

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

28 September 2018

Dear Committee Secretary

Social Ventures Australia (SVA) welcomes the opportunity to make a submission to the ***Senate Education and Employment References Committee inquiry into the appropriateness and effectiveness of the objectives, design, implementation and evaluation of jobactive.***

SVA is a not-for-profit organisation that works with partners to improve the lives of people in need. We focus on keys to overcoming disadvantage in Australia, including great education, sustainable jobs, stable housing and appropriate health, disability and community services.

SVA is not a traditional service delivery organisation. We work at the intersection of the government, social purpose and business sectors. We provide funding, advice on strategy and evaluation, and make investments in partner organisations to significantly increase their social impact.

Our focus in employment over 15 years has been on supporting job seekers who face complex barriers in finding work. Our submission draws on expertise developed from our partnerships with a wide range of employment-related ventures and initiatives as well as expertise in developing outcomes frameworks for Governments and non-profits and pricing outcomes through our social impact investing team. Some examples that are particularly relevant to this inquiry include:

- The [Industry Employment Initiative](#): a demand-led employment initiative that links a long-term job seeker to a job (initially a pilot by SVA and partners and now a program under Jobs Victoria);
- A range of external ventures or partner organisations focused on supporting young people having a hard time or experiencing disadvantage into study, work or training, such as [BackTrack](#), [the Australian Indigenous Mentoring Experience \(AIME\)](#), and [Dismantle](#);
- A range of external ventures focused on supporting specific cohorts into employment including [Ganbina](#) (First Australians), [CareerSeekers](#) (refugees), and the [High Growth Jobs, Talented Candidates](#) (people with a disability) project.
- Pilot programs and policy development on school transitions including the [Beyond the Classroom](#) project with Beacon Foundation and the Foundation for Young Australians; the [Community Schoolyard Project](#) at Rooty Hill and Plumpton High Schools in Western Sydney, and the [Bright Spots Schools Connection](#).
- The provision of specialist consulting advice and support to a range of employment providers in the job services and disability employment sectors
- Support for a range of employment-focussed social enterprises, including [Vanguard Laundry Services](#), [Ability Enterprises](#) and [STREAT](#).

Social Ventures Australia Limited

SVA has also just announced Australia's first [Social Impact Bond \(SIB\) to address youth unemployment](#), in partnership with SYC and the New South Wales Government. SVA is raising \$5 million to finance the Sticking Together Project, which will provide intensive coaching support over a four-year period to approximately 870 people aged 18 to 24 in NSW. These young people, who are unemployed and face high barriers to employment, will be supported by SYC, a not-for-profit that provides employment, training and other youth services. The Sticking Together SIB offers investors the opportunity to generate a financial return whilst helping young people who are experiencing disadvantage find jobs and keep them. This innovative transaction is expected to generate a positive impact through the participants' reduced reliance on welfare and a reduction in utilisation of other government services, along with improved wellbeing and greater lifetime earnings for young people themselves.

The body of this submission comprises three previously published reports that we believe may be useful to the Committee's deliberations.

SVA's Employment Perspectives Paper

SVA has a vision for Australia where every person can participate to the maximum of their potential. We believe that as a nation we should harness the opportunities created in our changing economy and labour market to significantly improve the employment of jobseekers experiencing disadvantage, particularly those who have been unemployed for long periods.

Our [Employment Perspectives Paper](#) presents an evidence-informed perspective on what is required to achieve better outcomes for jobseekers experiencing disadvantage. These three drivers are:

1. Increase the number of jobs that people experiencing disadvantage can access
2. Match disadvantaged jobseekers with the right employers, and
3. Give employers and jobseekers the support and services they need to overcome barriers to sustainable employment.

The paper sets out actions that governments and others can take to improve the employment ecosystem. It also presents some examples of SVA's past work to improve employment outcomes for people experiencing barriers to work, including our work in social enterprises, social procurement, career pathway programs, and demand-driven employment.

As well as informing the Committees' overall view on the employment ecosystem, the paper may contribute to the Committee's thinking on the following elements of the inquiry Terms of Reference:

- (a) *the nature and underlying causes of joblessness in Australia;*
- (b) *the methods by which Australians gain employment and their relative effectiveness;*
- (d) *the ability of jobactive to provide long-term solutions to joblessness, and to achieve social, economic and cultural outcomes that meet the needs and aspirations of unemployed workers; and*
- (j) *alternative approaches to addressing joblessness.*

SVA's submission to the Future Employment Services consultation process

SVA believes that we must do more to better tailor employment services to meet complex needs and intensify and personalise services for vulnerable cohorts. We set out our views on how this can be achieved in [our submission to the recent Commonwealth Government Department of Jobs and Small Business' Future Employment Services consultation process](#).

Our recommendations in this submission cover three themes:

1. The needs of jobseekers facing complex barriers to employment – including the importance of having an employment services system that supports jobseekers to develop the 'soft skills' required for sustainable employment outcomes; the value of a broader range of programs being included as activation options; and the merits of moving towards a 'package' concept tailored to the individual jobseeker.
2. Meeting the needs of employers – including the need for government to support employers to understand the benefits of taking on jobseekers experiencing disadvantage, and developing appropriate employer support systems.
3. System stewardship – including the potential for government to leverage the insights gained from outside the employment portfolio; to commission data linkage projects to support better outcomes-based pricing models; to develop better measures of effectiveness and outcomes; to better align systems across government to reduce gaps in service provision and support; to support the development of culturally appropriate services and programs for First Australians; and to support job services providers to build and maintain appropriate workforce capability.

The paper may contribute to the Committee's thinking on the following elements of the inquiry Terms of Reference:

- (d) *the ability of jobactive to provide long-term solutions to joblessness, and to achieve social, economic and cultural outcomes that meet the needs and aspirations of unemployed workers;*
- (e) *the fairness of mutual obligation requirements, the jobactive Job Plan negotiation process and expenditure of the Employment Fund;*
- (f) *the adequacy and appropriateness of activities undertaken within the Annual Activity Requirement phase, including Work for the Dole, training, studying and volunteering programs and their effect on employment outcomes;*
- (i) *the funding of jobactive, including the adequacy of the 'outcome driven' funding model, and the adequacy of this funding model to address barriers to employment; and*
- (j) *alternative approaches to addressing joblessness.*

Fundamental Principles for Youth Employment

SVA is committed to understanding the root causes of and effective interventions for tackling unemployment. The [Fundamental Principles for Youth Employment](#) report is the product of a national and international research project into the fundamental principles that underpin successful programs and initiatives supporting young people into sustainable employment.

The research uncovered an understanding of the underlying causes, interrelated players, risk factors and personal and economic costs of a young person falling into long term unemployment. The

international scan offers lessons from global efforts taken by governments and the social sector to tackle youth unemployment.

The report identifies ten fundamental principles which are essential to effectively support young people into employment. These are detailed in the Principles Framework, and can be broadly split into two key categories:

1. Personal: Young people are ready to work: the capabilities and experiences a young person needs to develop to gain and retain meaningful employment
2. Community infrastructure: Collaboration to deliver employment solutions for young people: the components of a healthy ecosystem required to support the successful transitions into employment.

The paper may contribute to the Committee's thinking on the following elements of the inquiry Terms of Reference:

- (a) the nature and underlying causes of joblessness in Australia;*
- (b) the methods by which Australians gain employment and their relative effectiveness; and*
- (j) alternative approaches to addressing joblessness.*

We thank you for the opportunity to provide a submission to this important inquiry and welcome the opportunity to further discuss any of the issues raised.

Yours sincerely

Patrick Flynn
Director, Policy and Advocacy
Social Ventures Australia

Anna Faithfull
Director, Employment
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Attachments:

1. [Employment Perspectives Paper](#)
2. [SVA's submission to the Future Employment Services consultation process](#)
3. [Fundamental Principles for Youth Employment report](#)



SVA PERSPECTIVES

Employment

One million people live in disadvantage in Australia today. Each year billions of dollars are poured into social services and reform programs across welfare, education and health and yet so many people continue to experience disadvantage.

SVA works to improve the lives of people in need. Our unique approach focuses on understanding the structural causes behind persistent disadvantage, then finding and supporting the innovative approaches that can create systemic change. Our practice is evidence based, a discipline we apply to every facet of our organisation.

By offering funding, investment and advice, we support partners across sectors to increase their social impact. Since 2002, we have worked in partnership with community service organisations, philanthropists, governments and businesses to help improve the lives of people in need. Through our work, we have developed a practical understanding of what it takes to tackle disadvantage.

People and organisations that create real impact have a deep understanding of the environment they are operating in. This means being clear on the exact issue they are trying to address and understanding what other organisations are operating in the ecosystem. They design and deliver their programs and services based on evidence of what works best.

High-impact organisations contribute to system change. They introduce innovative approaches, work collaboratively, share their knowledge so others can learn from them (both successes and failures) and jointly advocate for change.

As part of our commitment to driving system change, SVA has developed a series of papers in four focus areas; Education, Employment, Housing and First Australians. We have combined our practical experience with publicly available data and research to present our perspective. In each paper we set out our vision for the future, a summary of the issue, actions required to achieve the vision, a discussion of the drivers of better outcomes and small snapshots of SVA's work.

We hope that these papers spark debate, innovation and collaboration.

Everyone has a role to play. We invite you to join us in building and sharing the knowledge base of what works best to increase funding, improve the impact of services and change lives.

Rob Koczkar
CEO
Social Ventures Australia



SVA's vision

SVA has a vision for Australia where every person can participate to the maximum of their potential.

We believe that as a nation we should harness the opportunities created in our changing economy and labour market to significantly improve the employment of disadvantaged jobseekers, particularly those who have been unemployed for long periods.

We have developed an evidence-informed perspective on what is required to increase the number of jobs that people experiencing disadvantage can access; to match disadvantaged jobseekers with the right employers, and to give employers and jobseekers the support and services they need to overcome barriers to sustainable employment.

The issue

Australia's low headline unemployment rate of less than 6%¹ masks the growing and persistent issue of long-term unemployment, particularly for specific cohorts in the community. Since the 2008 global financial crisis, the number of people experiencing long-term unemployment has risen almost 160%² almost entirely due to slower economic growth³. Now more than 1.8m Australians are either without work, or without sufficient work,⁴ with more than half a million receiving the Newstart allowance for more than 12 months.⁵

Long-term unemployment is a key driver of disadvantage, has far-reaching social and economic consequences, and affects individuals, communities and the economy. The longer a person is unemployed, the less likely they are to get a job.⁶ Long-term unemployment is also associated with higher likelihood of ill health, homelessness, stigma, social isolation and atrophied work skills.

We care about improving economic participation because meaningful employment is a key indicator of quality of life and participation in the community helps people achieve high levels of wellbeing.⁷



THE IMPACT OF LONG-TERM UNEMPLOYMENT

We know unemployment disproportionately affects already vulnerable Australians:

- **Youth unemployment** grew significantly to 14% at the end of 2014, the highest since 1998.⁸ Youth account for 29.8% of the long-term unemployed.⁹
- The labour force participation rate for **people with disability** is only 54%, a third less than for people without a disability (83%).¹⁰
- The unemployment rate among some communities from **non-English speaking backgrounds** could be as high as 20%.¹¹
- **First Australians** continue to experience a significant gap in employment outcomes. Between 2008 and 2012-13 the employment gap between First Australian and non-Indigenous working-age people rose 6.9%, from 21.2 to 28.1 (SVA has also produced a paper on First Australians).¹²
- Only 66% of people whose highest educational attainment is year 12 are employed – 46% with year 11.¹³
- **People exiting prison** are likely to face unemployment. A total of 48% report being unemployed in the four weeks before incarceration. Only 27% of people discharged had paid employment organised to begin within two weeks of their release.¹⁴
- About 32% of working-age people with a self-reported **mental illness** are not working.¹⁵

- About one-third of jobless **mature-age** people are long-term unemployed compared with 22% across all age groups.¹⁶
- Some **rural and regional** areas have extremely high rates of long-term unemployment.¹⁷ Problems include lower employment generated by primary industries, compounded by falling opportunities for unskilled work. Communities in regions with only one industry are also vulnerable to changes in policy or to economic shocks.
- About 70% of poor **children** live in jobless families, making joblessness one of the main causes of childhood poverty.¹⁸ Long-term unemployment can become intergenerational and youth whose parents are not in work have lower labour force participation rates and higher unemployment rates than those with at least one parent at work.¹⁹

Long-term unemployment also results in lost taxation, additional direct welfare payments and higher spending on public housing, healthcare and other social services²⁰. It decreases workforce productivity and can increase wage pressures because of labour shortages.²¹ In 2014, the cost was estimated at \$3.3b a year, according to the Fairfax Lateral Economics Wellbeing Index.²²

Under-employment is also a major issue for households in working poverty, with most working too few hours to escape poverty. Under-employment is a particularly significant issue for young women, with nearly 20% of those aged 15 to 24 reporting they are not working as many hours as they would like.²³

Drivers of better outcomes

SVA believes there is a range of specific conditions and actions that can drive the increased participation of disadvantaged jobseekers. We refer to these as 'drivers' and they are set out in the Driver Tree below.

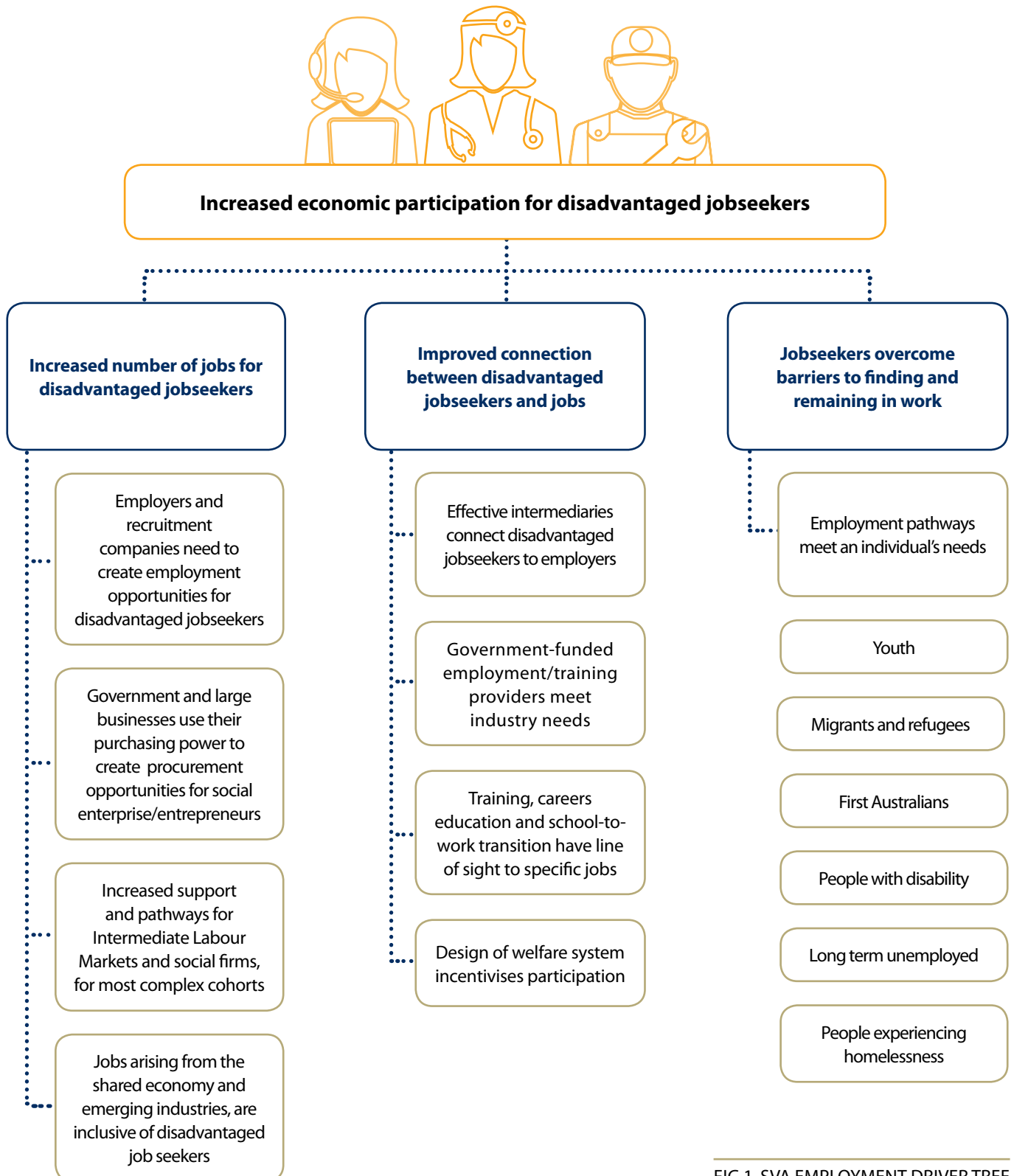


FIG 1. SVA EMPLOYMENT DRIVER TREE

Actions required

With 35% of our working-age population **not** working, we have enormous, untapped potential to address the skills shortage by more effectively engaging additional population groups and boosting the overall participation rate.²⁴ However, this is not a straightforward task.

The job market is changing. The ratio of people of working age to non-working age is expected to continue to decline due to the ageing population. Key growth areas will be knowledge workers in healthcare and social assistance, education and training, and professional, scientific and technical services.²⁵ Entry-level jobs today are shifting from manufacturing and trade to services, community supports and healthcare, and requiring higher skill levels.²⁶ Economic activity is becoming more concentrated in the capital cities and in Victoria and New South Wales.²⁷

The employment ecosystem needs to ensure employers design jobs and build diverse workforces by creating specific opportunities for those experiencing disadvantage in the workforce.

Increase the number of jobs for disadvantaged jobseekers

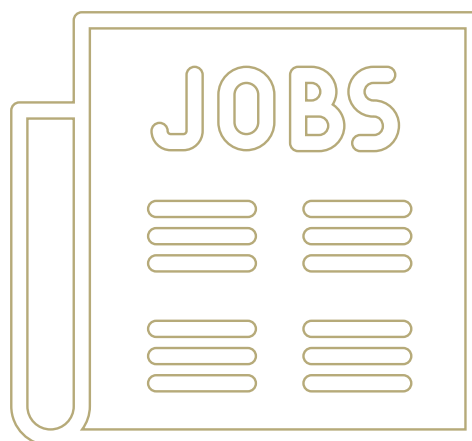
1. Harnessing social procurement opportunities across government and big business will significantly increase demand for social enterprises and social entrepreneurs – which in turn will employ jobseekers requiring additional support in the labour market.
2. To ensure there are enough appropriate opportunities for jobseekers with complex needs, we need to design specific financial supports to increase the size of Australia's intermediary labour market.
3. We need to educate those driving shared economy and emerging industry opportunities to ensure they include disadvantaged jobseekers.

Improve the connection between disadvantaged jobseekers and jobs

4. To better meet the recruitment needs of large employers, an intermediary is needed to deeply engage and support them, work with them to design training, and connect them to appropriate candidates.
5. The design of the welfare system needs to ensure appropriate incentives are in place so that disadvantaged jobseekers are encouraged and supported to participate in finding employment.

Enable jobseekers to overcome barriers to finding and remaining in work

6. The design of the government-funded employment and training system needs to ensure that those who are – or are at risk of being – long-term unemployed, receive individualised and wrap-around support to address employment, vocational and locational barriers.





Understanding the drivers of better outcomes

1. INCREASE THE NUMBER OF JOBS FOR DISADVANTAGED JOBSEEKERS

EMPLOYERS AND RECRUITMENT COMPANIES NEED TO CREATE JOB OPPORTUNITIES FOR DISADVANTAGED JOBSEEKERS

Current landscape

Entry-level jobs are a first step in the employment path for those locked out of the labour market due to disadvantage.

'The loss of low-skilled jobs and the high unemployment rates associated with low educational qualifications make it imperative for people to undertake appropriate education and training to minimise the risk of becoming unemployed and dependent on income support.'²⁸ However, there is scope to create opportunities for disadvantaged jobseekers:

- 42% of employers reported difficulties in filling jobs, with most citing a lack of applicants or no applicants, lack of technical competencies and of experience as the main reasons.²⁹
- There is now a ratio of jobseekers to vacancies of about 5:1³⁰ and this ratio worsens to 18:1 for lower-skilled openings.³¹ But demographic shifts also will create an opportunity to improve participation rates for disadvantaged jobseekers and, by 2030, the economy will create 3 million jobs³².

Ineffectiveness of the present system/service

Employer attitudes: Despite labour shortages in many areas, employers are sometimes wary of engaging people who have been long-term unemployed due to perceived poor attitude and motivation and a lack of recent work experience.³³ Some employers think that candidates with disability or mental illness, particularly, may be more at risk of workers' compensation claims, require more sick leave or necessitate expenses associated with workplace modifications.

Employer capability: Even when employers want a more diverse workforce, they lack the 'know-how'. Employers need guidance, practical tools and training to understand how best to reduce barriers to recruitment and to retain employees. This issue is addressed later.





