

**Attachment B to Brotherhood of St Laurence response to Senate inquiry into jobactive**



**A fit-for-purpose national youth employment service  
Submission to the Future Employment Services Consultation**

**Submitted by the Brotherhood of St Laurence on behalf of the Transition to Work  
Community of Practice**



The Brotherhood of St Laurence (BSL) is an independent non-government organisation with strong community links that has been working to reduce poverty in Australia since the 1930s. Based in Melbourne, but with a national profile, the BSL continues to fight for an Australia free of poverty. We undertake research, service development and delivery, and advocacy with the objective of addressing unmet needs and translating the understandings gained into new policies, new programs and practices for implementation by government and others.

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## Executive summary

This submission to the Future Employment Services Consultation is made by the Brotherhood of St Laurence on behalf of the Transition to Work Community of Practice (TtW CoP). The TtW CoP is a network of providers working with and for young unemployed people. Collectively, we represent almost one quarter of all TtW providers across Australia.

Our submission focuses on what an effective employment services system looks like for young people (aged 15-25) who are unemployed. Our response is drawn from national and international literature, and our collective experience in developing and delivering services which connect young people to education, training and employment, and build their capabilities for achieving sustainable livelihoods.

The TtW CoP welcomes the opportunity to respond to the *Next generation of employment service: Discussion Paper*. Over the past several years the Commonwealth Government has invested considerable resources and effort into addressing youth unemployment in Australia, most notably in the 2015-16 and 2016-17 Federal Budgets through the Youth Employment Strategy. We applaud the design and commissioning of the current TtW service, which incorporates the key features identified by evidence for effective employment services for young jobseekers and marks a significant step towards addressing a number of the systemic issues experienced by successive mainstream employment services. The design of the next iteration of the employment services system present the opportunity to build upon the success of TtW, and embed best practice for a specialist service for young people that ensures they are successful in the labour market now and in the future.

### The labour market is changing

The Australian community is navigating a period of significant social and economic change as a result of globalization, climate change technological change and population ageing, growth and mobility. While this presents potential challenges and opportunities for all people trying to engage in paid work, it has particular implications for young people, who often have little or no work experience and emergent work readiness skills. Effective policy and service responses will need to be based on a clear understanding of the dynamics of the problem (youth unemployment) and the potential solutions – combining evidence informed employment service delivery with future focused approaches to commissioning and alignment of related policy measures.

### We need a youth employment service that provides a pathway to decent work

Employment services have a critical role to play for young people given their life stage, the way in which the labour market changes impact on them, and the scarring effect of unemployment and underemployment in early life.

In the context of this changing labour market, employment services must provide young people with: 1) a pathway into *decent work* (i.e. work that is secure and pays a living wage); and 2) capabilities that set them up for medium and long-term economic security.

### A successful youth employment service has defining characteristics

An employment service capable of achieving this purpose is:

- Part of a broader National Employment Strategy.

- Youth specific.
- Open to all young job seekers.
- Evidence informed.
- Focused on practice.
- Framed around agency (activation) and mutual accountability (incentives) for the job seeker.
- Collaborative, working with:
  - young people to co-design their pathway;
  - the community to integrate with other services and employers; and
  - other providers to share what works.
- Cost effective – delivers results at improved value to the tax payer by optimising the productivity of providers, and by recognising the most effective type and point of intervention in a young person’s journey.

### *Commission purposefully to achieve service purpose and outcomes*

A fit-for-purpose commissioning approach is essential if the youth employment service is to achieve its purpose. Such an approach would:

- Set up a **collaboration focused employment service market**, which also encourages and supports a diversity of providers.
- Take an **expansive understanding of agency and choice**, empowering job seekers to choose their pathway, rather than simply emphasising the capacity to select a provider of choice.
- Drive an **effective evidence informed approach**, by specifying what must be delivered (the service offer), and how it should be delivered (the practice) in the tender documentation and processes.
- Enable **effective and efficient service delivery** by specifying the necessary capabilities and expertise of providers in the tender documentation and process.
- Embed mechanisms for purposeful collaboration between providers to **ensure continuous improvement and sharing of best practice**.
- Support effective service delivery and continuous improvement through appropriate **performance monitoring systems oriented around accountability, service improvement, and frontline productivity**.
- Establish mechanisms that enable **adaptation of the service model to local conditions and population characteristics** (e.g. concentration of Indigenous young people or refugee young people).
- Facilitate **innovative economic development approaches** for regions with entrenched disadvantage and thin labour markets.

