

Brighter Futures: Building better futures for those experiencing long-term unemployment

Despite a sustained economic boom, long-term unemployment is a stubborn, persistent and growing problem in Australia.

In 2014, the number of people unemployed for more than a year reached its highest level in a decade. Particular communities are at risk including Aboriginal and Torres Strait Islander people, refugees / humanitarian migrants, single parents and people with disability. Long-term youth unemployment is rising year on year. The fragmented nature of the education, employment and training system compromises the effective transition of young people from school into secure work. The closure of traditional industries also means that mature aged workers are at greater risk of long-term unemployment.

We know the world of work is changing. There are potential opportunities within growth industries, but we are experiencing a skills gap and shortages across many other areas. With the possible decline of the “middle-skills job” through more flexible working and technological advancements, we are facing unprecedented obstacles for people who are long-term unemployed.

The evidence shows us that for some people trapped in a cycle of long-term unemployment, the ‘one size fits all’ approach does not work.

Entrenched long-term unemployment has broad economic and social impacts. Businesses are missing out on a potential pool of talent to fill a growing skills gap, government is facing higher welfare bills and lower revenue, and individuals risk social and economic exclusion, with repercussions across the community. Unemployment is a challenge that has significant financial, as well as personal costs, which is why it is important for business, government and the non-profit sector to work together to address it in a strategic and systemic way.

The SVA Employment Dialogue, in partnership with Mission Australia and the Brotherhood of St Laurence, sought the experience and insight of key leaders across sectors on what innovation is required to combat long-term unemployment as industries change and the job market continues to evolve.

Held at ANZ Melbourne on 5 June 2014, the conversation captured the voices and experiences of over 100 people from differing backgrounds, who were dedicated to coming together to tackle long-term unemployment. Some of Australia’s largest employers and employer groups provided important insights on the day including Jennifer Westacott (CEO, Business Council for Australia), Craig Laslett (Managing Director, Leighton Contractors) and Lincoln Crawley (Managing Director, Manpower) along with Renee Leon from the Department of Employment and a number of pioneering non-profit organisations including Tony Nicholson (Executive Director, Brotherhood of St Laurence), Catherine Yeomans (CEO, Mission Australia), Jan Owen (CEO, Foundation for Young Australians), Matt Little (CEO, Job Futures) and Suzanne Colbert (CEO, Australian Network on Disability).

There was a consensus that Australia’s employment system must become more collaborative and flexible if we are to solve the dual challenges of a growing skills gap and increasing youth and long-term unemployment.

We know that with a tighter fiscal environment, there is a need to have more efficiency in how funds are allocated and this should be based on the evidence of what works in tackling entrenched employment exclusion. The existing system must also embrace innovation to continuously improve to meet the challenges ahead.

The Dialogue provided clear principles for the innovative approaches that will be critical in designing a system that reaches its full potential, a system that creates sustainable employment for people in a rapidly changing environment.

We heard that we need **better, earlier and more comprehensive careers education**. For many young people having more targeted guidance that is linked to local industry is critical to increasing their understanding of the breadth of career options available, and to then transitioning effectively into work or further education. Through building 'on the ground' relationships between the education and business sectors, workplace learning can be developed providing attractive and alternative pathways to work for young people.

We need to more effectively **connect education and training with sustainable jobs**. Employers are facing a talent mismatch. Training and skills need to be more agile and relevant to industry needs and with a line of sight to a job. People need to be better prepared for the workplace and receive ongoing skills development including key transferable skills that are applicable for the future world of work.

Collaboration and partnership is key. There were many examples on the day of how government, employers and non-profits have effectively worked together to create employment opportunities through building trusted relationships. These include Leighton Contractors' pioneering work with Beacon Foundation and CareerTrackers; Toll Group with Whitelion and Beacon Foundation and the Australian Government's investment into creating employment opportunities for mature age workers with a hotel group. However, all too often these partnerships are opportunistic. There needs to be a more effective way of connecting employers with successful employment programs.

The system needs to be able to more effectively understand industry needs and **broker relationships for national employers**. A co-ordinated approach that connects local communities with national employers, creating access to a new talent pool who have the relevant skills. The Industry Employment Initiative (a partnership between SVA, Mission Australia, Brotherhood of St Laurence and Jesuit Social Services) is currently piloting this approach nationally.

There are particular regions that are facing high unemployment which require **local solutions that draw on the experience of local communities**. There are many programs delivering positive outcomes and we need to look at how we can grow, scale or replicate some of this best practice. For example Ganbina is running a highly successful program in Shepparton and is looking at ways to replicate their program in other areas.

A specialist approach is important when working with people who often have complex needs.

Unemployment for the majority of young people is not driven from a lack of desire or aspiration. It is linked to the fact that young people have very specific and complex needs and there is a distinct lack of support for this. There needs to be a coordinated response and serious consideration given to a youth specific element of the JSA that allows specialists to work one-on-one supporting young people into work. Working in this way with individuals to understand their specific barriers to the job market will develop a targeted approach to gaining the skills and confidence needed to find and keep a job.

STREAT provides homeless youth with the life-skills, work experience and training they require to start a career in the hospitality industry. Through working directly with each young person to provide individualised wrap-around support these young people are able to achieve a stable life, stable job and stable home.

We need to look seriously at broader systems change if we are to see real and lasting progress. Innovation, collaboration and evaluation are essential to support continuous improvement.

Employers need to be more fully engaged in working within the employment system and more needs to be done to provide relevant skills and encourage wrap-around support that people may need to enable them to get and keep a job.

The SVA Employment Dialogues are designed to enable new conversations, inspire new practice, and energise new partnerships. We are committed to ensuring that the ideas from the day and examples of best practice are captured, shared and used to further discussions. The Communique will be produced in the coming months and we will be holding small roundtable discussions on specific areas that have been identified from the day. If you are interested in being part of these discussions, please let us know.

SVA, Mission Australia and the Brotherhood of St Laurence would like to thank you for your commitment to being part of a concerted effort to create sustainable solutions to tackling long-term unemployment in Australia. We look forward to working with you to make the Australian system the best we believe it can be.

For further information on working with SVA, please contact:

Kevin Robbie

Executive Director, Employment
Social Ventures Australia
krobbie@socialventures.com.au
+613 8688 0016

Louise Caseley

Director, Employment
Social Ventures Australia
lcaseley@socialventures.com.au
+612 8004 6745

About SVA

Social Ventures Australia works with innovative partners to invest in social change. We help to create better education and employment outcomes for disadvantaged Australians by bringing the best of business to the social sector, and by working with partners to strategically invest capital and expertise. SVA Consulting shares evidence and knowledge to build social sector capacity, while SVA Impact Investing introduces new capital and innovative financial models to help solve entrenched problems.

About Mission Australia

Mission Australia is a non-denominational Christian community service organisation that has been transforming the lives of Australians in need for more than 150 years. Mission Australia works with some of Australia's most disadvantaged people through early learning and youth services, extensive family support and homelessness initiatives, employment and skills development, to provision of affordable housing to help address entrenched social disadvantage.

About the Brotherhood of St Laurence

Through research, services and advocacy, the Brotherhood of St Laurence helps people experiencing disadvantage to build a better future for themselves and their families. We focus on people who are at risk at critical life stages, including the transition from education to the world of work, and moves in and out of employment. In order to achieve social change we also research and trial new policies, programs and practices for implementation by government and others.