Evidence of effective solutions

Employer education and support: ensuring employers understand the business case for recruiting and retaining disadvantaged jobseekers

- SVA's *Working it out: Case studies of success in transitioning long-term unemployed Indigenous Australians into sustainable employment*. Four key influences were identified: having the right people involved to engage companies and communities; creating an underpinning philosophy that inspires openness and participation; having appropriate funding and an effective methodology in the delivery of each program.³⁴
- The Australian Chamber of Commerce and Industry has created a series of papers, *Employ Outside the Box*, tackling employment for disadvantaged groups. There is guidance about worker retention and a section on resources to help employers who want to hire First Australians.³⁵ The steps for employing people with disability are obtaining the right information, contacting experts for opinions and support, reviewing the existing staff structure to clearly define the roles, good job matching between person and role, workplace preparation including on-the-job support, mentoring, and ongoing evaluation.³⁶ The paper on employing mature-age workers highlights recruitment, retention and best practices for age management. Extra resources include the Restart Allowance.³⁷

Employment targets: employers with workforce diversity strategies/plans/targets are more likely to employ people who are disadvantaged in the labour market. The ASX Corporate Governance Council recommends listed entities should have a diversity policy that sets out measurable objectives, specifically on gender diversity.³⁸ Research on increased levels of board membership for women provides one example of the results of active target setting.³⁹ Voluntary targets and the publication of diversity strategies increase accountability. Good-practice employers that have specific programs to diversify their workforces include:

- ANZ: has supported the *Given the Chance* program, run by the Brotherhood of St Laurence, since 2007. It provides placements to help former refugees enter the workforce.⁴⁰
- NAB: partners with Jesuit Social Services in the *African Australian Inclusion Program* (Aaip) to provide a six-month paid workplace experience and training program for skilled African-Australians at NAB. More than 180 people have been placed.⁴¹
- Westpac: *2013 Accessibility Action Plan* to increase the participation of people with disability includes career development, encouraging financial independence and embedding accessibility into banking products and services.⁴²
- Sodexo: partners with GenerationOne, Polytechnic West and Work Australia to provide a work readiness program in hospitality for Aboriginal and Torres Strait Islander jobseekers in Western Australia. It helps Sodexo meet its Reconciliation Action Plan commitments.⁴³
- Government departments: federal departments have also made commitments to workplace diversity. The Commonwealth Government's target is for its workforce to be 3% First Australian by 2018.⁴⁴



GOVERNMENT AND LARGE BUSINESSES CREATE PROCUREMENT OPPORTUNITIES FOR SOCIAL ENTERPRISE/ENTREPRENEURS

Current landscape

Social procurement involves large employers using their purchasing power to obtain goods and services as well as social impact. These employers buy from 'social enterprises', which trade to deliver public and community benefit. The social enterprise provides a stepping stone to mainstream employment and employs those experiencing entrenched, long-term unemployment. This gives them work readiness and transferable skills to move into the open labour market. This can create jobs and opportunities for people who might have struggled to find work, reinvigorate depressed communities and drive better business outcomes.⁴⁵

Ineffectiveness of the current system/service

More than 20,000 social enterprises operate in Australia, employing more than 250,000 people.⁴⁶ However, corporate social procurement represents less than 1% of the total of corporate Australia's spending⁴⁷ and government social procurement is still in its early stages. Local councils have, however, begun endorsing the approach and created some positive initiatives.

One of the main barriers social enterprises face is limited access to the right mix of intellectual, financial and social capital, restricting their capacity for scalability and to create larger social impact, including employment.

Evidence of effective solutions

*'In unlocking government and corporate procurement budgets, social procurement has the potential to reduce disadvantage and increase workforce participation in Australia.'*⁴⁸

Examples of good social procurement practices include:

- Commonwealth government has progressed its policies, including promotion of Australian Disability Enterprises⁴⁹ and Indigenous businesses but social procurement is not as developed as it is in the US and the UK.⁵⁰ The Commonwealth has committed to a procurement target of 3% of total contracts being awarded to Indigenous businesses by 2020.⁵¹
- UK government – in 2013, the Public Services (Social Value) Act 2012 came into force. It requires public sector agencies, when commissioning a public service, to consider how the service could bring added economic, environmental and social benefits. The sector is now thinking much more creatively about how to maximise procurement decisions.⁵²
- City of Toronto, Canada – began pilot projects under its social procurement framework in 2014. The intent was to provide targets, thresholds and benchmarks to drive additional positive social outcomes from the city's purchasing power.⁵³
- Victorian government created guidelines to help local councils consider social procurement. A toolkit was developed to help in planning and implementing social procurement.⁵⁴ VendorPanel and Social Traders have created a panel of social enterprise providers.⁵⁵
- Yarra City Council partnered with the Brotherhood of St Laurence to clean streets. The cleaning was done by unemployed residents of public housing estates. This allowed the council to drive positive social outcomes and continue to deliver a service for constituents.⁵⁶
- Queensland government issued guidance on integrating sustainability in procurement and a series of sustainable procurement product guides.⁵⁷
- New South Wales government has a number of initiatives aimed at generating positive social outcomes: requiring large infrastructure projects to hire a minimum number of apprentices; simplifying procurement from the Australian Disability Enterprise, and developing guidelines to encourage job opportunities for First Australian people in government construction projects.
- Evidence shows that a thriving social enterprise ecosystem requires early-stage support, a pipeline of social entrepreneurs and a long-term approach to ensure adequate capacity, seed funding, strategic business advice and connection with industry and buyers. To support this a number of funds have been established:
 - The West Australian government created a \$10m fund to increase the number, effectiveness and efficiency of social enterprises. The fund was managed by a consortium of SVA, Social Traders, Centre for Social Impact and the West Australian Council of Social Service.⁵⁸
 - SVA manages a social impact fund of \$9m, which provides loans and equity investments to social enterprises. The 2015 return to investors was 7.5%.⁵⁹ SVA has also partnered with super fund HESTA to establish the Social Impact Investment Trust to invest \$30m in loan and equity opportunities.⁶⁰
 - NAB established a \$1m impact investment readiness fund to help mission-driven organisations prepare for larger-scale investment.⁶¹
 - The Impact Investment Fund has been set up with \$100m to invest in social and environmentally conscious deals.⁶²
 - The Commonwealth government is providing \$30m a year for Indigenous Enterprise Development to help establish and expand First Australian businesses, particularly in regional and remote locations.⁶³





INCREASED SUPPORT AND PATHWAYS FOR INTERMEDIATE LABOUR MARKET (ILM) PROGRAMS FOR THE MOST COMPLEX COHORT

Current landscape

The ILM model generally involves paid temporary work of community benefit for the long-term unemployed, with additional support to move them into mainstream jobs. Programs deliver a variety of job types, provide intensive training, and support workers or case managers. Because ILMs target those with high barriers to employment, they can be time and resource intensive to run and the number of ILMs in Australia remains unknown.⁶⁴

Ineffectiveness of the current system/service

The government-funded employment system seems most effective in moving people from unemployment to under-employment. More than half of those in streams 1-4 who get work move into casual, temporary or seasonal work⁶⁵ with implications for churn in the system.

JSA EMPLOYMENT OUTCOMES, JUNE 2013 TO JUNE 2015⁶⁶

	Jun 2013 (%)	Sep 2013 (%)	Dec 2013 (%)	Mar 2014 (%)	Jun 2014 (%)	Sep 2014 (%)	Dec 2014 (%)	Mar 2015 (%)	Jun 2015 (%)
Stream 1-4	41.3	42.8	42.2	41.9		42.8	42.5	42.8	42.1
Stream 1	55.9	57.2	56.0	54.8	55.1	55.8	55.8	55.9	55.2
Stream 2	41.4	41.4	40.6	41.2	41.2	40.6	40.2	40.1	39.5
Stream 3	31.1	33.8	33.2	32.6	33.4	33.4	32.5	33.3	32.6
Stream 4	22.6	23.4	23.1	23.0	23.6	23.8	22.8	23.1	21.8

Evidence of effective solutions

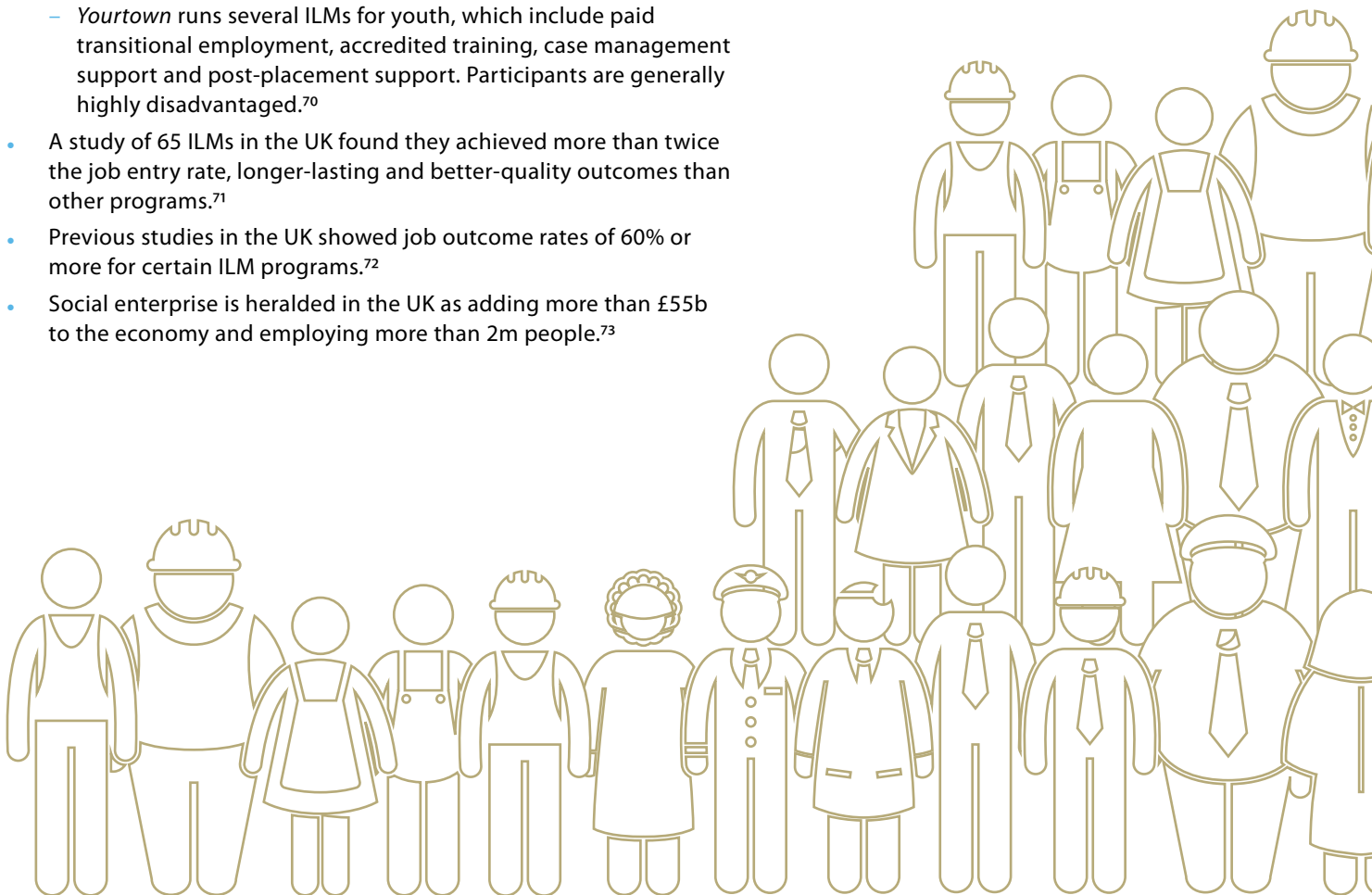
The ILM approach is to support the “hardest to place” cohort into mainstream jobs and ILMs have had strong success in doing this – although not on a large scale.

A 2011 study found social enterprises providing employment to vulnerable groups generated a rise in employment of almost 10%, with almost one-third of clients finding work in the mainstream market.⁶⁷

- In the UK, Europe and the US a number of ILMs operate strong independent businesses but most receive some government funding to cover the cost of the social service they provide.
- The development of ILMs in Australia has been restricted by the challenges of developing sustainable businesses and the lack of government funding. Examples include:
 - Resource Recovery Australia (RRA) operates a mattress recycling program, *Soft Landing*, to recover steel, timber, foam and other materials from waste mattresses and divert them from landfill. The program employs people who face barriers to entering the workforce. Before its sale to RRA, *Soft Landing* was one of five Mission Australia social enterprises, whose portfolio also included Featherweight, Green IT, Charcoal Lane and Synergy Car Repair.⁶⁸
 - Brotherhood of St Laurence’s *Customer Safety Information Services* hires public housing tenants, many of whom are long-term unemployed, as paid trainees for up to a year to provide a friendly reception service on public housing estates and gain qualifications in security operations. The program is into its 11th year and has maintained employment rates of graduates at more than 70%.⁶⁹
 - *Yourtown* runs several ILMs for youth, which include paid transitional employment, accredited training, case management support and post-placement support. Participants are generally highly disadvantaged.⁷⁰
- A study of 65 ILMs in the UK found they achieved more than twice the job entry rate, longer-lasting and better-quality outcomes than other programs.⁷¹
- Previous studies in the UK showed job outcome rates of 60% or more for certain ILM programs.⁷²
- Social enterprise is heralded in the UK as adding more than £55b to the economy and employing more than 2m people.⁷³

SVA Social Impact Fund

- **Focus:** gives for-profit or non-profit social enterprises with loan or equity investments of between \$150,000 and \$1m and access to capital for organisations that provide opportunities for disadvantaged members of the community.
- **Achievements:** Investments totalling \$2.7m. In 2013-14 the fund received 107 applications for investment, conducted due diligence on 20 social enterprises and made new investments in organisations with an employment focus.





JOBS ARISING FROM THE SHARED ECONOMY TO INCLUDE DISADVANTAGED JOBSEEKERS

The sharing economy is also known as the 'collaborative economy' and the 'peer-to-peer market'. It is a platform connecting buyers and sellers and reducing transaction costs.⁷⁴ Australia's sharing economy has grown significantly over recent years, particularly in the transport and accommodation sectors.⁷⁵ In 2015, it contributed \$504m to the New South Wales economy alone⁷⁶.

An example of best practice inclusion is the partnership between Uber and Enabled Employment. Uber, a global ride-sharing platform, and Enabled Employment offer flexible work opportunities to thousands of people with disability who are able to drive, on uberX.⁷⁷ 'The platform presents a possibility to change the status quo, which has so far failed to create gainful economic opportunities for people with disability.' – Jessica May, founder, Enabled Employment.

While this is a nascent sector, as new industries and sectors emerge, there is a significant opportunity to ensure that marginalised jobseekers have opportunities to participate. It is also essential that vulnerable jobseekers are not exploited if they are working outside traditional sectors.

2. IMPROVE THE CONNECTION BETWEEN DISADVANTAGED JOBSEEKERS AND JOBS

INTERMEDIARIES CONNECT DISADVANTAGED JOBSEEKERS TO EMPLOYERS

Current landscape

More than 700,000 Australians are unemployed and more than 168,000 of these have been unemployed for over a year.⁷⁸ Those receiving a government benefit are (where appropriate) required to work with federally funded employment and training organisations to find a job. All federal employment services are contracted out to for-profit and non-profit organisations, which are region based and include:

- Mainstream service jobactive with annual expenditure of about \$1.5b.
- Specialist service Disability Employment Services (DES) with annual expenditure of about \$800 million.
- Specialist service for First Australian jobseekers, VTEC, with total expenditure of \$45m.

Service providers also link jobseekers to government-funded Vocational and Education Training (VET) courses provided by registered training organisations and other educational institutions.

Ineffectiveness of the current system/service

- Most disadvantaged jobseekers use the government-funded employment system to find work but historically only 7% of employers use it to recruit.⁷⁹
- Employers consistently say the system is too complex with differing quality among providers. The localised system does not suit the recruitment needs of national employers which hold many of the entry-level jobs.
- The Australian Employment Covenant shows a willingness among some employers to engage but progress from aspiration to sustainable jobs has been slow.
- While it is too early to gauge the effectiveness of the new jobactive arrangements, large employers make it clear they prefer a 'one-stop shop' to interact with the employment services system.
- Government wage subsidies are available for some jobseekers. However, appropriate targeting is required to minimise the payment of subsidies for job placements that would have occurred anyway and to ensure the subsidy is not too high a proportion of the gross wage.⁸⁰

Evidence of what works

Several peak bodies publicly endorsed the need for an intermediary to better connect employers with disadvantaged jobseekers. These include National Employment Services Association, Business Council of Australia⁸¹, Australian Chamber of Commerce and Industry⁸² and the Australian Network on Disability.

To significantly increase job placements for disadvantaged jobseekers, greater engagement with employers, government and non-profit service providers is needed. Trust, deep engagement, flexibility and values alignment are critical.

Demand-led programs in the UK and the US are highly successful in providing disadvantaged jobseekers with sustainable employment. The *AMBITION* Program in the UK worked with employers to identify opportunities and co-design training and support, and 62%-86% of jobseekers who gained employment retained their roles for more than six months. In the US, through Wildcat Corp, 86% of the single parents on government benefits 'completed demand-led employment training programs and 95% of them retained their jobs for more than six months.

In Australia, retention rates have risen to about 70% when part-time and full-time work is included. This falls to 24%-30% (depending on age) when only full-time employment is considered.⁸³ These figures remain well below the levels demonstrated by premier demand-led programs. NAB and ANZ have successful partnerships with Jesuit Social Services and the Brotherhood of St Laurence in designing employment programs. The *African Australian Inclusion Program* and *Given the Chance* have placed more than 100 employees.⁸⁴

McKinsey's report *A Labor Market That Works: Connecting Talent with Opportunity in the Digital Age* highlights the potential for growth of talent platforms.⁸⁵ The McKinsey Social Initiative program, *Generation*, intends to place 1 million candidates in jobs by 2020.⁸⁶

Industry Employment Initiative

- **Focus:** The IEI is prototyping a model to meet the recruitment needs of national employers through a one-stop-shop model while improving outcomes for long-term unemployed jobseekers.
- **SVA:** leads the consortium, employer engagement sources funding, contributes funding, provides program support through networks, quality assurance, risk management and measurement and evaluation.





GOVERNMENT-FUNDED EMPLOYMENT/TRAINING PROVIDERS MEET INDUSTRY NEEDS

Current landscape

The fact that only 7% of employers use the government-funded employment and training system to recruit staff⁸⁷ puts a huge number of entry-level jobs out of the reach of jobseekers. The World Economic Forum acknowledges that matching skills and jobs is a high priority⁸⁸ and in an Australian context, pressure is mounting to reform the VET system because of high dropout rates and perceived profiteering of training providers.⁸⁹

Ineffectiveness of the current system/service

- Employers working with employment service providers have found:
 - poor candidate matching: the most common reasons for employer dissatisfaction with the system were lack of practical skills, relevance of skills and the low standard of training.⁹⁰
 - short-term focus on job outcomes: the system focuses on 12 and 26-week outcomes, leading to churning of jobseekers through unstable employment and no evidence of improvement in wellbeing for the most disadvantaged jobseekers⁹¹. A 2014 report by the Auditor General found services delivered by Job Services Australia had not been adequately assessed in terms of deadweight (what would have happened anyway) and churn.⁹²
 - the 2015 Employment Services – *Building On Success Issues Paper* acknowledged some stakeholders view the employment support system as good at generating short-term jobs but not as efficient with long-term employment.⁹³ The jobactive outcomes payments are at four, 12 and 26 weeks⁹⁴, with a star quality rating attached to 52 weeks, but reporting on long-term placements is not as transparent.
- Feedback from the SVA's 2014 Employment Dialogue showed employment and training service providers found it difficult to build relationships with national employers because they lacked resources.
- Providers say the government's 'low-trust, high-compliance' contractual approach limits their ability to engage with employers, due to their being time poor, to red tape and focused on meeting time-heavy KPIs focused on throughput.
- Employment and training providers have also reported that staff often lack the skill to adequately support jobseekers and engage employers, and that overall capability needs to improve.

Evidence of what works

Effective employer engagement is crucial to align education and training with labour market needs. SVA's experience has shown the following factors are critical:

- significant time invested to build a trusted relationship
- understanding current and future vacancies, workforce development needs, workplace culture and the business case for employing jobseekers who are disadvantaged
- a thorough understanding of labour market conditions
- adapting engagement and delivery models to meet employer needs.

TRAINING, CAREERS EDUCATION AND SCHOOL-TO-WORK TRANSITIONS ARE MORE EFFECTIVE

Current landscape

The careers education and training system fails to give many individuals the skills to progress through education and training into sustainable employment. The challenges include the limited range of qualifications, numerous suppliers, vulnerabilities of the target population, quality assurance limitations, and inability to adequately compare and audit performance.⁹⁵

The *Beyond the Classroom* report defines four factors that must govern thinking about careers education. These include:

- Global changes (including knowledge economies, globalisation, longer life expectancies and digital technology).
- Changes to the nature of work brought about by technology and the need for more innovation and creativity.
- New strategies to tackle the 'wicked problems'.
- The need to address educational equity issues.⁹⁶

Digital access and education are, however, reshaping the way youth can learn. The national Digital Education Advisory Group (DEAG) was established to support the Digital Education Revolution (DER).⁹⁷

Ineffectiveness of the current system/service

There is a growing disconnect between what youth learn in school and the work skills required. A McKinsey report showed that even though 72% of education providers believed youth were graduating well equipped for work, only 44% of employers thought the same.⁹⁸ Furthermore, less than half of young people believe they are ready for work upon graduating. The serious problems with registered training organisations, including rorting, exploitive marketing practices and lax auditing have also resulted in exploitation of vulnerable job-seekers.⁹⁹

Evidence of what works

SVA undertook a review of the international evidence of what is required to improve youth employment published as *The fundamental principles of youth employment*. The principles are divided into Personal: young people are ready for work, and Community Infrastructure: collaboration to deliver employment solutions for young people. The principles include:

Personal:

- identity
- building aspirations
- literacy and numeracy capability
- employment skills
- careers management

Community infrastructure:

- business partnerships
- early intervention
- personalised support
- alternative employment pathways
- financial support

CareerTrackers

- **Focus:** CareerTrackers creates professional career pathways for First Australian university students. It matches their aspirations with private-sector employers that provide paid internships. CareerTrackers is the vital link that ensures First Australians have the guidance they need to successfully transition from a learning environment to a rewarding career.
- **SVA support:** Since 2010, CareerTrackers has linked 943 students with 86 employers and achieved an 83% completion rate. SVA has helped CareerTrackers to expand nationally, become more financially sustainable, and develop a stronger management strategy.





