

# Evaluation of The Sticking Together Project

Final Report



**Urbis staff responsible for this report were:**

Director	Dr Caroline Tomiczek
Associate Director	Dr Francis Matthew-Simmons
Consultant	Amy Chong Dr Renée Wright Smith Matthew Boyd
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Aboriginal and Torres Strait Islander people make in  
creating a strong and vibrant Australian society.**

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# 1. Executive Summary

## Introduction

### The Sticking Together Project

The Sticking Together Project (STP) aims to support young people (aged 18-24) who have disengaged from employment, education, and training. STP specifically targets young people experiencing multiple and complex barriers to employment, providing participants with up to 60 weeks of one-on-one coaching support to address barriers to employment, develop work-readiness skills, search for and find employment, and navigate the transition to work.

### STP in NSW

STP was implemented in NSW in 2018, commissioned by the NSW Government as part of the 2015 Social Impact Investment Policy. It was initially delivered in Sydney – City and Inner South, the Illawarra, and the Southern Highlands as a Social Impact Bond (SIB).

SIBs are a means of financing social programs to facilitate social service providers and governments entering outcomes-based contracts. Upfront service delivery costs and the financial risk of achieving targeted outcomes are shared by raising private investment. The outcomes delivered are typically compared to a baseline, and a portion of the payments are made according to the results achieved.

After a year of operation, STP was transitioned to a 12-month services agreement due to performance issues and the impact and uncertainty of the COVID-19 pandemic on the employment market moving forward. Following this, the NSW Department of Education (the Department) and SYC (the service provider) agreed to transition the program to a two-year outcome-based contract without private investment, referred to as the Payment-by-Results (PbR) contract, which commenced 1 July 2021.

### Evaluation of STP

The Department commissioned Urbis to conduct a final evaluation of STP. This evaluation provides an assessment of STP across four evaluation domains and 15 evaluation questions (see Appendix A). This follows a previous evaluation of STP conducted by Urbis in 2021.

- The objectives of the evaluation were to assess:
- the effectiveness, efficiency and appropriateness of the program
- the benefits and impacts for young people accessing the program
- implementation of STP.

A combination of qualitative research and quantitative analysis of program data was used to assess the program.

# Key findings from the evaluation

Evaluation area Finding



## Program design and governance

### Initial challenges in program governance improved over time.

- Social impact investments typically involve a greater number of stakeholders than 'traditional' project delivery due to the added complexity of funding arrangements, and an increased focus on outcome reporting.
- Government stakeholders (the Department of Education and the NSW Treasury Office for Social Impact Investment, OSII) reported an overall positive working relationship in managing STP, however, there were instances where roles and responsibilities were unclear, particularly during the early stages of implementation. Governance processes improved over time as stronger relationships developed between Government stakeholders and SYC.
- The design of STP in providing 60 weeks of coaching support and allowing coaches to use a flexible approach was appropriate for the target cohort, who were facing multiple and complex barriers to employment.



## Program implementation

### The program was implemented in an adaptive way to address the specific needs of participants. Some challenges were faced in program staffing.

- STP coaches provided a variety of supports to program participants, using a flexible approach tailored to participant needs. Coaches were positive about the program, citing the 60-week program length, and the comprehensive staff training as key strengths.
- It was unclear whether the types of support provided by coaches were directly advantageous in terms of seeking employment. There appeared to be a greater focus on general life skills and other supports than was expected, highlighting the level of vulnerability among participants.
- The program's design adapted to meet the needs of the participants over time, and to improve outcome data collection. This included the addition of a specific psychologist role, and the introduction of incentives for participants to provide evidence of their employment.



## Program reach and experience

### Experience of program participants in STP was positive.

- Between 1 April 2019 and 10 November 2022, 664 individuals participated in STP. The program's eligibility criteria and restrictions around referral sources limited its potential reach.
- Most participants interviewed had a positive experience and felt the program had benefited them (the sample size of 12 program participants in interviews may not have been representative of all participants).
- The empathetic, personal and caring nature of STP coaches was highlighted as unique and particularly affecting.



## Program outcomes

### **Performance of STP was lower than expected**

- At the time of the evaluation, STP was able to help 268 young people find employment, equating to 40% of all program participants.
- STP participants who completed the program worked for approximately 4.2 hours per week over the 60-week measurement period. Across all participants in the program, 7% were able to achieve 26 consecutive weeks of employment. These outcomes were lower than what was expected from the program.
- Overall, performance of STP in relation to the number of hours worked on average by young people improved over time, as the program was 'bedded down' and staff retention issues were addressed.

### **Having multiple outcome measures created some confusion for the service provider in altering their practice**

- Multiple outcome measures were used for STP, which provided a holistic assessment of program performance. Having an outcome measure that allowed for comparison of STP with other programs was also highly useful for contract managers in the Department.
- However, SYC reported having multiple outcome measures created confusion about how to improve practice, and impacted relationships between the SYC and government stakeholders. Stakeholders from SYC reported that STP's design involving 60 weeks of coaching support may have been less effective in achieving consecutive weeks of employment than other program designs.
- Ensuring that all relevant stakeholders in programs have a clear understanding of the performance measures being used, their rationale, and the mechanisms for calculation, will reduce the likelihood of confusion or disagreement and increase buy-in in future programs. In the case of STP, the rationale for decisions may not have 'filtered down' to all levels of program delivery. An internal communications strategy, with clear and succinct documentation designed for all staff involved in a program, may be beneficial in the future particularly in longer term projects where staff are likely to move.

### **STP required substantial manual collection and validation of outcome data which was inefficient**

- Collecting outcome data was challenging due to the need for participants to provide evidence of employment. The requirement to collect evidence from participants was considered in the program design, however this proved much more challenging than anticipated. The ability to collect evidence from participants improved over time, but stakeholders from the service provider reported that the evidence collection process remained cumbersome.
- There was a general level of dissatisfaction among Government stakeholders with the data collection and verification system for STP, which was specifically developed for the program. The system, developed by SYC, was used by the Department to verify the evidence provided by STP that outcomes had been achieved and was considered less user-friendly than desired.
- Despite these issues, data captured by the system was considered reliable and accurate.
- Data collection systems for future employment programs should investigate capturing outcome data in a more seamless and automated way, from available administrative data. Automating the verification of outcomes can reduce the burden on participants, providers and Government stakeholders. This may be achieved through establishing data sharing partnerships with the Commonwealth Government to link program data with data on the Australian Government Payments that participants are receiving (for example, youth allowance) or other relevant data sets. This option was explored but was not possible at the time of program design. It is acknowledged this was beyond the capacity of SYC in this instance.

## 2. Introduction

### 2.1. The Sticking Together Project

The Sticking Together Project (STP) is a voluntary, intensive coaching program that supports young people aged 18-24 who have disengaged from employment, education, and training. It specifically targets young people experiencing multiple and complex barriers to employment.

The program comprises an intensive coaching model, providing holistic and intensive support to young people in need, to enable them to 'stick' in work. This includes working through complex challenges such as relationship breakdowns, housing instability, mental health and substance use.

The program is delivered by SYC, a not-for-profit organisation that assists disadvantaged people in various areas of their life including education, employment, home, justice, health and disability. From April 2019, SYC delivered the program in Sydney (City and Inner South), the Illawarra, Shoalhaven and Southern Highlands regions. From 2021, the program was delivered in Sydney and the Illawarra only.

### Background of STP

The STP model initially grew from the 'My First Job White Paper' which was developed by a range of stakeholders including employers, NGOs and Government. The paper highlighted critical elements for youth employment programs, including that young people would be more likely to 'stick' in employment following a longer period of intensive support. The paper also pointed to evidence that coaching was an important component in assisting young people to find a pathway to what they wanted to achieve in life.

Findings from the White Paper informed the development of the first STP model in 2014. The program was initially piloted in both Melbourne and Adelaide in 2017 to test the design and effectiveness of the model. The pilot involved 100 young people and found an increase in the number of productive hours and job placements among participants, compared to a comparison group.<sup>1</sup>

### Youth Unemployment in Australia

The unemployment rate of young people (aged 16-24) in Australia has historically been around twice the national average. In December 2022, the national average was 3.5%, while the youth unemployment rate was 7.6%.<sup>2</sup>

Unemployment has negative long-term impacts on young people, including higher rates of psychological stress and lower levels of life satisfaction.<sup>3</sup> It is estimated youth unemployment costs the Australian economy up to \$15.9 billion in lost GDP each year.<sup>4</sup>

Young people are also more likely than older workers to be employed on a casual basis, with 54.3% of this cohort in 2019 employed in casual or gig-based jobs.<sup>5</sup> A casual work status means young people have no access to annual leave or sick leave and are disproportionately impacted by underemployment.

The upheaval caused by the COVID-19 pandemic and associated restrictions had significant impacts on the NSW economy, particularly in consumer-facing industries which were detrimentally impacted in periods of lockdown.

It has been estimated that young people bore 55% of all job losses during the 2021 lockdowns in Australia, despite making up just 14% of the workforce.<sup>6</sup> Higher rates of part-time employment and casual work also meant many were not eligible for the JobKeeper income payment.<sup>7</sup>

The removal of lockdowns and other restrictions has seen the youth unemployment rate drop from 14% in 2021 to 7.6% in December 2022, in line with general trends.<sup>8</sup>

<sup>1</sup> Social Ventures Australia (2018), Sticking Together Social Impact Bond Information Memorandum, Sydney: SVA

<sup>2</sup> Australian Bureau of Statistics (December 2022), [Labour Force, Australia](#).

<sup>3</sup> Eliza Littleton and Rod Campbell, "Youth Unemployment and the Pandemic" (Canberra: The Australia Institute, 2022).

<sup>4</sup> Foundation for Young Australians, "The New Work Reality" (Melbourne: FYA, 2018)

<sup>5</sup> Australian Bureau of Statistics (December 2022), [Labour Force, Australia](#).

<sup>6</sup> Eliza Littleton and Rod Campbell, "Youth Unemployment and the Pandemic" (Canberra: The Australia Institute, 2022).

<sup>7</sup> Ibid.

<sup>8</sup> Australian Bureau of Statistics (December 2022), [Labour Force, Australia](#).



## 2.2. Initial implementation of STP in NSW

STP was initially delivered in NSW as a Social Impact Bond (SIB). SIBs are a means of financing social programs so that social service providers can enter outcomes-based contracts with governments. Upfront service delivery costs and the financial risk of achieving targeted outcomes are shared by raising private investment. The outcomes delivered are typically compared to a baseline, and a portion of the payments are made according to the outcomes achieved.

The NSW Government was the first in Australia to implement SIBs, with STP being the sixth Social Impact Investment (SII) delivered in the state. Previously funded SIIs were in the areas of child protection, recidivism, palliative care, and mental health and wellbeing, and delivered under the *Social Impact Investment Policy 2015*. General processes for mobilising SIIs are described in the Figure below.

In July 2017, the NSW Government released an RFP calling for SII proposals targeting youth unemployment, with a key focus on improving employment outcomes for higher need groups that may not have been serviced in existing Federal and State programs.

STP was a joint proposal by SYC and Social Ventures Australia (SVA), based on the 2017 STP pilot program conducted in Melbourne and Adelaide. STP commenced operation in NSW in April 2019 across three regions: Sydney (City and Inner South), the Illawarra, and Shoalhaven and Southern Highlands regions.

### Outcome measurement

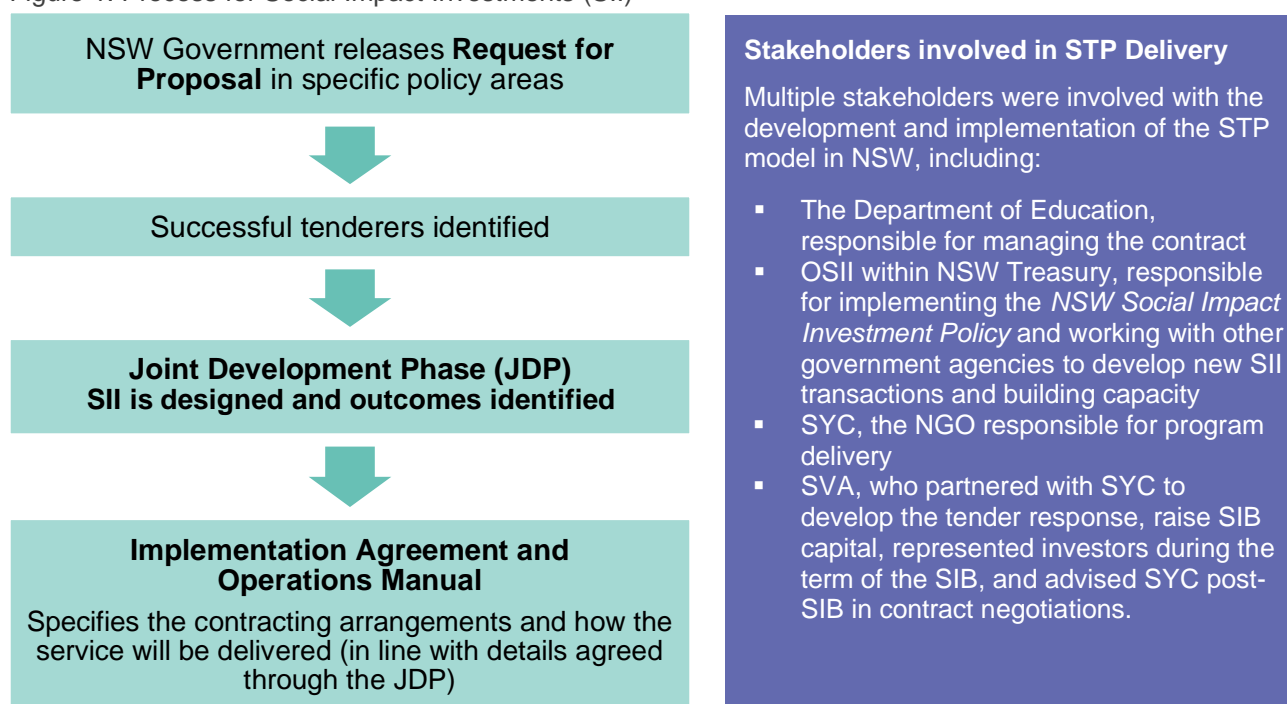
Determining the outcome measure(s) that Government will pay on is an important component of outcome-based contracts, including SIBs. As part of the Joint Development Phase (JDP) for STP, the outcome metric identified was the cumulative hours participants spent in 'productive' employment activities, either work (i.e. paid employment) or work-like activities, above a counterfactual. Work-like activities were activities that were not paid employment but could support participants to gain employment, and included volunteering, unpaid work, work experience, participating in pre-employment programs and job readiness skills training. Work-like activities could contribute no more than 25% of participants' total productive hours.

