

The Outcomes of Jobs Education Training Child Care Fee Assistance (JETCCFA) Recipients

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List of Acronyms

CCB	Child Care Benefit
DSS	Department of Social Security
DEEWR	Department of Employment, Education and Workplace Relations
DEET	Department of Employment, Education and Training
DHCS	Department of Health, Housing and Community Services
EPP	Employment Pathway Plan
ESS	Employment Support Service
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
GFC	Global Financial Crisis
IS	Income Support
JET	Jobs, Education and Training
JCCB	JET Child Care Benefit
JETCCFA	JET Child Care Fee Assistance
JSCI	Job Seeker Classification Instrument
NSA	Newstart Allowance
PP	Parenting Payment
RED	Research and Evaluation Database
SJFA	Special JET Fee Assistance
SpB	Special Benefit
WTW	Welfare To Work
YA	Youth Allowance

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Executive Summary

This report evaluates a subsidy for child care costs designed to assist parents' investments in their labour market skills. *Jobs Education and Training Child Care Fee Assistance* (JETCCFA) is granted to parents who participate in specified jobs, education or training activities while they receive income assistance. Since the introduction of the program in 2007, it has grown rapidly, and by 2012, more than 20,000 parents are in concurrent receipt of JETCCFA.

This report provides information on the sociodemographic characteristics and income support histories of JETCCFA recipients, as well as on the specific activities they participate in, and their likelihood of leaving income support after finishing those activities. We use detailed Centrelink data to describe the population of JETCCFA recipients and compare them with other recipients of parenting payment who do not receive JETCCFA. We also provide a detailed picture how those JETCCFA recipients who subsequently become independent of income support differ from those JETCCFA recipients who continue to rely on income support. Furthermore, this report evaluates whether extending the maximum duration JETCCFA can be granted for improved the outcomes of the recipients. We compare a cohort of recipients who started their activities when JETCCFA was granted for a maximum of twelve months with a cohort who started their activities when it was granted for a maximum of 24 months.

The report draws the following conclusions:

- 1) JETCCFA is utilised primarily by young single parents, who have pre-school aged children. Less than a third of all JETCCFA recipients have a useful vocational qualification or recent work experience.
- 2) At a given point in time, an average JETCCFA recipient has been receiving JETCCFA for about five months and any form of IS for about three years. Only about one in five current JETCCFA recipients will exit IS within one year.
- 3) The largest boost in exit rates is observed when a child turns six years old. Exit rates are also substantially higher for male recipients of JETCCFA than for females, and for partnered parents compared to single parents.

- 4) In 2012, more than 80% of all activities JETCCFA recipients participated in were education or training activities. There was a sharp and continuous decline in employment activities over the last six years since introduction of the program.
- 5) It appears that all activity types are associated with roughly similar chances of subsequently exiting IS; further research is needed to establish a causal link between activity types and subsequent IS outcomes.
- 6) A reform that increased the access duration for JETCCFA had no impact on welfare dependency. This is not because 'duration did not matter', but because JETCCFA recipients did not actually participate in longer activities when given the opportunity to receive the child care subsidy for a longer time. Because of the low uptake, the reform thus did not incur any significant cost.

1. Introduction

Families with young children face considerable challenges when they are to combine family responsibilities and market work. Parents, and particularly mothers and single mothers, show lower labour force participation rates and employment rates, work fewer hours and have lower wages than the overall population. Single mothers are also considerably more likely to depend on income support payments. This labour market phenomenon can be explained, at least partly, by child care constraints. If child care is not available or too expensive, work or education activities that increase future earnings and employment prospects are difficult to undertake. An important part of the Australian Government's child care policy is 'JETCCFA', a subsidy for child care costs that effectively reduces the opportunity costs of investments in labour market skills. The policy goal is to reduce the barriers that parents face when they want to engage in education, training or work activities that facilitate a transition to sustained work for those parents who currently rely on income support. JETCCFA provides child care subsidies to enable income support recipients, primarily sole parents, to undertake work, study or training.

Over the past six years there have been significant increases in take up of JETCCFA with more income support families using JETCCFA for work, study or training activities that support participation. On 8 May 2012, the Australian Government announced the investment of an extra \$225.1 million over four years for parents undertaking JETCCFA. Along with the increased investment, the Government announced changes to better target JETCCFA, so that parents are better supported in enhancing their skills through work, study or training activities.¹ The current reforms to the program were developed based on assumptions of customer behaviours as there is a lack of current data about customer behaviour that is collected by the service delivery agency, Department of Human Services. This report provides baseline data which will inform future policy development whether the policy scheme reaches the population it is targeted at, whether it is utilised by those parents who are likely to benefit from the program the most, and whether the duration for which payments can be received is effective and efficient in facilitating transitions off income support and into work.

¹ JETCCFA is now targeted at study and training *for approved Certificate II (or higher) qualifications*. Where recipients already hold a qualification, assistance for *further study at the same level* is targeted at occupations listed on the Skills Shortage List.

This report addresses the following research questions:

- 1) What are the key characteristics of JETCCFA recipients?
- 2) What are the typical income support histories of JETCCFA customers in terms of the type of income support payment, the duration on income support, and the number of episodes on income support prior to and after completing a JETCCFA activity?
- 3) How do the key characteristics of JETCCFA recipients who leave income support after completing the JET program differ from those recipients who continue to depend on income support?
- 4) Do JETCCFA recipients who leave income support after receiving JETCCFA differ from those recipients who stay on income support in terms of the activities they undertake to receive JETCCFA?
- 5) To what extent does the duration of eligibility for JETCCFA impact the probability of JETCCFA recipients leaving income support within one year after receiving JETCCFA? How might restricting or expanding the duration of payments provide for better employment outcomes, i.e. decrease the reliance on income support payments and reduce welfare dependency?

2. Literature Review

A large body of literature has established a strong link between family labour supply, in particular female labour supply, and the presence of children in the household. Birch (2005) reviews a number of Australian and international studies and concludes that the effect of children on female labour supply is even somewhat stronger in Australia than for example in Canada or the US. In theory, this strong effect of family responsibilities on female labour supply can be relaxed by purchasing care services outside of the family, in particular child care services. Not surprisingly, the connection between the demand for child care and mother's labour supply within a household is thus high (Kalb, 2009).

However, while this suggests that the cost of child care should affect labour force participation and number of hours worked by parents, in particular mothers, international as well as Australian evidence on this question is somewhat mixed. For the US, Kimmel (1998) and Averett (1997) find the employment and labour force elasticity with respect to child care costs to be high, while Gelbach (2002) calculates substantial, but considerably lower elasticities. Anderson and Levine (1999) review the international literature and find that partnered mothers' labour force participation elasticity with respect to child care costs ranges from -0.05 to -0.35, but there is substantial variation for other sub-groups, with much stronger

effects of child care costs on labour supply for women with fewer skills. The situation appears similar in Australia: Rammohan and Whelan (2005) find child care costs to be of relatively low importance for partnered mothers' labour supply, and Cobb-Clark et al. (2000) come to a similar conclusion for a sample of two-parent couples. On the other hand, Doiron and Kalb (2005) confirm this result for married mothers, but also find high labour supply elasticities for other groups, particularly single parents and those with low expected wages when participating in the labour market. Given that single parents and relatively low skilled individuals are more likely to depend on income support than the overall population, JETCCFA might thus have a particularly strong effect on this sub-population.

3. The JET Program and JETCCFA

Following the recommendations in the 1986 Social Security Review, the 'JET'-Program was introduced in 1989. Its goal was to provide help to single parents that would enable them to enter employment, to reduce welfare dependency and child poverty. Single parents who participated in JET were given counselling and advice on available labour market programs, education and training as well as on financial support programs, and they had access to labour market programs and labour market assistance. One of the key services provided for participants in JET was child care assistance, because availability and affordability of child care is a pre-requisite for single parents to participate in any training or education activity, or engage in gainful employment (DSS, DEET and DHHCS, 1992).

These key characteristics are still broadly in place. However, as our understanding of the role of the welfare state and of the role of women in the labour market changed over time, more specific characteristics of the assistance available to families were adjusted, in order to account for that development. Among the major changes were compulsory activity requirements for PP recipients, which were introduced in 2003 for parents whose children were more than twelve years old (Alexander et al. 2005), and which were tightened and extended to parents of school-aged children in 2006 with the WTW reform (Fok & McVicar 2012).² In the course of the WTW reform, the child care assistance part of JET was reorganised as well. The former JCCB and SJFA administered by FaHCSIA were replaced by today's JETCCFA under the responsibility of DEEWR.

² Participation requirements apply to partnered parents of children who are six years and older, and to single parents who are eight years and older. The existing stock of PP recipients continued to receive PP until their youngest child was sixteen years old, while new IS applicants of children who are six years and older are now eligible for NSA. Fok and McVicar (2012) provide details of this reform and an evaluation of its effects.

JETCCFA³ is paid in addition to CCB, and, at the time of this report, reduced the cost of care to a parental contribution of \$0.1/hour of child care.⁴ Parents are eligible if they have a child in child care for which they are liable to pay, if they qualify for CCB at the maximum rate, and if they have a JETCCFA activity specified in an EPP, in a PP activity agreement, in an NSA activity agreement, in a YA activity agreement or in an SpB activity agreement. Activity agreements or EPPs need to be currently in force and the payment not cancelled. Table 1 shows the current maximum duration for which JETCCFA can be granted, which varies across activity types. Part-time equivalents can be granted where the activity is undertaken part-time.

Table 1 JETCCFA activity types and maximum duration of eligibility

Activity Type	Maximum duration of eligibility for JETCCFA
Job Search	20 days within 20 weeks
Paid work, setting up a business, or unpaid work	26 weeks 52 weeks if person lives in disadvantaged location and participates in the BAFW targeted initiative - Support for Jobless Families
Labour Market Programs and Personal Support Activities	Varying with specific program; between 26 weeks (e.g. Work for the Dole, Green Corps) and up to 2 years (e.g. Language, Literacy & Numeracy Programs)
Study and Training	One block of 24 months per qualification.
Other	26 weeks

Source: FaHCSIA (2013), own illustration.

The maximum duration of child care assistance for study and training purposes has undergone two important changes. First, under the old regime for SJFA and JCCB, before the introduction of JETCCFA on 1 July 2006, the time limit on child care fee assistance for study and training purposes had been 8 years with annual reviews. Former recipients of SJFA or JCCB were grandfathered (on 30 June 2006) and could continue to receive JETCCFA with no time limit for study and training activities. For new recipients, the time limit was set at 12 months. And second, this maximum duration of JETCCFA receipt for study and training has been extended on 1 July 2008, from 12 months to 24 months.

³ For the key elements of today's JETCCFA program as described in this Section, see FaHCSIA (2013).

⁴ The parental contribution was \$0.1/hour of child care bet 3 July 2006 and 30 December 2012. This was increased to \$1/hour of child care on 1 January 2013.

4. Methodology

This report addresses the first four research questions using descriptive statistics. We first present means and distributions of key characteristics (gender, age, age and number of children, partner status and partners' receipt of IS, country of birth and English language proficiency, education, vocational qualification and recent work experience, indigenous status, geographic location and housing situation) of JETCCFA recipients, in each year since the beginning of the program until today. We compare them to the general population of recipients of PP at the same points in time.⁵ Similarly, we compare the duration on IS in the past, and the number of past episodes on IS for JETCCFA recipients and PP recipients to answer research question 2.