DESIGN OF WELFARE SYSTEM INCENTIVISES PARTICIPATION

Current landscape

The Department of Social Services paid \$112.4b to people unable to fully support themselves in 2014-2015.¹⁰⁰ While the welfare system is designed to support people experiencing disadvantage, it sometimes can hinder people from moving into employment. This is largely due to the tipping point whereby the money earned from work (casual or otherwise) reduces a person's eligibility to access other social services.

The government employment system is designed to ensure jobseekers meet their obligations but it is often described as being more about 'proving eligibility' and compliance than finding employment.

Ineffectiveness of the current system/service

Several facets create barriers and disincentives to work:

There are 20 payment types and 55 supplementary payments, making it difficult for people to determine when they will be better off in work, which undermines the system.¹⁰¹

High effective marginal tax rates are built into the system because as people move into the workforce their benefits are withdrawn at a rate that reduces the incentive to work and can make them materially worse off if they take a job.

The significant gaps between pensions and allowances and the different criteria for eligibility mean that those on higher pensions fear that if they try to get a job and go off income support, but then are unsuccessful in the job, they will be put on a much lower payment (Newstart).¹⁰²

Income support payments for some groups are inadequate to meet basic living costs and are so low that they create a barrier to working because people focus on paying for essentials rather than job preparation, increasing their skills, going to interviews, and even appropriate clothing.¹⁰³

Rates of withdrawal of support payments with a direct link to workforce participation can also act as barriers to employment.

Some welfare measures such as rent assistance are highly dependent on location and can be inadequate in areas of higher labour market growth. Even after the supplement, 40% of recipients experienced housing costs stress in 2014.¹⁰⁴ And 59% of youth were even more likely to experience rental stress, despite the supplement.¹⁰⁵

Evidence of what works

Welfare systems are complex and different countries have adopted very different approaches from higher levels of universal service provision as in northern European nations, to time limited and tightly controlled eligibility programs. Impacts on workforce participation need to be assessed in light of interactions with local labour market and labour laws.

Two recent policy directions from which Australia could learn include:

- In Britain, the distinction between pensions, allowances and student payments has been replaced by Universal Credit, which pays a basic level adequate to cover life's essentials. Additional payments are available to those who need them most. This removes much of the complication and allows basic support for those who are disadvantaged. But it has been criticised for its failure to address the adequacy of the basic payment.¹⁰⁶
- New Zealand has taken an 'investment approach' where funds are intentionally directed to initiatives that will generate the highest returns on investment and a reduction of future costs. While the system is not perfect, and needs to better account for social outcomes as well as economic ones, it puts a burden on services and initiatives to generate positive long-term results.¹⁰⁷

3. ENABLE JOBSEEKERS TO OVERCOME BARRIERS TO FINDING AND REMAINING IN WORK

EMPLOYMENT PATHWAYS MEET AN INDIVIDUAL'S NEEDS

Current landscape

- Many people who are long-term unemployed face non-work barriers preventing them obtaining work, which may include childcare, transport, safe housing, access to social services and financial stress.
- Personal barriers include low self-esteem, poor mental and physical health and drug or alcohol problems, lack of job-ready skills such as work experience, low education levels, no vocational qualifications and lack of knowledge of workplace practices.
- These barriers are often far beyond the capacity of employment services.
- Jobseekers who are at risk of being, or who are, long-term unemployed require upfront, individual and wrap-around support to address these barriers.
- Services provided through the welfare system, including gambling counselling, mental health community supports, alcohol and drug services, can be critical to help jobseekers overcome barriers to work.

Ineffectiveness of current system/service

- The support provided through the employment system is insufficient. The level of assistance for an unemployed person reduces over time when it should increase.¹⁰⁸
- Assessment of individuals and the development of their employment pathway are often inadequate, further marginalising the groups that need the most support.
- Changes to the system mean service providers are incentivised to work with those who are easiest to place and 'park' those who are more difficult to place.
- The jobseeker classification instrument assesses people's need and capacity to work but it is delivered by phone and there is concern about failures to correctly classify jobseekers.¹⁰⁹ An example of this was highlighted when data on the Centrelink homelessness indicator was analysed showing that many people were not identified as homeless and so were incorrectly streamed.¹¹⁰

Evidence of what works

- Different people require different approaches – individualised service provision for those facing multiple barriers is key.
- A review of the Employment Pathway Fund found that intensive upfront investment tailored to need was an effective way to get job outcomes.¹¹¹
- Programs that address barriers to employment have been shown to make people keener to work.¹¹²
- The Industry Employment Initiative has shown that barriers are not immediately apparent but wrap-around support helps individuals as issues arise.
- The Australian actuarial analysis of income support will likely show that a much larger upfront investment, particularly in vulnerable youth, could have a very significant saving to government over time.
- Tailored pre-vocational training that builds realistic expectations of a move into work helps identify barriers. A focus on the individual's capacity to work coupled with the opportunity to access support services ensures the individual has the best chance of success.
- Work experience can be used to further confirm the expectations of the employer and potential employee. A supportive workplace is imperative and giving the jobseeker the real-life experience of working on site gives them the insight and confidence they need.
- A mentoring component has proved valuable. The mentor is designated to support the jobseeker through the program and into employment.
- Post-placement support is also imperative as issues that are difficult for an individual to overcome often do not become apparent until weeks into employment. A mentor, case worker, supportive employer and a network of personal contacts are recommended to ensure success.

STREAT (SVA Venture Philanthropy and Impact Investing)

- **Focus:** This social enterprise in inner Melbourne works to stop youth homelessness. Its cafes, catering unit and coffee roaster provide on-the-job training and generate revenue to give young people a range of supports – help to find stable housing, vocational skills, improved mental health and wellbeing.
- **SVA support:** SVA has partnered with STREAT since 2011 to help them grow their impact; including by providing grant funding and conducting SROI analyses.

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Future Employment Services Consultation
Active Labour Market Assistance Branch
Department of Jobs and Small Business
GPO Box 9880
CANBERRA ACT 2601

10 August 2018

Dear Secretariat,

Submission to the Future Employment Services consultation process

Social Ventures Australia (SVA) welcomes the opportunity to make a submission to the Commonwealth Government Department of Jobs and Small Business' Future Employment Services consultation process.

SVA is a not-for-profit organisation that works with partners to improve the lives of people in need. We focus on keys to overcoming disadvantage in Australia, including great education, sustainable jobs, stable housing and appropriate health, disability and community services.

SVA is not a traditional service delivery organisation. We work at the intersection of the government, social purpose and business sectors. We provide funding, advice on strategy and evaluation, and make investments in partner organisations to significantly increase their social impact.

Our focus in employment over 15 years has been on supporting job seekers who face complex barriers in finding work.

Our submission draws on expertise developed from our partnerships with a wide range of employment-related ventures and initiatives as well as expertise in developing outcomes frameworks for Governments and non-profits as well as pricing outcomes through our social impact investing team.

SVA believes that we must do more to better tailor services to meet complex needs and intensify and personalise services for vulnerable cohorts.

We commend the adoption of user-centred design principles in the development of the review and its insights. We believe that working closely with system users to understand their needs and priorities is likely to produce a system that works better for all involved.

SVA also takes the view that changes in the way Government manages the broader employment system, including how outcomes are set and priced, will change the incentives and capabilities in the system and can have a profound impact on the lives of job seekers.

Our comments fall into three themes, which form the structure of our submission and recommendations:

1. The needs of jobseekers facing complex barriers to employment
2. Meeting the needs of employers
3. System stewardship

We thank you for the opportunity to provide a submission to this important review and welcome the opportunity to further discuss any of the issues raised.

Yours sincerely,

Patrick Flynn
Director, Policy and Advocacy
Social Ventures Australia

Anna Faithfull
Director, Employment
Social Ventures Australia

Response to the Department of Jobs and Small Business' Future Employment Services consultation process

August 2018

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Introduction

SVA is a non-profit organisation that works with partners to improve the lives of people in need. We focus on keys to overcoming disadvantage in Australia, including great education, sustainable jobs, stable housing and appropriate health, disability and community services.

By offering funding, investment, and advice we support our partners to increase their social impact. We work at the intersection of the government, social purpose and business sectors.

Our work in employment has ranged across our three areas of activity: advisory, impact investment and venture philanthropy. Some examples that are particularly relevant to this review include:

- The [Industry Employment Initiative](#): a demand led employment initiative that links a long-term job seeker to a job (initially a pilot by SVA and partners and now a program under Jobs Victoria);
- A range of external ventures or partners organisations focused on supporting young people having a hard time or experiencing disadvantage into study, work or training, such as [BackTrack](#), [SYC's Sticking Together](#), [the Australian Indigenous Mentoring Experience \(AIME\)](#), and [Dismantle](#);
- A range of external ventures focused on supporting specific cohorts into employment including [Ganbina \(First Australians\)](#), [CareerSeekers \(refugees\)](#), and the [High Growth Jobs, Talented Candidates \(people with a disability\)](#) project.
- Pilot programs and policy development on school transitions including the [Beyond the Classroom](#) project with Beacon Foundation and the Foundation for Young Australians; the [Community Schoolyard Project](#) at Rooty Hill and Plumpton High Schools in Western Sydney, and the [Bright Spots Schools Connection](#).
- The provision of specialist consulting advice and support to a range of employment providers in the job services and disability employment sectors
- Support for a range of employment-focussed social enterprises, including [Vanguard Laundry Services](#), [Ability Enterprises](#) and [STREAT](#).

Our approach to supporting employment is outlined in the driver tree shown in Figure 1 overleaf, which is drawn from our [Employment Perspectives Paper](#).

This submission focuses on supporting job seekers who face complex barriers in finding work.

We support the discussion paper's view that *'We must do more to support job seekers who face complex barriers to find work. A future model could redirect more resources to assist job seekers who need help to overcome their barriers and prepare for, and find, jobs that last.'*

SVA believes that we must do more to better tailor services to meet complex needs, and intensify and personalise services for these cohorts as needed while concurrently creating an employment services system which uses evidence to drive a cycle of learning and innovation.

Drivers of better outcomes

SVA believes there is a range of specific conditions and actions that can drive the increased participation of disadvantaged jobseekers. We refer to these as 'drivers' and they are set out in the Driver Tree below.

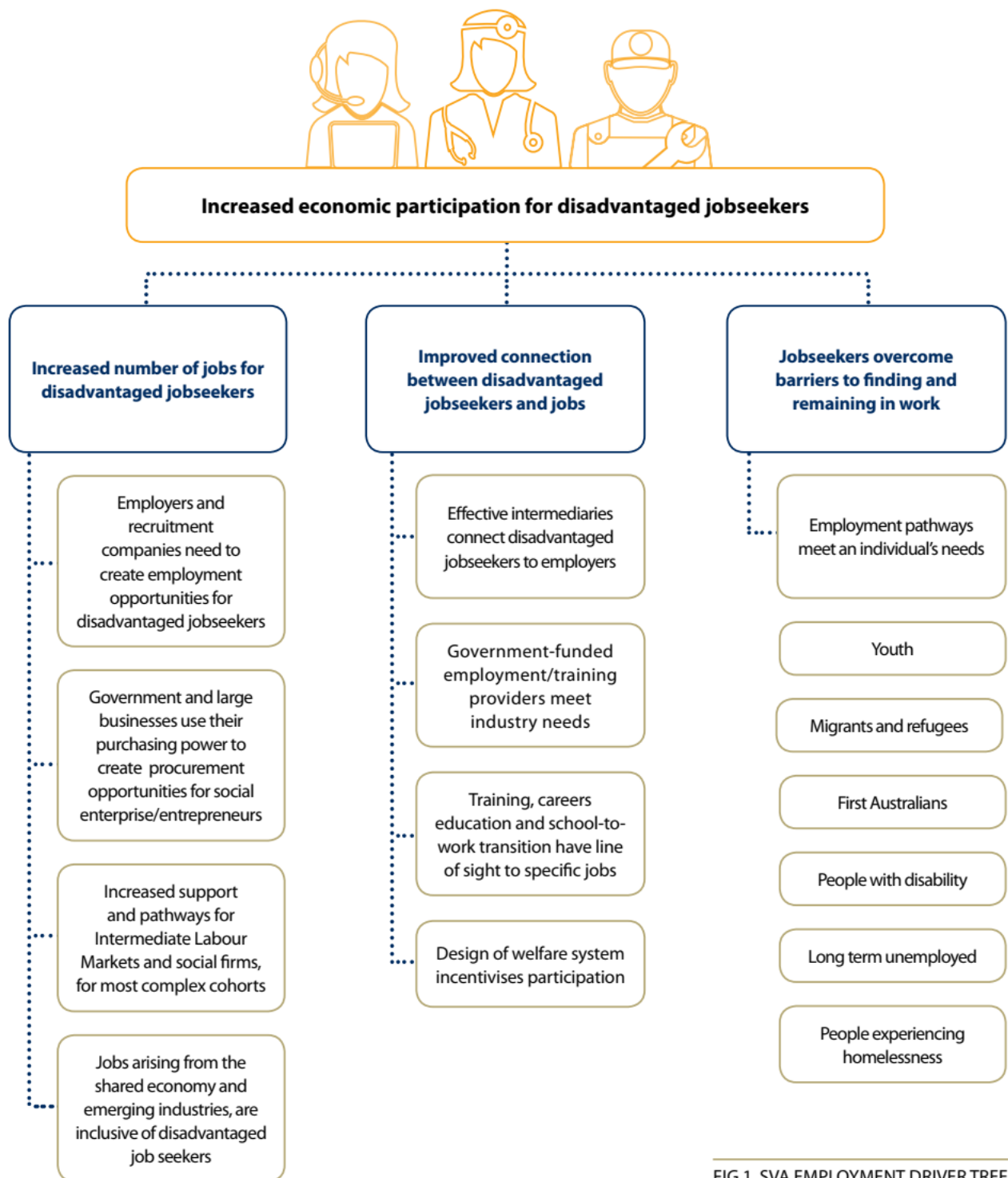


FIG 1. SVA EMPLOYMENT DRIVER TREE

Recommendations

Section 1: The needs of jobseekers facing complex barriers to employment

1. That government considers approaches to support jobseekers to develop the soft skills they will need for sustainable employment outcomes. These could incorporate:
 - Long-term, non time-bound support that can ratchet up or down according to need
 - A focus on the undertaking and achievement of physical tasks
 - A coaching and mentoring component
 - A work experience component to introduce and prepare the job seeker and the employer.
2. That the criteria for programs that can be counted as activation for mutual obligation purposes be broadened to include participating in activities aimed at building soft skills. Job services providers should be incentivised and supported to connect jobseekers lacking soft skills with appropriate programs.
3. That government considers moving towards a 'package' concept tailored to the individual job seeker, in which they can choose a job service provider and work with them to identify the necessary wraparound services and supports they require to become job-ready.

Section 2: Meeting the needs of employers

4. That government considers way to help employers to understand and quantify the benefits of taking on jobseekers experiencing disadvantage, and to develop appropriate support systems. These could incorporate:
 - Providing evidence-based information to employers on the return on investment of diverse recruitment, including tools to help them understand their own recruitment costs.
 - Providing advice to employers on system and cultural changes they can make within their organisation to support diverse employment, such as training for managers and adapted recruitment processes.
 - Support connections between employers and employment services providers at a local, state and national level
 - Supporting job services programs and activities that can integrate well with employers' existing recruitment programs.
 - Supporting the development of employment-focussed social enterprises.

Section 3: System stewardship

5. The Government should consider leveraging the insights gained from outside the the employment portfolio, particularly the Australian Priority Investment Approach, Try Test and Learn and the Social Impact Investing initiatives, to inform the pricing and outcomes metrics used in employment services and drive a faster cycle of innovation. The government should also look at expanding its social procurement policies to support the growth in job opportunities for vulnerable job seekers.
6. The Government should consider commissioning several data linkage projects between the Department of Social Services APIA data and employment services data, to examine targetted cohorts to better understand the most appropraite outcomes proxies for those groups and the pricing of those outcomes.
7. That government considers how it can support the development of a shared understanding of what constitutes 'effectiveness' in job services, and how it can be assessed and benchmarked.
8. That government consider developing and implementing alternative measures of employment outcomes that take into account the complexities faced by disadvantaged job seekers
9. That government in stewarding the employment system seeks to align other systems including education, health, mental health and human services so that gaps in service provision and support are minimised and all parts of the system are collectively working to achieve outcomes for the jobseeker, particularly for complex clients.
10. That government considers how a future employment services system can support the development of culturally appropriate services and programs for First Australians, including via Indigenous-controlled employment services providers and Aboriginal-led initiatives.
11. That reforms to the employment services system, particularly for jobseekers experiencing disadvantage, ensure that job services providers are resourced to build and maintain appropriate workforce capability, including mechanisms for collective capacity-building and professional development.

1. The needs of jobseekers facing complex barriers to employment

SVA commends the discussion paper's focus on the need to deliver better targeted and more tailored services that benefit users. Our work across multiple employment-related initiatives has shown that disadvantaged jobseekers often require more intensive and specific supports to develop the job-ready skills they will require to enter and maintain employment. The supports go beyond those traditionally understood as job services, and together promote the development of the range of soft and hard skills sought by employers.

SVA Venture: The Industry Employment Initiative

The *Industry Employment Initiative* (IEI) is a program designed to test the effectiveness of a demand-led employment model, with a particular focus on sectors of the labour market that are growing and have potential for high numbers of entry level positions. The IEI works with employers, registered training organisations and employment services to connect jobseekers facing disadvantage with sustainable employment opportunities.

The IEI seeks to improve outcomes for job seekers at risk of or experiencing long term unemployment by engaging employers in the design of training and employment pathways. The unique model positions SVA as an intermediary between Jobs Victoria as the funder, Jesuit Social Services as the service provider, and large employer partners with a recruitment need.

The program design seeks to reflect the complexity of the individual. It can provide wrap-around support for job-seekers' disclosed or diagnosed needs, such as homelessness, or drug and alcohol issues. These services go beyond direct employment services and that are tailored for the individual who faces multiple barriers to sustainable employment.

1.1 *Soft skills as a precursor to hard skills and employment outcomes*

A recent World Bank meta-analysis showed that, while employers value technical competence, soft skills such as socio-emotional skills are the most highly valued.¹ Successful transition from long-term unemployment to work requires a set of strong 'human capabilities' or soft skills – the ability to communicate, to regulate, to self-motivate. While these skills that are fundamental to finding and keeping a job, it is these skills that are the often the weakest in the toolkit of the average long-term job-seeker, particularly for job seekers with complex needs.

¹ Cunningham, W., and Villasenor, P., Employer Voices, Employer Demands, and Implications for Public Skills Development Policy Connecting the Labor and Education Sectors (World Bank, Policy Research Working Paper 7582, February 2016).

Soft skills can be further divided into:

- First-order soft skills (sometimes referred to as character qualities,² or emotional intelligence), include resilience and wellbeing, a sense of belonging and identity, mindsets and aspirations, habits and behaviours including the ability to self-regulate.
- Second-order soft skills include critical thinking, creativity, curiosity, communication skills, working with teams, problem solving and planning/organising as well as core literacy, numeracy and digital skills.

Soft skills cannot be developed by providing information; they need cultivation. Ideally, soft skills are developed through family, peers, community and school, and this network of support systems reinforces each other's messages. For those who don't have this web of personal support, have disengaged from education, or face cultural or other barriers, developing soft skills is difficult. Our experience across our employment ventures has shown us that these soft skills cannot just be 'attained'; they must be consolidated and embedded in the job seeker. Furthermore, our experience suggests that attaining first order soft skills enables the learning of second order soft skills and hard, technical skills. There are few services available that support jobseekers to develop these skills, and whilst research exists on how best to learn and attain these skills, there is no agreed evidence on what works and attendant benchmarking on quality of service provision.

Case study: Participating in the IEI

'It's meant I've got a reason to get out of bed every day,' Bill* says. There are many contributing factors to long-term unemployment. Many people have little work experience; they face additional challenges as a result of extended exclusion from the labour market including low self-confidence and limited work skills. Skills and confidence are the keys to employment and both are elements addressed by the IEI. For Bill, the opportunity afforded by the IEI was a job in hospitality, at a Melbourne-based hotel of a global chain.

Bill participated in a three-week bespoke training program co-designed by the employer and the IEI. This program helped build his confidence, taught him industry-based content that was relevant to the role on offer and included a personal presentation and grooming module which ensured that he met the five-star standards of the hotel. It's the first real support, Bill says, that he received during his period of unemployment. His prior experience with job agencies had him doing little more than applying for jobs. 'It's 100% better. I'd rather do (training) than spend a month with no job,' he says. A representative from one of the National IEI employer partners says that the IEI gives companies the confidence to look beyond a candidate's lack of experience.

**The name of the IEI participant has been changed to respect their privacy.*

² New Vision for Education: Fostering Social and Emotional Learning Through Technology, World Economic Forum Report, 2015

Based on our evaluations and observations of our own programs and partner ventures, SVA believes that there are key program design features and characteristics that support the successful attainment and embedding of soft skills. These include:

- Long-term, non-timebound support, with an emphasis on post-employment support and learning
- A focus on the undertaking and achievement of physical tasks
- A coaching and mentoring component
- A work experience component to introduce and prepare the job seeker and the employer.