### Evidence collection

The model required recording evidence of employment and work-like activities to demonstrate overall program performance. Typically, this was achieved by coaches either gathering pay slips from participants or asking employers to verify the hours a young person had engaged in paid employment.

Evidence of the number of hours worked had to be provided for every participant for every week they worked (i.e., a 100% evidence requirement). An employment outcome was recorded when this evidence was approved by the Department of Education (the contract managers).

Figure 1: Process for Social Impact Investments (SII)



## 2.3. Service delivery model

Young people were referred to one of the three STP sites by a jobactive provider (now Workforce Australia). To be eligible for the program, a young person needed to be classified within jobactive as either Stream B or Stream C. Streaming provides an indication of the complexity of the barriers to employment faced by a person. Young people allocated to Stream B have some identified barriers to employment (e.g., a language barrier) and would require greater involvement from their employment service provider to become job ready. Those allocated to Stream C are regarded as the most disadvantaged job-seekers, with multiple barriers to employment such as homelessness, drug or alcohol dependence, and long-term unemployment.

Participants were matched with a coach who provided them with support for up to 60 weeks. There were five phases of the STP coaching service, from work readiness to sustaining employment post-service. Participants were able to enter the program at different stages. The coaching model was underpinned by five principles:

- young person-centred
- creating and maintaining relationships
- building sustainable skills, drawing on interests and passions
- whole-of-life focus
- putting skills into practice.

STP provided several tools to coaches, helping them assess a young person's work-readiness, guide self-assessment of health and wellbeing, and assist with goal setting.

Participants could be considered 'disengaged' if they had been out of contact with their coach or SYC for approximately 8 weeks.

Participants could also be exited from the program before they had completed it if they no longer met the eligibility criteria or were unable to participate. Reasons for exiting could include:

- becoming a Disability Welfare recipient
- participating in Work for the Dole or a NSW Government Smart, Skilled and Hired Youth Employment (SSHYE) program
- moving outside the agreed catchment area
- committing an illegal activity or becoming incarcerated

### Policy Context

Commonwealth and State governments invest in a range of initiatives to address the negative economic and social impacts of youth unemployment. Since 2016, the NSW Government has invested in a range of youth employment programs using an outcomes-based commissioning approach. These programs complemented Commonwealth initiatives by providing wrap-around support for young people, including and not limited to:

- SSHYE Initiatives (2017-2020) which assisted unemployed young people aged 15 to 24 to access work:
  - Youth Employment Program – 9 program providers operated across 4 regions in NSW. In total, they supported 7,905 participants. Direct program cost: \$52.6m
  - Youth Employment Innovation Challenge – 8 smaller & niche providers with new approaches to reduce youth unemployment operated across NSW. In total, they supported 809 participants. Direct program cost: \$5.13m
- Youth Employment Social Impact Program (2021-2023), which funds social enterprises and social impact organisations that deliver employment-focused initiatives for young people with multiple or complex barriers to employment. Funding amount: \$1.5m

## Policy Context

Workforce Australia is the current employment service provided by the Commonwealth Department of Employment and Workplace Relations, having replaced jobactive in July 2022 after a 2019 inquiry found jobactive was not fit for purpose, due to:

- suitable services and support arrangements being absent
- poorly designed mutual obligation requirements
- the compliance framework being punitive and unfair.<sup>9</sup>

Workforce Australia's mutual obligation requirements are managed through a points-based activation system, designed to be better suited to an individual's circumstances and allow participants to select tasks and activities relevant to their job-seeking needs.<sup>10</sup>

For younger participants, Workforce Australia offers the Transition to Work program. Participants in the Transition to Work program, aged 15-24, receive intensive, pre-employment support to develop practical skills, connect with education or training or identify job opportunities.

## 2.4. Evaluation of STP

### Objectives

The Education and Skills Reform (ESR) group in the NSW Department of Education (the Department) commissioned a final evaluation of STP. The purpose of this evaluation is to capture insights about the overall approach and impact of STP since its commencement in NSW in 2019, including the benefits, challenges, and learnings from outcomes-based contracting overall. The evaluation is aimed at a broad audience, including future social impact investors, policy makers, and service providers (including SYC).

This evaluation follows a previous evaluation of STP conducted in 2021 by Urbis, providing an updated assessment of the effectiveness of STP and considering whether issues raised in 2021 were addressed.

### Findings of the previous evaluation

The 2021 evaluation found:

- most participants engaged by STP had experienced multiple and complex barriers to employment
- the program had engaged 444 young people since April 2019, supporting 144 to commence employment, with 27 participants having sustained employment for at least 26 (non-consecutive) weeks
- employment outcomes achieved at the time of the evaluation were not substantially above the outcomes achieved by jobactive providers
- participants interviewed for the evaluation reported a positive experience with STP, noting it had empowered them to engage with employment and addressed existing barriers, supported them to find work aligning with their interests, and improved their self-confidence and resilience
- developing and maintaining strong relationships between jobactive providers, participants, and employers underpins the STP support model. As such, a greater focus on strengthening relationships with employers and retaining coaches could improve the outcomes achieved.

<sup>9</sup> Education and Employment References Committee. (2019). *Jobactive: failing those it is intended to serve*.

<sup>10</sup> Workforce Australia. (2022, November). *If you have a points target*. Retrieved

<https://www.workforceaustralia.gov.au/individuals/obligations/learn/points>

## Methodology

This evaluation is guided by 23 evaluation questions, which assessed the program across four domains:

- **Design and governance:** whether the program design of STP was appropriate, and insights from outcomes-based contracting overall
- **Experience:** the experience of participants in the program
- **Implementation:** the extent to which the program was delivered as originally intended
- **Outcomes:** the extent to which STP improved participants' employment readiness and employment outcomes.

To assess these domains, the evaluation comprises an analysis of the following data sources:

- **Administrative program data** outlining participant characteristics, service delivery and achievement of employment outcomes
- **Stakeholder interviews** with SYC staff (n=6), Government stakeholders (n=8), STP participants (n=12) and employers of STP participants (n=2).

Consultations with STP participants required approval from a Human Research Ethics Committee (HREC), as these participants are young people experiencing vulnerability. An application was submitted to Bellberry HREC, and approval was granted prior to beginning the consultation.

Each of the data sources was analysed and synthesised prior to reporting. Analysis of interview data comprised an inductive thematic analysis, including sense making and coding of key themes. Quantitative analysis consisted of the production of descriptive statistics of participants and achievement of employment outcomes, as well as cross-tabulation of variables such as participant demographics, employment barriers and outcomes. Quantitative analysis was undertaken in Excel.

## 2.5. Approach to assessing performance of STP

### Determining program effectiveness

We examined two primary metrics of employment to determine the performance of STP (also the metrics used by the Department and SYC). They were:

- the proportion of program participants who achieved 13 and 26 weeks of continuous employment
- the number of productive hours recorded by each participant per week, including both work and work-readiness activities.

For both measures, we examined outcomes for all participants, as well as those participants who had completed STP.

### Comparing STP to other programs

We compared outcomes for STP participants with a range of comparator data to provide a more holistic understanding of performance. This included comparing the outcomes of STP to other similar programs including:

- the Youth Employment Innovation Challenge (YEIC) which supported 45% of participants to find employment<sup>11</sup>
- the Department-funded SSHYE 2017-2020 program. An evaluation of this program found that participants in the program achieved an employment rate of 27% compared to 18% in a comparison group.<sup>12</sup> In this program, an employment outcome was defined as participants working a minimum of 14 hours per week, or an increase of 14 hours per week over pre-program employment levels.

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<sup>11</sup> Urbis and NSW Department of Education (2021), Youth Employment Innovation Challenge (YEIC) Review: Summary Reports (unpublished).

<sup>12</sup> Quantum and NSW Department of Education (2021), Smart, Skilled and Hired Youth Employment Program: Final Evaluation Report (unpublished).

There are some limitations inherent in the comparator data. The YEIC and Department-funded SSHYE 2017-2020 programs ran in different geographical areas (including Western Sydney, the Central Coast, Hunter, New England and North Coast regions) and both involved multiple service providers and different service models (compared to a single provider for STP). Participants in these programs faced similar multiple and complex barriers to employment as SYC participants but could be aged between 15-24 (compared to 18-24 for STP). Further, YEIC and SSHYE were not time-limited, enabling providers to work with young people for longer if required, however were not as intensive as STP with the ratio of staff to participants much higher in STP. Inconsistent definition of employment outcomes across programs also adds to the complexity of making direct comparisons between programs.

## Comparing STP to counterfactual and targets

We compared the program's performance with a counterfactual. The counterfactual was based on data provided by the Commonwealth on hours worked by individuals who met STP eligibility criteria but were not supported by the program.

The counterfactual at the commencement of the program (what was expected to have happened in the absence of STP) was 3 hours of productive activity per week per participant. The counterfactual was recalculated based on updated data provided by the Commonwealth for the counterfactual group. The counterfactual ranged from 2.3 hours to 3.1 hours of employment per week during the 4-year program (a full explanation of the data used to construct the counterfactual range can be found in Appendix A).

Under the SIB, STP was expected to achieve an additional 'uplift' over this with several potential scenarios included, ranging from an 'extreme downside' position of an additional 2.5 hours per week, up to an 'extreme upside' position, of an additional 14.5 hours per week over the counterfactual.

## Calculating targets

To assist in evaluating the performance of STP, we used two 'targets' to compare performance to. These were based on performance expectations of the program, which were that STP performance would be 2 to 3 times higher than the counterfactual scenario; specifically:

- the 'high' target was set at 9.3 hours of employment per week, three times higher than the highest counterfactual that was measured over the term (3.1 hours)
- the 'low' target was set at 4.6 hours of employment per week, two times higher than the lowest counterfactual that was measured over the term (2.3 hours).

Despite the potential limitations in the comparator data and the counterfactual data, these were considered to represent practical and useful comparison points for the evaluation, and an accurate reflection of the outcomes STP would have been expected to achieve when first developed.

## 2.6. Limitations of the evaluation

The following research limitations should be considered when reading this report:

- Only a limited number of consultations were undertaken with participants (n=12). Due to this small sample size, the participants' perspectives included in this report may not represent the views of all STP participants.
- Consistent with the 2021 evaluation, calculation of productive hours is based on the reported hours that STP provided participant evidence for. However, this data has not been audited by the Department of Education. This analysis may provide an inflated view of the program's outcomes than if the data had undergone this additional review process
- At the time of data analysis, a number of program participants were still active in the STP program, particularly those that joined the program in late 2021 or 2022. The program data analysed by Urbis does not represent these participants' complete experiences in the program. In some instances, Urbis has solely analysed data from participants who have completed the program to ensure robust comparisons between sub-groups. This is clearly indicated throughout the report.
- The approach to data analysis was developed with reference to the point-in-time evaluation conducted in 2021 by Urbis, and in consultation with OSII and the Department. Assumptions made to analyse the data sought to reflect the meaning and intent with which the data was recorded, and reflect the true experience of participants. A detailed description of the data analysis including the assumptions made is documented in Appendix A. Key assumptions are described below:

- The program data included different reporting periods (weekly, fortnightly or monthly) for employment and work-like activities. As analysis was to be conducted on a weekly basis, fortnightly hours were divided into two and monthly hours were divided into four to calculate the average weekly hours. Accordingly, some weekly hours may only be indicative of hours worked.
- The program data analysis of consecutive weekly hours does not account for most reasonable breaks in working periods (e.g., holidays, illness or injury), meaning some outcome achievement may be underrepresented. An exception was made for the first week of the calendar year – this is documented in Appendix A.
- The program data did not contain the number or type of employers per participant. Therefore, the analysis is unable to account for situations where a participant had several jobs over the course of the program, affecting the ability to assess the extent to which a participant maintained a specific job.

# 3. Program design and governance



Stakeholders identified some initial challenges in the design and governance of STP, including occasional lack of clarity regarding roles and responsibilities of Government stakeholders. Governance processes improved over time as stronger relationships developed.



