snapshot.

#### iv. In relation to the use of the JSCI score to determine payment levels the sector strongly recommends:

- There needs to be transparency in the JSCI thresholds set for payments
- There needs to be transparency and consultation with the sector if any changes to the thresholds are proposed
- The thresholds should be set using a transparent evidentiary approach to probability of achieving an employment outcome (not budget)
- The job seekers highest JSCI score during their period of service should be used to determine outcome level eligibility

### Employment Outcome Definitions

The current definitions for full and partial employment outcomes are basically the same as they were at the commencement of Job Network in 1998. As was strongly put forward in the Next Generation of Employment Services much has changed in the world of work and employment services must keep pace with such change.

The Reserve Bank of Australia noted that one of the most significant changes to the Australian labour market in recent decades has been the rise in the share of part-time employment to account for nearly one-third of total employment<sup>3</sup> with Australia having the highest rate of casualisation in the OECD. Similarly, a statistical snapshot from the Department of Parliamentary Services indicated a significant feature of the labour market in the past two decades has been the strong growth in permanent part-time employment for both men and women, and strong growth in casual part-time employment for men<sup>4</sup>.

<sup>3</sup> The Rising Share of Part-time Employment Reserve Bank of Australia 2017

<sup>4</sup> Characteristics and use of casual employees in Australia Department of Parliamentary Services 2018



Sectors such as retail, food and accommodations services, health, administrative services and education have a high share of part-time and casual workers. These sectors have created significant opportunity for the employment of disadvantaged job seekers. As stated by the Reserve Bank unemployed workers commonly transition to part-time (particularly casual) jobs rather than full-time work, providing some evidence that part-time work can be used as a stepping stone into full-time employment. The employment services sector concurs with this finding and emphasises the importance of part-time and casual employment for the NESM target cohort as reflected in the NEST outcomes to date presented in the webinar.

Payment schedule announced at budget 2021 – 2022 includes an additional outcome category for partial Outcomes at 26 weeks

The challenge for employment services has been that outcome definitions understandably prioritise substantial employment, but are rigid. The differentiation in payment between full and partial outcomes does not adequately reflect the value of significant part-time/casual work. While a 60% rate reduction in income support is a reasonable benchmark for partial outcomes, 100% rate reduction for the entire outcome period for Full Outcomes offers little flexibility.

Providers note that it is not uncommon for job seekers hours to change in one fortnight and is sufficient to drop an outcome tracking at full outcome to partial. The Parliamentary Services paper found casual workers are much more likely to face irregular hours of work and fluctuations in earnings, with around 53% in 2016 experiencing variable earnings from one pay period to another. Employment in the Health Care and Social Assistance sector which employs more Australians than any other sector employment, offers a substantial proportion of roles on a casual and part-time basis only. These roles are particularly vulnerable to slight variations in rosters and earnings often result in partial outcomes because of variation in a single fortnight. This reduces the incentive for employment services providers to invest in strategies to engage job seekers interest and build their capability for this sector. In addition, changes to income support settings can also impact full and partial outcomes. For example, feedback from the sector in relation to recent changes to the taper rate indicated that up to 70% of providers pending outcomes were affected.

- v. The sector recommends that Outcome definitions should be reviewed to reflect the disadvantage of NESM target cohort, the prevalence and importance of part-time and casual employment to break the cycle of entrenched unemployment. This may include reducing required rate reduction from 100% and/or other mechanism to introduce greater tolerance for variation of earnings.

### Enhanced Services Tiers and Progress Payments

Feedback from NEST providers indicates that they are generally accepting of the tier structure. However, more broadly there appears employment services providers not directly involved in NEST have some uncertainty about the tiers and how Progress Fee and Progress in Service fees will operate.

As noted in the webinar the majority of Progress Fees have been claimed at the point of employment. Feedback indicates that a low risk tolerance culture in relation to compliance and potential recovery action will need to be addressed to enable Progress Fee to be claimed with confidence. While some providers have asked for more guidelines the sector notes that a principles-based approach to Progress Fees is preferable. A Principles approach can ensure excluded activities are accounted for while fostering use of innovative and leading interventions. A common topic of feedback was the movement of Education Outcomes to Progress Payments. Many providers consider the investment and time for education outcomes to mature are not reflected in the Progress Payment level and they do not anticipate they will be rewarded in the performance framework either. Many providers considered that this will be detrimental to the skills agenda and taking a longer term career perspective.

As indicated earlier the sector has asked how progress may affect the JSCI and subsequent Outcome fee eligibility. NESAs understand from NEST providers this has not been an issue to date and would like confirmation that Progress Fees will not result in lower JSCI scores and impact Outcome payment levels.

NESA has received mixed feedback regarding Progress in Service Fees, with some providers very strongly supporting the value it brings to case management and others considering less effective. Given the disruption to NEST it may be too early to make a conclusion with some NEST providers indicating they have recently adopted new approaches which are showing promise.









**Australian Government**  
**Department of Education,  
Skills and Employment**

# **Online Job Seeker Classification Instrument Trial Evaluation Report**





ISBN

978-1-76114-089-1 [PDF]

978-1-76114-088-4 [DOCX]



With the exception of the Commonwealth Coat of Arms, the department's logo, any material protected by a trade mark and where otherwise noted all material presented in this document is provided under a [Creative Commons Attribution 4.0 Australia](#) licence.

The details of the relevant licence conditions are available on the Creative Commons website (accessible using the links provided) as is the full legal code for the [CC BY 4.0 AU licence](#).

The document must be attributed as the Online Job Seeker Classification Instrument Trial Evaluation Report.



## Acknowledgements

The evaluation was conducted by the RED Support and Strategic Research team in the Evaluation, Research and Evidence Branch, Quality, Integrity and Evidence Division.

Contributors to this report were Lixin Cai, Michael Bathgate, Cathy Gong, Leo Vance, Patricia Barber, Dan Ngoc Ho, Yusuf Muharram, Minh-Ha Nguyen, Caroline Daley and Scott Burrow.

The department would also like to acknowledge the contribution to this report of commissioned research undertaken by the Social Research Centre and Wallis Market and Social Research.



## Contents

Executive summary .....	2
Departmental response to the evaluation findings.....	6
Chapter 1. Introduction .....	8
Chapter 2. The evaluation of the Online JSCI Trial .....	13
Chapter 3. The efficiency and effectiveness of the Online JSCI Trial .....	19
Chapter 4. Accessibility: factors affecting online completion .....	26
Chapter 5. Job seeker and Services Australia views and perceptions.....	38
Chapter 6. Conclusion .....	46
Bibliography .....	49
List of abbreviations and acronyms .....	51
Glossary.....	53
List of tables .....	55
List of figures .....	56
Appendix A: The Job Seeker Snapshot (JSS) questions (online JSCI version as at 26 June 2018) .....	57
Appendix B: Workflow diagram of Online JSCI Trial.....	66
Appendix C: Data sources.....	67
Appendix D: Factor analysis on digital literacy .....	71
Appendix E: Multivariate logistic regression model predicting online JSCI completion.....	73



## Executive summary

### About the Online JSCI Trial

The Job Seeker Classification Instrument (JSCI) classifies job seekers for employment services, based on a measure of their relative labour market disadvantage determined by their responses to a series of questions. The Online JSCI Trial (the Trial) was designed to investigate whether job seekers could effectively and efficiently complete the JSCI online. Previously, the JSCI was completed through a phone or face-to-face interview with Services Australia or an employment service provider.

The Trial was implemented through the Job Seeker Snapshot (JSS), which is an online version of the JSCI accessed via the jobactive website. The JSS captures the same information as the interview-based JSCI, but the wording and sequencing of some questions have been adapted to the online environment.

From July 2018 to March 2020, Services Australia randomly selected job seekers who were applying for income support through myGov to complete their JSCI using the JSS on the jobactive website. Online completion was voluntary, and job seekers who did not complete the JSS would instead complete the JSCI at a participation interview with Services Australia or an employment service provider.

### Key findings

#### The JSS was time efficient and regarded as easy to use

More than 98% of those who commenced the JSS completed it, and more than 90% of trial participants who completed the JSS ('completers') found that it was easy to use and navigate. It generally took about 10 to 15 minutes to complete the JSS, and two-thirds (66%) of the JSS completers and attempters would recommend it to others.<sup>1</sup> This proportion was higher among younger people.

#### JSS completers had more consistent JSCI scores and streaming outcomes

When JSCI responses were re-tested through a follow-up survey using Computer Assisted Telephone Interviewing (CATI) as part of the evaluation, the vast majority of both the JSS completers and the

---

<sup>1</sup> This analysis was limited to those who correctly recalled that they had completed or attempted the JSS when their response to a survey question was compared to departmental administrative data (n=912).



comparison group were consistently allocated into the streams. Nonetheless, the JSS completers had statistically significantly more consistent JSCI scores than the comparison group, resulting in slightly greater consistency in streaming outcomes for online completers. This could be due to the nature of online completion, which allowed more time for job seekers to consider their responses.

## JSS completion had limited or no direct impact on labour market outcomes

JSS completers had slightly higher exit rates from employment services (52% compared to 49% at six months) and/or income support (46% compared to 45% at six months) than the comparison group. However, it seems unlikely that JSS completion itself had any direct impact on labour market outcomes. Instead, it is more likely that completers were less disadvantaged (e.g., they generally had a higher level of digital literacy and higher levels of educational qualifications), resulting in a higher exit rate from income support. This is consistent with our prior expectation that online completion of the JSS would not have a discernible impact on labour market outcomes.

## About one in 10 trial participants reported barriers to JSS completion

Major barriers reported by JSS completers and attempters included:

- difficulties in logging into the JSS via myGov/jobactive
- encountering technical glitches
- low awareness and/or understanding of the purpose, benefits and process of completing the JSS
- limited access to assistance from Services Australia frontline staff
- being asked to provide duplicated information
- low levels of English proficiency
- low levels of digital literacy among certain groups
- severe sickness associated with having a disability or medical condition.



## Digital literacy was the main factor in whether a job seeker completed their JSCI online

Regression analysis found that digital literacy<sup>2</sup> was the most important determinant of JSS completion and could account for most of the differences across demographic groups. However, being younger than 20 years of age (qualitative research suggests this group may have been less likely to engage, due to passive detachment), having a disability or having experienced an unstable living situation remained significantly correlated with failure to complete. Although older people and Indigenous Australians were less likely to complete the JSS, the analysis found this was entirely due to lower digital literacy.

## Suggested improvements to the JSS

Trial participants suggested several ways to improve the JSS, including:

- providing reassurance that income support claims were progressing appropriately
- providing more rationale, feedback and validation
- providing assistance through an online chat function or a special phone line, with Services Australia frontline staff assuming the role of ‘navigators’ of the system, especially in cases with complex circumstances
- prefilling important information from previous applications or online government systems
- removing the separate login for the JSS and adding a capacity to save and edit at any time
- allowing job seekers to provide additional information in relation to JSS responses for complicated questions
- providing more information to state clearly the purpose and process of the JSS, the benefits of doing the JSS online, and the links between the JSCI, the Trial, income support claims and the jobactive employment services program.

## Summary

Increased online servicing is part of the government’s transition to the new employment services model and in line with the government’s digital transformation agenda.

---

<sup>2</sup> The 2019 Job Seeker Snapshot Survey assessed the level of digital literacy based on six questions asked in the survey on digital use and confidence among 3,105 job seekers (see **Appendix D**).



The evidence from the Trial suggests that job seekers who are digitally literate and are able to should be encouraged to complete their JSCI online, while job seekers who have low levels of digital literacy or need extra support should still have the opportunity to do an interview-based JSCI.

Online servicing is not for everyone. An interview-based JSCI will often be more suitable for those who are older, have low levels of digital literacy, have low English proficiency, have disabilities or medical conditions, or are experiencing unstable living situations.

Digital literacy training for job seekers could help support increased use of online services.



## Departmental response to the evaluation findings

A key focus of the Australian Government is to make better use of technology to make it easier to access the government services Australians depend on.

Government employment services are being transformed to deliver better services to job seekers and employers and a better system for providers, with a new employment services model to commence nationally from July 2022. The new model provides a predominately digital service for the most job-ready job seekers, freeing up resources to allow employment service providers to deliver more intensive, structured and tailored services for more disadvantaged job seekers.

The Job Seeker Snapshot, an online version of the Job Seeker Classification Instrument (JSCI), was introduced as a trial to reduce the dependence on interview-based delivery of JSCI and to increase the availability and usage of digital self-servicing for job seekers. The Job Seeker Snapshot is an easy-to-access online self-assessment tool that allows job seekers to simply and easily complete their own assessment in their own time.

The department acknowledges that the introduction of the Job Seeker Snapshot has achieved its intended goals, including to make JSCI completion time efficient and easy to use, and that job seekers' disclosure and subsequent streaming results are comparable with those of job seekers who complete JSCIs administered by a provider or Centrelink.

## Safeguards and enhancements

The government recognises that digital service delivery may not be appropriate for some job seekers, such as those with limited digital access or low levels of digital literacy. Job seekers who are unable to complete their Job Seeker Snapshot will be able to access the telephone and face-to-face interviews currently conducted by Services Australia or by employment service providers.

The department acknowledges some of the technical issues that faced the system soon after the introduction of the Job Seeker Snapshot. As the Trial expanded and the Job Seeker Snapshot became the default assessment process for job seekers, the department worked with Services Australia behind the scenes to address the technical issues.

Furthermore, the department is working with the Department of Social Services and with Services Australia to identify how best to reduce duplication and inefficiencies in the income support application and employment services assessment processes. This will allow the Job Seeker Snapshot to be pre-populated as part of the online claim workflow and enhance the user experience. The introduction of enhancements will be subject to consideration of the impact on social security legislation. Any pre-population and data-sharing process will consider the privacy implications for the sharing of job seeker information with additional Commonwealth entities.

The department has conducted user research into Job Seeker Snapshot messaging and citizen experiences with online assessments. We have considered the information we provide to job seekers on the purpose of the Job Seeker Snapshot, the benefits of doing the Job Seeker Snapshot, and what further explanatory information should be presented alongside the Job Seeker Snapshot. The department has already actioned many of the resulting recommendations and will continue to draw on these learnings as it develops the new job seeker assessment framework for 2022.



# Chapter 1. Introduction

## 1.1 Digital trends in government services

Digital technology is changing service delivery around the world. International practice provides useful insights into the philosophy behind, and rationale for, online servicing. Despite differences across settings, there are common benefits from the successful delivery of online services. These include potential benefits for both governments and end users, such as:

- improved efficiency and convenience for end users
- time and cost benefits for users, and cost savings to government
- enhanced coverage of government services, for example to rural and remote areas
- more efficient record keeping (including reducing the burden of record keeping for citizens) and administrative work
- data driven policy development
- greater transparency
- the development of improved digital literacy among individuals.

With digital technology transforming the global and Australian economies, workplaces and jobs, the Australian Government has adopted an e-government agenda and digital transformation strategy. In 2015, the Digital Transformation Agency was formed to focus on enhancing service delivery and as a central repository for open government data, including myGov, which is a simple and secure way to access government services online with one login and one password.

*The move towards e-government — more responsive, comprehensive and integrated government operations and service delivery — requires a transformation of business processes to adopt and respond to new technologies. In this environment, the business case for a whole-of-government approach to ICT investment and governance is strengthened.*  
(Australian Public Service Commission, 2018)

In January 2018, an Employment Services Expert Advisory Panel was established to provide options for a future mainstream employment services model to commence when the current employment services contracts expire in mid-2022.

To inform the future of the new employment services model, the department commenced two trials in July 2018 to test the online delivery of some elements of employment services: the Online Employment Services Trial (OEST) and the Online Job Seeker Classification Instrument Trial (the Trial). An evaluation of the OEST has been completed and its findings were presented in a separate report.

## 1.2 The Job Seeker Classification Instrument

The Job Seeker Classification Instrument (JSCI) is a questionnaire used to collect information to:

- measure a job seeker's relative difficulty in gaining and maintaining employment
- help identify what level of support the job seeker will need to help them find work
- identify job seekers who have complex or multiple barriers to employment that need further assessment.

Job seekers complete the JSCI when they first claim for income support with Services Australia, and update it at any time they experience a change in their circumstances that might affect their JSCI score. The JSCI quantifies the relative level of labour market disadvantage expected to be experienced by job seekers. Table 1.1 lists the factors covered in the JSCI questionnaire.

**Table 1.1 Topics and factors in the JSCI questionnaire**

Section	Factor
Work experience	Recent work experience, and work history
Education and qualifications	Educational attainment
Work capacity	Disability/medical conditions
Descent and origins	Country of birth, Indigenous status,
Language	English proficiency
Living circumstances	Stability of residence, living circumstances
Transport	Access to transport
Personal factors	Age, gender, geographic location, proximity to a labour market, phone contactability, criminal convictions, and other personal factors

**Source:** JSCI questionnaire. See **Appendix A** for more details.

The JSCI assesses a range of factors that likely affect the probability of a job seeker finding employment, such as access to transport, English proficiency, vocational qualifications, work experience, and physical capacity to work. A logistic regression model is used to estimate the relative weights of the factors that have been identified as being associated with long-term unemployment. By combining the weights and the risk factors, a job seeker gets a JSCI score, which is the primary determinant of the stream that the job seeker is placed into for targeted services.<sup>3</sup>

---

<sup>3</sup> Since the introduction of the JSCI assessment tool in 1998, the model has been re-estimated with each iteration of the mainstream employment services program. For example, the model was re-estimated when jobactive was introduced to replace its predecessor, Job Services Australia, in July 2015.



Historically the JSCI was administered as an interview-based questionnaire. It is normally conducted when job seekers apply for an income support payment after they have submitted their initial claim. Most interviews (75%) occurred over the phone, with 25% occurring face to face.

