

Summary, key findings and commentary on sensitivities

Publication of the Try, Test and Learn Evaluation Final Report

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Key points regarding the Try, Test and Learn (TTL) Fund

The government recognises that some groups of people in our community face greater disadvantage than others and are at higher risk of long-term unemployment.

The 2016-17 Budget allocated \$96.1 million to develop the Try Test and Learn (TTL) Fund. The objective of the TTL Fund was to generate new insights into what works to reduce long-term welfare dependence among at-risk groups of people.

52 projects received grants under the TTL Fund, to deliver support to young parents, migrants and refugees, young carers, at-risk young people more broadly, as well as older unemployed people.

All TTL grant service delivery ceased on or before 30 June 2021.

Key points regarding the TTL Evaluation and final report

The department commissioned the University of Queensland in association with the University of Melbourne to conduct an evaluation of 52 projects funded under the TTL Fund.

The report evaluated the effectiveness, efficiency and appropriateness of the TTL Fund.

Evidence and insights gathered from the TTL evaluation will help shape future policy and program design.

The evaluation used data that was available up to 30 June 2020, for 5,108 participants who had participated in a TTL Fund project.

The evaluators used a mix of qualitative and quantitative methods, including participant and service provider interviews, progress reports from service providers and data from the welfare system.

Highlighted findings

The report finds that the TTL Fund achieved its main purpose:

“The TTL Fund met its stated objective to generate new insights and empirical evidence into what works to reduce long-term welfare dependence by trialling a number of new approaches to inform policy and program development.”

The report also speaks to the relevance of the TTL Fund in these concluding remarks:

“Without an initiative of this kind, there is a risk that policies and services aimed at supporting individuals to move off welfare will continue with a ‘business as usual approach’ that maintains the status quo, rather than attempting to invest in building capacity across all social groups. Moreover, it is important in a rapidly changing world that new approaches are trialled and evaluated to ensure that policies and services are well-suited to current social, political and economic contexts.”

Effectiveness

The report finds that:

“There was suggestive evidence that some TTL projects achieved early outcomes for clients”.

The evaluation found that a number of TTL Fund projects were successful in meeting their objectives regarding outcomes for participants, including that:

- 13 out of 19 projects met their objective to increase workforce participation;
- 5 out of 16 met their objective to improve educational capacity;
- 21 out of 26 projects met their objective to increase skills; and
- 5 out of 11 projects met their objective to improve health and wellbeing

The report notes that there is suggestive evidence to support the efficacy of certain approaches, including that:

- targeted vocational training, together with work placements using that training, was effective in reducing welfare use;
- generic vocational training, or generic work placements, did not increase employment in the short term, but can improve skills;
- individualised mentoring led to increases in educational participation, skills and capacity to work;
- a tailored approach, offering the right supports at the right time, was successful;
- having a range of different projects targeting the various stages that participants are in would be optimal;
- a work-first approach does not work for less work-ready participants, who need to overcome non-vocational and vocational barriers before they are in a position to successfully secure employment;
- integrating vocational and non-vocational supports in the same services were effective in improving work-readiness; and
- meeting caring needs was an important motivator for participation by carers

The evaluation was limited in its capacity to make further findings regarding long-term outcomes that may not yet be visible in the available data. The report notes that this may skew the identification of benefits towards projects that focused on more work-ready participants. A longer period of observation may be necessary for a better picture of the benefits from a number of projects.

Efficiency

The report notes that:

“Although some of the projects achieved early successes, for most projects, it is too early to judge whether they assisted in creating a more cost-effective welfare system”

In the cost-benefit analysis of the efficiency of TTL projects, for the 34 projects where sufficient data for PIA simulations was available, positive findings include that:

- 3 projects were projected to decrease the average lifetime welfare costs for each of their participants by more than \$20,000;

- 12 projects were projected to decrease the average lifetime welfare costs for each of their participants by less than \$10,000;
- a significant increase in earnings from employment was observed for 5 projects, which often (but not always) aligned with projects with the highest welfare savings; and
- Migrant and Refugee projects saw the largest decrease, of all priority groups, in terms of projected welfare costs

Appropriateness

The report finds that:

“Overall, the evaluation evidence indicates that the TTL Fund was an appropriate model to trial new approaches and generate insights into how people can be supported to have better lives and independence from the welfare system”.

