



Transition to Work (TtW) Final Evaluation Report

TtW evaluation

Transition to Work (TtW) provides up to 12 months intensive pre-employment support for young people at risk of long-term unemployment. A voluntary, demand-driven service and an integral component of the Youth Employment Strategy, TtW focuses on practical support and work experience to build the skills, confidence and work readiness of early school leavers aged between 15 and 21¹ and young people who have experienced difficulty transitioning from education to employment.

Rolled out in four phases in 51 employment regions between February 2016 and May 2016, the TtW provider contracts, originally in place until 26 June 2020, were extended in the 2019–20 Budget to 30 June 2022.

The Department of Education, Skills and Employment (the department) – formerly the Department of Employment, Skills, Small and Family Business – has completed an evaluation of the Transition to Work (TtW) service. A systematic and objective assessment of the performance of TtW was conducted in two phases, formative and summative.

The results of the formative evaluation, captured in the Interim Report, examined the design and implementation of TtW and followed the progress of participants who commenced in the program by 31 August 2016. The Interim Report was published in November 2019 (https://docs.employment.gov.au/system/files/doc/other/ttw_interim_evaluation_report.pdf).

The summative stage, the subject of this report, provides an in-depth assessment of the overall performance of TtW to early 2018.

The TtW evaluation team adopted a mixed-methods approach. It involved collecting and analysing quantitative and qualitative data. Data sources included:

- income support administrative data from the Department of Human Services (DHS) (now Services Australia) captured in the department's Research and Evaluation Dataset
- employment services administrative data from the department
- provider survey data from censuses of all TtW providers conducted by the department in 2016 and 2017
- qualitative data collected from research with stakeholders undertaken by the Social Research Centre (SRC) on behalf of the department in 2016 and 2018.

¹ Effective 1 January 2018, eligibility requirements were expanded to include Aboriginal or Torres Strait Islander young people irrespective of whether they have completed Year 12 or a Certificate III or higher. Effective 1 January 2020, eligibility requirements were expanded to include 22–24 year olds.

Statistical methods used to analyse quantitative data included descriptive statistics and logistic regression modelling. The main study populations were matched inflow populations of young people referred to TtW and jobactive. The evaluation tracked the matched populations who commenced between 1 April 2016 and 31 March 2017 for at least 12 months to assess their study and labour market outcomes.

Caution needs to be exercised when comparing TtW results with jobactive results. As the jobactive comparison cohort constitutes a small proportion of overall jobactive caseload, jobactive results presented in this report should not be interpreted as representing overall jobactive performance.

Four key evaluation questions were examined as part of the evaluation:

- Does participation in TtW lead to improved work readiness, and employment and educational outcomes for participants?
- Does TtW deliver cost-effective and time-effective outcomes?
- What service elements are associated with improved education and employment outcomes and from which providers?
- Does TtW deliver targeted and quality service to participants?

The evaluation of TtW overall reported against five key indicators: effectiveness, efficiency, quality, equity and appropriateness.

Summary of key findings

Did participation in TtW lead to improved work readiness, and employment and educational outcomes for participants?

- TtW provided a pathway for disadvantaged young people not in employment, education and training towards full or partial participation. Three-quarters of participants (**73%**) thought their work readiness improved, as evidenced in the 2017–2018 Post Program Monitoring (PPM) Survey, but also almost all providers (**97%**) surveyed in the 2017 TtW Provider Survey agreed.
- Overall, participants across TtW and jobactive had a similar likelihood of achieving positive outcomes, either labour market attachment (LMA) or a study outcome over their service period. However, TtW participants (**47%**) were less likely to achieve LMA in their first year after referral than were jobactive participants (**52%**), largely due to more LMA achieved at an early stage by jobactive participants (by 4 percentage points at six weeks post-referral). This is unlikely due to a program assistance effect; it is more likely a ‘deterrence effect’ of the strong compliance framework.
- TtW had higher rates of study outcomes than jobactive. It achieved almost double the number of study outcomes for its participants than did jobactive over 12 months and was more effective than jobactive at encouraging female participants to study. The higher rate of study outcome for a disadvantaged youth cohort mostly without completing year 12 is notable as this will likely translate to longer term labour market outcomes.
- A higher proportion of jobactive participants (**73%**) exited income support during the two years from commencement than TtW participants (**68%**) and this was also largely due to a higher proportion of jobactive participants exiting early.

- TtW had a higher proportion of participants exiting income support during the second year than jobactive. This delayed effect of TtW indicated that it has a larger attachment effect due to its high rate of study and training engagement.
- There were indications that TtW delivered wider social benefits than just employment and education outcomes. TtW was more effective than jobactive at helping participants avoid contact with the criminal justice system.

Does TtW deliver cost-effective and time-effective outcomes?

- More than three-quarters (**77%**) of all young people referred to TtW commenced in services, and the proportion of referrals leading to commencements increased over time. Moreover, TtW providers had more success in commencing young people in services during the first 30 days (**93%**) than did jobactive providers (**83%**). Despite the voluntary nature of TtW, its referral and commencement processes are more efficient.
- A little over half of TtW participants exited to jobactive at the end of the study period. Of those who did so, around three-quarters commenced within 91 days of exiting TtW.
- TtW was found to be more expensive than jobactive in achieving outcomes. TtW program settings enabled participants to develop their confidence, wellbeing, motivation, work readiness and community connectedness within a capability framework. Such development together with the vocational skills gained through the program, while difficult to monetise in short term, may translate to more productive years to the economy and contributions to the society.

What service elements are associated with improved outcomes; what works?

- Provider feedback indicated that TtW program settings enabled them to fully engage with participants. The smaller caseload allowed caseworkers to adopt a participant-centred service delivery based on participant feedback and participant-led servicing.
- Upfront payments enabled providers to help young people access courses and licences, pay for interview clothing and work uniforms, and supplement travel costs etc. The flexibility of delivery enabled innovations in service delivery, e.g. rewards and recognition as strategies to engage participants.
- The use of a broad range of assessment tools and dedicated case managers and the employment of specialist staff including youth workers, training/education specialists, and Indigenous mentors increased over time.
- Engaging in education and training activities (accredited or non-accredited) and paid work experience improved participants' labour market outcomes. Increased service intensity was associated with improved labour market outcomes for participants.

Does TtW deliver targeted and quality service to participants and employers?

- An overwhelming proportion of TtW participants (**90%**) in the 2017 Job Seeker Experiences of Employment Services (JSEES) Survey were satisfied or very satisfied with the service their TtW provider gave them, compared with **64%** of jobactive respondents.
- Compared with jobactive participants, TtW participants reported a greater willingness to work and were more positive about their job prospects. Almost **98%** of TtW participants surveyed either strongly agreed or agreed that their providers treated them with respect, compared with just over **88%** of jobactive respondents.
- Well over **90%** of participants thought providers had their interests at heart, understood their needs and wanted to find them a job.
- TtW was successful at meeting the needs of different cohorts of TtW participants. Indigenous TtW participants were 5.6 percentage points more likely to achieve study outcomes than were Indigenous jobactive participants.
- While there was no gender-related difference in labour market attachment in TtW, the service was more effective at encouraging female participants to study than it was for male participants.
- Employers' awareness of the TtW program was moderate but those who had used TtW service were more satisfied than those who used jobactive. Employers surveyed between March and April 2017 indicated a high level of satisfaction with TtW providers. Four in five employers using TtW were satisfied with the service (**81%**) compared with two in three employers using the jobactive program (**65%**).