Each JSCI factor is given a numerical weight or points which indicate the average contribution that factor makes to a job seeker's difficulty in finding and maintaining employment. The points are added together to calculate the JSCI score, which reflects a job seeker's relative level of disadvantage in the labour market. A higher score indicates a higher likelihood of the job seeker remaining unemployed for at least another year. Based on their JSCI scores, job seekers are initially allocated to either **Stream A** (where job seekers are the most job ready) or **Stream B** (where job seekers need a greater level of support to help them become job ready).

The JSCI also identifies whether a job seeker has multiple or complex barriers to employment that may require further assessment via an Employment Services Assessment (ESAt). The ESAt determines whether a job seeker should be placed into Stream A or B consistent with their JSCI score, or if they require more intensive support through jobactive **Stream C** (where job seekers have work capacity and personal issues requiring case management) or should be placed into other programs such as Disability Employment Services (DES).

The department requires a reassessment or review of JSCI responses, known as a Change of Circumstances Reassessment (CoCR), when a job seeker discloses new information or has a major change of circumstances.

The New Employment Services Trial (NEST) – discussed in section 1.4.1 – uses the JSCI to identify job seekers most suitable to receive servicing under Digital First, Digital Plus or Enhanced Services. ParentsNext also uses the JSCI to determine program eligibility. Since April 2020, job-ready job seekers, also identified through the JSCI, have been referred to the Online Employment Services (OES) platform to self-manage job search and compliance activities.

### 1.3 The Online JSCI Trial

The Online JSCI Trial commenced on 1 July 2018 and was initially expected to run for 18 months. The purpose of the Trial was to assess the feasibility of delivering the JSCI online. During the Trial, Services Australia randomly selected job seekers who were applying for income support through myGov to complete their JSCI using the Job Seeker Snapshot (JSS) on the jobactive website. Following completion of their initial income support claim, job seekers were presented with pop-up screens asking them to log into the JSS via the myGov website. While invitation to undertake the JSS was by random selection, online completion was optional, so those who completed the JSS were not a random sample of eligible job seekers.

To be eligible to participate in the Trial, job seekers had to meet the following criteria:

- had submitted an online claim for income support, such as Newstart (now JobSeeker Payment), Youth Allowance (Other) or other payments
- did not need an interpreter
- did not live in an area serviced by the Community Development Programme.

Eligible job seekers selected for the Trial were expected to complete their JSS questionnaire prior to their participation interview with Services Australia. Those who completed the JSS are denoted as trial 'completers' in the report. Job seekers who were selected for the Trial but did not complete the JSS (denoted as trial 'non-completers') completed an interview-based JSCI. Job seekers who were eligible but not selected for the Trial are included in the comparison group (for more details, see **Appendix B**).

The JSS is the online form of the JSCI, developed as an alternative to the interview-based JSCI. Both collect the same information. However, the wording and sequencing of questions in the JSS were adjusted for online use. Participation in the Trial was voluntary, and job seekers who did not complete the JSS could complete a JSCI in a participation interview with Services Australia or an employment service provider.

With the advent of the COVID-19 pandemic, demand for employment services changed rapidly and dramatically. As discussed in section 1.4.2, since April 2020 the JSS has been rolled out broadly as part of OES and the Trial has been terminated.

## 1.4 Recent developments

Since the two trials (the OEST and the Online JSCI Trial) were announced, the digital employment services environment has changed fundamentally.

### 1.4.1 New Employment Services Trial

Informed by the OEST and the Online JSCI Trial, as well as earlier work, the NEST is trialling key elements of the new employment services model in two regions, Adelaide South (South Australia) and Mid North Coast (New South Wales), from 1 July 2019.

As part of the NEST, job seekers who are job ready and digitally literate are placed into Digital First to self-manage their activities and job search in the Digital Service. Job seekers who need some extra support can access Digital Plus, where digital servicing is supplemented by additional support. This includes access to a contact centre to arrange training to help them use the digital service, work skills training, and funding to pay for tools and licences – or a training provider as needed. More disadvantaged job seekers receive enhanced services delivered through employment service providers.



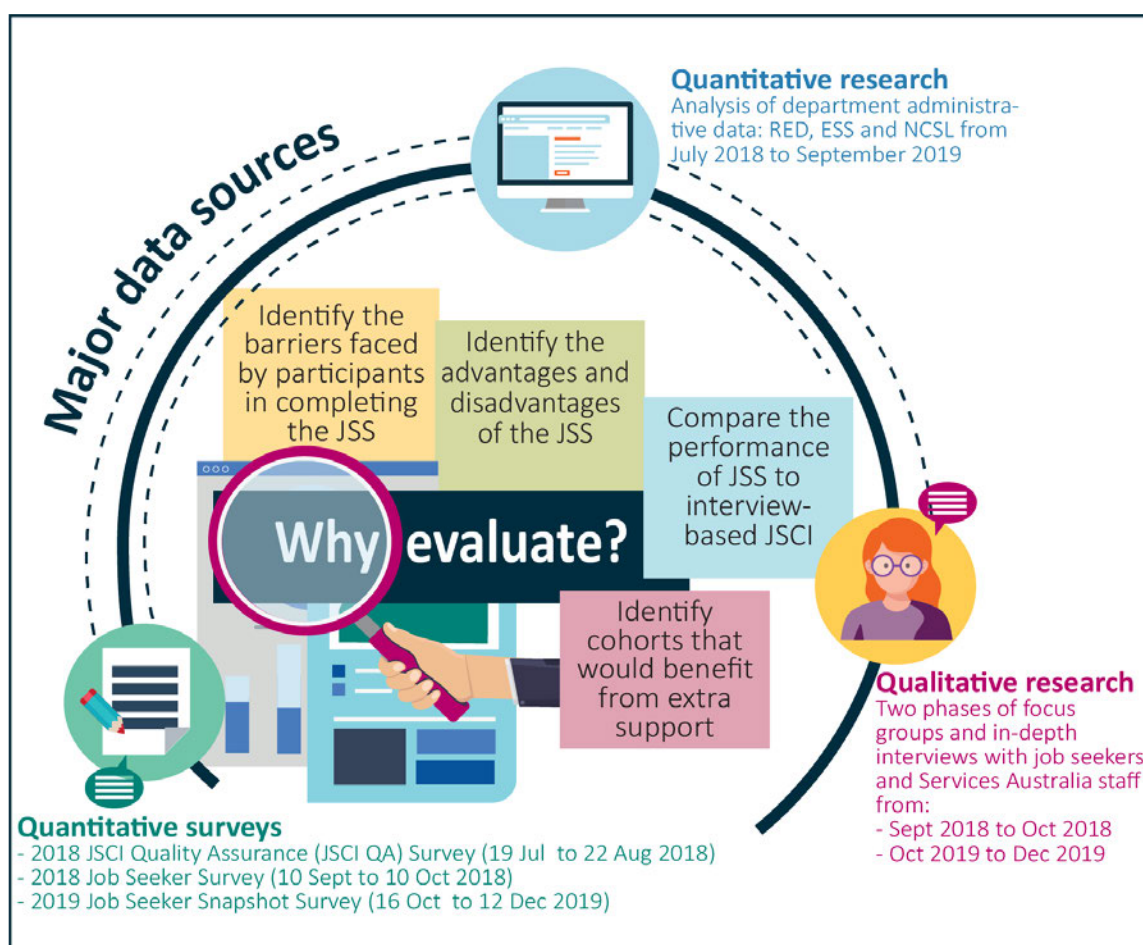
### 1.4.2 Online Employment Services

The impact of the COVID-19 pandemic fast-tracked digital provision of employment services. Created in April 2020 because of a rapid increase in demand for income support payments and employment services, OES became the Australian Government's mainstream employment servicing platform for job-ready job seekers. As at 30 September 2020, 1.25 million job seekers had been referred to OES.

Once job seekers are referred to OES they will complete a JSS and a Digital Literacy Assessment (DLA). The JSS and DLA will identify job seekers who require provider support.

OES enables job seekers to self-manage their job search and reporting requirements online. Participation in OES is time limited. Job seekers will normally be referred to a provider after a maximum of 12 months in OES (compared to six months in OEST). However, there are exceptions – for example, job seekers who are earning or learning will remain in OES.

## Chapter 2. The evaluation of the Online JSCI Trial



This chapter details the evaluation approach, including the use of mixed-methods analysis and data sources in the evaluation. A profile of the characteristics of the study population is featured in this chapter.

### 2.1 Aims of the Online JSCI Trial evaluation

The objectives of the evaluation were to assess the efficiency, effectiveness, accessibility and participant experiences of the Trial from 1 July 2018 to 30 September 2019, by:

- identifying the advantages and disadvantages of the JSS for job seekers
- identifying cohorts that would benefit from extra support or tailoring of the JSS
- comparing the outcomes of JSS completion to the outcomes of face-to-face and telephone-based JSCI completions, in terms of effectiveness and consistency of responses, and identifying any unintended consequences



- identifying barriers or issues faced by job seekers when completing the JSS, and suggesting improvements.

## 2.2 Key evaluation questions

The evaluation sought to address the following questions and examine whether the results varied across different cohorts of job seekers.

### *Efficiency*

- Did participating in the Trial improve efficiency?
- Was the Trial more time efficient for job seekers compared to other delivery methods?
- Did delays in completing the JSS lead to delays in a job seeker connecting to a provider or receiving income support? How did the time to service vary between the treatment and control groups?

### *Effectiveness*

- How did JSCI outcomes compare between the delivery methods?
- How did the JSCI score distribution and stream allocation compare between the JSCI delivery methods?
- Did the number of referrals for ESAts vary between the JSCI delivery methods? If so, why?
- Which questionnaire responses varied between the delivery methods, and why?
- Did the JSS impact on the disclosure of personal factors?
- Which delivery method obtained more 'accurate' JSCI scores? Why?
- Was participating in the Trial related to labour market outcomes?
- Did the income support exit rate vary between the online completers and the comparison group? Why?
- Did the exit rate from employment services vary between the online completers and the comparison group?

### *Accessibility*

- Completion of the JSS – did some groups find it more challenging?
- Were there any issues with self-completion?
- Were there particular cohorts that have difficulty completing the JSS?
- What did data from the National Customer Service Line (NCSL) suggest about job seeker experiences with the Trial?

### *Participant experiences*

- What were job seeker and Services Australia perceptions and experiences of the Trial?
- What were job seekers' overall views of the JSS?
- What were the job seekers' perceived advantages and disadvantages of JSS completion?
- What were job seekers' preferences in regard to online completion?
- What were the job seekers' suggested improvements to the JSS?
- What were the views of Services Australia about delivering the JSCI online?

## **2.3 The study population**

Using departmental administrative data, a population of 375,381 people was defined over the period from 1 July 2018 to 30 September 2019 (**Figure 2.1**). The sample was limited to those with a JSCI classification whose claim had been processed by Services Australia and whose income support status was 'active', 'inactive' or 'pending'.

Around 29% of this population (107,719 out of 375,381) were randomly selected to participate in the Trial over the period from 1 July 2018 to 30 September 2019 (**Appendix C**).

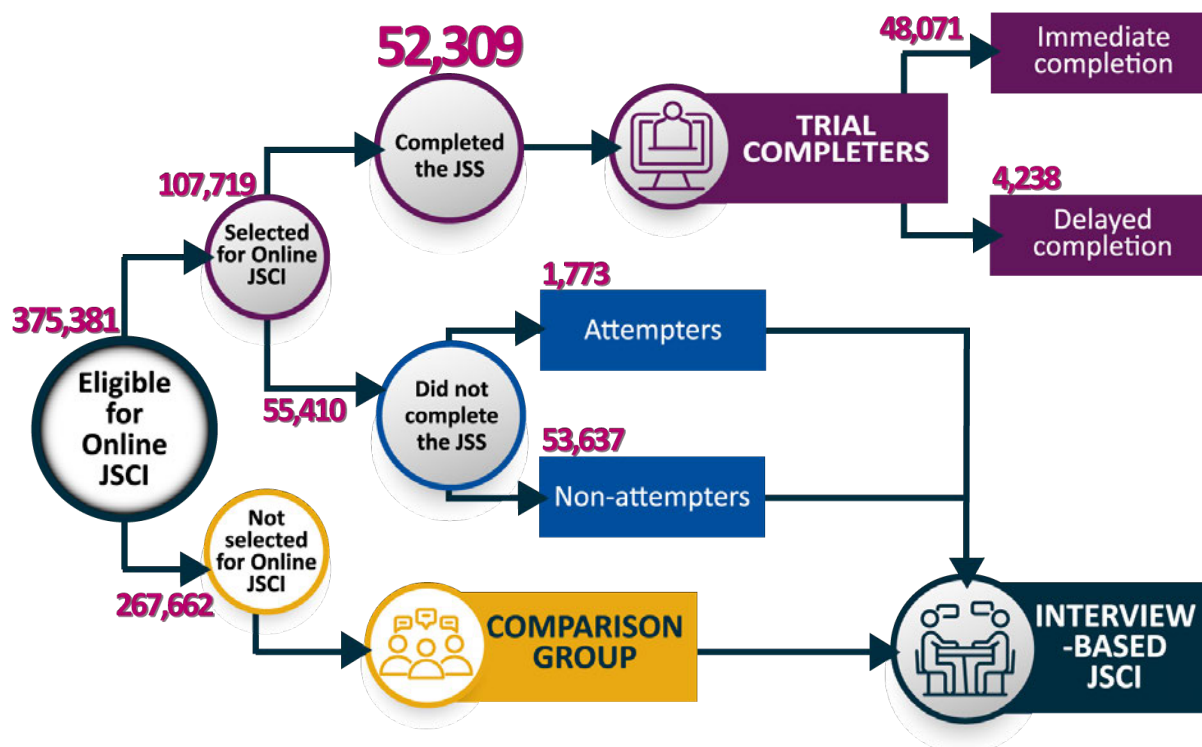
Among the job seekers selected for the Trial, around 49% (52,309 out of 107,719) completed a JSS – this formed the main study population of 'completers' for the evaluation. Since completion was voluntary, this was not a randomly selected sample, and the results of the study are likely influenced to some degree by selection bias. Most completers (92%) completed the JSS immediately after they commenced it. For more details on the workflow, see **Appendix B**.

The other 51%, who did not complete the JSS, were categorised as non-completers in this evaluation and subsequently completed a JSCI during an interview with Services Australia frontline staff either by phone or face-to-face (for more information see **Appendix C**). A few non-completers (3%) had attempted the JSS. Differences between completers and non-completers are discussed in Chapter 4.

Those who were not selected to participate in the Trial made up the comparison group.



Figure 2.1 Online JSCI Trial study population



Source: DESE administrative data from 1 July 2018 to 30 September 2019

## 2.4 Methodology

The evaluation of the Trial adopted a mixed-methods approach. It included:

- qualitative research that analysed the perceptions and experiences of the Trial from focus group discussions and in-depth interviews with trial completers, non-completers and stakeholders
- quantitative surveys that provided further information about the experiences of job seekers with the jobactive website
- analysis of departmental administrative data from the Employment Services System (ESS) and the Research and Evaluation Database (RED).

### 2.4.1 Qualitative research

The department commissioned qualitative research in 2018 and 2019 to gain an in-depth understanding of job seekers' perceptions and views about the JSS and trial participants' experiences when using the JSS.

In total, 19 focus groups and 72 in-depth interviews explored views and opinions from 180 job seekers and staff from Services Australia (**Table 2.1**). Participants in qualitative research were

selected from a list of job seekers provided by the department and/or opted in after completing their quantitative surveys. Each focus group included both completers and non-completers, and broad representation across age, gender, location and cultural background.

**Table 2.1 Participants in qualitative research**

Phase	Focus group	In-depth interview	Total
Phase 1: 2018	<b>9 focus groups</b> 27 completers 30 non-completers	<b>32 interviews</b> 6 completers 26 non-completers	<b>89 participants</b> 33 completers 56 non-completers
Phase 2: 2019	<b>10 focus groups</b> 31 completers 20 non-completers	<b>40 interviews</b> 21 completers 19 non-completers	<b>91 participants</b> 52 completers 39 non-completers
Total	<b>19 focus groups</b> 58 completers 50 non-completers	<b>72 interviews</b> 27 completers 45 non-completers	<b>180 participants</b> 85 completers 95 non-completers

**Source:** 2018 qualitative research by the Social Research Centre (SRC); 2019 qualitative research by Wallis Group

**Note:** Two small groups of staff members from Services Australia also participated in the 2018 qualitative research

## 2.4.2 Quantitative surveys

Quantitative survey data was used to analyse reasons for completion and non-completion, as well as to obtain feedback on participant experiences. Three quantitative surveys were commissioned (see Table 2.2):

- **2018 JSCI Quality Assurance Survey:** Job seekers who had recently undertaken the JSS or interview-based JSCI were surveyed shortly after to assess the consistency of their responses to the JSCI questions between the survey and their initial responses when completing it online or through an interview.
- **2018 Job Seeker Survey:** Information was collected about job seekers' experiences during the early stages of the Trial.
- **2019 Job Seeker Snapshot Survey:** The survey supplemented the 2018 Job Seeker Survey to investigate the reasons for completion and non-completion of the JSS. The survey also collected more detailed information on job seekers' digital literacy.

Using the 2019 Job Seeker Snapshot Survey data, logistic regression modelling was conducted to analyse the impact of digital literacy on the likelihood of job seekers completing the JSS.



**Table 2.2 Quantitative surveys**

Quantitative survey	Researcher	Participants	Date	Methodology
2018 JSCI Quality Assurance Survey	SRC	Completers: 321 Non-completers: NIL Comparison: 400	19 Jul to 22 Aug 2018	CATI
2018 Job Seeker Survey	SRC	Completers: 400 Non-completers: 350 Comparison: 250	10 Sep to 10 Oct 2018	Online (25%) CATI (75%)
2019 Job Seeker Snapshot Survey	Wallis	Completers: 1,552 Non-completers: 1,553 Comparison: NIL	16 Oct to 12 Dec 2019	Online (84%) CATI (16%)

**Note:** Completers and non-completers in this table are classified according to administrative data. Survey data has been weighted to reflect the underlying population.