Under the current system, job services providers have little incentive or support to connect job seeker to these types of skill development activities.

1.2 Long-term, non time-bound support

SVA's IEI program focuses on linking a long-term job seeker to an actual job, and includes technical 'hard skills' training, co-designed with the employer. Along with work experience (discussed further below), it is intended that this will prepare the job seeker to sustain employment. This approach has proved successful for many participants in the initial stages – around two thirds of those who finish work experience are offered a position with an IEI employer. However, the attrition rate for this cohort over the course of *the following* 26 weeks is higher than 50 per cent. Whilst this attrition rate is not unusual when supporting long term job seekers, it suggests a need for ongoing post-employment support to maintain engagement.

The risk of cut-off points in the service delivery system is that it creates further 'job churn' and undermines the early gains.

We continue to investigate the drivers of this attrition, but our hypothesis is that it is driven by multiple factors and that multi-faceted support will be required but the supports will scale up and down over time depending on the needs of the individual so that it may not require the intensity of support needed at earlier stages.

Much of the literature on the skills required for the future of work is not focused on job seekers experiencing disadvantage or displaying at-risk or unique factors. Our work with our venture partners has shown that at-risk or unique cohorts face particular challenges and need personalised support.

We have also observed that the process for attaining and consolidating soft skills is not linear, and successful programs need to be flexible rather than time-bound.

SVA venture partner *BackTrack* uses an approach they call their Circle of Courage. The Circle of Courage focuses on belonging, mastery of self, generosity and independence. Participants seek to build these capabilities before they move onto soft skills. *BackTrack* have seen a number of cases where a young person with complex needs and trauma has mastered their Circle of Courage and is actively engaged in work, but an event at work or in their personal life can trigger a 'wobble', and consequent diminution in these skills or characteristics. They must then refocus their effort on further embedding these skills, even though they have moved on to employment. One of the core principles of *BackTrack* is taking a non-time bound approach and never excluding a participant but responding to their needs.

Similarly, in the *Industry Employment Initiative*, SVA have observed many young people master 'hard', technical skills but be unable to sustain ongoing employment due to anxiety or a lack of confidence in themselves. Programs and funding models that assume a linear progression for these cohorts are unlikely to result in successful employment outcomes for individuals experiencing significant disadvantage.

SVA Venture: *BackTrack*

BackTrack provides youth experiencing disadvantage in regional communities the support, life skills and experience to pursue positive life pathways.

BackTrack is a non-profit, educational and life skills initiative for young people aged 11-19 years old from rural and regional communities who are simply, having a hard time. The program gives vulnerable young people the practical and emotional support needed to stabilise their lives, helping develop self-esteem and skills for work. Almost 9 in 10 young people supported by *BackTrack* move into work, education or training. To date, *BackTrack* has worked with more than 1000 young people.

All *BackTrack* program activities are designed to allow participants to gain a sense of belonging, strong positive identity and the self-belief to pursue their personal aspirations. Effective wrap-around support is provided to participants, which may include accommodation, support through the justice system, mental health support and individualised mentoring.

Most existing services in Australia fail to effectively connect and serve the multiple needs of the most disadvantaged young people. This is sometimes the result of targeted funding for programs with tight eligibility criteria and short-term outcomes measures. *BackTrack* takes a different approach, allowing all individuals to develop at their own pace.

1.3 A focus on the undertaking and achievement of physical tasks

The SVA venture partner *Dismantle* facilitates a developmental mentoring space with youth where the young person can explore self-awareness, identify strengths and feel agency over their future, while learning hard skills in bicycle maintenance.

Dismantle have found that working on the physical task of rebuilding a bicycle facilitates young people to engage and develop soft skills. *Dismantle* is in the process of developing an outcomes measurement framework but has recorded that 90 per cent of first session attendees graduate the ten-week program, which is significant given the high barriers faced by the youth participants.

'Before we talk about education, training or employment, first we need to find out where a young person is, where they want to go and what's going to get them there. We do this using bikes. Dismantle provides young people with enabling support so they can better manage their life in a positive, self-directed way.'

Dismantle, Western Australia

SVA Venture: *Dismantle*

Dismantle supports at-risk young people in Western Australia to achieve their potential.

The social enterprise engages youth aged 12-17 through *BikeRescue*, an outreach program that uses hands-on learning to facilitate engagement, mentoring and transitions to further education and employment pathways.

Dismantle uses the simple bicycle as the vehicle for engaging with young people in a positive and meaningful way and equipping them with transferrable skills for securing long-term education and employment opportunities.

BikeRescue supports young people to improve their social and emotional well-being, while also building transferrable skills. The program creates a developmental mentoring space allowing participants to identify and pursue their life, learning and work goals in self-directed ways. It is run in partnership with youth service providers, ensuring appropriate wrap-around support is available before, during and after the program. Facilitators work with the young people to *Dismantle* and reassemble two bikes each, with the participants earning one to keep themselves and giving one to a local charity.

To date, *Dismantle* has supported over 1,200 young people through over 120 metropolitan and regional WA-based partners.

1.4 *Coaching and mentoring*

Many of our partners, including *AIME* and *SYC*, have seen considerable success using a coaching or mentoring support model for jobseekers. Providing personalised support, either from peers or specialist case workers, can help overcome the gap in social capital and establish the foundations needed to build the soft skills employers require.

SVA Venture: *Australian Indigenous Mentoring Experience (AIME)*

AIME is an educational program that gives Indigenous high school students the skills, opportunities, belief and confidence to complete school and move into further education. By matching Indigenous high school students with university student mentors, *AIME* successfully supports the students to finish high school. *AIME* also connects students with post Year 12 opportunities, including further education and employment.

An independent economic evaluation conducted by KPMG found *AIME* contributed \$38 million to the Australian economy in 2012. For each \$1 spent on the *AIME* program, \$7 in benefits were generated.

SVA Partner: SYC's *Sticking Together* project

SYC's *Sticking Together* project utilises an intensive coaching model to improve the wellbeing, employability skills and goal setting behaviours of participating young people over a 60-week period. The coaching process focusses on non-vocational skills development, and the provision of support to address barriers to employment, such as home, health, or relationship challenges.

The *Sticking Together* program has been piloted in South Australia and Victoria, and is currently being piloted in Queensland. The three pilots collectively work/worked with 190 young people.

SVA and SYC are also developing a Social Impact Bond with the NSW Government based on *Sticking Together*.

The work of *AIME* has shown that coaching and mentoring can support young Indigenous people into employment outcomes. Since the first group of 25 young people in 2005, 25,000 Indigenous high schoolers and 7,000 university student mentors have participated in the *AIME* program. The participants mentored through *AIME* have 'closed the gap' relative to non-Indigenous kids – heading into jobs, training or university at a rate of over 75 per cent for the last six years.

1.5 Work experience

The review notes that work experience should be encouraged to give job seekers insight and exposure to realistic, work-like situation, and that placements would also offer the participant a greater prospect of securing a subsequent job. SVA's experience with the IEI program supports these views.

Access to supported and structured work experience is a core part of the IEI program. The work experience component provides job seekers with:

- exposure to the world of work, workplace learning, personal and professional development;
- the chance to put the new skills they have learned in their classroom training into action;
- an opportunity to trial working in a particular industry and determine whether it aligns with their personal and career aspirations; and
- the opportunity to create a relationship with the employer which may lead to ongoing employment.

It provides employers with an opportunity:

- to support a jobseeker to develop fundamental workplace skills in a real-life structured work environment; and
- with the a chance to determine whether the jobseeker is an appropriate candidate for ongoing employment whilst better understanding their workplace support needs.

The IEI limits the work experience component to two weeks and is sometimes referred to as a work trial, ensuring that candidates are not exploited or seen as free labour. Informal feedback from employers is that that the work experience component is valuable to them in that they can witness first-hand the developmnet of the jobseeker. We have observed that often jobseekers who were shy

and reserved in a classroom setting are able to demonstrate their abilities once given the chance to test their skills in a workplace.

1.6 *Activation activities*

Currently, participating in support programs aimed at developing first order soft skills (such as *AIME* and *Dismantle*) does not generally count as activation for mutual obligation purposes. This is despite the importance of such programs to developing the skills that are precursors to work-readiness. We encourage government to significantly widen the range of activities that can be counted as activation for mutual obligation purposes. This would encourage long-term jobseekers to build skills that will enable employment outcomes, as well as undertaking appropriate job search activities.

Broadening the scope of job-readiness activity in this way would effectively create a secondary market for services that would promote diversity, competition and innovation in service provision. Job services providers would need to be appropriately supported to engage such secondary services; under the current system they have little incentive to do so. There would also need to be appropriate measures to ensure service quality.

Section 1 recommendations

1. That government considers approaches to support jobseekers to develop the soft skills they will need for sustainable employment outcomes. These could incorporate:
 - Long-term, non time-bound support
 - A focus on the undertaking and achievement of physical tasks
 - A coaching and mentoring component
 - A work experience component to introduce and prepare the job seeker and the employer.
2. That the criteria for programs that can be considered as activation for mutual obligation purposes be broadened to include participating in activities aimed at building soft skills. Job services providers should be incentivised and supported to connect jobseekers lacking soft skills with appropriate programs.
3. That government considers moving towards a 'package' concept tailored to the individual job seeker, in which they can choose a job service provider and work with them to identify the necessary wraparound services and supports they require to become job-ready.

2. Meeting the needs of employers

2.1 Mainstream employers

SVA supports the review's commitment to strengthen engagement of employers and job seekers and agrees that a future model of the system must offer employers an 'attractive, value adding service in order to generate repeat business'. SVA strongly believe that the employer is a core 'user' of the employment services system, and that the system must support employers to make employing long-term job seekers part of business-as-usual.

Whilst there is an increased recognition across employers and sectors of the need to recruit a diverse workforce, employers often lack the core skills, infrastructure and workplace culture to ensure long-term jobseekers gain and retain employment. Employers understand the social benefits of a diverse workforce, however lack access to credible analyses of the commercial benefits, particularly in recruiting long-term disadvantaged and complex jobseekers.

Through the *Industry Employment Initiative* and *High Growth Jobs, Talented Candidates* ventures, SVA have worked with medium to large employers from a range of sectors, with a focus on understanding the needs of employers and aligning training and support to job seekers to be able to deliver on those needs. Employers have expressed to SVA the difficulties in establishing appropriate supports within their organisation and in embedding any such programs as business as usual. In the case of the IEI, they have reported that they felt more supported through this program to take on jobseekers experiencing disadvantage.

Employers also lack clear information on the return on recruitment investment of diversity and inclusion. Many employers do not have insight into their current recruitment spend, costs of onboarding, training, churn and other key metrics. Assisting employers in establishing the right systems, processes and culture, alongside the mechanisms to calculate the long-term commercial value will assist in shifting perceptions that employing long-term jobseekers is simply a corporate social responsibility initiative, rather than a commercial imperative.

SVA Venture: *High Growth Jobs, Talented Candidates*

The NSW Department of Family and Community Services (FACS) engaged SVA and the Australian Network on Disability (AND) to build the capacity of employers to employ people with disability through the *High Growth Jobs, Talented Candidates* project.

As part of this project, an online Access and Inclusion Index was developed, and a demand-led job brokerage approach implemented in high job growth industries.

High Growth Jobs, Talented Candidates is a demand-led approach designed to meet the needs of employers by building their disability confidence through expert training provided by AND, while at the same time helping to better prepare candidates with disability for the jobs of the future. The project focuses equally on the needs of employers and candidates, ensuring an effective job match.

The Access and Inclusion Index includes tools and resources to assist employers in building their capabilities to make their businesses accessible and inclusive to customers and employees with disability. These tools and resources are available to all NSW businesses.

As part of the *Industry Employment Initiative*, a key role that SVA has played is connecting employers to long term job seekers and brokering the engagement. For example, one of our partner employers stated in the evaluation of the pilot that they had never used a jobactive provider before, so had never considered long term job seekers as a pool of candidates. Government at all levels, including local government, can do more to connect the employment services system with local and national employers. Whilst SVA has played a pivotal role in creating pathways, we would envision a future where this connectivity is driven by the key participants including employers and employment services providers.

Through the IEI and *High Growth Jobs, Talented Candidates* programs, SVA has tested and iterated approaches to the co-design and delivery of workforce readiness programs with the employer's recruitment and business needs central to the process. Whilst some great successes have been achieved, a number of significant challenges have been faced in navigating internal processes that exist within large organisations or those with alternative approaches to centralised or decentralised recruitment practices. Approaching these challenges with tailored service design and delivery is imperative to achieve sustainable opportunities and impact.

We also note that employers often exhibit a level of resistance, due to being inundated with requests from providers to participate in programs and/or activities. Integrating seamlessly with existing recruitment practices is important for employment services to gain ongoing commitment.

Case study: Participating in the *High Growth Jobs, Talented Candidates* program

The Australian Network on Disability and Max Employment worked with Compass Group to help improve managers' confidence when recruiting and hiring people with disability. Additionally, they adapted the interview process so it was less formal, so candidates like John could have a support person with him. The process saw John attend four days of pre-employment training which gave him a boost in confidence ahead of his first day on the job. 'It feels so good to have an income and not rely on the disability support pension,' John says. 'Compass and Westpac have been good, because they understand. I can be open about my disability.'

**The name of the IEI participant has been changed to respect their privacy.*

2.2 Social enterprises

Another group of employers whose needs should be considered in system design are employment-focussed social enterprises. SVA has partnered with a number of social enterprises that provide training and employment to people who have been excluded from the mainstream labour force. These include:

- *Vanguard Laundry Services*, a social enterprise commercial laundry creating employment opportunities for people previously excluded from the workforce, predominately due to mental

health conditions. The laundry also has an in-house Career Development Centre to support disadvantaged jobseekers into sustainable career opportunities

- *STREAT*, a social enterprise which runs multiple hospitality venues across Melbourne while providing young people experiencing homelessness with supported pathways to employment – including assistance finding stable housing, vocational skills, improved mental health and well-being.
- *Ability Enterprises* is a social enterprise labour hire company responsible for operating 13 waste management sites in the Toowoomba area. They specialise in providing employment opportunities for people who face barriers to employment – like disability or an extended period out of the work force. Employees received skilled training and qualifications, entered stable employment, and reported improved mental health.

Employment-focussed social enterprises are designed to provide some or all of the additional supports mentioned above to jobseekers who would have difficulty accessing mainstream jobs given their current skills and capacities. Some enterprises are designed as a transition experience to the mainstream labour force, others seek to provide long-term employment, and some provide a mix of both depending on the needs of their employees. Any changes to the employment services system should ensure that these employers, and the providers who work with them, do not face disincentives to take on jobseekers.

Case study: Working at Vanguard Laundry Services

James* had applied for numerous jobs, but nobody would hire him. At one point he spent an entire year trying to get hired. When he finally did get a job, it didn't work out because of the workplace's perceptions around mental illness.

Today James has steady employment with Vanguard. It has improved his sense of self. Working in an environment that feels safe has made life just that little bit easier. He's particularly pleased to be following in the footsteps of his father, who also used to work in a laundry.

'I'm proud of Dad for doing what he did, I'm very proud to be able to work in a laundry too,' he says.

Steady employment has made a real, positive impact on James life. He was able to save enough money to make a special trip to Sydney to see his daughter for the first time. While he was nervous, it turned out to be a great weekend and his daughter said it was everything she wanted.

'Working in the laundry suits me down to a tee!' he says.

**The name of the employee has been changed to respect their privacy.*

Section 2 recommendation

4. That government considers approaches to support employers to understand the benefits of taking on jobseekers experiencing disadvantage, and to develop appropriate support systems. These could incorporate:

- Providing evidence-based information to employers on the return on investment of diverse recruitment, including tools to help them understand their own recruitment costs.
- Providing advice to employers on system and cultural changes they can make within their organisation to support diverse employment, such as training for managers and adapted recruitment processes.
- Support connections between employers and employment services providers at a local, state and national level
- Supporting job services programs and activities that can integrate well with employers' existing recruitment programs.
- Supporting the development of employment-focussed social enterprises.

3. System stewardship

SVA believes that in addition to the specific steps to ensure the employment services system meets the needs of users, there is scope for significant improvement in the broader ecosystem's capability and capacity including:

- Leveraging other Government reforms
- Evidence, assessment and benchmarking
- Aligning incentives, desired outcomes and complementary service systems
- Supporting First Australians
- Workforce capacity

3.1 *Leveraging other Government reforms*

Reforms in other areas of Commonwealth policy present significant opportunities to increase the impact of the employment services system and speed up its cycles of innovation. Some thoughtful and modest steps to link these with the employment services reform could create large benefits in the medium to long term.

The Australian Priority Investment Approach (APIA), Social Impact Investing policy (SII), the Try Test and Learn (TTL) fund as well as a range of other social services grants generate insight or data about employment outcomes that could be translated into better practice within the employment services system.

The Australian Priority Investment Approach (APIA)

Through the APIA the Commonwealth has invested in calculating the projected lifetime costs associated with Australians receiving income support. The Government has also run a number of 'cuts' of the data on income support payments for the last 10-15 years to understand the propensity of different groups of people with particular characteristics to remain on income support over time.

The APIA identifies high-risk groups, which can then be targeted for new or additional services.

This analysis will provide much clearer indication of the 'avoided costs' to government of different groups of people moving from welfare into work, and hence the value generated to government by achieving employment outcomes.

The APIA analysis will also lead to a better understanding of what metrics are good indicators of future long-term reliance on income support.

Small cohort level data-linkage projects that bring together the APIA data (currently held by the Australian Institute of Health and Welfare) with employment services data and potentially also tax data, could provide substantial insights into which employment outcomes should be measured over what periods of time and the value of the outcomes created by employment services providers in comparison to other initiatives whether funded by Government or others.

Conducting this exercise for a defined and de-identified cohort (potentially one of the groups already identified through the APIA such as young people with caring responsibilities or through the Social Impact Investing funds such as young people at risk of homelessness) could keep down the cost and provide learnings about how larger scale matching could operate.

Try, Test and Learn (TTL)

Many programs across government are designed to generate positive employment outcomes which could provide insights for employment services. TTL is of particular interest because of its link to the APIA and hence a baseline can be set through the actuarial analysis against which services can be tested.

If a common set of employment outcomes can be established across a range of different programs – including even those whose primary goal is something other than employment, such as a youth homeless service – and the outcomes data tracked, then the Department of Jobs and Small Business would have access to learning from a much wider set of services.

In short, other parts of government could act as the ‘sandbox’ for testing new innovations so that proven innovations are more widely adopted and those things proven not to work are taken off-line.

Employment services have operated on long-term contracts (most recently five years) in order to give confidence to providers to invest. They have also included a significant mutual obligation regime for job seekers and high levels of compliance for providers.

Speeding up the cycle of improvement - by trying new approaches, collecting rigorous evidence on their success or failure, publishing the results so providers can adapt their practices, and adopting and scaling (or discarding if the results are negative) – will ensure the employment services system gets better faster.

Social Impact Investing (SII)

SVA is one of Australia’s foremost proponents of impact investing – making investments to deliver both social and financial returns. SVA pioneered Social Impact Bonds (SIBs) in Australia and as mentioned earlier, is working with SYC and the NSW Government to develop Australia’s first employment SIB.

SIB are a form of outcomes contract, like the employment services system. The additional element of a SIB is that an investor provides working capital to a service provider and takes some of the risk for their ability to meet the agreed outcomes. Investor returns depend on the outcomes achieved, and Governments pay that return from savings generated by avoided costs. For example, if a person with a history of mental illness decrease the amount of time spent in hospital each year, this represents a significant saving to State Governments.

In partnership with Taylor Fry, SVA has also been engaged by the Department of Social Services to develop the outcomes pricing framework that will underpin the Government’s SII projects including the joint SIBs with State Governments. This work is also leveraging the APIA actuarial analysis.

Movement on and off income support payments will be examined as part of each of these projects because it represents the clearest saving to the Commonwealth. The nature of the actuarial analysis also means that propensity to remain on income support will be projected over decades rather than 13 or 26 weeks.

Social Procurement

The Commonwealth plays an important role, through economic policy, in supporting employment growth across the economy to help to keep downward pressure on unemployment and ensure there are sufficient opportunities for vulnerable job seekers. The broader economic levers are not

discussed here, but the Commonwealth Government has also already demonstrated through the implementation of the Indigenous Procurement Principles that it can use *its own* purchasing power to drive employment opportunities for particular groups and foster businesses and social enterprises with a higher-proportion of employees from disadvantaged backgrounds. *Vanguard Laundry* (mentioned earlier) is an example of private sector social procurement, in which a contract with St Vincent's Health is helping to provide financial certainty to the laundry during its expansion. The government could examine opportunities to expand and deepen its social procurement policies to cover other cohorts. It could also consider incentives to encourage other private sector organisations to adopt their own social procurement policies, such as targets in major defence or infrastructure projects.

Section 3.1 Recommendations

5. The Government should consider leveraging the insights gained from outside the the employment portfolio, particularly the Australian Priority Investment Approach, Try Test and Learn and the Social Impact Investing initiatives, to inform the pricing and outcomes metrics used in employment services and drive a faster cycle of innovation. The government should also look at expanding its social procurement policies to support the growth in job opportunities for vulnerable job seekers.

6. The Government should consider commissioning several data linkage projects between the Department of Social Services APIA data and employment services data, to examine targetted cohorts to better understand the most appropaite outcomes proxies for those groups and the pricing of those outcomes.