There were multiple outcome measures used to assess the overall effectiveness of the program. One outcome measure was used to determine outcome payments to STP. SYC reported having different outcome measures made it more difficult to respond and alter their practice.



Collecting outcome data was challenging due to the need for participants to provide evidence. The ability to collect evidence improved over time, but stakeholders from the service provider and the Department reported that the process remained cumbersome.



The STP SIB was terminated after approximately a year of operation due to lower-than-expected performance and the impacts of the 2019 bushfires and the COVID-19 pandemic. Contracting of STP was most recently updated to a Payment-by-Results contract, with performance targets that were considered more straightforward by SYC.

## 3.1. Challenges in program governance were progressively addressed over time

Stakeholders identified some initial challenges in the design and governance of STP, including occasional lack of clarity regarding roles and responsibilities of Government stakeholders. Some aspects of the program design were difficult to implement. Governance processes improved over time as stronger relationships developed.

### There was occasional lack of clarity over roles and responsibilities among the governance group

Government stakeholders (the Department and OSII) reported an overall positive working relationship in managing STP, particularly during the challenging periods of the 2019 NSW bushfires and COVID-19 pandemic.

Some stakeholders from the Department reported there were occasionally unclear expectations of roles and responsibilities in relation to program governance, particularly during the early stages of implementation.

*There were so many fingers in the pie and not clear delineation between if it was OSII's decision or the Department's decision; OSII was the funder and we (Department of Education) were the administrator. I think we got to a good place, but I think that that took time –*  
Department stakeholder

### Relationships between stakeholders improved over time

All stakeholders (Government and SYC) agreed that relationships improved over time. Stakeholders also reported the broader group had shown high flexibility and responsiveness to significant external events, particularly in changing the program's contract so it could continue to be delivered.

The ability to show flexibility in this way was viewed as a particular strength of program governance and the parties involved. Improvements in relationships were largely attributed to the goodwill of each party in working together on a common cause, and increased familiarity over time.

*Over time, many of the issues identified [were resolved]. I think we ended up in a really good position...but there was a lot of that relationship building that needed to occur –* Department stakeholder

### Some decisions around program design made STP more difficult to implement

Design of the STP SIB occurred during the JDP, which involved representatives from the Department, OSII, SYC, and SVA (the intermediary). Despite this, some stakeholders from the Department and SYC reported that certain decisions made about program design during the JDP appeared to lack an operational perspective, and program implementation would have benefited from a greater focus on the practicalities of delivering a program of this type. These concerns primarily related to:

- requirements for participants to submit evidence of employment, which was considered onerous
- eligibility requirements restricting access to a specific set of postcodes, and limited age ranges, preventing some young people who may have benefited from the program from participating
- referral sources being limited to jobactive providers, with young people unable to be referred from other services, which reduced overall numbers in the program.

While stakeholders understood the primary purpose of the JDP was to develop the SYC's proposal to a level of feasibility suitable for contracting, there was a view among some stakeholders that not enough thought had been given to how these decisions might affect program delivery.

*What I've heard about the joint development phase is that no one operationally was involved, so no one that's ever actually run a program on the ground, whether it was from government or from SYC, were involved in those contract negotiations and that was...a big challenge within itself –* SYC stakeholder



## 3.2. Multiple outcome measures increased complexity for stakeholders

There were two key outcome measures used to assess STP performance – cumulative hours worked by participants, and consecutive weeks in employment. Having multiple outcome measures provided a more holistic view of program performance, but increased complexity for SYC in delivering the program and adjusting practice where required. It also negatively impacted on relationships between stakeholders in the program.

### Program outcomes included total hours worked and consecutive weeks of employment

The outcome metric that determined outcome payments was the number of cumulative productive hours participants spent in work and work-like activities. SYC stakeholders considered this an appropriate measure as it did not penalise participants who engaged in 'job sampling' (moving between jobs quickly), which they reported was more likely among STP participants compared to other job seekers.

The program's performance was compared to a counterfactual. The counterfactual was calculated based on an analysis of hours worked by individuals who met STP eligibility criteria but were not supported by the program. Counterfactual data was provided by the Commonwealth and analysed by OSII. It was used to assess the 'incremental impact' of STP above existing support.

To allow for more holistic assessment of STP performance, the Department also used a 'consecutive week' metric to assess performance of STP. This recorded the number of consecutive weeks a participant stayed in employment (with measures for 13 and 26 consecutive weeks). This is a widely used outcome measure for employment programs and has been used by the Department for other programs such as the Department-funded SSHYE Program 2017-2020.

The key benefit of the consecutive week measure was that it allowed a more straightforward comparison of STP with other programs. A Department stakeholder reported a drawback in the hours-worked measure was that it did not provide a clear view of patterns of engagement in the program, or the number of participants who were contributing to overall outcomes, both of which were of interest.

While both measures were used (and are used in this evaluation), Departmental stakeholders also reported that they were relatively 'blunt' measures that did not always account for context and suggested that a more comprehensive outcomes framework would have been beneficial in understanding the varied impacts of STP.

### Multiple outcome metrics made it more difficult for SYC

The use of different outcome metrics caused some difficulties, particularly for SYC. Concerns about the outcomes of the program also became more acute as STP appeared to underperform initially (explored further in Section 6).

Although the different uses of these measures were raised and discussed by all stakeholders, SYC stakeholders interviewed for the evaluation felt the 60-week coaching model was not as well-suited to achieving 26-week consecutive employment outcomes as other programs might be. SYC stakeholders expressed uncertainty about how the 26-week outcome would be measured following completion of the program, e.g., if a participant found employment after 50 weeks, and then completed the program at 60 weeks, how would their 26-week outcome be measured. There also appeared to be an initial lack of awareness of the consecutive weeks measure among program managers, which contributed to some distrust between SYC and the Department.

*Not saying the 13/26 weeks measure is the best but since it is widely used, we should track it and also explore other measures that might be better – Department stakeholder*

*If we were being measured on 26-week outcomes, I think...have a conversation....If you're going to measure us against something, tell us about it so we can have a conversation and so we can adapt our practice rather than give us the feedback after the fact – SYC stakeholder*

*From a management perspective, it was actually really hard on the ground to continuously try to manage where we were sitting with our outcomes because of that and cause the counterfactual could change at any time – SYC stakeholder*

### 3.3. Evidence collection remained challenging despite additional efforts

The 2021 evaluation of STP found that collecting evidence on hours worked and work-like activities was challenging as it required participants to obtain and provide this manually. While the collection of outcome data improved over time, the process still required substantial manual validation by the Department over the life of the program.

#### Early issues in evidence collection were addressed, but remained onerous for participants

SYC highlighted early issues in providing evidence of participants' employment or work-like activities. Evidence of hours relied on participants submitting their pay slips, or employers verifying the number of hours a young person worked, which could be difficult to obtain.

The requirement for participants to provide evidence of employment (by way of pay slips) was also considered by some stakeholders (including both Government and STP) to be overly burdensome on program participants. The higher levels of vulnerability and difficulties in managing everyday life were acknowledged as potentially impacting their ability to collect pay slips as evidence.

While still within the SIB contract period, Government program managers suggested SYC financially incentivise participants to provide pay slips, to improve the collection of outcome data (this practice has also been used across other employment programs). SYC initially rejected this approach, but as problems of evidence collection continued SYC began to provide incentives for participants to provide evidence for the hours that they worked. These incentives were funded by the Department. Stakeholders reflected a higher success rate with evidence gathering following this change, but there were still instances where evidence was incomplete.

#### The data collection system required substantial manual validation by the Department

In addition to challenges in evidence collection, there were ongoing challenges with the database used to collect program data, which was viewed by NSW Government stakeholders as being overly cumbersome and unfit for purpose. For example:

- The Department explained the SYC database did not initially capture where evidence had been rejected by the Department where it did not meet evidence requirements.
- when a 'disengaged' participant completed 60 weeks, they were recorded as 'complete' rather than 'disengaged' in the database, hiding the total number of participants that disengaged.

These issues limited the usefulness of what the database could provide. In addition, the Department reported the database lacked the functionality to enable the Department to verify data with ease. As a result the auditing of data was manual and onerous.

*What is overly onerous for a young person to have to provide just to prove that they're working so that they can make money to put food on the table...I understand it's important to us, but in order for me to get through a week, I don't have to submit my pay slip to somebody else and have them verify it. How do we make the experience an equitable and positive one for the young person who's engaging with the program – Department stakeholder*

Automating the verification of outcomes can reduce the burden on participants, providers and Government stakeholders. This may be achieved through establishing data sharing partnerships with the Commonwealth Government to link program data with data on the Australian Government Payments that participants are receiving (for example, youth allowance) or other relevant data sets. This option was explored but was not possible at the time of program design.

### 3.4. The STP contract arrangements changed due to lower than expected performance; impacts from bushfires and COVID-19

The STP SIB was terminated after approximately a year of operation, due to lower-than-expected performance and the impacts of the 2019 bushfires and the COVID-19 pandemic. Contracting of STP has most recently changed to a Payment-by-Results contract, which has used different outcome measures considered simpler to track by SYC.

#### Early performance of STP was lower than expected

As a SIB, there were initially high expectations of the program from all stakeholders. According to one Government stakeholder, the added 'spotlight' on the project also meant the performance of SYC and equally the Department (as contract managers) would be subject to additional scrutiny.

Stakeholders identified performance issues shortly after the first contract for the SIB had been executed. These issues were related to:

- lower-than-expected uptake, due to initial difficulties in obtaining referrals
- high staff turnover
- challenges in capturing evidence
- impacts from the 2019 bushfires and the COVID-19 pandemic.

#### The SIB was terminated after approximately one year

These performance issues led to the termination of the SIB. To extend the program and continue support for program participants, the funding arrangement was updated to a 12-month services agreement. This contract covered the expenses of continuing the service to mentor and support participants.

The services agreement was intended to be a temporary measure covering a 12-month period. It was selected to account for the significant uncertainty around the COVID-19 pandemic and associated lockdowns. This temporary measure also enabled contract managers to monitor performance more closely, and for the counterfactual (based on data provided by the Commonwealth Government ) to be reassessed.

From 2021, the program was funded by a 2-year Payment-by-Results (PbR) contract. Despite no longer being a SIB, there remained a focus from all stakeholders on outcome measurement.

#### Outcome measures were updated under the new contract arrangements

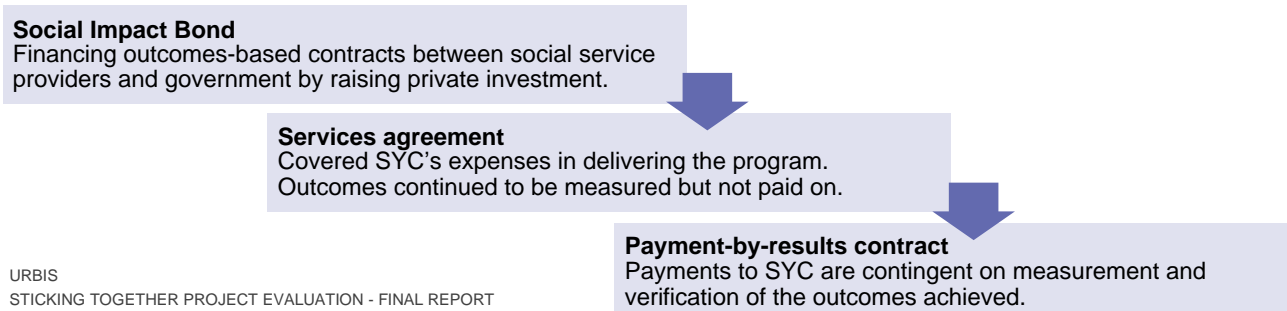
With the new PbR contract, the outcome measures were updated, and milestones were introduced. Three measures were adopted, for which simple milestones and outcomes were set:

- number of enrolments in the program
- number of job starts
- average productive hours per week.

The counterfactual was still used however, instead of an explicit comparison, it was built into the targets set for the average productive hours. Representatives from SYC felt these measures were more appropriate, primarily as they were simpler to track and respond to. The NSW Government has continued to measure performance of SYC against the counterfactual.

*All parties kind of know where we're at and what we're doing. And it was the right contract type for this program – SYC stakeholder*

Figure 2: STP contract arrangements



## 4. Program reach and experience



There were more enrolments in STP from the Illawarra region than from Sydney, suggesting greater engagement with referrers in that area.



There were more males than females participating in STP (57% to 41%), and a high proportion of participants identified as Aboriginal and/or Torres Strait Islander (28%). This is reflective of the broader characteristics of young people who are not in education, employment or training.



Nearly three-quarters (73%) of the 664 participants that engaged with the program reported experiencing at least one barrier to employment, and over half of participants (52%) reported two or more barriers to employment.



Program participants interviewed (n=12) generally had a positive experience in STP and felt more engaged with SYC than with their jobactive provider. This was largely due to the positive relationships they were able to develop with coaches over a longer time period.