The existing TtW service provides a blueprint for this service. The effectiveness of this youth specific approach is backed up by the results of TtW nationally – it is consistently achieving over 100 per cent of its targets nationally (up to 136% for the third quarter of Year 2). This is particularly impressive given that outcome targets for TtW are set at 25 per cent above what JSA and jobactive have historically achieved for this group.

Building on and expanding the scope of TtW through an enhanced youth employment service is an investment in the long-term prosperity of our nation. TtW is outperforming jobactive services in

delivering sustainable placements. This converts into a significant life time benefit to the Australian Government in reducing welfare dependency and costs. The social return on investment of this life time benefit is significant where the job seeker is able to access and sustain employment; the benefit of employment over the working life of the young person is significantly greater than the costs associated with the expansion of the services in scope and scale to address young people's needs.

This submission outlines the following recommendations for the design and delivery of an effective, efficient, quality and sustainable enhanced youth employment service.

### Recommendations for designing a fit-for-purpose youth employment service

#### Recommendations to underpin the design of an enhanced youth employment service:

**Recommendation 1:** Realise transformational change of employment services for young people by re-designing the system according to purpose: to build young people's long term capability to engage in decent work over their lifecourse. This should take precedence over the secondary purpose of ensuring compliance with Mutual Obligation Requirements.

**Recommendation 2:** Establish a National Employment Strategy – driven by a Ministerial Taskforce – that situates and connects employment services to a range of mutually reinforcing policy and program initiatives.

#### Recommendations for an evidence informed enhanced youth employment service:

**Recommendation 3:** Commission the enhanced youth employment service through a hub and spoke model or a discrete specialist service model to a) achieve the best outcomes for young people and b) improve workforce capability.

**Recommendation 4:** Simplify and expand eligibility for the enhanced youth employment service (from the current Transition to Work eligibility requirements) to include two groups:

a) All young people aged 15-25 accessing activity-tested income support, regardless of Stream, in recognition of the evidence that youth specific servicing will achieve the best results.

b) Unemployed young people not accessing income support (Group 2 in the current Transition to Work service) who are in danger of becoming the 'invisible' long-term unemployed. This group should be capped according to budget constraints.

**Recommendation 4.1.** Allow this second group of young people to access the service immediately upon disengaging from education and/or work, in recognition of the need for a rapid response to prevent further disengagement.

**Recommendation 5:** Design the enhanced youth employment service according to evidence informed key features, at a minimum: vocational guidance, career planning, skill building, real world opportunities, and specialist support.

**Recommendation 6:** Embed a greater focus on practice with young people to maximise effective delivery of the evidence informed service offer.

**Recommendation 7:** Reframe activation around agency to productively motivate young people to pursue and attain education by:

- a) Ensuring the right kind of investment in promoting young people's capacity to choose, through tailored opportunities and activities.
- b) Re-designing the Job Plan to enable engagement and real choice over for the young person over their pathway.
- c) Re-framing mutual obligation around mutual accountability using tools such as the TtW CoP Deal, to foster reciprocity and commitment between young people and providers.

**Recommendation 7.1.** Maintain the time-based activation mechanism of the current Transition to Work service, to enable the greatest degree of agency and choice.

**Recommendation 7.2.** Maintain the current Transition to Work arrangement for Mutual Obligation, whereby young job seekers meet their Requirements through participating in the service (i.e. exemption from the Compliance Framework)

### **Recommendations for a fit-for-purpose commissioning approach:**

**Recommendation 8:** Commission to support local coordination by:

- a) Using a collaboration focused model of contestability (as outlined in Discussion Paper) where providers are not in direct competition in a geographic area.
- b) Appointing organisations with the expertise and capacity to engage their community, by requiring them to demonstrate this in the tender process (e.g. TtW tender).

**Recommendation 9:** Commission to support diversity of providers and coverage of regions by:

- a) Allowing agencies to tender for parts of a region where they can demonstrate community connections.
- b) Using an uncapped, demand driven model for allocation of market share, with a minimum floor (i.e. a minimum level of places with upfront funding per place) to enable flexibility to respond to demand while also supporting smaller organisations to enter the market.

**Recommendation 10:** Commission to drive evidence informed best practice by:

- a) Clearly defining evidence informed key features and good practice in tender documents and Deeds.
- b) Requiring demonstration of youth employment and education expertise in the tender process (e.g. prior TtW tender).

