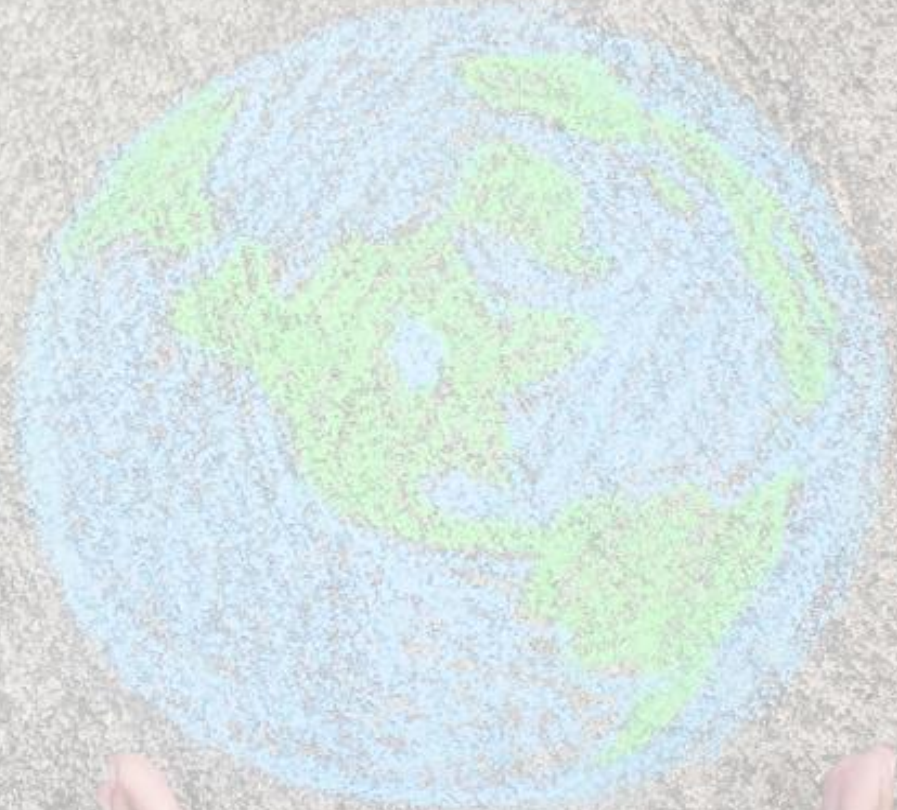


# Deloitte.



## Evaluation of the Settlement Engagement and Transition Support (SETS) Grants Program

Final Report

August 2023

**Deloitte**  
Access **Economics**

# Acknowledgements

Deloitte Access Economics would particularly like to recognise the time, knowledge, expertise and resources provided by SETS providers, community organisations, local councils and mainstream services to this Evaluation. We would also like to acknowledge the contribution of the Settlement Council of Australia and the Social Policy Group that helped guide the design and conduct of the Evaluation. Finally, we would also like to make mention of the Department of Home Affairs and Department of Social Services and the manner in which its representatives were open and responsive to our engagement over the course of this Evaluation. The findings and implications as part of this Evaluation should be attributed to Deloitte Access Economics.

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## Glossary

AMEP	Adult Migrant English Program
CCB	Community Capacity Building
CoP	Community of Practice
CS	Client Services
DEX	Data Exchange
DFV	Domestic and Family Violence
DoHA	Department of Home Affairs
DSS	Department of Social Services
FASTT	Forum of Australian Services for Survivors of Torture and Trauma
FAM	Funding Agreement Managers
HSP	Humanitarian Settlement Program
NDIS	National Disability Insurance Scheme
RAP	Resettlement Assistance Program
SACS	Social and Community Services Supplement (Pay Equity)
SETS	Settlement Engagement and Transition Support
SIS	Specialised and Intensive Services
TIS	Translation and Interpreter Services
YTS	Youth Transition Support

# Executive Summary

# Executive Summary

## *SETS intent and components*

The Department of Home Affairs (the Department) awarded \$300 million in grants to 81 providers across Australia to deliver Settlement Engagement and Transition Support (SETS) to refugees, humanitarian entrants and other vulnerable migrants and communities from January 2019 to June 2024.

The policy objective of SETS, as stipulated in the Grant Opportunity Guidelines, is to equip and empower eligible clients and communities to address their identified settlement needs to improve social participation, economic wellbeing, independence, personal wellbeing and community connectedness. SETS is intended to operate as an early intervention model that enables these cohorts, via service providers and community bodies, to achieve full participation in society as soon as possible.

SETS consists of Client Services and Community Capacity Building, and also includes a reinforced focus on supporting women in response to the increased rates of domestic and family violence (DFV) during the COVID-19 pandemic (via additional funding over three years from FY 2021-22). These components have distinct yet connected purposes:

- Client Services (CS) targets support at individuals including humanitarian entrants and other vulnerable migrants to address their settlement needs in their first five years in Australia in accordance with a needs-based approach.
- Community Capacity Building (CCB) targets support at new and emerging Ethno-specific communities, community leaders and emerging community representatives, and organisations with limited corporate capacity to support their specific communities to ensure that positive settlement outcomes are sustained in the long-term.
- Domestic and Family Violence (DFV) targets support at refugee and migrant women (permanent visa holders) through SETS by helping service providers better identify and support women in situations of DFV.

The SETS components are funded by the Department, which are awarded to providers via a competitive grants process. In total, the Department awarded \$255 million in CS funding, \$19 million in CCB funding, and an additional \$26 million in DFV funding.

## *Role of SETS providers*

SETS providers are granted funding at the beginning of their contracting period based on a set of considerations at point in time, including the quality of the service provider's tender, national provision of services, degree of overlap of service areas, provider type diversity, and the distribution of the eligible cohort across Australia. However, subsequent changes to Australia's humanitarian intake and secondary migration patterns can impact provider capacity to deliver settlement support.

SETS providers produce activity workplans centred around supporting the settlement needs of eligible clients, which typically focus on activities that enable clients to achieve outcomes in line with national settlement outcome priority areas (Figure i).

The range of activities include conducting group sessions and workshops, individualised support through low-mid intensity case work, referrals to mainstream services and other SETS and Specialised and Intensive Services providers, information sharing, professional development for mainstream services, consultation and co-design, leadership identification and capability training, and training to support grant application writing.

SETS providers are required to use Data Exchange (DEX) to report their activity and client outcomes. This system is owned and operated by the Department of Social Services, and supported by a series of grants managers who work with providers on reporting.

**Figure i:** National Settlement Outcomes Standards

Education and Training	Employment	Health and Wellbeing	Housing	Language Services
Transport	Civic Participation	Family and social support	Justice	Finance

Source: Settlement Council of Australia.

# Executive Summary

## Evaluation objectives and evidence base

Deloitte Access Economics was engaged to evaluate the effectiveness, cost, funding, and design elements of the SETS Grants Program over the contracted funding period. The scope of the evaluation included each of the SETS CS, CCB and DFV components, and its objectives were to enable the Department to make considered decisions regarding the outcomes SETS is working towards and how to better fund service providers to achieve these.

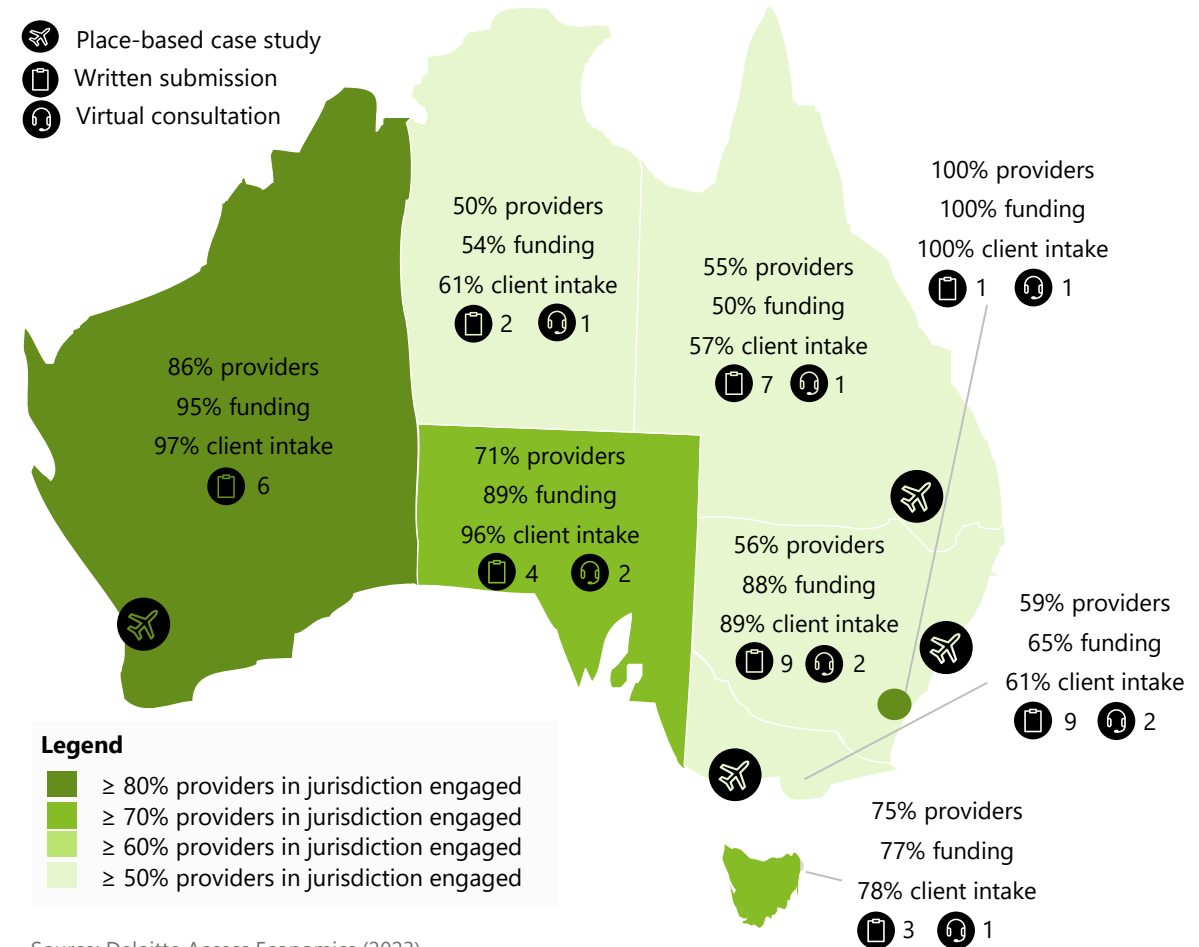
While this evaluation focuses on the outcomes achieved through the allocation of SETS funding, the overlapping functions of, and parallel funding received by SETS providers across the sector, provide important context and underline challenges in evaluating SETS and isolating impact and cost considerations. Moreover, this evaluation recognises that the settlement sector, and the clients and communities it serves, has evolved since the inception of SETS.

The SETS evaluation framework, comprising research questions, program logics and primary data collection, was developed in consultation with the Department and settlement sector representative bodies, the Settlement Council of Australia and the Social Policy Group. The scope of the research focus contained both formative and summative elements, and considered the SETS components (CS, CCB and DFV) both independently and holistically.

The evidence base for this evaluation included input from nearly two-thirds of all SETS providers across Australia, including standalone, consortium lead and delivery outlet organisations. A diverse and representative sample of insights were captured, with the evaluation hearing from SETS providers and partnering organisations in-person at four case study locations, and other providers via online consultation and written submission (Figure ii).

The evidence base also includes grants program administrative data from the DEX system which collects information from SETS providers on clients, funding, services provided and client outcomes, as well as input from settlement sector representatives and stakeholders.

Figure ii: SETS provider input into the Evaluation



Source: Deloitte Access Economics (2023).

# Executive Summary

## SETS Client Services (CS)

Between January 2019 and December 2022, SETS CS providers supported 114,900 individual and group clients according to DEX. Clients present to SETS providers at different stages of their settlement journey, and with a range of distinct needs that typically align to national settlement outcome priority areas (Chart i).

The type and complexity of these needs depend on various individual factors and community context. In FY 2021-22, a period after the disruption to client presentation brought about by the COVID-19 pandemic restrictions, most clients were reported to be women or aged between 20-40 years, which highlighted a need for SETS providers to be cognisant of and have solutions in regard to gender and youth-related issues.

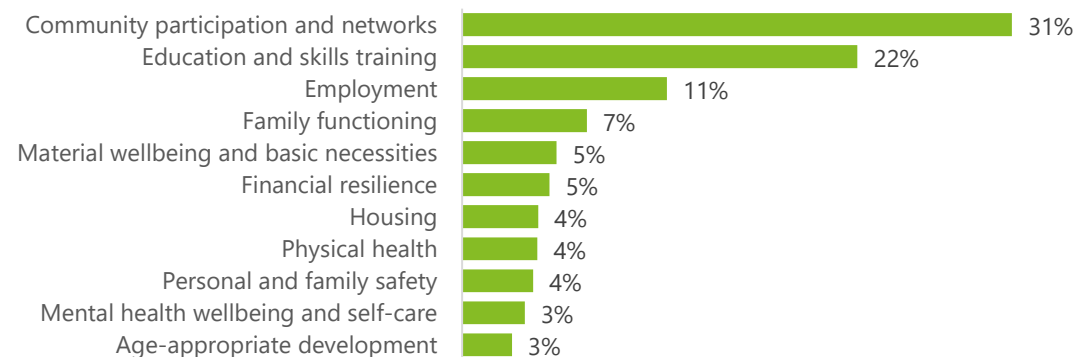
The nature and quality of services delivered by SETS providers varies significantly, largely due to the broad definition of the purpose of SETS and outcomes it is designed to achieve, as well as the flexibility governing its implementation. Providers varied in their views and understanding of the value of SETS, with common examples including building the capacity of and access to mainstream services, establishing an independent and safe environment for clients, case work management; building the capacity of the community, and strengthening the complementary relationship between SETS and the Humanitarian Settlement Program (HSP).

Despite this variation, SETS CS appears capable of enabling improved settlement outcomes for clients. Eligible CS clients, as measured by the three DEX SCORE outcomes – circumstances, satisfaction and goals – tend to record positive experiences. The positive nature of these reported outcomes, however, could be overrepresented as providers are only required to collect outcomes data for 50-60% of all SETS CS clients.

Providers were able to confidently identify the characteristics or features of their service delivery models that worked well to enable more effective provision. Above all, effective SETS practices are grounded in an established and strong connection to the community and place-based delivery approaches, supported by a workforce with lived experience and capacity to build trust.

The inability of providers to deliver SETS CS effectively can be heavily influenced by factors which are often out of their control, including workforce shortages and unexpected settlement or secondary migration in a region. The amount of SETS funding granted to providers, often less than the amount tendered for, was universally cited by providers as a barrier to effective service delivery. Budget constraints often limited their ability to recruit bicultural/bilingual staff – a delivery feature seen as best practice across the sector – retain skilled staff, and respond to clients presenting with more complex needs.

**Chart i:** Primary assistance needed by SETS CS eligible clients (January 2019 - December 2022)



Source: Department of Social Services, DEX system (2023).

## SETS Domestic and Family Violence Support (DFV)

While the delivery of DFV support was already a settlement outcome priority and some SETS providers were already delivering this type of support, the additional targeted funding was granted to build capacity and capability to deliver DFV support. This led many providers to expand on or add to existing programs to cater to the significant increase in DFV rates following the COVID-19 restrictions.

SETS providers used the additional funding to conduct workshops, group information and sharing sessions with both victims and perpetrators to challenge current perceptions of DFV and support an understanding of healthy relationships and women's rights.

# Executive Summary

Providers experienced challenges to identify that DFV is occurring and encourage clients to seek appropriate support. Providers also found it difficult to quarantine the additional DFV funding from being used to deliver other in-demand client services and budget enough funding to resource the intensity of supporting clients with DFV needs. A smaller share of DFV clients reported improvements in personal circumstances, according to DEX, reflecting the challenges of achieving positive outcomes for these clients.

The gathered evidence shows a demand for DFV support among migrant and refugee women. Funding levels may need to be better calibrated toward the intensity of resources required to effectively support DFV clients. Based on grants program administrative data, some providers with large volumes of DFV clients did not receive a proportional amount of funding, relative to other providers (Chart ii).

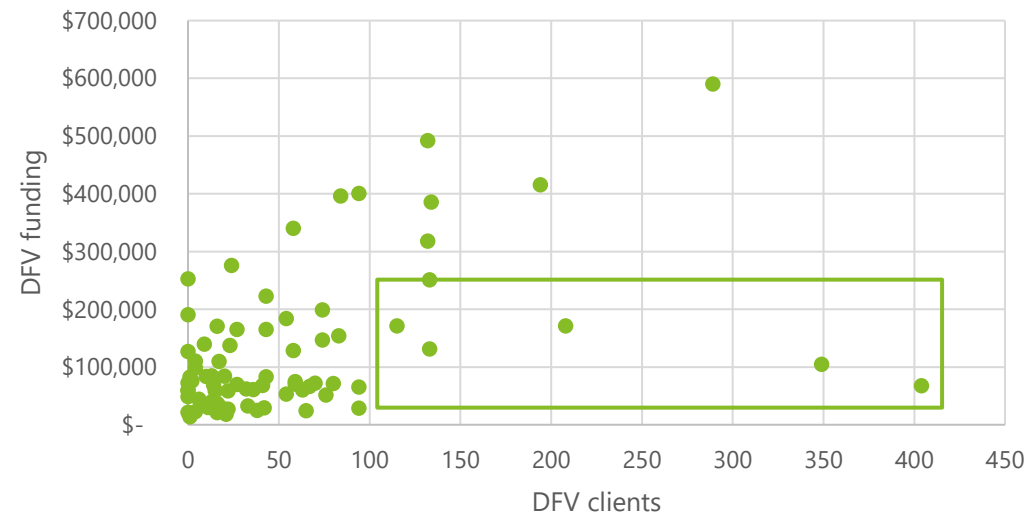
## *SETS Community Capacity Building (CCB)*

While the policy intent behind CCB was well understood by the sector, the scope of funded activity was less consistently applied, ranging from leadership capability training and grant writing to community consultation and infrastructure provision. Some providers described CCB as developing the capacity of existing grassroots community organisations, and others used the language of capacity building to refer to clients' skill development.

Eligible CCB clients, as measured by the three SCORE outcomes – circumstances, satisfaction and goals – tend to record highly positive experiences. However, the implementation, and subsequent effectiveness, of CCB funded activity varied with community readiness. Providers working with newly-arrived communities often required more resource intensive support models and more time to allow for any given rate of progress. CCB clients that were ready and able to adopt a leadership position within their community typically had exceeded the five-year eligibility requirement.

Despite limited funding, providers emphasised the essentiality of CCB to achieving settlement outcomes for the community, supported by the observation that many CS-only funded providers also deliver CCB activities. The CCB component of SETS provides a significant opportunity to reduce reliance on settlement services as the community develops independence and a greater capacity to respond to settlement needs.

**Chart ii:** Total DFV funding against total clients within provider (January 2022 to June 2023)



Source: Department of Home Affairs (2023).

Note: Excludes providers with fewer than 15 observations. DFV funding allocations have been adjusted to reflect the client period (1.5 years). DFV client numbers are not fully reported by all providers, as a result the DEX data may underrepresent the total number of clients that providers have serviced.

## *The value of SETS*

While SETS appears to be more effective when subject to a 'perfect storm' of factors, data limitations associated with DEX system make it challenging for providers and the Department to understand and track activities and outcomes of the grants program. DEX reporting requirements can be confronting for clients and overly burdensome for providers to collect, leading to broader challenges in the collection of accurate and reliable information.

These challenges limit the completeness, objectivity and representativeness of the data reported and the overall strength of DEX data as an evidence source. However, there are opportunities to work with SETS providers to improve the quality of data collected, including investment into an alternative internal monitoring system to DEX which can be designed to more closely align to SETS delivery.

# Executive Summary

Providers valued the guidance of data specialists who had an understanding of the SETS provider context with several describing the training provided through settlement sector representative organisations as more effective and relevant than the advice provided in the DEX guidelines and/or by the Funding Agreement Managers.

It is clear that SETS is valued by the sector as a critical early intervention program to facilitate access and awareness of other services and ensure that challenges faced by SETS clients do not escalate to crisis point. In the absence of SETS, there is an increased likelihood of lower quality service support to address settlement needs for individuals and communities, that would delay or prevent the realisation of settlement outcomes and lead to longer-term economic and social costs.

Without the support services delivered by providers through SETS, it is not clear that there would be a consistent point of contact for SETS clients to access the support or find a pathway to accessing the support they need. In addition, the settlement sector would be more reliant on other short-term funding streams, which could affect the coherence and quality of service provision or influence the support available to become more specialist in nature.

Without SETS, mainstream services would face a stronger impetus to require a bilingual/bicultural support model and services tailored to complex settlement needs. They would also need to strengthen their outreach to migrant communities. This seems unlikely to eventuate. The scope of support currently provided by SETS frontline staff often defined by gaps in the capacity of the mainstream sector to support clients navigate their services, with limited accountability for public services to deliver culturally appropriate support.

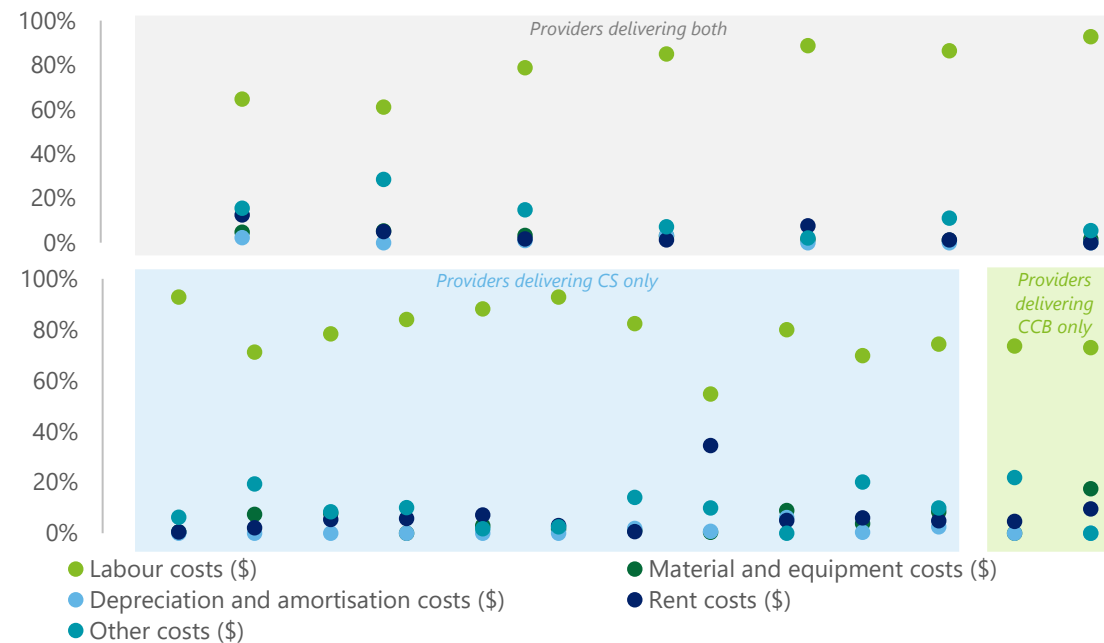
## Cost of delivering SETS

Cost data was collected from a mix of provider types across Australia to grow the understanding of the costs of SETS delivery. While some insights have been generated, the relatively small sample size of providers means the analysis presented may not accurately reflect the reality of costs incurred by the total SETS provider population.

Labour costs represent the largest costs for SETS providers (Chart iii), with, based on provider consultation, staff wages – increasingly salient amid workforce shortages – and staff time – where client need requires resource intensive support – the key drivers of cost.

Costs vary widely among providers on a per client basis. Some clients require lighter touch support, while others have more long-term, complex needs and receive higher-cost supports from SETS providers. Given the variation in per-client service provision, it is challenging to estimate an efficient cost of delivery. Hidden costs add to this challenge, including provider reliance on a large volunteer base to deliver services.

**Chart iii:** Breakdown of cost categories across providers, FY 2021-22



Source: Department of Social Services, DEX system (2023), provider submitted data.

While there is some evidence, observed in the data, showing a relationship between provider scale and costs, the evidence on the efficiency of the consortium model is not clear. More than one third of SETS clients received services from providers belonging to a consortium, which was introduced as a provider delivery model option for this contract funding round to encourage greater efficiency in SETS funding use through economies of scale.

# Executive Summary

Reported benefits of the consortium model include more effective approaches to advocacy, knowledge sharing and service delivery. Challenges with the model include a lack of visibility for the Department and delivery organisations about the allocation of funding and activity, and capacity constraints for smaller delivery outlets to participate fully in all consortium activities.

## *Delivery costs and funding*

The costs data shows that delivery costs are a function of the funding amount allocated, suggesting a circular relationship between costs and funding in the sector. Providers focus on the maximum volume of delivery achievable within their available funding allocations, including service delivery for eligible and non-eligible SETS clients. The circular relationship between costs and funding is reiterated in provider remarks that they 'make do' with available funds, focusing more on how they can spread the grant program funding to service the needs of clients as opposed to what it costs to deliver a quality service.

Where providers report delivering SETS at a financial loss, they tend to have sought alternative funding and revenue streams to cross-subsidise their SETS delivery.

Most providers also described having an 'open door' policy where no client is turned away, which forces some organisations to absorb the cost of supporting SETS-ineligible clients who tend to present beyond five years of arrival or on an ineligible visa subclass. The extent to which SETS is provided to ineligible clients across the sector appears to vary depending on a clients' ability to access mainstream services, providers' access to other grant or funding streams that a client may be eligible for, and the level of urgency in client need.

## *Implications for a future SETS model*

The purpose of SETS and its objectives are not tightly defined, and as a result some providers deliver services outside the intended purpose of the funding. The flexibility embedded into the SETS program represents a key strength of the funding model by enabling providers to manage and respond to the demands of their context, and as a result the variation observed in activity is by design. However, flexibility exposes SETS providers to risks where the outcomes intended to be supported through other pathways, such as the HSP and the mainstream sector, are not supported.

Currently, other settlement and mainstream services are leaving gaps in the system and as a result, SETS providers are often delivering services that are outside the scope of SETS. This has contributed to the widely reported funding insufficiency as providers cover services that might reasonably be expected to be delivered elsewhere in the system – for example, translation services – in addition to the services intended to be delivered via SETS.

There may be an opportunity for clearer and simpler messaging to providers about the purpose and scope of SETS, and what these mean for their roles and responsibilities and the type and share of activity that is intended to be funded by SETS. Clarity will help to foster greater cohesion across the settlement ecosystem and will work to minimise duplication and provision of services that are outside the intended scope of SETS. It will also help to ensure that responsibility is shared across the broader system.

## *Implications for the SETS Grant Opportunity Guidelines (GoGS)*

The client services and community capacity building streams serve different purposes for the settlement sector, both of which are valued by SETS stakeholders, but there are opportunities to embed more precision into their objectives and desired activities, as well as improve funding alignment and administrative requirements.

The GoGs could make several clarifications, including to:

- clarify the distinction between CS and CCB, with examples of activities which are out of scope for CS funding
- simplify reporting requirements and clarify the data collection process for those providers delivering both programs
- in the CCB guidelines: clarify the eligibility criteria for 'community leader', including the time spent in Australia; consider how to support providers to work with community leaders who may be ineligible to receive CS; and consider whether the model should recognise (or incentivise) providers that use CCB as a pipeline for employing community leaders as bicultural workers

There is an opportunity to consider how funding is allocated across regions in line with the capacity of existing community networks. One option may be to explore a tiered system of CCB funding based on the maturity of the community in question.

# Executive Summary

More effective SETS practices are enabled by a provider market characterised by a diversity of provider type and services within the same delivery area, encouraging choice and specialisation for clients collaboration and cohesiveness for providers.

The GoGs could consider:

- how the characteristics of an effective SETS provider can be incorporated into the GoGs and/or funding prioritisation process
- the appropriate geographic spread and coverage for local level organisations
- clarity on the intended level of community consultation which informs the grant application and service delivery model
- whether and how to incentivise cross-organisational knowledge sharing within specific regions, particularly those with high needs or newly-established cohorts
- clarity to the sector on the intent for a diversity of providers within a region, including specialised services, consortia, small and large organisations
- whether connection to HSP providers is a priority for funding allocations
- clarity on the extent to which providers are expected to build the capacity of mainstream services as part of service delivery.