We then split the groups of JETCCFA recipients at each point in time in two sub-groups: i) those who stay on IS continuously for at least 365 days after ending their JETCCFA activity, and ii) those who go on to exit IS within 365 days after ending their JETCCFA activity. We compare both sub-groups in terms of their key characteristics (research question 3), and in terms of the specific type of JETCCFA activity they undertook (research question 4).

Research question 5 focuses on the causal effect of a program characteristic on welfare dependency: the duration of JETCCFA receipt. If JETCCFA recipients can participate in activities of longer duration, does that make them more or less likely to leave IS afterwards? Longer activities might broaden or deepen a participant's skill set more than a shorter activity does. At the same time, longer activities also imply that the participant is not looking for work and thus becomes to some extent detached from the labour market for a longer period of time. While it is plausible to assume that the first effect more than outweighs the second effect up to a certain point, it is also plausible to assume that this relationship turns around once an activity exceeds a certain 'ideal' threshold in duration. Isolating a causal effect of the duration of an activity on subsequent outcomes is challenging as participants sort into those activities that are likely to be most useful to them. In order to disentangle the effects of characteristics that *make a participant choose an activity of a certain length* from the effect of *the activity's length itself* requires experimental data which is not available. However, a closely related question that can be answered with greater reliability and is of more direct interest for policymakers is whether an IS recipient's outcomes are improved when policies *enable* them to choose longer or shorter activities. Are JETCCFA recipients better off *if they have access* to JETCCFA for longer or shorter durations?

⁵ Note that JETCCFA is, albeit targeted at parents, not restricted to recipients of PP (see eligibility rules in Section 3). However, in practice the vast majority of JETCCFA recipients are PP recipients (see section 5).

In order to answer this question, we will apply a ‘difference-in-differences’-approach, where changes in outcomes for the ‘treatment group’ over time are compared to changes in outcomes for a ‘comparison group’ over time (see Blundell and Costa Dias, 2008). The outcome of interest is welfare dependency over time after taking up a JETCCFA activity. The treatment of interest is “*eligibility for JETCCFA (study and training) for a maximum duration of two years*”. As we look at the impact of eligibility for a certain government program rather than on the impact of taking the offer, this is also referred to as ‘intention-to-treat’-effect. The (intended) ‘treatment group’ are all individuals who enter JETCCFA receipt. We compare those who enter JETCCFA receipt before 30 June 2008 (when JETCCFA could be granted for a maximum period of one year), and after 1 July 2008 (when JETCCFA could be granted for up to two years). This is compared to a ‘control group’; a group that did not receive JETCCFA for two years *neither* before 30 June 2008, *nor* after 1 July 2008. Here, we will look at individuals who enter an activity that is in principle eligible for JETCCFA, but who do not receive JETCCFA.^{6,7} That is, we look at all individuals who begun an activity that is eligible for JETCCFA, some of which indeed received JETCCFA (‘treatment group’), and some of which did not (‘control group’).

Table 2 Entrants to participation in JETCCFA activity: treatment and control group, before and after Period

	Was group of JETCCFA activity participants eligible to receive JETCCFA for up to two years?	
	Control Group: <i>does not</i> receive JETCCFA	Treatment Group: <i>receives</i> JETCCFA
<i>Before period</i> Entrance to activity: 1 July 2006 – 30 June 2008	No	No
<i>After period</i> Entrance to activity: 1 July 2008 – today	No	Yes

Source: own illustration.

⁶ An IS recipient might not receive JETCCFA despite undertaking a JETCCFA eligible activity, e.g. because he or she does not have children in child care or is not liable to pay for their child care.

⁷ A list of ‘JETCCFA activities’, i.e. a list of activities that are assumed to be in principle eligible for JETCCFA, can be found in the Appendix.

The ‘difference-in-differences’ is chosen to eliminate ‘distorting’ effects over time: suppose we limited the analysis to JETCCFA recipients, compared their welfare dependency outcomes before and after 1 July 2008, and concluded the difference were entirely due to the change in eligibility rules. This conclusion is likely to be wrong: parents who started a JETCCFA activity after 1 July 2008 faced economic conditions upon ending their activity that were very different from the conditions for parents who entered JETCCFA earlier – namely pre-GFC and post-GFC conditions. It is possible that we would see a worsening of welfare dependency when the duration of JETCCFA payments was expanded, even if the expansion of the program had a positive effect, because the later JETCCFA recipients faced a tighter labour market upon ending their activity. For that reason, we analyse how the welfare dependency of other groups with similar characteristics (but unaffected by the expansion of JETCCFA) developed over the same time period. The measure of program success is not a change in welfare dependency outcomes over time, but whether and to what extent changes in welfare dependency over time are better for the affected group than for unaffected groups – the ‘difference in differences’.

After defining the ‘treatment group’ and ‘control groups’ we will show the so-called Kaplan-Meier estimator of the survivor function on IS. ‘Survival on IS’ means that a person has not yet left IS. The ‘survivor function’ represents what fraction of the population has not yet left IS after one, two, three, ... etc. days after a given starting point in time – in our case: the day when a person began a JETCCFA activity. The survivor function $\hat{S}(t)$ for every day t after the activity begun is calculated as:

$$\hat{S}(t) = \prod_{j|t_j \leq t} \frac{r_j - d_j}{r_j}$$

with r_j being the number of individuals who are still on IS on the j^{th} day after their activity started, and d_j being the number of people who leave IS on the j^{th} day. The number of people who stay on IS during day j as a proportion of those who had not yet left IS by the beginning of day j , is calculated each day from day 1 to day j . The product of those j numbers yields the ‘survivor function’ on day j . The survivor function is then calculated for each day after the activity had started and before the end of the observation period.⁸

We will estimate $\widehat{S}_k(t)$, $k = 1, \dots, 4$ separately for the four groups described above: i) the treatment group before the treatment, ii) the treatment group after the treatment, iii) the

⁸ For a discussion of this non-parametric estimation of the time until an event of interest occurs (here: exit of IS) see Cameron and Trivedi (2005: 580 – 582).

control group before the treatment, and iv) the control group after the treatment. The reform effect varies with time and can be expressed as:

$$\delta(t) = (\widehat{S}_2(t) - \widehat{S}_1(t)) - (\widehat{S}_4(t) - \widehat{S}_3(t)).$$

In order to make the control group and the treatment group more comparable in terms of their observed characteristics, we apply a weighting scheme: each observation i in the treatment group is weighted with weight one; each observation in the control group is weighted the more heavily, the more similar the individual is to a treated individual.⁹ By using this procedure, the distribution of key characteristics in the control group is re-weighted to match the distribution of those same key characteristics in the treatment group.

5. Data and Results

The primary data source for the proposed research is the Research and Evaluation Database (RED). RED contains detailed Centrelink administrative records for all IS recipients. This project is based on records that cover the period from 1 July 1998 to 28 February 2013. The central information in this database concerns the receipt of government transfers: the time period for which an individual received government transfers (including but not limited to income support), and the type and amount of payments. RED also provides information on activities that income support recipients undertake, and personal circumstances that are relevant for their payments. The primary population of interest for this report are recipients of JETCCFA. Table 1 shows the number of JETCCFA recipients over time, on 1 August of each reported year.

Table 3 Number of JETCCFA recipients over time

	2006	2007	2008	2009	2010	2011	2012
<i>Total number of recipients</i>	9,395	8,544	10,459	12,346	16,955	21,110	21,563
<i>Grandfathered</i>							
Yes	5,652	1,521	372	52	<50	<50	<50
No	3,743	7,023	10,087	12,294	16,939	21,105	21,562

Source: Research and Evaluation Database, own calculations.
 Note: Data are drawn on 1 August of each year.

There were 9,395 recipients of JETCCFA one month after the program had started on 1 July 2006. 60% of them were former recipients of JCCB or SJFA. Because the program is still

⁹ The weight is proportional to their estimated probability of being in the treatment group. This probability was estimated using a probit model with the explanatory variables age, age and number of children, partner status and country of birth.

very young at that point in time, the stock of new (i.e. non-grandfathered) recipients is naturally relatively small. The number of grandfathered recipients decline over time as one would expect. For the remainder of this report, grandfathered recipients are removed from the analysis, as they do not fall under the same regulations as new entrants, and the group will soon have left the program completely. Otherwise, the program has seen a rapid growth. The number of participants increased steadily by about 2,000 to 4,000 year after year, until it reached more than 21,000 recipients in 2011.

Table 4 shows for how long recipients of JETCCFA typically have been receiving the child care assistance. The recipients we observe in 2006 have been receiving JETCCFA on average for just over three weeks. This is because at the date of observation, 1 August, the program was only one month old, setting the maximum duration that was technically possible to just over four weeks. One year later, the average duration of receipt has increased to 16.5 weeks, just below four months. 10 % of all recipients had received JETCCFA for less than two weeks at the time of observation; one in four recipients received the fee assistance for 4.5 weeks or less. The median duration was 14 weeks; that means, one out of two recipients received JETCCFA for more than 14 weeks, and one out of two received it for less than 14 weeks. 10% of the recipients had been participating in the program for 29 weeks on 1 August 2007; the distribution is similar in the following year.

Table 4 Duration of JETCCFA receipt to date

Percentile	2006	2007	2008	2009	2010	2011	2012
<i>Mean</i>	3.24	16.46	17.95	21.43	19.99	19.92	22.85
<i>Standard Deviation</i>	[1.39]	[14.52]	[18.68]	[21.66]	[20.27]	[19.55]	[20.15]
<i>Percentile</i>							
<i>10%</i>	1.29	1.43	1.71	1.86	2.00	1.14	2.43
<i>25%</i>	2.29	3.43	3.71	5.86	5.00	5.14	8.43
<i>Median (50%)</i>	4.29	14.43	15.71	20.86	20.00	20.14	22.43
<i>75%</i>	4.29	25.43	24.71	24.86	25.00	25.14	25.43
<i>90%</i>	4.29	29.43	28.71	46.86	35.00	39.14	49.43

Source: Research and Evaluation Database, own calculations.
 Note: Data are drawn on 1 August of each year.

The left end of this distribution remains unchanged until 2012; there are no substantial changes to the median, the 10-, 20-, or even 75-percentile. We do see some change for the very long duration of payments: the 90-percentile is substantially higher in the years after the maximum duration of JETCCFA receipt had been extended than before. However, it is only the uppermost tail of the distribution that is affected, and the duration of payments seems to

have remained unchanged for the majority of recipients. We analyse this in more detail in Section 5.5.

Table 5 Income support payment types of JETCCFA recipients (in %)

	2006	2007	2008	2009	2010	2011	2012
PP	97.57	96.92	96.78	96.68	95.99	95.7	95.03
Not on IS	1.12	1.17	1.19	1.01	1.1	0.63	0.61
NSA	0.4	0.78	0.69	0.72	0.93	1.23	1.33
YA	0.03	0.04	0.04	0.01	0.01	0	0.02
SB	0.11	0.23	0.16	0.09	0.09	0.09	0.05
Other	0.77	0.85	1.14	1.5	1.88	2.35	2.97
Total	100	100	100	100	100	100	100

Source: Research and Evaluation Database, own calculations.

Note: Data are drawn on 1 August of each year.