### 2.4.3 Quantitative analysis of departmental administrative data

The department conducted quantitative analysis of administrative data for the Trial evaluation, comparing online completers with the comparison group (and non-completers where appropriate).

Two administrative datasets managed by the department were used: RED and ESS. RED is a longitudinal dataset on recipients of Australian Government income support payments. ESS contains jobactive administrative data, providing insights about people's interactions with employment services through transactions recorded by employment service provider staff.

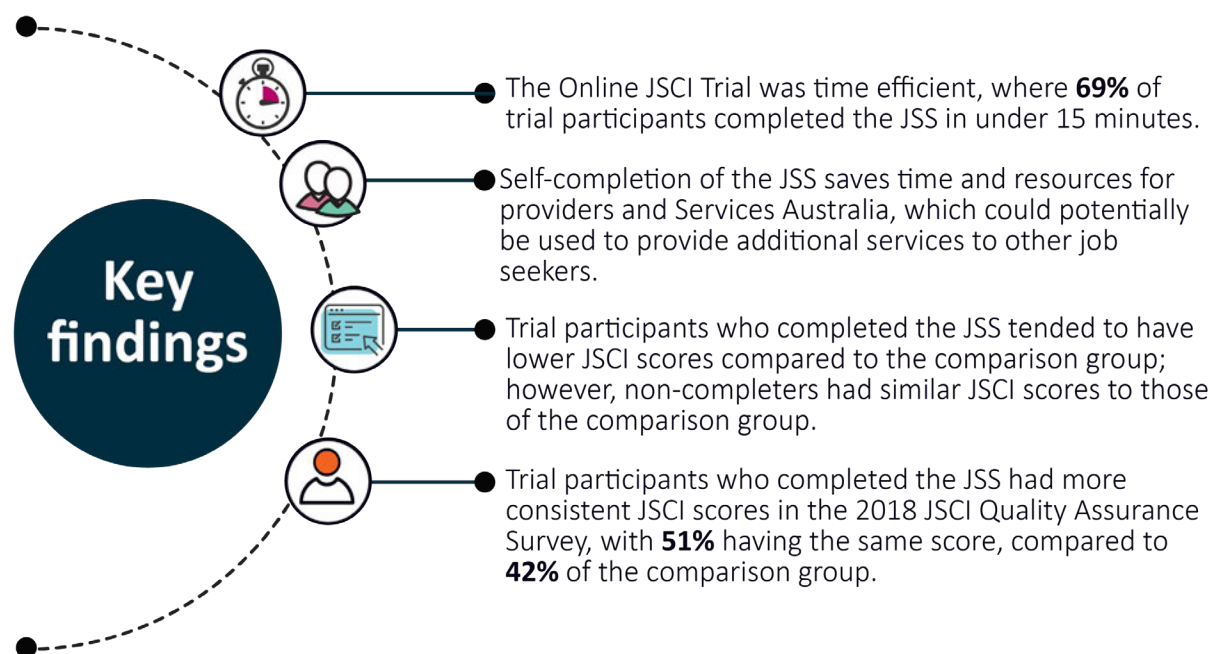
The analysis explored:

- characteristics of job seekers who completed the JSS
- how online completion affected JSCI scores and streaming outcomes
- whether labour market outcomes varied by how the JSCI was completed
- the consistency of job seekers' responses to survey questions with their JSS responses.

#### Longitudinal analysis

The analysis of exits from income support and employment services examined job seekers' employment services and income support status six months after they commenced employment services. Job seekers who commenced the services during the period from 1 July 2018 to 30 September 2019 were included for this analysis.

## Chapter 3. The efficiency and effectiveness of the Online JSCI Trial



This chapter explores whether JSCI scores and streaming outcomes differed between Trial participants who completed the JSS and job seekers who completed an interview-based JSCI. The evaluation compared distributions of JSCI scores and streaming outcomes between the Trial and comparison groups. It also explored whether completing the JSS was associated with exits from employment services and income support over the following six months. The following questions were addressed:

- Did participation in the Trial improve efficiency?
- How did JSCI outcomes compare between the delivery methods?
- Was participating in the Trial related to labour market outcomes?

### 3.1 Time efficiency

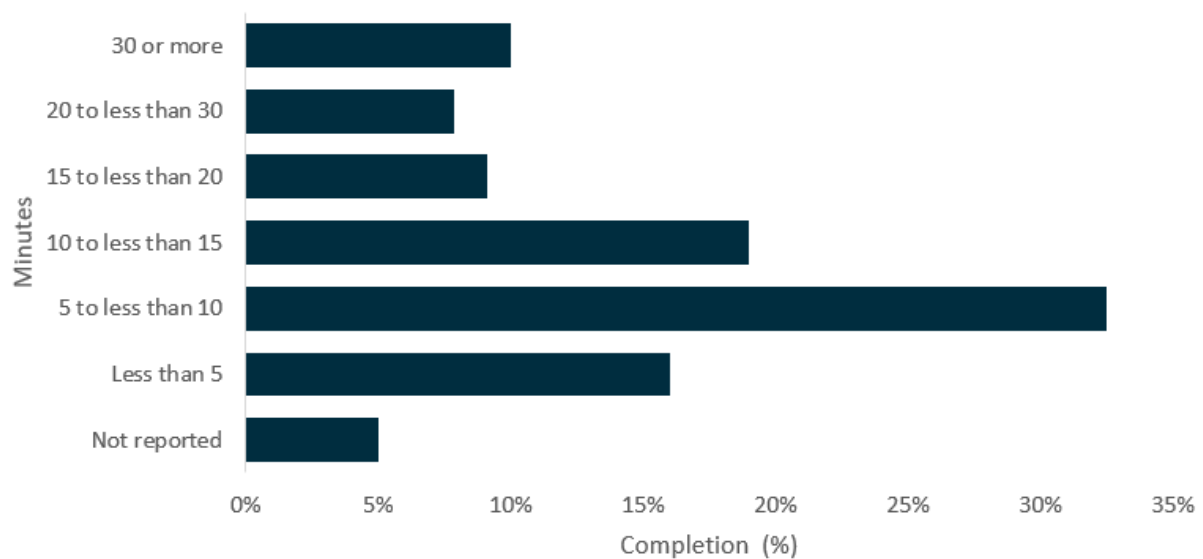
The JSS was completed quickly by most trial participants, with over two-thirds (69%) reporting they took no more than 15 minutes to complete it (**Figure 3.1**). This was comparable to the interview-based JSCI.



*Yeah. I found it quite easy I remember, maybe 5 or 10 minutes.*  
(Job seeker, 2019 qualitative research)

However, 9% took 30 minutes or more to complete the JSS. People who took longer were typically those with a low level of digital literacy or those who were Indigenous or in older age groups. These groups also expressed a higher preference for an interview-based JSCI by phone or face-to-face.

**Figure 3.1 Time spent on completing the JSS**



**Source:** 2018 Job Seeker Survey

**Note:** Selected trial participants who completed the JSS online (n=329)

### 3.1.1 Connecting to a service provider

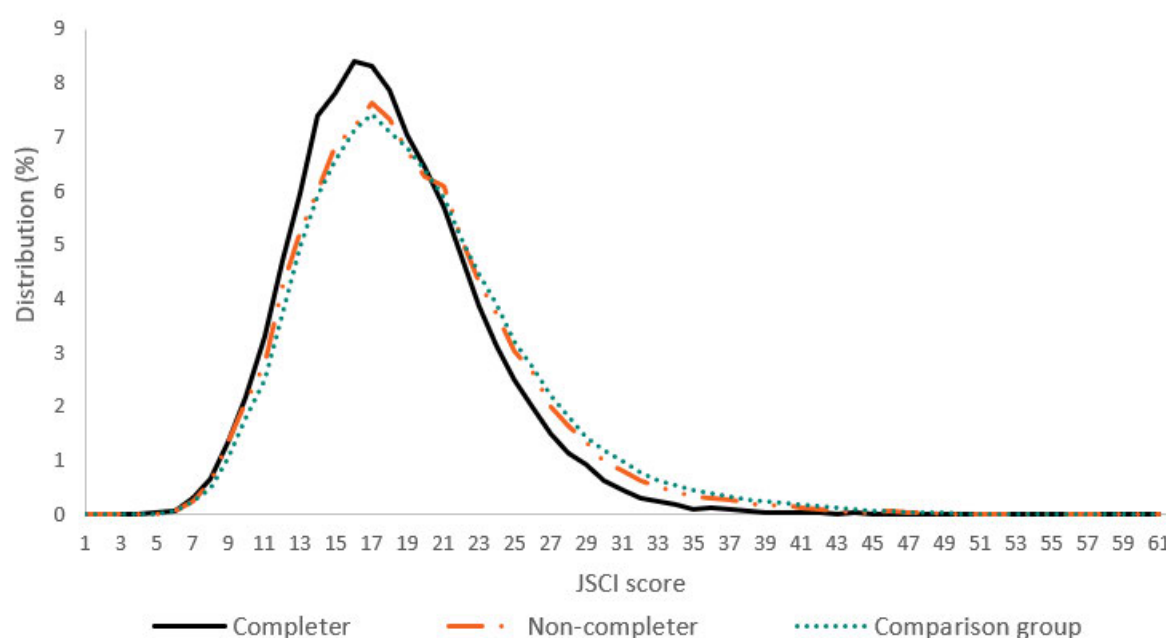
As most job seekers who completed the JSS did so immediately after their online application for income support, JSS completion was expected to result in a quicker connection to an employment service provider when compared to the comparison group. It was found that it took an average of 8.2 days for JSS completers to be referred to a provider after their submission for income support, which was lower than the average 9.4 days for the comparison group and the 8.9 days for JSS non-completers. The median number of days it took for an online completer to be referred to a service provider was also less than the median for the comparison group. This data suggests that it took longer for some job seekers in the comparison group and non-completers to be connected with a provider than for the completers.

## 3.2 JSCI scores, stream allocations and ESAt referrals

### 3.2.1 Distribution of JSCI scores

Based on departmental administrative data, analysis of the overall JSCI score distribution by method of completion showed that JSS completers tended to have lower JSCI scores (**Figure 3.2**). However, non-completers and the comparison group had a similar distribution of JSCI scores. This could be due to the fact that completers were less disadvantaged as a group. As shown in Chapter 4, JSS completers tended to have higher digital literacy, better education and more stable living situations and were less likely to have a disability.

**Figure 3.2 Distribution of JSCI overall score, by delivery method**



**Source:** DESE administrative data from 1 July 2018 to 30 September 2019

**Note:** Completers (n=52,309); non-completers (n=55,410); comparison group (n=267,662)

### 3.2.2 Stream allocations and ESAt referrals

As noted, JSS completers had lower JSCI scores and were therefore more likely to be allocated into Stream A than both the non-completers and the comparison group (**Table 3.1**). JSS completers were also less likely to be referred to an ESAt or other employment programs (e.g. DES) than the comparison group.



**Table 3.1 Streaming outcomes and ESAt referrals**

Group	Stream A (%)	Stream B (%)	Stream C (%)	Other program (e.g. DES) (%)	ESAt referral (%)	Eligible job seekers (N)
JSS completers	85.3	6.2	0.5	8.0	21.9	52,309
JSS non-completers	79.8	8.1	0.8	11.3	28.5	55,410
Comparison group	77.5	9.2	2.4	11.0	26.5	267,662

Source: DESE administrative data

### 3.2.3 Responses to JSCI questions

Departmental administrative data was also used to examine how questionnaire responses might vary by delivery methods. Differences were generally minimal for the more ‘objective’ questions, such as questions on working capacity (hours), criminal record, usability of previous work-related qualifications, living relationships and change of address.

JSS completers had a lower incidence of some potential barriers to employment, such as an unstable living situation, limited English proficiency, no post-school education, caring roles, or medical conditions impacting capacity to work.

This could be a result of JSS completers being less disadvantaged than other job seekers, as suggested by higher levels of educational attainment and digital literacy.

## 3.3 Consistency of JSCI outcomes

### 3.3.1 Consistency of JSCI scores

As mentioned earlier, the 2018 JSCI Quality Assurance Survey research was undertaken to examine the consistency of a job seeker’s responses to the JSCI questions between the survey and their initial responses when they completed the JSCI online or through an interview with Services Australia. When the results from the 2018 JSCI Quality Assurance Survey (by phone) were compared with their initial responses recorded in the departmental administrative data (Table 3.2), half of the JSS completers (51%) had the same overall JSCI score. This was significantly higher than the result for the comparison group (42%). This may partly be a result of the comparison group having higher overall JSCI scores, implying a higher level of disadvantage and less stable personal circumstances. Having more time to understand JSCI questions and consider responses might also have contributed to the greater consistency in JSCI responses, scores and streaming outcomes among online completers, although the interviews took a similar amount of time.

As discussed in Chapter 1, the JSCI covers topics such as education, work, housing and a range of other personal circumstances. Compared with the comparison group, the online completers gave significantly more consistent responses on recent work experience. Except for Indigenous status,

JSCI factor scores were more consistent for JSS completion compared with the interview-based JSCI, but the differences were statistically insignificant.

**Table 3.2 Consistency in JSCI scores between administrative data and follow-up survey**

Consistency in JSCI scores by factor (%) between administrative data and follow-up survey	JSS completers (n=321)	Comparison group (n=400)	Difference in percentage points (%)
<b>Overall score</b>	<b>51</b>	<b>42</b>	<b>9*</b>
<b>Factor scores in:</b>			
Recent work experience	78	70	8*
Educational attainment	78	72	6
Vocational qualifications	80	75	5
English proficiency	97	95	2
Indigenous status	97	99	-2*
Access to transport	87	84	3
Stability of residence	96	96	0
Living circumstances	84	79	5
Criminal convictions	97	95	2
Personal factors	99	99	0
Carer for adults	99	98	1

**Source:** 2018 JSCI Quality Assurance Survey and DESE administrative data

**Note:** \*Indicates results significantly differed between the JSS completers and the comparison group, with a p-value <0.05

### 3.3.2 Consistency of stream allocations

Allocations of job seekers to streams were analysed by comparing departmental administrative data with job seeker responses in the 2018 JSCI Quality Assurance Survey. As a result of greater consistency in JSCI scores, stream allocations were also slightly more consistent among JSS completers (98%) than for the comparison group (96%) (Table 3.3), although these differences were statistically insignificant.

**Table 3.3 Consistency in stream allocations between administrative data and follow-up survey**

Consistency of streaming outcomes between administrative data and follow-up survey (%)	JSS completers (n=321)	Comparison group (n=400)
<b>All streams</b>		
Allocated in the same stream	98	96
Allocated in a different stream	2	4
<b>Original Stream A</b>		
Allocated in Stream A consistently	100	98
Allocated in a different stream	0	2

**Source:** 2018 JSCI Quality Assurance Survey and DESE administrative data



All trial completers (100%) in Stream A were also allocated to Stream A in the follow-up survey. This proportion was 98% for the comparison group. This strongly suggests that job seekers are not disadvantaged by completing the JSS online.

### 3.3.3 Consistency of ESAt referrals

Departmental administrative data and the 2018 JSCI Quality Assurance Survey were also used to compare ESAt referrals between the completers and the comparison group. This showed that 89% of JSS completers had the same outcome (either flagged for referral or not flagged for referral to an ESAt) and this was also the case for 88% of the comparison group (Table 3.4). This supports the general finding that trial participants' responses were consistent.

**Table 3.4 Consistency in ESAt referral between administrative data and follow-up survey**

Consistency between administrative data and follow-up survey (%)	JSS completers (n=321)	Comparison group (n=400)
ESAt referral	89	88

**Source:** 2018 Job Seeker Follow-up Survey data and DESE administrative data

## 3.4 Reporting major changes of circumstances

Online completion should simplify reporting of changes of job seekers' circumstances, which could have a significant impact on their JSCI scores. This could help to ensure servicing is targeted on the basis of the most current and relevant information.

Analysis based on departmental administrative data showed that half of the JSS completers (51%) reported changes that led to a Change of Circumstances Reassessment (CoCR), resulting in a JSCI score change, which was significantly higher than for the comparison group (29%, Table 3.5). These results might reflect the fact that JSS completers were able to update their JSCI responses more readily than the comparison group, who needed to contact Services Australia.

**Table 3.5 Proportion of job seekers with major changes of circumstances**

Group	Job seekers who had a JSCI score change (%)	Job seekers who had a stream change (%)	Total eligible job seekers (N)
Comparison group	29.2	5.4	267,662
JSS completers	50.9	4.2	52,309
JSS non-completers	29.9	5.4	55,410

**Source:** DESE administrative data

Note: CoCR outcomes for eligible job seekers that occurred between 1 July 2018 and 30 September 2019 are reported here. The percentage in this table is the share of job seekers in the relevant category with CoCRs resulting in a JSCI score or stream change

Despite the higher number of changes in JSCI scores, only 4% of JSS completers had a change in stream allocation due to a CoCR, similar to the comparison group (5%). This might suggest that, while more changes were being reported, these changes were not of such a magnitude as to increase the likelihood of a change in stream allocation.

### 3.5 Exits from employment services and income support

Exits from employment services and income support were examined to investigate whether online completion of the JSCI was related to employment outcomes.

Exit rates from income support were similar for both the comparison group and the JSS completers, while exit rates from employment services were slightly higher among the JSS completers than the comparison group and non-completers (Table 3.6). Overall, there was little evidence from the exit analysis, suggesting that online completion of the JSCI resulted in better employment outcomes for job seekers.