The evidence gathered in the evaluation does not establish a stronger case for or against the consortium model. While there exists limited evidence that a consortium model supports more efficient delivery, the model enables more effective practice.

The GoGs could:

- retain the option for providers to opt in to a consortium model where they see an opportunity for more effective or efficient delivery
- consider how reporting approaches could be refined to strengthen the level of visibility over funding allocations and outcomes achieved by individual delivery organisations—this might include seeking initial visibility of the allocation of clients and funding across delivery organisations, and ensuring that subcontracting models are visible, recognising that the model intentionally provides autonomy to consortia members

- ensure there are sufficient avenues for consortia member organisations to address concerns about inequitable arrangements
- ensure clarity about whether there is a policy preference for the consortium model – and whether expectations of cost efficiency and/or effectiveness vary for providers - to ensure that the arrangement is truly driven by provider choice.

*Considerations for eligibility criteria going forward*

SETS is being delivered to both eligible and non-eligible clients, with the extent of unmet demand unclear and adjustments to the eligibility criteria welcomed by the sector – subject to further guidance around them. There is value in maintaining some guardrails around the provision of SETS, to minimise duplication and avoid the challenges of inadequate provision which may come from pursuing universality.

Options for determining a new client eligibility model may include:

- reviewing the visas included in the model to ensure there is alignment with the policy intent, and other policy reforms
- moving away from a milestone-based eligibility criteria such as the 5-year limit – which may include: (i) options for the sector to establish their own approaches to prioritising funding and/or (ii) establishing priority cohorts by drawing on demographic indicators of need and impact – noting this would reflect a policy decision for government.

An effective approach to adjusting eligibility guidelines for SETS may be informed by:

- communicating the risks of a universal approach to service delivery to the sector
- clarifying the Department's intentions around the purpose of the program and the clients it should not be expected to support
- clarifying the extent to which funding is expected to cover the costs of delivery to each cohort
- understanding ways in which limitations of the HSP and/or mainstream service models affect the requests made to SETS providers.

# 1. Context to the Evaluation

# Settlement Engagement and Transition Support (SETS)

The Department of Home Affairs awarded \$300 million in grants to 81 providers across Australia to deliver client services, community capacity building and domestic and family violence support to refugees, humanitarian entrants and other vulnerable migrants and communities from 2019 to 2024.

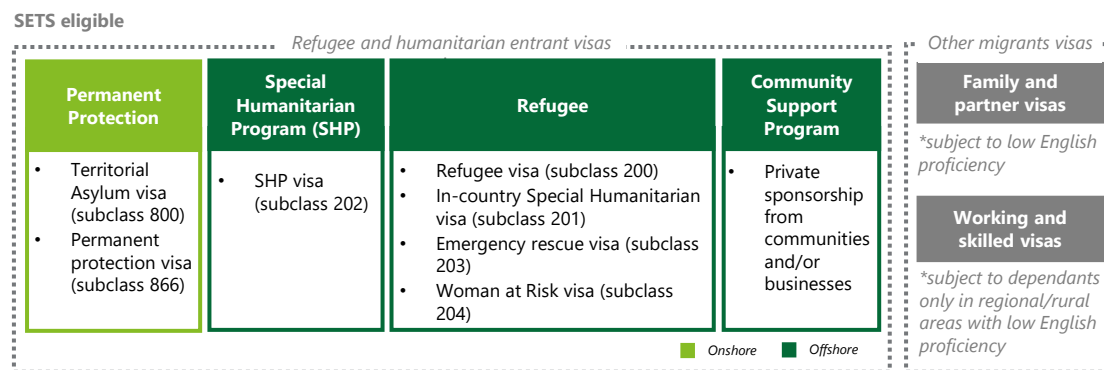
Commencing on 1 January 2019, replacing the former Settlement Grants Program, SETS was developed to meet the diverse needs of refugees, humanitarian entrants and other vulnerable migrants settling in Australia. SETS is intended to operate as an early intervention model that enables these cohorts, via engaged service providers and community bodies, to achieve full participation in society as soon as possible.

The policy objective of SETS, as stipulated in the grant guidelines, is to equip and empower eligible clients and communities to address their identified settlement needs in order to improve social participation, economic wellbeing, independence, personal wellbeing and community connectedness more broadly.

SETS consists of Client Services and Community Capacity Building, and also includes a reinforced focus on supporting women in response to the increased rates of domestic and family violence (DFV) during the COVID-19 pandemic (via additional funding over three years from FY 2021-22). These components have distinct yet connected purposes:

- Client Services (CS) targets support at individuals including humanitarian entrants and other vulnerable migrants to address their settlement needs in their first five years in Australia in accordance with a needs-based approach (Figure 1.1).
- Community Capacity Building (CCB) targets support at new and emerging Ethno-specific communities, community leaders and emerging community representatives, and organisations with limited corporate capacity to support their specific communities to ensure that positive settlement outcomes are sustained in the long-term.
- Domestic and Family Violence (DFV) targets support at refugee and migrant women (permanent visa holders) through SETS by helping service providers better identify and support women in situations of DFV.

**Figure 1.1:** SETS eligible visas



Source: Department of Home Affairs (2023) <sup>1</sup>

The SETS components are funded by the Department of Home Affairs in the form of grants which are awarded to providers via a competitive grants process to deliver services. The Department awarded \$300 million in grants to 81 providers across Australia (Table 1.1), spanning over five years for SETS CS and CCB following a two-year extension with DFV funding introduced as part of a Women’s Safety Package over three years from 2021.

**Table 1.1:** SETS funding by component

	CS	CCB	DFV
Funding	\$255M	\$19M	\$26M
Providers	77 providers	24 providers	76 providers
Period	Jan 2019 – June 2024	Jan 2019 – June 2024	Jan 2021 – June 2024

Source: Department of Home Affairs; Note: Providers are able to deliver multiple components.

# Role of SETS providers in the settlement journey

Service providers aim to address immediate settlement needs while also acting as an intermediary and cultural support for clients and communities transitioning towards accessing mainstream services, recognising that settlement journeys are non-linear and settlement outcomes are often interlinked.

SETS providers produce activity workplans centred around supporting the settlement needs of eligible clients. Providers are presented with settlement needs that typically require them to undertake or deliver activities that enable clients to achieve outcomes in line with national settlement outcome priority areas (Figure 1.2).

The range of activities include: conducting group sessions and workshops, individualised support through low-mid intensity case work, referrals to mainstream services and other SETS/SIS providers, information sharing, professional development for mainstream services, consultation and co-design, leadership identification and capability training, and training to support grant application writing. SETS providers are required to use Data Exchange (DEX) to report their activity and client outcomes. This system is owned and operated by the Department of Social Services, and supported by a series of grants managers who work with providers on reporting.

Although SETS serves as the primary form of longer-term settlement support for eligible clients, it does not operate in isolation. The grants program sits alongside other Australian Government settlement support programs, each looking to improve settlement outcomes in the priority areas for refugees, humanitarian entrants and other vulnerable migrants. These programs include the Humanitarian Settlement Program (HSP) and Adult Migrant English Program (AMEP), as well as other measures of support provided at different levels of government and by non-government and community organisations (Figure 1.3).

Given the historical context of some SETS providers, including those that have evolved from migrant resource centres, providers can receive other funding streams to deliver parallel settlement support to SETS, including the HSP, culturally specific social services in aged care, childcare, NDIS and/or employment services. Providers can also receive State and Local Government grants and/or funding from philanthropic or community organisations to deliver services aligned to or complementary to SETS activities.

Figure 1.2: National Settlement Outcomes Standards

Education and Training	Employment	Health and Wellbeing	Housing	Language Services
Transport	Civic Participation	Family and social support	Justice	Finance

Source: National Settlement Outcomes Standards, Settlement Council of Australia.

Figure 1.3: Forms of settlement support

		0 – 1.5 years	1.5 – 5 years	5+ years
Formal Support Systems	<b>HSP – Humanitarian Settlement Program</b>	<ul style="list-style-type: none"> <li>Supports humanitarian entrants during initial settlement period.</li> <li>Services for clients to learn English, access education, training, and employment.</li> </ul>	<i>Specialised and Intensive Services (SIS)</i> <ul style="list-style-type: none"> <li>Short-term needs-based for clients with complex needs and access to mainstream services.</li> <li>Develops skills to encourage independence.</li> </ul>	
	<b>AMEP – Adult Migrant English Program</b>	<ul style="list-style-type: none"> <li>Provides free English language classes to migrants and humanitarian entrants with low English levels.</li> <li>Help individuals settle and participate in communities by improving English language skills.</li> </ul>		
	<b>SETS – Settlement Engagement and Transition Support</b>		<ul style="list-style-type: none"> <li>Client Services</li> <li>Community Capacity Building</li> <li>Domestic Family Violence</li> </ul>	
Other Supports	<b>Community organisations</b>	<i>Across different communities, clients may also seek less formal supports from:</i> <ul style="list-style-type: none"> <li>Religious networks</li> <li>Religious organisations</li> <li>Not-for-profits</li> <li>Information community networks</li> </ul>		
	<b>Mainstream services</b>	<i>Clients gain supports from HSP and SETS providers to work with services including:</i> <ul style="list-style-type: none"> <li>Police department</li> <li>NDIS providers</li> <li>Childcare centres</li> <li>Ambulance</li> <li>Schools</li> <li>Centrelink</li> <li>Translation Services</li> <li>TAFE (AMEP providers)</li> <li>Employment services</li> <li>Real estate agencies</li> <li>Local business</li> <li>Financial institution</li> </ul>		

Source: Deloitte Access Economics (2023).

# Allocation of SETS funding to providers

SETS providers are granted funding at the beginning of their contracting period based on a set of considerations at point in time, noting that subsequent changes to Australia’s humanitarian intake and secondary migration patterns can impact provider capacity to deliver settlement support.

SETS funding to providers was made with reference to several factors, including: quality of the service provider’s tender, ensuring national coverage for the support offered by SETS, managing overlap of service areas, ensuring a balance of a broad spectrum of settlement organisation types (including migrant resource centres, and state/location-based cohort specific issues).

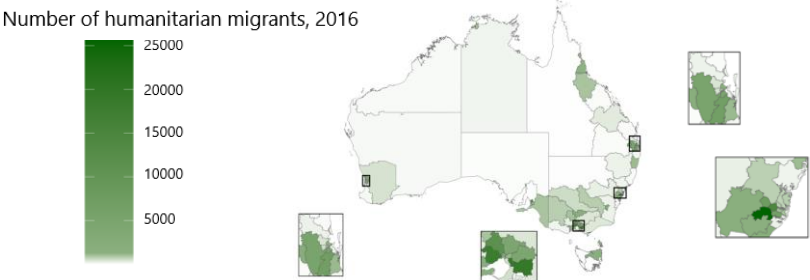
The distribution of the eligible cohort as reported in the Department’s Settlement Database is also taken into account, which includes the distribution of humanitarian migrants across Australia. Humanitarian migration is higher in some Australian regions compared to others (Figure 1.4). Comparison of data on prevalence of humanitarian migrants (as a share of the total population) in 2016 and the current SETS funding allocated to each Australian SA4 shows a strong correlation between them (Chart 1.1).

While funding allocation decisions were made at a point in time, the settlement sector has experienced change over the funded period given cumulative humanitarian intakes over time, key demographic changes, and revisions to visa classifications. For instance:

- Australia is one of the most active contributors to international refugee resettlement efforts, having settled more than 930,000 refugees and others in humanitarian need since the end of the Second World War.<sup>2</sup>
- Each year, the Australian Government sets a cap on the number of visas that may be granted under these two programs. In 2022-23, the Australian Government increased the ceiling from 13,750 places to 17,875 places under the Humanitarian Program.<sup>3</sup>
- Australia also has a history of dedicating additional places in response to humanitarian crises, including supporting people displaced by conflict in Syria and Iraq (an additional 12,000 places), and more recently for Afghan nationals (an additional 16,500 places).

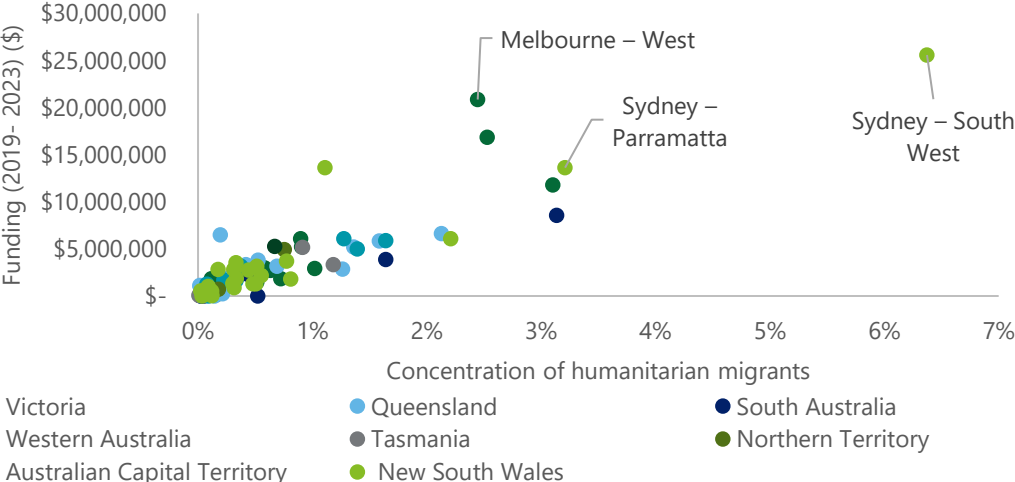
These examples suggest that changes experienced over the funded period have the potential to impact provider capacity to deliver settlement support.

Figure 1.4: Distribution of humanitarian migrants (2016)



Source: Australian Census and Migrants (2016).

Chart 1.1: Distribution of SETS funding (including CS, CCB and DFV) by SA4 (across January 2019 – June 2024) and prevalence of humanitarian migrants (2016)



Source: Department of Home Affairs (2023), Australian Census and Migrants (2016).

# Evaluating the SETS Grants Program

Deloitte Access Economics was engaged by the Department of Home Affairs to evaluate the SETS Grants Program to inform future program and funding design ahead of the next funding contract period commencing in July 2024.

Deloitte Access Economics was engaged to evaluate the effectiveness, cost, funding and design elements of the SETS grants program over the contracted funding period 2018-19 to 2023-2024. The scope of the evaluation included each of the SETS CS, CCB and DFV components, and its objectives were to enable the Department to make considered decisions regarding the outcomes SETS is working towards and how to better fund service providers to achieve these.

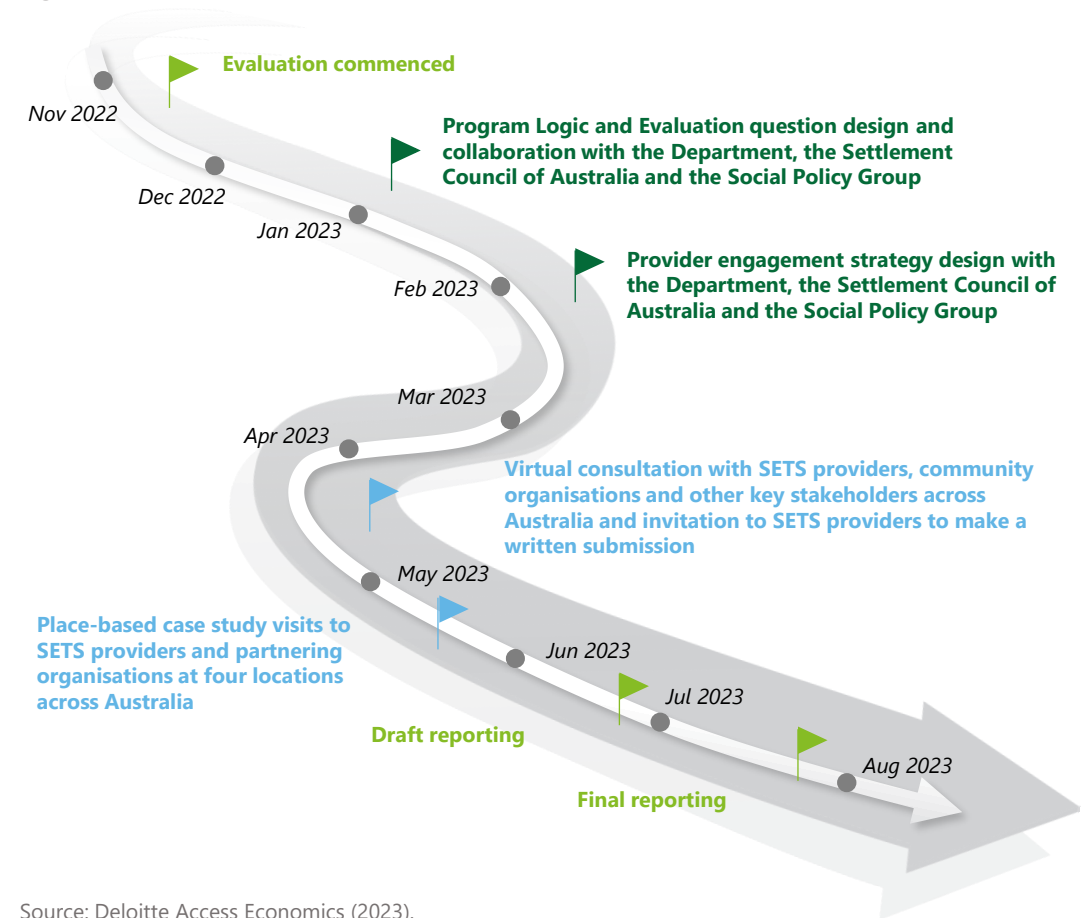
While this evaluation focuses on the outcomes achieved through the allocation of SETS funding, the overlapping functions of, and parallel funding received by SETS providers across the sector, provide important context and underline challenges in evaluating SETS and isolating impact and cost considerations. Moreover, this evaluation recognises that the settlement sector, and the clients and communities it serves, has evolved since the inception of SETS.

The key milestones in the path to evaluating the SETS Grants Program are presented in Figure 1.5. Across the course of the evaluation, the evaluation plan and framework, data collection process and stakeholder engagement methodology were designed and implemented in collaboration with the Department and other key sector stakeholders, including the Settlement Council of Australia and the Social Policy Group.

The remainder of this report is structured as follows:

- Section 2 sets out the evaluation methodology
- Section 3 discusses the effectiveness of SETS
- Section 4 discusses funding and costs of delivering SETS
- Section 5 discusses the implications for a future SETS model
- Appendix A contains the evaluation's primary data collection instruments
- Appendix B contains additional cost and funding analysis.

Figure 1.5: Evaluation milestones



Source: Deloitte Access Economics (2023).

## 2. Evaluation Design and Methodology

# Evaluation Framework

The SETS evaluation framework, comprising evaluation questions and program logics for SETS CS and CCB, was developed collaboratively and underpins the set of data gathered, evidence analysed, and findings established.

The approach to developing the evaluation framework was governed by an objective to generate evidence that would lead to improved understanding of the outcomes SETS is achieving and could work towards, and how to better fund service providers to achieve these.

The evaluation questions and SETS program logic were developed in close consultation with the Department and settlement sector representative bodies, the Settlement Council of Australia and the Social Policy Group, through co-design sessions and written feedback.

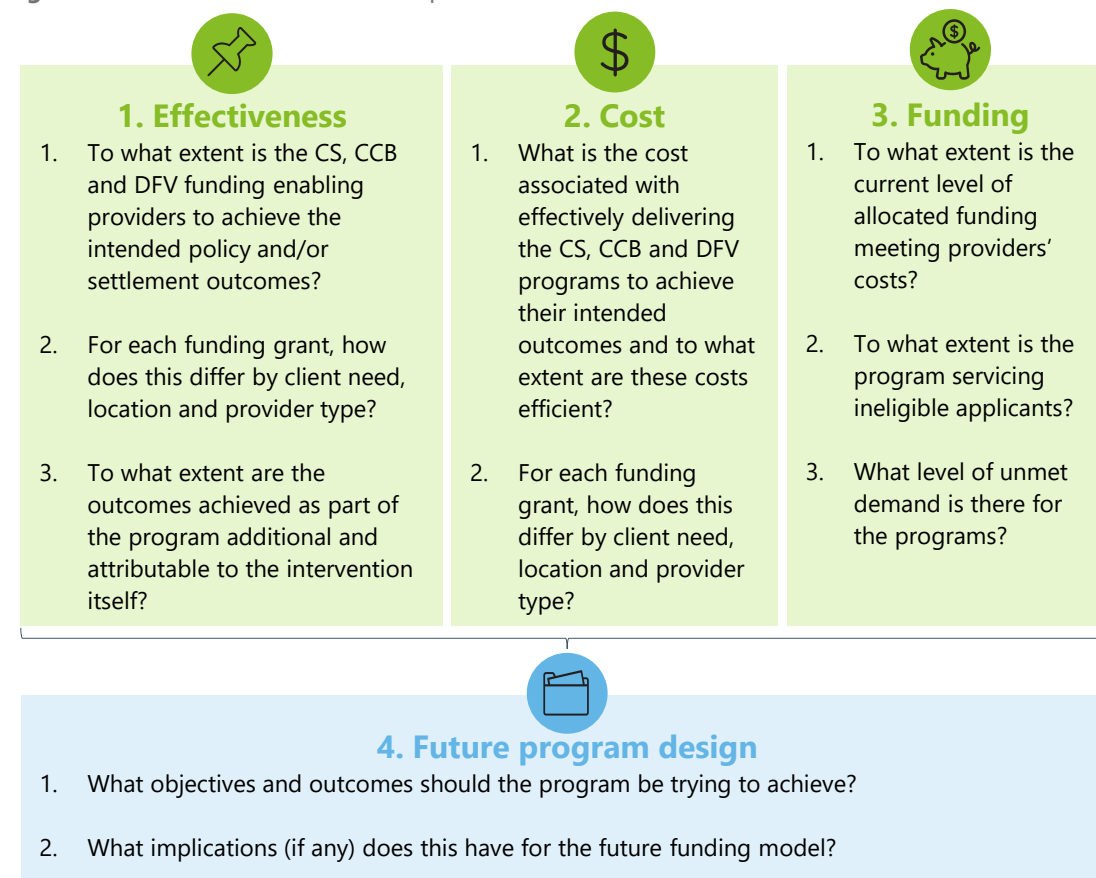
Evaluation questions were developed in line with the scope and focus of the evaluation and contain both formative and summative elements (Figure 2.1). The questions considered the SETS components (CS, CCB and DFV) both independently and holistically. That is, SETS was evaluated as a single, comprehensive evaluation, and where appropriate the evaluation separated questions, data sources and analytical techniques.

Two program logic models were developed to establish the inputs, activities and outputs of SETS as well as the short to long term outcomes to be enabled by the grants program. The program logics set out how SETS will influence change at multiple stakeholder levels, providing a causal representation of what the SETS model will do and the outcomes it is expected to achieve.

The program logics for SETS CS and CCB are presented on the following two pages. These program logics represent the best formed collective view of the programs' mechanisms and intended outcomes. A separate program logic is not presented for the additional DFV funding; instead, this is included as an activity in the SETS CS program logic.

This approach was adopted to emphasise how the additional funding has been administered through the Client Services program, and how the other support services that the program delivers can be mutually reinforcing and support positive DFV outcomes.

Figure 2.1: Evaluation domains and questions

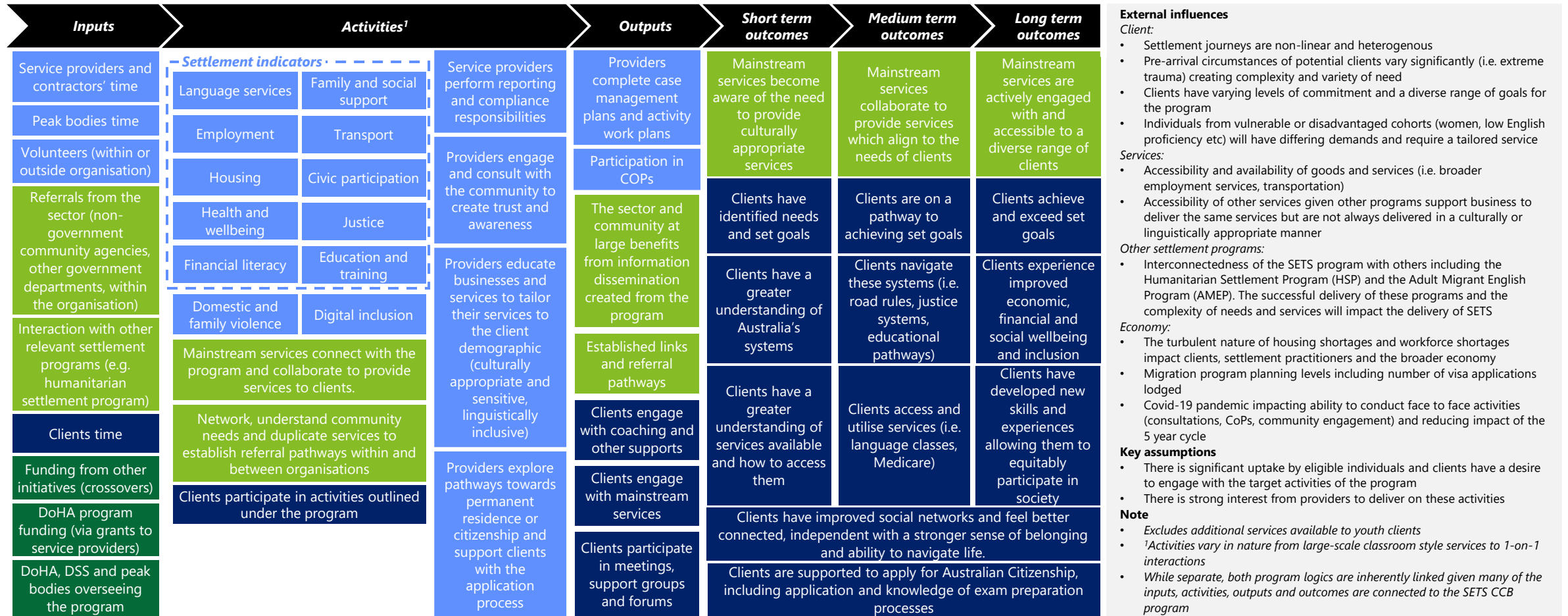


Source: Deloitte Access Economics (2023).

# SETS CS program logic

The program logics supported the analytical foundation of the evaluation process by providing a basis against which specific lines of research inquiry were developed and reported against using mixed methods analysis.

Figure 2.2: SETS CS program logic



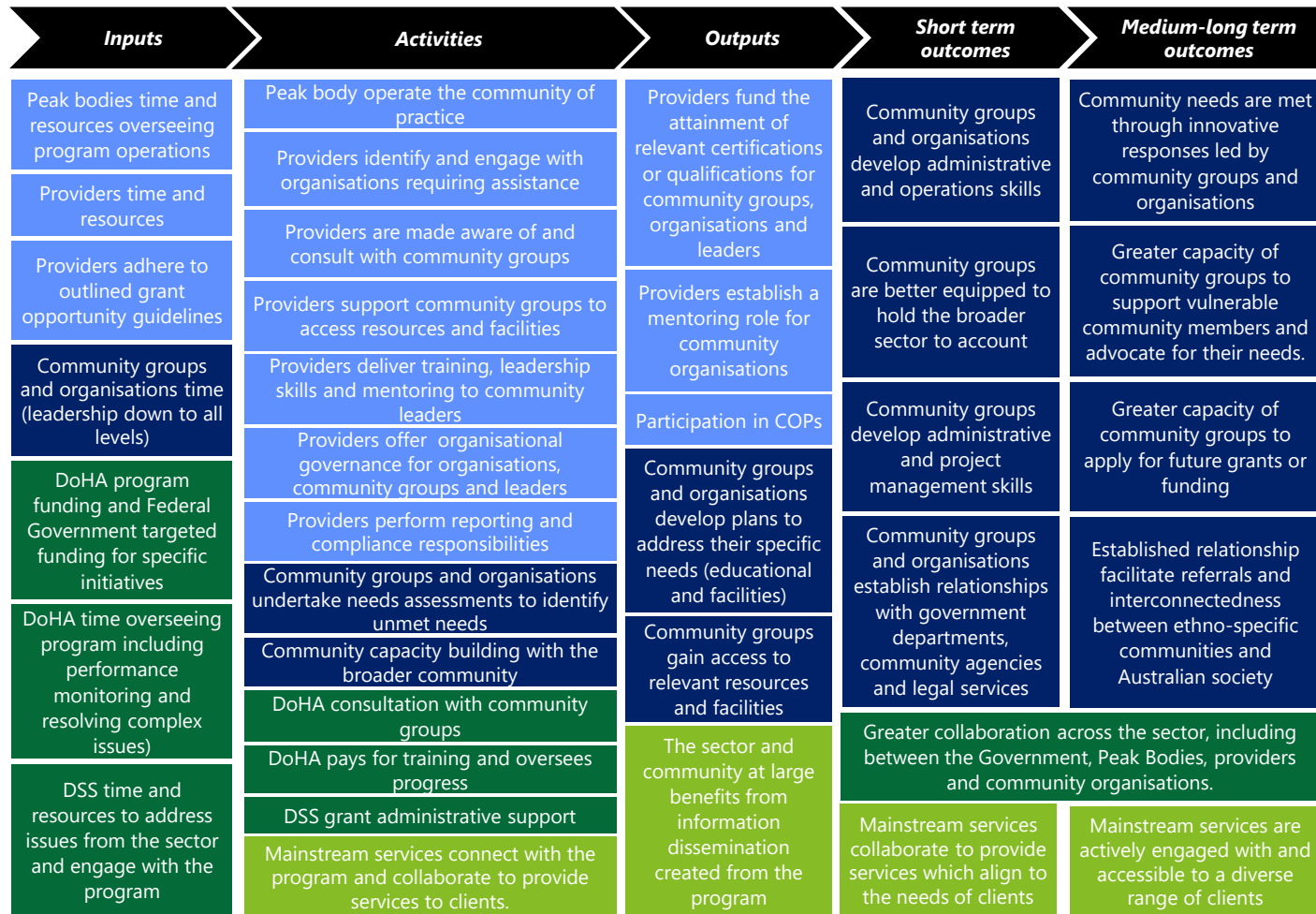
Source: Deloitte Access Economics (2023).