Although the program is available to recipients of many different payment types, the vast majority of JETCCFA recipients (more than 95%) receive PP, as is shown in Table 5. A small number of JETCCFA recipients do not currently receive any income support, and some receive YA, NSA or other benefits, but those groups are very small. Without introducing significant inaccuracy, we can thus interpret JETCCFA as a sub-population of PP recipients. This gives us a natural comparison group - the population of PP recipients - when we explore the key characteristics of JETCCFA participants. Information on socio-demographic characteristics in RED is limited, and we thus augment the RED data with information collected to calculate an individual's labour market disadvantage using the Job Seeker Classification Instrument (JSCI). The JSCI data provide a snapshot of the individuals' circumstances at the time of an interview, which can take place when an IS recipient claims benefits, at the time they register with Centrelink or when they commence with an ESS provider. If an individual's circumstances change significantly, and their service arrangement is affected, new interviews may be conducted and the JSCI information may be updated. In between those interviews, we have to treat the recorded characteristics as constant; we always use information from the most recent JSCI interview.¹⁰

¹⁰ The earliest JSCI data available to us refers to interviews from 13 April 2003.

5.1 Characteristics of JETCCFA Recipients

In this section, we will present how the population of JETCCFA recipients differs from the population of PP recipients. To see how the population has developed over time, we present characteristics for JETCCFA recipients and PP recipients on 1 August 2007, when JETCCFA was relatively new, and JETCCFA recipients and PP recipients on 1 August 2012. Table 6 shows the distribution of characteristics, conditional on the information being available; additionally the frequency of missing information is given for each characteristic.¹¹ Information taken from RED, namely gender, age, age and number of children, partner status, partners' income support receipt, and indigenous status is available for all or almost all recipients of JETCCFA or PP. Coverage of characteristics taken from JSCI is around 50% to 65%. This includes characteristics such as education level, country of birth and English language proficiency, whether the IS recipient has a useful vocational qualification and his or her recent work experience, geographical location and access to transport, as well his or her housing situation is around 50% to 60%.

While the proportion of male recipients of PP was only 7% in 2007 and 6% in 2012, it was even lower among JETCCFA recipients, with less than 3% at the beginning of the program and today. In 2007, about a third of PP recipients were 25 to 34 years old, and another third was 35 to 44 years old. In comparison, JETCCFA recipients were considerably younger; about every second JETCCFA recipient was in the age group 25 to 34, and less than 3% were 45 years and older. The age distribution of JETCCFA recipients has remained almost constant since introduction of the program, while PP recipients are now somewhat younger than they were five years ago, so that the age gap between both groups has closed somewhat.

¹¹ This means that the frequencies without the category 'missing' add up to 100%, and refer to the population with non-missing information. Additionally, 'missing' is reported as the relative frequency of missing information vs. non-missing information in the total population.

Table 6 Characteristics of JETCCFA recipients and PP recipients

Characteristic	2007		2012	
	JETCCFA	PP	JETCCFA	PP
<i>Gender</i>				
Male	2.08	7.02	2.22	5.84
Female	97.92	92.98	97.78	94.16
(Missing)	(0.00)	(0.00)	(0.00)	(0.00)
<i>Age group</i>				
0 to 17yrs	0.81	0.50	0.69	0.55
18 to 24yrs	24.31	13.03	23.88	15.76
25 to 34yrs	46.97	35.20	48.82	40.35
35 to 44yrs	25.23	37.15	23.97	33.05
45+ years	2.68	14.11	2.65	10.30
(Missing)	(0.00)	(0.00)	(0.00)	(0.00)
<i>Age of youngest child</i>				
<1year	8.56	12.99	7.64	14.85
1 year	20.93	11.54	19.30	14.51
2 years	21.52	9.24	22.91	12.40
3 years	19.46	7.88	20.01	10.96
4 to 5 years	19.66	14.11	21.16	18.64
6 to 11 years	9.76	28.98	8.74	20.19
12+ years	0.12	15.26	0.24	8.46
(Missing)	(1.21)	(0.05)	(0.61)	(0.04)
<i>Number of children</i>				
One child	42.03	44.14	40.93	41.48
Two children	31.95	33.09	33.45	32.51
Three children	14.96	14.66	15.85	16.16
Four children	7.08	5.42	6.17	6.48
More than 4 children	3.98	2.69	3.59	3.38
(Missing)	(1.21)	(0.05)	(0.61)	(0.04)
<i>Has another child within 3 years</i>				
Yes	24.56	18.59	--	--
<i>Partnered</i>				
No	81.70	73.20	80.86	73.66
Yes	18.30	26.80	19.14	26.34
(Missing)	(0.00)	(0.00)	(0.00)	(0.00)
<i>If there is a partner: partner receives IS</i>				
No	47.70	58.08	53.44	56.48
Yes	52.30	41.92	46.56	43.52
(Missing)	(0.00)	(0.00)	(0.00)	(0.00)
<i>Country of birth</i>				
Australia	66.31	74.56	70.97	76.05
Main English speaking countries	5.68	6.45	4.93	5.16
Other Non-English speaking countries	28.01	18.99	24.10	18.80
(Missing)	(0.00)	(0.00)	(0.00)	(0.00)
<i>English language proficiency</i>				
Poor	8.02	4.54	6.28	5.35
Mixed	4.85	5.36	3.30	4.52
Good	87.12	90.11	90.41	90.13
(Missing)	(35.75)	(50.1)	(20.66)	(25.07)
<i>Highest Education level</i>				
Less than year 10	14.67	18.74	10.88	15.85
Year 10 or 11	33.80	38.17	35.71	40.99
Year 12, Cert III/IV, Diploma ^a	46.54	38.91	46.94	37.87

University	4.99	4.17	6.48	5.29
(Missing)	(35.75)	(50.1)	(20.66)	(25.07)
<i>Useful vocational qualification^b</i>				
No vocational qualification	63.63	64.40	57.24	59.97
Useful vocational qualification	33.02	31.46	40.15	37.16
Not useful vocational qualification	3.35	4.14	2.61	2.87
(Missing)	(35.75)	(50.1)	(20.66)	(25.07)
<i>Recent work experience</i>				
Outside labour force	56.8	48.01	62.44	49.59
Unemployed	11.97	13.69	5.55	10.45
Unpaid/ Seasonal/Irregular work	4.01	5.51	1.01	1.69
Part-time <30hrs/wk.	15.44	20.31	14.56	20.07
Full-time	11.68	12.59	16.44	18.20
(Missing)	(35.75)	(50.1)	(20.66)	(25.07)
<i>Indigenous status</i>				
No	94.24	91.13	93.81	89.49
Yes	5.76	8.87	6.19	10.51
(Missing)	(2.61)	(4.02)	(4.50)	(4.52)
<i>Geographical Location</i>				
Metro/inner regional	95.48	91.30	92.37	87.23
Outer regional, remote or migratory	4.52	8.70	7.63	12.77
(Missing)	(35.75)	(50.1)	(20.66)	(25.07)
<i>Access to transport</i>				
No transport	1.37	2.40	1.39	3.57
Public	69.53	68.24	42.85	43.26
Private	25.22	25.85	50.43	44.97
Private (other)	3.88	3.52	5.34	8.19
(Missing)	(35.75)	(50.1)	(20.66)	(25.07)
<i>Rent payment type</i>				
Private	79.87	72.45	77.68	71.55
No Rent Paid	8.28	12.92	8.93	13.87
Boarding/Lodging	7.63	8.96	9.13	8.96
Government	3.30	4.51	1.32	2.16
Other	0.92	1.16	2.95	3.46
(Missing/not in rent table)	(25.89)	(35.36)	(20.23)	(27.95)
<i>Housing status^c</i>				
Stable housing	87.26	89.91	91.30	91.89
Secondary Homeless	9.88	7.74	8.06	7.41
Primary Homeless	2.86	2.36	0.65	0.70
(Missing)	(35.75)	(50.1)	(20.66)	(25.07)
<i>Total number of observations</i>	<i>7,023</i>	<i>535,585</i>	<i>21,562</i>	<i>437,344</i>

Source: Research and Evaluation Database, own calculations.

Notes: Data are drawn on 1 August of each year. The relative frequency of characteristics values is reported conditional on the information being non-missing. Non-missing categories thus add up to 100%.

^a Certificates I and II are included as equivalent to Year 12.

^b Vocational qualifications are considered 'not useful' by the JSCI, if the individual cannot use the qualification for health reasons or lack of language proficiency, if an overseas qualification is not recognized, or if the qualification is out-dated, suspended or terminated.

^c Homelessness is defined as follows: "stable accommodation is defined as having a reasonably fixed, regular and adequate place to stay. It includes rented or owner-occupied accommodation which may be a house, flat or caravan. Primary homelessness is defined as staying in a squat, sleeping out or having nowhere to stay. Secondary homelessness is defined as staying in a refuge; staying in emergency, transitional or support accommodation; staying in a hostel, boarding house or rooming house; staying in a hotel; short stays in a caravan park; temporarily staying with friends (or couch-surfing); or moving more than three times in the previous 12 months."

We can see a substantial difference between JETCCFA recipients and PP recipients in terms of the age of their youngest child: the youngest child of JETCCFA recipients is on average less than three years old, while the youngest child of PP recipients was close to six years on average in 2007, and decreased to just above four years on average in 2012.¹² The youngest child of 80% of all JETCCFA recipients is between one and five years old. The youngest children of PP recipients are somewhat more likely to be below the age of one, and substantially more likely to be older than six years. (44% of all PP recipients have only children of school age or older, compared to 10% of JETCCFA recipients). Likewise, JETCCFA recipients in 2007 were more likely to have had a further child by 2010. Both groups have on average two children; about 40% have only one child. The number of children is stable over the last five years. Partner status appears to be stable for both groups as well; JETCCFA recipients are more often single than PP recipients in general, and if they have a partner, he or she is more likely to receive IS as well.

JETCCFA recipients are somewhat more likely to be born outside of Australia than PP recipients and more likely to be born in a Non-English speaking country (but the proportion of Australian-born recipients is growing over time). This explains the somewhat higher rates of poor English language proficiency among JETCCFA recipients; however, the proportion with poor language skills is small and decreasing. In terms of schooling, JETCCFA recipients are slightly better educated than PP recipients in general. 52% (43%) of all JETCCFA (PP) recipients had an education level of at least Year 12; this proportion stayed constant until 2012. However, in both groups it has become increasingly rare that recipients do not have at least a Year 10 qualification: while 15% (JETCCFA recipients) and 19% (PP recipients) did not reach this education level in 2007, this proportion declined to 11% and 16% in 2012. We can also see improvements with regard to vocational qualifications: 33% of JETCCFA recipients had a useful qualification in 2007; this increased to 40% in 2012. For PP recipients, we see an increase in the useful vocational qualifications from 32% to 37%.

JETCCFA recipients do experience a slightly worse situation in the labour market than PP recipients, and the development over time gives an unclear picture. In 2007, only 15% of all JETCCFA recipients had recent part-time work experience, and 12% had recent full-time work experience. Most commonly, JETCCFA recipients had been out of the labour force

¹² This reflects the changes to eligibility rules for PP during the WTW reform, which lowered the maximum age of the youngest child for PP eligibility for new claimants to eight years (single parents) and six years (partnered parents). For existing claimants with a child six years or older, a participation requirement of 15 hours/week was introduced. Fok and McVicar (2012) show that this reform has increased exits from IS substantially. The combined effect on new claimants and existing claimants has changed the composition of PP-receiving families towards families with younger children.

recently (57%). In comparison to that, PP recipients had been more often part-time employed and less often out of the labour force (which can be partly explained by them having older children). This changed in the following six years. In 2012, the recent work experience of PP recipients has changed slightly towards more full-time employment (likely to be caused by recent inflows into PP due to the GFC) than in 2007. In contrast, recent unemployment is much less common for JETCCFA recipients in 2012 than in 2007. The decrease in recent unemployment over time is matched by about equal increases in recent full-time employment and recent labour force non-participation.