3.2 *Evidence, assessment and benchmarking*

An ongoing challenge for the employment services system in Australia is the lack of a clear, well-documented evidence base on what constitutes 'effectiveness' in job services. Evidence-based practice is critical for system-wide impact, and investment should be guided by evidence. At present, where project funding calls for 'effective' programs that provide 'value' to a target cohort, neither 'effective' nor 'value' can be defined or quantified.

Similarly, without a clear understanding of effectiveness, it is not possible to assess and benchmark which employment programs and interventions are most likely to achieve success in promoting employment outcomes.

These evidence gaps are particularly acute in understanding a young person with complex needs best learns, consolidates and embeds the soft skills they will need for a successful employment outcome, as is the best way to measure attainment of these skills, and therefore quality and effectiveness of provision.

This exploration of what works and why is particularly important when assisting cohorts of job seekers who do not have the 'social capital' (family, peers or community) or whose 'social capital' is unable to sufficiently model and expose them to the world of work, training and study.

Work to develop common definitions, a method of assessment and bench marking would result in employment programs and interventions being designed using an evidence base with individual activities being able to be assessed against an identified ideal. SVA's experience with *Evidence for Learning* provides an example of a mechanism for generating and sharing evidence about 'what works'.

SVA Venture: *Evidence for Learning*

[*Evidence for Learning* \(E4L\)](#) seeks to help great practice to become common practice in education by building, sharing and supporting the use of evidence about 'what works' to lift learning outcomes.

E4L is actively sharing evidence about effective approaches in education by providing free, online summaries of global evidence through the Teaching & Learning Toolkit. It also supports the creation of new rigorous evidence via randomised controlled trials of programs in schools through its Learning Impact Fund. In order to drive the use of evidence, E4L is supporting schools to use evidence in their professional decision-making through the development of Australian practice guides and events like the Evidence Exchange.

SVA is currently in the early stages of developing a philanthropically-funded initiative, *Foundations for Impact*, that will seek to consolidate and disseminate the evidence base about 'what works' to improve employment outcomes. This initiative, along with related work by others in the sector such as the Brotherhood of St Lawrence's Youth Employment Body, will support the sector to develop appropriate pathways and packages of support for jobseekers.

Section 3.2 Recommendation

7. That government considers how it can support the development of a shared understanding of what constitutes 'effectiveness' in job services, and how it can be assessed and benchmarked.

3.3 *Aligning incentives, desired outcomes, and complementary service systems*

The discussion paper articulates the key goal of the employment services system as to "help as many job seekers as possible to find and stay in work".

SVA believes that to achieve this goal in a sustainable way, the system must also aim to help job seekers to:

- Be prepared for life-long learning, working and transitions;
- Be 'work ready' including attainment and embedding of soft and hard skills.

However, the system as currently designed does not incentivise or support the parties involved (including job seekers, employers, job services providers and their workforce, and other support

providers) to achieve these goals. This is in part because the system is based on a narrow conception of what constitutes a positive outcome.

Under the Jobs Victoria contract, the *Industry Employment Initiative* is contracted to deliver 26 weeks of sustained employment as an outcome. As described in Section 1 of this submission, this does not take count of the complex needs of many disadvantaged job seekers, and does not reflect positive outcomes such as the attainment and embedding of soft and hard skills; the impact of any ‘wobbles’ that occur as the job seeker embeds skills, as well as the ability to sustain ongoing employment in order to achieve economic security i.e. beyond 26 weeks and more than 12 hours of employment a week.

Instead, we would advocate for an approach where other outcomes are measured and that alternative measures of employment outcomes, such as cumulative weeks of employment over a twelve-month period. This kind of analysis will become increasingly similar with better use of Government administrative data rather than relying on the service provider to collect the data. Using these kinds of metrics will also better reflect the experience of people moving in and out of work or taking part-time or seasonal work and help understand strong and weak attachment to the labour force.

For a job seeker with complex needs, the trajectory from engagement, changing of habits and behaviours, learning and consolidation of skills, testing and embedding skills as well as managing complex needs, might be best measured over a period closer to 60 weeks. This view is based on the work of SYC’s *Sticking Together* project, discussed in Section 1 above.

Our early indications from both *Sticking Together* and the data analysis accompanying this and other projects suggests that this may also be a better marker of decreased risk of long-term reliance on income support rather than a 13 or 26 week outcome.

Achieving outcomes also requires the alignment of activity, tools and incentives across the full scope of a service, from an outcomes contract through to the customer experience. This can be challenging when multiple systems, parties and providers are involved, each of which has its own incentives, processes and culture.

Our experience suggests that the incentives in an outcomes contract need to flow through from the lead contractor to sub-contractors and to frontline staff. All parts of the system need to be equipped to be able to deliver on the outcome:

- A job seeker needs appropriate support including ongoing post-employment training and support to perform well in a job and sustain employment;
- A job services employment practitioner needs to be adequately trained to understand complex needs in order to identify the right supports for the jobseeker; and
- A job services provider needs to be appropriately resourced to take the time and focus required to achieve the desired long-term outcome, rather than focussing on short-term metrics.

Better analysis of adjacent service systems such as mental health, justice and homelessness services and their impact on employment as well as improved referral pathways for groups with complex or multiple barriers to work is also essential.

Some steps have already been taken by Government to common outcomes metrics across different forms of human services. SVA developed a ‘whole of human services outcomes framework’ for the

NSW Government Department of Finance, in consultation with Depts of Health, Education, Family and Community Services and other stakeholders.

A common human services outcomes framework could help to align disparate Government programs that impact on employment outcomes.

Section 3.3 recommendations

8. That government consider developing and implementing alternative measures of employment outcomes that take into account the complexities faced by disadvantaged job seekers.

9. That government in stewarding the employment system seeks to align other systems including education, health, mental health and human services so that gaps in service provision and support are minimised and all parts of the system are collectively working to achieve outcomes for the jobseeker, particularly for complex clients.

3.4 *Supporting First Australians*

Our experience working with at-risk cohorts of jobseekers has demonstrated the importance of services and programs that are culturally appropriate. Our partners such as AIME (described above) and *Ganbina* have seen considerable success in supporting young First Australians to transition into employment or further education by providing culturally relevant programs.

We would also like to see a future employment services system consider how it can encourage the development of Indigenous-controlled employment services providers and Aboriginal-led initiatives. Not only are these services well-positioned to provide culturally appropriate services, but they also support the development of a vibrant First Australians economy.

SVA Venture: *Ganbina*

Ganbina undertakes a place-based approach focusing on helping young people in Shepparton, Victoria. The highly practical approach emphasises partnerships with the local community, including teachers, families and local employers. *Ganbina's* suite of intensive programs helps individuals to reach their full potential in education, training and employment.

Ganbina's Jobs4U2 program is the most successful school to work transition program in Australia, with a minimum of 80 per cent of all young people who enrol each year completing their full course activities. The program enables young people to unlock their career and life opportunities, with the focus on being the very best they can be. The elements of the program are Jobs Education, Jobs Training, Jobs Employment, Scholarships, Leadership Training, Driver Skills Program and the Youth Achievement Awards.

Section 3.4 recommendation

10. That government considers how a future employment services system can support the development of culturally appropriate services and programs for First Australians, including via Indigenous-controlled employment services providers and Aboriginal-led initiatives.

3.5 Workforce capability

The discussion paper notes that to effectively assist people experiencing complex disadvantage, employment service providers will need to deliver more intensive and responsive packages of services. Our observation, which is also reflected in the experience of other stakeholders we have consulted, is that this will require a standard of workforce expertise and capability that is not currently widespread.

Employment support workers across job services and related program have highly varying skills and capabilities. Those ventures that work in a holistic, wrap-around approach with job seekers with complex needs have found that they require staff with a mix of expertise and capabilities to be effective.

For a future employment services system to deliver on expectations of improved outcomes for the most vulnerable groups, there will need to be an increase in capability and capacity across the profession. Practitioners need training and development to apply integrated practice including the ability to understand complex needs, appropriate referral pathways and follow-up and support.

SVA has some experience in raising the capability of a diverse profession through our work with teachers and school leaders via two education ventures:

- *Evidence for Learning*, mentioned above, seeks to help great practice to become common practice in education by building, sharing and supporting the use of evidence about ‘what works’ to lift learning outcomes.
- The *Bright Spots Schools Connection* supports exceptional school leaders in disadvantaged schools to improve the outcomes of their students by building a network and community of exceptional educators.

While there are many differences between the job services practitioner and teaching workforces, there may be useful lessons to draw about how to build workforce capability, including mechanisms for collective capacity-building with a focus on improving outcomes.

Section 3.5 recommendation

11. That reforms to the employment services system, particularly for jobseekers experiencing disadvantage, should ensure that job services providers are resourced to build and maintain appropriate workforce capability, including mechanisms for collective capacity-building and professional development.

Fundamental principles for youth employment

Social Ventures Australia

February 2016

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Executive summary

Why did SVA produce this report?

Youth unemployment continues to be a persistent problem globally and locally, reaching as high as 22.4 per cent in some Australian communities (Far west & Orana, North west outback NSW: ABS, April 2015). There are a multitude of causes for this sustained growth in youth unemployment, including a non-buoyant labour market for young people post Global Financial Crisis (GFC), a downturn in the number of entry level positions and apprenticeships available, the casualisation of the workforce and the reality that older employees are not transitioning to retirement at the same rate as pre-GFC.

While this impacts all young job seekers, unsurprisingly the impact is felt the greatest by those young people considered at risk of or already experiencing long-term unemployment.

Since we were established in 2002, Social Ventures Australia (SVA) has been committed to understanding the root causes of and effective interventions for tackling unemployment. Underpinning our work is a commitment to using evidence to drive systemic change. More recently we have focused our attention on seeking the most effective prevention and intervention approaches in supporting young people experiencing long-term unemployment into sustainable employment. This report is the product of a national and international research project into the fundamental principles that underpin successful programs and initiatives supporting young people into sustainable employment.

The research concentrated on identifying the approaches that were most successful at moving long-term unemployed young people (those who have been out of employment for 12 months or more) back into employment. This cohort was chosen as the primary focus of the research because extended periods outside of the workforce when young can result in entrenched unemployment over the course of a person's life leading to a cycle of disadvantage. Importantly, the fundamental principles of what works for this cohort will ultimately be the same principles that work for all young people at risk of or experiencing unemployment.

What approach was used to develop the report and key findings?

This report and Principles Framework were developed following:

- A review of over 200 research reports, journal and media articles
- Analysis of Australian Bureau of Statistics (ABS), Longitudinal Surveys of Australian Youth (LSAY), International Labour Organisation (ILO) and Organisation for Economic Co-operation and Development (OECD) data
- Consultation with representatives working in youth unemployment from government, business, education, academia, social purpose organisations and philanthropy
- A scan of global and Australian organisations and programs to uncover examples of what is most effective in supporting 15-24 year old young people into sustainable work.

The research uncovered an understanding of the underlying causes, interrelated players, risk factors and personal and economic costs of a young person falling into long term unemployment. The international scan offers lessons from global efforts taken by governments and the social sector to tackle youth unemployment.

The Principles Framework

The report identifies ten fundamental principles which are essential to effectively support young people into employment. These are detailed in the Principles Framework, and can be broadly split into two key categories:

- **Personal: Young people are ready to work:** the capabilities and experiences a young person needs to develop to gain and retain meaningful employment
- **Community infrastructure: Collaboration to deliver employment solutions for young people:** the components of a healthy ecosystem required to support the successful transitions into employment.

Personal: Young people are ready to work				
Identity	Building aspirations	Literacy and numeracy capability	Employability skills	Careers management
Community infrastructure: Collaboration to deliver employment solutions for young people				
Business partnerships	Early intervention	Personalised support	Alternative employment pathways	Financial support

Unemployment is not experienced equally by all young people. At-risk cohorts including young people with a disability, First Australians, those with caring responsibilities, young people from low socio-economic communities and those without Year 12 attainment are more likely to experience unemployment and for longer periods of time than their peers. Further, many disadvantaged young people experience individual barriers to employment, such as drug and alcohol abuse, unstable housing or limited access to education or transport, that compound their risk of unemployment.

To ensure that these at-risk young people are not stuck in a cycle of unemployment and disadvantage it is crucial to provide them with tailored support that takes into account the range of barriers they may be experiencing.

The Principles Framework outlines the key components of successful initiatives and is designed to provide a guide to organisations looking to support young people into sustainable employment. The ten principles can be used in any combination depending on the young person's needs and the complexity of the barriers they face. The case studies and included Appendices provide real examples of how these principles are used by programs and organisations that are successful in supporting long-term unemployed young people to secure sustainable employment.

Recommendations for practical application of findings

Throughout the report we have tried to understand the causes and impacts of unemployment on young people so that we are better able to identify critical program elements that are most effective at delivering real employment outcomes for this cohort. We hope that this research will ultimately enable better design and investment decisions of youth employment programs, and provide a more transparent and consistent measurement and evaluation standard for existing programs.

The report can be used by service delivery organisations, employers, education providers and government to design, understand and evaluate the impact of their programs. The Principles Framework outlines the critical components of successful initiatives, indicates which outcomes to measure and helps an organisation consider how an activity contributes to the overall objective of preparing young people, particularly those already experiencing long-term unemployment, for employment.

Philanthropy, business and government can use the Principles Framework to guide investment decisions in employment programs with strong measurement. Social purpose organisations and employment services can use the Principles Framework to influence the design and evaluation of employment programs. (Appendix 1 – Recommended Stakeholder Activities).

The persistence of youth unemployment: Understanding the causes and context of the issue

While youth unemployment is not a new issue, a number of factors including the stubborn rate of youth unemployment, the changing nature of the world of work and the growing skills deficit make it a matter of priority to be addressed and owned by all sectors. Through understanding the causes and context of youth unemployment, stakeholders will be able to make more informed resourcing decisions and more effectively design solutions or programs to tackle the issue.

Situational analysis

Youth unemployment is a worldwide problem, with the International Labour Organisation (ILO) estimating that 74.5 million young people are unemployed globally (ILO, 2014). In a recent survey of OECD countries, 39 million young people were found to be not in education, employment or training (NEET) (Turbot, 2015).

With a youth unemployment rate of 13.4 per cent (282,398 young people, ABS, May 2015) Australia fares slightly better than many OECD countries, where the average rate of youth unemployment sits at 16.2 per cent and is as high as 58.4 per cent in countries in the Middle East, North Africa, Southern Europe and the Caribbean (ILO, 2014).

In Australia immediately prior to the 2008 GFC, a young person spent an average of 13 weeks looking for work and less than 20 per cent of this group were classified as long-term unemployed. By February 2014 this had increased to an average of 29 weeks spent looking for work (ABS, 2014), and over 55 per cent were classified as long-term unemployed. Many of these young people spent up to 52 weeks looking for employment, more than triple the amount prior to 2008 (Borland, 2014).

The rising youth unemployment rate has coincided with a growing trend of underemployment. In the February 2015 quarter, the number of young people in work who wished to be working more hours hit a record high of 17.3 per cent. This rate has continued in June 2015 (ABS, June 2015).

The increase in underemployment is attributable to the growth in part-time employment over the last decade, outstripping the number of full-time jobs created during the same period (Jericho, June 2015). The underemployment rate has risen 6.3 percentage points from 11 per cent in February 2008 to 17.3 per cent in June 2015 (ABS, June 2015).

The experience of unemployment hurts a young person's financial and psychological well-being, with the length of time spent unemployed critically influencing their future prospects of securing employment (BSL, On the Treadmill, 2014). The steady increase in the youth unemployment rate over previous years can be attributed to slower economic growth (Borland, 2014), which typically impacts young people first and for the longest duration.

High youth unemployment, long-term unemployment and underemployment are also symptoms of structural changes happening in the Australian economy, including a move towards casualisation of the labour market, a reduction in development and training budgets, an aging workforce, and a greater demand for higher skilled positions (Brookings, 2014).

Since the financial crisis of 2008, governments, business and the social sector around the world have focused on identifying solutions to create sustainable employment opportunities for young people (Djernaes, 2013). Responses have varied in focus, speed, size of investment and success, due to differences in both local situations, and agreement on the causes of and effective remedies to persistent youth unemployment.

These initiatives can be categorised into five trends:

Fiscal investment and reform of employment policy to create jobs	<ul style="list-style-type: none"> Financial investment by government to stimulate domestic economic growth Lower business taxes Wage and training subsidies to increase business competitiveness Flexible employment contracts and employment conditions
Incentives to work and study (Appendix 2 – Payment for success; Social Impact Bonds)	<ul style="list-style-type: none"> Increased waiting times before access to unemployment assistance is available Reduced amount of unemployment assistance Income tax exemptions for working young people Unemployment assistance while studying
Strengthen education and training experience	<ul style="list-style-type: none"> Improved teaching and retention of basic literacy and numeracy programs Greater encouragement to complete secondary schooling Greater support to complete vocational education and training Literacy and numeracy testing for all young people accessing welfare assistance, combined with corresponding individualised training
Co-ordinated effort (Appendix 3 – A co-ordinated approach; Industry Employment Initiative)	<ul style="list-style-type: none"> Strengthened efforts to coordinate services within the employment, education and social sectors to offer more effective support for young unemployed people Strengthened links between education and business to improve young people's access to employment Academic school-based vocational training and apprenticeships Access to two year demand-led employment transition programs for young unemployed people Improved employment services
Improve job readiness	<ul style="list-style-type: none"> Encourage and motivate young people to want to work through employer focused training Equip young people with the health, well-being and life skills to be work ready Ensure unemployed young people maintain contact with the labour market

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- Develop employability skills to be job ready when labour market recovers
 - Offer tailored and individualised approaches
 - Intensive approaches to keep the duration of unemployment under three months
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Structural, societal and personal drivers impact youth unemployment

There are a number of structural, societal and personal drivers that contribute to a young person gaining and sustaining a job. Structurally, the number of appropriate and accessible job vacancies is the most critical factor influencing the number of unemployed young people and the length of time they spend unemployed (Muir, Powell and Butler, 2015).

From a societal perspective, the community in which a young person lives delivers the support required in the form of educational institutions, community organisations and services that assist a young person in transitioning from education to employment.

On the personal side a young person's identity, aspirations, motivations, skills and capabilities impact their competitiveness and drive to compete in the labour market.

These three drivers are equally important in enabling youth employment, and are absolutely reliant on one another.

Structural

Now more than six years on from the GFC, the recession has been felt by young people more deeply and for longer periods than during previous economic downturns. The impact has also been greater on young people than on other segments of Australia's population as evidenced by the overall employment rate recovering within two years of the GFC (BSL, March 2015).

Historically, efforts by government to decrease the number of unemployed young people focused on increasing the number of jobs available through macroeconomic activities, such as interest rate rises or major public works spending (Borland, 2014). This is currently not happening to the same extent as during previous downturns.

In May 2015 there were 155,700 listed job vacancies available for the 644,534 young people who were experiencing unemployment or underemployment (282,398 and 362,136 young people respectively); and this is in addition to the 1.4 million people over the age of 24 who were also looking for work (ABS, June 2015).

The severity of the impact for young people is due to a reduction in the actual number of job opportunities available to them. This can be attributed to a slowdown in hiring within industries with typical concentrations of young workers, such as retail, manufacturing and construction, and a growing likelihood for employers to recruit at higher skill and educational attainment levels than possessed by many young people (Borland, 2014).

Furthermore, many low skilled, entry level jobs previously available in Australia are now being offshored. In the past 12 months major employers including ANZ, Telstra, Visy, Brambles, Perpetual, AGL, Transfield, QBE and WorleyParsons announced relocations of back-office, call-centre and technical jobs to countries such as the Philippines and India (Kitney, 2015).

In order to curb rising youth unemployment, the priority for Government needs to be towards policies and programs that stimulate economic growth and create jobs with opportunities linked to training and which provide a pathway to a permanent job (Borland, 2014). In addition, fostering a culture of entrepreneurship that gives young people the skills to create their own job opportunities as business operators or social entrepreneurs will have a positive impact on youth unemployment rates (Headley & Moffatt, 2015).

Societal

Increasing the number of jobs available for young people is only one part of the puzzle in tackling youth unemployment. Another critical component is ensuring young people are ready to take and keep these opportunities.

There are a number of societal drivers affecting a young person's readiness to enter employment. These include the structure of the Australian education system, limitations of the Australian employment services system, educational achievement and individual risk factors (dandolopartners, 2014). In addition, some young people have significant barriers which require effective investment and support in order to gain the basic capabilities that will enable them to secure and retain employment.

Despite rising youth unemployment, many employers are unable to fill entry-level vacancies due to a lack of skilled candidates. A recent report by McKinsey showed that while 72 per cent of education providers believed young people were graduating well-equipped for the workforce, only 44 per cent of employers felt the same way. Furthermore, less than half of young people themselves believe that they are ready for the workforce upon graduating (Mourshed, Farrell and Barton, 2012).

The Australian education system provides little opportunity for careers learning or work exposure while at school, and there is limited engagement between business and young people. Jonas Prising, Global CEO of Manpower, has argued "collaboration between government, industry and educators" is key to creating the "agile, flexible and more productive workforce" that Australia needs to reduce youth unemployment and meet its skills gaps. A more engaged business and education model would provide young people with universal and meaningful exposure to the world of work, including work experience opportunities, and relevant training and education that has a direct line of sight to employment (Kitney, 2014).

Further, as the labour market evolves a workforce based on industry needs becomes more critical to economic growth. Employers often cite a lack of available or suitable applicants as the primary reason for not being able to fill vacancies, followed by a lack of experience and technical competencies (Manpower, 2014).

Australia's employment system needs to become more collaborative and flexible in order to support young people into employment. The system's current "high volume, low margin" nature means it is not equipped to tailor services to suit the individual needs of young job seekers who are particularly disadvantaged in the labour market (Fowkes, 2011).