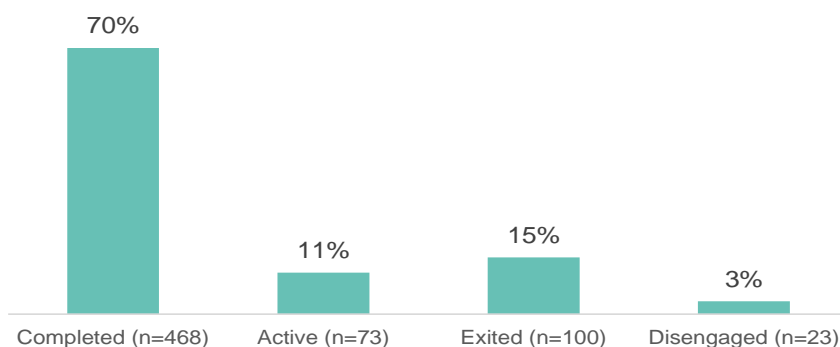
## 4.1. 664 young people were supported through STP, with 70% having completed the program, and a further 11% still active when the evaluation was undertaken

The proportion of participants completing the program increased as the program matured (as opposed to participants being 'active'). There were more enrolments from the Illawarra region than from Sydney, reflecting greater engagement with referrers in that area.

### Total program participation

From 1 April 2019 to 10 November 2022, there had been a total of 664 participants in STP. At this time, 70% (n=468) had completed the program and 15% (n=100) had exited. 11% of participants (n=73) were still active in the program, and only 3% (n=23) had disengaged.

Figure 3: Program participation



The program completion rate appears to have increased compared to the previous evaluation, which showed a 44% completion rate. However, this is likely a function of the program stopping new referrals in February 2022. At the time of reporting, both exit rates (15% as of February 2021) and disengagement rates (6% as of February 2021) remained at a similar level to the previous evaluation. As described earlier, 'disengaged' participants were recorded as 'complete' after 60 weeks in the program database, which concealed true levels of disengagement. This also means that some of the 70% of participants recorded as 'completed' could have disengaged from the program.

Coaches did not identify any obvious patterns of engagement (or disengagement) in STP across different cohorts. Rather, they felt disengagement occurred more 'randomly', and was indicative of broader disengagement beyond just STP.

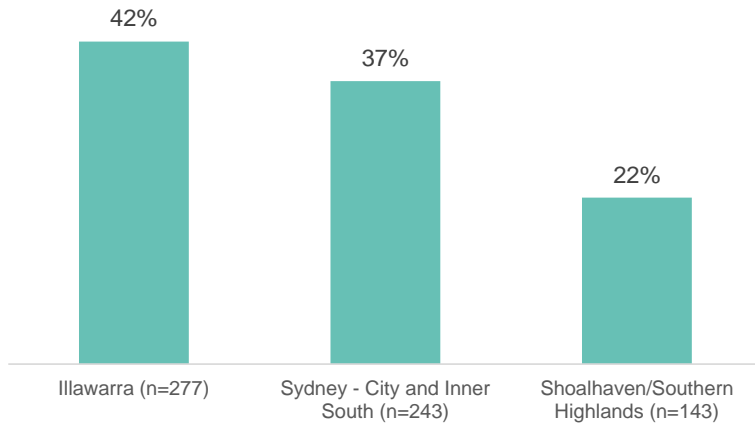
*It's across the board. Usually it might be a personality thing... I've not found that it's the program. I found they were disengaging from everything else as well – STP coach*

### Participation by site

There was slightly greater participation in the Illawarra (42%) and Sydney (City and Inner South) (37%) sites, in comparison to Shoalhaven/Southern Highlands (21%). This can be largely attributed to the shorter participation timeframe from the Shoalhaven/Southern Highlands site, which ceased participation in 2021.

Participation levels at each site have remained similar to what was previously reported in February 2021 (Illawarra 38%, Sydney 36%, Shoalhaven 26%).

Figure 4: Participation by site



## 4.2. Over half of participants were aged 21 to 23, and over one quarter identified as Aboriginal and/or Torres Strait Islander

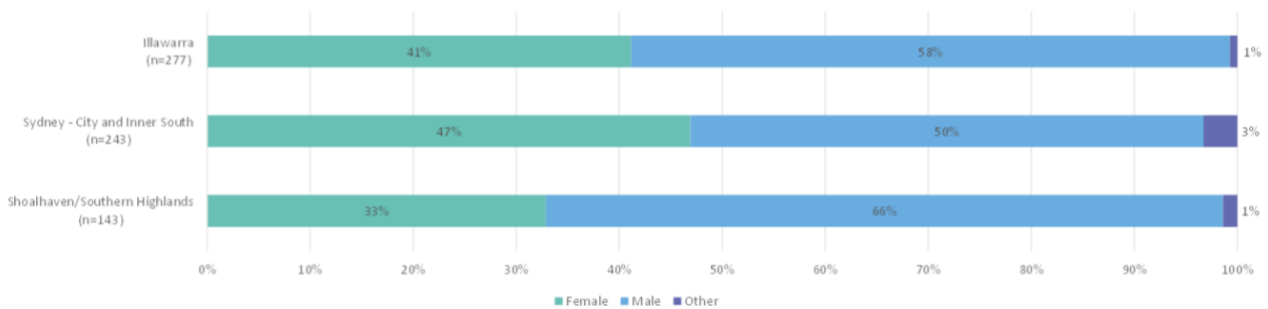
There were more males than females participating in STP (57% to 41%), and a high proportion of participants identifying as Aboriginal and/or Torres Strait Islander (28%). This is reflective of the broader characteristics of young people who are not in education, employment or training.

### Age and gender

Similar to the 2021 evaluation, there was a slightly higher proportion of male participants (57%) compared to females (41%), and other/non-disclosed (2%).

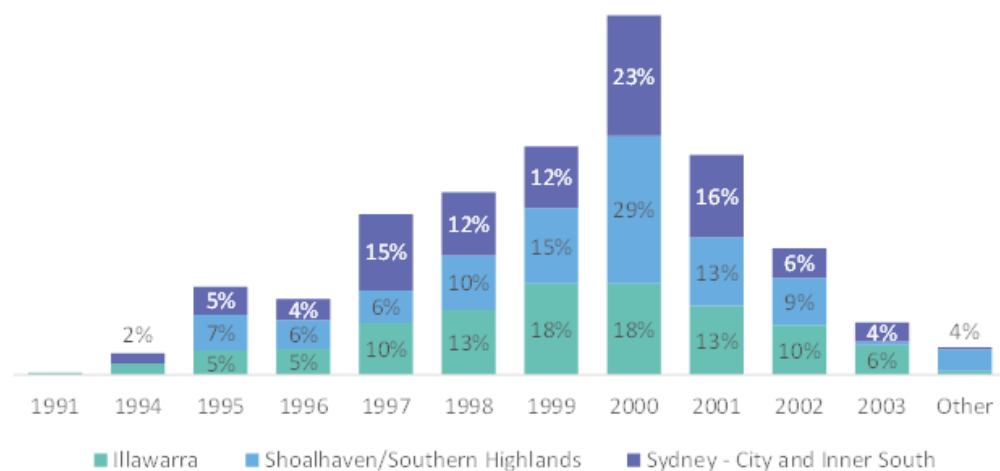
Gender diversity varied by site, with the lowest proportion of female participants (33%) and highest proportion of male participants (66%) from the Shoalhaven/Southern Highlands site. Across Sydney, the gender breakdown was more even (47% female, 50% male, 3% other), in comparison to other sites.

Figure 5: Gender by site



Just over half (51%) of all participants were aged 21 to 23 years (born in 1999-2001). The age spread was similar at each site, with age 22 (born in 2000) being the most common age across all three sites.

Figure 6: Age by site



## Aboriginal and/or Torres Strait Islander status

Across the program, 28% of all participants identified as Aboriginal and/or Torres Strait Islander. This is significantly higher than that of the broader population (4.4% in the 2021 Census).

Across each centre, the participation of young Aboriginal and/or Torres Strait Islander people was quite similar. There were slightly more participants from both Sydney (33%) and Shoalhaven/Southern Highlands (32%) who identified as being Aboriginal and/or Torres Strait Islander, compared to the Illawarra (22%).

## Cultural diversity

There was a lack of cultural diversity amongst program participants, with 94% of participants born in Australia. This contrasts with the national average of 27.6% of the population who are born overseas, as reported in the 2021 Census.

In addition, 98% of participants spoke English as their main language at home. The remaining 2% of participants spoke Arabic, Mandarin or other as their main language at home.

## 4.3. Most STP participants were experiencing at least one barrier to employment

Nearly three-quarters (73%) of all participants reported experiencing at least one barrier to employment, and over half of participants (52%) reported two or more barriers to employment.

Barriers to employment experienced by STP participants were assessed during referral and intake to the program. These barriers are categorised as accommodation barriers, health barriers, or legal barriers, as seen in the Figure below. In line with the previous evaluation in May 2021, nearly three-quarters (73%) of all participants reported experiencing at least one barrier to employment, and over half of participants (52%) reported two or more barriers to employment.

A comparison of the barriers experienced by participants against population-level data indicates, although due to data limitations do not conclusively demonstrate, that STP participants faced barriers to employment above what is experienced by the population. Notably:

- Nearly half of all participants (49%) reported at least one health factor impacting their employment. This included mental health conditions that impacted work, with 38% of all participants reporting this impacted the hours they could work or type of work they could do. This is similar to the estimated 40% of young people aged 16-24 years with a 12-month mental disorder (including substance use),<sup>13</sup> however many of the young people captured in this 40% may not necessarily experience negative impacts on employment.
- Just over two-fifths of participants (44%) reported at least one accommodation factor, including 32% of participants that had previously stayed at a refuge or supported accommodation, and 24% that were not living in secure accommodation over the past 12 months. Further, 16% of participants had been in out-of-

<sup>13</sup> ABS (2021). *National Study of Mental Health and Wellbeing*. Available from: <https://www.abs.gov.au/statistics/health/mental-health/national-study-mental-health-and-wellbeing/latest-release#>

home care (OOHC). This is compared to the rate of young people aged 12-17 years in OOHC in NSW, which is below 1%.<sup>14</sup> While this is not a direct comparison with the STP cohort, the relatively low rate of young people in OOHC does point to a substantial over-representation among STP participants of contact with the child protection system compared to the population.

- Nearly a third of participants (30%) reported having contact with the legal system, while 16% of all participants reported they had been convicted of a criminal offence since turning 18. This could be compared with the offender rate in NSW for 2021-22, with less than 2% of people committing an offence proceeded against by police in that time.<sup>15</sup> While this measure only accounts for offences in one year, this also points to an over-representation among STP participants of legal factors that may present barriers to employment compared with the population.

Figure 7: Health barriers reported by STP participants

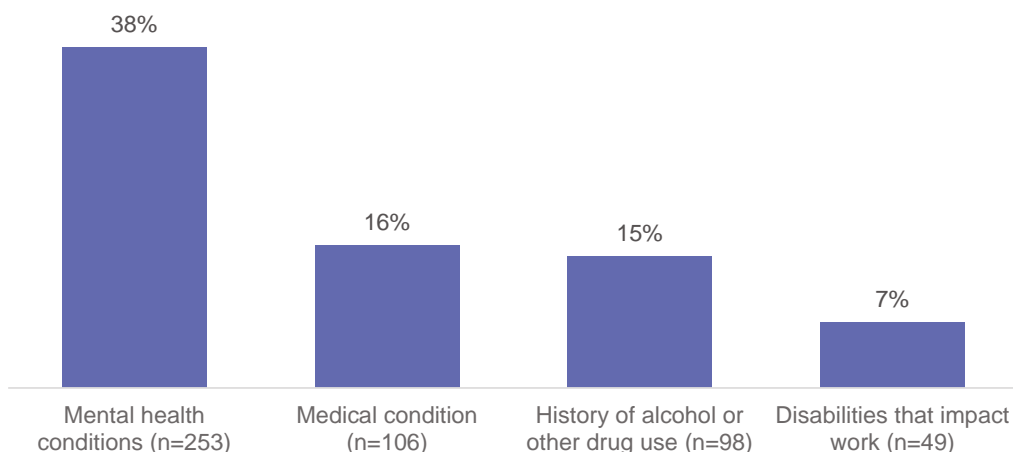
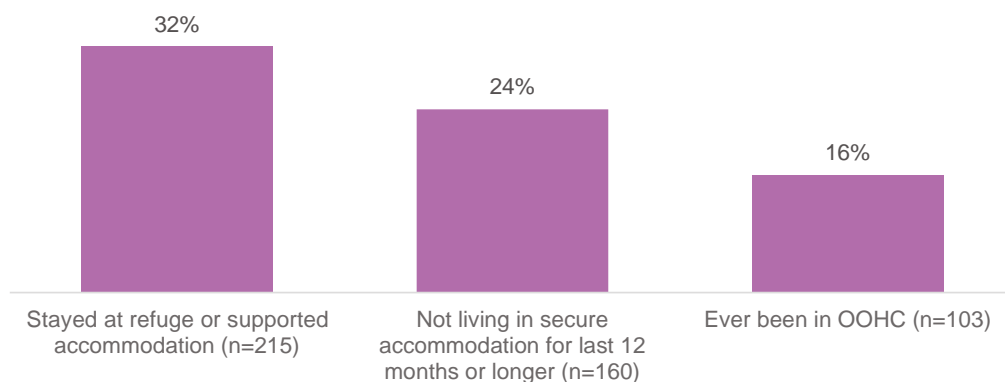


Figure 8: Accommodation barriers reported by STP participants

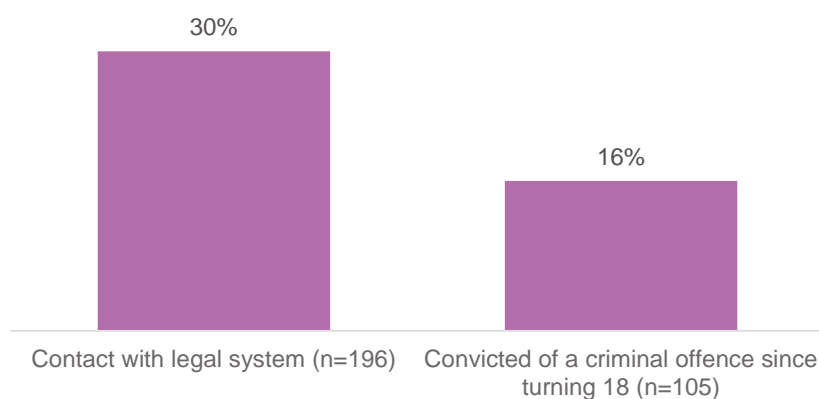


<sup>14</sup> AIHW (2021). *Young people in out-of-home care*. Available from: <https://www.aihw.gov.au/reports/children-youth/young-people>

<sup>15</sup> ABS (2023). *Recorded Crime - Offenders*. Available from: <https://www.abs.gov.au/statistics/people/crime-and-justice/recorded-crime-offenders/latest-release#new-south-wales>



Figure 9: Legal barriers reported by STP participants



## 4.4. Experience of STP among participants and employers was positive

Program participants interviewed (n=12) generally had a positive experience in STP and felt more engaged with STP than with their jobactive provider. This was largely due to the positive relationships they were able to develop with coaches over a longer time period.