The proportion of indigenous recipients has increased very slightly over time in both groups, and is lower among JETCCFA recipients than in the general PP population. JETCCFA recipients also live less often in outer regional or remote areas; however, the proportion of recipients in remote areas is increasing over time for both groups. A large change occurred with respect to private transport, while only one in four recipients of JETCCFA or PP had access to private transport, five years later this is true for about one in two recipients.

Four out of five recipients of JETCCFA live in rented accommodation; about 8% live rent-free or in boarding houses. The proportion living in government accommodation is small with less than 3%. Compared to the population of PP payment recipients, JETCCFA recipients pay rent more often, and live less often in other housing types. The proportion affected by secondary homelessness was slightly higher among JETCCFA recipients than among PP recipients in 2007, but has decreased to the level among PP recipients by 2012. The distribution of housing characteristics appears relatively stable over time and across both groups.

To summarise the above: the typical JETCCFA recipient is a female single parent between the age of 25 and 34 with one or two children and a youngest child younger than six years old, who lives in rented accommodation in a metropolitan or inner regional area. Every second recipient has Year 12 education or above and a lack of English language skills is rare; on the other hand, more than two thirds do not have a useful vocational qualification and no recent work experience, neither full-time nor part-time. Despite high inflows into the program in the last five years, and despite the GFC that could have changed the nature of inflows substantially, the population is remarkably stable over time; JETCCFA recipients in 2012 do not differ substantially from JETCCFA recipients in 2007. Compared to other recipients of PP, they are even more often female and single, have younger children, and are younger themselves. On the one hand, they have somewhat higher education, but on the other hand

they are more often affected by poor English language proficiency, and have less often recent work experience.

5.2 Income Support Histories of JETCCFA Recipients

Table 7 shows information on typical income support histories of JETCCFA recipients: for how long have they continuously received any type of IS? How many episodes of benefit receipt did they have in their lives, up until the date of observation? How sustained was IS receipt within the last couple of years? The upper panel shows the information for JETCCFA recipients; the lower panel presents the information for other recipients of PP for comparison.

Table 7 Income support history of JETCCFA recipients and PP recipients

Characteristics	2006	2007	2008	2009	2010	2011	2012
JETCCFA recipients							
Duration on Income support (weeks)	137.28 [110.57]	141.00 [117.64]	142.04 [123.96]	140.01 [124.67]	141.68 [128.82]	141.13 [130.92]	144.77 [133.77]
Number of benefit episodes to date (excl. current episode)	3.86 [3.33]	3.87 [3.39]	3.88 [3.41]	3.90 [3.45]	4.04 [3.53]	4.05 [3.52]	4.11 [3.55]
Proportion of time on IS within last 3 years	82.74 [25.36]	83.96 [24.73]	83.14 [25.22]	82.63 [25.55]	82.01 [25.76]	82.16 [25.7]	83.49 [25.05]
Proportion of time on IS within last 2 years	88.92 [21.78]	89.41 [21.21]	89.08 [21.48]	88.66 [21.95]	88.59 [21.92]	88.88 [21.9]	89.64 [21.24]
Proportion of time on IS within 1 year	94.74 [16.17]	95.25 [15.08]	95.02 [15.51]	94.96 [15.55]	95.19 [15.26]	95.00 [15.61]	95.57 [14.64]
PP recipients							
Duration on Income support (weeks)	171.45 [142.8]	190.32 [156.25]	200.91 [169.78]	202.5 [182.39]	207.04 [192.6]	210.75 [201.52]	213.34 [209.39]
Number of benefit episodes to date (excl. current episode)	3.55 [3.16]	3.65 [3.22]	3.80 [3.31]	3.90 [3.39]	3.99 [3.46]	4.08 [3.51]	4.14 [3.56]
Proportion of time on IS within last 3 years	83.45 [27.35]	85.49 [25.61]	85.59 [26.05]	83.33 [28.35]	82.72 [28.3]	83.23 [27.65]	83.48 [27.68]
Proportion of time on IS within last 2 years	87.55 [24.83]	89.47 [22.87]	89.27 [23.6]	86.92 [25.98]	87.07 [25.44]	87.87 [24.68]	87.72 [25.00]
Proportion of time on IS within 1 year	92.51 [20.21]	94.11 [18.25]	93.49 [19.16]	91.99 [21.15]	92.7 [20.14]	93.01 [19.77]	92.84 [20.04]

Source: Research and Evaluation Database, own calculations.

Notes: Data are drawn on 1 August of each year. Standard deviations are reported in square brackets.

The average duration on IS on the date of observation for JETCCFA recipients is about 140 weeks, or just under three years. This duration has remained steady over the last years, except for an increase from 2006 to 2007, and again another increase from 2011 to 2012. Both increases amount to about 3% of the duration of the last year. The total increase in average time spent on IS from 2006 to 2012 is 5.5% and thus moderate. There is a similar development in the number of episodes to date, which increased from 3.86 to 4.11 or by 6%. On average, JETCCFA recipients have been receiving IS for most of the last three years (>80%), and for almost the entire last year (~95%).

The income support histories of JETCCFA recipients are somewhat shorter than those of other recipients of PP. In particular, for JETCCFA recipients we do not see the same steady increase in the past duration of IS that we see for PP recipients, for whom the average duration on IS has increased from 171 weeks in 2006 to 213 weeks in 2012, by almost nine months.¹³ Similarly, the number of episodes on IS has increased from 3.5 to more than 4, a development that is not mirrored for JETCCFA recipients. Overall, JETCCFA recipients have shorter IS histories than other PP recipients, and did not experience the same worsening of IS histories that other PP recipients experienced during the last six years.

Table 8 shows *future* IS receipt, looking forward from the day of observation in the given reported year. Looking at all JETCCFA recipients, for example, on 1 August 2007: how many of them had left IS at any time for at least one day within the next four weeks, i.e. by 29 August 2007? How many had left IS for at least one day within the next 26 weeks, i.e. by 30 January 2008? As expected, there are only a small number of JETCCFA recipients who leave within the next four weeks after the day when we observe them, about 2.5%. About 6% to 7% leave IS within the next three months, and about 11% to 12% within half a year. Within in one year, one in five leave IS, within two years one in three recipients. Three years after the day of observation, every second JETCCFA recipient still receives IS. The probability of leaving IS very slightly decreases over time. The relationship between the probability of leaving IS within a given time interval and the length of this interval is negative: e.g. the probability of leaving IS within two years is less than twice as high as the probability of leaving IS within one year; the probability of leaving IS within one year is less than twice as

¹³ Prior to the WTW reform, existing PP recipients were 'grandfathered' on the existing regulations regarding receipt of PP. While new applicants are now transferred to NSA when their youngest child turns eight, the existing stock of PP recipients with relatively long histories remained on the payment until the youngest child turned 16. This creates – purely mechanically – a situation where PP recipients have increasingly long histories on PP, because the long-term recipients are predominantly those who are allowed to stay on the payment. As part of the 2012-13 Budget, this grandfathered status was ceased, which means that future data will no longer show the same pattern.

high as the probability of leaving IS within half a year, and so on. This suggests that exit rates decrease with time already spent on IS. Such a phenomenon might be due to stigma effects or depreciation of skills that make it harder to leave IS the longer one has received IS already. It can also be caused by selection, because the recipients with a good chance of becoming independent from IS do so relatively early on, and the individuals who face more difficulties stay on IS longer. However, the effect seems relatively mild for JETCCFA recipients.

Table 8 Future exit from income support, JETCCFA recipients and PP recipients

Exit from IS within...	2006	2007	2008	2009	2010	2011
JETCCFA recipients						
... 3 years after JETCCFA activity	47.31	46.38	47.36	48.98	.	.
... 2 years after JETCCFA activity	37.03	35.55	35.74	36.78	35.55	.
... 1 year after JETCCFA activity	22.98	21.63	21.3	22.39	21.39	20.57
... 26 weeks after JETCCFA activity	13.38	12.72	12.66	13.07	12.19	11.79
... 13 weeks after JETCCFA activity	7.29	7.02	6.66	7.17	6.54	6.50
... 4 weeks after JETCCFA activity	2.56	2.66	2.57	2.62	2.34	2.39
PP recipients						
... 3 years after current date	46.99	47.23	47.9	49.37	.	.
... 2 years after current date	35.8	35.61	36.34	37.22	36.21	.
... 1 year after current date	20.84	21.23	21.12	21.73	21.01	20.94
... 26 weeks after current date	11.03	11.69	11.48	11.14	11.02	11.1
... 13 weeks after current date	6.41	6.93	6.57	6.39	6.36	6.30
... 4 weeks after current date	2.83	3.23	3.11	2.82	2.82	2.66
JETCCFA recipients						
... 3 years after current date	57.99	56.82	54.58	54.88	.	.
... 2 years after current date	46.55	45.31	42.69	43.34	42.51	.
... 1 year after current date	27.71	29.24	26.06	26.91	26.41	25.54
... 26 weeks after current date	14.84	16.94	14.74	15.09	15.09	14.65
... 13 weeks after current date	8.47	9.88	8.55	8.54	8.79	8.51
... 1 year after current date	3.12	3.51	3.18	3.09	3.25	3.22

Source: Research and Evaluation Database, own calculations.

Note: Data are drawn on 1 August of each year.

Instead of following JETCCFA recipients from each year's day of observation, we can also follow the same group of people until the end of their JETCCFA activity and beyond: how many of them had left IS at any time for at least one day within one, two or three years after the day when they finished their JETCCFA activity? How many of them did so within four weeks, three months, or six months? We see a very similar pattern as before. However, the probability of leaving IS within a given time interval after finishing the activity is somewhat higher than the probability of leaving IS within a given time interval after 'today', except for

the very short interval of four weeks. This implies that any possible ‘lock-in-effects’ of JETCCFA are low and taper off within less than three months.¹⁴

Compared to the general population of PP recipients, JETCCFA recipients are more likely to stay on IS for all of the observed time intervals. However, this is certainly cannot be interpreted as an effect of the JETCCFA program. The most plausible explanation is that JETCCFA recipients have considerably younger children (see last section), and exit rates from IS increase substantially when children get older. To gain further insights into this point, we compare the characteristics of JETCCFA recipients who become independent of IS within a year with the characteristics of those who do not in Section 5.3.

5.3 JETCCFA Recipients Who Become Independent of IS

What relationship do we find between the key characteristic rates as described in Table 6, and an IS recipient’s chances of becoming independent of welfare? Table 9 shows the proportion of JETCCFA recipients who leave IS within one year of finishing their JETCCFA activity. The table shows pooled results for the years 2006 to 2011.¹⁵ For this time period, the proportion of JETCCFA recipients who left IS was about 20%. This proportion is relatively stable across some characteristics: any variation across age groups, country of birth, English language proficiency, vocational qualification, recent work experience, ATSI status and access to transport appears to be negligible. However, the proportion leaving IS varies widely over other characteristics, most importantly across gender, age of the youngest child, partner status and education.