**Table 3.6 Exits within six months from employment services and income support, by stream**

Group	Stream A exits from services	Stream B exits from services	Both streams exits from services (A+B)	Stream A exits from income support	Stream B exits from income support	Both streams (A+B) exits from income support
Comparison group	50.4	39.6	49.3	46.5	30.7	44.7
JSS completers	53.0	42.3	52.3	47.1	28.8	45.7
JSS non-completers	49.6	40.4	48.7	43.6	28.6	42.1

**Source:** DESE administrative data

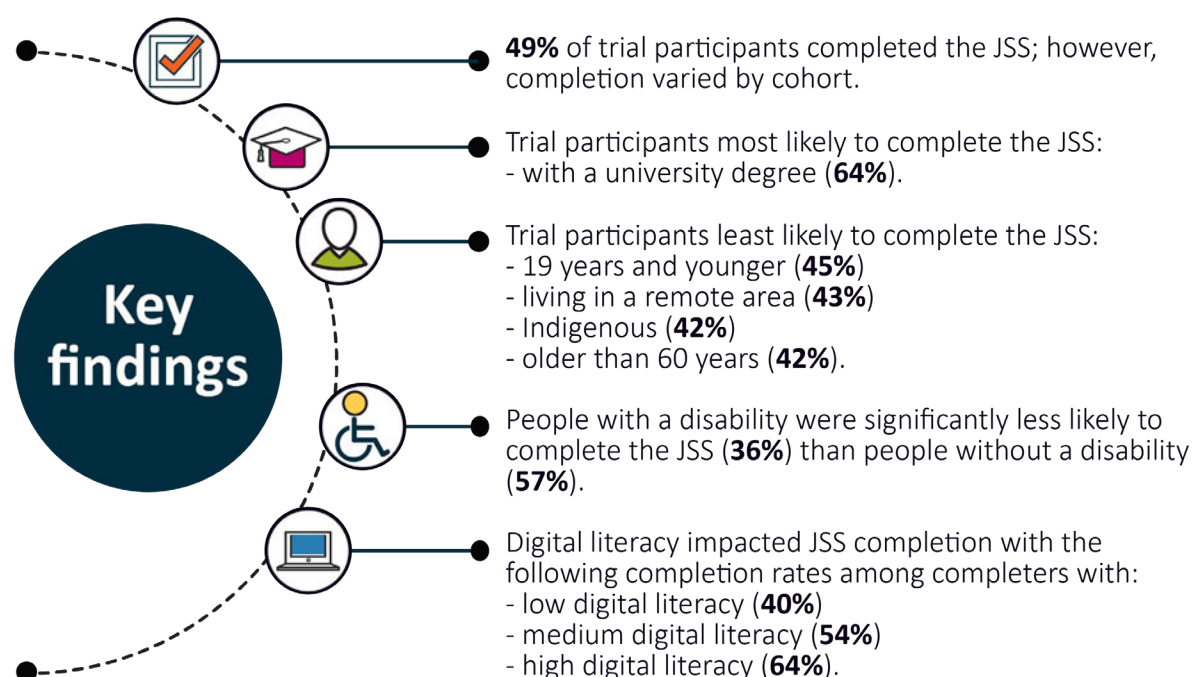
**Notes:** Job seekers who completed their JSCI, claimed for income support and commenced employment services under Stream A/B with the jobactive program from 1 July 2018 to 30 September 2019. The exit percentage is the number of exits in the subgroup, expressed as a percentage of the total number who commenced employment services and income support in the same subgroup

### 3.6 Chapter summary

The Trial generally found similar or slightly better outcomes from online servicing in terms of time to complete the JSS, time to connect to a service provider and consistency of scores between the completers and the comparison group. Given the time and resource savings associated with online completion (discussed in section 5.4), this represents the same or better outcomes at a reduced cost. The consistency of scores, stream allocations and exit rates further suggests online completion did not reduce the effectiveness of the JSCI in allocating job seekers to appropriate levels of servicing, and that job seekers were not disadvantaged by completing the JSS online. Furthermore, completing the JSCI online without an interview freed up providers' and Services Australia's time and resources to provide additional services to other job seekers.



## Chapter 4. Accessibility: factors affecting online completion



This chapter examines JSS completion rates by demographic and other characteristics of job seekers, and their reasons for completion or non-completion.

It aims to answer the following key evaluation question:

- Completion of the JSS – did some groups find it more challenging?

### 4.1 Completion of the JSS by personal characteristics

About half (49%) of trial participants completed the JSS, but completion varied significantly by cohort (**Table 4.1**). Participants' online completion rates were lower if they:

- were older than 60 years
- were 50 to 59 years old
- were 19 years and under
- were living in Remote Australia
- were living in Outer Regional Australia
- had a vocational qualification as their highest level of educational attainment
- had not completed year 12.

**Table 4.1 Completion and non-completion, by characteristics, 2018–19**

Characteristic	Completers (%)	Non-completers (%)	Job seekers selected for the Trial (N)
<b>Gender</b>			
Female	51.3	48.7	46,354
Male	46.5	53.5	61,365
<b>Age</b>			
19 years and under	45.0	55.0	15,707
20 to 29 years	51.6	48.4	34,490
30 to 39 years	51.5	48.5	18,724
40 to 49 years	48.0	52.0	16,015
50 to 59 years	45.8	54.2	14,497
60 plus	41.9	58.1	8,286
<b>Income support first-time claimer</b>			
Previous claimer	48.9	51.1	87,855
First-time claimer	47.1	52.9	19,864
<b>Location</b>			
Major Cities of Australia	49.7	50.3	72,301
Inner Regional Australia	46.7	53.3	24,287
Outer Regional Australia	45.9	54.1	10,305
Remote Australia	42.8	57.2	780
NA	37.0	63.0	46
<b>Education</b>			
University degree	64.0	36.0	20,023
Vocational education and training	41.1	58.9	34,402
Year 12	51.3	48.7	21,943
Less than Year 12	45.8	54.2	26,877
NA	39.4	60.6	4,474
<b>Culturally and linguistically diverse (CALD)</b>			
Born in Australia	48.7	51.3	83,888
Born overseas (English speaking country)	50.6	49.4	7,924
Born overseas (non-English-speaking country)	46.7	53.3	15,907
<b>Total</b>	<b>48.6</b>	<b>51.4</b>	<b>107,719</b>

**Source:** DESE administrative data

**Note:** NA = not applicable

By contrast, trial participants' JSS completion rates were higher if they:

- had a university degree
- had completed year 12 but had no post-school qualifications
- were women
- were 20 to 29 years of age



- were 30 to 39 years of age.

### 4.1.1 Cultural and linguistic diversity

Online completion was similar for trial participants born in Australia (49%) and those born overseas (48%). However, immigrants from English-speaking countries (51%) were more likely to complete the JSS than immigrants from non-English-speaking countries (47%).<sup>4</sup>

Culturally and linguistically diverse (CALD) participants did not have consistent views on whether language was a potential barrier to online use, as was evident from the 2018 qualitative research.

*I prefer doing it online, but then sometimes I get stuck, then I have to go and see them in person ... I wasn't born here, so I don't have perfect English  
(Job seeker, 2018 qualitative research)*

*I can explain myself very well online, as compared to talking to someone from – I can't explain myself very well. I can't explain my condition. I can explain online well about everything but on the phone, I don't think so.  
(Job seeker, 2018 qualitative research)*

### 4.1.2 Indigenous status

Indigenous Australians had a significantly lower rate of JSS completion than average (Table 4.2). While 49% of non-Indigenous job seekers completed the JSS, only 42% of Indigenous job seekers completed it. However, as discussed in section 4.1.6, regression analysis found that this was entirely a result of lower levels of digital literacy.

**Table 4.2 Completion rates, by Indigenous status, 2019**

Indigenous status	Job seeker (n)	Completer (%)	Non-completer (%)
Indigenous	7,283	41.6	58.4
Non-Indigenous	100,436	49.1	50.9

**Source:** DESE administrative data

<sup>4</sup> The attempting non-completers and not attempting non-completers were 2.0% and 51.3% among all job seekers born overseas in non-English-speaking countries, compared to 1.6% and 49.7% among all job seekers born in Australia.

### 4.1.3 Disability

The 2019 Job Seeker Snapshot Survey<sup>5</sup> found that job seekers with a disability were less likely to complete the JSS (Table 4.3). Among non-completers who had a disability, 25% identified being seriously ill as a main reason for not attempting the JSS, compared to only 3% of non-completers who did not have a disability.

**Table 4.3 Selected characteristics of online completers and non-completers, 2019**

Selected characteristics	Job seeker (n)	Completer (%)	Non-completer (%)
Living situation*			
Stable	2,031	56.1	43.9
Unstable	763	49.6	50.4
Disability status			
With a disability	383	35.8	64.2
Without a disability	2,459	56.7	43.3
All observations**	3,105	53.8	46.2

**Source:** 2019 Job Seeker Snapshot Survey

**Notes:** \*Unstable means answered yes to survey question “Have you ever experienced not having a permanent place to live?” \*\*Full sample, includes some observations with no data on living situation and disability status.

### 4.1.4 Unstable living situation

The 2019 Job Seeker Snapshot Survey also found that job seekers who had experienced unstable living arrangements were less likely to complete the JSCI online (Table 4.3). Of those who had experienced an unstable living situation, only 50% completed the JSS, compared to 56% of those who had not experienced an unstable living situation.

### 4.1.5 Digital literacy

Research on the use of digital services found that an adequate level of digital literacy among users is critical to enable the effective rollout of e-government services (Thomas et al. 2018; Van Dijk, Peters & Ebbers, 2008). Based on six questions relating to digital activity and digital confidence in the 2019 Job Seeker Snapshot Survey, a digital literacy index was created to measure the level of digital literacy of the survey participants (see Appendix D). Analysis using the digital literacy index showed

---

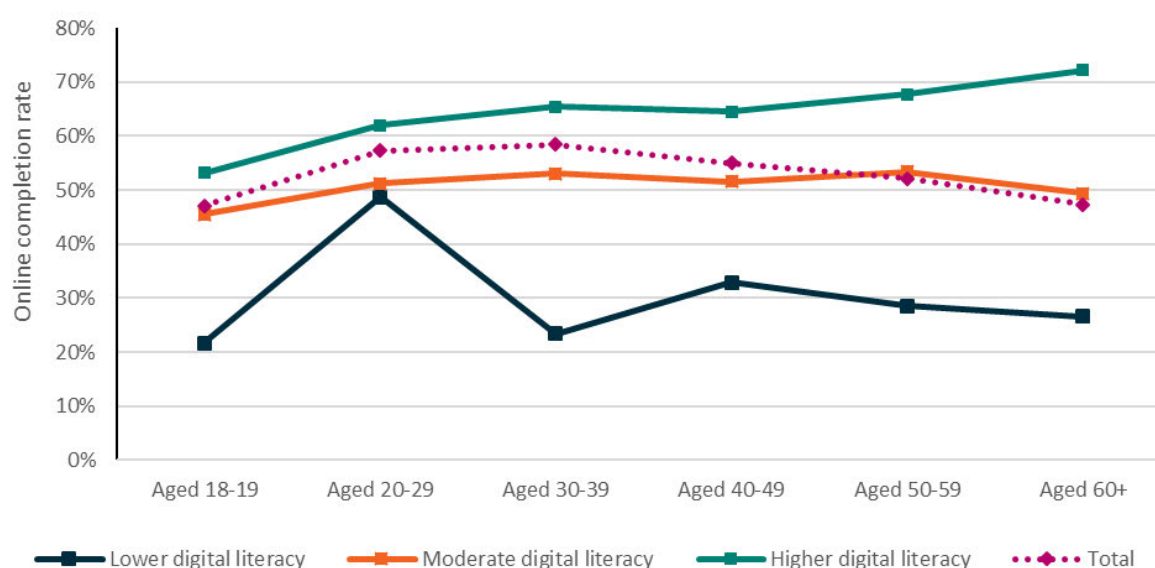
<sup>5</sup> In the departmental administrative data, many job seekers did not report whether they had experienced an unstable situation or have a disability. Consequently, survey data is used to get a more complete picture.



that digital literacy had a significant impact on the completion of the JSS, with completion rates of 40%, 54% and 64% for those with low, medium and high levels of digital literacy, respectively.<sup>6</sup>

This result held across age groups<sup>7</sup> (Figure 4.1). Completion rates across age groups ranged from 53% to 72% for those with high digital literacy, compared with 22% to 49% for those with low digital literacy. Differences in completion rates based on digital literacy were more pronounced for older people.

**Figure 4.1 JSS completion, by digital literacy and age group**



**Source:** 2019 Job Seeker Snapshot Survey

**Note:** 3,105 job seekers

#### 4.1.6 Regression model for online completion

Table 4.1 shows how online completion varied across demographic characteristics. But these correlations might not hold after controlling for other factors. For example, while older people were less likely to complete the JSS, it might be that this was because age was negatively correlated with

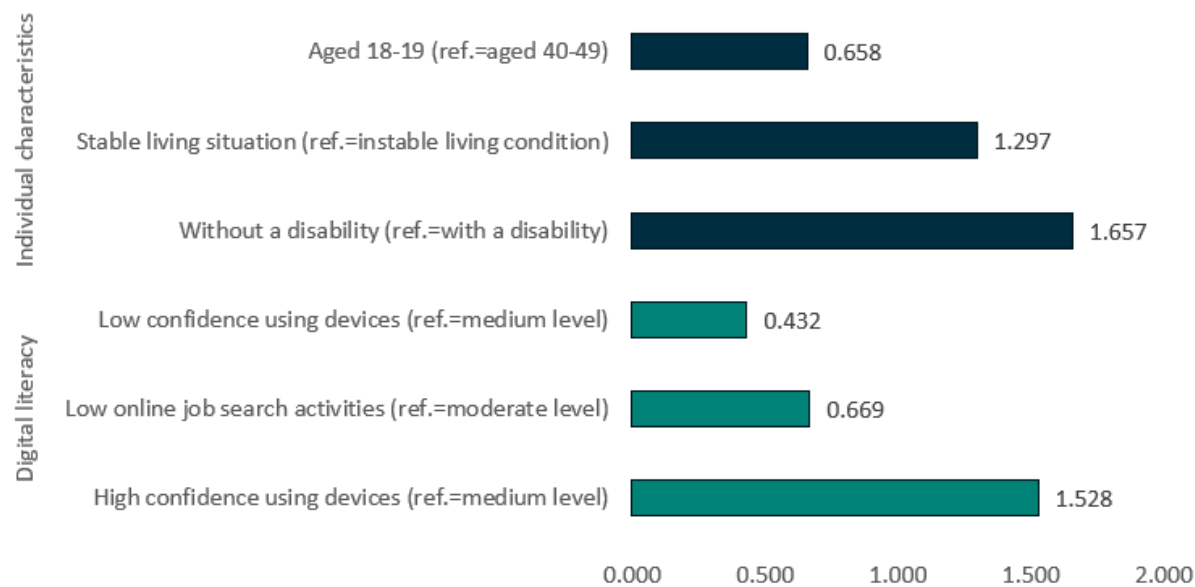
<sup>6</sup> See **Appendix D** for details on how the different levels of digital literacy are defined.

<sup>7</sup> Results from this digital literacy analysis show that levels of digital literacy varied greatly by age. Participants aged 50 and over were more likely to have lower levels of digital literacy, while those aged 20 to 49 were more likely to have higher levels.

digital literacy, rather than because of age per se. To explore this possibility, regression modelling was undertaken for the department by Wallis Group (see **Appendix E**).

The results confirmed that the most important difference between the completers and non-completers was digital literacy. The regression results showed that confidence using devices and low online job search activity were significant predictors of online completion (**Figure 4.2**).

**Figure 4.2 Statistically significant characteristics contributing to JSS completion (odds ratio)**



**Source:** 2019 Job Seeker Snapshot Survey

**Notes:** All respondents (n=3,105), of whom 739 had missing values, and 2,366 were finally included in the regression model. This figure uses the statistically significant coefficients with a p-value <0.05 estimated from the multivariate regression model of online completion using the 2019 Job Seeker Snapshot Survey data. For more details on the regression model, see **Appendix E**. If the odds ratio is above 1 then the cohort is more likely to complete the JSCI online (relative to the reference group). If the odds ratio, is below 1 then the cohort is less likely to complete online. For example, job seekers with a stable living situation are about 1.25 times more likely to complete the JSS than job seekers with an unstable living situation.

Further, digital literacy accounted for most of the observed differences in completion across cohorts. After controlling for digital literacy variables, a range of personal characteristics such as age, gender, education, location, Indigeneity, and applying for income support for the first time were insignificant.<sup>8</sup> In other words, while older, less educated and Indigenous Australians (among others)

<sup>8</sup> If a p-value is smaller than 0.05, the coefficient is statistically significant at the 5% level.



were less likely to complete the JSS, the analysis suggested this was essentially because they were less digitally literate.

The other factors that remained significant after controlling for digital literacy were having recently experienced an unstable living situation, having a disability or being younger than 20, all of which reduced the likelihood of online completion, even after accounting for differences in digital literacy.<sup>9</sup>

The results indicate that improving digital literacy among job seekers could yield better completion rates. The benefits of this would have to be weighed against the possibility that time spent improving digital literacy could be spent on job search or on other forms of education and training which might have a more direct link to employment outcomes.

## 4.2 Reasons for completion

According to the 2019 Job Seeker Snapshot Survey, most completers<sup>10</sup> (80%) believed that the JSS was a compulsory requirement of the overall income support claim process (**Figure 4.3**). These findings were also reflected in the 2019 qualitative research.

*But I'm in the situation where I need financial assistance, so, I just felt like I had to do it if I wanted the financial assistance, which I desperately need.*  
(Job seeker, 2019)

Over a quarter of trial participants who completed the JSS module (27%) believed that it would be faster and more efficient, and this theme also emerged from the qualitative research.