The lack of collaboration between education providers, employment services agencies and employers means that large numbers of entry-level jobs and career paths are inaccessible for disadvantaged job seekers. For example, only 7 per cent of employers use Government funded employment service providers to recruit staff (DEEWR, 2012), reporting it difficult to navigate as it was too localised, bureaucratic and fragmented.

To work effectively for all Australians, the employment system must understand industry needs and broker relationships with employers, which would enable them to provide or advise on the skills, training and career pathways required that lead to real, available jobs. (Appendix 4 – Integrated school-based apprenticeships, vocational education and training; St Patricks Technical College)

Personal

Ensuring that a young person is equipped with the right skills to complete their schooling, access further education or training, or gain employment is critical to ensuring a successful school to work transition for all young people.

To successfully navigate this transition and withstand the inevitable challenges that they face as they mature, young people need to be equipped with a base level of resilience. It is even more important for a young person with complex barriers to acquire resilience, as the challenges they experience throughout their life and as they enter the workforce are likely to be exacerbated.

It is critical for young people to develop a strong sense of their personal identity early on, and to be encouraged to build aspirations about their future. Coupled with foundational employability skills and careers exposure, this will place all young people in a healthy position for a productive future.

For those young people with complex barriers it is even more important to focus on these foundational skills as they may not be actively encouraged or modelled by immediate family members and networks, and as such harder to access and develop. These young people will require additional, tailored support as soon as any barriers are identified to provide them with the best possible chance of a smooth transition into employment.

There are many ways that a young person can fall through the cracks. We need to have conversations and walk alongside them and point them towards basic training options. This does not necessarily mean pointing them in a linear direction, but showing them the options available to them. (Catherine Yeomans, SVA Employment Dialogue Communique, 2014)

Much can be done to support a young person to build their personal capabilities and overcome their individual circumstances to be job ready. Efforts in this area will create a pool of people ready to live up to their potential however it will not create jobs for them to move into.

Financial implications of youth unemployment

The impact of youth unemployment on the Australian economy is felt deeply in foregone tax, reduced productivity, high welfare spend, cost of churn through ineffective services and increased demand on health, justice and community services. These costs have a compounding effect as children born into families with at least one unemployed parent have a higher chance of being welfare dependent as they move into adulthood, creating cycles of youth unemployment across generations. The loss of foregone tax revenue alone adds up to \$3.15 billion annually (FYA, 2014).

There is also a significant cost of churn associated with young people moving through ineffective employment programs. According to the Commonwealth Auditor General, only 40-50 per cent of job seekers who used the then Job Services Australia (JSA) system in 2012-2013 moved into employment (ANAO Audit Report No.37 2013–14).

An actuarial approach to calculating welfare costs undertaken by the New Zealand Government, found 79 per cent of New Zealand's welfare liability is attributable to individuals who entered the welfare system before the age of 20 (Taylor Fry & Associates, 2013). This research highlights the potential accumulated savings to government over an individual's life span if you can break the cycle of unemployment prior to entering adulthood. The cost of welfare compounds over time, due to a reliance on pension payments from an individuals' inability to self-fund retirement via superannuation payments accrued through a working life.

Research completed in the UK in 2008 demonstrates that when taking into consideration the estimated cost of foregone income, tax revenue and welfare payments the long-term cost of unemployment is an estimated 1 per cent of GDP. In Australia this would be approximately \$15 billion of savings (Blanden, Hansen and Machin: 2008).

The 2015 Intergenerational Report estimates that in 2055 the working age population will have halved from the 4.5 people per person today to 2.7 people per person over the age of 65, largely due to Australians living longer and healthier lives. Higher workforce participation by young people will grow the tax base and reduce welfare costs which will be essential to reducing future budget constraints. To achieve this, Government needs to increase the supply of suitable jobs available to young people (Australian Government, 2015).

Who is most impacted by youth unemployment?

Unemployment is not experienced equally by all young people. There are a number of at-risk cohorts who are more likely to experience unemployment and for longer periods than their peers, as well as be more negatively impacted as a result of the experience over time.

The cohorts classified as at-risk in Australia are young people with a disability, First Australians, those with caring responsibilities, young people from low socio-economic families and those without Year 12 attainment. At-risk young people who also exhibit individual barriers have a significantly lower chance of completing their education and transitioning to employment without the aid of additional supports. Individual barriers can range from risky behaviour (drug and alcohol abuse or criminal behaviour) or a family background of joblessness, to unstable housing or limited access to education or transport. These barriers are often interrelated and compound the risk of a young person experiencing long-term unemployment.

Insights into at-risk groups

Disability (Appendix 5 – Building employer connections; Ticket to Work)

In 2009, almost two thirds of Australian young people with a disability were not fully engaged in work or study, with 68 per cent neither studying nor working part time (ABS, 2012).

First Australians

During 2012-2013, only 47.5 per cent of Aboriginal and Torres Strait Islander peoples aged 15-64 were employed, a 28.1 percentage difference from the overall population (Closing the Gap, Prime Minister and Cabinet, 2015)

Caring responsibilities

In September 2013, two thirds of young people aged 15-24 (130,000) who were not in the labour force or education were young women engaged in child-care or other home duties (NESA, 2014)

Low socio-economic status

Young people living in social housing are twice as likely to be unemployed compared to young people in the general population (Productivity Commission 2013)

Low educational attainment

Not completing Year 12 or attaining a post-secondary qualification increases the risk by four times that the young person will not make a successful transition into full-time employment (Deloitte, 2012). For students with low reading levels at age 15, only 68.5 per cent go on to complete Year 12 (NCVER, 2014)

Discrimination and misunderstanding can be the biggest barriers for young people with complicated personal circumstances in finding and retaining employment. Successful programs incorporate employer education and training components which build the employer's understanding and awareness of a particular young person's needs. In the case of young people who are experiencing long-term unemployment, programs that take into account individual circumstances have a higher likelihood of success than those that provide a generic solution.

Caring responsibilities, including pregnancy and single parenthood, are another significant risk factor, three times increasing a person's likelihood of being out of employment, education or training for six months or longer (ACEVO, 2012). Young First Australians are more likely than their non-Indigenous peers to hold caring responsibilities in their family and community, which may prevent studying away from home or committing to full-time study (Black, Morton, Plowwright, Roy and Webb, 2015). Successful employment of a young person with caring responsibilities may involve offering child care or flexible working hours.

First Australians and young people with a disability often experience high rates of early school leaving and low rates of completing qualifications above Certificate II level which adds to their likelihood of experiencing unemployment. A 2009 Survey of Disability, Ageing and Carers found only 38 per cent of young people with a disability aged 18-24 years had completed Year 12 (ABS, 2012). To further add to this, Australia's workforce participation rate for people with a disability is below the OECD average (ranked 21 out of 29 countries), and this rate is declining (PwC, 2011, p15).

In 2012-2013 only 59 per cent of First Australian students completed Year 12 (Review of Government Service Provision, 2014) and only 26 per cent completed a post school qualification (AIHW, 2013). However, if a First Australian successfully completes their schooling and achieves tertiary qualifications they are employed at a rate largely on par with the overall Australian population with graduate degrees (Australian Government, Australian Institute of Health and Welfare, Institute of Family Studies – Closing the Gap). Improving access to and support while in education is essential to ensuring that First Australians transition to employment at the same rate as the overall Australian population.

In addition to lower levels of education, First Australians are more likely to experience a number of other complex barriers, including poor health outcomes, difficulties with English, unstable and inadequate housing, involvement with the criminal justice system and more restricted access to broad employer networks. They may also experience racial discrimination and negative perceptions by employers (Australian Government, Australian Institute of Health and Welfare, Institute of Family Studies – Closing the Gap).

Tailored support that takes into account individual needs is critical to building the capability of at-risk young people to access employment. Ideally support would begin while a young person is still at school, with intervention immediate and tailored, rather being reactionary and only taking effect once they are experiencing sustained unemployment.

The Principles Framework

We know that a growing number of Australian youth are at risk of being locked out of stable, on-going employment. The experience of unemployment hurts a young person's financial and psychological well-being, and these consequences intensify the longer a young person is unemployed. Early and sustained experiences of time outside the labour market can lead to a young person being permanently excluded from employment, or a lifetime of reduced wages resulting in a "wage scarring effect" (Djernaes, 2013).

Further, long-term unemployment negatively impacts all aspects of a young person's welfare, including income, employability, social participation, confidence, mental health and housing stability. In some cases it can result in a breakdown of family and relationships and create intergenerational cycles of poverty and joblessness (Muir, Powell and Butler, 2015).

At-risk cohorts and young people with individual barriers are significantly more likely to experience long-term unemployment which can set them up for a lifetime of disadvantage. In order to prevent entrenched unemployment and disadvantage for these vulnerable cohorts it is necessary to understand what works when supporting unemployed young people into sustainable employment.

The Principles Framework has been designed with long-term unemployed young people aged 15-24 front of mind, with the research concentrated on uncovering efforts that are most successful at moving young people who have been out of employment for 12 months or longer back into employment.

Importantly, the core fundamental principles are universal and not specific to this cohort. An analysis of effective national and international employment programs revealed themes and core components that were consistent throughout. These fundamental principles were also proven effective across many different at-risk groups and for those experiencing complex barriers.

Putting the Framework to work

The Principles Framework can be used by social purpose organisations, employers, education providers and government to design, understand and evaluate the impact of their programs. The Principles Framework outlines the critical components of successful initiatives, indicates which outcomes to measure and helps an organisation consider how an activity contributes to the overall objective of preparing young people, and those experiencing long-term unemployment, for employment. A shared measurement and evaluation framework would assist in accurately measuring the impact of programs. (Appendix 6 – Shared measurement and evaluation framework – New Philanthropy Capital)

Philanthropy, business and government can use the Principles Framework to guide investment decisions in employment programs. Social purpose organisations and employment services can use the Principles Framework to influence the design and evaluation of employment programs.

The Principles Framework is presented in two parts:

- **Personal:** the capabilities and experiences a young person needs to develop to gain and retain meaningful employment
- **Community infrastructure:** the components of a healthy ecosystem required to support the successful transitions into employment.

The Personal Principles focus on the necessary attributes a young person must have to be ready for employment. These principles have been ordered by the point in the young person's life when they first start to develop.

The Community Infrastructure Principles act as a guide for what needs to happen in the Australian community and by its institutions (business, education, employment, government and social purpose) to systemically support young people into work. These principles have been ordered beginning with universal support (business partnerships), progressing to more intensive approaches targeted to those most in need.

Unlike the Personal Principles, these are not co-dependent but become more relevant based on an individual's life stage and the complexity of the barriers the young person is facing. Each demonstrates the scaffold supports most effective in supporting a young person who is experiencing long-term unemployment into sustainable work.

The Personal and Community Infrastructure Principles build on one another and are relevant across a person's entire life.

Personal: Young people are ready to work

Identity	Building aspirations	Literacy and numeracy capability	Employability skills	Careers management
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Community infrastructure: Collaboration to deliver employment solutions for young people

Business partnerships	Early intervention	Personalised support	Alternative employment pathways	Financial support
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Personal: Young people are ready to work



Identity is the resource (personal, emotional and psychological skills) we use to define ourselves and how we are perceived by others (Ho & Bauder, 2010). It is the primary resource we call on to navigate social interactions (Côté, 1996).

Identity is an important asset for all young people to draw on when searching, preparing and applying for a job. It is the sum of a person's experiences both positive and negative, and strongly influenced by the presence or lack of positive role models throughout a person's life.

Personal identity is how we understand and express ourselves. It is the complex and fluid combination of our interests, beliefs, abilities, personality traits and circumstances. It makes us individuals, different and unique (Ho & Bauder, 2010).

Importantly, how we understand ourselves affects the choices we make. It influences what we do with our time, who we interact with and what and how we communicate, and these actions shape the perceptions and judgements others make of us.

Our identity is the first and often only available resource a young person has when searching for a job. Visible forms of our identity, such as academic qualifications, group membership, credentials and personal presentation provide signals for others to draw conclusions on who we are and where we belong (Ho & Bauder, 2010).

Less tangible, yet equally important aspects of our identity are our psychological and emotional abilities. These include the ability to critically reflect, negotiate, understand others, and the ability to read social cues (Ho & Bauder, 2010). Other emotional and psychological capabilities affecting an individual's likelihood of gaining and retaining a job are resilience, agency, belief in future possibilities, life satisfaction and a valuation of work (Bynner & Parsons, 2002).

Complex or limited connections to family, culture and community can negatively influence a young person's interests and confidence in navigating the world of work (Bynner & Parsons, 2002). On the positive side, identity isn't static. Self-definitions informed by negative experiences during childhood and adolescence can evolve. Emotional and psychological capabilities can be strengthened by opportunities for reflection, strengthened belief in opportunities, the people we interact with and the experiences we undertake (Ibarra, 2007). Supporting young people to develop a positive sense of identity and associated emotional and psychological capabilities is essential to ensuring they are able to navigate their entry into the workforce.

Principles in action: Identity

Activities	Resourcing and delivery
<ol style="list-style-type: none"> 1. Identify interests, skills and talents and match to relevant industries and roles 2. Participate in sport, hobbies and cultural activities 3. Build relationships with peers and learn empathetic listening techniques 4. Learn decision making and problem solving 5. Learn how to managing stress and emotions 6. Learn how to reflect and make connections between experiences and beliefs (daily debriefing or reflection exercises) 	<ol style="list-style-type: none"> 1. One-off training or delivered as part of other on-going activities. Can be adapted for all ages, beginning at Kindergarten and delivered in schools or by social purpose organisations. 2. On-going – regular participation. Can be adapted for all ages, beginning at Kindergarten and encouraged or delivered by schools or social purpose organisations. 3-6. One-off training or delivered as part of other on-going activities. Can be adapted for all ages beginning in upper Primary school and delivered in schools, by social purpose organisations or employment services.
<p style="text-align: center;">Indicators</p> <p>A young person has:</p> <ul style="list-style-type: none"> • Defined their own identity (personal strengths, interests and personality traits) • Self-esteem and improved perception of own value or worth • The ability to understand their own emotions and those of others, can be understood and understand others • Determination, perseverance and belief in ability to affect situations and control their life's direction • Supportive relationships and connections to community and employers 	

Evidence in action: Identity

Ganbina: Shepparton, Australia



Ganbina aims to empower Indigenous communities to achieve true social and economic equality with the wider Australian community within the next two generations. Ganbina operates a range of learning and self-development programs for young people living in the Greater Goulburn Valley region which has one of the largest Indigenous communities in Australia, comprising over 6,000 people. Working with at-risk young people beginning in primary school, throughout

their secondary school years and up to their 25th birthday, Ganbina aims to make sure these young people get the right education, jobs training and life skills they need to enable them to reach their full potential as adults.

Ganbina's approach is unique in that they involve the whole community in which the children live to help change the status quo. They believe that the path to successful employment is a journey which begins at a very young age and continues throughout a child's educational years. Working together with a cohesive team of educators, family members and prospective employers, Ganbina are able to deliver a range of focused, practical programs which help young people to achieve the best education they can, explore different career options, develop personal life skills and make a successful transition from study into meaningful, sustainable employment.

Social Ventures Australia has carried out two baseline analysis reports of Ganbina's Social Return on Investment (SROI), the value generated by Ganbina's program. The 2013 analysis showed an investment of \$1.1m in Ganbina created \$7.5m of present value. This means that for every \$1 invested in Ganbina, \$6.70 of value is created. The SROI evaluation shows that the majority of value – two thirds of the total - is created for Ganbina participants through increased aspirations and motivations; better knowledge of education and employment options; more access to job opportunities; and necessary resources to participate in education and employment (e.g., books, driver's licences). As a result, these young people effectively demonstrate leadership to their peers, families and communities. They are also able to be employed in real jobs and gain financial independence. The remaining value created by Ganbina benefits the government due to the reduced demand for income support, and criminal justice and employment services.

Principles: Identity, aspirations, literacy and numeracy, employability skills, careers management, business partnerships, early intervention and personal support.



Aspirations are built from a positive attitude and belief in what's possible. Aspirations sharpen focus and give purpose to set goals. They are the motivation to continue searching or to stay in education and employment after setbacks.

Finishing school, gaining qualifications and securing a desired job are aspirations and goals for many young people. Aspirations are the ability to define hopes and ambition. They give young people purpose and focus to achieve their goals (Copps, Plimmer, Harries, Kail and Ni Ogain, 2014).

Aspirations keep young people motivated when job searching. Having a positive attitude and sense of purpose is also linked to improved outcomes, giving young people a reason to stay in employment (or training) after a setback (Copps, Plimmer, Harries, Kail and Ni Ogain, 2014).

For many young people, developing goals and aspirations is an organic process, influenced by school, family, peers and community. Inspiration can be sparked by contact with positive role models, exploration of personal interests, parental encouragement or awareness of local job opportunities. Most of these influencers can be successfully introduced to a young person through conscious interventions and program delivery.

However one of the strongest influencing factors, parental expectation, is also the most difficult to provide through broad intervention. Research using data from the Longitudinal Surveys of Australian Youth (LSAY) found young people whose parents want them to go to university are four times more likely to complete Year 12 and 11 times more likely to go to university (NCVER, 2014).

Aspirations have a substantial effect on education, training and employment outcomes (Hamel & Ryan, 2014). Research from the UK found that 14 year olds who don't see work as important are more than 40 per cent likely to end up not employed, in education or training at the age of 18 than their peers who see the value in work (Department of Children, Schools and Families, 2008).

Principles in action: Building aspirations

Activities	Resourcing and delivery
<ol style="list-style-type: none"> 1. Set goals based on values, interests and research 2. Participate in co-designed and delivered education and training curriculum showing relevancy to real life workplaces 3. Exposure to positive role models (community, education and employer mentors) 4. Participate in leadership and development training 	<ol style="list-style-type: none"> 1. One-off training and revisited as needed. Can be adapted for all ages, beginning at Secondary school and delivered in schools or by social purpose organisations and employment services. 2. On-going – structured courses. Can be adapted for all ages beginning at Kindergarten and delivered in schools, by social purpose organisations or employment services in partnership with employers. 3. One-off and on-going regular mentoring. Can be adapted for all ages beginning at Kindergarten and delivered at school, by social purpose organisations or employment services 4. On-going –structured course. Can be adapted for all ages beginning at Junior Secondary School and delivered at school, by social purpose organisations, employment services or employers.
<p style="text-align: center;">Indicators</p> <p>A young person has:</p> <ul style="list-style-type: none"> • Motivation to seek employment and a positive attitude towards work • Belief and confidence in their ability to achieve goals • Understanding of potential career pathways, individual interests and goals • Ability to set goals and plan for their achievement • Role models championing for and encouraging future success 	

Evidence in Action: Building aspirations

Australian Indigenous Mentoring Experience (AIME): Australia



AIME is a structured educational mentoring program to support Indigenous students throughout their high school experience.

The program is delivered at 16 Australian universities and has three delivery modes. The first is the AIME Institute, which is delivered on campus at AIME's partner universities. There are six different courses each tailored for a specific high school year group, featuring 49 unique modules. AIME also

runs Tutor Squads, where trained university mentors travel to local schools to provide additional free academic support to Indigenous students. AIME's third delivery mode is one-on-one coaching, career support and post-school transition.

AIME prides themselves on getting to know the students throughout their high school experience, so that when it comes to their senior years they can provide the best possible advice, support and targeted opportunities for each Indigenous student to be able to transition into university, employment or further training post Year 12.

AIME has scaled the program from 25 students in 2005 to 4484 participants in 2014, and as they continue to expand to new locations their results remain consistently high. AIME have collected six years of program data which demonstrates that students completing the AIME program finish school and transition through to university, further education, training and employment at significantly higher rates than their Indigenous peers not participating in the program.

In 2014, 93.2 per cent of Year 12 AIME students satisfied the requirements of Year 12 attainment, leading the way on meeting the COAG target of halving the gap in Year 12 attainment. AIME students not only surpassed the national Indigenous rate by 34.7 percentage points, they also exceeded the national non-Indigenous rate by 6.7 percentage points.

Importantly, AIME students are also leading the way in closing the gap on post-school pathways into university, further education and training and employment. 75 per cent of AIME Year 12 students from 2014 have already transitioned into positive post-school pathways, approximately 33 percentage points above the national Indigenous rate of 40 per cent and at parity with the non-Indigenous rate of 75 per cent. The largest cohort of these Year 12 students chose a university pathway with 114 students (30.9 per cent) commencing their studies at university in 2015.

Principles: Identity, **building aspirations**, literacy and numeracy capabilities, employability skills, careers management, business partnerships, early intervention and personal support.

Literacy and numeracy capability



Literacy and numeracy provides a solid foundation for all formal education and training from school through to employment. Modified training, with a focus on developing literacy and numeracy capabilities can benefit young people to gain qualifications and improve their job readiness.

A basic proficiency in the foundational skills of reading, writing, arithmetic, speaking, listening and comprehension is critical for someone looking to secure and retain employment (SYC, 2014). People with poor literacy and numeracy skills are twice as likely to be unemployed and for longer periods than those with average competencies (Parsons & Bynner, 2005).

The reasons for poor literacy and numeracy are vast and complex. Poor language skills can arise from not having English as the primary spoken language, a young person experiencing poor health or disability in their formative years or as a result of low socio-economic status. Other factors also include a lack of early identification and intervention, and access to alternative education pathways that provide additional, personalised support. All of these factors can contribute to low proficiency of literacy and numeracy which can lead to disengagement from school and a decreased likelihood of achieving educational qualifications.