**Legend:**  
■ Peak bodies and providers  
■ Gov departments, funders  
■ Client  
■ Other settlement sector organisations

# SETS CCB Program Logic

The program logics also provide a framework that can be referenced and built upon when considering future iterations of the mechanisms characterising the SETS model and its intended policy outcomes.

Figure 2.3: SETS CCB program logic



### External influences

#### Organisations and community groups:

- Organisations and community groups have varying levels of commitment and a diverse range of goals for the program
- Individuals from vulnerable or disadvantaged cohorts (women, low English proficiency etc) will have differing demands and require a tailored service

#### Services:

- Accessibility and availability of goods and services (ie broader employment services, transportation)
- Accessibility of other services given other programs support business to deliver the same services but are not always delivered in a culturally or linguistically appropriate manner

#### Other settlement programs:

- Interconnectedness of the SETS program with others including the Humanitarian Settlement Program (HSP) and the Adult Migrant English Program (AMEP). The successful delivery of these programs and the complexity of needs and services will impact the delivery of SETS.

#### Economy and government:

- The turbulent nature of housing shortages and workforce shortages impact clients, settlement practitioners and the broader economy
- Migration program planning levels including number of visa applications lodged
- Variances in State and Territory government funding
- Covid-19 pandemic impacting ability to conduct face to face activities (consultations, COPs, community engagement) and reducing impact of the 5 year cycle

### Key assumptions

- There is significant uptake by eligible community groups and organisations
- There is strong interest for providers to deliver on these activities
- Potential clients have a desire to engage with the target activities of the program

### Note

- While separate, both program logics are inherently linked given many of the inputs, activities, outputs and outcomes are connected to the SETS CS program

### Legend:

- Peak bodies and providers
- Gov departments, funders
- Community groups/orgs
- Other settlement sector organisations

Source: Deloitte Access Economics (2023).

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## Provider and community engagement (1/2)

The evidence base for this evaluation includes input from nearly two-thirds of all SETS providers across Australia, including standalone, consortium lead and delivery outlet organisations, generated from a comprehensive and place-based primary data collection program.

The evaluation undertook an extensive consultation program with SETS providers, including in-person, place-based interviews in four regions across Australia involving 11 lead providers and 15 consortia members, and virtual interviews in other key regions involving 10 lead providers. Providers, represented by the perspectives of both management and frontline staff, were asked to discuss SETS client needs, activities and outcomes, barriers and enablers, and future considerations for funding and design.

The evaluation also collected information on the costs of delivering the program directly from 20 providers across FY 2021-22, accounting for 44% of clients in that period (20,256) and 41% of funding (\$122 million), and invited providers to validate and comment on Data Exchange (DEX)-produced reports on the clients supported and services delivered for the same period.

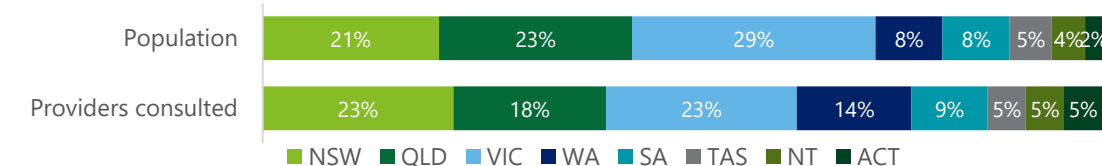
Characteristics of the sample of SETS providers interviewed as part of the in-person and virtual interviews, compared to the characteristics the total population of providers, are shown in Chart 2.1. The sampling criteria and methodology included representing the characteristics of the provider population, and a specific focus on understanding experiences of SETS consortium lead and delivery outlets.

Additionally, the evaluation invited all SETS providers to make written submissions to complement the information gathered from provider interviews, and to ensure an opportunity for every provider to share perspectives on the consultation themes. The evaluation received 41 written submissions from providers (including four providers from the interview sample and seven delivery outlet providers).

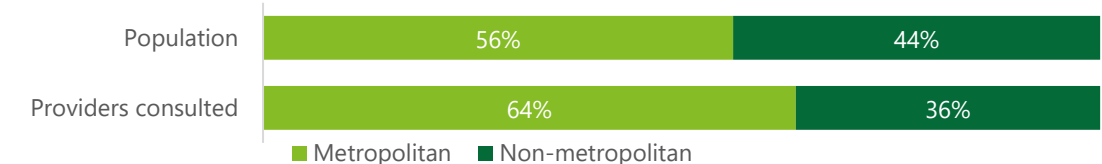
As part of a place-based lens in four locations across Australia that represent major locations for migrant settlement, consultations were also undertaken with 13 community organisations, representing the clients and communities supported by SETS providers, as well as their organisation partners and the mainstream services they support at a local level. The data collection instruments used for the provider engagement program can be found in Appendix A.

**Chart 2.1:** Distribution of providers across location, regions, service type and provider type within the SETS provider population and providers consulted

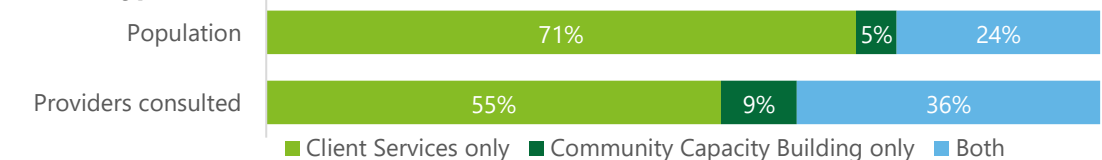
### Australian States and Territories



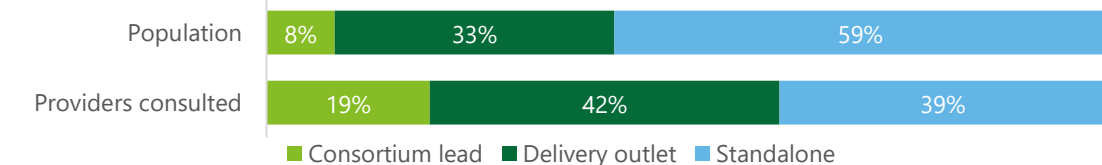
### Metropolitan and non-metropolitan areas



### Service type (CS, CCB or Both)



### Provider type (Consortium lead, Delivery outlet or Standalone)



Source: Department of Home Affairs (2023). Captures lead delivery organisations only.

Note: Providers consulted are those that participated in an in-person or virtual consultation.

## Provider and community engagement (2/2)

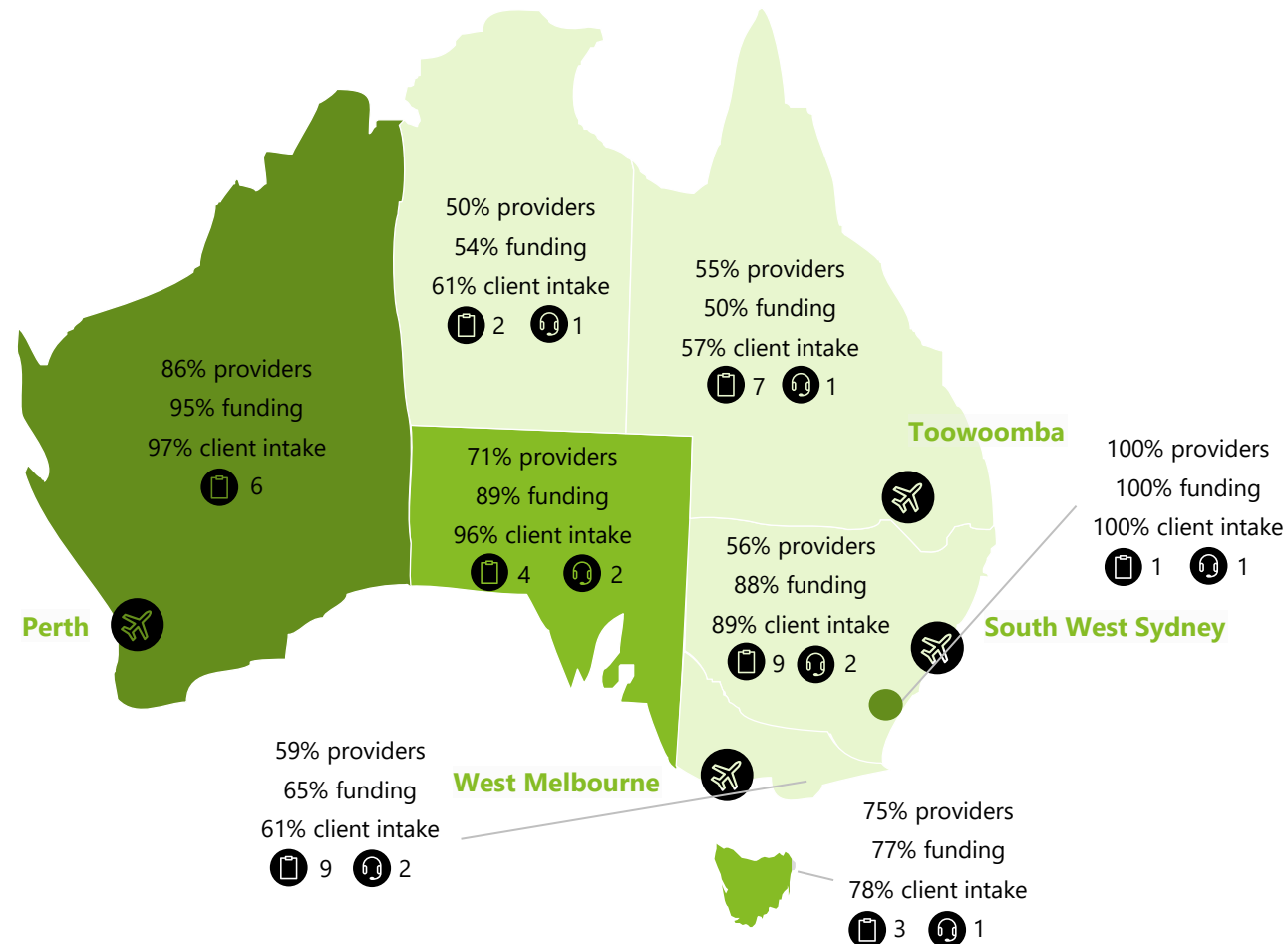
A diverse and representative sample of provider insights were captured, with the evaluation hearing from SETS providers and partnering organisations in-person at four case study locations, and other providers via online consultation and written submission.

**Figure 2.4:** Consultation series coverage by region

### Legend

- ≥ 80% providers in jurisdiction engaged
- ≥ 70% providers in jurisdiction engaged
- ≥ 60% providers in jurisdiction engaged
- ≥ 50% providers in jurisdiction engaged

- Place-based case study
- Written submission
- Virtual consultation



## Other sources of evidence

The evidence base also includes grants program administrative data from the Data Exchange system which collects information from SETS providers on clients, funding, services provided and client outcomes, as well as input from settlement sector representatives and stakeholders.

### Date Exchange (DEX)

All SETS providers are required to record client outcomes known as Standard Client/Community Outcomes Reporting (SCORE) reporting and encouraged to record additional data relating to SETS clients and activity in the Data Exchange (DEX). As noted, the Department of Social Services administers the DEX system and has provided the evaluation with access to this information and data source.

For SETS CS, providers are expected, where practical, to collect outcomes data for 50 to 60 per cent of all SETS CS participants and the majority of all SETS CCB participants. While the DEX system does not capture information on all SETS participants, particularly CS participants, the evaluation has assumed that the data collected is representative of all SETS participants in the absence of a comprehensive data set.

The range of DEX SCORE and program activity data used in this evaluation are shown in Figure 2.5. DEX data was supplemented with publicly available information and additional data provided by the Department of Home Affairs on the volume and distribution of humanitarian migrants and potential SETS clients across Australia.

### Other sources of qualitative evidence

To further inform the evaluation's evidence base:

- Interviews were held with settlement sector representative organisations, including the Settlement Council of Australia, The Social Policy Group, Multicultural Youth Advocacy Network and Refugee Council of Australia.
- Consultations were held with representatives from the Department of Home Affairs and the Department of Social Services were to understand the effectiveness of the program delivery and funding model from an operational lens.
- Information was collated from a Department of Home Affairs survey of 52 SETS providers, fielded in late 2022; market research conducted by the Settlement Council of Australia; and a Summary Report by the Social Policy Group on the SETS Community of Practice State & Territory Best Practice Meetings.

Figure 2.5: DEX variables used in the evaluation

	SETS - CS	SETS - CCB
SCORE – Circumstances	11/11 domains: <ul style="list-style-type: none"> <li>• Physical health</li> <li>• Mental health, wellbeing and self-care</li> <li>• Age-appropriate development</li> <li>• Community participation and networks</li> <li>• Housing</li> <li>• Personal and family safety</li> <li>• Family functioning</li> <li>• Financial resilience</li> <li>• Employment</li> <li>• Education and skills training</li> <li>• Material wellbeing and basic necessities</li> </ul>	5/11 domains: <ul style="list-style-type: none"> <li>• Community participation and networks</li> <li>• Employment</li> <li>• Education and skills training</li> <li>• Material wellbeing and basic necessities</li> <li>• Financial resilience</li> </ul>
SCORE – Goals	<ul style="list-style-type: none"> <li>• Changed behaviours</li> <li>• Changed knowledge &amp; access to information</li> <li>• Changed skills</li> <li>• Empowerment, choice &amp; control to make own decisions</li> <li>• Engagement with relevant support services</li> </ul>	<ul style="list-style-type: none"> <li>• Changed behaviours</li> <li>• Changed knowledge &amp; access to information</li> <li>• Changed skills</li> <li>• Empowerment, choice &amp; control to make own decisions</li> <li>• Engagement with relevant support services</li> </ul>
SCORE – Satisfaction	<ul style="list-style-type: none"> <li>• The service listened to me and understood my issues</li> <li>• I am satisfied with the services I have received</li> <li>• I am better able to deal with issues that I sought help with</li> </ul>	<ul style="list-style-type: none"> <li>• The service listened to me and understood my issues</li> <li>• I am satisfied with the services I have received</li> <li>• I am better able to deal with issues that I sought help with</li> </ul>
Client level data	<ul style="list-style-type: none"> <li>• Year of first arrival in Australia</li> <li>• Visa type</li> <li>• Ancestry</li> </ul>	<ul style="list-style-type: none"> <li>• Year of first arrival in Australia</li> <li>• Visa type</li> <li>• Ancestry</li> </ul>
Case level data	<ul style="list-style-type: none"> <li>• Reason for seeking assistance</li> <li>• Referral source</li> </ul>	<ul style="list-style-type: none"> <li>• Reason for seeking assistance</li> <li>• Referral source</li> </ul>
Session level data	<ul style="list-style-type: none"> <li>• Referral type</li> <li>• Referral purpose</li> </ul>	<ul style="list-style-type: none"> <li>• Referral type</li> <li>• Referral purpose</li> </ul>

Source: Deloitte Access Economics (2023).

# 3. Effectiveness of SETS

## Effectiveness of SETS | Key findings

This section focuses on examining the key evaluation questions as they relate to the effectiveness of SETS. It discusses the extent to which SETS CS, CCB and DFV enables providers to achieve intended policy and/or settlement outcomes, and understand what factors may contribute to or influence their ability to do so.

Specifically, this section includes a focus on:

- client context and need, and Services delivered
- enablers and barriers, and effective practice
- SCORE outcomes and measurement
- the impact of SETS, and the capacity of mainstream services.

The key findings presented in this section include:

- The nature and quality of services delivered by SETS providers varies significantly, largely due to the broad definition of the purpose of SETS and outcomes it is designed to achieve, as well as the flexibility governing its implementation.
- SETS is more effective when subject to a 'perfect storm' of factors, including when forecasted client numbers and anticipated client needs are realised, and existing trained staff are retained. SETS is less effective when funding severely limits what a provider can do and when they are exposed to factors beyond their control.
- Effective SETS practices are grounded in an established and strong connection to the community and place-based delivery approaches and models, supported by a workforce with lived experience and capacity to build trust.
- Eligible CS clients, as measured by the three SCORE outcomes – circumstances, satisfaction and goals – tend to record positive experiences, noting that these outcomes are likely to be overrepresented given the DEX reporting requirements.
- SETS providers used the additional funding to work with both victims and perpetrators to challenge current perceptions of DFV and support an understanding of healthy relationships and women's rights. However, the ability to isolate the funding from being used to deliver other broader support services proved difficult.
- Overall, a small share of DFV clients reported improvements in personal circumstances, reflecting the challenge of achieving positive outcomes for these clients.
- The purpose of SETS CCB is understood and valued by providers, however its implementation can vary due to several factors including a broadly defined scope, limited funding, and community readiness. CCB is more effective in contexts where providers are well-connected to an established local community.
- Eligible CCB clients, as measured by the three SCORE outcomes – circumstances, satisfaction and goals, tend to record highly positive experiences.
- DEX reporting requirements can be confronting for clients and overly burdensome for providers to collect, leading to broader challenges in the collection of accurate and reliable information about SETS activities and outcomes.
- The challenges stemming from DEX reporting requirements limit the completeness, objectivity and representativeness of the data reported and the overall strength of DEX data as an evidence source, but there are opportunities to work with SETS providers to improve the quality of data collected.
- SETS providers and related community service organisations valued SETS as a critical early intervention program, to facilitate access and awareness of other services and ensure that challenges faced by SETS clients do not escalate to crisis point.
- In the absence of SETS, there is an increased likelihood of lower quality service support to address settlement needs for individuals and communities, that would delay or prevent the realisation of settlement outcomes, and lead to longer-term economic and social costs.
- Without SETS, mainstream services would face a stronger impetus to require a bilingual support model and services tailored to complex settlement needs, as well needing to strengthen their outreach to culturally and linguistically diverse communities.

# SETS Client Services (CS)

Between January 2019 and December 2022, SETS CS providers supported 114,900 individual and group clients according to DEX, representing an annual average of 48,600 clients who present to the provider via various referral pathways.

CS SETS providers support referrals from the settlement sector and mainstream organisations that typically don't have the capability to support the needs of SETS clients. According to DEX, on average, providers receive 21,030 referrals each year via a variety of pathways (Chart 3.1).

Once a client is referred to a SETS provider, the provider then typically refers the client internally to other relevant wraparound services within their organisation or externally to relevant mainstream services (Chart 3.2). The majority of these referrals are made to external organisations, as more than half (or 60 per cent) of all CS client referrals are made the external organisations. Between January 2019 to December 2022, CS providers made 89,061 internal and external referrals (an average of 0.7 referrals per client) according to DEX.

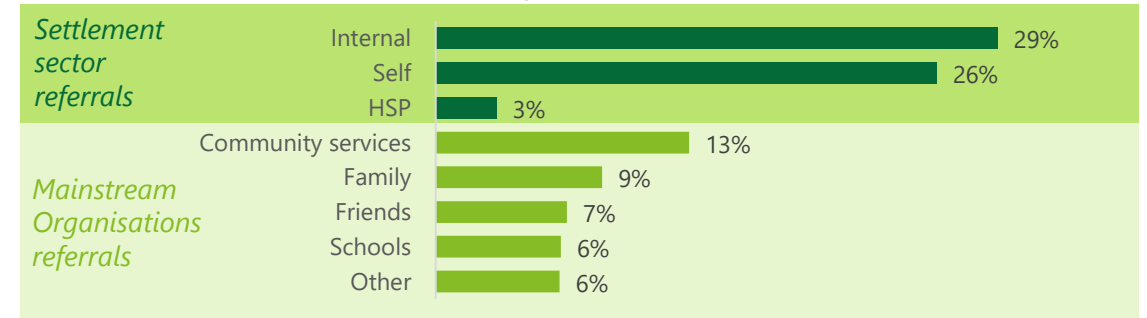
From January 2019 to December 2022, the 77 SETS CS providers supported 114,900 clients (including individual and group clients), equating to 48,600 each year (including individual and group clients). Chart 3.3 depicts the total amount of funding allocated to each provider by the total volume of clients serviced. Overall, providers broadly tend to be funded in line with volume of clients served, although some misalignment exists (see green box). These observations likely reflect where providers based in regions have experienced a surge of clients since CS funding was allocated in 2019.

**Chart 3.2:** Referrals from SETS providers (January 2019 – December 2022)



Source: Department of Social Services, DEX system (2023).

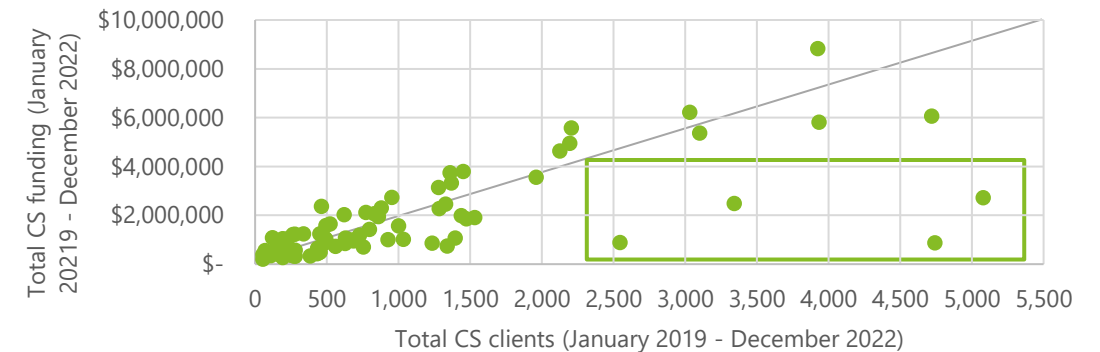
**Chart 3.1:** Referrals to SETS providers (January 2019 – December 2022)



Source: Department of Social Services, DEX system (2023).

Note: 'Self' refers to instances when an individual presents to a provider on their own.

**Chart 3.3:** Total Client Services funding against total clients within provider (January 2019 – December 2022)



Source: Department of Social Services, DEX system (2023)

Note: CS funding by provider has been adjusted to reflect the same time period as client (i.e., January 2019 to December 2022). Client numbers include unique individual clients and group clients (uniqueness is determined based on Statistical Linkage Key (SLK)).

## Client context

Clients present to SETS providers at different stages of their settlement journey, from different community contexts and with a range of distinct characteristics, noting that most clients are reported to be women or aged between 20-40 years.

SETS clients present with a range of distinct characteristics. For example, according to DEX in FY 2021-22, 58% of clients were women and 60% were aged between 20-40 years (compared to 51% and 40% of the Australian population respectively), highlighting the need for SETS providers to be cognisant of and have solutions in regard to gender and youth-related issues. For instance, women tend to be more isolated and the youth often take on the additional responsibilities of translating for parents while often also presenting with compromised mental health. In addition, 95% of eligible clients were identified by providers as culturally and linguistically diverse according to DEX in FY 2021-22. This is not surprising given the nature of SETS. However, it is in the variation of client background and context where the uniqueness, complexity and intensity of the needs to be addressed begin to be unpacked (Box 3.1).

### Box 3.1: Client context in case study locations

**Sydney – South West** has historically attracted a large volume of refugee and migrant cohorts through both primary and secondary streams of migration. Fairfield City Council and the City of Liverpool have been the top two refugee and humanitarian migrant settlement destinations within NSW historically. A large majority of humanitarian entrants in these locations originate from Iraq and Syria.

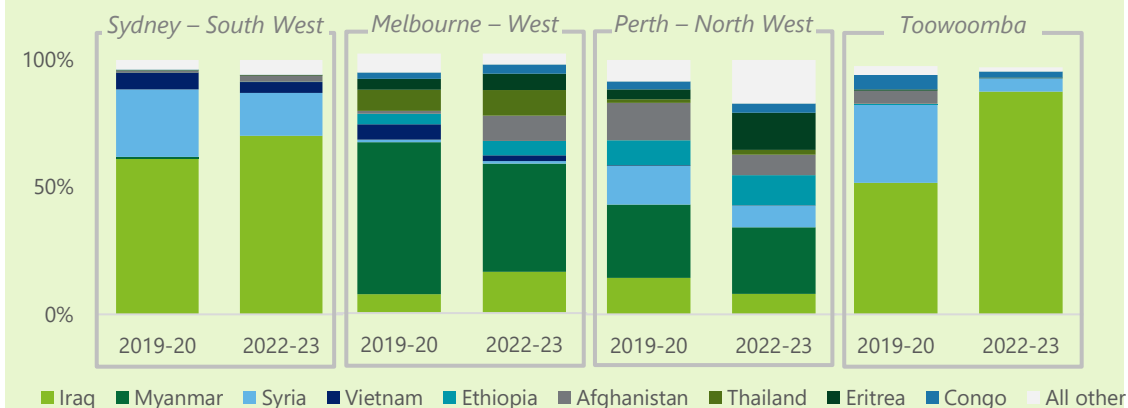
**Melbourne – West** municipalities are some of the fast growing in Australia in terms of refugee and asylum seeker arrivals. In addition to receiving a large volume of arrivals, the region also receives a lot of arrivals with complex needs given that the vast majority of clients often have spent a significant period of their lives in refugee camps. SETS providers indicated that they also service a reasonable number of asylum seekers who present to their organisation as they share similar needs to the eligible cohort.

**Perth – North West** does not appear to have a concentrated ethnic or cultural group, with humanitarian migrants arriving from a relatively diverse range of countries. Noting that Western Australia welcomes a smaller volume of eligible clients relative to other Australian jurisdictions, North West Perth experiences a limited volume of secondary migration to the region.

**Toowoomba** has experienced multiple waves of humanitarian entrants over the last two decades from countries including South Sudan, Congo, Iraq and Syria. Yet the most challenging has been serving the Yazidi cohort (settling from mid-2016) given their complex needs and backgrounds. Entrants settled in Toowoomba from mid-2016 make up 76% of total humanitarian entrants since 2010.<sup>1</sup> Historically, and anecdotally, Toowoomba has faced high rates of secondary migration from other regional hubs given its successful reputation – trends which have driven demand for SETS supports.

Chart 3.4 shows the country of birth for SETS eligible clients in the case study locations in FY 2018-19 relative to YTD FY 2022-23. In the last 5 years, key client cohorts have arrived from Iraq, Myanmar and Syria, reflecting Australia's humanitarian intake across the period.

Chart 3.4: Clients by country of birth, FY 2018-19 relative to YTD FY 2022-23



Source: Department of Social Services, DEX system (2023).

Note: Data for the FY 2022-23 is still being finalised in DEX, as such the data presented above captures the ethnicity of clients between July 2022 – December 2022.

Source: Deloitte Access Economic (2023), based on consultations with providers.

## Client need

Clients present to SETS providers with a range of distinct needs that align with the national settlement outcome priority areas, and the nature and complexity of these needs depend on various individual factors and community context.

A majority of clients eligible for SETS sought primary assistance with enabling community participation and network building, and accessing education and skills training over the period January 2019 to December 2022 (Chart 3.5). However, other clients in that period required assistance in a variety of areas spanning employment-related support to mental health wellbeing, self-care support, and age-appropriate development.