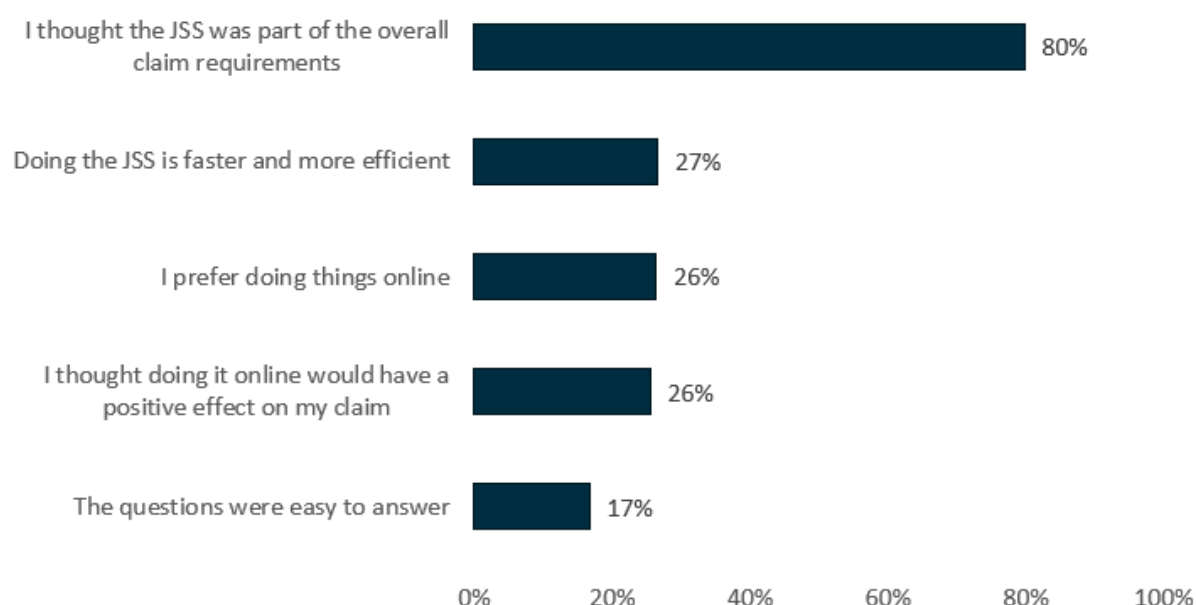
*To be honest I don't remember if I thought it was compulsory or not, but I assumed that it would save me time to do it then and there rather than having to do it some other time.*  
(Job seeker, 2019)

---

<sup>9</sup> If a p-value is smaller than 0.05, the coefficient is statistically significant.

<sup>10</sup> Correctly 'self-recalled' completers here.

**Figure 4.3 Reasons for completing the JSS**



**Source:** 2019 Job Seeker Snapshot Survey

**Note:** All correctly self-recalled completers (n=911). Multiple responses were allowed.

Another quarter of completers (26%) indicated they completed the JSS because they preferred an online platform, and a similar number of participants thought completing the JSS would have a positive impact on their claim for income support (26%). Fewer than one in five (17%) did so because they found the questions easy to answer.

### 4.3 Reasons for non-completion

As previously discussed, around half (51%) of job seekers referred to the Trial did not complete the JSS, with about 97% of non-completers not attempting the JSS at all. The 2018 Job Seeker Survey revealed that the main reasons cited for not completing the JSS were related to a lack of understanding of the JSS, a lack of instructions, and technical limitations, although there were a wide range of responses to the survey question.



Among the non-completers,<sup>11</sup> 19% were not aware that they had to complete it, 9% could not find enough instructions on how to do it, 10% had problems with the website, and 8% had problems with their devices (Table 4.4).

**Table 4.4 Top five reasons for not completing the JSS, 2018**

Top five reasons for not completing the JSS	Correctly self-recalled non-completers (%) (n=341)
I didn't know I had to complete it online	19
I had problems with the website	10
I was contacted by Services Australia before I had a chance to do it	10
I didn't have enough instructions on how to do it	9
I had problems with accessing or using my device	8

**Source:** 2018 Job Seeker Survey

**Note:** Multiple responses were allowed

### 4.3.1 Low awareness and understanding

In the 2018 qualitative research some job seekers identified difficulties in understanding the purpose of the JSS. They expressed concerns over whether disclosure of personal information (e.g. mental health, drug use) would impact their eligibility for income support payments.

*Depends on what the purpose they're asking it for, because I'm not clear what they're asking for. If they have got an addiction on gambling that I wouldn't really actually want to divulge ... I wouldn't want an employer or people to know that ... you think if you're going to give that kind of information it's going to penalise you.*

*(Job seeker, 2018)*

Some job seekers (in the 2019 qualitative research) interpreted the notice 'Your claim has been successfully submitted' as a signal for them to disengage from the JSS process. Other job seekers reported that the non-compulsory nature of the JSS was a disincentive for them to complete it.

*When the snapshot came up, I just said 'no' because they told me that I didn't have to look for work and so I didn't feel it necessary to go and fill it all out.*

*(Job seeker, 2019)*

---

<sup>11</sup> Correctly 'self-recalled' non-completers here.

### 4.3.2 Technical problems

As noted above, the 2018 Job Seeker Survey (**Table 4.3**) found that a significant proportion of non-completers reported technical issues, including website problems, problems accessing or using devices, no internet access or not noticing the JSS pop-up.

There were three main types of website problems encountered by trial participants: logging into myGov, the related issue of jumping across multiple platforms, and technical glitches.

#### Logging into myGov and crossing platforms

As discussed above, when an income support claim was done online, a window appeared on the computer screen, prompting the user to complete the JSS module. The 2019 Job Seeker Snapshot Survey found that the myGov set-up/sign-in procedure was troublesome, with 11% of non-attempters reporting they had problems logging into myGov/jobactive and 27% reporting that they did not get around to logging in.

The necessity of jumping across different platforms within myGov between the initial claim for income support and completing the JSS, including via the myGov set-up/sign-in page, was viewed as being troublesome. Changing platforms also raised some concerns among an increasingly privacy and security aware public.

*That jump will put people off. Where am I going? Why do I have to do this? ...  
(Job seeker, 2019)*

#### Technical glitches

Some participants indicated that they encountered a technical 'glitch' or 'bug' before the system registered them as an 'attempter'. In the 2019 qualitative research, participants frequently identified technical errors which had prevented them from accessing or completing the JSS.

*There's a bug ... there's a bug in the link between the Centrelink claim and the Job Snapshot, or whatever it's called. When you ... when you go in there, and it says 'go over to the Job Start and put in your Snapshot', that's fine, that works, but it doesn't feedback that you've done it. So, every time I go into the claim, to see what the status is, or to add information, or whatever it might be, it asks me to do that again. So, it's not recognising the fact that I've already done it.  
(Job seeker, 2019)*

Some participants reported trying to access the system multiple times, or on different devices, and some others adopted the mindset that 'if it's important, someone will follow up with me'.



*There was also a log in issue that I had, where I didn't have my phone on quite quickly enough to get the verification code to skip on through, and after that I got stuck in a loop where, and it didn't tell me what the issue was, when I put that code in it timed out, it had just timed out, or something. It didn't say anything like your code has timed out, it was just like error. There were some functionality issues that made me feel less confident.*  
(Job seeker, 2019)

## 4.4 Methods of completion and sources of assistance

### 4.4.1 Method of completion

Around 86% of completers had undertaken the JSS at home because it was easier and faster to complete it in the comfort of their own home. This reflected the fact that 97% of completers had internet access at home (as did 95% of non-completers). Eleven per cent completed the JSS at Services Australia. Completion was generally on a laptop (40%) or mobile device (38%).

*I think I'd rather do it in the comfort of my own home in 10 minutes than have to drive in, wait for an hour and a half, and then talk to someone for 30 seconds then drive home.*  
(Job seeker, 2019)

The particulars of this comment may reflect job seeker perceptions of long waits followed by brief interactions – as noted above, the JSCI interview generally takes 10 to 15 minutes.

### 4.4.2 Sources of assistance

In the 2019 Job Seeker Snapshot Survey, most job seekers<sup>12</sup> (94%) indicated that they completed the JSS on their own without assistance, but a few participants (about 5%) received assistance.

Among those<sup>13</sup> who required assistance to complete the JSS, a majority received help from a family member (51%). Other sources of assistance included Services Australia staff (32%), jobactive provider staff (18%), a friend (13%) and the NCSL (4%) (**Figure 4.4**).

---

<sup>12</sup> Correctly 'self-recalled' non-completers here.

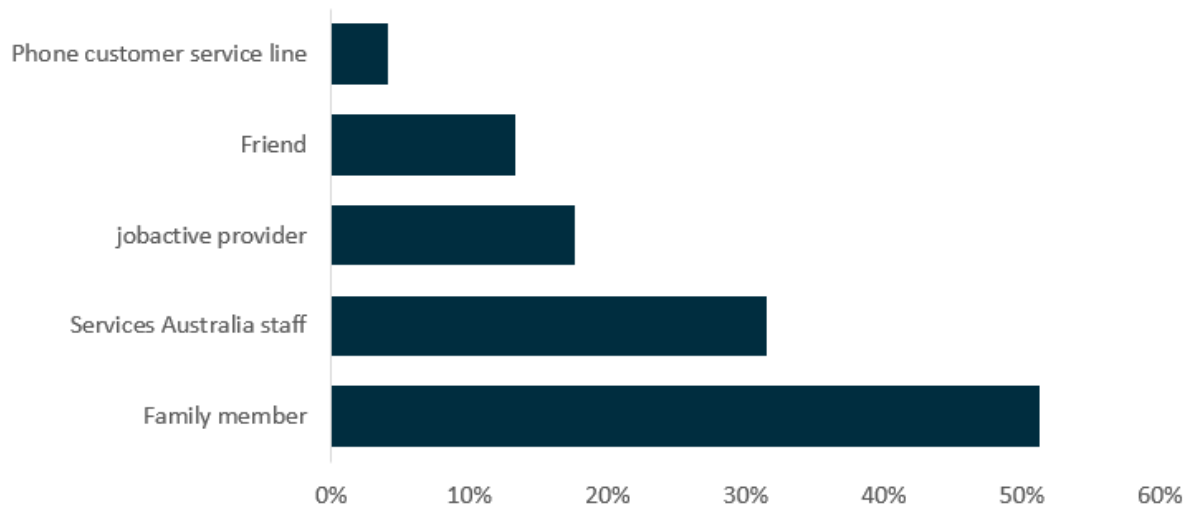
<sup>12</sup> Correctly 'self-recalled' attempters and completers.

<sup>13</sup> Correctly 'self-recalled' attempters and completers.

*Well, for me, because I don't have much skills on computer and I have to depend on my friend to help me out, so, it's easy like that. At the same time, I'm learning and using technology, so it takes a while for me to get through.*

*(Job Seeker, 2019)*

**Figure 4.4 Sources of assistance when completing the JSS, 2019**



**Source:** 2019 Job Seeker Snapshot Survey

**Note:** All correctly 'self-recalled' attempters and completers requiring assistance to complete JSS, n=54. Multiple responses were allowed.

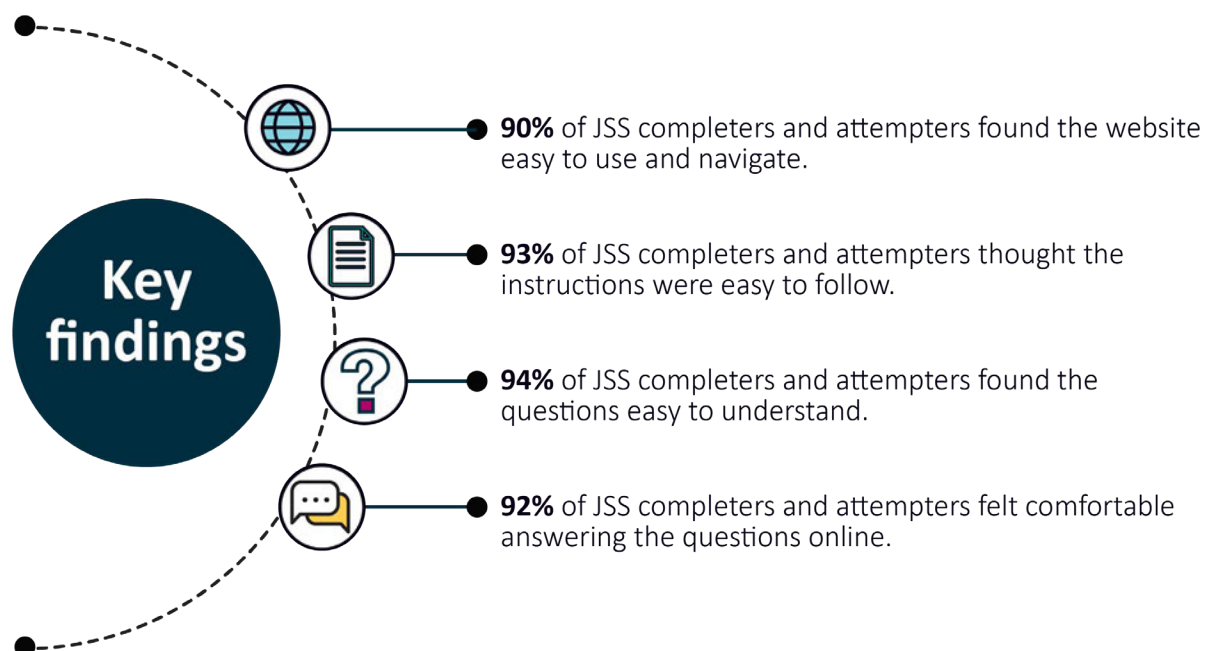
While there may have been an expectation that self-completion would increase calls to the NCSL, only a small number of job seekers who were selected for the Trial sought assistance during the period from 1 July 2018 to 30 September 2019 (although it is worth noting data is limited).

## 4.5 Chapter summary

The evaluation found that while people who were older, Indigenous, less educated or living in regional areas tended to have lower rates of completing the JSS, most demographic variables were not statistically significant in a regression that controlled for digital literacy. In other words, while older people were less likely to complete the JSS, the regression analysis suggests this was entirely due to having lower digital literacy. Factors that remained significantly correlated with completion after controlling for digital literacy were being aged 18 to 19, having a disability and having experienced an unstable living situation.



## Chapter 5. Job seeker and Services Australia views and perceptions



This chapter explores job seekers' views of the JSS system, and the perceived advantages and disadvantages of online completion. It aims to answer the key evaluation question:

- What were job seeker and Services Australia perceptions and experiences of the JSS?

### 5.1 Job seeker views on the JSS

#### 5.1.1 Job seeker preferences

Most trial completers had a positive experience with the JSS. A vast majority of the 2018 Job Seeker Survey respondents (72%) stated that online would be their preferred way to complete the JSCI if they made another claim, well above the figure for the comparison group (21%).

Further, two-thirds (66%) of JSS completers and attempters<sup>14</sup> in the 2019 Job Seeker Snapshot Survey would recommend the JSS to other job seekers. This proportion was higher among younger groups, likely reflecting differing digital literacy across generations.

### 5.1.2 Ease of use

The JSS had a very low drop-out rate after commencement (less than 2%), indicating that it worked well once participants were engaged with it.

This was reinforced by the 2018 Job Seeker Survey results, which showed that most job seekers who completed or attempted the JSS found it easy to use (Table 5.1). Completers were more likely to agree on the ease of navigating and responding to the JSS (93% to 96%) than attempters (82% to 87%).

**Table 5.1 Job seeker views on the ease of use of the JSS**

Statements (agreed)	Attempters (n=101)	Completers (n=338)	Total (n=439)
	%	%	%
The Job Seeker Snapshot website was easy to navigate	82.2	92.9	90.4
The instructions were easy to follow	86.1	95.3	93.2
The questions were easy to understand	87.1	96.4	94.3
I felt comfortable answering the questions online	84.4	93.8	91.6

**Source:** 2018 Job Seeker Survey

**Note:** Both self-classified completers and self-classified attempters

In the 2018 qualitative research, participants did not raise any significant issues in terms of navigating the website or understanding the JSCI questions. Participants also reported feeling comfortable with answering these questions online.

Similar results were found in the 2019 survey (Figure 5.1), in which almost three-quarters (74%) of correctly self-recalled respondents reported that they felt comfortable providing the information as requested and almost two-thirds (64%) agreed that the steps were clear and easy to follow. However, 13% found it difficult to log in.

Despite the JSS being generally easy to use, some participants in qualitative research reported experiencing challenges with its presentation on different devices, such as mobile phones.

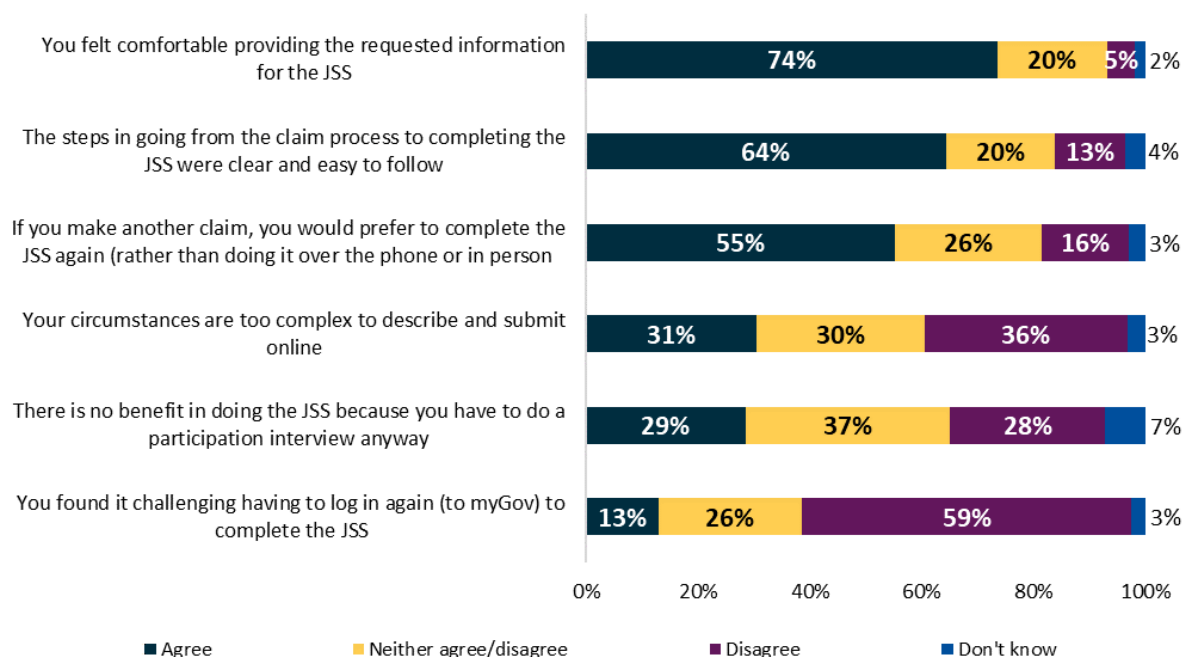
---

<sup>14</sup> This section uses the views and ratings of completers (and attempters) who correctly 'self-recalled' completing/attempting the JSS. In other words, participants who completed (or attempted) the JSS but did not recall this are excluded from the analysis.