Improving literacy and numeracy levels in young people who have not completed schooling is critical, as early school leaving and having no qualifications can result in a lifetime of lower wages, lower net wealth, increased periods of unemployment and higher chances of depression (Creed, 1997). The sooner these young people receive support, the less likely they will experience extended periods of unemployment.

On a positive note, basic literacy and numeracy capabilities and school retention are being prioritised within the education system, which has seen Year 12 attainment rates increase over the last decade. However there is still much we can do to support young people to achieve a minimum standard of literacy and numeracy capabilities, including improving school flexibility, the provision of more training and support for teachers, access to alternative learning pathways, earlier and more intensive tutoring and social support for young people identified at-risk.

For young people who are already unemployed and have poor literacy and numeracy skills, greater emphasis needs to be placed by social purpose organisations, employment services, employers and post-secondary education and training providers on building skills and qualifications. Offering easily accessible and flexible training options that can be tailored to meet each individuals' skills gap can help assist young people with poor literacy and numeracy to secure employment. Further, expanding young people's awareness of growth industries which offer low-barrier entry to employment, such as warehouse logistics and aged care (Deloitte, 2014), would improve access to sustainable career pathways for this cohort.

Principles in action: Improved literacy and numeracy

Activities	Resourcing and delivery
<ol style="list-style-type: none"> 1. Access to: universal quality early years education 2. Access to: early intervention and intensive support for children/young people identified as at-risk 3. Access to: bridging courses from school to university and training 4. Participate in modified education and training for low literacy and numeracy capability including tutoring or coaching if English is not the primary language 5. Employers, education/training and social purpose organisations emphasise audio or visual communications in programs when young people have low literacy and numeracy capability 	<ol style="list-style-type: none"> 1. On-going –structured education from birth to 8 years. Delivered by education or social purpose organisations 2. On-going – structured process. Can be adapted for all ages beginning in Kindergarten and delivered in schools or by social purpose organisations 3. On-going – structured course. Available from Upper Secondary school and delivered in partnership between schools, universities and training providers 4. On-going-structured course and coaching. Can be adapted for all ages beginning at Kindergarten and delivered at school, by social purpose organisations, employment services or employers 5. On-going –structured course. Can be adapted for all ages beginning at Junior Secondary school and delivered at school, by social purpose organisations, employment services or by employers
<p style="text-align: center;">Indicators</p> <p>A young person has:</p> <ul style="list-style-type: none"> • 80 per cent attendance and reasonable attitude and behaviour in education and training settings • Basic level of literacy, numeracy and IT skills. Completed Year 12 and/or post-secondary academic or vocational qualifications 	

Evidence in action: Improved literacy and numeracy

Education First Youth Foyers: Victoria, Australia

In 2013, the Brotherhood of St Laurence (BSL) and Hanover Welfare Services pioneered the establishment of integrated learning and accommodation centres in partnership with the Victorian State Government and TAFE Institutes across Victoria. The first Education First Youth Foyer commenced operation in June 2013 at Holmesglen Waverly TAFE campus and a second opened a year later at Kangan TAFE Broadmeadows Campus. Construction has begun on a third Youth Foyer at GOTAFE in Shepparton.

The Youth Foyer model originated in the UK and emphasises a young person's skills and talents, over deficits and needs. While completing their education, young people receive integrated employment, health, well-being and social support services.

The Victorian Youth Foyers accommodate up to 40 young people in studio style accommodation with communal living and support service areas, with accommodation either on-site or close to education and employment services. Young people are supervised by trained staff, 24 hours a day, 7 days a week. Critical to the program's success is the connection to local services, providing a co-ordinated response to supports such as drug and alcohol, mental and physical health, mentoring, employment assistance and employability skills.

The Education First Youth Foyer program is currently being evaluated by a team of researchers from the partner organisations and is expected to release results by 2016.

Principles: literacy and numeracy capability, employability skills, careers management, personalised support.



Employability skills



Employability skills are created and refined in a young person through the development of cognitive, communication and behavioural aptitude.

Employability skills are transferrable across jobs, employers, and industries and applicable to life outside of work. A young person will grow and develop these skills throughout their career, using them to keep jobs and continue to progress along their career journey.

Employability, soft or life skills are personal attributes or behaviours that are hard to define, and yet are core pre-conditions for gaining and retaining employment. The need for employability skills is universal across all employers, regardless of industry or level of position (Bowman, 2010). Employability skills are given the highest priority by employers, often more so than educational qualifications (UK Commission for Employment and Skills, 2009). These skills can be categorised under cognitive skills, communication and social skills, and personal characteristics.

Cognitive skills	Communication and social skills	Personal behaviours
Creativity	Listening to understand	Responsibility
Decision making	Written and verbal presentation	Self-awareness
Reasoning	Collaboration and team work	Confidence
Problem solving	Comprehension	Self-management
Opportunity awareness	Sociability	Integrity/honesty
Digital literacy		Tolerance
Innovation		Initiative
Learning		Time management

Demand for the individual skills varies vastly according to job, industry, employer and an individual's maturity (SYC, 2014). For example, communication or problem solving skills required for a customer service role will differ from those required to fill a construction or engineering role (Mourshed, Farrell & Barton, 2012), yet are equally important.

Employability skills continue to be developed throughout a person's lifetime, and it is not necessary for a young person to hold or be proficient in all at the start of their career. Skills are developed through experience, perspective and coaching and can be developed, practiced and refined at school, work, whilst travelling, volunteering, playing sports or pursuing hobbies (myfuture.com.au).

Principles in action: Employability skills	
Activities	Resourcing and delivery
<ol style="list-style-type: none"> 1. Reflect on and identify own skills that are valued to employers 2. Understand different elements of employability skills (cognitive, communication and behavioural) and their importance 3. Participate in vocational and pre-vocational training with embedded employability skills and tailored to specific roles or industries 4. Participate in activities that stretch young people's comfort zones 5. Access to one-on-one mentoring or coaching at school and in the workplace 	<ol style="list-style-type: none"> 1-2. One-off training or delivered as part of other on-going activities. Can be adapted for all ages, beginning at Secondary School and delivered in schools or by social purpose organisations and employment services 3. One off – structured course. Can be adapted for all ages, beginning at Upper Secondary School and delivered in schools or by social purpose organisations and employment services 4. One off and access to on-going activities. Can be adapted for all ages beginning at Kindergarten and delivered at school, by social purpose organisations, employment services or employers 5. On-going –structured coaching. Can be adapted for all ages beginning at Upper Primary School and delivered at school, by social purpose organisations, employment services or by employers
Indicators	
<p>A young person has:</p> <ul style="list-style-type: none"> • Confidence in their own cognitive, communication and behavioural skills • Awareness of employability skills and those needed to develop to improve job readiness • Demonstration of variety of employability skills during job readiness training, workshops and placements (self-reported and by employers and training providers) 	

Evidence in action: Employability skills

Social Studio: Victoria, Australia



Social Studio is a non-profit fashion label, café, training provider and social enterprise in Collingwood, Victoria. Since its inception in 2009, Social Studio has supported new migrants (particularly those from humanitarian backgrounds) to realise their aspirations and potential. Social Studio supports young people to transition into further education and employment within mainstream businesses. This is done through the development of careers management, education and

employability skills, and offering young people opportunity to practice these skills in a supportive work and training context.

Employment and training opportunities in clothing design, production, retail and hospitality are generated, and partially funded by the production and sale of unique, high quality products, manufactured on site in their Collingwood studio. All goods are sold on consignment with the Social Studio designers receiving commissions.

Students can access accredited training and advanced pathways through partnerships with William Angliss and RMIT, where they are supported to study Clothing Production, Hospitality, and Retail.

Students have access to wrap around social support and referrals housing, legal and health services, tutoring in ESL, numeracy and computer literacy, financial literacy, counselling, and driving tuition to assist them with any barriers to employment they are experiencing.

Since its inception, 450 people have been involved in the Social Studio's programs, with 187 participating in formal TAFE training & employment programs. For those involved in Social Studio's formal programs, 90 per cent have completed all programs and of that group 40 per cent transitioned into permanent employment, 35 per cent transitioned into further education, 10 per cent are actively parenting, 10 per cent are currently studying at the Social Studio and the remaining 5 per cent are currently disengaged.

Principles: Identity, building aspirations, literacy and numeracy capability, **employability skills**, careers management, personalised support and alternative employment pathways



Careers management

Careers management skills are the necessary mechanics for searching and applying for a job and presenting oneself to potential employers. Possessing these skills allows individuals to successfully transition from education to employment and from one job to the next over the course of a working life.

Careers management is the ability to plan and set realistic career goals and have the knowledge and adaptability to navigate available opportunities (Pollock, 2007). Research suggests these skills are developed by a knowledge and understanding of the labour market and how it works, including awareness of available job openings or possibilities (Smith Family, 2014). Career management skills are particularly important for young people experiencing long-term unemployment, as they enable them to set realistic aspirations with the knowledge of what is available and determine what steps they need to take to achieve their employment goals.

Many schools and employment service organisations have dedicated resources to assist young people to explore their interests, aligned career opportunities and employment pathways. The most effective approaches have proven to be those led by industry professionals who engage directly with the young person, as they are able to present realistic information about their business, the types of jobs available and clear career pathways, as well as indicate potential employment opportunities.

Beyond human resources and the access to industry professionals, a young person requires job search skills to identify potential employment opportunities. This includes being able to use the internet, industry publications, employment agencies, networks and community support organisations. Following on from that, to secure a job a young person needs to be able to effectively present themselves to employers via cover letters, resumes and in person at an interview (Copps, Plimmer, Harries, Kail & Ni Ogain, 2014). The development of these skills needs to be prioritised and will benefit the job seeker throughout their life. (Appendix 7 – Careers management; CareerTrackers)

Principles in action: Careers management

Activities	Resourcing and delivery
<ol style="list-style-type: none"> 1. Comprehension of mechanisms and available resources to research the local labour market and search for a job 2. Training in presenting ones skills to employers (resume creation, written, interview skills and grooming) 3. Broaden networks and build connections to people working in areas of interest (map current networks) 4. Access to a VET, academic and school to work education, training and career pathways 5. Participate in activities that stretch young people's comfort zones 	<ol style="list-style-type: none"> 1-3. One-off training and revisited as needed. Can be adapted for all ages, beginning at Secondary School and delivered in schools or by social purpose organisations and employment services 4. On-going –structured courses. Adapted for all ages, beginning at Secondary School and delivered at school in partnership with education and training providers and employers 5. On-going and one off activities. Beginning at Junior Secondary School and delivered by schools, social purpose organisations and employment services in partnership employers
<p style="text-align: center;">Indicators</p> <p>A young person has:</p> <ul style="list-style-type: none"> • Confidence to research and search for potential jobs and secure employment • Ability to align skills and training to real employment opportunities • An understanding of what jobs are available, how to design a career pathway and how to navigate the application process • Ability to search for employment, apply for jobs and effectively present oneself to employers • Exposure and awareness of potential industry professionals and employers 	

Evidence in action: Careers management

Beyond the Classroom (Beacon Foundation): Australia



Beyond the Classroom (BTC) is an initiative developed by the Beacon Foundation, Foundation for Young Australians (FYA), and Social Ventures Australia (SVA) to identify, test and scale a new approach to careers education in Australia. It was inspired by research of national and international best practice which confirmed that earlier exposure to the world of work translates to more successful transitions for young people into post school, education, training and employment.

The BTC careers learning model is founded on the core components of the Beacon Model - start earlier, bring employers into school and provide young people with multiple work exposure and experience opportunities. Beacon Foundation delivers this model in schools in low socio-economic communities, where students generally have lower levels of literacy, numeracy and often disengage from education early. Local industry partnerships are strongly embedded in the model, which brings industry into the classroom through the co-design of curriculum, professional development for teachers and sharing up to date industry information. The model complements schools' existing careers curriculum and helps students make informed, aspirational decisions about their future pathways.

Beacon's Real Futures Generation program takes careers education a step further than BTC. Working closely with local industry partners, employment pathways are created for students to be accessed while at school and upon completion.

After completing the Beacon program, 98.8 per cent of students were fully engaged in work, education or training six months post Year 10, which is 4 per cent higher than the national average. Beacon students are over four times less likely to be disengaged from full time education, training or employment after Year 10, than the national average for 16 year olds.

Principles: Identity, building aspirations, **careers management**, business partnerships and early intervention.

Community infrastructure: Collaborate to deliver systemic and effective employment



Business partnerships between education providers, social purpose organisations and employment services deliver better outcomes for employers and job seekers. For the employer, it improves recruitment and retention. For young people it offers experience and direct exposure to real jobs.

Effective cross sector partnerships with business can build a young person's employability skills, meet employers' recruitment and retention needs and create better employment outcomes for disadvantaged job seekers.

Partnerships with the purpose of improving youth employment can range in size and scope across all intersection points of a young person's career journey. They may start with careers exposure and work experience activities, the co-design and delivery of curriculum, meeting recruitment needs through partnerships with employment services and partnering with community support agencies to provide mentoring and coaching support to employees.

The most successful cross sector partnerships are those that provide transformative solutions for getting young people into work. These partnerships involve multiple providers and employers working within a particular industry or function (Mourshed, Farrell, & Barton, 2012), working together to support young people into real employment.

For young people searching for work, opportunities for regular and meaningful connections to employers provides a distinct advantage over peers who don't have this exposure. Research undertaken in the UK found that young people who have no contact with employers while at school are five times more likely to become NEET than their peers with the same qualifications (Mann, Work Experience, 2012).

Principles in action: Business partnerships	
Activities	Resourcing and delivery
<ol style="list-style-type: none"> 1. Deliver and co-design education and training curriculum showing relevancy to real life workplaces 2. Access to school-based and non-school-based apprenticeships/traineeships 3. Teacher professional development co-designed and delivered with industry partners 4. Explore and trial jobs and industries (work place visits, work experience, industry information sessions, career expos) 5. Social purpose organisations broker relationships between schools, employers and/or employment services 	<ol style="list-style-type: none"> 1. On-going – structured courses. Can be adapted from all ages beginning at Kindergarten and delivered by schools, social purpose organisations or employment services in partnership with employers 2. On-going – structured courses. Available from upper Secondary school and delivered by schools in partnership with employers 3. On-going and one off– structured courses. Can be adapted for all teaching staff Primary, Secondary, VET and TAFE. Delivered in partnership with employers and education providers 4. On-going and one off activities. Adapted for all ages beginning at secondary school and delivered by schools, social purpose organisations and employment services in partnership employers 5. On-going and one off activities. Delivered by social purpose organisations between schools, employment services and employers
<p style="text-align: center;">Indicators</p> <p>A young person has:</p> <ul style="list-style-type: none"> • Developed an understanding of the link between education, training and work • Knowledge of future pathways and links to in-school learning • Employability skills are developed in-school or through training that are valued and needed by employers • Exposure to real work environments and variety of different industries and positive role models 	

Evidence in action: Business partnerships

Beacon Foundation – Real Futures Generation: Australia

Establishing strong partnerships with community stakeholders sits at the centre of Beacon's strategy to open up the doors to meaningful work opportunities for disadvantaged Australians. Real Futures Generation (RFG) is a place-based, collaborative initiative that brings employers into the classroom to motivate and inspire young people to prepare for their careers.

RFG builds students' pre-employment capacity and work readiness skills to help them make a smooth transition from school to work by securing industry partners to introduce different career options to students in Years 10-12. All young people who engage in this one year program have the opportunity to participate in a diverse range of business-led curriculum focused classroom lessons (known as Business Blackboards) linking literacy and numeracy skills to tangible applications in the workplace, and to local and regional career and employment pathways. The students also have the opportunity to visit industry workplaces or shadow an employee as well as complete an employability skills development program acquiring transferrable skills which will be of benefit in their future studies or career progression pathways.

Industry partners, including Leighton Contractors, IKEA and Toll Holdings have pledged a number of jobs in communities where Beacon operates, committing to provide a supportive pathway into the workplace for students. By creating a link between students and the workplace this collaborative effort improves employment outcomes for young people.

Principles: building aspirations, employability skills, **business partnerships** and personal support.



Early intervention



Early intervention can break extended and repeated cycles of unemployment. This approach strengthens a young person to become work ready, overcoming potential barriers before they become entrenched in cycles of unemployment.

Early intervention activities target at-risk young people before they disengage from education or fall into unemployment. For young people who are already experiencing unemployment, it is critical that intervention takes place swiftly to ensure that the time spent unemployed is as brief as possible.

Early intervention activities are most effective when they take place in the school environment and are tailored to address the specific needs of the young person. These might include literacy and numeracy development, alternative learning pathways or an exploration of traineeships and apprenticeships. These activities also apply for a young person who is experiencing long-term unemployment, with the critical element remaining a genuine understanding of the young person, their unique situation and a practical, skills based approach to support them to overcome their barriers.

The importance of early intervention and prevention approaches is demonstrated by findings from a US research project which highlighted that the likelihood of finding a job dramatically decreases the longer you are unemployed. The research found a person unemployed for under a month had a one in three chance of finding a new job, whereas after six months this decreases to one in ten. Further after 15 months of unemployment the job seeker is more than twice as likely to have withdrawn from the labour force, than to have settled into permanent employment (Krueger, Cramer and Cho, 2014).

Australian research supports these findings and has found if a person is unemployed for one year, there is more than a 50 per cent chance of becoming very long-term unemployed (two years or greater), and after a second year of unemployment there is a six out of ten chance of remaining unemployed for an additional year (Davidson, 2011).

Principles in action: Early intervention

Activities	Resourcing and delivery
<ol style="list-style-type: none"> 1. Early identification of young people at-risk 2. Monitor young people's progress and outcomes 3. Provide scaffolding of supports required i.e. literacy and numeracy tutoring, alternative education and training pathways or access to psychology, social workers, housing, drug and alcohol support workers and tutoring 4. Provide intensive support to keep periods of unemployment under 13 weeks 	<ol style="list-style-type: none"> 1. One off diagnosis and as required with on-going monitoring. Can be adapted for all ages beginning at Kindergarten and delivered by schools, social purpose organisations or employment services 2. On-going – structured monitoring. Adapted for all ages beginning in Primary School and delivered by schools, social purpose organisations, employment services and/or employers 3. On-going and one-off as required. Can be adapted for all ages beginning in Kindergarten and delivered by schools, social purpose organisations, employment services and employers 4. On-going structured activities. Adapted for all ages beginning at first contact with employment service provider
<p style="text-align: center;">Indicators</p> <p>A young person has:</p> <ul style="list-style-type: none"> ● Resilience, determination and perseverance to overcome challenges ● Belief in their personal potential and its applicability to the job market ● Minimum standards of literacy and numeracy, Year 12 and/or post school qualifications ● Improved record in attendance and engagement at education and training ● Access to additional and tailored support ● Gained employment within 12 weeks 	

Evidence in action: Early intervention

Taking an actuarial approach

In the 2015 budget, the Commonwealth Government of Australia committed to adopt an “investment approach” to welfare. The Budget committed \$20.7 million over four years to an annual actuarial valuation of the lifetime liability of Australia’s welfare system, including identifying groups of people most at risk of welfare dependency and the factors that lead to long term dependency (*Budget Paper 2, pg 161*). This research will provide an evidence base for early intervention approaches highlighting the potential accumulated savings to government over an individual’s life span, if you can break the cycle of unemployment prior to entering adulthood.

This approach was modelled on an initiative undertaken by the New Zealand Government in 2012. An actuarial approach to calculating welfare costs found 79 per cent of New Zealand’s welfare costs are attributable to individuals who, at 39, had received support payments since before reaching 20 years of age (Taylor Fry & Associates, 2013).

The cost of welfare compounds over time. This is due to a reliance on pension payments after many years which results in an individuals’ inability to self-fund retirement as result of not having accrued superannuation payments over a lifetime of work.

Taking an actuarial approach can encourage Government to be far sighted when looking to support interventions to support people accessing financial support. It will highlight the potential savings and provide financial incentives for Governments to “invest” in measures earlier which are more effective at supporting people into sustainable employment (Gittens, 2015).

Principles: Early intervention, personal support and financial support



Personalised support

Personalised support equips a young person to overcome complex and individual barriers to employment.

For young people who have been out of the workforce for more than 12 months, personalised support or case management can be critical in returning to and maintaining employment (Beadle, 2014). Personal support can involve one-on-one career management advice, coaching, mentoring, case management, counselling or psychological support (Smith Family, 2014).

Young people who are long-term unemployed are likely to be experiencing a number of complex and interrelated risk factors stopping them from gaining and sustaining employment. In these circumstances access to specialised, flexible and individualised case management will assist in overcoming their individual barriers (The Smith Family, 2014).

Personalised support is the opportunity to clarify and assess the individual obstacles a young person is facing. The support is customised to meet the individual's needs with the intensity, timing and nature of the support varying dependent on the young person's exact circumstances (Beadle, 2014).

Successful employment outcomes are often dependent on the support continuing once a young person finds a job, as they often need additional help to deal with any challenges or set-backs they might face once in the workplace (Beadle, 2014).

Principles in action: Personalised support

Activities	Resourcing and delivery
<ol style="list-style-type: none"> 1. Access to co-ordinated psychology, social workers, housing, drug and alcohol support workers, tutoring, coaching, mentoring and case management 2. Access to a support network of peers participating within similar programs and experiences 3. Access to coaching, specialised training and support whilst in employment 	<ol style="list-style-type: none"> 1. One off diagnosis and as required with on-going monitoring. Can be adapted for all ages beginning at Kindergarten and delivered by schools, social purpose organisations or employment services 2. On-going – structured activities. Can be adapted for all ages beginning in Primary school and delivered by schools, social purpose organisations and/or employers 3. On-going and one off as required. Can be adapted for all ages beginning in employment and delivered by social purpose organisations, employment services in partnership with employers
<p style="text-align: center;">Indicators</p> <p>A young person has:</p> <ul style="list-style-type: none"> • Resilience, determination and perseverance to overcome existing barriers and challenges • Belief in their personal potential and its applicability to the job market • Achievement of qualifications and ability to design and implement careers pathway plan • Retention and attendance in education, training and employment • Connections to peer, employer and community support 	

Evidence in action: Personalised support

Whitelion: Australia



Whitelion creates sustainable employment opportunities for young people at risk of or experiencing long-term unemployment. Whitelion's Employment Program supports young people to overcome personal barriers such as mental health, drug and alcohol addiction, abuse and neglect, homelessness and experiences with criminal justice by building aspirations, relationships and providing supportive work experiences.