Participants generally reported having a positive overall experience with STP, with young people especially appreciative of the empathetic, personal and caring nature of STP coaches. Participants noted that the program was helpful on many different accounts, including finding job opportunities, but also being motivated by their coaches, feeling understood, and having support and someone to talk to whilst navigating difficult situations. One participant noted that the “support and continuous dialogue made a difference”, and another commented the active nature of the assistance was very helpful. Participants also found the program to be very helpful in securing casual work, resolving housing issues as well as receiving vouchers that helped them in their daily lives on occasion. The insights presented in this section are based on the interviews with 12 STP participants.

### Participants’ experiences with their coaches

Most participants stated that their relationship with their coach was excellent. It was noted that coaches provided a safe and comfortable environment for participants. One participant stated that their coach acted like a “general support worker” with very few things that their coach wouldn’t be able to help with.

Several participants stated that the ongoing dialogue with their coach elicited feelings of value, understanding and confidence in getting things done at work or school. Some participants also stated they enjoyed the program, with some stating that transitioning to a different coach was easy, and that engaging with their coaches left them feeling motivated rather than judged.

### Comparison to other alternatives

When compared to alternative options, several participants felt their experience with STP was more positive than previous experiences they’d had with other service providers. Coaches in STP were more empathetic, friendly, caring and supportive, in comparison to previous service providers who were more focused on checking boxes and meeting targets.

Numerous participants commended STP’s flexibility, noting that it was simple to conduct sessions over the phone. Some thought this was more convenient because it reduced the likelihood that a session would be cancelled if a participant could not attend in person. This was corroborated by an interview with STP coaches, who also commended the flexibility they had in working with young people. One coach noted they would meet and support participants wherever it best suited. This included meeting at the hospital or bringing food to a participant who might not have eaten in days, all of which helped them build rapport and trust with participants.

Some participants noted that STP’s strategy of making participants the program’s main focus was different from that of other service providers who did not advocate as tirelessly for participants.

Participants frequently expressed a sense that other service providers were not meeting their needs, in contrast to their experience with STP, which was more communicative, youth-friendly, and took a more

personalised approach to participants' needs. The majority of participants left feeling supported, understood, and as if they were provided a safe space to discuss their various needs.

Some participants noted that, when compared to other options, STP provided a more streamlined process, with established fortnightly meetings, which provided participants with more stability, as opposed to other services where providers differed on each encounter.

## **Employers appreciated the additional support provided by coaches**

Employers interviewed for the evaluation (n=2) also reported that their experience with STP was positive, in particular that coaches were very responsive to any issues observed. Both employers reported that they would happily continue working with STP, particularly in the context of lower unemployment and difficulties in filling vacancies.

## **Program improvements as suggested by participants**

Most participants were satisfied with the program and how it met their needs. Nonetheless, some participants suggested that assisting young people in obtaining specialised training and even occupational licences in certain industries could help secure more employment opportunities in their fields of interest. Others noted that providing a transitional program with a six-month extension for those ageing out of employment support programs (including STP) might prevent young people from regressing after support had ceased or the program had concluded.

# 5. Program implementation



Coaches provided flexible and tailored support to program participants and engaged with them frequently.



Support tended to focus on foundational skills such as emotional regulation, rather than employment-specific supports. This support was considered by coaches to be more aligned with the needs of participants.



Coaches were positive about delivering STP, appreciating the ability to work flexibly with participants over a long time period. Coaches also reported positively on the training available, and the support provided by SYC leadership.



SYC initially had difficulties obtaining referrals and took time to develop relationships with other providers in NSW. A high turnover of employees also negatively impacted program delivery, but this improved over time.

## 5.1. STP provided flexible support to participants depending on their needs

Coaches provided flexible and tailored support to program participants and engaged with them frequently. Support tended to focus on foundational skills such as emotional regulation, rather than employment-specific supports, as these were the issues that were most impacting participants.

STP coaches reported providing a wide variety of support to program participants. Overall, coaches felt that taking a flexible approach and providing support closely aligned to participant needs, rather than using a strictly prescriptive or programmed approach, was advantageous. The types of support provided reportedly changed over time, as many participants faced disadvantage and rapidly changing circumstances.

### Coaches supported participants with foundational life skills

In general, coaches reported providing a greater level of 'foundational' support (categories 1 to 3 in the box on the following page) to participants, rather than providing support specifically related to work-readiness skills or job seeking. For many participants, there was reportedly a greater need to focus on stabilisation, before moving towards more higher-level goals. For example, coaches noted assisting participants in the following ways:

- helping with interpersonal relationships and emotional regulation
- basic health and home advice
- accompanying participants to hospital and advocating for their care.

STP coaches and participants also reported participants did not always progress through the different types of support linearly, but instead tended to move back and forth depending on the needs of the individual.

There was no program data available for the evaluation to support the views of coaches on the type and frequency of support provided.

### Overall, coaches engaged frequently with participants

Most participants consulted for the evaluation were actively engaged in coaching at least fortnightly, with some having regular weekly check-ins. Frequency of coaching appears driven by the needs of participants, with some opting for catch ups 2-3 times per month based on availability. Only two participants stated coaching engagement was not frequent, with one attributing this to work commitments, and the other noting a decline in engagement after gaining employment with the assistance of their coach.

Contact was either face-to-face or via telephone, depending on participant preferences and coach/participant availability. Telephone/video calls were used more frequently during COVID-19 lockdowns.

*A lot of these young people come from quite chaotic backgrounds, so things can change within a matter of minutes sometimes. So, we do need to be quite flexible in our approach – STP coach*

*Sometimes I've sat in hospitals all day with people with chronic pain or with mental health and supported them with meeting with the psychiatrist and helping them advocate for themselves, but also demonstrating to them how they can learn to advocate for themselves. A lot of what we do really is teaching young people communication skills and emotional regulation – STP coach*

## STP categories of support

1. **Trust & rapport building:** developing relationships to increase trust and rapport with young people, as well as goal-setting to motivate young people.
2. **Addressing barriers to employment:** assessing the young person's barriers to employment (e.g., mental health or housing) and working with them to address these issues by connecting them to appropriate support services.
3. **Building soft skills:** supporting young people to build soft skills such as communication, time management, self-motivation, responsibility and conflict resolution.
4. **Work-readiness skills:** assisting young people to be ready for the workplace through developing their CV writing, interview skills, and connecting them to work-like activities.
5. **Job seeking:** helping young people to identify job opportunities, as well as building relationships with employers
6. **Job maintenance:** supporting young people to overcome challenges they face in initial stages of work, as well as liaising with employers to overcome any workplace issues.

## 5.2. Working flexibly with participants, the longer program length and mental health support were key enablers for program delivery

Coaches were positive about delivering STP, appreciating the ability to work flexibly with participants over a long time period. Coaches also reported positively on the training available, and the support provided by SYC leadership.

### The ability to work flexibly with participants was considered a strength

Coaches reported being flexible with participants allowed them to engage more effectively, build rapport over time, and was ultimately more likely to contribute to longer-term employment outcomes. This approach was overwhelmingly viewed as a strength and reportedly gave coaches greater confidence that they were making a difference for participants. The flexibility inherent in the model allowed coaches to play an advocacy role. Coaches reported instances where they felt that participants needed advocacy, or support to push for what they needed.

Participants consulted for the evaluation also commonly noted they could talk to their coach about 'almost anything', and that their coach would often be the first person they spoke to about any 'life challenges'.

### The longer program length allowed participants the time to develop trust and work through important issues

From the coaches' perspective, the 60-week program length was a key (and relatively unique) strength of STP. The program length reportedly provided enough time for participants to feel comfortable in 'opening up' and develop trust with their coach, contributing to an increased likelihood of significant underlying issues being addressed. However, some participants noted that in order to feel adequately supported, a longer program length of one and a half to two years time would be more beneficial.

Coaches commonly reflected shorter comparable programs, in their experience, ended just as progress was being made. Participants also suggested the inclusion of a transitional component for young people who had aged out of the program but still required assistance.

The 60-week program length also reportedly allowed enough time for participants to work through important 'fundamental' problems preventing their participation in employment. For example, improving emotional regulation could initially contribute to foundational relationships with family or partners, and subsequently be used to manage difficult situations in the workplace.

*I think what's been really great with the program is the flexibility and not meeting young people in an office. It's really nice to be able to meet people in a place where they feel safe and comfortable – STP coach*

## Training was effective, giving coaches confidence to work with participants

Coaches reported the training available as part of STP was comprehensive and set it apart from many other programs. This training comprised multiple weeks of intense training on topics including:

- mental health first aid
- trauma-informed practice
- cultural awareness.

Coaches generally agreed the training was effective and gave them confidence in working with program participants.

## SYC's leadership was seen as strong, and coaches felt supported to deliver

The leadership provided by SYC was considered strong by coaches, who felt listened to and well supported to deliver the program. Coaches felt that SYC leadership were responsive to their needs and helped to maintain the program through a challenging environment.

## Psychological support was important for both participants and coaches

Mental health was a commonly reported barrier in both the program data, and by interviewed participants. STP benefited from having a registered psychologist on the team who was available to provide support to participants and coaches. This role was added in 2021.

Initially, the psychologist role was largely focused on providing counselling directly to program participants, as well as supporting referrals, or helping participants navigate the health system. Over time, the nature of this role changed in line with program needs, with the STP psychologist stepping into a coaching practice manager role. This involved more work supervising and supporting coaches to better support and manage any mental health concerns among program participants, rather than engage in one-on-one counselling.

*With the evidence behind what we were doing... (it was) really amazing training...every year we've gone over it again intensely.. And they (SYC) searched really hard to find the best of the best to provide the training – STP coach*

## 5.3. Obtaining referrals, staff turnover and service delivery restrictions were barriers to program delivery

SYC initially had difficulties obtaining referrals and took time to develop relationships with providers in NSW. Restrictions also impacted implementation, where participants were limited geographically and age-wise. A high turnover of employees within SYC also posed a risk to the program delivery.

### Without strong relationships with jobactive providers, obtaining referrals was difficult

Multiple stakeholders acknowledged it was difficult for SYC to maintain the required referrals in the early stages of implementation. Some further suggested this was a key factor in the poorer performance of the program. Departmental stakeholders also felt that SYC may not have accurately predicted the existing need for the program or the ability to attract referrals, evidenced by the withdrawal from Shoalhaven/Southern Highlands.

As part of the Program design, referrals could only come from jobactive providers. Prior to STP, SYC did not have strong relationships with providers in NSW, and it reportedly took time to develop these and to ensure sufficient referrals into the program.

In addition, the jobactive service was re-tendered in 2021, as part of the New Employment Services Model. This may have caused some suspicion from local providers as SYC was a jobactive provider in other states and may have been seeking to expand its footprint in NSW.

*It (staff turnover) is higher than I'd like it to be, particularly when working with this cohort – Department stakeholder*

## Restrictions on service delivery were seen as a program limitation

The program's design reportedly placed some limitations on service delivery, meaning that some young people who were in need of support and would meet most criteria for the program were ineligible. For STP, this was seen most obviously in two areas:

- There were restrictions on where participants could be referred from (geographic location), to ensure that the comparison with the counterfactual was accurate. STP stakeholders suggested this prevented them from allowing some young people to access the program.
- Similarly, the age range of participants was also limited, with STP stakeholders suggesting that a younger cohort (e.g., under 18) would benefit from the program.

## Staff turnover initially impacted program delivery, but resolved over time

Similar to findings from the 2021 evaluation, stakeholders reflected on the high turnover of employees within SYC. While Departmental stakeholders reported the employment support industry did have a high turnover rate, SYC experienced a higher turnover rate than the industry standard. There was no clear reason why this was the case, however, some stakeholders hypothesised that factors could have included the internal organisational culture, a personality or leadership style clash, or the lack of certainty around the contract / COVID-19 pandemic.

SYC stakeholders highlighted that staffing issues had been successfully addressed over time, and more effective coaches had been hired.