Among the very small group of male JETCCFA recipients, the proportion that leaves income support is close to 40% compared to 20% among the females. This might be caused by selection into single parenthood, which could be driven by different factors for men and women. Exit rates are twice as high for partnered recipients as they are for singles, and they are even higher if the partner does not depend on income support. The age of the youngest child plays, unsurprisingly, a large role: the probability of exiting IS jumps up from about 20% at the pre-school age to 28% when the child is older than six. There is also a relatively steep gradient with education; high-educated recipients are 8 percentage points more likely to leave IS than low-educated recipients. In contrast, there does not seem to be a significant

¹⁴ ‘Lock-in-effects’ occur, when an activity that is meant to *increase* the probability of finding employment or leaving income support *temporarily decreases* that probability while the activity is undertaken.

¹⁵ We pooled the data from 2006 to 2011 because there was no variation in exit rates over time (see Section 5.2, Table 8). Data for the year 2012 is excluded, because at the time this report was written most JETCCFA recipients on 1 August 2012 either had not finished their activity yet, or had done so less than a year ago.

relationship between exit rates and having a vocational qualification. However, the data does not allow us to distinguish between different types of vocational qualification; it is possible that exit from IS receipt is affected by the *type* of vocational qualification, although we do not find a strong overall effect of having just *any* vocational qualification. Somewhat surprisingly, individuals in outer regional and remote areas are more likely to exit IS than individuals in inner regional or metropolitan areas, but the difference is small and of limited economic significance. There is also some variation across rent types: IS recipients who do not pay rent are more likely to exit IS than recipients who rent. On the other hand, JETCCFA recipients who live in boarding houses or in government housing are less likely to become independent of welfare payments.

Table 9 Probability of exiting income support across sociodemographic characteristics

Overall Rate	20.35
<i>By characteristics</i>	
<i>Gender</i>	
Male	38.61
Female	19.96
<i>Age group</i>	
0 to 17yrs	17.45
18 to 24yrs	21.26
25 to 34yrs	20.96
35 to 44yrs	18.37
45+ years	20.16
<i>Age of youngest child</i>	
< 1 year	23.83
1 year to < 2 years	21.55
2 years to <3 years	18.87
3 years to <4 years	17.48
4 years to <6 years	19.02
6 years to < 12 years	28.06
12+ years	16.83
<i>Number of children¹</i>	
One child	19.91
Two children	20.94
Three children	20.78
Four children	20.52
More than four children	18.99
<i>Partnered</i>	
No	17.51
Yes	33.13
<i>If there is a partner: partner receives IS</i>	
No	35.42
Yes	30.86

<i>Country of birth</i>	
Australia	20.56
Main English speaking countries	20.18
Other Non-English speaking countries	19.84
<i>English language proficiency</i>	
Poor	19.23
Mixed	21.59
Good	21.05
<i>Highest Education level</i>	
Less than year 10	19.57
Year 10 or 11	20.54
Year 12 – Diploma	20.39
University	27.92
<i>Useful vocational qualification</i>	
No vocational qualification	20.45
Useful vocational qualification	21.71
Not useful vocational qualification	21.43
<i>Recent work experience</i>	
Outside labour force	20.70
Unemployed	21.41
Unpaid work	19.61
Seasonal/Irregular work	21.53
Part-time <8hrs/wk.	20.82
Part-time 8-30hrs	20.70
Full-time	22.01
<i>Indigenous status</i>	
No	20.33
Yes	22.25
<i>Geographical Location</i>	
Metro/inner regional	20.70
Outer regional, remote or migratory	24.90
<i>Access to transport</i>	
No transport	21.05
Public	20.33
Private	21.89
Private (other)	21.17
<i>Rent payment type</i>	
Private	20.95
No Rent Paid	21.44
Boarding/Lodging	18.79
Government	14.54
Other	16.78
<i>Housing status</i>	
Stable housing	21.03
Secondary Homeless	20.35
Primary Homeless	19.17

Source: Research and Evaluation Database, own calculations.

Note: Data are drawn on 1 August of each year. For the definition of primary and secondary homelessness and useful vocational qualifications see notes to Table 6.

5.4 Activities of JETCCFA Recipients Who Become Independent of IS

Apart from individual characteristics, the chance of becoming independent of IS payments might be connected to the type of activities that JETCCFA recipients undertake. Table 10 shows the proportion of JETCCFA recipients that engage in certain activity types by year. Activities are grouped in six groups: i) employment / paid work, ii) unpaid work, iii) labour market programs, iv) education/training, v) rehabilitation and vi) other. A detailed list of activity codes and how they are grouped together can be found in the appendix.¹⁶ The last column of Table 10 shows the proportion of JETCCFA recipients who leave IS within one year of ending the JETCCFA activity. Data for this column is pooled over the years 2006 to 2011 as seen previously in Table 9. The overwhelming majority of JETCCFA recipients engage in employment or in education. Labour Market Programs also play some role, but are of lesser importance and become less common over time. The other activity types are of minor importance, making up less than 3% of the activities in each year since the introduction of JETCCFA.

Table 10 Probability of exiting income support across activity types

Activity type	2006	2007	2008	2009	2010	2011	Exit Rate
Employment	32.76	21.85	18.44	10.47	12.4	13.34	22.6
Unpaid work	1.10	0.83	0.91	0.61	0.58	0.60	19.02
Labour Market Program	7.77	3.5	2.73	3.04	4.37	4.60	22.28
Education / Training	57.39	72.99	77.18	85.07	82.06	81.12	21.13
Rehabilitation	0.35	0.39	0.22	0.16	0.15	0.11	23.08
Other	0.24	0.16	0.19	0.1	0.01	0.00	29.82
Missing	0.67	0.41	0.45	0.66	0.52	0.27	25.78
Total	100	100	100	100	100	100	21.42

Source: Research and Evaluation Database, own calculations.

Note: Data are drawn on 1 August of each year.

In 2006, 33% of all JETCCFA participants engaged in employment, 8% participated in a LMP, and 58% did some educational course. This has shifted considerably over time. The proportion who engages in employment decreased from 33% to 22% in the first year, decreased further to 10% in 2009, and increased only slightly back to 13% in 2011. Accordingly, the importance of educational activities increased over time. After the start of the program in 2006, within the first twelve months the proportion engaging in educational

¹⁶ At the time of this report, coding of JETCCFA activities was at the discretion of Centrelink staff, and did not follow a standardised process. Now automated coding is available; for the reported period, however, the information on activity types should be seen as indicative rather conclusive results.

activities increased from 58% to 73%. Another two years later, this proportion had increased to 85%. In 2011, it was at almost the same level as in 2009 with 81%.

The probability of leaving IS appears to be quite stable across activity types. Around 20 % of JETCCFA recipients leave IS within one year after the day of observation. This, however, does not mean that all activities are equally effective. Establishing a causal link between activity types and the probability of leaving IS is beyond the scope of this project. However, for a first insight, Table 11 compares characteristics of JETCCFA recipients who undergo training and education with the characteristics of JETCCFA recipients who engage in employment activities in 2009. The results show that participants in education and training tend to start their activity from a somewhat more difficult position, yet achieve about the same results in terms of independence from IS payments. This hints towards educational activities having a more positive effect (although the analysis is too simplistic at this stage to draw a definite conclusion). Participants in employment activities have fewer children and are less likely to have another child in the medium-term future. They are less often single, and if they have a partner, their partner is less often on IS. They are more often Australian-born, and thus have a lower probability of facing language difficulties. They are more likely to have finished Y10, to have a useful vocational qualification, and to have recent work experience both full-time as well as part-time. They are less often indigenous, have better access to private transport, and more often live in stable housing arrangements. The differences in socioeconomic characteristics show that participants in employment activities are consistently 'better off' than those in education and training activities, calling into question whether their almost equal exit rates from IS imply that both activity types are equally effective. Further research is needed to determine the causal effect of activity types on exit rates after controlling for other characteristics.

Table 11 Characteristics of JETCCFA recipients across activity types

Characteristic	JETCCFA recipients 2009	
	Education or Training	Employment
<i>Gender</i>		
Male	1.86	2.03
Female	98.14	97.97
(Missing)	(0.00)	(0.00)
<i>Age group</i>		
0 to 17yrs	1.02	0.23
18 to 24yrs	24.04	22.75
25 to 34yrs	48.28	49.18
35 to 44yrs	24.32	24.94
45+ years	2.34	2.89
(Missing)	(0.00)	(0.00)
<i>Age of youngest child</i>		
<1year	7.95	9.15
1 year	20.09	23.07
2 years	23.38	20.84
3 years	20.10	17.58
4 to 5 years	20.15	16.47
6 to 11 years	8.22	12.33
12+ years	0.11	0.56
(Missing)	(0.79)	(1.72)
<i>Number of children</i>		
One child	41.81	46.06
Two children	31.87	34.69
Three children	15.22	12.57
Four children	6.70	4.85
More than 4 children	4.40	1.83
(Missing)	(0.79)	(1.72)
<i>Has another child within 3 years</i>		
No	77.91	82.02
Yes	22.09	17.98
(Missing)	(0.79)	(1.72)
<i>Partnered</i>		
No	79.43	92.34
Yes	20.57	7.66
(Missing)	(0.00)	(0.00)
<i>If there is a partner: partner receives IS</i>		
No	50.67	57.14
Yes	49.33	42.86
(Missing)	(0.00)	(0.00)
<i>Country of birth</i>		
Australia	65.27	80.38
Main English speaking countries	5.25	6.33
Other Non-English speaking countries	29.48	13.29
(Missing)	(0.00)	(0.00)
<i>English language proficiency</i>		
Poor	8.12	2.39
Mixed	4.67	1.66
Good	87.21	95.95
(Missing)	(34.20)	(24.63)

<i>Highest Education level</i>		
Less than year 10	13.31	6.83
Year 10 or 11	32.22	38.34
Year 12, Cert III/IV, Diploma ^a	48.25	48.53
University	6.22	6.30
(Missing)	(35.12)	(25.57)
<i>Useful vocational qualification^b</i>		
No vocational qualification	61.27	53.01
Useful vocational qualification	35.34	44.61
Not useful vocational qualification	3.39	2.39
(Missing)	(34.20)	(24.63)
<i>Recent work experience</i>		
Outside labour force	55.63	44.81
Unemployed	9.50	9.44
Unpaid/ Seasonal/Irregular work	2.21	2.59
Part-time <30hrs/wk.	17.20	21.79
Full-time	15.45	21.37
(Missing)	(34.20)	(24.63)
<i>Indigenous status</i>		
No	94.24	91.13
Yes	5.76	8.87
(Missing)	(2.61)	(4.02)
<i>Geographical Location</i>		
Metro/inner regional	96.29	92.22
Outer regional, remote or migratory	3.71	7.78
(Missing)	(34.20)	(24.63)
<i>Access to transport</i>		
No transport	1.16	1.24
Public	71.28	63.49
Private	22.60	29.36
Private (other)	4.96	5.91
(Missing)	(34.20)	(24.63)
<i>Rent payment type</i>		
Private	75.50	80.56
No Rent Paid	9.81	8.03
Boarding/Lodging	9.58	7.64
Government	2.35	1.74
Other	2.77	2.03
(Missing/not in rent table)	(24.64)	(19.16)
<i>Housing status^c</i>		
Stable housing	87.87	91.18
Secondary Homeless	10.16	7.99
Primary Homeless	1.98	0.83
(Missing)	(34.20)	(24.63)
<i>Total number of observations</i>	<i>10,458</i>	<i>1,279</i>

Source: Research and Evaluation Database, own calculations.