The report provides a summary of lessons learned from the development of the TTL Fund, discovering that:

- projects contributed important lessons, even where they were less effective;
- co-designing projects was appropriate, although greater inclusion of end-users would have been beneficial; and,
- having many diverse projects is a good starting point to build an evidence base, but sufficient time is needed for outcomes to be observed.

Sensitivities

Provider concerns about reported performance

The final report contains performance information about specific projects, including negative findings around effectiveness and efficiency. Some service providers may not be pleased with findings about their projects.

TTL Fund projects were trials of innovative approaches with varied cohorts and a diversity of outcomes. The department accepts that success cannot be guaranteed in genuine experimental trials, and that valuable lessons can be learned from unsuccessful trials.

The department notes that projects may have achieved successes that were not observed by the evaluation due to data availability, limited timeframes or practical boundaries on scope.

Provider concerns about missing out on new funding

Providers may suspect that findings were used to directly compare projects against each other, which would not be fair given the differences between participant cohorts. These concerns have particular relevance as transition funding has been announced for two years for “successful” TTL Fund projects.

The department and the evaluators were aware that eligibility and objectives differed between projects. The TTL Evaluation included comparisons of projects, but these comparisons were to provide context for differences in outcomes. These comparisons were not competitive.

In the 2021-22 Budget, \$12.6 million was allocated over two years, from 1 July 2021 to 30 June 2023, to further support a number of projects from the TTL Fund that have been successful in supporting vulnerable groups into employment.

Findings from TTL Evaluation did not contribute to the selection of these projects.

The timeframe for the delivery of the final report did not align with timeframes to make urgent decisions on how best to support the recovery of Australian communities from unforeseen social and economic dislocation caused by bushfires and COVID-19.

Projects were selected for further funding on the basis of a multi-criteria decision analysis, analysis of linked Data Exchange and welfare payment data for TTL participants, and individual evaluations of projects where available.

Concerns about negative impacts on participants

As the report may be given attention in the media, participants themselves may not be pleased to read that a project may have had a negative impact on their likelihood of remaining dependent on welfare or of achieving other outcomes. Given the research aspect of the TTL Fund, the department may also be asked to demonstrate ethical due diligence regarding potential negative outcomes for human research subjects.

Finding innovative approaches that work for vulnerable participants was an essential element of the TTL Fund. While these outcomes are uncertain, the department is obliged to exercise due diligence in avoiding and mitigating risks to participants. In using the TTL Fund to generate new knowledge, the department is also obliged to ensure that the likely benefit of the research justifies any risks of harm or discomfort to participants. The department was cognisant of these obligations and made appropriate steps to ensure evaluators and service providers working with participants adhered to their own obligations.

Standard grant agreements with service providers contained requirements to protect the safety and privacy of participants, to report incidents, to employ qualified and suitable staff, and to manage risks.

Before engaging with participants or using participant data, the evaluators and the department sought and obtained approval from the University of Queensland Human Research Ethics Committee. Participation in TTL Fund projects was voluntary, and participants were able to end their involvement without penalty.

While not all participants realised beneficial outcomes, many did, and findings from the TTL Fund may ultimately contribute to a welfare system that delivers greater benefits for a greater number of individuals in the future.

Concerns about negative impacts on participants for specific projects

Participants in some projects were projected to have a substantial increases in their simulated average lifetime welfare costs, relative to a matched comparison group of non-participants. This may lead to criticism that the TTL Fund caused significant financial losses, and increased welfare dependency, for some vulnerable participants.

