



# Transition to Work Interim Evaluation Report

## Key findings

The Department of Employment, Skills, Small and Family Business (the department) has completed an interim evaluation of the Transition to Work (TtW) service and released the Transition to Work Interim Evaluation Report on its website.

## About TtW

TtW is an integral component of the Youth Employment Strategy and was rolled out between February and May 2016. The TtW service aims to increase the work-readiness of early school leavers, aged 15 to 21,<sup>1</sup> who are finding it difficult to move from education into work. TtW provides intensive pre-employment support to help young people into work (including apprenticeships and traineeships) or education. The service also has a strong focus on helping young people to understand and develop the skills, attitudes and behaviours employers expect.

TtW targets three groups of young people most at risk of long-term unemployment:<sup>2</sup>

- an early school leaver when applying for Youth Allowance (Other) — **Group One** or
- those not engaged in employment or education for three months (or six months for those with Year 12) and not eligible for an income support payment — **Group Two** or
- those participating in Stream C of jobactive and suitable for TtW — **Group Three**.

## Evaluation approach

The evaluation of TtW has two stages: a formative stage (interim) and a summative stage (final). The formative stage focused on the phased rollout and early operation up to March 2017. The summative stage will be an in-depth assessment of the overall performance of TtW up to early 2018.

This interim evaluation report outlines evaluation activities undertaken during the formative stage, with findings primarily focused on:

- the early implementation and operation of the TtW service
- engagement and retention of participants in TtW
- early education, employment and labour market attachment outcomes.

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<sup>1</sup> Effective 1 January 2020, eligibility requirements will be expanded to include 22–24 year old young people.

<sup>2</sup> 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.

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 (RED)
- employment services administrative data from the department
- provider survey data from a census of all TtW providers conducted by the department in October and November 2016, and
- qualitative data collected from research with stakeholders undertaken by the Social Research Centre on behalf of the department.

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 between 1 February 2016 and 31 July 2016. The evaluation tracked the matched populations for six months to assess their early education and labour market outcomes.

## Key findings

### Early implementation and operation of TtW service

- The qualitative research found that, with the rapid rollout of TtW, a number of providers reported that it was challenging to find sites and train staff by their contract start date. Some providers also reported problems with initial caseloads, particularly with participant contact details and the suitability of early referrals from jobactive. Providers, DHS staff and employers all reported that low initial awareness of TtW had contributed to early issues with the service.
- A survey of providers by the department in November 2016 found that, while start-up issues were challenging, most had been largely resolved. Providers also reported that the service and support provided by the department during the rollout and early stages of TtW were of a high quality.
- Most providers and participants reported that they were satisfied with the flexibility of the TtW service, which enabled a strong focus on participant engagement in activities and more time with individual participants to increase their work-readiness and chances of finding a job. Providers also regarded the TtW funding structure as sustainable, and the key performance indicators (KPIs) and Outcome Performance Targets as achievable.

### Engagement and retention of participants in TtW

- Utilisation of TtW places (Occupancy of Annual Funded Places) increased over time, with the TtW caseload at 78 per cent of Annual Funded Places at the end of July 2016 and rising to 117 per cent six months later.
- TtW providers achieved a higher commencement rate during the first 30 days after the participant's referral to them (93 per cent, excluding Group Three transfers from jobactive) than jobactive providers (83 per cent). Analysis for the final evaluation will seek to establish the reasons for this.

- While the attendance rate at the first initial appointment was higher for TtW participants (77 per cent) than for young people in the jobactive comparison group (69 per cent), the attendance at contact appointments was lower (60 per cent for TtW, compared with 63 per cent for the jobactive comparison group).
- During the early months, providers reported that they had difficulties in attracting disengaged young people (Group Two) but, once they were engaged, these participants had a high level of commitment to, and retention in, the TtW service.
- Consistent with the activity-based focus of TtW, participants were required to undertake 25 hours per week of pre-employment activities. The proportion of young people participating in activities was higher in TtW (46 per cent, compared to 19 per cent for the jobactive comparison group) over their first six months in the service.

## Early education, employment and labour market attachment outcomes

- Approved outcomes in TtW include education, employment or a combination of education and employment outcomes, depending on the participant's income status and Mutual Obligation Requirements. At the end of March 2017, employment outcomes achieved through TtW comprised 79 per cent of all TtW outcomes, and the March 2017 quarterly Outcome Performance Targets were met for 50 per cent of all provider contracts.
- The labour market attachment rate, which measures engagement in some paid employment, was higher over the study period for TtW participants (33 per cent) than for the jobactive comparison group participants (28 per cent). Employment indicators used for this measure included earnings reported to DHS, reduction in income support payment, participation in casual or part-time employment, and confirmed job placements.
- The positive outcome measure, which includes study in education courses qualifying for an outcome payment as well as the employment indicators, was considerably higher for TtW participants (42 per cent) than for the jobactive comparison group participants (33 per cent).

## Conclusion

Overall, TtW is an appropriate and well-received service for young people. It delivers high-quality services to the identified target groups in a flexible and effective manner. Despite some initial issues with the implementation of TtW, the service's operational processes appear sound. The strong evidence-based design underpinning TtW, together with funding arrangements that support intensive servicing, presumably contributed to the positive outcomes achieved to date.

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