Note: Data are drawn on 1 August of each year.

5.5 The impact of expanding JETCCFA duration

Besides the activity type, the duration of an activity is a dimension that can be influenced by policymakers, and could potentially determine a participant's successful transition out of IS. If JETCCFA recipients have access to JETCCFA for a longer duration, does that improve their chances of leaving IS afterwards?

As described in Section 4, we will answer this question using a difference-in-differences approach. The remainder of this report relies on all JETCCFA activities that begin during the 'before' period (2007/08) or during the 'after' period (2008/09). JET activities of PP recipients who do not receive JETCCFA are used as a control group. Table 12 shows the number of observations for both groups. There are close to 20,000 activities recorded that JETCCFA recipients began in the 'before period' and in the 'after period'. At the same time, there were around half a million activities in the control group both in the before and the after period. Those are reweighted to ensure that key characteristics in the control group are distributed the way they are in the treatment group (see Section 4); the sum of the weighted activities is then around 32,000. More information on the weighting procedure is presented in Appendix B.

Table 12 Sample size duration analysis

		Treatment: JETCCFA recipients	Control: PP recipients, participating in JET, not receiving JETCCFA
01/07/2008- 30/06/2009	# Activities (raw)	19,703	532,118
	# Activities (weighted)	--	32,937.3
01/07/2007- 30/06/2008	# Activities (raw)	17,053	456,042
	# Activities (weighted)	--	32,041.2

Source: Research and Evaluation Database, own calculations.

As discussed in Section 4, the effect of changes in *eligibility* for a program is referred to as 'intention-to-treat'-effect. Its size depends not only on how advantageous the program might be for potential participants, but also on the number of people who actually take the offer. The best policy scheme cannot have any real effects if it is not utilised. Table 13 shows whether there were any changes in the duration of activities that JETCCFA recipients undertook when there was a change in the maximum period of eligibility. The result is a first strong hint that the reform will have had minimal impact on welfare dependency, if any. JETCCFA recipients participated in activities of an average duration of 180 days when they were eligible for

JETCCFA for a maximum of one year. This increased to an average duration of 189 days after the reform, when JETCCFA was available for two years per qualification. While this is an increase of 5%, it happened mostly at the lower end of the distribution: the shortest 10% of JETCCFA-activities were extended considerably by more than a quarter, from 27 days before the reform to 34 days after the reform. In contrast to that, the longest-lasting 10% of JETCCFA activities were extended by only 4% from 342 days to 356 days. Given that activities even at the 90-percentile of the distribution of duration are still shorter than one year, the number of recipients who chose activities of more than a year’s duration because of the reform appears to be minimal at best. On the other hand, the control group displays a trend towards shorter activities over time, a phenomenon that does not show up in the treatment group and might have been prevented by the policy change for JETCCFA.

Table 13 Duration of activities in days, by treatment status and period

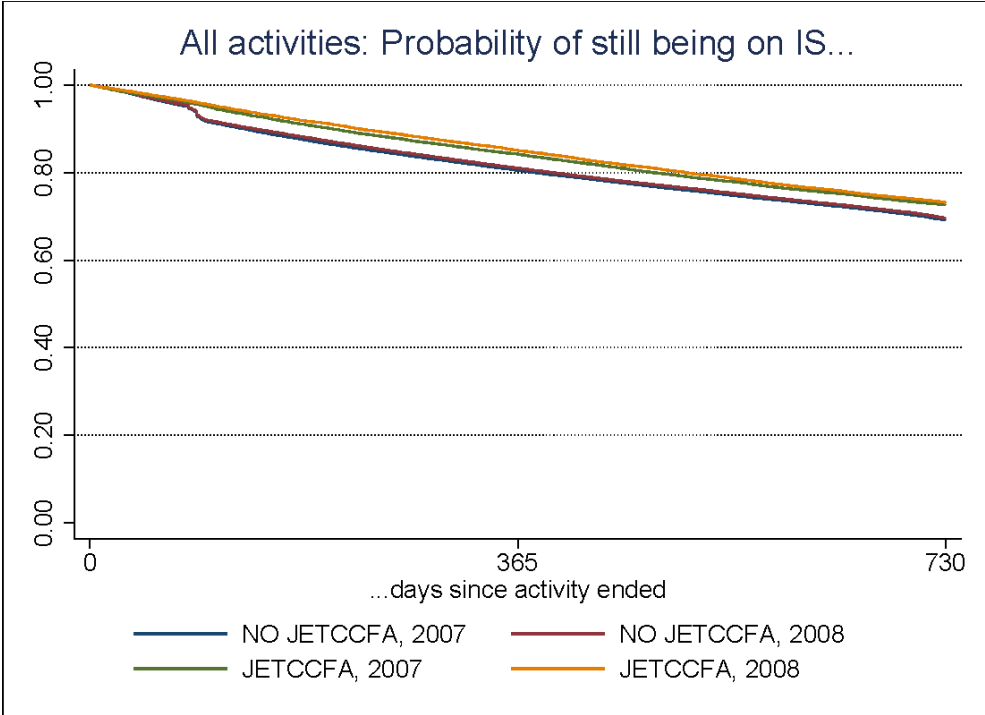
	Treatment: JETCCFA recipients	Control: PP recipients, participating in JET, not receiving JETCCFA	
	Mean	189	370
	10-percentile	34	28
01/07/2008-	25-percentile	83	90
30/06/2009	Median	153	226
	75-percentile	272	537
	90-percentile	356	969
	Mean	180	423
	10-percentile	27	31
01/07/2007-	25-percentile	69	98
30/06/2008	Median	146	244
	75-percentile	230	619
	90-percentile	342	1118

Source: Research and Evaluation Database, own calculations.

Given that the reform does not seem to have changed individuals’ choices, one would expect that it also did not change their outcomes. Figure 1 shows the Kaplan-Meier survivor function, i.e. the likelihood for any given JETCCFA recipient to still be on IS without interruptions, for any given time that has elapsed since their activity ended. One year after the activity ended, the likelihood of still being on IS with no interruption is about 85% for JETCCFA recipients. This likelihood decreases almost linearly to about 75% after 2 years. Recipients in the control group have somewhat lower probability of staying on IS, but the difference is small. In both control and treatment group, there is virtually no difference between recipients who started an activity in 2007, and recipients whose activity started in 2008, implying that the reform has not had any impact on welfare dependency rates. The total

reform effect at any given day equals the difference between the yellow and the green line, minus the difference between the blue and the red line – which is virtually zero from day 1 until the end of the period of observation two years later. It is very important to note that this *does not imply* that longer activities are not advantageous over shorter activities or vice versa. Rather, it simply implies that JETCCFA recipients did not choose to engage in longer activities. The ‘intention to treat’ did not take much effect, because so few recipients took up the offer and actually engaged in activities of more than a year’s duration. There is an important policy implication in this finding: policy makers have to encourage up-take of long activities if they want the longer accessibility of JETCCFA to *possibly* matter. It also means that the short duration before the reform was not a binding constraint for the majority of recipients.

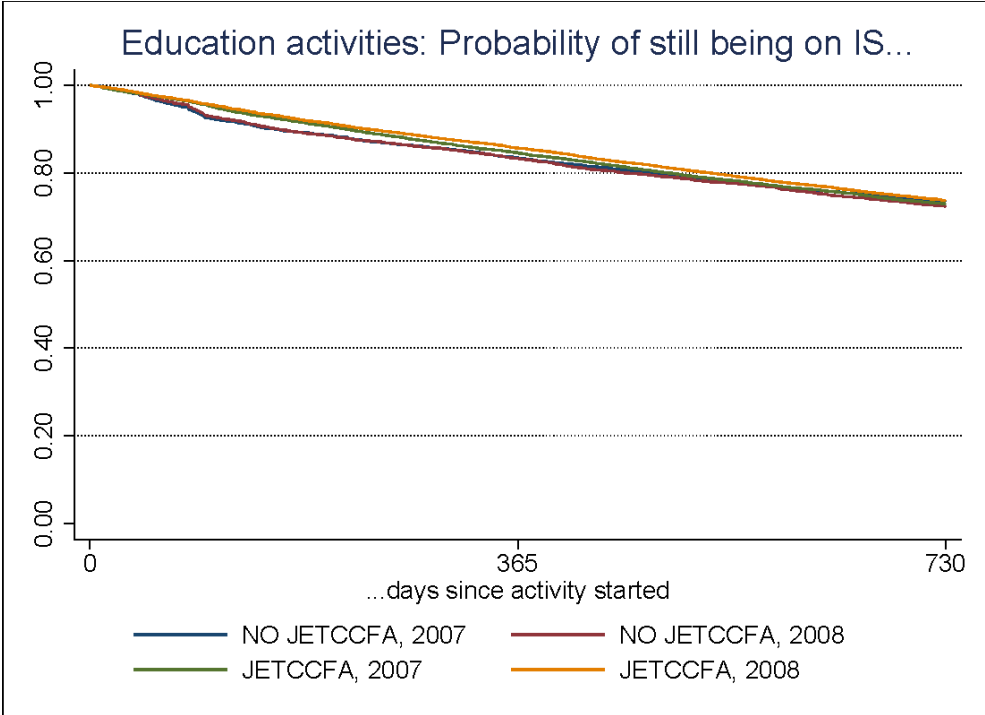
Figure 1 Probability of leaving IS by treatment status and period



Source: Research and Evaluation Database, own calculations.

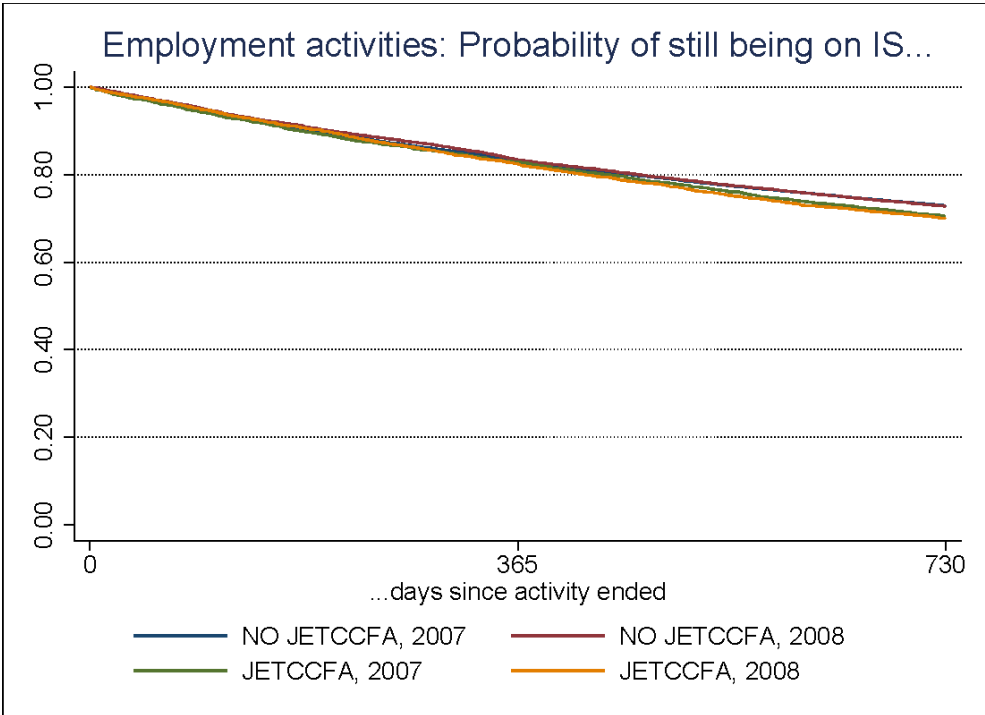
Figure 2 and Figure 3 show the survivor function separately for participants in educational activities and participants in employment activities. As already discussed briefly in Section 5.4, the probabilities of exiting IS are very similar for both activity types. However this does not imply that both activity types are necessarily equally effective, as participants in employment activities tend to start from a somewhat more advantaged position in terms of their family characteristics and work experience.