**Recommendation 10.1.** Commission regional communities of practice supported by continuous improvement mechanisms whereby providers share learnings and use data to drive improvement.

**Recommendation 10.2.** Leverage the work of the National Youth Employment Body to support innovative pilots, and the sharing of best practice.

**Recommendation 11:** Maintain the current method for setting targets through a benchmarking approach, not through a relative approach (Star Rating), in line with previous recommendations re incentivising collaboration between providers.

**Recommendation 12:** Design a more expansive and nuanced outcomes framework, which includes progressive outcomes of Cert 1 and 2 in addition to the current employment and education outcomes.

**Recommendation 13:** Re-orient data collection systems (currently ESS Web) to be about a) accountability; b) service improvement; and c) productivity for frontline practitioners, rather than punitively monitoring provider compliance with Deed.

**Recommendation 14:** Continuously evaluate the effectiveness of employment services using data on the profiles of local labour markets, unemployed people, the assistance offered to people, and feedback from service users.

**Recommendation 14.1.** Make data publicly available (with suitable privacy protections) and available in suitable form for independent researchers to use.

**Recommendation 15:** Design and commission the youth employment service in recognition of place by:

a) Encouraging agencies to be innovative in how they account for how they will meet the needs of the population/place, particularly in areas of concentrated disadvantage, thin labour markets and/or specific populations (e.g. Indigenous, newly arrived).

b) Reflecting place based conditions in the allocation of target outcomes (including progressive outcomes).

**Recommendation 15.1.** Where appropriate, commission 'enabling organisations' to support smaller organisations to scale, strengthen downwards accountability, authorise adaptation to local conditions, and facilitate collaborative ways of working between different local actors.

**Recommendation 16:** In areas of concentrated disadvantage and thin labour markets, commission employer led regional economic development approaches such as the Community Investment Committees.

## About the Transition to Work Community of Practice

Over the past decade, the Brotherhood has developed an evidence informed model for enabling young people to build their capabilities for achieving a sustainable livelihood.<sup>1</sup> This model enables young people to identify and advance their aspirations, access and engage in real world opportunities and realise their potential through sustained engagement in education, training and work.

The announcement of the Transition to Work (TtW) service in the 2015-16 Federal Budget presented an opportunity to keep build the evidence base for what works in youth employment by leveraging the expertise of other community organisations with demonstrated experience in achieving employment, education and training outcomes for young people experiencing disadvantage. Together with providers across the country, the Brotherhood established a TtW Community of Practice designed to progress this goal. We also sought to counter the unintended consequences of a marketised employment services system, notably the:

- **Erosion of trust between providers** caused by competition, which had resulted in diminished collaboration and information sharing (associated with innovation, cost saving and streamlining).
- **Loss of institutional knowledge** as a result of smaller community organisations being absorbed into larger ones. This included a reduction in capacity for service development and innovation, evaluation and data collection among community organisations.
- **Impact on communities from multiple, competing providers** operating in a heavily compliance-based system. These include the added costs for smaller employers to engage with several providers (rather than having a single point of contact) and eroded community trust in short-lived service providers (owing largely to the unpredictability of government funding).

The Transition to Work Community of Practice (TtW CoP) brings together eleven TtW providers and their partners in 13 regions in every state and territory in the pursuit of a shared ambition: to develop and document an effective response to addressing youth unemployment, one that is underpinned by collaborative, multi-sectoral effort. The TtW CoP does this by:

- Implementing a core framework for service delivery, informed by capabilities theory<sup>2</sup> and underpinned by an Advantaged Thinking practice approach.
- Engaging in a co-design/service development process to test and refine this core framework, and identify the balance between fidelity to key principles and features with the need for local contextualisation (i.e. what works, for whom in what context).
- Sharing expertise, ideas and experience with the collective CoP

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<sup>1</sup> This Model has been applied in a number of service settings through government funded programs and pilots, including: homelessness (the Education First Youth Foyers and associated sub-pilots); out-of-home care and leaving care (OoHC Developing Independence Pilot and the Better Future Pilot); refugee settlement (the Youth Transitions Support Pilot); and the employment services sector through Transition to Work. Practice Guides are available upon request.

<sup>2</sup> Developed by Nobel Laureate Amartya Sen in 1999, and expanded upon by Martha Nussbaum in 2000, the capabilities approach has become influential in international social justice, for example underpinning the work of the United Nations Development Programme.

