

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Additional Estimates 2016 - 2017

Outcome 1 - Employment

Department of Employment Question No. EMSQ17-003972

Senator Marshall provided in writing.

Question

Effectiveness of Work for the Dole

"Does the Department believe Work for the Dole is capable of launching a greater percentage of participants into employment as it is currently structured? The Department has said it was an "activation" program. No indication if it could be improved. Why is \$633.8 million – across the forward estimates – budgeted to the Department of Employment for a program they don't see as designed to get people a job? "

Answer

The overall objective of Work for the Dole is to provide work-like experiences for job seekers as a means of improving their job prospects and meeting their Annual Activity Requirement, while at the same time providing a benefit to the local community.

By participating in Work for the Dole, job seekers are given the opportunity to improve their employability skills including their ability to work independently and be guided by a supervisor, their communication skills, motivation and dependability, and their ability to work as part of a team.

Employability skills, or soft skills, cover a broad range of personal attributes and transferable skills that contribute significantly to an individual's prospects of gaining employment. Research conducted by the Department of Employment, as part of the *Survey of Employers' Recruitment Experiences*, shows that around two-thirds of employers place at least as much emphasis, if not more, on employability skills when recruiting than they do on technical skills. Further information on this research can be found in the Department of Employment's *Targeting the Right Employability Skills for Entry-Level Jobs* published on lmip.gov.au.

While employers generally consider all employability skills to be important, they may place greater emphasis on some skills over others. When employers are recruiting staff to fill lower skilled roles they seek applicants who are reliable, motivated and hardworking, and have good personal presentation. These skills demonstrate to the employer that a job seeker can take responsibility for their behaviour and actions. Employers view people skills as being important across all skill levels.

The Evaluation Report on Work for the Dole 2014-15 found that the pilot approach resulted in a decrease in welfare dependency in comparison to the Work for the Dole arrangements operating at the same time in other locations, as well as improving the soft skills of participating job seekers.

Under jobactive, results from the Post-Program Monitoring (PPM) Work for the Dole Satisfaction survey indicate that Work for the Dole is having a positive impact on job seekers and is improving job seekers' soft skills. The survey measures the improvement in skills and behaviours gained through the activity around six weeks after commencement in a Work for the Dole activity.

Job seekers who commenced in a Work for the Dole activity between 1 August 2015 and 31 July 2016 were surveyed between September 2015 and November 2016. Results show that job seekers reported an improvement in their desire to find a job. The majority of surveyed job seekers also reported the Work for the Dole activity improved their ability to work with others, self-confidence, adaptability to new environments and communication skills as well as their understanding of the workplace, work-related skills and work experience.

The Department also monitors job seeker outcomes following participation in Work for the Dole activities through the PPM Activities Labour Force survey. The Activities Labour Force survey measures job seekers' labour force status three months after they have exited from an activity, including those who may or may not have completed the activity.

Results show that 30.0 per cent of jobactive job seekers who exited Work for the Dole during July 2015 to June 2016, measured three months later, were in employment. This is 6.9 percentage points higher than for Job Services Australia job seekers who exited Work for the Dole in the 12 months to June 2015 (23.1 per cent were in employment three months later).

The employment outcome rate for job seekers who have exited Work for the Dole under jobactive is also several percentage points higher than for every PPM survey conducted for job seekers who exited Work for the Dole activities under Job Services Australia.

Comparative studies between Work for the Dole and non-Work for the Dole participants in 2000, 2006 and 2010 found that Work for the Dole reduced income support reliance, increased employment outcomes and decreased welfare dependence. Those studies found:

- a 13 percentage point positive net impact on off-benefit outcomes 12 months after referral (2000¹)
- a 7.3 percentage point positive net impact on employment outcomes at 12 months after commencement in 2005 (2006²)
- a 4.9 percentage point positive net impact on off-benefit outcomes at 12 months after commencement (2006²), and
- a 1.2 percentage point positive net impact on off-benefit outcomes at 12 months after commencement for part-time Work for the Dole (2010³).

¹ Department of Employment, Workplace Relations and Small Business (2000). *Work for the Dole: A Net Impact Study*. Canberra: DEWRSB, Commonwealth of Australia.

² Department of Education, Employment and Workplace Relations (2006). *Customised Assistance, Job Search Training, Work for the Dole and Mutual Obligation – A Net Impact Study*. Canberra: DEEWR, Commonwealth of Australia.

³ Department of Education, Employment and Workplace Relations (2010). *Labour Market Assistance: a net impact study*. Canberra: DEEWR, Commonwealth of Australia.