*I completed the Job Seeker Snapshot on a mobile phone. I found the layout made it extremely difficult to complete. There appeared to be little logic to how questions and options were presented for completion, and the presentation frequently hindered completion of the questions.*  
(Job seeker, 2019)

**Figure 5.1 Job seeker views of the JSS**



**Source:** 2019 Job Seeker Snapshot Survey

**Note:** n=1,147 (bases vary as not all statements applied to all respondents)

## 5.2 Perceived advantages and disadvantages of the JSS

In focus group discussions and in-depth interviews conducted as part of the 2018 qualitative research, participants were asked to list advantages and disadvantages of the JSS. The following were five main advantages.

- **Convenience** – being able to answer the questions at home, at a time of their choosing, as opposed to visiting a Services Australia site or waiting to be contacted by Services Australia.
- **Comfort and privacy** – being able to answer some sensitive questions in private, without feeling judged, inhibited or self-conscious, particularly with health and 'other personal factors' questions.
- **Consideration of responses** – being able to take more time to read and answer questions more precisely, without feeling under pressure to answer immediately, particularly for participants for whom English was not their first language, and for others who felt less confident speaking to people on the phone or in person.

- **Efficiency** – both job seekers and staff reported the JSS was more efficient as it saved the time used in phone calls, face-to-face contact and waiting times for appointments.<sup>15</sup>
- **Accuracy** – having control over the responses selected, as opposed to not being able to see which response was reported by a third party.

The five main disadvantages identified by trial participants were:

- **Inability to explain answers in more detail** – participants with more complex circumstances (e.g. complex employment history, or health problems) reported that the JSS did not enable them to provide more clarity or details on why they had selected a particular response.
- **Limited access to help for more information** – some participants were concerned by a lack of explanation as to why certain questions were being asked and what the information would be used for.
- **Limited digital literacy** – some participants, particularly older participants, preferred phone or face-to-face contact, due to limited IT skills.
- **No access to technology** – in a small number of cases, participants did not have a home computer and were concerned about where they could complete the JSS. In these cases, they preferred completing it over the phone with assistance from Services Australia.
- **Privacy and security concerns** – some participants had concerns about the privacy and security of disclosing their personal information online. However, others recognised that their information was already in the ‘system’, regardless of whether it was entered into the computer by them or by a third party.

### 5.3 Job seeker suggestions for the JSS

Trial participants suggested five main areas for improvement (**Table 5.2**):

- enabling direct login and prefilling of information
- providing additional information and explanation to job seekers
- providing greater system feedback
- ensuring availability of staff assistance
- enabling job seekers to provide additional details.

---

<sup>15</sup> According to the 2019 qualitative research, Services Australia staff supported moving to the online JSCI. Frontline staff reported they encouraged job seekers towards digital self-servicing as much as possible. Staff noted that the time saved from conducting the JSCI would allow them to process more applications per day.



### 5.3.1 Enabling prefilling of information and direct login

About two-thirds of job seekers completing the JSS online (66%, **Table 5.2**) suggested their personal information should be automatically prefilled when already available online for government agencies; 60% of non-completers of the JSS shared this view.

*Don't we already give this out when we're starting a claim in the DHS-Centrelink?  
And then we have to give this again in jobactive.*

*(Job seeker, 2019)*

*If the government knows your tax file number, your other details, yeah that's fine.  
If you already provided them previously it should be there. It shouldn't, like, me  
doing it again online, fill all these details out.*

*(Job seeker, 2019)*

In addition, about one-third of completers and non-completers (28% and 37% respectively) suggested the system would be easier to navigate if they did not need to log in separately to complete the JSS.

### 5.3.2 Providing additional information and explanation to job seekers

As shown in **Table 5.2**, both completers and non-completers felt there were benefits to receiving more information, including being told about:

- the JSS process at the start (51% and 56% respectively)
- the benefit of doing the JSCI online (50% and 57% respectively)
- why each voluntary question should be answered (51% – completers only).

*Tell us there are multiple steps and not just one step to do so that we know we've  
done everything we need to do. Make everything a bit clearer. Sometimes when I  
was on there I didn't understand where I needed to go, needs clearer instructions,  
it's like swimming through murky water.*

*(Job seeker, 2019)*

Job seekers wanted more information about the purpose of questions asked in the JSS, as discussed in Chapter 4. While a range of information is publicly available on the department's website, there is limited information available on the JSS landing page, over the phone or through face-to-face conversations about the purpose of the questions. In particular, job seekers expressed concerns about the purpose of asking personal and sensitive questions (such as about living circumstances and criminal history) and how this information would be used. Providing more information could help job seekers to have a better understanding of the JSS and increase their willingness to complete the JSS.

### 5.3.3 Providing increased feedback during online completion

Participants proposed that there should be increased feedback, both from the department/system to the job seeker and from the job seeker to the department. Over half of the completers (58%) proposed that a feedback form be available at the end of the JSS process to enable job seekers to raise any issues for further discussion with their provider or Services Australia staff (Table 5.2).

The 2019 qualitative research also highlighted participants' frustration at a lack of system feedback on:

- whether their online claims for income support were proceeding properly
- whether they had correctly filled in their forms.

*What would be significantly better would be to actually send you an email to confirm the documents that you've sent through so that if they don't have the document, then you can see, 'that's gone through' ... When it's uploaded, you know you've done it and you can see on screen.  
(Job seeker, 2019).*

**Table 5.2 Support for potential improvements to the JSS system, 2019**

Suggested improvements	Completers (% yes) (n=911)	Non-completers (% yes) (n=235)
(1) It automatically filled in the JSS with information you have given previously	66.0	59.6
(2) There was a feedback form at the end of the JSS where you can mention any problems	58.3	NA
(3) There was a 'chat' function to help you to complete the JSS	52.3	NA
(4) You were told about the JSS process at the start of the claim for benefits	51.2	56.0
(5) You were given information on why each voluntary question is being asked	51.1	NA
(6) You were given more information on the benefits of doing the JSS rather than with Services Australia	50.4	56.5
(7) You didn't have to login to myGov/jobactive to complete the JSS	27.5	37.3
(8) You were given online training	23.6	32.3

**Source:** 2019 Job Seeker Snapshot Survey

**Note:** NA = not applicable

### 5.3.4 Ensuring availability of online training and staff assistance

About 24% of completers and 32% of non-completers suggested more online training should be available, and over half of the job seekers (52%) who completed the online JSS agreed that a 'chat' function could be provided to assist with queries during the JSS completion (**Table 5.2**). However, job seekers participating in the qualitative research were often dismissive of the capabilities of an automated chat-box, preferring human interactions instead.

*I was at Centrelink and there were a few questions that I couldn't answer and needed help to navigate through. I would never have been able to do that at home.*

*(Job seeker, 2019)*

One of the strong themes that emerged was the important role that Services Australia staff played in helping job seekers to navigate the processes. Staff were able to explain the purpose of questions, clarify what kind of information was sought and identify suitable steps to ensure a smooth experience. Staff were also able to suggest 'workarounds' and solutions based on their deep knowledge of the system.

*I was informed by a Centrelink employee that I did not have to do it because I had submitted a medical exemption. They told me when the window popped up, I could close it as I did not have to worry about it.*

*(Job seeker, 2019)*

### 5.3.5 Enabling job seekers to provide additional detail

Some job seekers suggested including open text responses to allow for more detailed answers to JSS questions that could require more complicated explanations by job seekers, such as questions on work, education and transport. For example, one participant in the 2018 qualitative research noted that they had a licence and owned a car but were reluctant to drive due to severe migraines.

Both the JSS and the interview-based JSCI asked the job seeker to detail specific issues that may affect their capacity to work which were not already addressed by the standard questions. However, it is worth noting that free text responses to all questions are not a feature of the traditional interview-based JSCI either, and that the use of free text fields in the JSS could reduce efficiency gains from online completion, as the free text would need to be read and interpreted by a human being.

## 5.4 Services Australia perspectives

Overall, Services Australia staff who participated in the research were very supportive of moving the JSCI online. Frontline staff indicated that they encouraged job seekers to complete things online as



often as possible. Staff research participants noted that the time saved from conducting the JSCI online would allow them to potentially process more claims per day.

Services Australia staff also noted that there was a lack of understanding among job seekers as to what the JSCI was used for. This was mentioned as a potential barrier to completion. As explained by one senior staff member, if job seekers were aware that completing the JSS online would circumvent a later phone conversation, they would be more likely to complete it online. There was agreement among senior staff that the purpose of the JSCI was not well understood — in some cases by Services Australia staff.

The consensus among Services Australia senior staff was that, so long as job seekers were given an adequate explanation as to why the questions were being asked, moving the JSCI online would be preferable.

## 5.5 Chapter summary

Most job seekers were happy with the JSS, with 72% indicating that they would prefer online completion, and 66% indicating that they would recommend it to other job seekers. Online completion was perceived to be convenient, comfortable and efficient, and only 2% of job seekers who commenced the JSS dropped out without completing it. However, the transition across platforms from the income support claim to the JSS appeared to be an issue for some job seekers. In the qualitative research, job seekers highlighted possible improvements in a number of areas, such as enabling prefilling of information, additional explanation and opportunities for feedback, and the option of including free text responses to more complex questions. Services Australia staff were generally supportive of the move online, emphasising potential time savings, but noted the need for better communication of the purpose of the JSS and the benefits of online completion.

## Chapter 6. Conclusion

This chapter summarises learnings from the Trial and discusses the relevance of evaluation findings to future changes to employment services.

### 6.1 What are the learnings?

The evaluation found that it is generally as efficient and effective for job seekers to complete the JSCI online as an interview-based JSCI, either face-to-face or phone. Trial participants mostly took less than 15 minutes to complete the JSS, similar to the interview-based method.

JSS completers were at least as consistent in their responses to JSCI questions, and hence in their stream allocation, as those who completed an interview-based JSCI. Similar outcomes in terms of stream allocation suggests that job seekers were not disadvantaged by completing online.

Further, a key consideration in the provision of employment services is cost-effectiveness.

Given that the JSS had similar results in terms of JSCI scores and appeared to have had little or no effect on exits from employment services and income support, this indicates that administering the JSCI online is an efficient option for job seekers, especially those who are more digitally literate.

#### 6.1.1 What worked?

More than 90% of trial participants found the JSS easy to use and navigate. About two-thirds of completers and attempters indicated that they would use the JSS again or would recommend the JSS to other job seekers. An overwhelming majority of participants reported that JSS instructions were easy to understand. They reported the main benefits of the JSS were convenience, privacy, efficiency and accuracy, as well as allowing more time to consider responses.

#### 6.1.2 What did not work?

There was low awareness of the purpose and benefits of doing the JSS online, not only among JSS completers but also among Services Australia staff members and job seekers doing their JSCI by phone or face-to-face.

Some participants reported barriers to online completion, including having difficulty logging into the JSS via the myGov website, encountering technical glitches, or having limited access to extra assistance from Services Australia staff.

### 6.1.3 Who did not complete?

While online servicing is an increasing global trend, including in Australia, not everyone is able to participate. This evaluation identified low levels of digital literacy as the main barrier to online engagement. The evaluation also found that individuals aged under 20, those with unstable living arrangements and those with a disability were less likely to complete the JSS.

### 6.1.4 Limits of the learnings

It is important to note that while trial participants were selected randomly, online completion was opt-in. As such, the findings could be influenced by selection bias and might not apply to all job seekers. Results for completers may not be a reliable guide to how quickly and accurately non-completers could have undertaken the JSS.

Consequently, given that only half the participants selected for the Trial completed the JSS, it is difficult to determine whether the differences in outcomes observed were due to a causal effect from online completion, or to differences in the sample populations due to self-selection of less disadvantaged job seekers into completion of the JSS.

## 6.2 Future directions

Since the New Employment Services Model was announced in March 2019,<sup>16</sup> the digital employment services environment has changed fundamentally.

### 6.2.1 The Online JSCI Trial evaluation and the future of employment servicing

As discussed in Chapter 1, the use of digital servicing has significantly expanded since the Trial was announced. The department is trialling key elements of the new employment services model in two regions, and OES was rolled out in April 2020 as the Australian Government's mainstream online employment servicing platform for job-ready job seekers.

Central to both the rollout of the OES and the ongoing development of the new employment services model is the ability to effectively distinguish more job-ready job seekers from more disadvantaged job seekers. Traditionally, this would have been the role of the interview-based JSCI. However, just as government services are becoming more digital, so are assessment tools like the JSCI.

---

<sup>16</sup> <https://docs.employment.gov.au/documents/new-employment-services-model>



This trial has shown that job seekers are generally able to undertake online self-assessments efficiently and effectively. However, it is important to note that half of the trial participants did not complete the JSS. Consistent with the international literature, those with low digital literacy were far less likely to complete the online assessment.

This suggests that in the rollout of the JSS, and other online assessments, consideration should be given to alternatives, support and/or checks needed to ensure those who are less digitally literate or are unable to complete online for other reasons can be properly assessed for servicing.

## Bibliography

Australian Public Service Commission (2018). Australian Government Use of Information and Communication Technology. Canberra. <https://www.apsc.gov.au/australian-government-use-information-and-communication-technology>

Barth, M., & Veit, D. (2011). Electronic Service Delivery in the Public Sector: Understanding the Variance of Citizens' Resistance. Hawaii International Conference on System Sciences. Kauai, USA. [https://www.researchgate.net/publication/224221252\\_Electronic\\_Service\\_Delivery\\_in\\_the\\_Public\\_Sector\\_Understanding\\_the\\_Variance\\_of\\_Citizens'\\_Resistance](https://www.researchgate.net/publication/224221252_Electronic_Service_Delivery_in_the_Public_Sector_Understanding_the_Variance_of_Citizens'_Resistance), accessed 07/07/20.

Bekkers, V., & Homburg, V. (2007). The Myths of E-government: Looking Beyond the Assumptions of a New and Better Government. *The Information Society*, 23(5), 373–382. doi: 10.1080/01972240701572913. [https://www.researchgate.net/publication/220175531\\_The\\_Myths\\_of\\_E-Government\\_Looking\\_Beyond\\_the\\_Assumptions\\_of\\_a\\_New\\_and\\_Better\\_Government](https://www.researchgate.net/publication/220175531_The_Myths_of_E-Government_Looking_Beyond_the_Assumptions_of_a_New_and_Better_Government), accessed 07/07/20.

Chen, J. (2017). Breaking Down Barriers to Digital Government: How Can We Enable Vulnerable Consumers to Have Equal Participation in Digital Government?. Australian Communications Consumer Action Network (ACCAN). <https://accan.org.au/Breaking%20Down%20Barriers%20to%20Digital%20Government.pdf>

Colesca, Sofia (2009). Understanding Trust in E-government. *Engineering Economics*, 3, 7–15. [https://www.researchgate.net/publication/228867440\\_Understanding\\_Trust\\_in\\_e-Government](https://www.researchgate.net/publication/228867440_Understanding_Trust_in_e-Government), accessed 07/07/20.

Ebrahim, Z., & Irani, Z. (2005). E-government Adoption: Architecture and Barriers. *Business Process Management Journal*, 11(5), 589–611. doi: 10.1108/14637150510619902. [https://www.researchgate.net/publication/235254120\\_E-government\\_adoption\\_Architecture\\_and\\_barriers](https://www.researchgate.net/publication/235254120_E-government_adoption_Architecture_and_barriers), accessed 07/07/20.

Joseph, S. (2015). Advantages and Disadvantages of E-government Implementation. *International Journal of Marketing and Technology*, 5(9), 18–34.

Merhi, M., & Koong, K. (2016). E-government Effectiveness: A Rocket Model of Contributing User-Related Factors. *International Journal of Services and Standards*, 11(1), 1. doi: 10.1504/ijss.2016.076968. [https://www.researchgate.net/publication/303909258\\_E-government\\_effectiveness\\_A\\_rocket\\_model\\_of\\_contributing\\_user-related\\_factors](https://www.researchgate.net/publication/303909258_E-government_effectiveness_A_rocket_model_of_contributing_user-related_factors), accessed 07/07/20.

Quinn, B. (2018). The 'Nudge Unit': The Experts that Became a Prime UK Export. The Guardian, 11 November 2018. <https://www.theguardian.com/politics/2018/nov/10/nudge-unit-pushed-way-private-sector-behavioural-insights-team>

Särndal, Carl-Erik, et al. (2003). Stratified Sampling. Model Assisted Survey Sampling. New York: Springer. pp. 100–109.

Shahrokh Esfahani, Mohammad, & Dougherty, Edward R. (2014). Effect of Separate Sampling on Classification Accuracy. *Bioinformatics*, 30(2), 242–250. doi: 10.1093/bioinformatics/btt662. PMID 24257187. <http://bioinformatics.oxfordjournals.org/content/30/2/242>

Solinthone, P., & Rumyantseva, T. (2016). E-government Implementation. MATEC Web Conference. doi: 10.1051/mateconf/20167901066.