- Developing the evidence base about what works by and engaging in an evaluation conducted by the Brotherhood’s Research and Policy Centre.
- Leveraging business and community expertise and effort through Community Investment Committees to: a) drive economic development for young people at local and national level; and b) co-design a service model and practice approach that is responsive to employer needs and concerns.

Collectively the TtW CoP represents almost one quarter of all TtW providers, and delivers TtW to approximately 3,600 young people per year across the country. To date, the TtW CoP has achieved over 1,800 employment and education outcomes for young people, with over half of those young people still employed six months later.

**Figure 1:** Locations of the Transition to Work Community of Practice sites



## Section 1: The future of work for young job seekers

In this section we outline the specific ways in which the changing labour market impacts on young people's efforts to attain and sustain work. We demonstrate how and why a deep understanding of the labour market is critical to the design of the next employment services system. In doing so, we respond to:

- Chapter 2: The goals for future employment services

This part of the submission addresses the following questions from the Discussion Paper:

2. (i). *What other economic, social or labour market trends are likely to affect employment services in the future?*

2. (ii). *Are there other goals that should be included?*

### Section summary

We are on the cusp of significant social and economic change, if not disruption. If the Government is serious about realising transformational change of employment services, and elevating the system beyond a mechanism for driving compliance, then we need to be clear on the purpose for young job seekers:

**In the context of a changed and still changing labour market, employment services must provide young people with a pathway into *decent work* (i.e. work that is secure and pays a living wage), and set them up for medium and long-term economic security.**

The Australian community is navigating a period of significant social and economic change as a result of globalization, climate change, technological change and population ageing, growth and mobility. While this presents potential challenges and opportunities for all people trying to engage in paid work, it has particular implications for young people, who often have little or no work experience and emergent work readiness skills. Effective policy and service responses will need to be based on a clear understanding of the dynamics of the problem (youth unemployment) and the potential solutions – combining evidence informed employment service delivery with future focused approaches to commissioning and alignment of related policy measures.

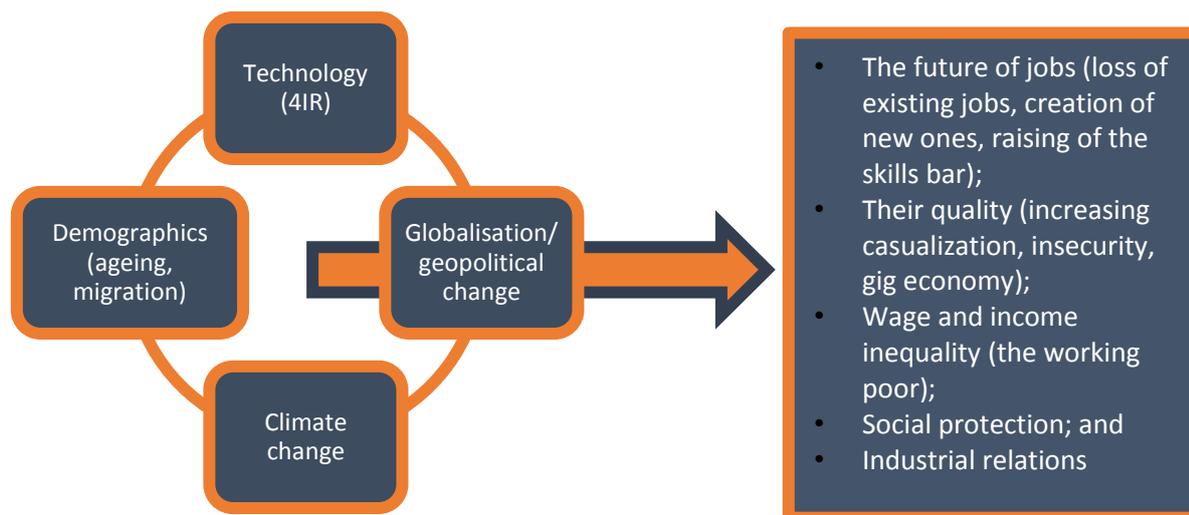
**Recommendation 1:** Realise transformational change of employment services for young people by re-designing the system according to purpose: to build young people's long term capability to engage in decent work over their lifecourse. This should take precedence over the secondary purpose of ensuring compliance with Mutual Obligation Requirements.