## There were minor barriers to working in the program

There was no administrative support for coaches in the program, which was identified as a burden and required coaches to spend more time on data collection. However, one coach reported that they had worked on other programs with a much higher administrative workload.

Another issue for some coaches was working across a large geographic area, as it required travelling longer distances and exceptional time management skills.

*We now finally in this contract have the exact right team in place and which is why it's actually outperforming every contract measure because we've actually got the right staff now in place, although they are now also starting to leave because the contracts coming to an end – SYC stakeholder*

*The age range is one that I've always kind of wished we could work with. It could be slightly younger for that exact reason, of the disengagement rates and knowing that definitely younger people that would engage – SYC stakeholder.*



# 6. Program outcomes



Between 2019 and 2022, STP helped 268 young people find employment, equating to 40% of program participants. The number and proportion of participants supported into employment, as well as hours worked, improved since May 2021. However, most participants did not find employment while in the program. When counting all participants, the average hours worked was 4.2 hours per week. A small number of participants accounted for an outsized proportion of total hours worked.



STP's employment outcomes outperformed the counterfactual, however, program performance fell below targets agreed upon by all parties. Few participants also sustained continuous employment for durations of 13 weeks (between 14% and 19% of all participants) or 26 weeks (between 6% and 8% of all participants). 16% of all participants worked at least 26 weeks (non-consecutive) across their 60-week period in the program.



21% of program participants engaged in work-like activities, such as education and training.



Participants that had finished Year 12, and participants that engaged in the program in Sydney – City and Inner South recorded higher employment and work readiness outcomes relative to those that had not finished Year 12 and those that engaged in the program in other locations, respectively.



## 6.1. STP supported 268 young people to find employment (40% of all participants)

268, or 40%, of STP participants found employment during their engagement with the program. Employment outcomes were generally higher than observed during the previous evaluation of the program in May 2021. There were notable differences in employment outcomes depending on participant level of educational attainment, location, gender, and Aboriginal and Torres Strait Islander status

The outcome measures examined in this report include both the hours worked measure, and the consecutive-weeks measure which refers to whether an individual had stayed in a job for 13 or 26 consecutive weeks.

Employment is defined as when a young person engages in at least one approved hour of paid work during their engagement in the program. Overall, between 2019 and 2022, STP helped 268 young people find employment, equating to 40% of program participants. Performance on this measure was comparable to the Youth Employment Innovation Challenge (YEIC), which supported 45% of participants to find employment. This result also represents an improvement in employment outcomes compared to the previous evaluation completed in May 2021, which found that 32% (n=144) of participants had found employment.

Including all completed participants and averaging hours worked over 60 weeks, we found that the average hours worked was 4.2 hours per week. The time it took for participants to find employment across the program was 16 weeks, a slight increase from 15 weeks in the previous report.

There were some differences in employment outcomes based on participant demographics. Participants that had finished Year 12 (n=100 participants that completed the program, or 21%) were more likely to find work than participants that did not finish Year 12. 62% of completed participants that finished Year 12 found employment through the program as opposed to 39% of completed participants that had not finished Year 12.

Similarly, participants engaging in the program at the Sydney – City and Inner South site were more likely to find employment through the program and worked more hours relative to other sites. Over half (61%) of completed participants in Sydney found employment, compared to 40% in Illawarra and 25% in Shoalhaven/Southern Highlands.

There were also differences observed between male and female participants, with completed female participants more commonly finding employment (48%) compared with male participants (39%). Female participants also tended to find a job faster than male participants, with females finding a job within 13 weeks compared to 18 weeks for males.

Aboriginal and/or Torres Strait Islander participants found employment at a lower rate compared with non-Aboriginal or Torres Strait Islander participants (38% of completed participants for the former compared with 46% for the latter).

There were no substantial differences observed between different age groups.

Outcomes at program completion	Key demographics
40% young people found employment (n=268)	62% participants that finished Year 12 found employment
16 weeks to find work, on average*	61% participants at Sydney – City and Inner South found employment
4.2 average total paid hours per person	48% female participants found employment
23 average weeks of employment*	

\* Data only reflects participants who engaged in employment.

Note: For more information on the assumptions underpinning the analysis, see Appendix A.

## 6.2. STP outperformed the counterfactual, but did not meet agreed targets

On average, STP participants recorded total hours in employment above what would have been expected of a counterfactual cohort over a 60-week period. However, this performance was below the targets for the program agreed upon by all parties, including NSW Government and SYC.

A key measure of program effectiveness was comparing STP participants' outcomes to counterfactual performance. The counterfactual performance was based on an analysis of hours worked by individuals who met STP eligibility criteria, but were not supported by the program. Therefore, differences in outcomes between STP participants and the counterfactual cohort provide evidence of the program's influence.

Counterfactual data on employment outcomes was provided by the Commonwealth Government and analysed by OSII for the period inclusive 29 September 2017 and 20 May 2022. The counterfactual was measured at different points over each of the contracts, ranging from 2.3 hours to 3.1 hours of employment per week. A full explanation of the data used to construct the counterfactual can be found in Appendix A. The counterfactual range was compared with employment outcomes achieved by completed STP participants from 1 April 2019, the first program entrant, to 20 May 2022 at the end of the most recent counterfactual measurement period.

STP participants who completed the program worked an average of 249 hours per participant over their time in the program. This equates to approximately 4.2 hours per week of employment on average per participant, assuming all completed STP participants received 60 weeks of support from the program. This is approximately 80% more hours on average than the lowest counterfactual measurement over the investment term (2.3 hours per week), and 34% more than the highest counterfactual measurement over the investment term (3.1 hours).

While above the counterfactual, STP's performance in terms of hours worked by participants was below what was expected from the program. The target for average hours worked per STP participant was approximately three times the counterfactual (given program costs) although targets were adjusted over the 4-year program term in consultation with SYC, to maintain value for money for the NSW Government while being realistic and achievable.

The 4.2 average hours per week worked among STP participants were on average 91% of the low target of 4.6 hours per week (or 9% less than the low target), and 45% of the high target of 9.3 hours per week (or 55% less than the high target).

Table 1: Actual STP performance compared with the counterfactual

Actual performance		Hours	
Average total hours worked per week (all completed STP participants between 1/4/19 to 20/5/22)		4.2	
Counterfactual		Hours	
Lowest counterfactual measurement over the investment term (hours per week)		2.3	
Highest counterfactual measurement over the investment term (hours per week)		3.1	
Target (counterfactual plus expected uplift)		Target hours per week	Extent to which STP met the target
Low target – assumed a 2x uplift over the lowest counterfactual measured over the investment term		4.6	91% (9% less than the low target)
High target – assumed a 3x uplift over the highest counterfactual measured over the investment term		9.3	45% (55% less than the high target)

Note: For more information on the assumptions underpinning the analysis, see Appendix A.

### 6.3. There was a large variation in employment outcomes with a small number of participants responsible for a large proportion of hours worked overall

60% of participants did not find employment through the program, and among those that did, nearly half worked less than 400 hours overall. A small number of participants accounted for an outsized proportion of total hours worked; the top 2% of completed participants accounted for 16% of all hours worked among completed participants (who found employment).

The number and proportion of participants supported into employment by STP have increased from the previous evaluation, from 144 or 32% of all participants in May 2021, to 268 or 40% of all participants in 2023. While an improvement, this still means that over half (60%) of participants did not find employment over the program term, while 57% of participants that completed the program did also not find employment.

Among those participants that did find employment, just under half (47%, or 45% of completed participants) worked less than 400 hours over a 60-week period (equating to 6.7 hours per week). Breaking down this category further, 29% of all participants that found employment worked less than 200 hours (or 3.3 hours per week on average). Again, this represents an improvement from the previous evaluation in May 2021, where 49% of participants that found employment had worked less than 200 hours over the 60 week period.

As mentioned previously, the improvements in performance from the previous evaluation may be a function of referrals to STP ceasing in February 2022, which resulted in a higher proportion of participants captured in the measurement having already completed the 60-week program.

Other potential reasons for improvement over time include improved evidence collection procedures, enabling more hours to be recorded, as well as improved service delivery as the program matured. As an example, coaches reported a very personalised approach to matching candidates with employment, only recommending employment environments that were appropriate, suitable and feasible for each candidate. This was also corroborated by a recruiter working with SYC, who noted lower numbers but a higher quality of candidates coming through from SYC in comparison to other network agencies. However, these results still represent many participants working few hours, and based on the counterfactual range of between 2.3 hours and 3.1 average hours per week, similar to if they had not been supported by the program.

Conversely, participants were slightly more likely to work 801 hours or more compared to working between 401 to 800 hours. This suggests employment outcomes for STP are quite dispersed, with some large outliers. For example, one participant was recorded as working 2,529 hours during their involvement with the program (or 42 hours per week, on average). Further analysis showed that, among completed participants, the top 10 participants (or 2% of all completed participants) in terms of hours worked accounted for 16% of all hours worked among completed participants who found employment across the program. It is important to contextualise these outcomes for a small number of participants with the experience of the average STP participant, with the vast majority either not finding employment or working few hours.

Table 2: Hours worked by STP participants

Total approved paid hours	0 hours	1 to 400 hours	401 to 800 hours	801+ hours
<b>Number of participants (all participants, n=664)</b>	<b>396</b>	<b>127</b>	<b>67</b>	<b>74</b>
% of employed	N/A	47%	25%	28%
% of all participants	60%	19%	10%	11%
<b>Number of participants (completed, n=468)</b>	<b>266</b>	<b>91</b>	<b>52</b>	<b>59</b>
% of employed	N/A	45%	26%	29%
% of all participants	57%	19%	11%	13%

Note: For more information on the assumptions underpinning the analysis, see Appendix A.

## 6.4. Few participants were able to sustain employment for 13 or 26 weeks

Few participants sustained continuous employment for durations of 13 weeks (between 14% and 19% of all participants) or 26 weeks (between 6% and 8% of all participants). 16% of all participants worked at least 26 weeks (non-consecutive) across their 60-week period in the program.

Participant data were analysed to determine the extent to which STP participants sustained employment. This was calculated by assessing what proportion of participants had worked 4 weeks (1 month), 13 weeks (3 months) and 26 weeks (6 months) consecutively from their first instance of employment. Two benchmarks were used, one requiring a minimum of 3 hours to be worked in each week for a week to be counted in the measurement period, and another requiring a minimum of 14 hours to be worked in each week.

Most participants that found employment maintained it for at least four weeks across both benchmarks (84% for minimum 3 hours and 75% for minimum 14 hours). However, fewer maintained sustained employment for longer periods of time. Under half of the participants (47%) who found employment sustained a minimum of 3 hours of employment for 13 consecutive weeks, and even less for 26 consecutive weeks (19%). A similar drop off was observed when using the 14-hour benchmark. Across all participants in the program, only a very small number (8% for minimum 3 hours, 6% for minimum 14 hours) recorded 26 consecutive weeks of employment.

This outcome did not change greatly over time. Based on a 3-hour benchmark among participants that found employment, participants that entered the program in 2021 recorded slightly more consecutive weeks worked on average (17 weeks, n=80 participants) than those that entered in 2019 (14 weeks, n=86).

Comparing the performance of STP to the Department-funded SSHYE Program 2017-2020, in which 27% of participants achieved 26 weeks of continuous employment, suggests a lower performance for STP on this outcome, acknowledging potential differences in the client cohorts.

Consecutive weeks worked is a stringent measure of sustained employment because participants may have taken a reasonable break in employment due to illness, injury or leave. By the measure of consecutive weeks, this would be considered a discontinuity even if the participant could still be considered employed. To assess whether reasonable breaks had been taken, Urbis analysed gaps between periods of employment for participants that had recorded at least four or more consecutive weeks of employment (benchmark of 3 hours or more). This analysis found that, of the 225 participants that recorded 4 or more consecutive weeks of employment, 66 (29%) did not record any breaks in employment. 159 participants had some gaps in employment - for those that had gaps in employment, the average number of breaks observed was 2.5 per participant, with the average time of each break in employment being 3.7 weeks. This indicates that participants with gaps in employment were generally experiencing longer times away from employment than a brief absence.

Non-consecutive weeks of employment is a less stringent measure. By this metric, 16% of all participants recorded at least 26 weeks of paid employment during their time in the program. This is higher than the consecutive weeks measure for the same 26 weeks timeframe, between 6% or 7% depending on the benchmark used. However, non-consecutive weeks are more likely to reflect multiple instances of employment of shorter duration rather than sustained employment with a smaller number of employers, and so should be interpreted with caution.

Table 3: Consecutive and non-consecutive weeks of paid employment

Measures	Consecutive weeks of paid employment (minimum of 3 hours)			Consecutive weeks of paid employment (minimum of 14 hours)			Non-consecutive weeks of paid employment (all hours)		
	4 weeks	13 weeks	26 weeks	4 weeks	13 weeks	26 weeks	4 weeks	13 weeks	26 weeks
Count	225	127	52	200	91	38	237	176	107
% of employed	84%	47%	19%	75%	34%	14%	88%	66%	40%
% of all participants	34%	19%	8%	30%	14%	6%	36%	27%	16%

Note: For more information on the assumptions underpinning the analysis, see Appendix A.