The nature and complexity of client need depends on a range of factors and is context dependent (Box 3.2), including:

- Level of language proficiency or prior education, with English proficiency described as a key enabler to effective settlement in other outcome domains.
- Familiarity with Australian systems, such as accessing Centrelink, and understanding of Australian social and cultural norms, which can be barriers for clients in accessing mainstream services and employment.
- Health challenges, which often reflect the complex impacts of torture and trauma, can impact client capacity to engage with settlement sector services (for example, AMEP attendance) and can delay improvements in their settlement outcomes.
- Maturity of the existing Ethno-specific community, with the establishment of the existing community an individual identifies with accelerating settlement timeframes.

### Box 3.2: Client need case study locations

**Sydney – South West** has seen housing supply and costs heavily impact humanitarian entrants in the region. The housing crisis has eventuated in sizeable rental cost increases and more frequent eviction cases subjecting these cohorts to rental and housing stress. High rates of DFV have significantly impacted women in the region. Employment and skills recognition have plagued many recent settlers who face barriers to gaining employment due to a lack of local experience, poor quality tailored employment services and systemic devaluing of overseas experience.

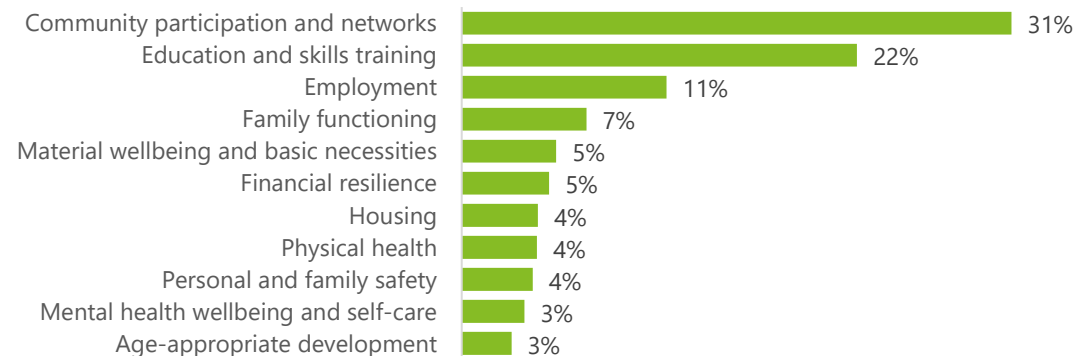
**Melbourne – West** has seen SETS clients experiencing difficulties with mental health, transport accessibility (particularly in the outer suburbs), constrained housing supply, and social isolation. In parallel to these influences, the influences of COVID-19 is more

severe, and have delayed the settlement journey for many, as Melbourne experienced substantial periods of lockdowns relative to the rest of Australia.

**Perth – North West** has experienced severely constrained housing supply, with new arrivals often spending more than one year in temporary accommodation (i.e., hotel rooms in the CBD). As clients need to be placed in permanent accommodation ahead of transferring from HSP to SETS, many clients spend more than one year with the HSP provider who often is not equipped to meet their settlement needs. As a result, most providers reported issues between the interaction of the HSP and SETS. Issues stemming from limited public transport options and difficulties in attaining a driver's license, in the context of rapid urban sprawl, are also common for clients.

**Toowoomba** SETS providers, in supporting Yazidi cohort, identify needs that stem from strong ties to culture and religion (such the caste system, insular community, established gender roles, and DFV), high levels of torture and trauma, low levels of literacy and numeracy in both English and Kurmanji, and limited exposure to any education.

Chart 3.5: Primary assistance needed by SETS eligible CS clients (January 2019 - December 2022)



Source: Department of Social Services, DEX system (2023).

## Services delivered

The nature and quality of services delivered by SETS providers varies significantly, largely due to the broad definition of the purpose of SETS and outcomes it is designed to achieve, as well as the flexibility governing its implementation.

There is equally as much variation in the nature of the services and support delivered by SETS providers in response to the assistance sought by eligible and non-eligible SETS clients. SETS providers used their grant funding to provide individual casework, group sessions, referral pathways, system navigation, and information provision.

Variation in service delivery is a function of the differing context and need of their clients. However, the evaluation also found that variation in provider delivery models and the services offered were also a consequence of the way in which SETS providers interpreted and sought to achieve the broad policy objective of SETS.

The purpose of SETS and its objectives is not clearly defined and lacks precision, and leaves SETS providers to describe the purpose of SETS, including the outcomes it seeks to achieve differently (Box 3.3). Providers varied in their views and understanding of the value of SETS, with common examples including:

- building the capacity of and access to mainstream services
- establishing an independent and safe environment for clients
- case work management
- building the capacity of the community
- strengthening the complementary relationship between SETS and HSP.

Even where providers shared similar a understanding of SETS as a referral and information service, which is consistent with the Department's guidelines, the extent to which service delivery is embedded into referrals is inconsistent between the Department's and providers' descriptions. For example, some providers indicated that a referral to Centrelink also involves taking the client to Centrelink and resolving any follow-up issues either in-person or over the phone. This activity reflects a much larger service (in terms of effort) than referral and information provision.

**Box 3.3:** A selection of responses to the question "How would you describe the outcomes that your organisation seeks for its clients?" by SETS providers that participated in the evaluation.

- *"Helping migrants to communicate their needs"*
- *"To empower our clients to make decisions"*
- *"Empower clients and support their basic needs to enable a good life in Australia"*
- *"Our role is to demystify the system"*
- *"Supporting independence and increasing skills and connection mainly through case management"*
- *"The bridge between migrants and mainstream services"*
- *"Our role is to be the nominated coordinator of mainstream services"*
- *"Building the capacity of clients to access mainstream services"*
- *"Work with our clients to understand what they really need whilst building the capacity of mainstream services"*
- *"Goal of a full life and social justice for all."*
- *"Our goal is to smooth the bumps in the journey of immigration."*
- *"Once our support services have been provided, we strive to link clients with other appropriate and specialised services."*
- *"Enabler for a vulnerable migrant to access mainstream service"*
- *"Use an holistic approach in providing support, drawing upon client's strength with the main aim of assisting clients to participate fully and independently in the Australian society."*
- *"Work closely with our clients to clearly articulate identified needs and set specific goals that respond to these needs and goals."*
- *"Our activities and services are culturally appropriate and tailored to individual need."*
- *"Our services also recognises the importance of celebrating and promoting the diversity and experience clients bring to their community and promoting a feeling of inclusion and belonging."*

Source: Deloitte Access Economics (2023), based on engagement with providers

## Enablers and barriers

SETS is more effective when subject to a 'perfect storm' of factors, including when forecasted client numbers and anticipated client needs are realised, and existing trained staff are retained. SETS is less effective when funding severely limits what a provider can do and when they are exposed to factors beyond their control.

Providers were able to confidently identify the characteristics or features of their service models that worked well to enable more effective SETS CS provision. The most commonly discussed strengths of services include:

- Using funding to implement different service models, enabling place-based approaches and tailored and responsive services designed to meet varying – and including new and emerging – client needs.
- Leveraging a trusted reputation, derived from a continuity of service provision for often more than a decade, to build strong relationships with local communities, community leaders and other service providers.
- Recruiting experienced and highly skilled staff, including those that are bicultural, bilingual, and have lived experience, to provide culturally responsive care, bring a wealth of knowledge to the issues facing their communities and drive accessibility and engagement.
- Building partnerships, including co-locating, with other organisations such as other SETS CS providers, AMEP providers, schools, legal clinics, hospitals and other community organisations to deliver holistic approaches to addressing settlement needs.

Larger SETS providers stated the benefits of being situated in a broader organisation delivering a wide variety range of programs, as there is often the opportunity to leverage expertise and knowledge from other services such as mental health, family violence, justice involvement and substance misuse. There is also often scope to integrate SETS clients in these wraparound services as well.

While indications of SETS effectiveness are clear, the ability of providers to deliver SETS effectively can be heavily influenced by factors which are often out of their control, including:

- The amount of SETS funding granted, which was often smaller than the amount tendered for during the grant process. Providers noted that financial constraints often limited the ability to recruit bicultural staff (a model seen as best practice across the sector), retain skilled staff, and respond to clients presenting with more complex needs.
- Place-based challenges including workforce shortages in areas of specialist need (for example, torture and trauma specialists, bicultural workers), and housing shortages which exacerbate the costs of recruiting and relocating trained staff.
- The international context, noting that while the total 'stock' of humanitarian migrants that arrived in Australia over the past five years has fallen due to closed borders during the pandemic, anecdotal evidence suggests that the intake has a higher level of need (and hence, costs of delivery). Furthermore, this is anticipated to continue given ongoing conflicts overseas across Ukraine, Syria, Afghanistan and South Sudan.
- Changes in communities settling in the region, such as an unexpected intake of new entrants or sudden influx of secondary migrants to the region, requires reskilling of existing staff, recruitment of new bicultural staff, adapting delivery approaches, and potentially services.
- Broader economic challenges including the pandemic which saw providers prioritise services that responded to need (for example, translating medical advice, distributing food parcels and encouraging vaccination uptake), which are not typically delivered under SETS. Relatedly, many clients experienced higher levels of hardship over this time, making service delivery even more challenging.
- The policy landscape, with the Commonwealth Government's decision to allow 19,000 refugees to apply for permanent resolution, has and will place additional strain on SETS providers regardless of SETS eligibility.

## Effective practice

Effective SETS practices are grounded in an established and strong connection to the community and place-based delivery approaches and models, supported by a workforce with lived experience and capacity to build trust.

SETS providers are more effective when they are well-connected to community. Providers that have relationships with community leaders appear to be more effective in responding to changing client needs. It was overwhelmingly acknowledged that local-level community organisations should provide input into the design and delivery of SETS and mainstream services, given their unique insight into community needs and availability of resources.

Many providers do this through employing settled refugees from Ethno-specific communities in advisory and information collection roles. These workers bring unique value in their intimate understanding of the context, language proficiency, and attract trust from community, where its absence can be a major barrier for clients with experiences of autocratic governments.

For providers that deliver both CS and CCB, the existing connection to community through staff networks of a CCB model can help reduce the time taken to build trust, and lead to more efficient operations. However, establishing community relationships can also lead to SETS CS providers to perform CCB activities as part of their service delivery even if they do not receive CCB funding.

Providers that have place-based models, with strong ties to the local communities, businesses and partner organisations, are more effective. When asked in the Department's provider survey about the best ways organisations can support new entrants to feel safe, welcome and at home in their new communities, providers outlined key factors enabling favourable settlement outcomes including:

- provision of a safe environment and social connection for new entrants delivered through invested staff
- facilitator or 'bridge' between new entrants and communities, businesses, organisations etc noting that there is no one role of a provider
- building the capacity of the community and community-led organisations
- partnering and upskilling mainstream services to better service new arrivals.

A practical example of this support emerged when providers were asked how they best promote employment pathways for new entrants, to which common answers included delivering training to employers about cultural competency, employing members of the client community, and making referrals to employers and industry bodies.

Place-based delivery approaches are particularly effective in regions. SETS providers indicated that the challenges faced by a regional community tend to be distinct to those in a metropolitan community, and it is important to maintain the local context in the provision of SETS services. This does not necessarily suggest that consortia models or large providers are inappropriate providers in regional markets – but rather, that all delivery outlets should be well-connected to communities locally.

Indeed, some providers within consortia noted the benefits of knowledge sharing between different regional members, given similarities in provider context, and local need. Examples included providers in Armidale, Toowoomba and Western Sydney consulting on best practice approaches to supporting the Yazidi community.

Working directly with community also allows capability building for providers through community-led cultural education and advice. Responses to the Department survey of SETS providers indicated an opportunity for community organisations to be more actively involved in policy and program decision-making, given their ability to be the direct voice for impacted communities and clients.

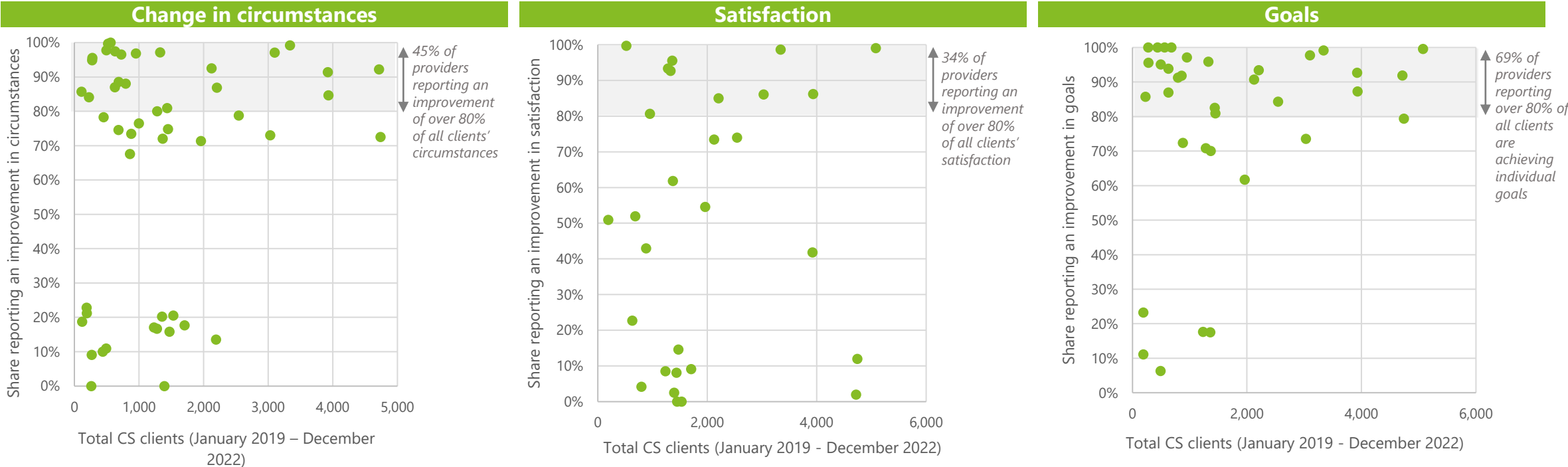
Recognising that the SETS model relies on established local groups existing within a region, which is not always the case, a central advisory role could also support providers that do not have direct contact with community leaders.

# SETS CS SCORE outcomes

Eligible CS clients, as measured by the three SCORE outcomes – circumstances, satisfaction and goals – tend to record positive experiences, noting that these outcomes are likely to be overrepresented given the DEX reporting requirements.

Client outcomes are recorded across three SCORE outcomes – circumstances, satisfaction and goals – which are captured below in Chart 3.6. The data presented below has been limited to providers with a sufficient number of assessed clients in addition to clients who recorded both a pre- and post- SCORE result. Overall, positive experiences tend to be overrepresented as providers are only required to report 50-60% of CS clients. This result is particularly true for the SCORE goals outcome.

**Chart 3.6:** Client SCORE outcomes of providers against total CS clients within provider (January 2019 – December 2022)



Source: Department of Social Services, DEX system (2023)  
 Note: Excludes providers with fewer than 15 observations and only counts clients who have recorded a pre and post SCORE and . SCORE outcomes captures all sub-domains. Client numbers include unique individual clients and group clients (uniqueness is determined based on Statistical Linkage Key (SLK)).

## SETS Domestic and Family Violence (DFV)

In response to a growing prevalence of DFV cases over COVID-19, the Department allocated to providers an additional \$26.1 million of targeted DFV funding in FY 2022 to support their capacity and capability to respond to growing client need.

The prevalence of DFV amongst humanitarian and family stream migrant and refugee communities is greater than those observed within the general population. A survey conducted by Monash University found that 33% of surveyed migrant women reported experiencing some form of violence within the home structure relative to 16% of Australian women.<sup>1</sup> The outbreak of COVID-19 worsened a range of economic and social conditions, such as higher rates of unemployment, increased psychological stress and prolonged periods spent in the household, and led to both a growing prevalence and intensity of DFV, particularly among migrant women. Between March to November 2020, among migrant women who had previously experienced DFV, 17% of victims reported the violence had happened for the first time, 23% reported an increase in frequency and 15% reported an increase in severity.<sup>2</sup>

In response to a growing prevalence of domestic and family violence cases over COVID-19, the Department provided an additional funding allocation of \$26.1 million across three years (commencing in FY 2021-22), comprised of \$8.5 million per year and \$450,000 to fund the SETS Community of Practice. While the delivery of DFV support was already aligned with the existing settlement framework and some providers were already delivering this type of support, this additional targeted funding was provided to build capacity and capability to deliver DFV support. Chart 3.7 provides an annual breakdown of the SETS program funding after DFV was introduced in FY 2021-22.

The DFV funding allocation against total clients within a provider is depicted in Chart 3.8. Overall, providers do not appear to be consistently funded in line with the volume of DFV clients served, given some providers with large volumes of DFV clients do not receive large funding allocations (see green box in Chart 3.8). This may also reflect that providers' ability to support clients experiencing DFV is not dependent on ability to provide DFV services, rather the level of trust established between providers and clients. Providers often noted the most challenging aspect of identifying DFV risk is the shame and stigma associated with it, creating a hesitancy to disclose that DFV is occurring. The fear of speaking out relates to repercussions from their immediate family members as well as from the whole community.

**Chart 3.7:** Annual distribution of SETS program funding across CS, CCB and DFV in FY 2021-22



Source: Department of Home Affairs (2023).

**Chart 3.8:** Total DFV funding against total clients within provider (January 2022 to June 2023)



Source: Department of Home Affairs (2023).

Note: Excludes providers with fewer than 15 observations. DFV funding allocations have been adjusted to reflect the client period (1.5 years). DFV client numbers are not fully reported by all providers, as a result the DEX data may underrepresent the total number of clients that providers have serviced.

# Use of DFV funding

SETS providers used the additional funding to work with both victims and perpetrators to challenge current perceptions of DFV and support an understanding of healthy relationships and women’s rights. However, the ability to quarantine the funding from being used to deliver other broader support services proved difficult.

SETS providers highly valued the additional DFV funding in response to increasing prevalence of domestic and family violence over COVID-19. Prior to the announcement of additional DFV funding, providers were already delivering DFV-adjacent interventions in response to the growing need for this support. This led many providers to expand on or add to existing programs to cater to the significant increase in DFV rates following the COVID-19 restrictions.

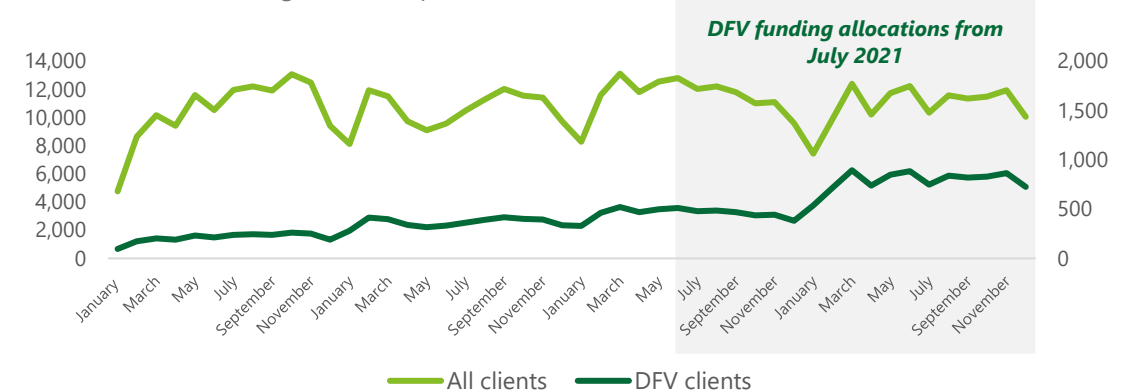
Providers utilised this funding to conduct workshops, group information and sharing sessions with both victims and perpetrators that challenged current perceptions towards domestic violence, and created awareness and supported understanding of healthy relationships and women’s rights.

Providers continued individual casework to provide clients with wellbeing support, and build knowledge, skills and confidence. Alongside group sessions and casework, providers also utilised the funding to provide access to emergency accommodation and daily essentials.

Chart 3.9 depicts the total number of clients (including individual and group clients) and the total number of DFV clients presenting each month over the funding period. Chart 3.9 demonstrates the increase in DFV clients after the explicit DFV activity funding was allocated to providers in FY 2021-22 – suggesting the level of demand for DFV support has grown over time, as well as the ability of providers to respond.

While providers welcomed additional DFV funding, most providers struggled to quarantine additional DFV funding while experiencing a range of other pressures on service provision (outlined in Figure 3.1), in tandem to growing intensity in demand for services as a result of COVID-19 and associated prolonged periods of lockdowns. In a written submission, one provider noted that demand from services grew by 12% during and after the pandemic in addition to a 23% increase in medium intensity caseloads.

**Chart 3.9:** Total SETS eligible clients per month (all clients and DFV clients only) (2019 – 2022)



Source: Department of Social Services, DEX system (2023)

Note: The number of DFV clients is estimated based on the clients whose ‘primary assistance needed’ is ‘personal’. This likely underestimates the number of clients presenting in need of DFV support, as these sensitive issues are often revealed after a reasonable amount of trust has been established between the client and SETS provider. Therefore, it would not be the primary issue clients initially present with. The number of clients presenting each month has been estimated based on the share of DFV clients as a proportion of the total. Client numbers include unique individual clients and group clients (uniqueness is determined based on Statistical Linkage Key (SLK)).

**Figure 3.1:** Findings from consultations on the additional pressures faced by providers over the funding period

Additional costs faced by providers			COVID-19 related costs
Removal free access to <b>translation and interpretation</b> services	<b>Additional clients</b> as a result of emergency intakes and resettlement	<b>Increases in award wages</b> by 4.6% (expiry of the SACs supplement)	Pivot to <b>digital service delivery</b> due to COVID-19 (new technology and upskilling clients)
<b>Increases to employer superannuation contribution</b> by 0.5%	<b>Increases in minimum wages</b> by 5.2%		<b>Increased demand on services</b> as a result of the COVID-19

Source: Deloitte Access Economics (2023), based on consultations with providers.

## SETS DFV SCORE outcomes

Overall, a small share of DFV clients reported improvements in personal circumstances, reflecting the challenge of achieving positive outcomes for these clients.

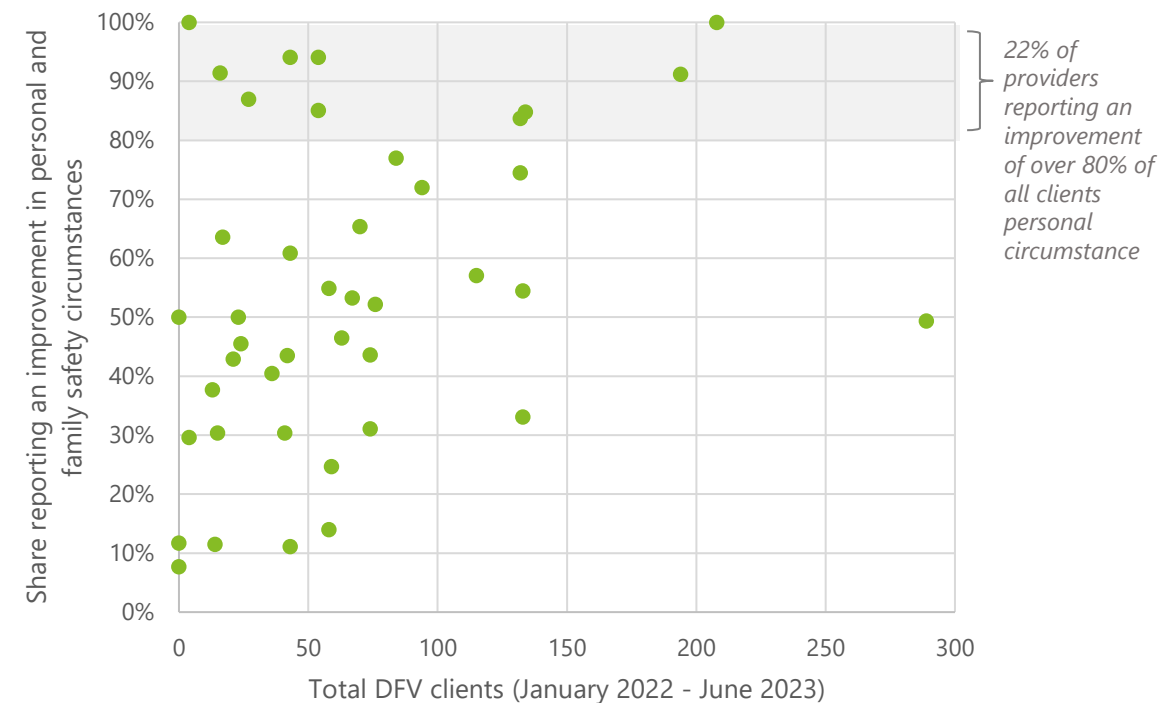
The DFV client outcomes against the total number of DFV clients assessed is depicted in Chart 3.10. The data presented has been limited to providers with a sufficient number of observations. Over a fifth of providers (22%) are reporting an improvement in clients' personal and family safety circumstances.

This result, in tandem to provider consultation findings, reveals the difficulty of achieving positive outcomes for this type of client. Clients facing DFV issues must confront the shame and stigma associated with DFV issues in addition to other barriers associated with settlement into a new country, such as learning English or securing employment.

While the additional DFV funding was highly regarded by providers, providers often highlighted the intensity of support required to deliver DFV services effectively. For example, one provider highlighted that being able to support a participant to access specialist support, then maintaining contact post-crisis to ensure safety particularly once the specialist service has exited, involves considerable resources. Alternatively, working with clients on safety planning when they do not wish to access specialist services or leave the relationship also requires considerable resources.

Overall, the gathered evidence suggests a clear demand for DFV support among migrant and refugee women, particularly following the onset of COVID-19. However, the effectiveness of DFV is a function of the ability of providers to appropriately identify that DFV is occurring and encourage clients to seek appropriate support, in addition to the level of funding allocated, given the intensity required to effectively support DFV clients.

**Chart 3.10:** Share of DFV clients reporting an improvement in SCORE personal circumstances against DFV total clients assessed (January 2022 – June 2023)



Source: Department of Home Affairs, DEX system (2023)

Note: Client numbers includes both individual and group clients. DFV client numbers and SCORE data is not fully reported by all providers, as a result the DEX data may underrepresent the total number of clients that providers have serviced and assessed

## SETS Community Capacity Building (CCB)

The purpose of SETS CCB is understood and valued by providers, however its implementation can vary due to several factors including a broadly defined scope, limited funding, and community readiness. CCB is more effective in contexts where providers are well-connected to an established local community.

SETS CCB funding is used by 24 providers to support community clients through leadership capability training, grant writing support, community consultation and infrastructure provision to ensure community groups and leaders are effectively serving their respective communities.

Providers working with more established community groups assessed their models of support as effective, subject to client engagement. Meanwhile, providers working with newly-arrived communities with needs stemming from torture and trauma and cultural influences, for example, the caste system, required more resource intensive support models and more time to allow for any given rate of progress. This often meant that when CCB clients were ready and able to adopt a leadership position within their community, to serve their community, they had exceeded the 5-year eligibility requirement.

While the policy intent behind CCB was well understood by the sector, the scope of funding was less consistently described. Providers outlined a variety of goals, intentions and activities conducted under the CCB program, with some varying from the stated intent of the program. While providers described CCB as developing the capacity of existing grassroots community organisations, others used the language of capacity building to refer to clients' skill development. Critically too, the scope of CCB activity differs substantially based on the community readiness, capacity of mainstream services and regional contexts.

A combination of the above factors drove the perception that CCB funding was insufficient due to the volume of work required to conduct an effective program, with one provider highlighting that CCB funding only supports a few discrete short-term projects each year.