**Recommendation 2:** Establish a National Employment Strategy – driven by a Ministerial Taskforce – that situates and connects employment services to a range of mutually reinforcing policy and program initiatives.

The composition and conditions of modern labour markets are shifting, sparking widespread debate and inquiry about the 'future of work'. Among national and international policy makers and academics a consensus is emerging about four interrelated megatrends shaping the 'future of work': globalisation, climate change, demographic change, and technological change.<sup>3</sup> The World Economic Forum describes technological change as the Fourth Industrial Revolution (4IR), referring to the creation and deployment of new technologies that merge the physical, digital and biological worlds.<sup>4</sup>

While there is consensus that change to the labour market is happening, the extent and impact of these trends on both the labour market and society more broadly remains contested. In a review of 255 reports and articles on the future of work, the ILO defines five multifaceted and interconnected areas of impact: the future of (particular) jobs, the quality of jobs, wage and income inequality, social protection, and industrial relations.<sup>5</sup> To date in Australia public debate has notably focused on one of these areas – the future of jobs. Within this debate it is the impact of automation that has arguably captured the public imagination. However, there is little agreement about the actual percentage of jobs at risk of complete or partial automation, with rates ranging from 9 per cent<sup>6</sup> to almost 50 per cent.<sup>7</sup>

**Figure 2. Global trends in the future of work**



Changes to the labour market present opportunities as well as challenges but neither the risks nor the opportunities will be distributed evenly. As a recent IMF paper states, 'automation is very good

<sup>3</sup> Balliester, T & Elsheikh, A 2018, *The Future of work: A literature review*, Working paper no. 29, International Labour Office, Geneva.

<sup>4</sup> *ibid.*

<sup>5</sup> *ibid.*

<sup>6</sup> OECD 2016a, *Automation and Independent Work in a Digital Economy*, Policy Brief on the Future of Work, OECD Publishing, Paris.

<sup>7</sup> Frey, CB & Osborne MA 2013, *The Future of Employment: How Susceptible are Jobs to Computerisation?*, University of Oxford, Oxford.

for growth and very bad for equality'.<sup>8</sup> Relatively little is known about the kinds, quantity, quality and distribution of new jobs generated by technological and demographic changes. Much of the literature highlighting the types of industries and jobs that are declining identifies the contraction of manufacturing in Australia and many other OECD countries. The literature typically identifies the potential for employment growth in the care and service sector, the 'experience industry' (tourism, leisure, fitness etc.), the green economy and knowledge industries.<sup>9</sup> These changes to work re-shape the distribution of employment inequities both within and between countries, worsening ethnic, socio-economic, gender and age based inequalities. Critically, employment opportunities will be unevenly distributed in place, with employment growth already occurring and projected to occur in inner urban areas. This will further disadvantage those living outside of urban areas.<sup>10</sup>

Young people – and particularly young people experiencing disadvantage – are among those likely to be disproportionately affected by these structural changes, despite the comparatively positive performance of Australia's youth labour market by international standards.<sup>11</sup>

### 1.1 Changes to work will have a particular impact on young people

National and international research consistently highlights the importance of young people's school to work transition for their future life chances. Young jobseekers are facing 11.3 per cent youth unemployment nationally – almost double the rate of overall unemployment – and reaching well over 20 per cent in some rural and remote areas.<sup>12</sup>

Young people who disengage from school early are particularly vulnerable to unemployment and other adverse impacts.<sup>13</sup> Those with early experiences of unemployment are more likely to have lower earnings and higher job insecurity over their lifetime. They can experience a 'scarring' effect from long-term unemployment and employment insecurity early in life, with associated negative impacts on future health and wellbeing.<sup>14</sup>

The impact of youth unemployment is not confined to individuals and their families; it also creates significant costs to the economy and the community through increased welfare payments and reduced tax income. It is estimated that the cost to the community of having a person on welfare payments from the age of 16 to retirement is approximately \$825,000 (in 2011 dollar terms). By comparison, someone working and earning an average wage from the age of 16 onwards contributes approximately \$390,000 in income tax, a difference of \$1.2 million for one individual.<sup>15</sup> For the community, the cost lies not only in increased reliance on the welfare, health and justice

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<sup>8</sup> Berg, A, Buffie, EF & Zanna, LF 2018, *Should We Fear the Robot Revolution? (The Correct Answer is Yes)*, IMF Working Paper, Institute for Capacity Development, International Monetary Fund, Washington, p. 9.