Notable projects (and projected additional lifetime welfare costs) include:

- **Support for VET Students (\$13,282),**
- **F3Style (\$11,713),**
- **Multicultural Enterprise Development Project (\$11,473), and**
- **RIDE (\$10,195), Leadership, Engagement and Development (\$10,155).**

Participants in some projects were also projected to have a significant decrease in fortnightly earnings while on income support, relative to a comparison group.

Notable projects (and projected changes in fortnightly earnings) include:

- **Building Bridges for Mature Jobseekers (-\$477.8),**
- **Career Skills for New Jobs (-\$264) and**
- **Online Business Lift-Off (-\$227).**

Due to the trial nature of the TTL Fund, outcomes were uncertain and could be negative for some participants and positive for others. While the report indicates that some participants may not have benefited from their involvement, the report also suggests that caution should be taken when interpreting projected gains or losses.

For their cost-benefit analysis, the evaluators relied on factors that were both present in payment data (the DOMINO dataset) and in the Priority Investment Approach (PIA) model. These factors were used to match participants with a comparison group of non-participants, but individuals who matched on observed factors may not share similar unobserved factors. Where a project is more or less likely to include or exclude participants with certain positive or negative factors that are not present in DOMINO or the PIA, such as school grades, then the participants are likely to have different outcomes than the matched group of non-participants.

For example, the Support for VET Students project was intended for participants who were at risk of disengaging from study, including due to difficulties with transportation or poor academic performance. The cost-benefit analysis of the TTL Evaluation was not able to include these factors when matching for a comparison group, and could not include the successful completion of studies as a measurable benefit. Due to this, it is likely that the future lifetime welfare costs for Support for VET Student participants was overestimated in cost-benefit projections. Projections for other projects are also, to varying degrees, impacted by the limitations of the model. These limitations are acknowledged by the evaluators in the report.

Concerns that specific projects were too expensive

Some projects are reported to have high servicing costs on a per capita measure. This may lead to criticism that the TTL Fund was too expensive.

Notable projects (and average costs when calculated per participant) include:

- **Support to Skills (\$105,300),**
- **the Coach Project (\$82,305),**
- **Career Skills for New Jobs (\$50,597),**
- **Data-driven Job Opportunities (\$42,805),**
- **Skills for Micro-enterprise (\$42,252), and**
- **a Bridge to Regional Employment and Opportunities (\$41,719).**

Due to the trial nature of the TTL Fund, per capita costs were expected to be higher than for established programs. Trial programs usually have higher development, higher set-up costs and more intensive reporting requirements. TTL Fund projects also often have service models that are more intensive than mainstream services.

As a trial of innovative approaches with new service providers and newly defined participant cohorts, there was a higher acceptable level of risk that TTL Fund projects would fail to meet expectations. Some of these risks were realised. For example, projects with the highest per capita costs were also those who faced difficulties in meeting their recruitment targets.

The department was pro-active in monitoring and assisting providers in the implementation of their projects, but this support was resource-intensive. These departmental costs are included in the per capita cost measures.

It is reasonable to anticipate, where TTL Fund projects advance beyond the trial stage, that average costs would fall in the future. It is also reasonable to note that small trials, such as those conducted under the TTL Fund, are an appropriate way to test new initiatives before they are introduced on a larger scale.

Concerns around the Priority Investment Approach

The report shares some of the sensitivities of the Priority Investment Approach, which strongly shaped the TTL Fund and the evaluation. This predictive risk approach has been criticised as oversimplifying complex social issues and of focusing more on reducing welfare costs than on the quality of outcomes. Critics have also viewed the approach as a rejection of the concept of welfare as social protection in favour of an adversarial discourse where certain groups – including those defined by protected characteristics – can be treated punitively as a “cost” to society.