Figure 2 Probability of leaving IS by treatment status and period – Education



Source: Research and Evaluation Database, own calculations.

Figure 3 Probability of leaving IS by treatment status and period – Employment



Source: Research and Evaluation Database, own calculations.

What happens to recipients who exit IS? Do they stay off IS for extended periods of time, or is their ‘leaving IS’ merely a short interruption of their welfare dependency? Short

interruptions may occur because benefits are suspended, or because their own or their partner’s earnings increase for only a short period of time, so that a recipient fails to meet the income test on a short-term basis without their underlying barriers to welfare independency being truly overcome. In that case, re-entry on IS might occur shortly after the exit, either on the same payment as before, or on a different payment type. Table 14 shows the subsequent payment type for individuals who left IS and returned on IS within at least two years. Most of them return to PP, the payment type they had been on at the beginning of the observation period. About one in four JETCCFA recipients return and receive NSA; the same is true for about one in three former PP recipients who did not receive JETCCFA. There appears to be no change in this pattern before and after the reform.

Table 14 New benefit type upon re-entry to IS by treatment status and period

		Treatment: JETCCFA recipients	Control: PP recipients, participating in JET, not receiving JETCCFA
01/07/2008- 30/06/2009	NSA	24%	32%
	PP	70%	62%
	Other	6%	6%
01/07/2007- 30/06/2008	NSA	25%	34%
	PP	68%	60%
	Other	7%	6%

Source: Research and Evaluation Database, own calculations.

But how many people do eventually return, and how long does it take? Figure 4 shows the probability of being continuously off IS for those who have left IS for at least one day. Within both treatment and control group there is no change over time in the re-entry patterns – for each group, the behaviour in the year 2008/09 is essentially identical to what we observed in 2007/08. However, there are strong differences across the two groups.

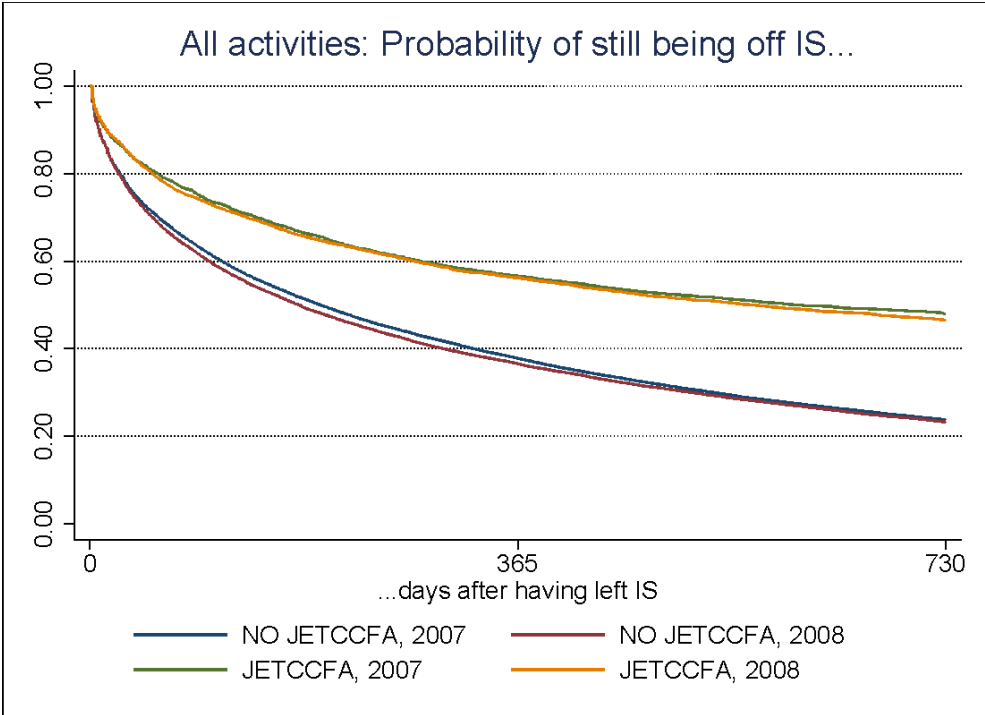
Within three months, 80% of the JETCCFA recipients who originally had left IS are still off IS. Within two years, only 50% of former JETCCFA recipients who had left IS still do not receive any IS payments. For the control group, periods off IS are even less sustained. For members of the control group who left IS at some point after their activity, the probability of staying off IS for at least three months is 60% and the probability of staying off IS for two years or is even as low as 20%.

In other words, leaving IS is not necessarily a long-term outcome, and often followed by a rapid re-entry. On the other hand, the population share for which it is a long-term outcome is much higher among JETCCFA recipients than among other recipients of PP. This result cannot be interpreted causally – there are reasons why some recipients of PP do receive

JETCCFA and others do not, and those factors may very well be related to their chances of leaving IS. However, the difference in both groups' chances of staying off IS for a long period of time is very large and increases with the length of time of staying off. The probability of staying off IS for two years, for example, is two and a half times as high for JETCCFA recipients as it is for other recipients of PP. This estimate accounts for, and can thus not be explained by, age structure, number of children in the household and youngest child in the household, and a range of other household characteristics (compare Table B1 in the Appendix).

We *cannot* reliably claim that the remaining, observed difference in the probability of staying off IS is caused (entirely or partly) by the existence of JETCCFA. But we do know that it is *not* caused by their age, their partner status, or by the age and number of their children; the very characteristics that are the main predictors for the probability of leaving IS in the first place (see Table 9). Assuming that at least some of the improved chances of sustained independence from income support might indeed be *caused* by JETCCFA is, at the very least, plausible.

Figure 4 Probability of re-entering IS by treatment status and period



Source: Research and Evaluation Database, own calculations.

Figure 5 and Figure 6 show re-entry patterns separately for education activities and employment activities. For participants in education activities, we again see that exiting from

IS is more sustained for the treatment group than for the control group. The same is not true for participants in employment activities, which are associated with better outcomes for the control group, yet little to no difference for the treatment group. Again, this does not necessarily represent a causal link between welfare dependency and activity types. Changes over time caused by the reform appear non-existent.

Figure 5 Probability of re-entering IS by treatment status and period - Education

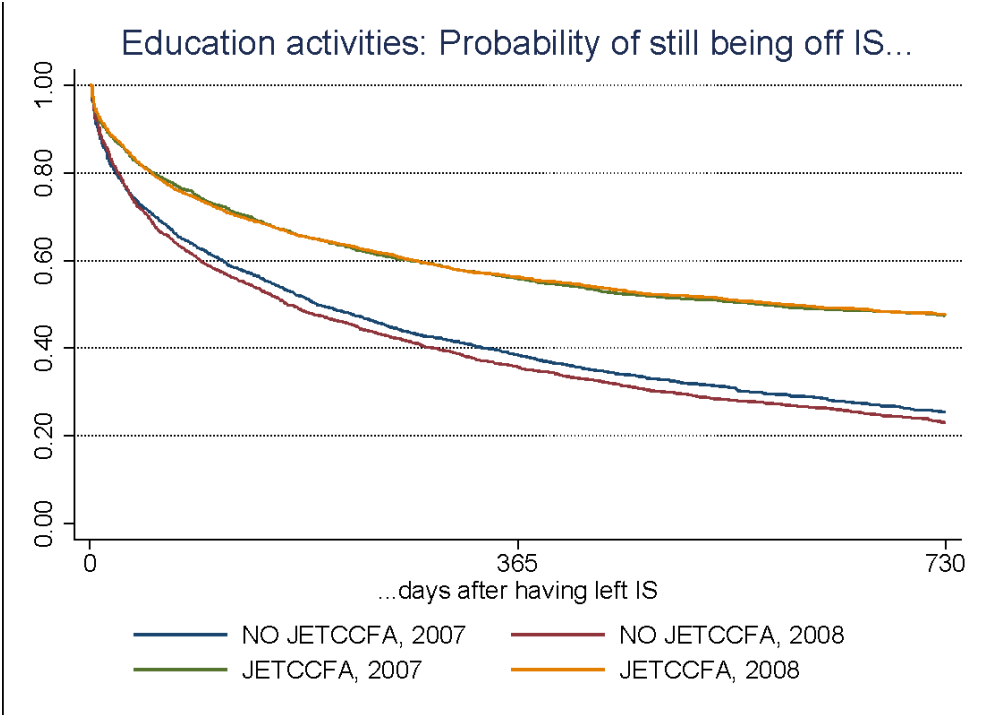
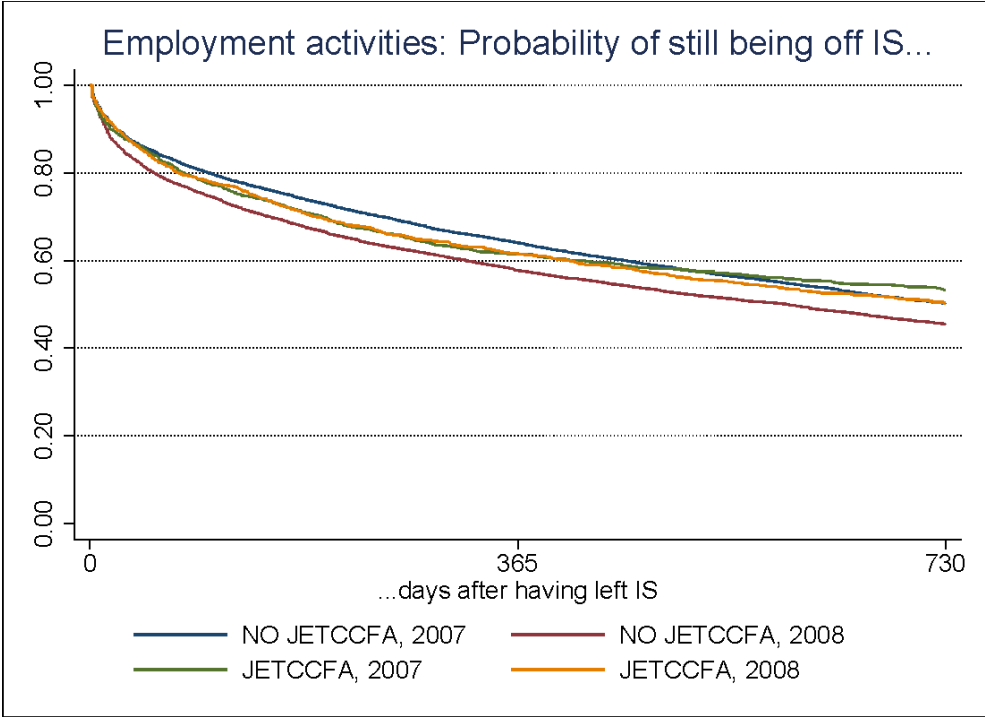


Figure Source: Research and Evaluation Database, own calculations.