Through its Employment Program, Whitelion offers young people pre-employment training and mentoring to develop employability skills and build aspirations. Young people then have the opportunity to practice these newly developed skills through a 12 month supported employment placement.

Whitelion has partnered with major employers and small businesses to provide localised employment solutions. While employed, young people have access to services spanning medical assessments and interventions, mental health nursing, addiction treatment, psychological and legal services.

Evaluations of Whitelion's impact found a decrease in participants' antisocial and/or criminal behaviour and a decrease in substance abuse through their reconnection with community. Whitelion participants report greater levels of resilience, optimism and improved social networks, which equip them to re-engage with education and employment opportunities. At the end of the 12 month supported employment placements, the majority of program participants are offered full time positions with their host employer.

Principles: Building aspirations, employability skills, careers management, business partnerships, **personalised support**, alternative employment pathways.

Alternative employment pathways



Alternative employment pathways to open employment are social enterprise, intermediate labour organisations, employment transition programs or starting a small business or start-up. Social enterprises, intermediate labour organisations and transition support programs support young people to build skills and experiences in a work context while receiving individualised and extra wrap around support. The encouragement and development of entrepreneurship in young people equips them to create jobs, increase innovation, raise competition and respond to changing economic situations and trends (Pinelli & Atalla, 2014).

For a young person who has been out of work for 12 months or more, an opportunity to build experience, aspirations, confidence, knowledge and skills in a supportive working environment can be a useful bridge back to the open labour market (Headley & Moffat, 2015).

Social enterprises, intermediary labour markets, employment transition programs and entrepreneurship to start a small business can provide that opportunity to gain work experience and exposure. These enterprises typically have limited financial and human resources and welcome voluntary or lower wage support, with the experience and skills gained invaluable for the job seeker.

Alternative employment pathways			
Social enterprise (Appendix 8 – Alternative employment pathways: STREAT)	Intermediary labour markets	Employment transition programs	Entrepreneurship
Businesses led by an economic, social, cultural or environmental mission to benefit the community. They derive a substantial portion of their income from trade (Barraket et al. 2010)	Paid work experience coupled with training, education and personal development. Typically the work is for community benefit, and is often funded by government subsidies, programs or philanthropy to compensate for reduced productivity (Joseph Rowntree Foundation, 2000)	Back to work schemes that ideally provide exposure to real work environments	The development and undertaking of starting and running own business

For a young person unemployed for 12 months or more, experience working in such an environment can provide the basic experience and employability skills necessary to gain employment into the open labour market. Exposure to social enterprises can also encourage young people to develop their own enterprises, increasing the number of jobs available for themselves and others (Headley & Moffat, 2015).

Entrepreneurship is an important mechanism for stimulating economic development, driving growth and creating jobs (UNCTAD 2012). For many young people, encouragement to start a business and opportunities to learn the necessary skills and knowledge is a viable alternative to open employment. To support job creation in this way, there needs to be reforms to the regulatory environment and improved access to finance (Headley & Moffat, 2015).

Principles in action: Alternative employment pathways

Activities	Resourcing and delivery
<ol style="list-style-type: none"> 1. Access to low barrier training for at-risk young people linked to jobs in social enterprise, intermediate labour organisations and employment transition programs 2. Learn entrepreneurship and business management at school 3. Access to employment in a social enterprise with wrap around support 4. Access to co-designed and delivered employment transition programs with employers 5. Employers receive wage subsidies for hiring young people and providing on-going support 6. Employers have access to training and support to develop programs which diversify hiring practices 	<ol style="list-style-type: none"> 1. On-going – structured course. Can be adapted for all ages from beginning from Primary School and delivered by schools, social purpose organisations, employment services and employers 2. On-going – structured course. Can be adapted for all ages beginning from Primary School and delivered by schools and social purpose organisations 3. On-going and one off as required. Can be adapted for all ages beginning from 15 years old and delivered by social purpose organisations and employers 4. On-going structured program. Can be adapted for all ages beginning from 15 years old and delivered by social purpose organisations and employment services in partnership with employers 5. On-going structured program. Employers receive wage subsidies for young people employed from ages 15 to 24 years old and funded by government/philanthropy to employers 6. One off training and access to on-going support as required. Accessed by employers, employing at-risk young people (15 to 24) and delivered by social purpose organisations
Indicators	
<p>A young person has:</p> <ul style="list-style-type: none"> • Confidence in own employability and satisfaction with being at work • Interest and confidence to start a business • Employability skills and experience to transition into mainstream employment • Developed employment and life skills to successfully navigate world of work • Experience of the workplace and is able to sustain employment for continuous weeks • Connections to employers, colleagues, mentors and support mechanisms 	

Evidence in action: Alternative employment pathways

The New Enterprise Incentive Scheme (NEIS): Australia

The New Enterprise Incentive Scheme (NEIS) is a program available to job seekers interested in starting and running their own business. First established on a national scale in 1985, the scheme is backed by the Commonwealth Government and delivered by JobActive providers. The scheme provides valuable financial support for job seekers interested in starting and running a small business or start-up. This income support allows those who need it to maintain a quality of life, while acquiring vital skills and creating employment opportunities for themselves and potentially others by building a business.

The business plans that are approved under the program receive an allowance for 39 weeks, equivalent to the Newstart Allowance. This payment is not affected by income earned from the job seekers' business. NEIS participants receive accredited small business training, combined with support and advice from small-business mentors on organisational, financial and marketing issues.

After nine months in the scheme, many participants generate sufficient income for their business to be commercially viable, and in many cases are also working part-time.

Independent evaluations of NEIS have found that 85 per cent of those assisted by the program were still employed three months after the NEIS allowance ceased, 65 per cent of which were self-employed while 20 per cent were in other employment (Mission Australia).

Principles: Alternative employment pathways, financial support, personalised support.



Financial support



Financial support provides the economic security necessary for a young person to maintain a basic quality for life whilst searching for employment.

It is critical that young people experiencing long-term unemployment receive financial support as they typically have inadequate resources, limited networks, or family and friends who are also experiencing unemployment. To be able to prepare for and commence employment there are basic necessities that are only accessible with money; these include food, housing, clothes and access to public transport. (Smith Family, 2014).

Further, the longer the period out of employment the more financially vulnerable a young person can become (Smith Family, 2014). Without an income or savings to fall back on, young people are reliant on family, friends or government safety net payments. Many young people experiencing long-term unemployment are likely to come from families that do not have a stable economic foundation, increasing the need for government safety net payments (Smith Family, 2014).

Inadequate financial support leads a person into poverty, and there are clear linkages between poverty, poor physical and mental health, and entrenched disadvantage which impact a young person's ability to search, gain or retain employment. People living in poverty often:

- Have less access to information about employment (Vinson, 2007)
- Have an Increased chance of obtaining poor quality employment which is short term, seasonable and unsustainable (ILO, 2012) resulting in them moving through cycles of unemployment out of desperate need for money
- Undertake unsuitable education or training programs to meet Centrelink requirements (Independent Inquiry into Insecure Work 2012)

Principles in action: Financial support

Activities	Resourcing and delivery
<ol style="list-style-type: none"> 1. Youth allowance indexed to average earnings 2. Continue on Newstart and youth allowance during work experience trials (Passport approach) 3. No waiting periods to access income support payments 4. Access to scholarships, free and/or subsidised training 	<ol style="list-style-type: none"> 1-3. One-off training and revisited as needed. Can be adapted for all ages, beginning at Secondary School and delivered in schools or by social purpose organisations and employment services 4. One off or on-going as required. Accessible from age 15 and delivered by government, schools, social purpose organisations, philanthropy and employers
Indicators	
<p>A young person has:</p> <ul style="list-style-type: none"> • Understanding of available services and financial support • Access to accommodation, affordable transport, food and required work clothing 	

Evidence in action: Financial support

Year Up: USA



Founded in 2000 by a former entrepreneur and software CEO, Year Up is a social purpose organisation headquartered in Boston, USA working to improve the employment and career advancement opportunities for low-income young adults.

The Year Up model combines intensive skills training for entry-level jobs in high-growth industries with social, emotional and financial support and work experience placements, all underpinned with strong connections to employer partners.

Students receive six months of technical and professional skills training in areas including investment operations and information technology, business writing and communications. The training curriculum is co-designed with Year Up's employment partners and updated in accordance with industry practices. During the second six months of the program, students complete an internship with the business partners to continue developing their skills, gain professional experience and grow their networks.

During the program, participants receive a weekly stipend tied to a performance contract that ensures accountability. Students are also paired with a professional mentor and have access to wrap around support, guidance and counselling from staff, business advisors and social workers. Up to 40 students are clustered in groups and meet weekly to discuss their progress and support each other.

Throughout the training and internship phases, Year Up students learn and practice professional skills such as body language and presentation, working in teams and managing conflict. They also receive assistance with the job search and application process.

Since the program launched in 2000, Year Up has served more than 10,000 young adults and provided a pipeline of skilled, motivated talent to more than 250 employers across the USA. Within four months of completing the program 85 per cent of graduates are employed or attending higher education full-time. Independent evaluations show that the program leads to a substantial earnings gain for its participants (Mourshed, Farrell & Barton, 2012).

Principles: Building aspirations, technical and professional skills training, careers management, business partnerships, personalised support and **financial support**

Acknowledgements

SVA acknowledges the generous support of the Collier Charitable Fund in the development of this report.

Collier Charitable Fund

SVA wishes to thank the following people for their contribution, generosity and expert guidance in the development of this report: Colleen Bergin, Prof Jeff Borland, Louise Caseley, Lincoln Crawley, Kerrie Dowsley, Susan Fowler, Jacinta Greenwell, Carmel Guerra, Justine Height, Lara Hook, Jessica Jeeves, Nick Perini, Jennifer Pitcher, Kevin Robbie, Tara Tonkin, Yen Tran, Lisa Waldron, Mark Watt.

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Appendices

Appendix 1 – Recommended stakeholder activities

Employers	<ul style="list-style-type: none"> Partner with schools, employment services and social purpose organisations to offer work experience, training and employment options for young people Invest in future employees, by engaging early to meet future recruitment and retention needs Trust young people as potential employees
Education (schools, TAFE and universities)	<ul style="list-style-type: none"> Partner with social purpose organisations and employers Prepare young people for employment by offering early and integrated careers education Take an early personalised approach
Social purpose organisations	<ul style="list-style-type: none"> Design programs using evidence and strong measurement and evaluation frameworks Partner with industry and education providers Provide post placement support to young people in employment
Government	<ul style="list-style-type: none"> Invest in programs and models based on evidence of their success More funding and support for alternative employment pathways Encouragement and resourcing for cross sector collaboration i.e. Brokerage
Philanthropy	<ul style="list-style-type: none"> Invest in programs and models based on evidence Invest in programs over the long-term to build sustainability and an evidence base, beginning with early intervention
Employment services providers	<ul style="list-style-type: none"> Engage with employers to offer real work experience and training opportunities Provide wrap around individualised support Ensure training has direct line of site to a job and equips young people with employability skills
Young people	<ul style="list-style-type: none"> Have a belief in self, skills and potential Build and access support and employer networks Participate broadly to gain experiences

Appendix 2 – Payment for success

Evidence in action: Social Impact Bonds

Social Impact Bonds (SIBs) are a tool beginning to be used by private investors and governments around the world to fund organisations tackling social problems. Private investors provide capital to organisations to deliver social programs, and receive a financial return on their investment from Government once outcomes are achieved (Centre for Social Impact Bonds).

The UK trialled the first use of a Social Impact Bond to tackle youth unemployment in May 2011, using a £30 million social innovation fund to invest in projects supporting disadvantaged young people to participate in education, training and employment. The pilot project was a Payment by Results (PbR) model, where all payments were reliant on the 100 per cent achievement of outcomes. In 2012, ten Social Impact Bonds benefiting 10,700 young people were issued. Program outcomes ranged from improving attendance at school, attaining qualifications and entry into employment. Ending in October 2013, there were a total of 8,000 outcomes recorded (Department of Work & Pensions, April 2014)

The largest lesson, and greatest success, of the trial of payment of results model has been its ability to focus the conversation of governments, social entrepreneurs, and impact investors around measurement, metrics, and outcomes (Belinsky, SSIR, 2012).

Principles: Business partnerships and early intervention

Appendix 3 – A co-ordinated approach

Evidence in action: Industry Employment Initiative: Australia



Social Ventures Australia (SVA), Brotherhood of St Laurence, Jesuit Social Services and Mission Australia, with support from the Business Council of Australia are collaborating to prototype an employment model that meets the recruitment needs of national employers while improving outcomes for long-term unemployed job seekers. Made possible by philanthropy, the Industry Employment Initiative (IEI) is premised on deep employer engagement to build partnerships and

bridge the gap between national employers who have vacancies and long-term unemployed job seekers who are willing and able to work.

The IEI Youth Pilot is working directly with national employers to train, place and support long-term unemployed young people into sustainable employment, and demonstrate the effectiveness of demand-led employment. Service providers co-design a training and employment pathway with the employers and deliver fundamental training to give the participants the best chance for success. The pilot presents an opportunity for employers to create or extend demand-led programs into reliable training, support and recruitment pipelines at a national level whilst demonstrating a commitment to helping young people break the cycle of long-term unemployment.

The two-year pilot that commenced in July 2014 aims to place 125 young long-term unemployed young people into ongoing employment. The IEI is underpinned by a best practice Measurement and Evaluation (M&E) framework, which has been developed by SVA Consulting and peer reviewed by the UK's New Philanthropy Capital. There are three 'work-streams' in the framework: evaluation reports, case studies and action learning. The action-learning approach allows the IEI to assess, adapt and refine the program model throughout the pilot, rather than the more traditional approach of reviewing at six-monthly intervals. The Department of Employment has agreed to provide data for a comparative group of job seekers against which to assess the IEI participant's outcomes and demonstrate the effectiveness of the IEI model.

Principles: Employability skills, business partnerships, personalised support, alternative employment pathways

Appendix 4 – Integrated school-based apprenticeships, vocational education and training

Evidence in action: St Patricks Technical College: South Australia, Australia



Integrated vocational, education and training systems in OECD countries such as Austria, Germany, Norway, Denmark, Switzerland and the Netherlands have resulted in lower youth unemployment rates than in Australia. Complementary education and employment systems ensure secondary school equips young people for university, technical education pathways and employment. Access to an integrated system provides young people with an educational experience

that combines employer co-designed training and academic style learning with the opportunity to practice these skills in real work environments (dandolopartners, 2014, p10). Young people graduate ready to work, with employer valued skills, networks and the ability to adapt to changing labour market.

Modelled on European counterparts, St Patricks College Technical College in Adelaide, South Australia, is a specialist trade and technical training school for students aged 15 years and over. St Patrick's campus and curriculum is designed to give students the maximum opportunity to transition successfully into work. The campus is equipped with industry standard facilities, the latest machinery and tools to build students' work readiness skills. The college has strong links to industry enabling co-design and delivery of the technical training curriculum and the core English, maths and science curriculums to provide real work examples, as well as provision of structured work placements. The school has flexible timetabling to maximise student's ability to undertake work placements or apprenticeships as block release or a day a week.

The success of the model is evidenced by its rate of 70 per cent of students being placed into employment while still at school, compared to youth unemployment rate of 23.6 per cent in South Australia.

Principles: aspirations, literacy and numeracy, employability skills, careers management, business partnerships and early intervention

Appendix 5 – Building employer connections

Evidence in action: Ticket to Work: Australia

Ticket to Work supports communities to establish place-based networks between business and community to improve employment outcomes for young people with a disability. Since 2011, Ticket to Work has worked with 25 local communities across Australia to establish local partnerships between students, schools, social purpose organisations and employers.

Local partnerships between employers, schools and disability organisations offer young people with a disability the opportunity to participate in authentic work experiences and vocational skills training while completing secondary school. The program is based on evidence that job readiness leads to more successful post school employment outcomes, achievable by direct exposure to real jobs with real employers.

Employers, schools and disability providers work in partnership to offer students school-based apprenticeships/traineeships and work placements with employer partners. During placements, students and employers receive support from the disability provider, including access to Disability Awareness Training for staff to develop skills and knowledge for working alongside and supervising a young person with a disability.

In 2014, with the support of Ticket to Work, 456 young people with a disability commenced work experience and work preparation activities, and 248 young people started school-based apprenticeships and traineeships. 86 per cent are still in paid employment since completing their secondary schooling.

Principles: Building aspirations, employability skills, business partnerships, early intervention and personal support



Appendix 6 – Shared measurement and evaluation framework

Evidence in action: Journey to Employment (JET) Framework: New Philanthropy Capital, UK

Measuring and understanding impact helps organisations delivering programs understand the depth of the impact they are having and identify potential areas of improvement. Measurement and evaluation frameworks also help investors make informed decisions around funding of what works for young people accessing support programs to transition into employment.

There is currently no universal approach to assessing impact, with every organisation using different metrics, making it challenging to share and compare results. This is compounded by many organisations choosing to evaluate outputs and activities rather than outcomes.

New Philanthropy Capital (NPC) in the UK is taking the lead on developing an international shared measurement framework for social organisations and social enterprise under the Inspiring Impact programme.

In 2013, NPC published the Journey to Employment (JET) Framework which identified factors that influence young peoples' transition into work. The JET Pack is a comprehensive resource of evaluation tools for social purpose organisations to use when measuring the success of their programs. The pack has eight steps to guide organisations' decisions on what and how to measure, and how to use their collected data to improve existing programs. The framework has since been adapted for Northern Ireland and continues to be refined based on feedback from users of the framework. In 2014, six organisational members of Northern Ireland's Not in Education, Employment or Training (NEET) Forum received funding to pilot the JET Framework between June and September 2014. The results from the trial period were used to adapt the framework based on participating organisations feedback (NPC, 2014).

SVA has drawn from the JET Framework to develop the Principles Framework specific to an Australian context. The ten principles identified by SVA are based on the seven factors identified by JET as contributing to a young person's employability. The outcomes defined by the JET Framework were also the basis for suggested indicators to use to measure progress of activities.

Appendix 7 – Careers management

Evidence in action: CareerTrackers: Australia

CareerTrackers is a national non-profit organisation that creates private sector internship opportunities for Indigenous university students. CareerTrackers recruits pre-professional Indigenous university students and links them with private sector employers to participate in a multi-year internship. Students perform their internship with a sponsoring company with the aim of converting from intern into full-time employment upon completion of their degree. In addition to facilitating on-going, long-lasting placements CareerTrackers provides a wide spectrum of support to help prepare students for leadership in the workplace and the community.

The development of partnerships between business and education is at the core of the CareerTrackers program, providing an effective approach to match the need for corporate diversity with a structured, proven and results-based intensive program.

CareerTrackers staff visit university campuses to meet students and match them to companies that align with their educational and career interests. The recruitment process develops a pool of students and a range of internship options with leading private sector employers in Australia. Pre-employment training for both the intern and the employer enables both parties to set joint goals and objectives for the internship and ensures both parties are prepared. This ensures the experience is mutually beneficial; students are able to work on meaningful projects that are of value to the employer, and receive the necessary input and support throughout the duration of the placement. At the end of the internship managers complete a performance evaluation on their intern to provide them with feedback on their strengths and weaknesses, and an action plan for their professional development.

Principles: building aspirations, employability skills, careers management, business partnerships and personal support

Appendix 8 – Alternative employment pathways

Evidence in action: STREAT: Victoria, Australia



STREAT is a social enterprise that tackles youth disadvantage and homelessness by providing the life-skills, support networks, work experience and training young people require to kick-start their lives and a career in hospitality. Since the establishment of its first coffee cart in 2010, STREAT has grown rapidly, now operating seven interconnected business (five cafes, a catering company and coffee roasting business alongside a production and catering

kitchen, training rooms and office). These sites play host to over 350 hours of work experience for each participant. STREAT has served meals and coffees to over 1 million customers, creating a solid revenue stream for the organisation. 100 per cent of this revenue goes straight back into providing training and employment opportunities for homeless and disadvantaged youth.

Scale is the key for STREAT to achieve its goals of supporting 1,095 young people a year over the next ten years and achieving financial self-sufficiency through its operations.

In 2015 construction started on Cromwell Manor, a purpose built, flag ship site in Collingwood, Melbourne where STREAT will train and support 250 young people annually. Cromwell will contain a new artisan bakery, along with a training academy, café, production kitchen, coffee roaster and STREAT's headquarters.

Of the 329 young people STREAT has helped in its first five years of operation, 60 per cent completed the program, 90 per cent reported improved wellbeing, 80 per cent transitioned into further employment and training and 95 per cent reported an improved housing situation.

A 2012 SROI found that STREAT's programs returned \$1.40 of social value following every \$1 of investment. The major outcomes for participants of STREAT's programs include increased confidence, resilience and income. Young people learn socially acceptable behaviours, resulting in a reduction in unlawful activities, drug and alcohol intake and improved mental health and wellbeing and housing stability.

Principles: identity, building aspirations, employability skills, personal support and alternative employment pathways

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