The Australian Priority Investment Approach (PIA) to Welfare is about using the best available evidence to invest in early interventions now to keep people from becoming dependent upon income support payments.

The objective of the TTL Fund was to generate new insights and empirical evidence into what works to reduce long-term welfare dependence.

While the TTL Fund operates within the same conceptual framework as the PIA, it is designed to avoid or mitigate some of the risks that concern critics. For example, while the PIA model was used in the TTL Evaluation, it was complemented by other quantitative and qualitative methods. The use of a mixed methods approach helped to provide greater context and explanatory weight to the evaluation’s findings.

TTL Fund projects were also designed as voluntary opportunities and were additional to existing services, which precluded the use of punitive interventions. To be successful in attracting participants, TTL Fund projects needed to be tailored towards the interests of identified at-risk groups, including by involving participants in co-designing the projects.

Better outcomes for participants were seen as the means to reduce the risk of welfare dependency, including through increased workforce participation, rather than by restricting access or autonomy for individuals who may require income support.

Enquiries about whether data limitations are being addressed

As the report identifies limitations with data collection tools and analytical approaches that are used for a range of departmental programs, including the TTL Fund, an argument could be made that improvements to departmental data collection and analytical methods are needed. As a measure announced in the 2021 Budget provides for funding for selected TTL Fund projects until 2023, the department may be asked whether improvements will be made to improve data collection from and analysis of these projects.

The TTL Evaluation final report will be provided to teams responsible for the administration of the department's data systems and will be available to inform the business case for future enhancements.

System enhancements take time to design and implement though, to ensure that the systems remain functional for the range of government services depending on them. Significant consultation and testing is required to ensure that data can be transferred and stored securely, that systems operate efficiently, and that the needs of multiple stakeholders are met.

It may be possible to make some improvements identified in the TTL Evaluation final report and implement in time for use by TTL Fund projects that will receive funding over the next two years, more work will be needed to see if this is possible..

Enhancements to departmental systems were made over the course of the TTL Fund, including to allow for the collection of additional data items and to provide for more effective monitoring and reporting in real time.

Enquiries about further evaluation of long-term outcomes

As the report notes that tracking long-term outcomes was not possible over the shorter time period covered by the evaluation, an argument could be made that further evaluation is needed to provide a more complete picture of the TTL Fund and of TTL projects working with more vulnerable participant cohorts.

The department is continuing to monitor the progress of TTL Fund participants through analysis of administrative data, including to investigate medium and long term factors that may contribute towards reducing welfare dependence.

The feasibility of doing additional research work into long term outcomes for TTL Fund participants is being explored. Before engaging in new research, the department would need to consider whether system enhancements and data linkages are required to ensure that there is value in such work.

Concerns about the impact of mutual obligation requirements

The report notes that mutual obligation requirements were a strain on participants and impacted project recruitment. This could suggest that participants were compelled to undertake mutual obligation activities over and above their TTL Fund activities. The finding could also invite criticism of mutual obligation requirements in general.

The Department of Education, Skills and Employment classifies projects funded under the TTL Fund as employment-focused Other Government Program activities. As such, employment providers can recognise a TTL project as an approved activity for the purposes of a job seeker's Mutual Obligation Requirements.

On request to the Department of Social Services, TTL service providers were provided with a Job Plan activity code. This code could be provided to employment providers, to record that a job seeker was a TTL participant. Guidance on how to code TTL as an activity was also provided to employment providers through the Department of Education, Skills and Employment.

While a job seeker's participation in a TTL project can count towards satisfying their Mutual Obligation Requirements, it may involve fewer hours than needed to fully satisfy these activity requirements. The employment provider may also decide that participation in a TTL activity may not be suitable for the job seeker, and should not be part of their Job Plan. In these instances, additional activities may have been required.

TTL participants on income support may also have job search requirements. Employment providers are advised not reduce the number of job searches a job seeker is required to undertake simply because the job seeker is undertaking other activities.