## 6.5. STP supported 21% of participants in work-like activities

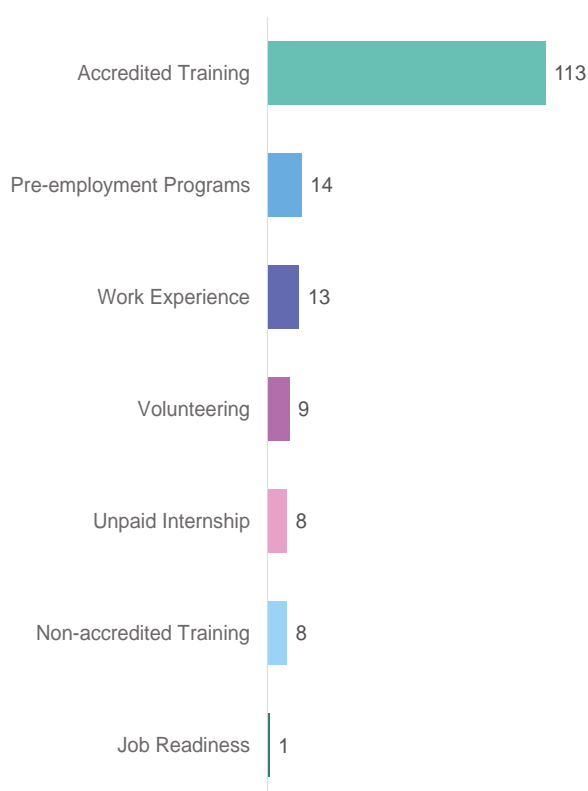
STP supported 139 participants (21%) to engage in work-like activities to prepare for work, the most common of which was accredited training. 70 of these 139 participants also engaged in paid employment.

Outside of paid employment outcomes, STP also supported participants through work-like activities to prepare for and increase the likelihood of gaining employment. 21% (n=139) of STP participants engaged in work-like activities, the same proportion observed in the previous May 2021 evaluation, with these participants engaging in an average of 276 hours of work-like activities. As seen in the Figure below, accredited training was by far the most frequent work-like activity undertaken with 113 participants engaging in this activity.

70 of the 139 participants that engaged in work-like activities also engaged in paid employment during the program. These 70 participants recorded lower hours of paid employment on average (523 hours) than participants that only engaged in paid employment, i.e. participants that engaged in employment but not work-like activities (602 hours, n=198 participants). The 70 participants that engaged in both employment and work-like activities also recorded lower hours of work-like activities (254 hours) compared with participants that only engaged in work-like activities (300 hours, n=69). However, participants that engaged in both employment and work-like activities reported higher overall 'productive' hours on average, being the sum of hours in work-like activities and hours in paid employment (a combined 856 hours), than participants that only engaged in one of employment (602 hours) or work-like activities (300 hours).

There were differences in how participants engaged in work-like activities depending on demographic characteristics. Notably, participants that had finished Year 12 were more likely to engage in work-like activities (35% of all completed participants that had finished Year 12) compared with participants that had not finished Year 12 (23%). As with employment, participants at Sydney – City and Inner South engaged with work-like activities at a higher rate (26% of completed participants at the Sydney site) compared with Illawarra (18%) and Shoalhaven/Southern Highlands (16%), noting that the latter site ceased involvement in the program in 2021. Completed Sydney participants also recorded higher average work-like activities (325 hours) compared to Illawarra's completed participants (208 hours).

Figure 10: Engagement in work-like activities



Note: Totals do not add to n=139 as some participants engaged in more than one work-like activity.

Table 4: Hours engaged in work-like activities

Total hours engaged in work-like activities	0 hours	1 to 200 hours	201 to 400 hours	401+ hours
<b>Number of participants (all participants)</b>	<b>525</b>	<b>71</b>	<b>39</b>	<b>29</b>
% of participants that engaged in work-like activities	N/A	51%	28%	21%
% of all participants	79%	11%	6%	4%
<b>Number of participants (completed)</b>	<b>350</b>	<b>58</b>	<b>32</b>	<b>28</b>
% of completed participants that engaged in work-like activities	N/A	49%	27%	24%
% of all completed participants	75%	12%	7%	6%

Note: For more information on the assumptions underpinning the analysis, see Appendix A.

## 6.6. Outcomes achieved by STP improved over time

Key measures of employment outcomes improved over time, where those who found work took less time to find employment and worked a greater number of hours. The greatest improvement was seen between participants who entered the program in 2019 and 2020. As employment outcomes improved, work readiness outcomes declined.

There is some evidence to suggest the performance of STP improved over time. This is illustrated in the table below, “Calendar year of entry to program”, which shows the paid and work readiness outcomes of participants who completed the program, broken down by their year of entry into the program.

There was improvement in employment outcomes from participants who entered the program in 2019 compared to those who entered in 2020. A greater proportion of participants commencing in 2020 found employment (47%) compared to those who commenced in 2019 (40%). This improvement was partially maintained in 2021 (44%). A reduction was also seen in the time to find employment, from 23 weeks in 2019 to 16 weeks in 2020, and 17 weeks in 2021.

Those commencing in 2020 and 2021 also worked a greater total number of paid hours (631 hours in 2020; 610 hours in 2021) compared to those commencing in 2019 (564 hours). On average, participants commencing later also recorded more weeks of paid employment compared to those commencing in the first year of the program.

Work readiness outcomes, based on the hours participants engaged in work-like activities, depicted a different story to paid employment. A greater proportion of participants who commenced in 2019 (26%) and 2020 (27%) engaged in work-like activities compared to those commencing in 2021 (20%). This may be tied to participants dedicating more time to paid employment and job-seeking activities.

There are several potential drivers of these changes in outcomes over time:

- Developments in the COVID-19 pandemic, including a rapid increase in unemployment in NSW, followed quickly by a rapid recovery, may have impacted on outcomes achieved. However, it should be noted that participants entering in each of the three years would have been impacted by the pandemic in some way, and while the best results were seen for those participants entering in 2020, late 2020 was also the period where the unemployment rate in NSW rose to its highest point.
- Improved evidence collection, which has enabled a higher proportion of completed hours to be recorded.
- Staffing turnover reduced, and over time reportedly saw the implementation of more effective coaches who were better suited to the roles. SYC noted that under the third contract, the right mix of workers was now in the team.
- An intensive initial recruitment drive (for participants) was noted in interviews with SYC, which may have led to some less suitable participants being recruited, although there is no evidence of this in available data.

Note: the small sample size of participants who commenced in 2021. This is due to the inclusion of completed participants only, where many participants who commenced in 2021 had not yet completed the program at the time of evaluation.

Table 5: Employment and work readiness outcomes by year of entry to STP

Calendar year of entry to program	2019	2020	2021
Number completed	204	158	105
Number found approved employment	81	75	46
Percentage of completed	40%	47%	44%
Average paid hours per week employed*	23	25	23
Average number of weeks to find work*	20	16	17
Average total paid hours per person*	564	631	610
Average weeks of employment recorded*	21	25	24
Number engaged in approved work-like activities	54	43	21
Percentage of completed	26%	27%	20%

\* Data only reflects participants who engaged in employment.

Note: For more information on the assumptions underpinning the analysis, see Appendix A.

## 6.7. Participants reporting health barriers to employment recorded fewer paid hours relative to the program average

Participants that reported mental ill-health and a history of alcohol or other drugs recorded overall paid hours below the program average, and less average weekly hours if they did find employment. Participants reporting a medical condition took longer to find employment and tended to engage in more work-like activities compared with the program average.

STP Program data recorded key barriers and needs reported by participants as part of their intake. Urbis investigated how various experiences of disadvantage affected key employment and work readiness outcomes, as shown in the table on this page and the following pages.

### Mental ill-health was a common barrier but did not substantially impact employment outcomes

As noted previously, 49% of all participants reported a medical factor as a barrier to employment, most prominently mental ill-health which was reported by 38% of all participants. Completed participants reporting mental ill-health found employment at a similar rate to the broader sample, however, worked fewer overall hours on average.

### Alcohol and drug misuse was the largest barrier to employment outcomes

Those with a history of alcohol or other drugs were less likely to find employment (34%), and also recorded fewer hours of paid employment (502, compared to an average of 599).

There were also differences observed among participants reporting a medical condition that affected the hours they could work or the type of work. These participants tended to take longer to find employment after entering the program, and were more likely to engage in work-like activities (34% completed participants reporting a medical condition engaged in work-like activities).

A smaller number of participants (7%) reported having disabilities that impacted their work, however, this cohort was too small a sample size to provide meaningful insight on the below outcomes.

Table 6: STP outcomes by completed participants with health barriers

	Employment outcomes			Time to find employment		Average weekly hours (if employed)		Work readiness outcomes		
	% of completed participants who found employment	Overall paid hours by project by project completion	Comparison to program average	Weeks	Comparison to program average	Weekly average	Comparison to program average	% of completed participants engaged in work-like activities	Overall work-like activity hours by project completion	Comparison to program average
<b>Total (all participants)</b>	<b>40%</b>	<b>599</b>		<b>16</b>		<b>24</b>		<b>21%</b>	<b>296</b>	
Mental ill-health (n=166)	41%	508	-91	17	+1	20	-4	28%	322	+25
Medical condition (n=70)	39%	541	-58	21	+5	23	-1	34%	339	+43
History of alcohol or drugs (n=64)	34%	502	-97	18	+2	22	-2	14%	354	+57

Note: For more information on the assumptions underpinning the analysis, see Appendix A. There may be double counting where participants indicated they had more than one barrier to employment.

- Largest increase compared to program average in category
- Largest decrease compared to program average in category



## 6.8. Accommodation barriers did not substantially impact outcomes

Participants reporting accommodation barriers recorded similar outcomes to the program average of all completed STP participants. Completed participants that had been in OOHC found employment at a similar rate to the program average and worked more hours than the program average, but this is based on a small sample size of participants.

Just over two-fifths of participants (44%) reported facing accommodation barriers, with the most commonly reported accommodation barrier being a prior experience living in a refuge or supported accommodation (32%). Overall, participants reporting accommodation barriers recorded employment and work readiness outcomes similar to the program average, but there are some exceptions worth noting. Completed participants reporting a prior experience living in a refuge or supported accommodation found employment at a higher rate (51% of these participants) than on average across all completed STP participants (40%). Similarly, completed participants reporting they had previously been in OOHC found employment at a similar rate to the program average (40%), and worked more paid hours on average relative to the observed program average. However, this is quite a small sample size (n=28 participants that had been in OOHC reported finding employment) and so these results should be interpreted with caution.

Table 7: STP outcomes by participants with accommodation barriers

	Employment outcomes			Time to find employment		Average weekly hours (if employed)		Work readiness outcomes		
	% of completed participants who found employment	Overall paid hours by project by project completion	Comparison to program average	Weeks	Comparison to program average	Weekly average	Comparison to program average	% of completed participants engaged in work-like activities	Overall work-like activity hours by project completion	Comparison to program average
<b>Total (all participants)</b>	<b>40%</b>	<b>599</b>		<b>16</b>		<b>24</b>		<b>21%</b>	<b>296</b>	
Prior experience living in refuge or supported accommodation (n=149)	51%	557	-42	16	0	23	-1	26%	314	+17
Insecure living arrangement in previous 12 months (n=112)	38%	554	-45	18	+2	23	-1	30%	267	-29
OOHC participants (n=70)	40%	668	+68	14	-2	23	-1	20%	281	-16

Note: For more information on the assumptions underpinning the analysis, see Appendix A. There may be double counting where participants indicated they had more than one barrier to employment.

- Largest increase compared to program average in category
- Largest decrease compared to program average in category

## 6.9. Employment outcomes for participants reporting prior contact with the legal system were positive, while transport was a barrier to employment

Employment outcomes for participants reporting prior contact with the legal system were positive relative to the program average across a range of employment outcome categories. Transport emerged as a potential barrier to employment, but a high proportion of participants reporting transport barriers engaged in the program at Shoalhaven/South Highlands which faced other issues.

Nearly a third of participants (30%) reported a legal factor that may present a barrier to employment. Those participants reporting a criminal conviction after turning 18 (16% of all participants) almost wholly overlapped with those reporting prior contact with the legal system (also 30%). As these two groups are made up of nearly identical participants, we have only assessed participants reporting prior contact with the legal system in this analysis.

These participants reported positive outcomes relative to the program average, with a slightly higher proportion finding employment (44% of completed participants that had prior contact with the legal system compared to 40% of completed participants), higher average hours worked, a shorter time to find employment and greater average hours engaging in work-like activities.

Urbis also investigated two further barriers – whether the participant qualified as part of Centrelink Stream C (n=103, 22% of completed participants) and whether the participant self-reported facing transport barriers to employment (n=108, 23% of completed participants). Participants qualifying under Centrelink Stream C reported similar outcomes to the program average, even though they are considered to face higher barriers to employment.

Transport barriers as reported by participants emerged as a potentially substantial barrier, with these participants recording fewer hours of employment compared to the program average, despite a similar proportion of these participants finding employment (37% compared with the program average of 40%). This may indicate that these participants were not able to maintain employment or work as many hours as other participants due to transport issues they faced as individuals or in their local area.

Further analysis of participants self-reporting transport barriers shows that only 12% of Sydney (City and Inner South) participants reported transport barriers, while this was higher in Illawarra (26%) and Shoalhaven/Southern Highlands (36%). The greater overlap between participants reporting transport barriers and engaging in the program at Shoalhaven/Southern Highlands also provides an alternative explanation for the differences in employment outcomes - the latter site was removed from the program in 2021, due to specific difficulties in obtaining referrals in that area, so the observed differences may be less to do with transport and instead explained by issues faced by the site.