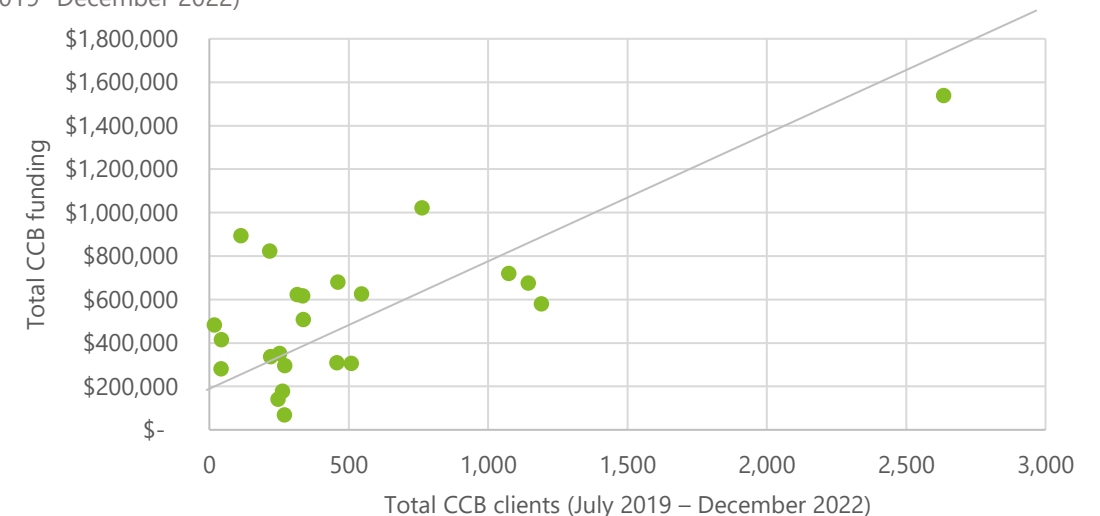
However, providers reiterated the importance of CCB to achieving improved settlement outcomes. This can be further demonstrated by the observation that many CS-only funded providers also deliver CCB activities, as it is viewed as an essential component to achieving effective settlement. Providers also frequently highlighted the significant opportunity associated with an effective CCB program is a reduced reliance on settlement services as

the community develops independence and a greater capacity to respond to needs.

Overall, based on consultations there exists evidence that the program is effective for organisations that are well-connected to established local community networks. For providers operating with higher-needs clients and/or communities which are smaller and less established, a broader suite of community capacity interventions may be required.

There is a positive linear relationship of total funding provided to CCB in relation to the total 11,720 total clients they served (includes unique individual and group clients), based on DEX and as shown in Chart 3.11, which suggests that providers are funded in line with the volume of clients served.

**Chart 3.11:** Total Community Capacity Building funding against total clients within provider (June 2019- December 2022)



Source: Department of Social Services, DEX system (2023)

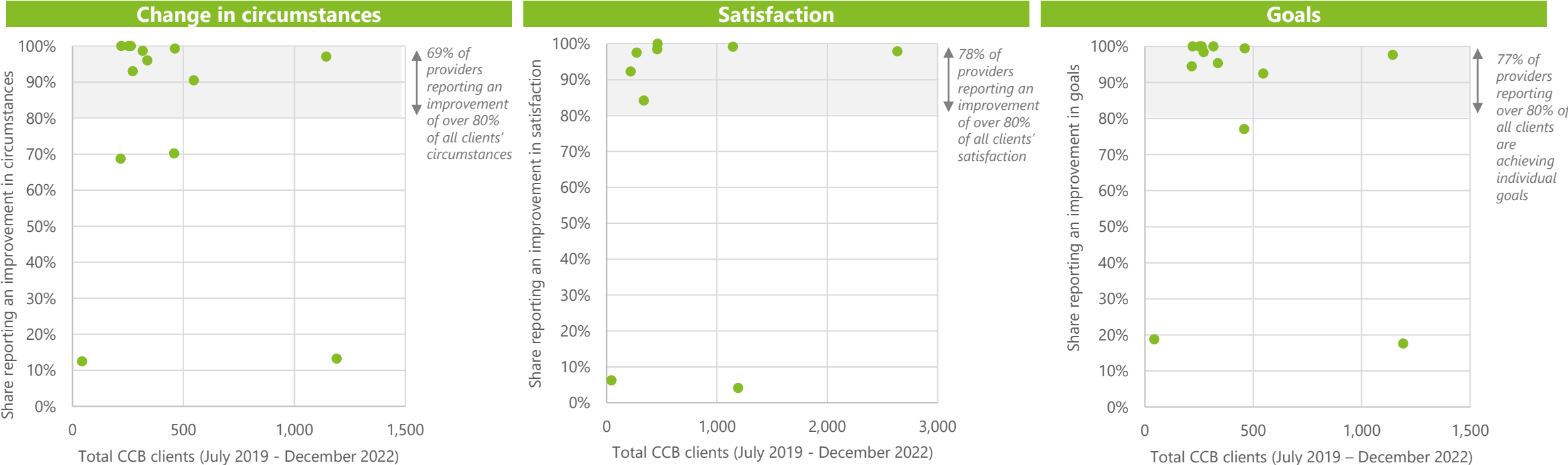
Note: Excludes CCS funding by provider has been adjusted to reflect the same time period as client (i.e., July 2019 to December 2022). Client numbers include unique individual clients and group clients (uniqueness is determined based on Statistical Linkage Key (SLK)).

# SETS CCB SCORE outcomes

Eligible CCB clients, as measured by the three SCORE outcomes – circumstances, satisfaction and goals – tend to record highly positive experiences.

Client outcomes are recorded across three SCORE outcomes – circumstances, satisfaction and goals – which are captured below in Chart 3.12. The data presented below has been limited to providers with a sufficient number of assessed clients in addition to clients who recorded both a pre- and post- SCORE result. Overall, CCB clients tend to record highly positive experiences.

**Chart 3.12:** Client SCORE outcomes of providers against total CCB clients within provider (July 2019 – December 2022)



Source: Department of Social Services, DEX system (2023)  
 Note: Excludes providers with fewer than 15 observations and only counts clients who have recorded a pre and post SCORE. SCORE outcomes captures all sub-domains. Client numbers include unique individual clients and group clients (uniqueness is determined based on Statistical Linkage Key (SLK)).

# Effectiveness of outcomes measurement

DEX reporting requirements can be confronting for clients and overly burdensome for providers to collect, leading to broader challenges in the collection of accurate and reliable information about SETS activities and outcomes.

As noted, DEX is a system which all SETS providers are required to use to report their activity and client outcomes. This whole-of government grants system is owned and operated by DSS, and supported by a series of grants managers who work with providers on reporting.

While reviewing the DEX system was not in scope for this evaluation, the following reflections provide important context about the availability of information for both this evaluation and for providers' own internal monitoring and evaluation processes.

## Challenges with the DEX system for clients

- The settlement journey is non-linear. Settlement is not a linear process and it is not the same for all individuals. The time required for people to feel settled in Australia may be shorter, or longer; and in some instances may be lifelong.  
In many cases, a major event such as a loss of employment or loss of rental accommodation may set many individuals 'backwards' in their settlement journey. As a result, it is challenging to capture this through a system which has prescriptive categories that define progress, in addition to only seeking to capture improvements.
- Some providers indicated that capturing information before and after service delivery is an unfamiliar concept for most clients. As a result, the collection of SCORE data (outcomes measurement) can be confronting and may reduce clients' desire to return to the service. Some providers indicated that collecting SCORE data represents a major barrier to delivering services.
- Data entry requires a lot of information that clients find invasive and at times, is irrelevant. DEX requires providers to collect a high level of demographic information. Providers reported that some clients feel uncomfortable providing this information to governments or in exchange for services.

- Clients can conflate SCORE reports with challenges outside of providers' control. A common example was the management of housing-related services, where clients would report poor outcomes due to challenges in the rental market vacancies, rather than due to the quality of SETS support.

## Challenges with the DEX system for providers

- The system is burdensome. Providers unanimously agreed that DEX is overly burdensome, in terms of time and effort to collect and report information. For example, a one hour citizenship course with 25-30 participants will take 90 minutes to collect the information required for DEX reporting.  
Similarly, DEX requires providers to collect information from every interaction with clients which in some instances is only a small amount of time (i.e. 15 minutes during a drop-in session). Additionally, DEX fails to capture all client interactions as many 'light touch' supports such as a hotline number call or referrals are not reported.
- Capturing group activities is challenging. CCB are often group-based events that may have over 300 participants, and some providers interpret incorrectly DEX guidelines as requiring individual reporting. There appears to be a lack of clarity about the most appropriate approach to reporting these clients, as providers would like to report their activity, but the administrative burden is high.  
This uncertainty can lead to underreporting or inconsistent reporting approaches, which were revealed as part of the cost collection and DEX data validation process (discussed in section 4). CCB providers consulted appeared to define a CCB 'client' differently, sometimes referring to an organisation, and others referring to program participants, with additional variation in how the 'core' participants were distinguished from the broader Ethno-specific community served.

# Effectiveness of outcomes measurement

The challenges stemming from DEX reporting requirements limit the completeness, objectivity and representativeness of the data reported and the overall strength of DEX data as an evidence source, but there are opportunities to work with SETS providers to improve the quality of data collected.

## Challenges with the DEX system for providers (continued)

- Providers receive minimal feedback on DEX data. Providers reported receiving limited feedback surrounding the data provided through DEX, outside of automated data input system errors. Providers indicated a desire to understand their performance relative to the Department's expectations and to use data for internal planning and evaluation. Many have incurred additional costs to conduct self-evaluations and analysis to determine the effectiveness of piloted programs.
- Providers have concerns over its meaningfulness. Referring to the limited feedback loop, providers largely saw DEX as a compliance tool and were not using it for ongoing internal improvement, with a portion utilising their alternative internal systems. Most providers saw detailed reporting as a burden on staff and clients which redirected resources from delivering services, and saw few returns to the sector or Government from reporting this information.

## Implications for data quality

Noting the process, guidelines and challenges of data entry in DEX, the quality of the information and data in the system is understood to be:

- incomplete with many missing observations, including a pre- and post- SCORE
- self-reported and subject to various client biases
- reflective of personal or other circumstances beyond provider control.

In addition, as providers are expected to only collect outcomes data for 50 to 60 per cent of all SETS participants, providers can be incentivised to report only, or a higher proportion of, clients with positive experiences leading the data to be likely skewed towards representing positive client outcomes.

## Implications for the Department

The Department of Home Affairs is not responsible for the DEX system. However, there are opportunities to support SETS providers to effectively engage with the DEX data collection model. Consultations revealed that providers valued the guidance of data specialists who had an understanding of the SETS provider context with several describing the training provided through settlement sector representative organisations, such as the Settlement Council of Australia and The Social Policy Group, as more effective and relevant than the advice provided in the DEX guidelines and or by the Funding Agreement Managers (FAM).

# The impact of SETS

SETS providers and related community service organisations valued SETS as a critical early intervention program, to facilitate access and awareness of other services and ensure that challenges faced by SETS clients do not escalate to crisis point.

## Delayed or unrealised settlement outcomes

Without the support services delivered by providers through SETS, improved settlement outcomes would be delayed or not achieved. Evidence gathered through the evaluation's stakeholder engagement program indicates there would be no clear point of contact for community members to access the support or find a pathway to accessing the support they need.

Depending on the would-be client's capacity to access mainstream services in their language, the absence of SETS would drive greater reliance on informal networks or other settlement service providers such as HSP providers for support, or result in a lack of service provision altogether. When asked about the client journey in the absence of SETS, providers described a set of scenarios that emphasise the value of SETS.

The first scenario would see clients facing challenges in access, awareness and use of mainstream services. Clients currently rely on SETS providers to navigate these systems and understand the services they can access. This includes connecting clients to other agencies, such as the National Disability Insurance Agency, Centrelink, and TAFE, which are critical to supporting settlement outcomes, as well as navigating automated or digitised processes for clients with low digital literacy.

The second scenario would involve clients relying on community leaders and informal networks, placing a high burden on individual community leaders. Without SETS providers, clients would be more likely to seek community advice, which would be less tailored, possibly unreliable, and may require an unsustainable investment by community leaders. This might also delay advancement in English proficiency in more insular communities with a verbal tradition.

The third scenario would have clients without a clear advocate or point of escalation for challenges with accessing support. SETS providers described advocacy as one of their functions, and noted that in their absence, this role may fall on a small number of community leaders, HSP providers, or in some cases, settlement representative bodies.

## Box 3.4: Understanding the counterfactual

Attributing client settlement outcomes to SETS funding is challenging, given the complexity of the settlement journey, variation in services delivered, and different local contexts.

That is, the outcomes achieved by a client during the period of their eligibility for SETS support depends on a range of factors, including:

- the context of their arrival (including whether they experienced trauma)
- their existing skills and cultural understanding
- the quality and extent of support provided through the HSP
- the level of access to informal wraparound supports from the local community.

Another challenge in attributing the outcomes of SETS funding is that clients' settlement goals are achieved through collaboration between the settlement sector and the mainstream sector.

There is no perfect counterfactual to SETS, but there are some points of reference used to gather insight from service providers and community organisations about the likely outcomes for individuals and communities in its absence. This included understanding the common experiences of migrant and settler groups with complex needs but holding SETS-ineligible visas (e.g. international students), and considering a hypothetical model where eligible clients would seek support directly from mainstream services after participating in the HSP.

Reflections from consultees representing SETS providers, community organisations and mainstream services about the settlement system in Australia in the absence of SETS also surfaced the contribution that other funded programs make in supporting settlement outcomes.

# The impact of SETS

In the absence of SETS, there is an increased likelihood of lower quality service support to address settlement needs for individuals and communities, that would delay or prevent the realisation of settlement outcomes, and lead to longer-term economic and social costs.

## Lower quality service provision

In the absence of SETS, the settlement sector would be more reliant on other short-term funding streams, which could affect the coherence and quality of service provision.

Providers explained that without SETS funding providers would be less able to provide 'wraparound support' across the settlement journey. SETS providers play a key role in identifying needs and facilitating connections, as a trusted and consistent point of contact. For example, a provider may refer a client to mental health services as a follow up from an unrelated case management issue.

Providers may also end up relying more heavily on volunteers or unskilled support staff in the likely event that they are not able to access funding to provide the bicultural or bilingual staff support required to ensure services are culturally appropriate or accessible.

Without SETS, the support available may become more specialist in nature. A commonly highlighted advantage of the current SETS funding model is its flexibility to "fill gaps" in service provision across the mainstream sector and settlement sector. Other funding streams which SETS-funded organisations access tend to cover specific functions, such as grants for community development or a contract to deliver specific supports such as the Forum of Australian Services for Survivors of Torture and Trauma model.

## Longer terms costs for Government

The absence of SETS could place additional demand on Commonwealth Government services and drive higher costs to Government in the long term. SETS funding is often used to develop a network of bilingual support workers, which can identify need and refer clients to support services prior to circumstances reaching a crisis point. SETS provider frontline staff described playing a key role in modularising and triaging complex client requests, such as supporting and coordinating contact with the various services involved in managing a health issue.

Several consequences stem from the absence of this type of support from SETS staff. Clients may make increased presentations to crisis and emergency services. Without SETS referrals for emerging issues, some providers expected that mental health, physical health, domestic violence and other social challenges may escalate to crisis point. Some cohorts with a limited understanding of Australian public services, for example Medicare and general practitioner services, may make unnecessary presentations to emergency departments – driving a more costly model for Government.

Public service models may also be less able to address systematic issues. For example, the policing service noted that SETS providers play a key role in cultural education, social norms and building trust around and the role of police in Australia. In the absence of SETS, there is no clear alternative point of support or cultural education around issues such as domestic and family violence.

Settlement outcomes would not be achieved as coherently or as quickly without a SETS workforce, leading to lower or no economic and social productivity in these communities. Limited access to supports would delay the settlement process, including outcomes including economic participation, which could drive a cost to government in other domains, for example, welfare payments.

In addition, local regions may be less understanding of client need, and less willing to accept international arrivals, driving other types of costs associated with poor social cohesion. Unmet needs and crisis presentations could affect community acceptance of new arrivals, especially where community members feel their own access to services is impacted. There was anecdotal evidence in the place-based case study locations that this tension is emerging in local housing markets.

## The capacity of mainstream services

Without SETS, mainstream services would face a stronger impetus to require a bilingual support model and services tailored to complex settlement needs, as well needing to strengthen their outreach to culturally and linguistically diverse communities.

While stakeholders expected that, hypothetically, a reduction in the funding to SETS providers would direct client demand toward mainstream services provision, there were concerns about the capacity of the mainstream sector to support these cohorts and manage complex requests.

The scope of support provided by SETS caseworkers is at times defined by gaps in the capacity of the mainstream sector to support clients navigate their services, with limited accountability for public services to deliver culturally appropriate support.

In addition, cultural norms, understanding of service models, and concerns about trusting government can drive some client cohorts not to engage with mainstream government services.

The capacity of the mainstream services to support and engage with the settlement needs of individuals and communities has a direct impact on the extent to which SETS providers are required to offer 'bridging' support. Consultations with providers, and with staff within mainstream service providers, revealed that:

- Mainstream services, for example Centrelink and the NDIS, are not sufficiently equipped or funded to tailor services to the needs of a culturally diverse and often vulnerable cohort, and particularly not capable to undertake outreach at a community level.
- While translation and interpreter services (TIS) are available in these settings, it is underutilised by mainstream providers, with the system reliant on clients being accompanied or guided by a SETS caseworker.

- Without support from a SETS caseworker, individuals would have insufficient language, acculturation and familiarity needed to navigate mainstream services, including emergency services.
- SETS staff are taking on additional networking and coordination responsibilities without commensurate funding levels via engagement with mainstream services and other provider organisations, to enhance awareness of available services and avoid service duplication.

## 4. Cost of delivery and funding SETS

# Cost of delivery and funding SETS | Key findings

This section focuses on examining the key evaluation questions as they relate to the cost of delivery and funding of SETS.

Specifically, this section focuses on:

- SETS provider costs
- cohort and provider characteristics as drivers of cost
- delivery costs and funding
- the consortium model
- client ineligibility
- unmet demand.

The key findings presented in this section include:

- Cost data was collected from a mix of provider types across Australia to grow the understanding of the costs of SETS delivery, with labour costs representing the largest costs for SETS providers.
- Providers that deliver SETS CS to a larger than average proportion of particular client cohorts incur higher costs per client. On average, cohorts driving the greatest costs include youth, humanitarian visa holders, females and arrivals within the last two years.
- Comparisons between the average cost per client and funding per client suggest that there may be evidence of a circular relationship between the funding a provider receives to deliver SETS and their costs of delivering it.
- Providers focus on the maximum volume of delivery achievable within their available funding allocations, including service delivery for eligible and non-eligible clients. Providers that report delivering SETS at a financial loss have sought alternative funding and revenue streams to cross-subsidise their SETS delivery.

- More than one third of SETS clients received services from providers belonging to a consortium, which was introduced as a provider delivery model option for this contract funding round to encourage greater efficiency in SETS funding use through economies of scale.
- Reported benefits of the consortium model include a more effective approach to advocacy, knowledge sharing and service delivery. Challenges include a lack of visibility for the Department and delivery organisations about the allocation of funding and activity, and capacity constraints for smaller delivery outlets.
- SETS providers strive to practice a “turn nobody away” approach in their delivery of SETS resulting in significant servicing of ineligible clients who tend to present beyond five years of arrival or on an ineligible visa subclass.
- The scale and location of unmet demand for SETS services across Australia are also a function of new settlement patterns, including secondary migration trends, that emerge over time, which can require providers to support a higher volume of clients than anticipated and, ultimately, budgeted.

# SETS provider costs

Cost data was collected from a mix of provider types across Australia to grow the understanding of the costs of SETS delivery, with labour costs representing the largest costs for SETS providers.

Revised DEX data and cost information for FY 2021-22 was collected from 21 providers to grow the understanding of cost of SETS delivery. The sample of providers spanned each Australian jurisdiction, and comprised a mix of provider types, including stand-alone providers, consortium leads and delivery outlets. In addition, the distribution of clients between the provider sample and total provider population is broadly similar, supporting sample representativeness. Further detail on the characteristics of the provider sample can be found in Appendix B.

The unit cost of analysis presented later in this section is measured in terms of cost per client to control for provider size when making comparisons between provider types and against funding. However, given the relatively small sample size of providers, the analysis presented may not accurately reflect the reality of costs incurred by the total SETS provider population (to do so would require a separate, larger SETS costing research project). Other unit cost measures considered include cost per case plan and cost per events (that is, other SETS outputs), which are discussed in more detail in Appendix B.

Cost data reveals the composition of total costs is based on five key categories: labour, material and equipment, depreciation and amortisation, rent and other. As represented in Chart 4.1, labour was the key cost for the provider sample during FY 2021-22. On average, this comprised of 79% of total costs across the sample of providers which reported cost data. As this is a key cost driver, any changes to labour costs will have a relatively large effect on costs compared to other components.

Anecdotal evidence from providers noted drivers of increased cost pressures from changes to staff wages and hours. These included:

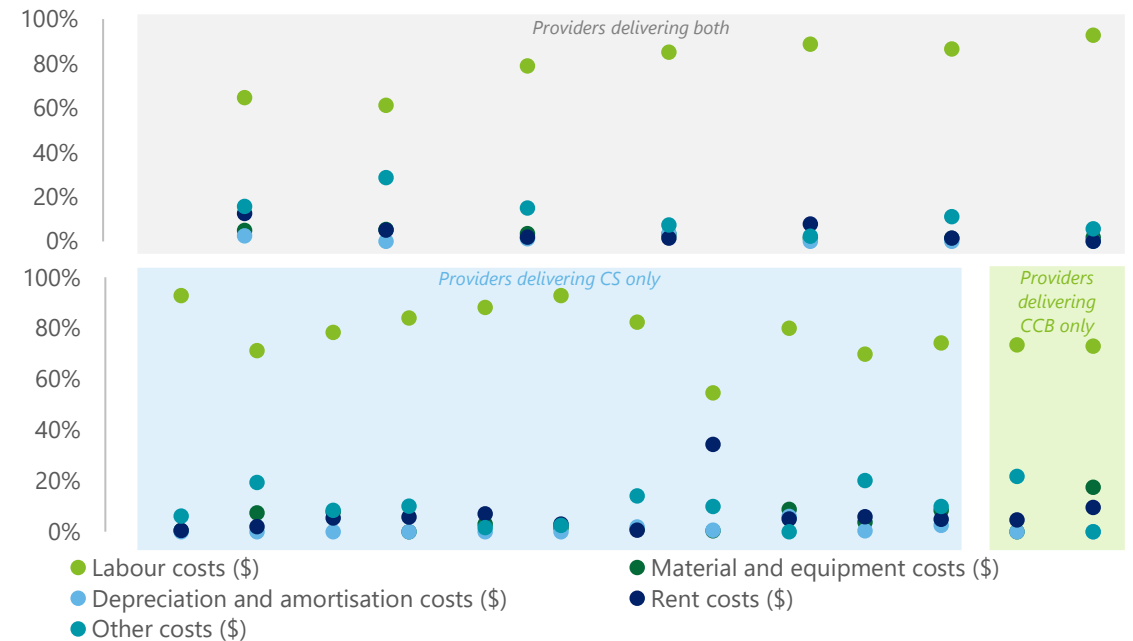
- the expiration of the Social and Community Service (SACS) Award supplementation which has year-on-year increased wage costs for providers
- increased wage costs due to the increase in: minimum wages by 5.2%; award wages by 4.6%; and superannuation rate from 10% to 10.5%

- the need to dedicate skilled staff time to counter accessibility issues (e.g. transportation costs, child caring responsibilities) for potential and current clients
- administration and reporting requirements absorbing staff time.

Other drivers of costs identified by providers included:

- the costs associated with attracting and retaining highly qualified staff
- the need to provide ongoing professional development and training opportunities to cater to changing client and contextual circumstances.

Chart 4.1: Breakdown of cost types across providers, FY 2021-22



Source: Department of Social Services, DEX system (2023), provider submitted data.

# Cohort and provider characteristics as drivers of cost

Providers that deliver SETS CS to a larger than average proportion of particular client cohorts incur higher costs per client. On average, cohorts driving the greatest costs include youth, humanitarian visa holders, females and arrivals within the last two years

The average cost per client for providers with a higher than average number of clients from different demographics, is presented in Chart 4.2.

The analysis suggests that providers who deliver SETS CS to a relatively higher proportion of youth, humanitarian visa holders, females and arrivals within 0-2 years are estimated to incur higher costs per client, on average—noting the small sample sizes associated with these estimates, as shown in Table 4.1.

Anecdotal evidence from providers also revealed that other notable cohorts not accurately captured by DEX mechanisms, that typically drive costs include clients with low levels of English proficiency and high levels of trauma.

The Department, subject to further research into cohort-specific costs, could consider attaching loadings to certain cohorts to support providers with higher costs of delivery. Moreover, as some SETS clients may overlap across multiple cohorts, further analysis is required to disentangle the cost premium associated with compounding client demographics.

**Chart 4.2:** Average cost per client across FY 2021-22 for providers with a higher than average number of clients from different demographics



Source: Department of Social Services, DEX system (2023), provider submitted data.  
 Note: n=13 providers delivering CS with available cost and funding data excluding 2 standard deviation outliers  
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**Table 4.1:** Distribution of average cost per client across FY 2021-22 by client cohort

	All population	Youth	Mature age	Female	Unemployed	Homeless	Humanitarian visa	Arrived 0-2 yrs	Arrived 5+ yrs
<b>Average</b>	\$1,005	\$1,157	\$1,175	\$925	\$489	\$881	\$1,210	\$1,234	\$1,111
<b>Median</b>	\$898	\$1,239	\$205	\$1,038	\$364	\$1,203	\$1,190	\$1,203	\$364
<b>Min</b>	\$165	\$165	\$132	\$205	\$205	\$165	\$132	\$165	\$132
<b>Max</b>	\$3,188	\$1,705	\$3,188	\$1,705	\$898	\$1,276	\$3,188	\$3,188	\$3,188
<b>n</b>	13	6	3	6	3	3	10	7	5
<b>% cut-off for incl.</b>		>14% of clients aged 0-18 yrs	>18% of clients aged over 50 yrs	65%	23%	6%	66%	37%	10%

Source: Department of Social Services, DEX system (2023), provider submitted data.  
 Note: n=13 providers delivering CS with available cost and funding data excluding outliers that are two standard deviations above the mean.

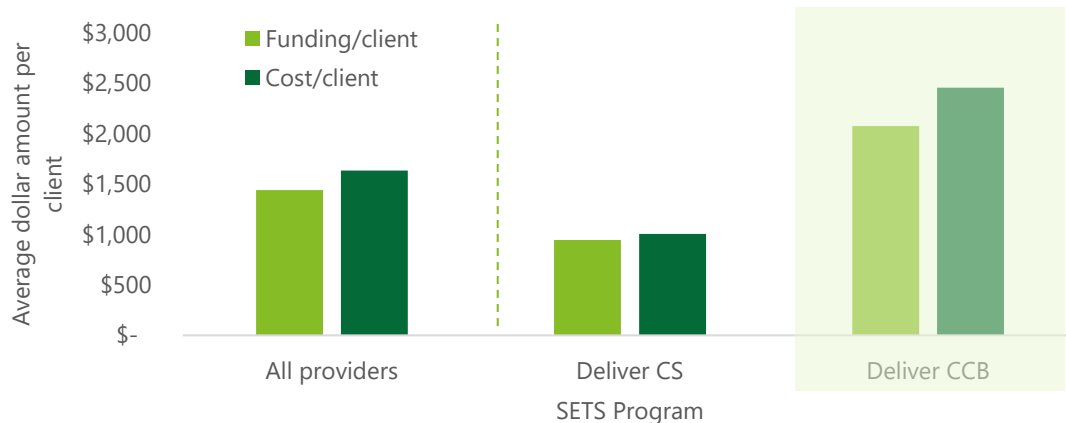
On examining provider characteristics, there is no distinct relationships between regional and metropolitan or consortium and stand-alone providers with cost efficiencies. There is, however, evidence to suggest a non-linear relationship between a reduction in costs per client and provider size, noting a small sample size. This relationship between costs and scale suggests that there may be decreasing returns to scale for larger providers (with further detail on this observation found in Appendix B).

# Delivery costs and funding (1)

Comparisons between the average cost per client and funding per client suggest that there may be evidence of a circular relationship between the funding a provider receives to deliver SETS and their costs of delivering it.

A comparison between average cost per client and average funding per client is presented in Chart 4.3 and Table 4.2. Across providers delivering both SETS CS (including DFV) and CCB ('All providers'), the average cost per client is greater than average funding per client. The direction of the relationship is similar where costs can be isolated for the delivery of SETS CS, noting a smaller sample size. For CCB delivery, on average, costs per client is higher than funding per client, however, this needs to be interpreted cautiously given varying provider treatment of what constitutes a CCB client. Overall, the results suggest that costs share a circular relationship with funding—that is, costs are a direct function of funding. This relationship is discussed in more detail on the next page.