Figure 6 Probability of re-entering IS by treatment status and period - Employment



Source: Research and Evaluation Database, own calculations.

6. Conclusions

This report provides baseline data about JETCCFA recipients in order to inform future policy development whether the policy scheme reaches the population it is targeted at, whether it is utilised by those parents who are likely to benefit from the program the most, and whether the duration for which payments can be received is effective and efficient in facilitating transitions off income support and into work. We provide information on the number of JETCCFA recipients over time, on their sociodemographic characteristics, on their IS histories, and on their probability of becoming independent of IS. We report how the probability of becoming independent of IS varies across sociodemographic characteristics of the JETCCFA recipients, and across the activities they undertake.

We find that JETCCFA is utilised primarily by young single parents, who have pre-school aged children. On average, they have been receiving some form of IS for more than 2.5 years. The majority has Year 12 education or higher, but less than a third has a useful vocational qualification or recent work experience. This suggests that the program reaches its target population well. The program is aimed at reducing the barriers for parents to engage in activities that increase future earnings and employment prospects. It seems plausible that young parents of pre-school aged children who do not have a vocational qualification, are

likely to benefit the most from such assistance. If that is indeed the case, JETCCFA reaches out to and is taken up by the right population group.

In terms of the activities JETCCFA recipients engage in, it appears that all activity types are associated with roughly similar chances of subsequently exiting IS; about one in five current recipients will exit IS within one year. This is despite the fact that participants in educational activities seem somewhat disadvantaged compared to participants in employment activities, indicating that educational activities are indeed effective for those who participate in them. However, further research is needed to establish a causal link between activity types and subsequent IS outcomes.

Exit from IS after an activity finished is relatively rare, with four in five JETCCFA recipients still being on continued IS two years after finishing their activity. Once they leave IS, only one in two stay off IS for more than two years. However, exits from IS are considerably more sustained than for a similar group of PP recipients who did not receive JETCCFA – for that group, only one in five former recipients who leave IS stay independent from IS for two years or more. In other words: although the chances for sustainable exits from IS are relatively low, they are more than twice as high for JETCCFA recipients than for recipients of PP who did not receive JETCCFA.

A reform that increased the access duration for JETCCFA appears to have had no impact on welfare dependency. This is not because ‘duration did not matter’, but because JETCCFA recipients did not actually participate in longer activities when offered the child care support for a longer time. It follows that the previous shorter duration was not a binding constraint for the majority of JETCCFA recipients and relaxing it thus had little effect. This, however, also implies that the policy change incurred little to no costs, yet still might have benefited a - small - population who *did* take up longer courses when given the child care support.

From a policy perspective, this report shows i) that JETCCFA policy in its current form reaches the population group it is targeted at, and no immediate changes to the program’s design are warranted in order to redirect assistance to other groups of IS recipients, ii) that a change in the maximum duration for JETCCFA receipt back to the original 12 months will not reduce expenditures for JETCCFA, iii) that measures beyond an extension of the maximum payment duration are necessary, if policy makers want to increase the number of JETCCFA recipients who take up long-term activities beyond the duration of a year, and iv) that the chances of not receiving any income support payments for a long time after leaving IS is substantially higher – albeit still low – for JETCCFA recipients than for recipients of PP who do not receive JETCCFA.

On the other hand, it is important to keep in mind that this report does *not* i) explain which barriers exist that hinder the up-take of activities of more than 12 months duration, and thus *which* measures could potentially be helpful to achieve an increase in the take-up of such activities, nor ii) why JETCCFA fare better after leaving IS than other recipients of PP do. A positive causal impact of JETCCFA on independence from IS is only one possible explanation for the phenomenon, and other unobserved factors might be at play as well.

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Appendix A

Table A1 Classification of activity codes

Activity Group	Code	Description
<i>Employment</i>	EPT	Part-Time Work (Early School Leavers)
	JEM	JET Employment
	MDF	Defence Force Reserve
	MPT	MO Part-Time work
	PTW	Part-time work
	SEL	Self Employment
<i>Unpaid work</i>	CPA	Community Participation Agreement
	CSP	Community Support Programme
	CWP	Community Work Programme
	EVW	Voluntary Work (Early School Leavers)
	MFV	MO Approved Full-time voluntary work option
	MVW	MO Voluntary work
	VWA	Voluntary work (Activity Agreement)
	VWJ	Voluntary work and Jobsearch
VWK	Voluntary work	
<i>Labour Market Program</i>	CDP	CDEP Participant
	DEP	Employment Preparation
	DJP	Youth Pathways
	DJT	Jobs Placement, Employment & Training
	DRF	Drought Force
	D60	Drought Force (60+ hours per fortnight)
	GPS	Green Corps
	GRO	Participation in group/co-op enterprises
	INA	Intensive Assistance
	INS	Intensive Support
	JJT	Jobsearch Training
	JPP	Jobs Pathways Programme
	JSE	Jobsearch
	JST	Jobsearch Training
	MJP	MO Jobs Placement, Education & Training
	ML2	MO Flex 2 Placement
	NGJ	National Green Jobs Corps
	REM	Remote Activity
	TTW	Transition to Work
	WFD	Work for the Dole
<i>Education and Training</i>	AEM	Advanced English for Migrants
	ALC	Adult literacy course
	AME	Adult migrant education
	DAE	Advanced English for Migrants Program
	DLN	Language, Literacy and Numeracy
	FTS	Full-time Student

<i>Education and Training – ctd.</i>	ITS	Intending to Study
	JED	JET Education
	MET	MO Education and Training
	MLN	MO Literacy/Numeracy
	PFT	Parenting – Fully Approved Study
	SHC	Short course (pre 5/12/2009CLKapp)
	SHD	Short course
	SPT	Jobseeker Part Time Student
	STF	Jobseeker Full Time Student
	YCP	Youth Connections
	APT	Apprentice/Trainee
	DNP	Australian Apprenticeship Access Program
	FTA	Formal Training Allowance
	JFT	JET Funded Training
	LIT	Literacy & Numeracy Training-Non MO Customer
	NAA	New Apprenticeship Access Program
	NEI	NEIS Pre-training Course
	NES	NEIS Program
	SED	Self Employment Development
	WEP	Work Experience Placement
<i>Rehabilitation</i>	CRS	Vocational Rehabilitation Services
	JCA	Intensive Support Customised Assistance
	PIX	Personal Adviser Intervention
	PSP	Personal Support Programme
<i>Other</i>	MPV	MO combined P/T and Voluntary work
	SPW	Study and Paid Work (Combined)
	SSE	Study and Self Employment (Combined)
	VPE	Voluntary and Paid Work (Combined)
<i>Activities that are not eligible for JETCCFA</i>	AOA	Customer Overseas
	ARM	Armed services training camp (O/S only)
	ASR	Asylum Seeker Release Exemption (13WK)
	AUS	AUS/ABSTUDY first 3 weeks
	BVP	Bereavement Period
	CAE	Carer Allowance/Payment Exemption TPP
	CAR	Caring responsibilities
	CCE	Caring for a child not eligible for CP
	CNC	Carer Non-Parent State/Territory Care Plan
	CNP	Carer Non-Parent Family Law Court Order
	DCE	Dependent Child Exemption TPP
	DOE	Disability Open Employment
	DPA	DES – Disability Management Service
	DPB	DES – Employment Support Service
	DSE	Disability Supported Employment
	DSP	Claiming DSP
	D26	Domestic Violence/Relationship breakdown

<i>Activities that are not eligible for JETCCFA – ctd.</i>	EAB	Employment Allowable Break
	EXM	Expectant Mother
	FCR	Foster Carer
	INP	Incapacitated (via the MC screen)
	ISI	Temporary Incapacity – Serious Illness
	JUR	Jury Duty
	LF4	Large Family
	MPC	Major personal crisis
	MPD	Major personal disruption at home
	MRE	MO relocation
	NJS	No Job Search
	OSC	Other Special Circumstances
	PFA	Pending Further Assessment
	PHS	Home Schooling
	QTI	Quarterly Interview (PCW/TRWC)
	REF	Refugee in first 13 weeks in Australia
	RHI	Rehab – incapacitated (via RHB screen)
	RHN	Rehab – non incapacitated (via RHB screen)
	R6M	Refugee first 6 months
	SCI	Special Family
	CSO	Community Service Order
	ECH	Distance Education Child
	RLC	Remote Location
SSO	Stream Services 1-4	
SYS	Override system fault	
YAC	Youth activities	

Appendix B

Using the difference-in-differences method accounts for time-constant behavioural differences between a) JETCCFA recipients and b) recipients of PP who participate in similar activities without receiving JETCCFA, by looking at both groups' change in behaviour over time. Likewise, the estimated treatment effect is corrected for any general time-trends in behaviour that affect all recipients of PP regardless of whether they receive JETCCFA or not. But the method yields biased estimates, if the behaviour for JETCCFA recipients and other PP recipients changed over time according to different time trends - and would have done so even if there had been no reform that affected only JETCCFA recipients. For the difference-in-differences estimator to be reliable, it is thus crucial to construct the treatment group (JETCCFA recipients) and the control group in such a way that they consist of comparable individuals.

Restricting the control group to other recipients of PP (rather than, for example, any IS payment) who participate in similar activities as JETCCFA recipients do, already goes a long way to ensure that both groups are similar to each other. However, as described in Table 6, there are some differences between JETCCFA recipients and other PP recipients for example in terms of their youngest child's age, that might cause them to change their behaviour over time in different ways.

We adjust for differences in gender, age, age and number of the youngest child and partner status using a re-weighting scheme. Using a probit model, we estimate the probability of being a JETCCFA recipient for all recipients of PP who participate in a JETCCFA approved activity (some of whom indeed do receive JETCCFA and some of whom do not). We then assign a weight to each observation that is directly proportional to their probability of being a JETCCFA recipient. The more similar to the 'most typical' JETCCFA recipient an individual is, the higher the weight that is applied to this observation.

Table B1 shows the distribution of age, gender, age and number of children and partner status for JETCCFA recipients and other PP recipients, after the weighting. Both groups are now comparable in those key variables:

Table B1 Re-weighting of individuals in the treatment group and the control group

Characteristic	Re-weighted Samples	
	JETCCFA	PP
<i>Gender</i>		
Male	2.34%	1.82%
Female	97.66%	98.18%
<i>Age group</i>		
18 to 24yrs	25.47%	26.91%
25 to 34yrs	47.51%	47.57%
35 to 44yrs	24.05%	23.15%
45+ years	2.96%	2.37%
<i>Age of youngest child</i>		
<1year	13.46%	12.05%
1 year	21.93%	23.31%
2 years	20.32%	22.08%
3 years	16.43%	17.71%
4 to 5 years	15.53%	14.70%
6 to 11 years	12.12%	9.99%
12+ years	0.20%	0.16%
<i>Number of children</i>		
One child	42.69%	42.90%
Two children	32.44%	32.19%
Three children	14.98%	14.77%
Four children	6.27%	6.35%
More than 4 children	3.62%	3.80%
<i>Partnered</i>		
No	81.43%	82.49%
Yes	18.57%	17.51%