Table 8: STP outcomes by participants with other barriers

Study areas	Employment outcomes			Time to find employment		Average weekly hours (if employed)		Work readiness outcomes		
	% of completed participants who found employment	Overall paid hours by project by completion	Comparison to program average	Weeks	Comparison to program average	Weekly average	Comparison to program average	% of completed participants engaged in work-like activities	Overall work-like activity hours by project completion	Comparison to program average
<b>Total (all participants)</b>	40%	599	None	16	None	24	None	21%	296	None
Prior contact with legal system (n=136)	44%	658	+58	14	-2	24	0	20%	324	+27
Centrelink Stream C (n=103)	40%	610	+11	17	+1	24	0	22%	296	-1
Transport (n=108)	37%	457	-142	17	+1	23	-1	22%	296	0

Note: For more information on the assumptions underpinning the analysis, see Appendix A. There may be double counting where participants indicated they had more than one barrier to employment.

- Largest increase compared to program average in category
- Largest decrease compared to program average in category

## 6.10. STP supported young people to increase their self-confidence, empowering them to enter the workforce

STP helped participants address employment barriers, in particular, participants' mental health challenges, through developing awareness and coping strategies.

### Addressing employment barriers

Program participants reported STP was helpful in addressing their employment barriers. As previously mentioned, participants tended to face significant and varied barriers to employment, with mental health challenges a recurring factor amongst many participants. Mental health support and counselling were described as a primary factor in assisting some participants in dealing with issues such as alcoholism, complex post-traumatic stress disorder (PTSD), anxiety disorders, and depression.

Some participants noted that goal-setting and using the mood and well-being trackers have helped them undertake or continue their studies. These tools and activities also helped them gain more confidence in seeking employment.

Others found the program to be very helpful in finding job opportunities and securing casual work, resolving housing issues, as well as receiving vouchers that helped them in their daily lives on occasion.

### Other benefits

In addition to other employment supports, participants interviewed (n=12) have reaped a variety of benefits from the program:

- Some participants mentioned how a greater understanding of mental health has led to the adoption of various strategies, which has improved their capacity to deal with situations. Other advantages include enhancing daily routines and putting anxiety management and prioritisation skills into practice to prevent overwhelming feelings.
- Other participants reported that after completing the program, they feel more motivated, focused, and confident to complete tasks in both their work and study lives. Since then, other participants have applied new skills they learned to achieve financial/saving goals.
- Referrals to additional mental health support services as well as housing assistance programs have been deemed helpful by some participants.

#### **Case study: Jonathan was supported through university and work commitments and is now confidently engaging in the job search process.**

Jonathan\* is a university student from Sydney who was referred to the program through a jobactive provider. He was completing his Honours year at university and was struggling with motivation to study and work. Jonathan's coach encouraged him to set goals and checked-in once a week. During these check-ins, Jonathan was able to talk through the issues that he was facing, and his coach provided him with holistic, practical advice. Through this, his coach enabled him to contact his supervisor in times of need and learn new systems at work. The Coach also worked with external providers to help Jonathan obtain his driver's license. Jonathan found the flexibility of the program and active assistance particularly useful and leaned on his coach as part of his broader support system. He credits the program with helping him write his thesis and is now navigating the job search process with optimism.

#### **Case study: Michelle received support to navigate mental health challenges and is now starting her own business.**

Michelle\* suffers with anxiety, PTSD and alcohol abuse, and had difficulty engaging with other employment services before enrolling in STP. She participated in fortnightly meetings with her coach, who helped her prioritise activities and identify employment opportunities best suited to her needs. Michelle's coach also worked on her alcohol abuse, unstable housing and taxation issues, communicating on a more frequent basis when needed. Through encouragement and assistance with coping mechanisms, Michelle has abstained from alcohol for many months. Michelle expressed that she wanted to start her own business but found the process of leaving the house to enter the workforce daunting. Her coach helped provide a laptop, which Michelle used to create a website and do research on the courses she wanted to do. This gave Michelle confidence to navigate self-employment in the future.

*\*To protect the confidentiality of participants, names have been changed and some non-critical demographic details altered.*

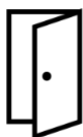
# 7. Key findings and conclusions

## Performance of STP was lower than expected

While STP has supported some participants to overcome complex barriers to employment and enter the workforce, the quantitative evidence mostly indicates the program does not deliver substantial sustained employment outcomes above other programs. Qualitative evidence suggests that support from STP may provide other benefits, such as increased resilience, which may increase young people's longer-term employment prospects.



At the time of the evaluation, STP was able to help 268 young people find employment - equating to 40% of program participants. STP participants who completed the program worked for approximately 4.2 hours per week. This was higher than the counterfactual, which ranged between 2.3 and 3.1 hours at different points across the investment term. However, performance was lower than both the high and low targets that were agreed by the parties which anticipated an additional uplift above the counterfactual.



Across all participants in the program, only a very small number recorded 26 consecutive weeks of employment (8% when using a benchmark of 3 hours per week, 6% when using 14 hours per week). This is a lower rate of sustained employment than other programs managed by the Department.



Performance of STP appears to have improved over time, with stronger outcomes seen in later years. This can be attributed to:

- staffing issues improving over time
- the program being 'bedded down' as processes and relationships developed and improved over time
- the broader NSW economy recovering from COVID-19 lockdowns, with greater employment opportunities for young people
- improvements in evidence collection.



There was positive feedback on STP from stakeholders, including STP managers and coaches, program participants, and employers. While not necessarily a representative sample of all stakeholders, the feedback from those that participated was almost uniformly positive.



Stakeholders also showed flexibility in the face of significant upheaval in the external environment, for example through altering the contractual arrangements to maintain program delivery, and by introducing incentives that were effective in increasing data collection and completeness.



SYC stakeholders indicated that a 60-week program length was appropriate for this cohort. It provides enough time for program staff to develop strong relationships with program participants, and to address key foundational issues. However, given the lower-than-expected performance of the program, the evaluation does not provide strong evidence for the use of this model.

## Lessons for future social impact investment include clarifying governance processes and improving data collection

Although STP was an established support model that had been successfully piloted in other jurisdictions, the requirements of the SIB and subsequent contracting requirements added complexity that was more difficult to adjust for. Lessons from STP for future work in SII relate to governance, outcome measurement, and data collection.

### Lessons for future social impact



#### **SII benefits from clearly specified and well-understood governance**

SII will typically involve a greater number of stakeholders than 'normal', owing to the added complexity of the funding arrangements, and will also result in increased accountability. Government stakeholders (the Department and OSII) reported an overall positive working relationship in managing STP, however, there were instances where roles and responsibilities of the different stakeholders were unclear, particularly during the early stages of implementation. Detailed and clear governance processes that articulate each party's responsibility, particularly in decision-making, should be explicit for all parties.



#### **A shared and comprehensive understanding of program outcome measures will reduce project risks**

While having multiple outcome measures is a widely accepted practice and allowed for a holistic assessment of program performance, it created some confusion for the service provider regarding how to improve practice. It also impacted relationships between the service provider and government stakeholders. Where multiple outcome measures are used, it is important that all relevant stakeholders understand each measure's importance, rationale, and mechanism for calculation, to provide a shared understanding and buy-in. Having outcome measures that allow for comparison between different programs is also highly useful for contract managers, even if these are not part of any financial instrument.



#### **Social impact investing requires robust outcome measurement systems**

There was a general level of dissatisfaction with data collection systems for STP, despite the efforts put into this area by SYC and other stakeholders. Aside from the challenge of capturing evidence of employment from participants, the data collection system lacked the functionality to enable the Department to validate outcomes in a streamlined and seamless way. As a result, validation of evidence provided by SYC was time-consuming. There were also some limitations in the data; employment data did not contain the number or type of employers per participant (preventing more in-depth analysis of engagement and outcomes), and participants were recoded as 'completed' after 60 weeks, regardless of whether they had previously disengaged from the program which hindered additional analysis on disengagement. Where possible, data collection should be integrated into existing administrative systems, particularly when these form the basis of any financial instrument. Data collection systems for future employment programs should investigate capturing outcome data in a more seamless and automated way from available administrative data. Automating the verification of outcomes can reduce the burden on participants, providers and Government stakeholders. This may be achieved through establishing data sharing partnerships with the Commonwealth Government to link program data with data on the Australian Government Payments that participants are receiving (for example, youth allowance) or other relevant data sets. This option was explored but was not possible at the time of program design. It is acknowledged this was beyond the capacity of SYC in this instance.

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# Appendix A Approach to data analysis

## Data cleaning

Urbis undertook data cleaning prior to analysing the program data. This included removing eight participants from the program data provided, as their program status denoted them as being “waiting list”. None of these participants recorded an instance of an approved activity in the record of productive hours.

## Employment outcomes

Only employment activities where SYC have attached evidence (recorded as “approved”) were considered for analysis. However, as flagged previously in the report, this data has not been audited by the Department of Education. This analysis may then provide an inflated view of the program’s outcomes than if the data had undergone this additional review process.

Employment is defined as those in a paid role for one hour or more per week. Most employment hours were recorded by program implementors (i.e., coaches) on a weekly or sub-weekly (i.e., daily) basis. A handful of employment activities were recorded with an activity end date earlier than the start date – these could not be explained and were not considered in analysis.

Aside from these erroneous entries, any recorded activity of 7 days or less, with more than one hour of employment represented one week of employment. For hours recorded in timeframes beyond 7 days, this was divided by 7 to obtain a per week measure (i.e., hours worked per week). This was not calculated as whole integers - i.e., an 8-day period was considered 1.14 weeks, 13-day period was considered 1.86 weeks, and so forth. Over each recorded timeframe, each recorded employment activity needed to be greater than one hour per week to be considered employment.

There were also some instances of two or three recorded approved employments within the same calendar week. Where possible, these instances were treated as only reflecting one week of employment to avoid double-counting.

To maintain consistency with the previous evaluation report of the program, calculations of employment outcomes considered only those participants that found employment in the program. For example, the headline figures on p.37 (i.e., 24 paid hours per week worked, 16 weeks to find work) only reflect participants that found and engaged with employment (a base size of n=268) – it is not an average of all participants in the program (n=664). Similarly, the outcomes at program completion figure only reflects completed participants that found employment, not an average of all completed participants. The only instance where this was not followed was to calculate the difference in employment outcomes from the counterfactual – this is explained in the ‘Counterfactual’ section.

## Work readiness outcomes

The same process to calculate employment outcomes was applied to calculate outcomes from work-like activities.

## Counterfactual

The counterfactual performance was based on an analysis of hours worked by individuals who met STP eligibility criteria but were not supported by the program. Counterfactual data was provided by the Commonwealth and analysed by OSII over four 60-week periods, using average work hours per week of the counterfactual cohort. This is displayed in the table below.

The counterfactual as measured at different points within this timeframe ranged from between 2.3 hours to 3.1 hours of employment per week. The lowest and highest counterfactual measurement over the investment term was compared with employment outcomes (average hours worked per week) achieved by completed STP participants from 1 April 2019, the first program entrant, to 20 May 2022 at the end of the most recent counterfactual measurement period.

The average total hours worked was calculated per participant, regardless of whether they found employment, so those STP participants that did not find employment were included as working zero hours.



Table 9: Counterfactual measurements over the investment term

Start Date	End Date	Counterfactual average work hours per week
29/09/2017	23/11/2018	3.0
28/09/2018	22/11/2019	3.0
27/09/2019	20/11/2020	2.3
26/03/2021	20/05/2022	3.1

## Consecutive weeks

Consecutive weeks of employment has been defined as consecutive calendar weeks the participant worked. Consecutive weeks was calculated with reference to two benchmarks – consecutive weeks of 3 hours or greater worked, and consecutive weeks of 14 hours or greater worked. As with all analysis undertaken for the report, only “approved” employment was considered.

For employment activity longer than a week, it is assumed that employment has been maintained in each week over that entire time period. For example, if a recorded instance of employment spans four weeks, it is assumed the participant has worked in each of those four weeks. Whether the employment activity meets the two benchmarks (3 hours and 14 hours) is determined by the average hours worked in each week. In this example, if 20 hours of employment was recorded over 4 weeks, this would be an average of 5 hours per week – this would count as four consecutive weeks worked under the 3 hour benchmark, but not the 14 hour threshold.

Further, not all timeframes recorded by program implementors equated to an exact number of weeks – in circumstances where the recording timeframe was not in a 7-day interval, this was reclassified in accordance with the table below. It was assumed that employment took place up until the recorded activity end date.

This approach potentially overstates the number of consecutive weeks worked, if participants were not actually working in all of the included weeks across the timeframe recorded. However, it was observed the average hours recorded per week in fortnightly or longer timeframes were similar to or greater than those recorded in weekly instances, i.e., these participants were likely to be working each week but had just not been recorded as such. It was assessed that excluding these participants risks understating consecutive weeks worked, and that this risk is greater than the risk of overstating identified previously.

Further, a break was allowed for the first calendar week of each year as a usual ‘shutdown’ period for many industries for participants with a clear pattern of consecutive weeks of employment leading up to and after the first calendar week of the year, to not impact the consecutive weeks assessment.

Table 10: Classification of consecutive weeks

Recorded timeframe (recorded activity start date to activity end date)	Classification for consecutive weeks worked
Between 1 – 7 days	One week
8 – 14 days	Two weeks
15 – 21 days	Three weeks
22 – 28 days	Four weeks
29 days or greater	Classified on an individual basis