**Chart 4.3:** Provider sample average cost per client and funding per client, FY 2021-22



Source: Department of Social Services, DEX system (2023), provider submitted data, Department of Home Affairs provided funding data

Note: DFV funding included in CS total funding. Sample sizes vary given providers were only selected based on if a cost/client figure and a funding/client figure could be retrieved. A number of providers delivering both programs failed to provide a cost breakdown of CS and CCB, accounting for a smaller sample size for the individual program comparison - n (all providers) = 18, n (deliver CS) = 13, n (deliver CCB) = 6. One outlier was removed from the above analysis with a > 2 standard deviation difference from the mean in total funding per client.

**Table 4.2:** Distribution of costs and funding per client by SETS program, FY 2021-22

	Total cost per client	Total funding per client
<b>All providers (n=18)</b>		
Average	\$1,635	\$1,441
Median	\$1,190	\$921
Min	\$132	\$180
Max	\$7,225	\$7,418
<b>Providers delivering CS (n=13)</b>		
Average	\$1,005	\$945
Median	\$898	\$825
Min	\$165	\$180
Max	\$3,188	\$3,101
<b>Providers delivering CCB (n=6)</b>		
Average	\$2,457	\$2,075
Median	\$1,476	\$1,304
Min	\$99	\$217
Max	\$7,225	\$7,418

Source: Department of Social Services, DEX system (2023), provider submitted data, Department of Home Affairs provided funding data

Note: DFV funding included in CS total funding. One outlier was removed from the above analysis with a > 2 standard deviation difference from the mean in total funding per client.

## Delivery costs and funding (2)

Providers focus on the maximum volume of delivery achievable within their available funding allocations, including service delivery for eligible and non-eligible clients. Providers that report delivering SETS at a financial loss have sought alternative funding and revenue streams to cross-subsidise their SETS delivery.

As noted, provider delivery costs appear to be a function of the funding they receive—an observation described by the revenue theory of cost. This theory stems from Howard Bowen's work in higher education<sup>1</sup> and suggests that an increase in revenue will lead to an increase in total costs. SETS providers may be conscious of their funding level and tailoring their delivery so that costs are relatively aligned with funding to ensure that their SETS delivery model is relatively sustainable and financially viable.

The circular relationship between costs and funding is reiterated in provider remarks that they 'make do' with available funds, focusing more on how they can spread the grant program funding to service the needs of clients as opposed to what it costs to deliver a quality service. Most providers also described having an 'open door' policy where no client is turned away, which forces some organisations to absorb the cost of supporting SETS-ineligible clients.

It can also be seen from the minimum and maximum cost per client observations in Table 4.2 that costs vary widely. The variation in the type of client need makes it challenging to identify a 'per client cost'. Some clients will require light touch supports, while others have more long-term, complex needs, and receive higher-cost supports from SETS providers. Given the variation in per-client service provision, it is challenging to estimate an efficient cost of delivery and a develop a unit cost estimate. In addition, this difference in cost per client is most pronounced amongst providers delivering CCB, which could be a function of different provider interpretations of what constitutes a CCB client.

Notwithstanding this insight, there are challenges with developing a robust unit cost estimate in the SETS context. 'Hidden' costs represent one challenge. One example of a hidden cost in the SETS context is provider reliance a large volunteer base to deliver services, with 49% of 37 providers surveyed by the Department of Home Affairs using a dedicated volunteer program to support clients in achieving settlement outcomes. Most providers noted that volunteer programs incur costs, such as training,

management and rostering. As an aside, providers also recognised that a volunteer model has implications for the consistency of SETS service quality, and that additional funding for a volunteer coordinator role is required to run an effective model.

Another challenge stems from SETS providers receiving other sources of funding in addition to SETS funding, including other government grants and philanthropic contributions, to deliver various settlement and multicultural supports. Multiple funding streams make difficult for providers to separate SETS delivery costs from other program costs.

Overall, the most SETS providers in the sample reported delivering SETS at a loss. Providers reported negative margins for client services and have adopted work-arounds to address this shortfall, including cross-subsidising SETS with other funding sources and diversifying into other, more profitable, markets. Providers indicated leveraging other funding sources including from federal, state or local governments to deliver SETS. Some providers also use these other funding sources to deliver services which are out of scope for SETS, or where the funding levels do not cover the complete costs of delivery.

Some larger providers indicated delivering aged care and disability support services to offset losses incurred in the delivery of SETS. Where providers have failed to broaden their portfolio of services, this has created challenges with financial viability and in some instances led to the closure of service providers.

# The consortium model (1)

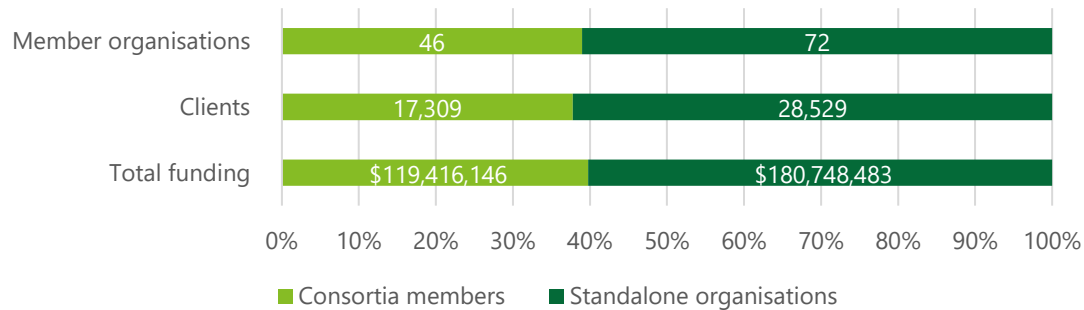
More than one third of SETS clients received services from providers belonging to a consortium, which was introduced as a provider delivery model option for this contract funding round to encourage greater efficiency in SETS funding use through economies of scale.

The consortium model was introduced to the settlement sector as an option for SETS grant program applications in the 2019 SETS Grant Opportunity Guidelines (GOGs). As part of the application process, providers had discretion as to whether they applied for funding as a delivery organisation within a consortium or as a standalone organisation.

More than one third of SETS clients receive services via a consortia model. Currently, according to DEX there are 9 consortia lead organisations and 37 consortia outlets, and 72 standalone delivery organisation (Chart 4.4). The largest consortia operate in South West Sydney and Perth.

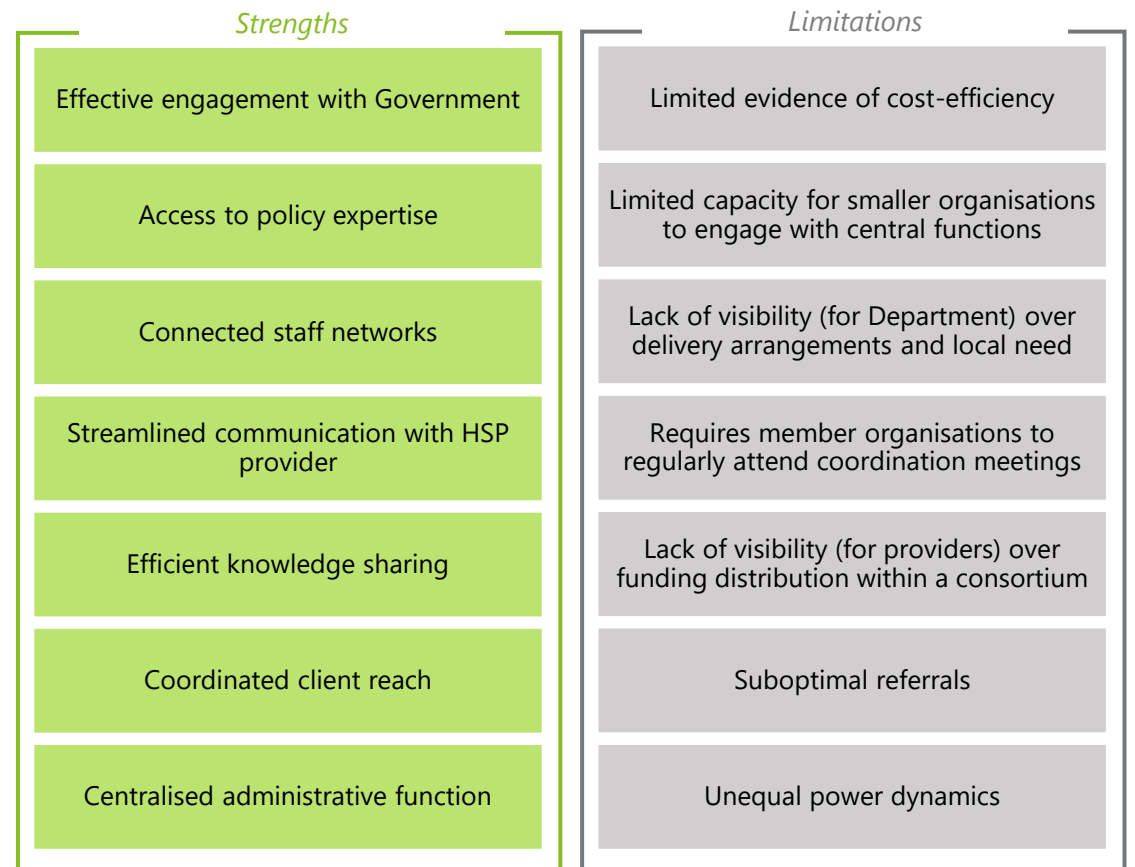
To understand the effectiveness of the model, consultations were undertaken with providers operating as lead organisations and delivery outlets within consortia, and with standalone organisations. A discussion on the strengths and limitations of the model is summarised in Figure 4.1 and detailed on the next page.

**Chart 4.4:** Delivery organisations, clients and funding (CS, DFV & CCB) by provider type (entire period)



Source: Department of Social Services DEX data (Program to date). Client numbers include unique individual clients and group clients (uniqueness is determined based on Statistical Linkage Key (SLK)). Provider type, particularly the number of consortia lead and member organisations has been determined based the relationship entered into DEX.

**Figure 4.1:** Strengths and limitations of the consortium model



Source: Deloitte Access Economics (2023), based on consultations with providers.

## The consortium model (2)

Reported benefits of the consortium model include a more effective approach to advocacy, knowledge sharing and service delivery. Challenges include a lack of visibility for the Department and delivery organisations about the allocation of funding and activity, and capacity constraints for smaller delivery outlets.

### Strength of the consortium model

- **Effective engagement with government and access to policy expertise:** where a consortium lead organisation had a policy officer who is responsible for advocacy and representing the interests of consortium members, this minimised the burden on both the individual providers and government stakeholders through streamlined communication. In contrast, stand-alone providers were often required to absorb the costs associated with client and community advocacy and government engagement.
- **Connected staff networks:** a consortium can enable simpler and more effective referrals by, for example, identifying bilingual workers, as well as minimise the disruptions associated with staff turnover through internal communities of practice.
- **Streamlined communication with HSP provider:** a consortium enables a single contact point for HSP providers, creating streamlined communication and SIS referrals.
- **Efficient knowledge sharing:** a consortium can reflect an informal community of practice and source of collaboration for member organisations, manifested by internal working sessions and delivering joint programs.
- **Coordinated approach for client reach:** a consortium can strengthen the ability for a provider to refer to other providers with specialised services, such as youth or trauma focused services, as well as collaborate and coordinate with different Ethno-specific organisations for greater impact.
- **Centralised administrative function:** without a consortium, delivery outlets would need to resource their own grant managers and grant writers, which would be duplicative and inefficient compared to a centralised approach—especially in areas where providers' geographical remit overlaps. Smaller organisations benefited from the practical support available through such a model for grant applications, DEX data entry, and engaging with Government.

### Limitations of the consortium model

- **Limited evidence of cost-efficiency:** a lack of data sharing and visibility for delivery outlets about their consortium's cost structures limits the available evidence to test the hypothesis that the consortium model results in economies of scale. Anecdotally, providers (within and external to consortia) described the model as creating inefficiencies due to "added layers of bureaucracy" introduced, arising due to the need to create consistency in internal functions and services among members.
- **Requires member organisations to regularly attend coordination meetings and limited capacity for smaller organisations to engage with central functions:** there is an increased burden on smaller providers who reported a lack of capacity to allocate staff time to internal functions and working sessions instigated by the lead organisations. This burden is higher for smaller providers who only have a single full-time equivalent allocated to the delivery of SETS.
- **Lack of visibility for providers and the department:** delivery outlets and the Department, lack visibility over the share of funding allocated to central functions, and across member organisations, with some noting an inequitable allocation of funds relative to delivery need, or disagreement about the appropriate use of central funds. For example, one provider described receiving 12% of a central funding pool, to deliver to 28% of the consortium's clients. Growth in the intake and secondary migration within Australia across the period was seen as worsening the mismatch, as the inflexibility of consortia funding arrangements can be exacerbated as needs change.
- **Suboptimal referrals:** anecdotally, the consortium model is capable of incentivising client referrals within the consortia, rather than to local Ethno-specific organisations which may be more suitable to support with specific needs.
- **Unequal power dynamics:** these dynamics in favour of the lead organisation, acting as a contract manager for the delivery outlets, led one provider to describe the model as an "added layer of bureaucracy", with another provider required to re-interview for positions and making changes to their services.

# Client ineligibility

SETS providers strive to practice a “turn nobody away” approach in their delivery of SETS resulting in significant servicing of ineligible clients who tend to present beyond five years of arrival or on an ineligible visa subclass.

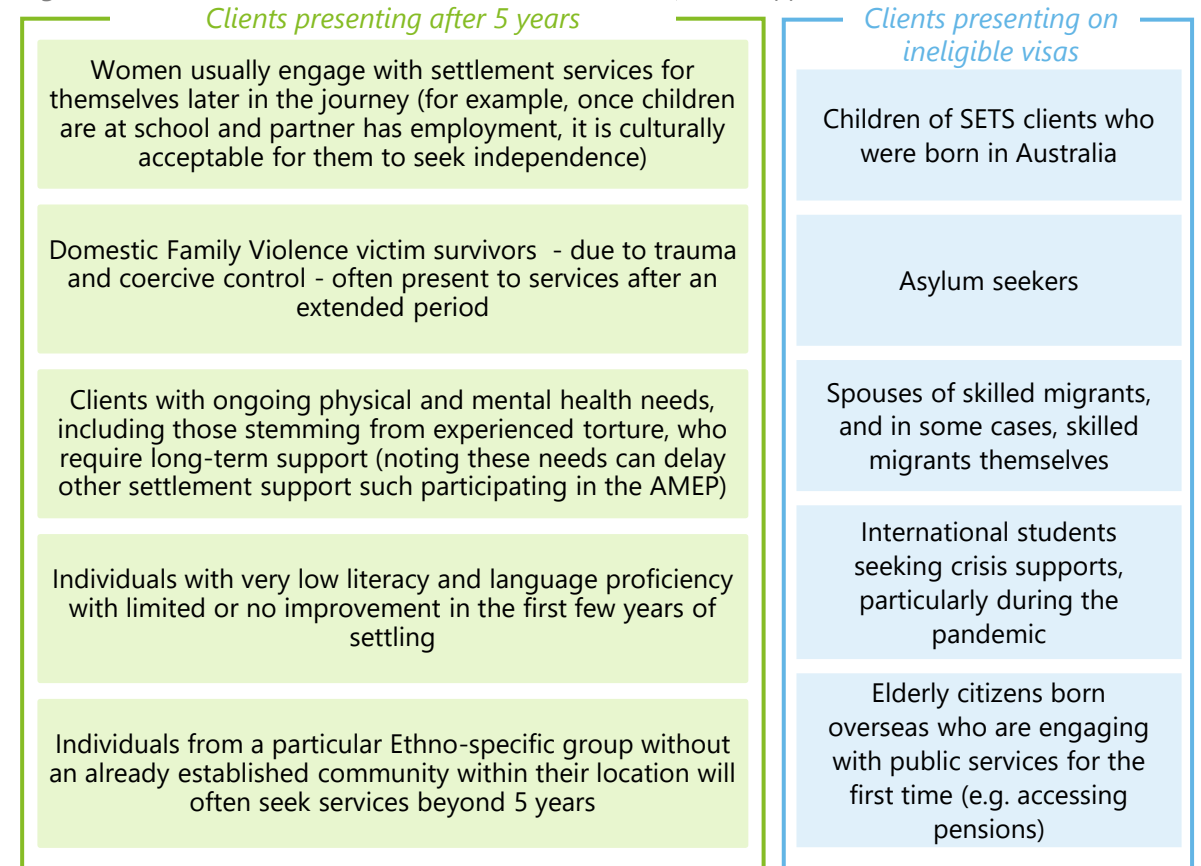
Almost every SETS provider that participated in the evaluation described a “turn nobody away” approach with the share of ineligible clients served through SETS ranging from an estimated 5%-15% (for providers in metropolitan areas supporting established communities) to 50% (a provider to a more recently-established higher-need community in Queensland). The extent to which providers service ineligible clients appears to vary depending on a clients’ ability to access mainstream services; providers’ access to other grant or funding streams that a client may be eligible for; the level of urgency in client need; and whether referrals were made by mainstream services.

Figure 4.2 highlights the characteristics of ineligible clients that typically seek SETS services. The first category of ineligible clients entail cohorts that present to SETS providers after five years of being in Australia and who tend to have complex needs or experience barriers to settlement. The five-year eligibility criterion can also restrict opportunities to support CCB clients with effective community leaders typically needing to be sufficiently settled and in a position to take up a leadership role. Such leaders, more often than not, have been settled for longer than five years, making them ineligible for SETS.

Another category of ineligible clients involve cohorts tending to seek support on an ineligible visa, who often face refugee-like experiences and similar needs to SETS eligible clients. Additional issues contributing to the broadening pool of SETS ineligible clients that continue to be served by SETS aligned services include:

- Some current visa classifications are outdated or under review, for example, LGBTQIA+ refugees may seek protection under a different visa category due to fears around disclosing their sexual or gender identity.
- Large intakes such as the 2017 Syrian refugee cohort with changing or uncertain visa classifications meant this cohort were not factored into SETS eligibility but remained on SETS provider caseloads.

**Figure 4.2:** Characteristics of SETS ineligible clients seeking SETS supports



Source: Deloitte Access Economics (2023), based on consultations with providers.

# Unmet demand

The scale and location of unmet demand for SETS services across Australia are also a function of new settlement patterns, including secondary migration trends, that emerge over time, which can require providers to support a higher volume of clients than anticipated and, ultimately, budgeted.

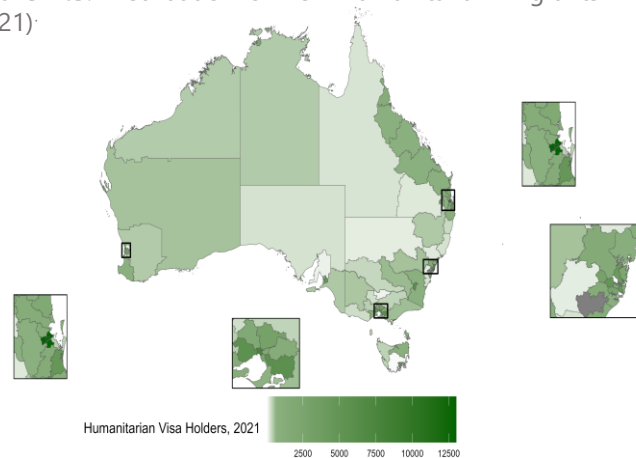
Figure 4.3 displays the distribution of new humanitarian migrant arrivals in CY 2021, with Chart 4.8 and 4.9 presenting the top 10 SA4's with the highest growth of total clients from FY 2018-19 to FY 2021-22, in total volume (Chart 4.5) and as a share of the total clients (Chart 4.6). Together, they signal the growing settlement patterns into Australia's regional areas.

As noted earlier, SETS funding allocations across the 5.5 year period (for CS) and 5 years for (CCB) were determined based a range of factors including eligible client numbers, national coverage of services, managing overlap of service areas and ensuring a broad spectrum of settlement organisations and state/ location-based specific issues.

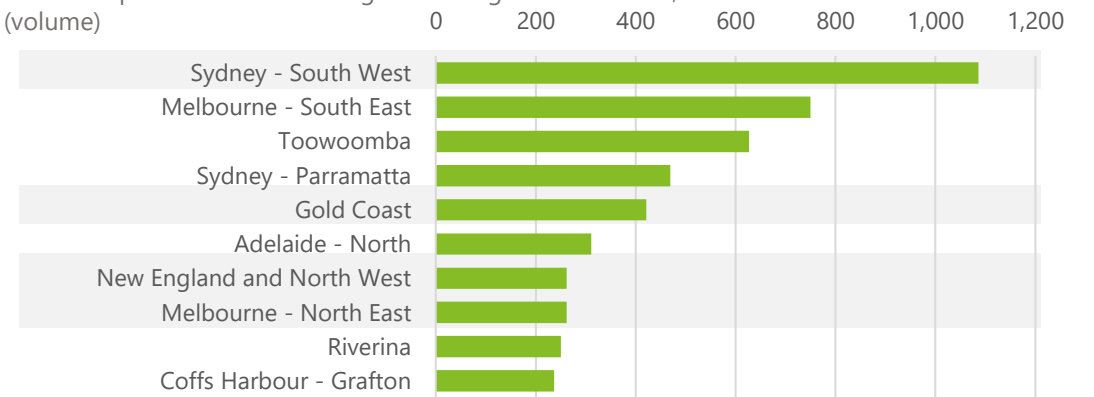
However, given the nature of point-in-time funding allocations it is difficult to account for regions which will experience new settlement patterns, including secondary migration over subsequent years. For example, Toowoomba has experienced a surge of clients since 2019 as the region has experienced a growth in secondary migration as a result of the established Yazidi community.

Based on provider consultations, this has led to high levels of unmet demand in some regions as providers are required to support a higher volume of clients with funding that was partly allocated based on the cohort present in 2019.

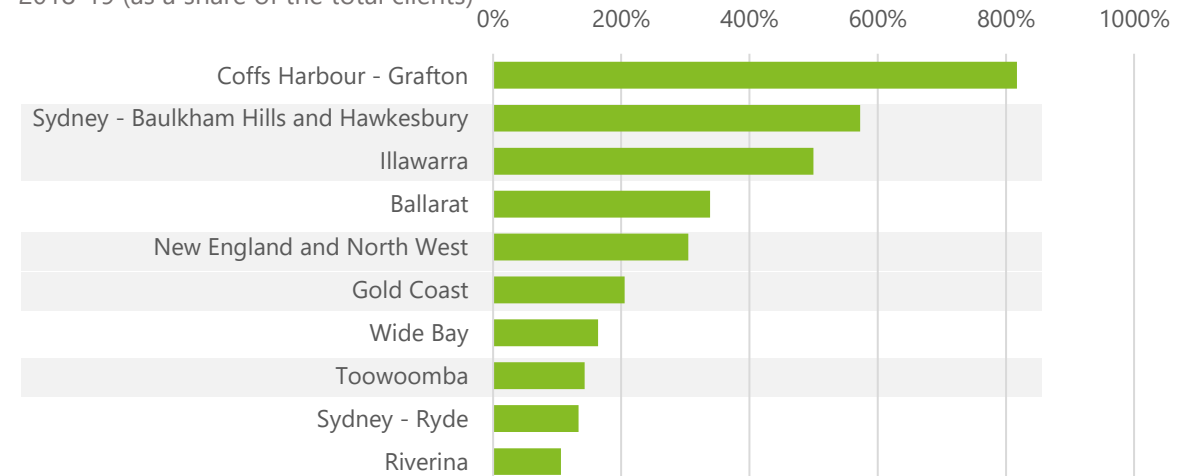
**Figure 4.3:** Distribution of new humanitarian migrants (2021)



**Chart 4.5:** Top 10 SA4's with the highest total growth in clients, FY 2021-22 relative to FY 2018-19 (volume)



**Chart 4.6:** Top 10 SA4's with the highest total growth in clients, FY 2021-22 relative to FY 2018-19 (as a share of the total clients)



Source: Department of Social Services, DEX system (2023)

Regional SA4

# 5. Implications for a future SETS model

# Implications for a future SETS model | Key findings

This section discusses the key implications for the ongoing operation of SETS in both the shorter-term and longer-term horizons, based on the findings presented earlier in this report and supported by further commentary and case studies.

Specifically, this section focuses on:

- the relationship between SETS CS and CCB funding
- characteristics of an effective provider market
- improvements to the consortium model
- addressing client ineligibility and unmet demand
- responding to changing client need
- Stakeholder roles and responsibilities
- approaches to future funding and other considerations.

The key findings and implications presented in this section include:

- The CS and CCB components serve different purposes for the settlement sector, both of which are valued by SETS stakeholders, but there are opportunities to embed more precision into their objectives and desired activities, as well as improve funding alignment and administrative requirements.
- More effective SETS practices are enabled by a provider market characterised by a diversity of provider type and services within the same delivery area, encouraging choice and specialisation for clients, and collaboration and cohesiveness for providers.
- The evidence gathered in the evaluation does not establish a stronger case for or against the consortium model. While there exists limited evidence that a consortium model supports more efficient delivery, the model enables more effective practice.
- SETS is being delivered to both eligible and non-eligible clients, with the extent of unmet demand unclear and adjustments to the eligibility criteria welcomed by the sector – subject to further guidance around them.

- Recognising that the SETS model operates within a set budget envelope, there are opportunities to take a more flexible approach which recognises changing circumstances over the period of funding.
- To inform decisions about the types of providers in the market and the allocation of funding across those providers, there is an opportunity to consider the principles that inform how the SETS funding model is operationalised.
- Alternative funding models can also be considered to better achieve various desired objectives that align to the policy intent of SETS, the success of which depends on the context and characteristics of the settlement sector and the applicability of the model type.
- The flexibility embedded into the SETS program represents a key strength of the SETS Grants Program by enabling providers to manage and respond to the demands of their context, noting that project funding could complement the current grant-based mechanism.
- There is an opportunity for more ongoing dialogue between policymakers and the sector to guide the activity of providers and representative bodies, and ensure responsibility is shared across the system with mainstream and other providers.
- There are additional opportunities to further increase the effectiveness of SETS, including investment into an alternative monitoring system to DEX that more closely aligns to SETS delivery and adopting a systematic approach to newly arrived cohorts.

# The relationship between SETS CS and CCB funding

The CS and CCB components serve different purposes for the settlement sector, both of which are valued by SETS stakeholders, but there are opportunities to embed more precision into their objectives and desired activities, as well improve funding alignment and administrative requirements.

The rationale for establishing the SETS CCB funding component was to isolate a portion of the SETS funding envelope to build the capacity of the sector and its resilience against volatility in the humanitarian migrant intake. While it is widely acknowledged that the two components within SETS have distinct purposes, many CS-only funded providers argued that they were conducting CCB activities within their program delivery.

Most CS-only funded providers claimed it is not suitable to receive only one funding stream given service delivery is inherently supporting community capacity building, with settlement sector representative bodies echoing these sentiments. However, providers were unwilling to forego CS funding to gain CCB resources, and not all providers noted relationships with community leaders in their regions.

Perspectives were varied on the optimal proportion of the SETS budget that might be allocated to CCB and the potential outcomes from increasing the relative investment in CCB. While there was a unanimous view that current CCB funding is insufficient, the application of CCB funding was found to differ greatly between contexts and providers, leading to difficulties around determining a sufficient level of CCB funding.

The operational models of distinguishing between the two funding components varied between providers. Some providers found functional workarounds to the contractual split, while others found the split difficult to navigate. For example, one provider suggested this required separate delivery of the same group session to differentiate between CS and CCB clients, while another indicated that a suite of programs were funded through mix of CS and CCB funding.

Most providers did not comment on, or were indifferent to the contractual split. Those who opposed the contractual split largely attributed it to:

- significant crossover between CS and CCB activities
- additional burdens and administrative tasks for resource constrained providers

- complications around reporting clients by program, where clients are required to be 'allocated' to one stream or the other (which was not always appropriate).

One provider valued the contractual split as it identified a dedicated resource for community capacity building. The internal distinction between case work and community development activities allowed providers to invest in capacity building at different times when beneficial.

## Box 5.1: Implications for the SETS Grant Opportunity Guidelines (GoGS)

Reflecting the findings of this report, there may be an opportunity for the GoGs to:

- clarify the distinction between CS and CCB, with examples of activities which are out of scope for CS funding
- simplify reporting requirements and clarify the data collection process for those providers delivering both programs
- in the CCB guidelines:
  - clarify the eligibility criteria for 'community leader', including the time spent in Australia
  - consider how to support providers to work with community leaders who may be ineligible to receive CS
  - consider whether the model should recognise (or incentivise) providers that use CCB as a pipeline for employing community leaders as bicultural workers

In the funding prioritisation process, there is an opportunity to consider how funding is allocated across regions in line with the capacity of existing community networks. One option may be to explore a tiered system of CCB funding based on the maturity of the community in question.