Stragier, J., Verdegem, P., & Verleye, G. (2010). How Is E-government Progressing? A Data Driven Approach to E-government Monitoring. *Journal of Universal Computer Science*, 16, 1075–1088. 10.3217/jucs-016-08-1075. [https://www.researchgate.net/publication/220348920\\_How\\_is\\_e-Government\\_Progressing\\_A\\_Data\\_Driven\\_Approach\\_to\\_E-government\\_Monitoring](https://www.researchgate.net/publication/220348920_How_is_e-Government_Progressing_A_Data_Driven_Approach_to_E-government_Monitoring), accessed 07/07/20.

Teicher, J., & Dow, N. (2002). E-government in Australia: Promise and Progress. *Information Polity*, 7(4), 231–246.

Thomas, J., Barraket, J., MacDonald, T., Mundell, M., Tucker, J., & Ewing, S. (2018). Measuring Australia's Digital Divide: The Australian Digital Inclusion Index 2018. Melbourne: Telstra.

United Nations (2018). United Nations E-government Survey 2018: Gearing E-government to Support Transformation towards Sustainable and Resilient Societies. New York: UN. doi: 10.18356/d54b9179-en. [https://www.un-ilibrary.org/democracy-and-governance/united-nations-e-government-survey-2018\\_d54b9179-en](https://www.un-ilibrary.org/democracy-and-governance/united-nations-e-government-survey-2018_d54b9179-en), accessed 08/07/20.

Van Dijk, J., Peters, O., & Ebbers, W. (2008). Explaining the Acceptance and Use of Government Internet Services: A Multivariate Analysis of 2006 Survey Data in the Netherlands. *Government Information Quarterly*, 25(3), 379–399. doi: 10.1016/j.giq.2007.09.006. [https://www.researchgate.net/publication/248544637\\_Explaining\\_the\\_acceptance\\_and\\_use\\_of\\_government\\_Internet\\_services\\_A\\_multivariate\\_analysis\\_of\\_2006\\_survey\\_data\\_in\\_the\\_Netherlands](https://www.researchgate.net/publication/248544637_Explaining_the_acceptance_and_use_of_government_Internet_services_A_multivariate_analysis_of_2006_survey_data_in_the_Netherlands), accessed 08/07/20.



## List of abbreviations and acronyms

Abbreviation	Description
CATI	Computer Assisted Telephone Interviewing
CALD	Culturally and linguistically diverse
CoCR	Change of Circumstances Reassessment
DHS	Department of Human Services, now Services Australia
DES	Disability Employment Services
DESE/the department	Department of Education, Skills and Employment (and its predecessors)
ESAt	Employment Services Assessment
ESS	Employment Services System
JSCI	Job Seeker Classification Instrument
JSS	Job Seeker Snapshot (online JSCI module)
n	Survey sample size
N	Population number
NCSL	National Customer Service Line
OEST	Online Employment Services Trial

Abbreviation	Description
RED	Research and Evaluation Database
IT	Information technology
SRC	Social Research Centre
Wallis/Wallis Group	Wallis Market and Social Research

## Glossary

Term	Description
Attempters	Trial participants who attempted the JSS but did not complete it.
Completers	Online JSCI Trial participants who completed a JSS, both immediate and delayed.
Comparison group	Eligible job seekers who were not selected for the Online JSCI Trial.
Delayed completers	Online JSCI Trial participants who completed the JSS but did not complete it immediately when prompted.
Employment Services System (ESS) data	The ESS administrative data contains current and historic caseload information (e.g. job seeker demographics, referrals, commencements and paid outcomes) and payment transactions (e.g. claims for service, outcome fees and wage subsidies). This data is one of the major sources for evaluating and reporting on the government's employment service programs and labour market policies.
ESAt	The Employment Services Assessment (ESAt) is a comprehensive assessment that identifies an individual's barriers to finding and maintaining employment, their work capacity and assistance that may be of benefit to improve their current work capacity. The ESAt process ensures that disadvantaged job seekers are referred to the most appropriate employment service assistance (e.g.. jobactive Stream C or Disability Employment Services (DES)).
Immediate completers	Online JSCI Trial participants who completed the JSS immediately when prompted.
Inflow population	The jobactive inflow population is the primary study population used in this report for the analysis of exits from employment services and income support. It contains commenced jobactive periods of assistance, from 1 July 2018 to 30 September 2019.
jobactive	jobactive is the Australian Government's mainstream employment services program in place during the period of the Online JSCI Trial.
jobactive provider	A jobactive provider is an organisation contracted by the department to deliver employment services under jobactive.
JobSeeker Payment	The main unemployment benefit paid to unemployed people aged between 22 and 64 years from 20 March 2020. JobSeeker Payment has replaced NewStart Allowance as the main unemployment benefit since 20 March 2020.
NewStart Allowance	The main unemployment benefit paid to unemployed people aged between 22 and





Term	Description
(NSA)	64 years before 20 March 2020. From 20 March 2020, JobSeeker Payment has replaced NSA as the main unemployment benefit.
Non-attempters	Trial participants who did not attempt the JSS.
Non-completers	Online JSCI Trial participants who did not complete the JSS. These include participants who attempted and did not attempt the JSS.
Program guidelines	Program guidelines provide information on administering employment services and programs.
Referrals	In this report, referrals are people who have been referred to ESAt or other employment programs.
Research and Evaluation Database (RED)	RED is one of the primary administrative data sources used in this report on the analysis of completion and non-completion by characteristics, JSCI scores, streaming and referring outcomes, and major changes of circumstances.
Stream A	Stream A participants are the most job ready. They receive services to help them understand what employers want and how to navigate the local labour market, build résumés and look for jobs.
Stream B	Stream B participants need their jobactive provider to play a greater role to help them become job ready and will be referred for case management support.
Stream C	Stream C participants have a combination of work capacity and personal issues that need to be addressed and will get case management support so that they can take up and keep a job.
Trial participants	Both completers and non-completers of JSS.
Youth Allowance	Income support payment for young people who are aged 24 years or younger and a student or Australian apprentice, or 21 years or younger and looking for work.
Youth Allowance (Other)	The primary income support payment for young people aged under 22 years who are looking for paid work, undertaking other activities to improve their employment prospects or temporarily incapacitated for work or study.

## List of tables

Table 1.1 Topics and factors in the JSCI questionnaire.....	9
Table 2.1 Participants in qualitative research.....	17
Table 2.2 Quantitative surveys .....	18
Table 3.1 Streaming outcomes and ESAt referrals .....	22
Table 3.2 Consistency in JSCI scores between administrative data and follow-up survey.....	23
Table 3.3 Consistency in stream allocations between administrative data and follow-up survey .....	23
Table 3.4 Consistency in ESAt referral between administrative data and follow-up survey.....	24
Table 3.5 Proportion of job seekers with major changes of circumstances.....	24
Table 3.6 Exits within six months from employment services and income support, by stream .....	25
Table 4.1 Completion and non-completion, by characteristics, 2018—19 .....	27
Table 4.2 Completion rates, by Indigenous status, 2019.....	28
Table 4.3 Selected characteristics of online completers and non-completers, 2019.....	29
Table 4.4 Top five reasons for not completing the JSS, 2018 .....	34
Table 5.1 Job seeker views on the ease of use of the JSS.....	39
Table 5.2 Support for potential improvements to the JSS system, 2019 .....	43
Table A1 Online JSS questions .....	57
Table C1 Number of job seekers in the trial and comparison groups, by selected characteristics.....	67
Table D1 Eigenvalues from Principal Component Analysis.....	71
Table D2 Loadings from Principal Component Analysis .....	71
Table D3 Proportion of job seekers by level of digital literacy, by age group .....	72
Table E1 Multivariate regression model on completion of the JSS .....	74



## List of figures

Figure 2.1 Online JSCI Trial study population .....	16
Figure 3.1 Time spent on completing the JSS .....	20
Figure 3.2 Distribution of JSCI overall score, by delivery method .....	21
Figure 4.1 JSS completion, by digital literacy and age group.....	30
Figure 4.2 Statistically significant characteristics contributing to JSS completion (odds ratio) .....	31
Figure 4.3 Reasons for completing the JSS .....	33
Figure 4.4 Sources of assistance when completing the JSS, 2019 .....	37
Figure 5.1 Job seeker views of the JSS .....	40
Figure B1 Paths through the Online JSCI Trial from claim to commencement.....	66



## Appendix A: The Job Seeker Snapshot (JSS) questions (online JSCI version as at 26 June 2018)

The JSCI is based on a questionnaire comprising 48 questions broadly grouped into eight sections:

- Work experience
- Education and qualifications
- Work capacity
- Descent and origins
- Language
- Living circumstances
- Transport
- Personal factors.

Each job seeker will answer up to 48 questions based on their circumstances. The jump from one question to another has been set up automatically online.

Table A1 presents the online JSCI module, or the Job Seeker Snapshot (JSS). The contents are the same as in the JSCI questionnaire;; however, there were slight differences in how questions in the JSS were worded in order to suit an online platform.

**Table A1 Online JSS questions**

Work Experience	
Question 1	In the past 2 years, what have you been doing most?
Response (Select one response only)	a) Paid work (includes full time, part time or casual work, employment overseas, seasonal work or still working) b) Working while in prison or other detention c) Unpaid work (includes volunteering but not caring) d) Unemployed (i.e. not working but looking for work) e) Community Development Programme (CDP) f) Studying part-time g) Studying full-time h) Caring i) Parenting j) Not working and not looking for work
①	Think about the whole two years, not just about what you have done lately. Did you work, study, take time off to look after kids?
Question 2	In your most recent job, how many hours did you mostly work per week? (Participants who answered 'Paid work' to Question 1)

Response (Select one response only)	a) 30 hours or more b) 8 hours or more but less than 30 hours c) Less than 8 hours d) Casual, irregular or seasonal employment
①	Include any overseas employment.
Question 3	Have you done any paid work (in Australia or overseas) in the last 2 years?
Response	a) Yes b) No
<b>Education and Qualifications</b>	
Question 4	What is the highest level of schooling you have completed?
Response (Select one response only)	a) Year 12/13 or equivalent (e.g. Form 6) b) Year 11 or equivalent (e.g. Form 5) c) Year 10 or equivalent (e.g. Form 4) d) Less than Year 10 or equivalent e) Special school / support unit in school or equivalent f) Did not go to school
Question 5	Have you completed any other qualification(s)?
Response	a) Yes b) No
Question 6	Have you completed any of the following qualifications?
Response (Select all applicable responses)	a) Doctoral degree or equivalent b) Master degree or equivalent c) Graduate Diploma, Graduate Certificate or equivalent d) Bachelor degree e) Diploma, Advanced Diploma, Associate Degree or equivalent f) Tradesperson's qualification g) Certificate II h) Certificate III or IV i) Certificate I j) Industry-specific license or ticket k) Course run by private or community organization l) None of the above
Question 7	Can you still use these qualifications for work?
Response	a) Yes b) No

Question 8	What is preventing you from using your qualifications? (Participants who answered “no” to Question 7)
Response (Select all applicable responses)	a) Disability or health related reasons b) Low English language proficiency c) Qualification suspended/terminated d) Qualification not recognised (including overseas qualification(s) not recognised) e) Qualification outdated or irrelevant
<b>Work Capacity</b>	
Question 9	Do you have any disabilities or medical conditions that affect the hours you are able to work?
Response	a) Yes b) No c) Not sure/don’t know d) Do not wish to answer
Question 10 (For those answering yes in Q9)	What is the most likely number of hours per week you think you are able to work?
Response	a) 30 hours or more b) 15-29 hours c) Less than 15 hours
Note/ Instruction	<i>If less than 30 hours you may need to provide evidence (e.g. a report from a doctor)</i>
Question 11	Do you have any disabilities or medical conditions that affect the type of work you can do?
Response	a) Yes b) No c) Not sure/don’t know d) Do not wish to answer
Question 12	Given your disability or medical condition, do you need additional support to help you at work?
Response	a) Yes b) No c) Not sure/don’t know
Question 13	How long will your condition(s) affect your ability to work?



Response	a) Less than 3 months b) 3 months or more c) Not sure / don't know
Question 14	What are the conditions?
Response	[Job seeker can select from the list]
<b>Descent and Origins</b>	
Question 15	Are you Aboriginal or Torres Strait Islander?
Response	a) Yes b) No c) Do not wish to answer
Question 16	Indigenous status
Response (Select all applicable responses)	a) Aboriginal b) Torres Strait Islander
Question 17	Have you ever been granted an Australian refugee or humanitarian visa?
Response	a) Yes b) No c) Not sure/don't know d) Do not wish to answer
Question 18 (For those answering yes to Q17)	From which country did you arrive?
Response	Record here:
①	Record the country from which you arrived as a refugee or humanitarian entrant – this may not be the last country you lived in.
Question 19	Was this more than 5 years ago?
Response	a) Yes, more than 5 years ago b) No, 5 years ago or less c) Not sure/don't know

<b>Language</b>	
Question 20	Did you speak English at home as a child?
Response	a) Yes b) No
Question 21	What language(s) did you first speak as a child?
Response (For those answering yes to Q20)	[Job seeker can select from the list]
Note/ Instruction	<i>Make your selection from the list ...</i>
Question 22	How well do you speak English?
Response	a) Very well b) Well c) Not well d) Not at all
Question 23	How well do you read English?
Response	a) Very well b) Well c) Not well d) Not at all
Question 24	How well do you write English?
Response	a) Very well b) Well c) Not well d) Not at all
Question 25	Have you done any courses or classes to help improve your English language skills in the last 6 months?
Response	a) Yes b) No
<b>Living Circumstances</b>	
Question 26	Have you been living in rented accommodation or your own home for the past 12 months?
Response	a) Yes b) No c) Not sure/don't know

Question 27	Are you currently staying in emergency or temporary accommodation?
Response (Select all applicable responses)	a) No b) Yes, a refuge, emergency, transitional or supported accommodation c) Yes, a hotel, hostel, boarding house or rooming house d) Yes, short stays in caravan park e) Yes, temporarily staying with friends (or couch-surfing) f) Yes, living in a squat, car or tent g) Yes, have nowhere to stay h) Yes, other
Question 28	How often have you moved in the past 12 months?
Response (Select one response only)	a) I have not moved in the past 12 months b) 1-3 moves c) 4 or more moves
Question 29	Do you currently live on your own?
Response	a) Yes b) No
Question 30	Who currently lives with you?
Response (Select all applicable responses)	a) Partner/spouse (includes same-sex partner) b) Dependent child/children under 16 years of age c) Dependent full-time student(s) aged between 16 and 24 years d) Parent(s)/guardian(s) e) Other family member(s) or relative(s) f) Others, not family
①	Select anyone who currently lives with you ...
Question 31	Are you the main caregiver for this child/these children?
Response	a) Yes b) No c) Care is shared equally with another person
Question 32	What is the date of birth of your youngest child?
Response	Type here:
<b>Transport</b>	
Question 33	Do you have a valid driver's licence?
Response	a) Yes b) No



Question 34	Do you have your own car or motorcycle?
Response (Select one response only)	a) No, don't own a car/motorcycle b) Yes, I have my own car/motorcycle c) Yes, own a car/motorcycle but cannot afford running costs/maintenance
Question 35	Thinking about getting to and from work, what modes of transport can you access?
Response (Select all applicable responses)	a) Own car/motorcycle b) Own non-motorised transport (e.g. bicycle) c) Other private transport (e.g. friend's or relative's car) d) Public transport (e.g. bus or train) e) Taxi f) Other motorised transport g) No transport (except walking)
<b>Personal Factors</b>	
Question 36	Potential impact of parents' historical labour force participation: At least one of my parents or legal guardians was regularly in paid employment when I was in my early teens.
Response	a) Yes b) No c) Not applicable (e.g. I was raised in an orphanage) d) Do not wish to answer
Question 37	Is there anything else that might affect your ability to work, get work or look for work?
Response	a) Yes b) No c) Do not wish to answer
Question 38	Please select the factors that might affect your ability to work, get work or look for work.

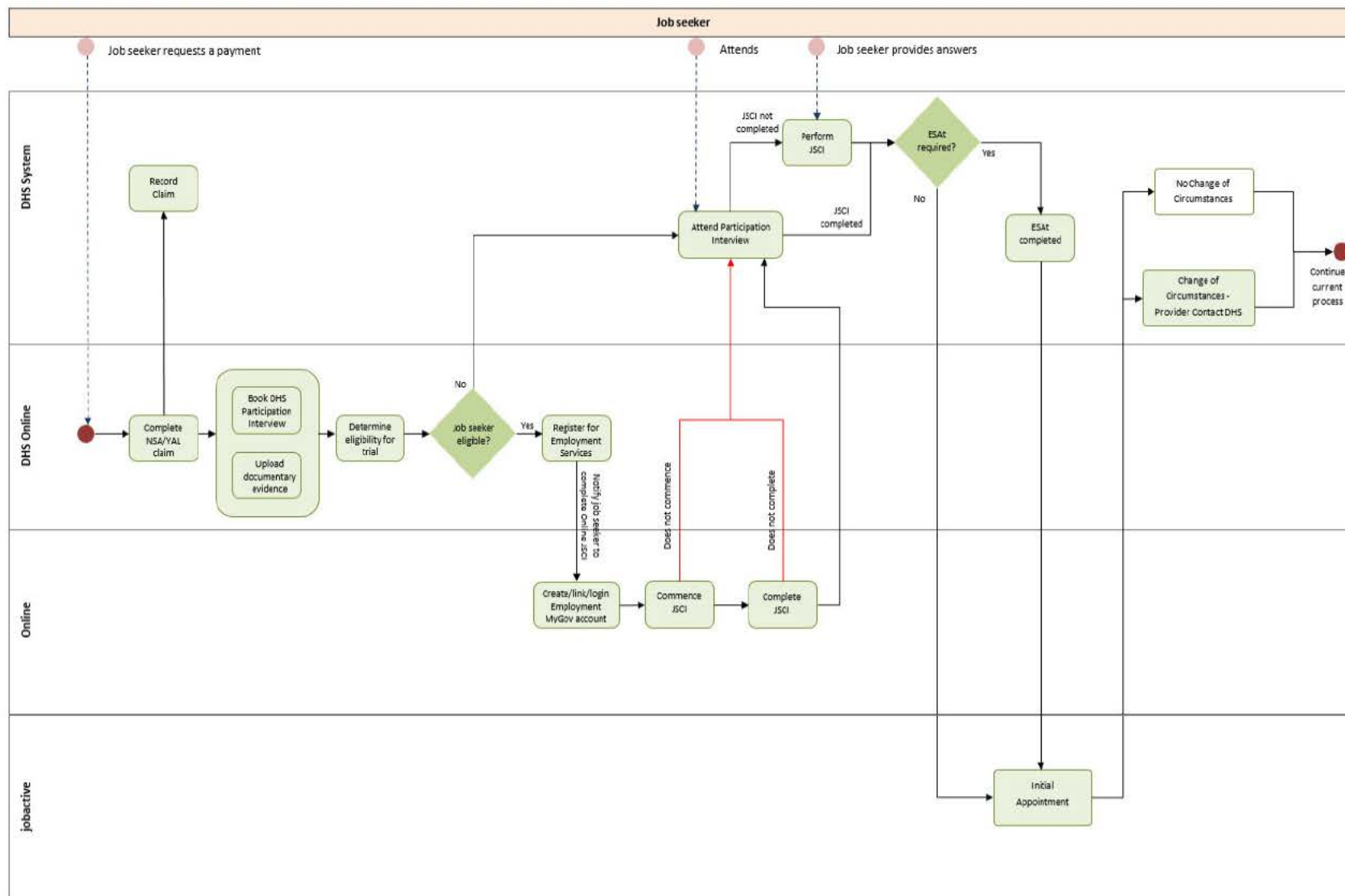
Response (Select all applicable responses)	a) Anger issues/temper/violence b) Caring responsibilities c) Criminal court action pending/bail/remand d) Dental issues e) Domestic violence f) Drug treatment program (e.g. methadone) g) Family grief/trauma h) Gambling addiction i) Numeracy issues j) Pregnancy k) Relationship breakdown l) Risk of homelessness m) Self-esteem/motivation/presentation issues n) Severe stress o) Sleep problems/insomnia
Question 39	For any other factors not included in the list above, please provide details:
Response	(Enter response here, open response)
Question 40	Have you spent time in prison in the last 2 years as a result of a criminal conviction?
Response	a) Yes b) No c) Do not wish to answer
Question 41	Was your sentence 14 days or less?
Response	a) Yes, 14 days or less b) No, more than 14 days
Question 42	Have you been convicted of a criminal offence in the last 5 years but received a non-custodial sentence?
Response	a) Yes b) No c) Do not wish to answer
Question 43	Have you spent time in prison since turning 21 years of age as a result of a criminal conviction?
Response	a) Yes b) No c) Do not wish to answer

Question 44	Was your sentence 14 days or less?
Response	a) Yes, 14 days or less b) No, more than 14 days
Question 45	Have you been convicted of a criminal offence since turning 18 years of age but received a non-custodial sentence?
Response	a) Yes b) No c) Do not wish to answer
Question 46	Have you spent time in prison in the last 7 years as a result of a criminal conviction?
Response	a) Yes b) No c) Do not wish to answer
Question 47	Was your sentence 14 days or less?
Response	a) Yes, 14 days or less b) No, more than 14 days
Question 48	Have you been convicted of a criminal offence in the last 10 years but received a non-custodial sentence?
Response	a) Yes b) No c) Do not wish to answer



## Appendix B: Workflow diagram of Online JSCI Trial

Figure B1 Paths through the Online JSCI Trial from claim to commencement



## Appendix C: Data sources

Analyses of both quantitative and qualitative data are used for the evaluation. Quantitative data include departmental administrative data and information collected through surveys. Qualitative data were collected through focus groups and interviews.

### C1 Departmental administrative data

The Research and Evaluation Database (RED) and jobactive inflow population data were linked to create the departmental administrative data used for this evaluation.

The RED is a longitudinal dataset that commenced on 1 July 1998. The data contained in the RED include details of:

- income support history
- customer demographics
- entitlements, including some non-income support payments and services
- payment circumstances, including details of activities for those looking for work
- personal circumstances, including medical and work capacity assessments
- employment and non-employment income
- education and study
- the partners and children of people included in the RED.

The jobactive inflow population data was sourced from the department's Employment Services System, which is the IT system the department uses to deliver and manage the jobactive program. The inflow population covers job seekers who commenced employment services in the period from 1 July 2018 to 30 September 2019.

The administrative data covers 375,381 eligible job seekers, including both trial participants and the comparison group (see Table C1). It includes information on demographics, JSS completion status, responses to all the JSCI questions, JSCI scores, streaming outcomes, referrals to ESAt or other employment programs, and major changes in circumstances (CoCRs), as well as exits from income support and employment services.

**Table C1 Number of job seekers in the trial and comparison groups, by selected characteristics**

Characteristics	Completers	Non-completers	Trial participants	Comparison group	Eligible job seekers
	A	B	C=A+B	D	E=C+D
Total	52,309	55,410	107,719	267,662	375,381
Gender					
Female	23,767	22,587	46,354	116,268	162,622
Male	28,542	32,823	61,365	151,394	212,759

Characteristics	Completers	Non-completers	Trial participants	Comparison group	Eligible job seekers
Age					
19 years and under	7,075	8,632	15,707	33,216	48,923
20 to 29 years	17,805	16,685	34,490	79,176	113,666
30 to 39 years	9,640	9,084	18,724	49,254	67,978
40 to 49 years	7,683	8,332	16,015	44,458	60,473
50 to 59 years	6,638	7,859	14,497	39,610	54,107
60 plus	3,468	4,818	8,286	21,948	30,234
Indigeneity					
Non-Indigenous	49,281	51,155	100,436	248,167	348,603
Indigenous	3,028	4,255	7,283	19,495	26,778
Income support first-time claimer					
No	42,959	44,896	87,855	224,754	312,609
Yes	9,350	10,514	19,864	42,908	62,772
Location					
Major Cities of Australia	35,900	36,401	72,301	177,242	249,543
Inner Regional Australia	11,331	12,956	24,287	60,743	85,030
Outer Regional Australia	4,727	5,578	10,305	27,230	37,535
Remote Australia	334	446	780	2,261	3,041
NA	17	29	46	186	232
Education					
NA	1,764	2,710	4,474	23,297	27,771
Less than Year 12	12,321	14,556	26,877	66,081	92,958
Year 12	11,262	10,681	21,943	48,069	70,012
University degree	12,809	7,214	20,023	37,370	57,393
Vocational	14,153	20,249	34,402	92,845	127,247
Mode of JSCI completion					
Face to face	—	1,201	1,201	17,340	18,541
Online	52,309	—	52,309	—	52,309
Phone	—	54,170	54,170	249,614	303,784
Other	—	39	39	708	747

**Source:** DESE administrative data

**Notes:** 375,381 eligible job seekers, including both Online JSCI Trial participants and the comparison group during the period from 1 July 2018 to 30 September 2019

NA = not applicable

\*JSCI forms were sent to some job seekers who were not available for online, phone or face-to face interviews





## C2 Quantitative survey data

The department conducted three quantitative surveys. In 2018, the Social Research Centre (SRC) was commissioned by the department to undertake the 2018 JSCI Quality Assurance Survey (n=1,451) and the 2018 Job Seeker Survey (n=1,000). In 2019, due to the extension of the Trial, Wallis Consulting Group was commissioned to undertake the 2019 Job Seeker Snapshot Survey with a larger sample size (n=3,105) and an in-depth analysis of digital literacy, barriers to online JSCI completion and suggestions for improvements to the JSS.

### C2.1 2018 JSCI Quality Assurance Survey

The 2018 JSCI Quality Assurance Survey contacted 1,451 job seekers by phone in July and August 2018, shortly after their completion of the JSS (321 job seekers) or by interview (phone or face-to-face) with Services Australia staff (848) or jobactive providers (282). In the follow-up survey, job seekers were asked to repeat their responses to JSCI questions using Computer Assisted Telephone Interviewing (CATI). Outcomes obtained from this follow-up survey, including JSCI scores, streaming results and ESAt referrals (if any) or referrals to other employment services, were then compared with the original JSCI outcomes recorded in the departmental administrative data. Only outcomes obtained from the follow-up survey for 321 JSS completers and 400 comparison group job seekers were used for comparison in this report.

### C2.2 2018 Job Seeker Survey


The 2018 Job Seeker Survey interviewed 1,000 job seekers in September and October 2018 either online (25%) or using CATI (75%). This survey included job seekers who had completed their JSCI online (40% completers) or who were selected for the Trial but did not complete their JSCI online (35% trial non-completers), and job seekers in the comparison group (25% eligible but not selected for the Trial). Information was collected on job seekers' preference and experience of using the JSS, their reasons for not attempting or not completing the JSS and their suggestions for improvements.

### C2.3 2019 Job Seeker Snapshot Survey

The 2019 Job Seeker Snapshot Survey was conducted from October to December 2019, with 3,105 trial participants using an online survey (84%) or CATI (16%). The survey investigated reasons behind completion and non-completion of the online JSCI. Participants' experiences, digital literacy, barriers to online completion and individual attitudes towards online services were also explored.

## C3 Qualitative research

The department commissioned qualitative research in 2018 and 2019 to gain an in-depth understanding of trial participants' perceptions and views about the Online JSCI Trial, including their experiences and barriers encountered when completing the JSS. Focus groups and individual in-depth interviews were used to explore issues and canvass attitudes of both job seekers and staff



from Services Australia. In total, 19 focus groups and 72 in-depth interviews were conducted with 180 job seekers and a small number of Services Australia staff.

Qualitative research participants were reasonably distributed across age, gender, location and cultural background. Sample selection also ensured that each focus group comprised both completers and non-completers.

### C3.1 2018 qualitative research

The 2018 qualitative research was undertaken to explore job seekers' attitudes and reasons for completion and non-completion of the JSS, barriers to online completion and the impact of digital literacy (89 job seekers). Services Australia staff also participated in two discussion groups that explored how they interacted with trial participants and their awareness of the Trial.<sup>17</sup> Two-thirds of the qualitative research participants were recruited from job seekers who completed the 2018 Job Seeker Survey and were willing to further participate in qualitative research; the remaining one-third were from the list of job seekers supplied by the department.

### C3.2 2019 qualitative research

Between October and December 2019, further qualitative research was undertaken to explore job seeker attitudes towards providing information online, the impact of digital literacy, and experiences in completing the JSS. Research participants (91 job seekers) were recruited after completing their 2019 Job Seeker Snapshot Survey.

---

<sup>17</sup> These included two group discussions held with a small number of Services Australia staff at a service centre in Melbourne. One. One discussion involved frontline staff, and the other involved senior staff and 'technical officers' who had experiences with the Online JSCI Trial.

## Appendix D: Factor analysis on digital literacy

In order to determine whether various specific survey measures of digital literacy aligned to a single underlying factor, designated as 'digital literacy', an exploratory Principal Component Analysis (PCA) was undertaken using the 2019 Job Seeker Snapshot Survey data for 3,105 job seekers who had completed their JSCI, either online or by interview. PCA is a helpful technique to combine highly correlated variables into a single index.

The following specific digital literacy variables were included in this analysis:

- confidence in using the internet when looking for work
- frequency of digital device use
- confidence in digital device use
- the number of 'everyday activities' undertaken online
- frequency of online job search
- attitudes to technology.

The results indicated that each of the specific survey measures points to a single unobserved 'factor', which was designated as 'digital literacy'.

As shown in Table D1, Component 1 was selected and extracted as the new index due to its highest eigenvalue (2.480) and relatively strong power (41.3%) in explaining variations of all the original variables.

**Table D1 Eigenvalues from Principal Component Analysis**

Components	Eigenvalues	Explanation for total variances (%)
C1	2.480	41.3
C2	0.946	15.8
C3	0.895	14.9
C4	0.739	12.3
C5	0.605	10.1
C6	0.335	5.6


**Source:** 2019 job seeker snapshot survey (n=3,105)

Based on the analysis, a new 'digital literacy' score was generated for each person. These scores were then divided into three broad categories: low, medium and high. Table D2 shows that the 'digital literacy' score was highly correlated with confidence in using the internet when looking for work (0.826) and average confidence in using digital devices (0.823), as well as other relevant variables.

**Table D2 Loadings from Principal Component Analysis**

Variables	Variation explained (%)	Loadings
-----------	-------------------------	----------





Variables	Variation explained (%)	Loadings
Q12 Confidence in using internet when looking for work	68	0.826
Q6 The frequency of use for the most frequently used devices	29	0.541
Q7 Average confidence in using devices	68	0.823
Q10 Count of number of online activities	38	0.619
Q11 Average frequency of online activities	29	0.541
Q14 Summative scale of attitudes to technology	15	0.388


**Source:** 2019 Job Seeker Snapshot Survey (n=3,105)

Results from this digital literacy analysis show that levels of digital literacy varied greatly by age (Table D3). Participants aged 50 and over were more likely to have low digital literacy, while those aged 20 to 49 were more likely to have high digital literacy.

**Table D3 Proportion of job seekers by level of digital literacy, by age group**

Level of digital literacy	18—19 (%)	20—29 (%)	30—39 (%)	40—49 (%)	50—59 (%)	60+ (%)	Total
Low digital literacy	31.5	19.3	18.9	29.0	41.7	56.9	29.1
Moderate digital literacy	46.7	37.6	29.6	31.5	30.6	27.7	33.9
High digital literacy	21.9	43.1	51.5	39.5	27.7	15.4	37.0

**Source:** 2019 Job Seeker Snapshot Survey (n=3,105)



## Appendix E: Multivariate logistic regression model predicting online JSCI completion

As discussed in the main report, there were clear relationships between various demographic characteristics and JSS completion, while relationships were also observed based on measures of digital literacy. Logistic regression modelling was undertaken to explore the joint factors predicting the completion of the JSS.

The model was based on 2019 Job Seeker Snapshot Survey data on all 3,105 respondents, in which 739 had missing values, and 2,366 were included in the final regression model. The dependent variable was the completion of the Online JSCI Trial through the JSS. Predictors included variables on both demographics and digital literacy.<sup>18</sup>

The regression results (Table E1) based on the 2019 Job Seeker Snapshot Survey data show that after controlling for all the variables available, variation in digital literacy explains most of the variation in online completion across cohorts. Age groups (except for under 20 years), gender, education, location, speaking English at home, Indigeneity, and applying for income support for the first time all became insignificant.<sup>19</sup> Some other factors remained statistically significant.

- While the demographic factors appeared to have strong relationships with completion from descriptive analysis, the regression model revealed that digital literacy measures, especially around confidence in using devices and job search activities online, were two strong and significant predictors.
- The youngest job seekers (under 20 years) were significantly less likely to complete the JSS. Qualitative research suggested they were more challenging to engage due to passive detachment.
- Those who had experienced unstable living arrangements (homelessness) in the recent past or were identified as having a disability were less likely to complete the JSS.

These findings confirmed that the major difference between the completers and non-completers was digital literacy.

---


<sup>18</sup> For social behaviour study, the R-square 0.2—0.4 shows an excellent fitness. Our model has an R-square 0.10, which is good enough to investigate how digital literacy and major characteristics explained the variation in online completion.

<sup>19</sup> Other variables which were controlled for in the multivariate regression model but were insignificant included access to the internet at home, confidence in using the internet when looking for work, whether the respondent would reach out for external help with technology, frequency of use of devices, number of different online activities undertaken, and general attitude towards technology.

Table E1 Multivariate regression model on completion of the JSS

Predictors	Values	Coefficient	Standard error	P-value
Age	Aged 18—19 (*)	-.418	.183	.022
	Aged 20—29	-.258	.141	.068
	Aged 30—39 (ref.)			
	Aged 40—49	-.115	.156	.461
	Aged 50—59	.009	.141	.948
	Aged 60+	.226	.163	.165
Gender	Male (ref.)			
	Female	.101	.088	.249
Aboriginal or Torres Strait Islander (ATSI) status	Yes (ref.)			
	No	.206	.233	.377
Highest education	Pre-Year 12 (ref.)			.129
	Year 12	.052	.133	.697
	Trade qualification	-.124	.130	.342
	University qualification	.164	.145	.260
Disability status	With disability (ref.)			
	No disability (*)	.505	.137	.000
Housing status	Homelessness (ref.)	—	—	—
	Not homelessness (*)	.260	.101	.010
Speaking English at home	No (ref.)			
	Yes	.052	.152	.733
First time applied for income support	No (ref.)			
	Yes	.088	.092	.338
Internet access	Yes (ref.)			
	No	-.277	.315	.379
Confidence in using internet to look for work	Not confident (ref.)			
	Confident	.038	.083	.644
Need help when doing things online	Don't need help (ref.)			
	Need help	-.211	.122	.083
Frequency of use of devices	Daily			.134
	Weekly	-.208	.205	.310
	Monthly or less	-.688	.375	.067
Confidence in using devices	Middle confidence (ref.)			
	Lower confidence (*)	-.840	.169	.000
	Higher confidence (*)	.424	.108	.000
Count of online activities	Medium (ref.)			.410
	Low count	-.001	.107	.990
	High count	.137	.113	.226





Job search activities online	Middle frequency (ref.)			.000
	Lower frequency (*)	-.402	.113	.000
	Higher frequency	.059	.106	.580
<b>Towards technology</b>	More positive (ref.)			.922
	Medium positive	-.027	.100	.789
	Less positive	-.046	.118	.698
<b>Constant</b>		-1.855	.671	.006
<b>Sample size</b>		2366		
<b>Nagelkerke R-square</b>		0.109		
<b>Cox &amp; Snell R-square</b>		0.082		

**Source:** 2019 Job Seeker Snapshot Survey (n=3,105), in which 739 had missing value, and 2,366 were finally included in the regression model due to missing information

**Note:** (\*) Variables and estimates with significance with a p-value <0.05