# Characteristics of an effective provider market

More effective SETS practices are enabled by a provider market characterised by a diversity of provider type and services within the same delivery area, encouraging choice and specialisation for clients, and collaboration and cohesiveness for providers.

There is value in maintaining a diversity of providers within each region to enable consumer choice and specialised service delivery. Providers stated the benefits of having more than one SETS provider within a region, including encouraging consumer choice by allowing clients to select the provider which best meets their unique needs. Some drivers of client preference include their experience with the HSP provider, their connection to local Ethno-specific organisations, and their perceived accessibility of larger-scale, more 'professionalised' models (such as those with set office times or drop-in centres).

Having multiple providers in the same region can also allow providers to deliver specialised services. Regional areas with multiple providers described a market with one 'generalist' provider, working closely with providers that deliver specialised services such as employment, youth programs, or domestic and family violence services. A larger provider market allows organisations delivering parallel supports under the HSP and FASTT contracts to remain connected to clients via SETS. A diverse provider market also enables the market entry of smaller, community-led organisations.

Commonly-identified characteristics of more effective providers who participated in the evaluation included:

- established organisations (operating for several years), that are well known within the community
- organisations that employ or work closely with local community members as trusted advisors and bi-cultural workers
- providers with specialist competencies, to support a complex system and complement the generalist nature of the HSP
- providers who are connected to the local settlement sector through informal or formal networks with SETS providers and mainstream services
- organisations connected to the HSP provider, that can facilitate client transitions and SIS referrals

- providers with multiple funding streams, that can support SETS-ineligible clients through other programs and resources.

While not all effective providers meet all these criteria, they provide a point of reference for assessing the diversity of the market.

Perceptions of the extent of competition in the provider market were varied. While some providers noted challenges with overlapping client groups and cited incidences of client 'gatekeeping', most providers consulted saw the market as largely collaborative, citing cross-organisational referrals, the consortium model and the CoP as examples.

## Box 5.2: Implications for the SETS Grant Opportunity Guidelines (GoGS)

Reflecting on these findings, there may be an opportunity for the GoGs to consider:

- how the characteristics of an effective SETS provider can be incorporated into the GoGs and/or funding prioritisation process
- the appropriate geographic spread and coverage for local level organisations
- clarity on the intended level of community consultation which informs the grant application and service delivery model
- whether and how to incentivise cross-organisational knowledge sharing within specific regions, particularly those with high needs or newly-established cohorts
- clarity to the sector on the intent for a diversity of providers within a region, including specialised services, consortia, small and large organisations
- whether connection to HSP providers is a priority for funding allocations
- clarity on the extent to which providers are expected to build the capacity of mainstream services as part of service delivery.

## Improvements to the consortium model

The evidence gathered in the evaluation does not establish a stronger case for or against the consortium model. While there exists limited evidence that a consortium model supports more efficient delivery, the model enables more effective practice.

Providers reported a perception that during the grant application process consortia would be more likely to receive funding under the guidelines of the Department's approach to the market. Some providers attributed this perception to the grant application guidelines for HSP, which is delivered under a single consortium model in each jurisdiction. Other providers mentioned this messaging was led by organisations that went on to become consortium leads, based on their ability to access and advocate for funding.

While the majority of providers do not operate in consortia, there is evidence of smaller informal networks between providers, who gain similar benefits from collaborations and communities of practice. For example, providers in Toowoomba, the Northern Territory, Victoria's West and the NSW Central Coast indicated that despite not being in a formal consortium arrangement they informally share knowledge and adjust the services they provide to maximise economies of specialisation.

Given the SETS formal Community of Practice was established after funding was allocated, the knowledge sharing benefits of formal consortium arrangements may be less additive. However, there is no clear alternative to a consortium arrangement for those providers that are seeking centralised administrative functions including data collection, noting that no clear evidence was found in support of any efficiency gain, and that within consortia, several layers of internal reporting can exist.

### Implications of the model for the Department

Funding arrangements establish a contract with one consortium lead organisation and the Department of Home Affairs. While this is understood to reduce the reporting burden on the individual delivery organisations (consortium members), it limits visibility for the Government in terms of how funding is allocated over time, and across client cohorts.

This limited visibility could introduce risk as it relates to providers' quality assurance, financial accountability and the limited avenues for consortium member organisations to address concerns about inequitable arrangements.

#### Box 5.3: Implications for the SETS Grant Opportunity Guidelines (GoGS)

Reflecting the findings of this report, there may be an opportunity for the GoGs to:

- retain the option for providers to opt in to a consortia model where they see an opportunity for more effective or efficient delivery
- consider how reporting approaches could be refined to strengthen the level of visibility over funding allocations and outcomes achieved by individual delivery organisations—this might include seeking initial visibility of the allocation of clients and funding across delivery organisations, and ensuring that subcontracting models are visible, recognising that the model intentionally provides autonomy to consortium members
- ensure there are sufficient avenues for consortium member organisations to address concerns about inequitable arrangements
- ensure clarity about whether there is a policy preference for the consortium model – and whether expectations of cost efficiency and/or effectiveness vary for providers – to ensure that the arrangement is truly driven by provider choice.

# Addressing client ineligibility and unmet demand

SETS is being delivered to both eligible and non-eligible clients, with the extent of unmet demand unclear and adjustments to the eligibility criteria welcomed by the sector – subject to further guidance around them.

SETS providers support as many eligible and non-eligible clients seeking their services as their resources permit—through SETS or parallel services funded via other means. Reports of the extent of unmet demand vary, noting that DEX data collection system limits the Department’s ability to understand the true extent of provider service delivery to ineligible cohorts. Providers highlighted that a key risk stemming from unmet demand for SETS services, due to restrictions imposed by the eligibility criteria, includes a higher number of would-be clients presenting to crisis support services due to few alternative options available to these clients.

It is challenging to assess the extent to which unmet need exists among the types of cohorts that SETS is intended to serve. While some clients ineligible under the 5-year rule can represent those with delayed settlement outcomes (due to complex needs or lower presentation rates), some clients presenting after 5 years may be better served by the mainstream sector. Similarly, while some clients presenting with ineligible visa status may have refugee-like experiences, the history of many SETS providers as offering the wraparound supports of a ‘migrant resource centre’ can also attract other clients (for example, elderly Australian citizens with low English proficiency, and international students), where the provision of supports may not be aligned to the intent of SETS.

Providers welcomed the 2023-24 Federal Budget announcement relating to the lifting of the 5-year limit for client eligibility, alongside recognition that a prescriptive, ‘milestone-based approach’ to determining eligibility may not reflect the complexity of a non-linear settlement journey. However, there remains apprehension about higher client demand and what this will mean for the quality of SETS provision in the absence of an adjustment to the budget envelope or other eligibility criteria. A model of universal provision presents a risk that providers are inadequately resourced (through SETS or other means) to support the volume of demand from potential clients.

Alternative approaches to defining client eligibility through a ‘milestone model’ might include identifying potential priority cohorts based on client demographics and expected intakes, or allowing providers to make internal decisions about the client cohorts they support and prioritise within their available funding. Ultimately, this is a policy decision for the Government.

## Box 5.4: Considerations for eligibility criteria going forward

Options for determining a new client eligibility model may include:

- reviewing the visas included in the model to ensure there is alignment with the policy intent, and other policy reforms
- moving away from a milestone-based eligibility criteria such as the 5-year limit – which may include: (i) options for the sector to establish their own approaches to prioritising funding and/or (ii) establishing priority cohorts by drawing on demographic indicators of need and impact – noting this would reflect a policy decision for government.

An effective approach to adjusting eligibility guidelines for SETS may be informed by:

- communicating the risks of a universal approach to service delivery to the sector
- clarifying the Department’s intentions around the purpose of the program and the clients it should not be expected to support
- clarifying the extent to which funding is expected to cover the costs of delivery to each cohort
- understanding ways in which limitations of the HSP and/or mainstream service models affect the requests made to SETS providers.

# Responding to changing client need

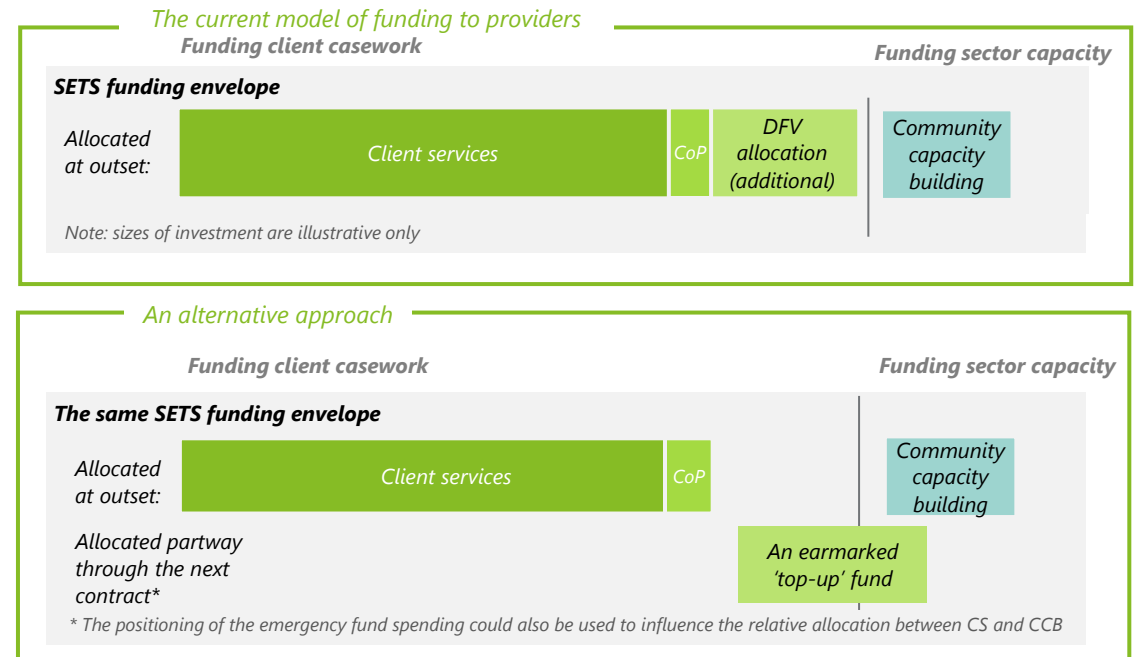
Recognising that the SETS model operates within a set budget envelope, there are opportunities to take a more flexible approach which recognises changing circumstances over the period of funding.

The providers which emphasised the insufficiency of SETS funding were operating in regions that had experienced (1) an increase in the volume of clients over the period due to new humanitarian migrant intake or secondary migration and/or (2) an increase in the intensity of client need due to context and characteristics of a new intake community, or the changing circumstances such as the need to deliver pandemic-related supports.

There are opportunities to take a more flexible approach, given a fixed SETS funding budget envelope, which recognises changing circumstances over the period of funding. One option could be to consider an approach which learns from the additional SETS DFV funding allocation during the pandemic as a 'proof of concept' for earmarking funding which is allocated partway through the 5-year grant timeline to account for changes in the intake or number of clients over time to certain regions or provider types (Figure 5.1).

This may allow total funding provided to the sector to vary with new intakes or new client needs, and could be used to top-up either the CCB or CS funding depending on need. While this approach would require the overall SETS funding allocation per provider to be reduced during the tendering process, assuming there is no increase in the total SETS funding available, the Department should clearly articulate that a 'top-up' fund is being quarantined to account for changes in the intake or number of clients over time to certain regions or provider types, and that if it is not needed for this purpose, the funds would still be distributed across the sector.

**Figure 5.1:** A SETS funding model responding to changing client need



Source: Deloitte Access Economics (2023).

# Approaches to future funding

To inform decisions about the types of providers in the market and the allocation of funding across those providers, there is an opportunity to consider the principles that inform how the SETS funding model is operationalised.

Funding principles anchor and provide a reference point for the funding model. They form a framework to assess the applicability and appropriateness of each option and inform the process to decide a preferred funding model.

Some potential principles are shown in Table 5.1 alongside indicators which might be used to assess the performance of each option against the principles. It is important to note that some would represent trade-offs with one another, and that the relative balance of these objectives is ultimately a decision for the Government.

The pursuit of different objectives could be used to inform the allocation of funds across client cohorts or provider cohorts. For example, where the policy intent is to pursue sufficiency, the intent to fully fund the cost of delivery could rationalise an investment in the most cost-efficient providers, which may mean relatively more investment per provider in fewer regions. On the other hand, a funding model which does not prioritise sufficiency could reward providers that are able to co-fund activities with other sources.

As another example, where the policy intent is to ensure accessibility to services, this intent may be reflected in relatively higher cost, less efficient and/or smaller community-based providers in recognition that they may be more effective in supporting service provision to clients with specialist, complex or high intensity needs.

Establishing clarity on these principles could inform the SETS Grants Program allocation process, and also provide an opportunity to communicate priorities to the sector in support of coherent actions toward shared outcomes.

**Table 5.1:** Principles of funding design

Principle	Definition	Indicator
<b>Value for money (efficiency)</b>	Funding ensures that outcomes for SETS clients are maximised for a given cost to government (for a given quality level)	<ul style="list-style-type: none"> <li>Alignment between funding/pricing rates and efficient costs (including their variation based on context)</li> </ul>
<b>Accessibility</b>	Funding supports access to settlement services for the clients most likely to face barriers to mainstream services	<ul style="list-style-type: none"> <li>Participation of key cohorts relative to the characteristics of all humanitarian migrants (i.e. the characteristics of the eligible population)</li> </ul>
<b>Equitable</b>	Funding supports consistent access to quality settlement outcomes for clients	<ul style="list-style-type: none"> <li>Degree to which potential cost barriers are minimised</li> <li>Degree to which supplementary resourcing is provided where required</li> <li>Degree to which funding enables the mix of delivery needed to meet diverse learner needs</li> </ul>
<b>Sufficiency</b>	Funding covers to true cost of investment required to achieve intended policy outcome	<ul style="list-style-type: none"> <li>Degree to which funding covers costs, provider margins</li> </ul>
<b>Sustainable</b>	Pricing settings ensure funding can be predictable and effectively managed by the government within the agreed parameters	<ul style="list-style-type: none"> <li>Degree to which budget management mechanisms are in place</li> </ul>
<b>Incentive</b>	Funding incentivises achievement of the policy objectives	<ul style="list-style-type: none"> <li>Degree to which funding is directly contingent on system outcomes.</li> <li>Degree to which funding supports innovation and continuous improvement</li> </ul>
<b>Simplicity and transparency</b>	Funding model design is transparent and easy for the government to understand, administer and for providers to comply with	<ul style="list-style-type: none"> <li>Qualitative assessment</li> </ul>
<b>Implementation cost/risk</b>	The degree of cost and potential disruption associated with the funding approach	<ul style="list-style-type: none"> <li>Qualitative assessment</li> </ul>

Source: Deloitte Access Economics (2023).

# Block funding

Alternative funding models can also be considered to better achieve various desired objectives that align to the policy intent of SETS, the success of which depends on the context and characteristics of the settlement sector and the applicability of the model type.

As part of this evaluation, two distinct funding models – block funding and project (or programmatic) funding – were explored. The following two pages provide an overview of each of these funding models, methods to estimate and allocate funding, the conditions for success or effectiveness followed by an assessment of their strengths and limitations.

## Block funding <sup>1</sup>

### Overview

Block funding is the traditional funding model in which government provides grants, in the form of lump sum payments to approved service providers to deliver public or community service offerings. Providers are required to have met criteria in order to have become approved for ongoing funding, and, under this funding model, funding is not tied to a level of activity or outcome(s). As such, this model of funding is most applicable where costs are relatively consistent across time.

Block funding is often adopted for small, regional services where economies of scale is difficult to achieve, or where demand may be low but there still exists a need for the service to be delivered. In these circumstances, the block funding model creates certainty that services will be provided.

### Estimation and distribution

Block funding aims to cover the costs of service delivery, including the wages required to deliver services. It can be complemented with other more targeted funding streams for specific services or cohorts. The funding allocation is estimated leveraging detailed cost data, which informs a view of the efficient cost of service provision, regardless of the estimated demand, for a service provider across a variety of characteristics (including size, location, intensity of clients or type of service) which may make it more or less expensive to deliver services.

Funding is distributed directly from government to service providers, typically on a three to five yearly basis, applying indexation each year.

### Effectiveness

Block funding is more effective when:

- the cost of service delivery remains consistent over time
- the drivers of cost are understood
- a robust performance or accountability framework is established.

### Strengths

The strengths of a block funding model include:

- certainty over funding continuity for providers
- emphasises a minimum level of access including in thin or unviable markets
- promotes provider autonomy to decide how to direct funding to best and highest use.

### Limitations

The limitations of a block funding model include:

- potential for inefficient use of funding and low transparency
- constrained flexibility or responsiveness to unexpected changes in costs
- limited opportunity for innovation.

# Project funding

The flexibility embedded into the SETS program represents a key strength of the funding model by enabling providers to manage and respond to the demands of their context, noting that project funding could complement the current grant-based mechanism.

## Project funding<sup>2</sup>

### Overview

Project funding is used to make a distinct and targeted investment into achieving a specific goal or outcome, and is usually an additional stream of funding that is made available in parallel to a recurring or block funding model.

### Estimation and distribution

Project funding is estimated by considering the cost of service delivery for the intervention or program designed to achieve the specific goal or outcome. Funding can be allocated to service providers or governing bodies (for example, consortium leads).

### Effectiveness

Project funding is more effective when:

- the project/program theory is evidence-based in terms of impact
- it complements other forms of funding with a specific intervention
- clear targets, guidelines and restrictions on use and reporting are established
- it is used to trial or pilot an innovation.

### Strengths

The strengths of project funding include:

- meeting short-term funding needs, including trial and pilot case studies
- addressing needs of cohorts that are not being met by, for example, block funding

### Limitations

The limitations of project funding include:

- uncertainty of continued funding
- limited flexibility or responsiveness as needs and context change
- potentially burdensome or disproportionate administrative compliance requirements.

### Box 5.5: Implications for SETS

The SETS funding model design currently employs a block funding approach. As noted throughout the report, the flexibility embedded into the SETS model represents a key strength by enabling providers to manage and respond to the demands of their context.

In the SETS context, project funding could complement the current grant-based mechanism. Some examples include targeted funding directed toward:

- strengthening the capability of mainstream services, by leveraging the expertise of SETS providers in the form of training and/or knowledge sharing
- supporting grassroots organisations to receive SETS funding governed/administered by settlement sector representative bodies
- continued funding of the SETS Community of Practice and research into establishing, and promoting models of 'best practice' for SETS CS and CCB
- training SETS workforce to meet emerging sector needs or equipping the workforce with specialist skills and resources to meet client and community need.

# Stakeholder roles and responsibilities

There is an opportunity for more ongoing dialogue between policymakers and the sector to guide the activity of providers and representative bodies, and ensure responsibility is shared across the system with mainstream and other providers.

The roles and responsibilities of the Government, providers, representatives bodies and mainstream services with regard to certain aspects of SETS were also raised by stakeholders.

## Government

The distinction in responsibilities between the Department of Home Affairs (DoHA) and Department of Social Services (DSS) creates barriers to communication. While DoHA determines funding allocations and provides policy direction, the grant is managed by DSS. This distinction in responsibilities between DoHA and DSS has constrained communications channels between providers and DoHA, as providers must communicate to DoHA through DSS via Funding Agreement Managers (FAMs).

Providers expressed frustration surrounding the absence of a relationship with DoHA, as they are unable to get in contact directly to raise issues or propose changes to their activity work plan and often need to wait several months before receiving an outcome. A provider indicated that it is often easier to “ask for forgiveness” as opposed to waiting for an outcome through a lengthy process.

A centralised approach to the FAM network has constrained feedback channels. Providers noted that the consolidation and centralisation of FAMs in South Australia have limited policy-related feedback channels to DoHA. As the centralisation has led to providers relying on DSS (via FAMs) to facilitate feedback loops with DoHA and providers often noted a sense that FAMs experience difficulty to comprehend, and as a result convey, the local context and needs (as they are not physically experiencing or observing issues first hand).

## Representative (‘peak’) organisations

There could be a role for representative bodies to support grassroots community organisations to receive SETS funding. Some representative organisations indicated that grassroots community organisations, particularly in recent years, have been squeezed out of the settlement sector by large organisations.

These grassroots organisations are capable of delivering similar and effective services given their close connections to community, but remain unfunded due to the competitiveness of the sector paired with a lack of experience applying for Federal funding grants. There should be a role for representative organisations in supporting these grassroots community organisations to apply for SETS funding, in addition to a quarantined bucket of funding to support grassroots organisations.

## Providers & mainstream services

Providers indicated there is a need for a more coordinated approach to service provision between providers to avoid duplicative service provision. While the consortium model does lend itself to greater coordination of services within the consortium itself, there still exists a broader need for coordination between consortiums to ensure that service delivery is not duplicative or fragmented.

Regarding mainstream services, some providers noted that while service providers are often not equipped in terms of cultural competence to assist SETS clients, they also lack an understanding of SETS itself and when and where to refer clients. For example, some providers noted that mainstream services only became aware of their organisations over COVID-19 when multicultural support was needed to support the COVID-19 vaccine rollout. While other specialised torture and trauma providers noted receiving referrals from mainstream services for clients that did not require specialised torture and trauma support.

## Other considerations

There are additional opportunities to further increase the effectiveness of SETS, including investment into an alternative monitoring system to DEX that more closely align to SETS delivery and adopting a systematic approach to newly arrived cohorts.

Additional funding-related considerations geared toward enhancing the effectiveness of SETS include:

- Attracting state government and/private sector co-contributions as part of the earmarked funding to complement the core block funding model. To some extent, co-contributions are already occurring as local governments involved in the delivery of SETS often make in-kind contributions to the SETS program as it delivers mutual benefits. This could be further enhanced to include co-contributions to deliver tailored programs responding to issues that might lie beyond the scope of SETS, or fill 'gaps' in the system. This may include enhancing the cultural capability of mainstream services, or transitioning long-term unemployed people into work. This approach of filling 'gaps' with state-based contributions is currently leveraged in Queensland's Skilling Queenslanders for Work program (see page 65).
- Leveraging bilateral agreements to co-fund responses to region or community-specific challenges, such as responding to a new intake of humanitarian migrants. For example, the Victorian Government funds a variety of complementary initiatives to the SETS program such as free access to health services, torture and trauma counselling, and translation and interpreting services, given the state welcomes around one-third of all refugees and asylum seekers entering Australia – the largest intake of any state or territory.
- Working with the settlement sector to define clear goals and priorities for SETS. In working to a capped budget envelope, establishing clear expectations around intended funding sufficiency can empower providers to consider how SETS can be complemented by other funding streams. This clarity would also empower providers to make decisions about which clients they service within a given budget envelope, and the outcomes they can be reasonably expected to achieve.
- Providing greater clarity regarding the proportion of provider costs in delivering SETS that are intended to be funded by the Department can ensure clear expectations for providers around the expected cost for quality delivery, and assist with identifying the extent to which the funding is designed to cover costs, relative to other contributions. This approach is leveraged in Queensland's Skilling Queenslanders for Work program (see page 65).
- Scaffolding and supporting larger groups of new arrivals as opposed to siloing supports to certain cohorts. This could include taking a systematic approach to supporting newly settled cohorts and to coordinate information sharing between the HSP and SETS sectors. This could also include consideration of models which leverage place-based connections, and those which co-locate migrant clients with non-refugee new arrivals. This represents a feature of the model adopted in Canada (see pages 66-68).
- Investment into an alternative internal monitoring system to DEX, which can be designed to more closely align to SETS delivery and be enhanced over time.

# Case study 1: Skilling Queenslanders for Work (SQW)

SQW is a place-based grants program supporting long-term unemployed cohorts, and is a point of comparison for grant guidelines which prioritise a diverse community-led provider market, and which accounts for variation in efficiency between larger and smaller providers.

## Context

The Skilling Queenslanders for Work (SQW) program is a state-based funding program which funds training and support for unemployed and underemployed people, with a focus on young people (including those in and transitioning from out-of-home care), Aboriginal and Torres Strait Islander people, people with disability, mature-age jobseekers, women re-entering the workforce, veterans and ex-service personnel, and people from culturally and linguistically diverse backgrounds.

The program reflects an ongoing annual investment of \$80 million to support up to 15,000 Queenslanders to transition to work each year, and is designed to respond to the specific needs of groups with complex needs and that may be less explicitly supported in Federal funding models. Like SETS, the program is connected to the 'mainstream' services system (primarily the Vocational Education and Training (VET) sector) and is delivered through tailored, local community-based support. Some SQW providers are also SETS providers.

## Implications for SETS: approach to allocating funding

Consultation with the Queensland Department of Youth Justice, Employment, Small Business and Training revealed some notable parallels in the design of the SQW funding model relative to SETS, including identifying opportunities to maximise efficiency and effectiveness within a set budget envelope.

The program features with relevance to SETS include:

- Recognising cost-shifting and parallel funding models received by providers. Like SETS, SQW providers receive other parallel funding streams from federal, state and local government models. A key example is that providers facilitate student enrolments in VET which is funded through the Queensland Certificate 3 Guarantee, or (during the pandemic) the national JobTrainer program. Many students also receive income support. To target spending through SQW, the funding model is designed with the intent to respond to 'gaps' in the system, with a focus on enabling the wraparound and 'brokerage' support of SQW providers.

- Clarity on the cost of delivery. The use of bottom-up estimates of the cost of delivery of certain programs to inform a 'benchmark' for funding per client (or per course). This allows providers to understand the expected cost for quality delivery and to identify the extent to which the funding is designed to cover costs, relative to other contributions.
- Guiding principles which recognise a willingness to invest beyond the benchmark for some organisations, in line with policy priorities. Examples includes additional funding allocated to organisations operating in higher cost contexts (e.g. rural areas or clients with higher-intensity needs). This approach is more flexible than a standard 'loadings' model often used in VET, to allow for a more flexible approach to interventions for complex cohorts. SQW providers can make the case for additional costs for certain interventions.
- Principles for the funding model allocation reflect an intent to ensure a diverse provider market. Like SETS, the SQW model's grant guidelines are designed to ensure that a proposition of funding is delivered to smaller, community-led organisations, and to support regional access through an equitable spread of funding to regional populations. Restrictions on the overall number of applications an organisation can submit each funding round, in addition to internal operational policies, help to ensure a more even distribution of funding and limit the dominance of larger organisations across regions.
- This intent to diversify provision partially reflects an intent to ensure provider viability and the development of place-based solutions to economic and social challenges affecting employment outcomes. The grant allocation model considers whether costs savings could be reasonably expected from larger organisations due to economies of scale, with the opportunity to make adjustments such as reducing the total number of central administrative FTE funded for organisations that receive grants for several regions.

## Case Study 2: Canada's Settlement Program (1)

Canada's Settlement Program is a large-scale approach to support the settlement of its migrant community. This case study presents an alternative approach to achieve similar objectives to SETS.

### Canada's Settlement Program<sup>3, 4, 5, 6, 7</sup>

Canada operates a larger immigration program relative to Australia's program. The intake of immigrants in proportion to Canada's overall population is projected to be 1.6 times greater than Australia's intake of immigrants in 2023. Canada's Settlement Program is not limited to refugees, serving a broader purpose to support the settlement of all immigrants by facilitating connections to communities, public institutions as well as knowledge of life and work in Canada.

The Settlement Program is a migration support model that supports the successful settlement and integration of refugees and all immigrants who enter Canada and aims to facilitate their social, economic and cultural participation and contribution to Canada. This case study presents an alternative approach to achieve similar objectives to SETS especially considering that 8.9% of Canadian immigrants and 9.2% of Australian immigrants are refugees.

### Program support funding

- In FY 2021-22 IRCC funded 611 settlement services and community organisations to support and facilitate the settlement and integration of migrants based on their needs both in the pre-arrival (16) and post-arrival stages (595).
- Indirect services are funded by the program to strengthen capacity within the settlement sector and communities where newcomers settle. This contributes to a well-rounded suite of services for newcomers to utilise and better integrate into Canada. The breadth and combination of services available to immigrants provides a multi-layered approach of support.

### Funded settlement services

Funded service provider organisations offer individualised client support to newcomers and build community capacity within the following six major areas:

1. Needs and assets assessments and referrals: identify and determine individualised needs of newcomers before providing referrals to other services to facilitate settlement and integration.
2. Information and orientation: provide information to aid the navigation of the Canadian system, facilitating access to and use of services available to Canadians.
3. Employment related services: prepare newcomers for the Canadian labour market by providing employment counselling, connections to employers, and work placement opportunities to adapt their existing skills to a Canadian context.
4. Language assessment and training services: support newcomers in developing and improving their official language skills and capacity to communicate in various contexts.
5. Community connections: help newcomers learn about, integrate and connect with their local communities while encouraging communities and groups to be welcoming.
6. Support services: enable newcomers to access settlement services.

### Refugee pathway

- The Settlement Program works alongside and wraps around the Resettlement Assistance Program (RAP) to support refugees from the pre-arrival stage through to ongoing settlement and integration support after interacting with RAP.
- RAP supports refugees in their first months of arrival with immediate and essential support before referring refugees to the Settlement Program, typically after 6 months.

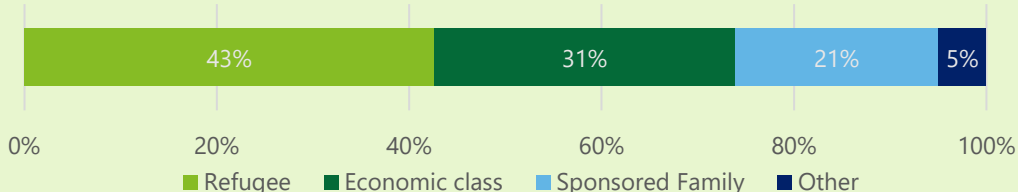
# Case Study 2: Canada's Settlement Program (2)

The Settlement Program is geared to support all immigrants and refugees who arrive in Canada, with a wide range of services available to individuals beyond five years of arrival.

### Settlement Program clients

- The Settlement Program is geared to support all immigrants and refugees who arrive in Canada. The 838,998 unique clients who accessed settlement services in FY 2021-22 are broadly categorised into refugees (43%), economic class (31%), sponsored families (21%) and all other (5%) as shown below in Chart 5.1.
- The program acknowledges that newcomers arrive with varying levels of skills, assets, needs and addresses the different characteristics in the 611 service provider organisations that offer varying levels of settlement support.

**Chart 5.1:** Distribution of unique clients who access settlement services by immigrant type (FY 2021-22)



Source: Immigration, Refugees, and Citizenship Canada, Settlement Services and Permanent Resident Cubes (2022)

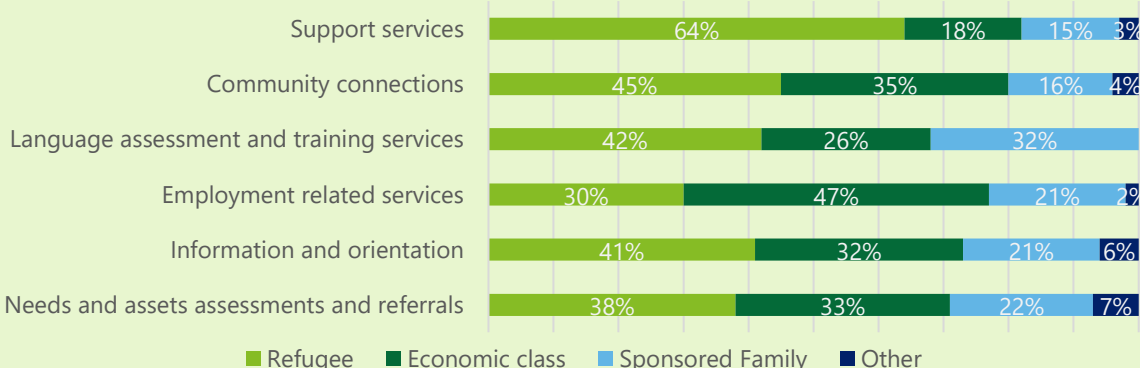
### Comparison to SETS Clients

- SETS serves a significantly lower volume of clients, in part due to the smaller population size but also due to stricter eligibility requirements.
- Canada's settlement services are eligible for individuals beyond five years of arrival and for all categories of immigrants. This extends its outreach to more individuals who present with 'refugee like' experiences and would benefit from service support. SETS service providers resort to self-funding or turning away ineligible clients.
- Individuals with 'refugee like' experiences are unable to participate in SETS to the same extent as clients who would seek settlement support in Canada.

### Settlement Program access

- In FY 2021-22, there were 595 service provider organisations across Canada and an additional 16 services outside of Canada supporting the pre-arrival stage for immigrants.
- Clients have the opportunity to access as many services as desired based on their characteristics. Government-assisted refugees who typically benefit from more support received support from an average of 36 services while other clients received support from an average of 10 services.
- Information and orientation settlement services were the most accessed settlement service by immigrants of all categories.
- Refugees were twice as likely to access support services than other immigrant categories and least likely to access employment related services. Support services were accessed mostly by refugees (64%) compared to all other immigrant categories.

**Chart 5.2:** Clients accessing settlement services by immigrant type (FY 2021-22)



Source: Immigration, Refugees, and Citizenship Canada, Settlement Services and Permanent Resident Cubes (2022)

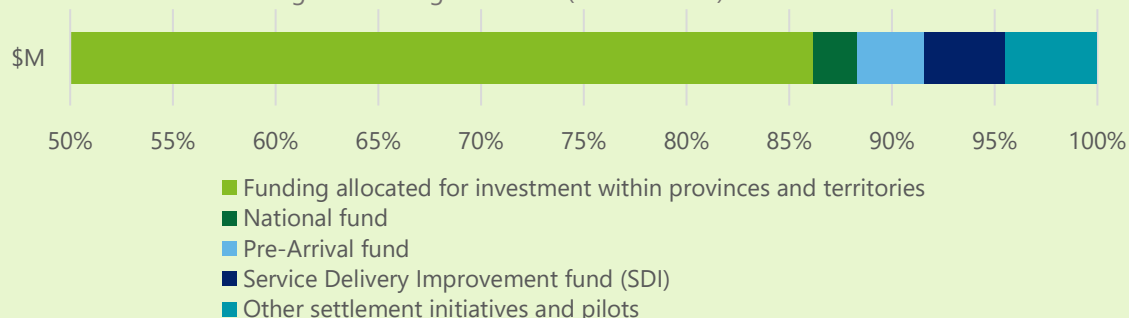
## Case Study 2: Canada's Settlement Program (3)

Key features of Canada's Settlement Program include a connected system from pre-arrival to high and low intensity support, a wider approach to community capacity building, and a diversity of clients allowing all immigrants to benefit from service funding.

### Funding allocations

For the period of FY 2021–22, the Settlement Program provided AUD\$1038.7M of funding. A breakdown of funding allocation is shown in Chart 7.3 below.

Chart 5.3: Settlement Program funding allocation (FY 2021 – 22)



Source: Immigration, Refugees, and Citizenship Canada, Settlement Services and Permanent Resident Cubes (2022)

### Funding per client

The funding per client of Canada's Settlement Program (SP) in FY 2021-22 was AUD\$1238.<sup>2</sup> This funding allocation is based on client numbers for a single year and will change over time.

- Canada's program eligibility includes all immigrants with varying levels of support needs with clients from refugee, economic and sponsored family backgrounds while SETS caters to refugee cohorts who tend to possess higher support needs.
- Skilled economic migrants who access the Settlement Program tend to be more progressed in their settlement journey upon arrival into Canada in regard to employment and English language proficiency.

- Funding per client in the Settlement Program and SETS cannot be directly compared, however this represents an interesting case study in which a single program supports the settlement of all new migrants

### Key features of Canada's Settlement Program with implications for SETS

#### A connected system from pre-arrival to high and low intensity supports

Canada's Settlement Program emphasises a support system that begins prior to individuals arrival and offers support for pre-arrival services who prepare migrants for their journey. Similar to the referrals from the HSP program into SETS, Canada's model receives referrals from RAP to transition clients to ongoing support for refugees after receiving immediate and crucial support from RAP upon arrival. Both models aim to smoothen the transition of refugees from a more targeted individualised program towards an eventual service provider oriented system.

#### A wider approach to Community Capacity Building

The objectives of CCB are integrated within the core funding towards Settlement Services (e.g. community connection) within Canada's Settlement Program. The settlement services incorporate CCB objectives while supporting individual clients, connecting CS and CCB services within the same system, and connecting the equivalent of SETS-eligible and non-eligible clients.

#### A diversity of clients allowing all immigrants to benefit from service funding

Canada's program casts a wider net of support for all incoming immigrants, not limited to a strict eligibility of humanitarian visa holders. Canada's program identifies that all newcomers into the country can benefit from access to varying levels of support to assist with their settlement into society. Rather than being a direct flow from an intense targeted refugee support system like SETS, Canada's Settlement Program caters to a broader diversity of clients.

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# Appendix A: Primary data collection instruments

# Written Submission

## Message to Providers

“As part of this evaluation, we would like to invite all providers delivering SETS across Australia an opportunity to participate in this evaluation by **submitting a written response to any or all the questions listed in the attachment to this email.**”

The questions are located on the following pages and are centred around providers views on client need, program activities and outcomes, program barriers and enablers, and future considerations for the SETS program funding and design. We look to ask questions in relation to both SETS Client Services and SETS Community Capacity Building. We ask that you only prepare a response based on the program funding that you receive.

We are welcoming submissions by **Friday, 19th May 2023.**

If requested, the information you provided in this submission can be de-identified in reporting.

As part of this evaluation, we will also be undertaking a series of consultations with a sample of providers delivering SETS across Australia. You will be contacted separately if your organisation has been selected to participate in a consultation. ”

## Questions Included:

1. Could you tell us about your organisation and how would you describe the goals of your organisation’s SETS Client Services (SETS CS) and/or SETS Community Capacity Building program (SETS CCB)?
2. How would you describe the profile and needs of your organisation’s clients?
3. In response to the need, how would you describe the outcomes that your organisation seeks for its clients?
4. How would you describe the activities and services delivered by your organisation to realise the outcomes sought for its clients?
5. In the absence of SETS, what support do you think your organisation’s clients would be receiving (if any)?
6. What do you think is working well in your organisation’s program and how does it determine effectiveness?
7. How would you describe the nature of your organisation’s interactions with sector stakeholders, noting what is working well and what could be working better?
8. What are the costs associated with delivering your program?
9. To what extent does the funding received to deliver the program meet the costs associated with delivering program?
10. How could the SETS program and/or funding model be improved going forward?

# In person / virtual consultation (1/4)

## Message sent to providers

“The purpose of the evaluation is to understand the strengths of the program and identify areas that can be strengthened to inform the future operation of the SETS program. The scope of the evaluation will include understanding the effectiveness and impact of the SETS program on clients and the broader community. The evaluation will also examine the costs of delivering the SETS program.

As part of this evaluation, we will be undertaking a series of consultations with providers delivering SETS. The consultation process will involve a structured 90-120-minute interview centred around providers views on client need, program activities and outcomes, program barriers and enablers, and future considerations for SETS program funding and design. As part of the interview, we are looking to gather perspectives from both management and frontline workers and have identified questions in this document for each audience. We look to ask questions in relation to both SETS Client Services and SETS Community Capacity Building. We ask that you only prepare a response based on the program funding that you receive.

If requested, the information you provide during our sessions can be de-identified in reporting.

Our interview with you will be structured as follows:

1. Introductions
2. Part A: Interview questions – Management
3. Part B: Interview questions – Frontline Workers
4. Part C: Data request “

## Part A: Interview questions – Management

### *Organisational Focus*

1. Could you tell us about your organisation?
2. How would you describe the goals of your organisation’s SETS Client Services (SETS CS) and/or SETS Community Capacity Building program (SETS CCB)?

### *Client profile and need*

3. How would you describe the profile and needs of your organisation’s clients?

### *Outcomes and activities*

4. In response to the need, how would you describe the outcomes that your organisation seeks for its clients?
5. How would you describe the activities and services delivered by your organisation to realise the outcomes sought for its clients?
6. How would you describe the nature of your organisation’s interactions with the following sector stakeholders, noting what is working well and what could be working better?

### *Effectiveness, enablers and barriers*

7. What do you think is working well in your program and how do you determine effectiveness?
  - a) What have you found helpful in supporting the effectiveness of your program and what are the factors that have made it difficult to deliver an effective program?
8. What in your program would you like to improve upon or how could your program be made even more effective?

## In person / virtual consultation (2/4)

### Part A: Interview questions – Management (continued)

#### Cost and cost drivers

9. What are the costs associated with delivering your program?
10. What have you found helpful in supporting the cost-efficiency of your program? This can include

#### Funding considerations

11. To what extent does the funding received to deliver the program meet the costs associated with delivering program?
12. To what extent, if any:
  - a. is there an unmet demand from potential clients for the program provided by your organisation?
  - b. does your organisation provide SETS CS to clients who do not meet the eligibility criteria?
13. How does the current funding model effect your organisation's SETS delivery and what improvements would allow your organisation to optimise its SETS delivery to clients? Please describe how.

#### Future program design

14. How could the SETS program be improved going forward?
15. In the absence of the SETS program, what support do you think your organisation's clients would be receiving (if any)

### Part B: Interview questions – Frontline workers

1. How would you describe what a day in the life of a SETS worker looks like?
  - a. What services and support do you provide to your clients?

2. How would you describe the most pressing client and/or community issues for your service today?
  - a. Are there any new and emerging issues that your service will increasingly confront going forward?
3. For SETS CS only: How would you describe the average caseload of worker at any one time?
  - a. How readily upfront are you able to differentiate whether a client will be low, medium or high intensity?
  - b. How much time in hours, on average, would you spend assisting a client?
  - c. How many clients, on average, each year would you support?
4. How would you describe the outcomes realised for clients under the SETS program?
  - a. To what extent does a SETS worker fill that are not filled by workers in mainstream services?
5. What do you value most about the SETS model?
  - a. What do you find most challenging about the SETS model?
6. How do you think the SETS program could be improved going forward?

# In person / virtual consultation (3/4)

## Part C: Data request

### For SETS CS

1. Number of clients assisted / number of attendees at group activities
2. Number of events/services delivered
3. Number of case plans
4. Number of referrals
5. Percentage of clients achieving improved independence, participation and well-being
6. Percentage of clients achieving individual goals related to independence, participation and wellbeing)

### For SETS CCB

1. Number of organisations assisted
2. Number of community leaders assisted
3. Number of events/services delivered
4. Percentage of organisations achieving improved development against identified needs

### For both SETS CS and CCB

1. Labour costs
2. Rent costs
3. Materials and equipment costs
4. Depreciation and amortisation costs
5. Other costs
6. Total costs for SETS Program
7. Total operating costs
8. Number of SETS Program staff (in FTE terms)
9. Target operating profit margin (in % terms)

# In person / virtual consultation (4/4)

## Activity and outputs

Category	Definition	Total amount (FY19-23)	Amount (FY21-22)	Comments
<b>Clients</b>	Number of clients assisted/number of attendees at group activities			
<b>Events</b>	Number of events/services delivered for clients			
<b>Case plans</b>	Number of case plans developed for clients			
<b>Referrals</b>	Number of referrals made for clients to access other services			
<b>Outcomes (1)</b>	Percentage of clients achieving improved independence, participation and well-being			
<b>Outcomes (2)</b>	Percentage of clients achieving individual goals related to independence, participation, and well-being			

## Costs

Category	Definition	Amount	Comments
<b>Labour costs (\$)</b>	Including salaries, wages and oncosts of all staff (i.e., staff involved directly with clients and staff involved non-client activities such as administration, marketing and finance).		
<b>Material and equipment costs (\$)</b>	Costs of any purchased or leased materials and equipment such as course materials, tools and vehicles.		
<b>Depreciation and amortisation costs (\$)</b>	Any capital depreciation and amortisation that is related to the delivery of the SETS program.		
<b>Rent costs (\$)</b>	Costs incurred for renting building or rooms to deliver SETS activities.		
<b>Other costs (\$)</b>	Any costs incurred for SETS which are not captured in the categories above.		
<b>Total costs for SETS Program (\$)</b>	The total costs of operating the SETS program, defined as the sum of the five categories above.		
<b>Number of SETS program staff (FTE)</b>	All staff associated with the delivery of the SETS program.		
<b>Target operating profit margin (%)</b>	The targeted difference between the price charged and the cost of training delivery.		

# Appendix B: Additional cost and funding analysis

## Provider cost data

Revised DEX data and cost information was collected from 21 providers to generate further insight into the cost and cost drivers associated with the delivery of SETS.

Following virtual and place-based consultations, 21 separate providers submitted additional cost data and validated (or amended) DEX data with reference to FY 2021-22. This sample of providers covers a variety of provider types and geographies:

16 stand-alone providers	SA	2	Qld	3	WA	3
3 consortium leads	NSW	6	NT	1	Tas	1
2 delivery outlets	Vic	4	ACT	1		

Consultation guides distributed to providers sought cost data associated with delivering their SETS program. This included:

- components of cost (labour costs, material and equipment costs, depreciation and amortisation, rent costs, other costs)
- a total cost figure for administering the SETS program
- total number of SETS program staff (FTE)
- target/actual operating profit margins

Additionally, consultation guides were pre-populated with several DEX data outcomes including:

- number of clients assisted
- number of referrals made
- number of events hosted
- SCORE outcomes
- number of case plans developed

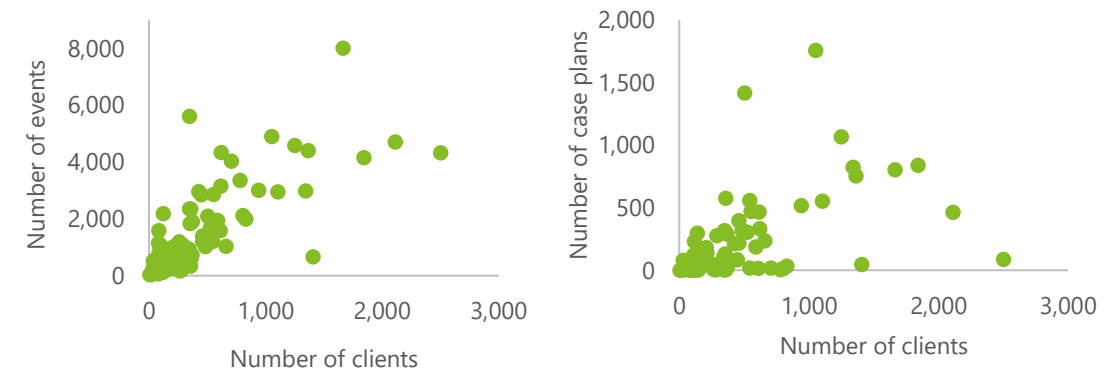
Of the 21 providers that submitted data:

- 8 (39%) lead organisations made adjustments to the DEX figures
- 2 (10%) delivery outlets provided additional data

- 5 (24%) caveated DEX figures with commentary or service specific data concerning clients that they supported but were ineligible for SETS.

The DEX data and provider submitted data allowed for a choice of three units to undertake cost data analysis and comparison: clients, case plans and events. Generally, there is a positive correlation between client volumes and case plans and events (Chart B.1). This is expected given providers must create at least one case plan and/or one event per client.

**Chart B.1:** Number of events and number of case plans per client across SETS providers



Source: Department of Social Services, DEX system (2023).

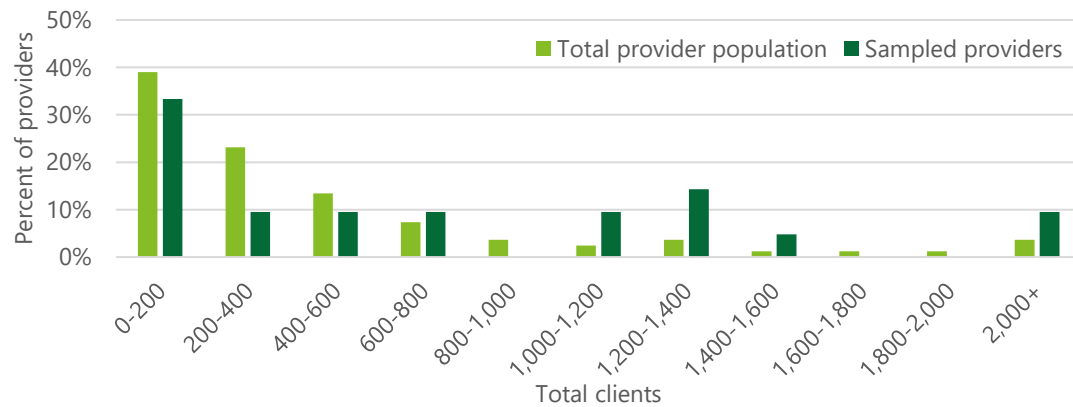
However, as providers take different approaches to determining the number of events and case plans per client, determining comparing costs on a per events or per case plan basis is not comparable. Therefore, the number of clients has been identified as the primary unit measure for the cost analysis.

# Provider contexts and characteristics

There are no distinct relationships between regional and metropolitan or consortium and stand-alone providers with cost efficiencies. There is however evidence to suggest a non-linear relationship between a reduction in costs per client and provider size, noting a small sample size.

Chart B.2 shows that the distribution of clients between the provider sample and total provider population is broadly similar, indicating supporting sample representativeness.

**Chart B.2:** Distribution of total clients in FY 2021-22



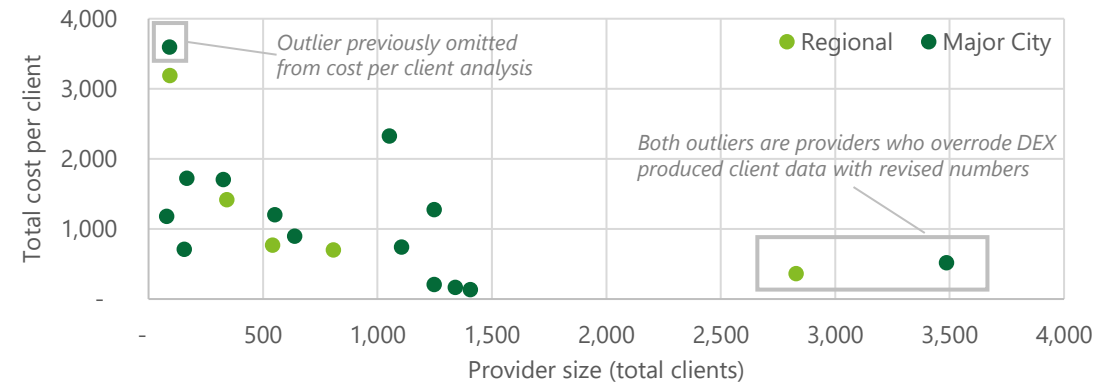
Source: Department of Social Services, DEX system (2023), provider submitted data.

Charts B.3 and B.4 outline the relationship between average cost per client and provider size (measured through total client volumes). The concave, non-linear relationship between costs and scale suggests that there may be decreasing returns to scale for larger providers. There appears to be no distinct relationship between the metropolitan/regional and consortium/stand-alone distinction with cost efficiencies.

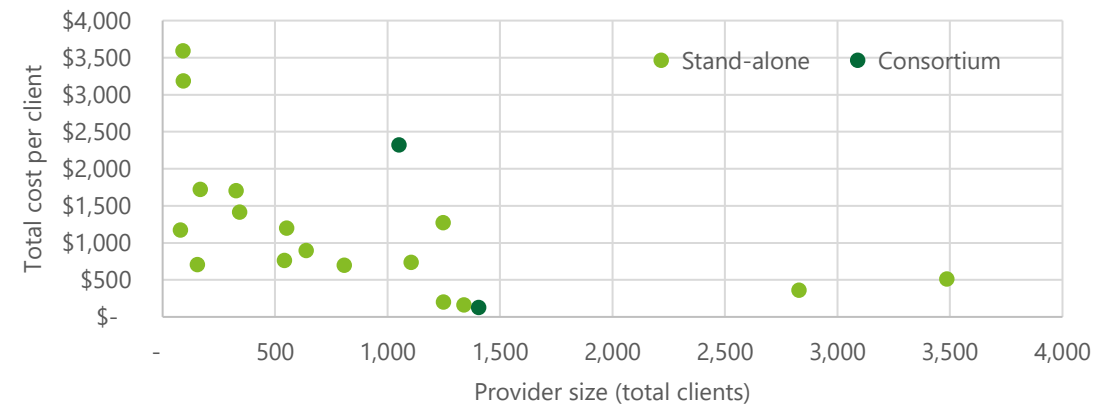
It is worth noting the sets of two outliers:

- Providers who are seemingly larger (2 outliers) were those who chose to override DEX produced client data with revised numbers.
- The providers with the highest cost per client figures was omitted from the analysis in the body of the report but has been included in these charts as a way to present total distribution.

**Chart B.3:** Cost per client by provider size and regionality, FY 2021-22



**Chart B.4:** Cost per client by provider size and provider type, FY 2021-22



Source: Department of Social Services, DEX system (2023), provider submitted data.

Note: Providers who solely deliver CCB have been excluded from the above analysis (n = 19). Providers who deliver in both major cities and regional areas have been captured as regional providers.

# Funding allocation by program type

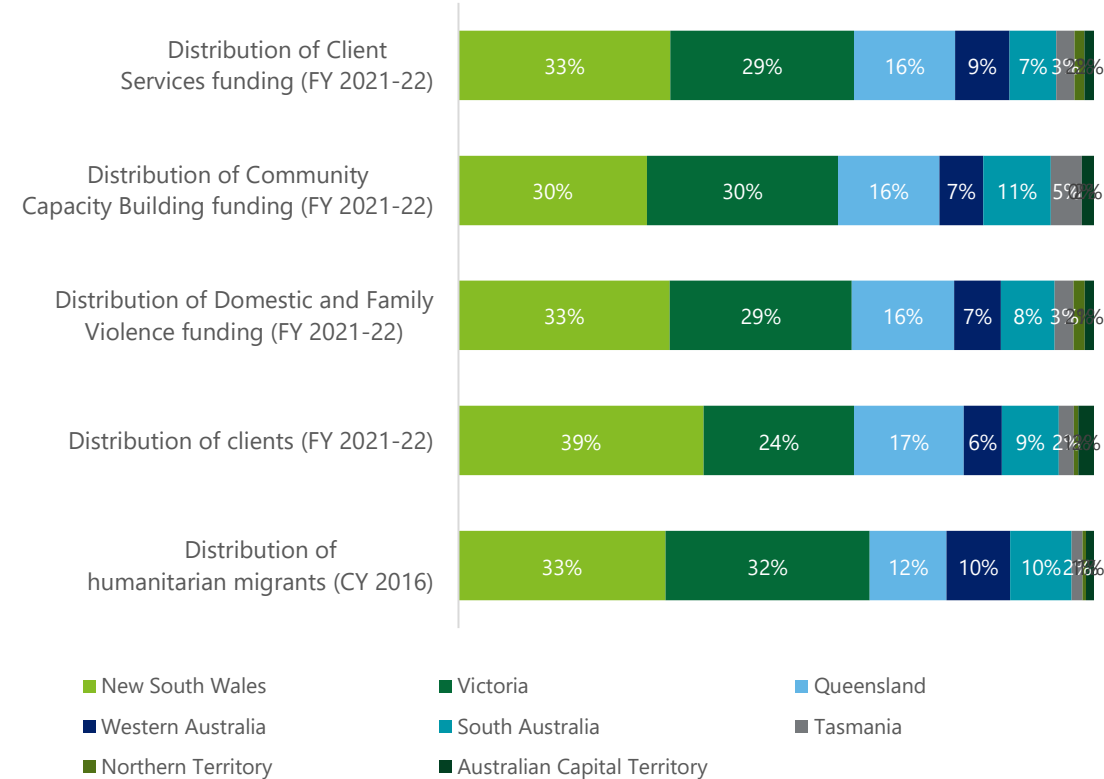
Providers are funded broadly in line with the distribution of humanitarian migrants.

The funding distribution between SETS CS and CCB is broadly consistent across Australian states and territories (Chart B.5), noting that according to DEX no CCB funding is allocated to the Northern Territory. The allocation of funding at a jurisdictional level in 2019 appears broadly in line with the distribution of humanitarian migrants in 2016 (the latest available data on the distributions of humanitarian migrants at the time of the funding allocation).

Comparing this distribution to the clients recorded in DEX across FY 2021-22 shows relatively higher provision of humanitarian migrants in New South Wales and Queensland. This may reflect a variety of parallel influences, including:

- a growth in the number of migrants residing in these regions between 2016 and 2021
- higher presentation rates for clients in these regions (noting that these two states have a large intake of the Yazidi cohort, see place based case studies)
- more effective client engagement strategies or reach in these jurisdictions.

**Chart B.5:** Distribution of funding, clients and humanitarian migrants by jurisdiction



Source: Department of Social Services, DEX system (2023), Australian Census (2016).



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