<sup>9</sup> Wilkins, R & Wooden, M 2014, 'Two decades of change: the Australian labour market, 1993–2013', *The Australian Economic Review*, vol.47, no. 4, pp. 417–31.

<sup>10</sup> Balliester, T & Elsheikh, A, op. cit.

<sup>11</sup> OECD 2016b, *Investing in Youth: Australia*, OECD Publishing, Paris.

<sup>12</sup> ABS Labour Force Survey, SA4 - Summary Data, June 2018, Labour Market Information Portal.

<sup>13</sup> OECD 2016b, op. cit.

<sup>14</sup> O'Higgins, N 2017, *Rising to the youth employment challenge: New evidence on key policy issues*, International Labour Office, Geneva; McQuaid, R 2014, *Youth unemployment produces multiple scarring effects*, British Policy and Politics blog, London School of Economics, London; OECD 2010, 'Lost generation?', *OECD Observer*, no. 279, OECD, Paris.

<sup>15</sup> Hanover Welfare Services & Brotherhood of St Laurence 2011, *Foyer Statewide Framework for the Education First Youth Foyer Model Development*, unpub. ms, prepared for Employment and Youth Support Initiatives Development Interagency Steering Committee.

systems but also in the lost potential to the community and the economy that these young people represent.

Clearly, it is imperative for Australia's economic productivity and the wellbeing of society more generally that we equip all young people with the skills and support needed to become active, contributing citizens.

### 1.1.1 *The risks for young people as work changes*

There are particular risks for young people entering the labour market at this time of turbulent change that are compounded by their life stage:

- **Decline in entry level positions** in areas that have traditionally employed young people. The current impact of technological change is expected to continue, with greater polarisation between low and high paid work meaning fewer mid-range jobs.<sup>16</sup>
- **Downward pressure and displacement** of young people experiencing disadvantage in the labour market – particularly early school leavers – by more advantaged young people. Many of the remaining low skilled entry level jobs in the hospitality and retail industries are being occupied by young people working while completing a university degree, or who have attained a degree and continue to struggle to enter the labour market full time or in their area of study.
- **The global shift to a knowledge economy** and professionalization of the workforce particularly impacts on young people, and on those who have left school early or face other barriers to gaining the skills and qualifications required for these industries. Many of the new jobs projected in maths, computers, engineering and the 'greening economy' are likely to be highly skilled and require higher qualifications.<sup>17</sup> With a decline in in-house training for medium to large businesses and industries and a lack of capacity for workplace training for small business, the responsibility has shifted to the individual and the family, with the expectation that young people come to employers already able to be fully productive employees.
- **Employment insecurity** as casualised, insecure, low paid and seasonal work combine to further compound the challenges faced by young people experiencing disadvantage, and who may experience recurrent periods of joblessness, or managing several low paid and insecure jobs.<sup>18</sup> The emerging Gig economy is also eroding incomes and working conditions as regulation lags behind the growth in these industries, leaving workers with limited protections and high insecurity as a poor tradeoff for increased work flexibility.<sup>19</sup>
- **Underemployment** among part-time and casual workers is growing as they are confronted with unpredictable and irregular weekly rosters.<sup>20</sup> Australia has the third highest rate of part-time employment in the OECD<sup>21</sup> - it has increased from 18.9% of employment in 1986 to 31.6% in 2016.<sup>22</sup> Youth underemployment is at 18 per cent, the highest in the 40 years since the count

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<sup>16</sup> Balliester, T & Elsheikh, A, op. cit.

<sup>17</sup> Balliester, T & Elsheikh, A, op. cit.; O'Higgins, op. cit.; OECD 2016b, op. cit.; Wilkins & Wooden, op. cit.

<sup>18</sup> Carney, T & Stanford, J 2018, *The Dimensions of Insecure Work: A Factbook*, The Australian Institute, Centre for the Future of Work.

<sup>19</sup> Balliester, T & Elsheikh, A, op. cit.

<sup>20</sup> OECD 2018c, *The Future of Social Protection: What works for non-standard workers?*, Policy Brief on the Future of Work, OECD Publishing, Paris.

<sup>21</sup> OECD 2018a, Part-time employment rate (indicator). doi: 10.1787/f2ad596c-en (Accessed on 30 July 2018)  
<https://data.oecd.org/emp/part-time-employment-rate.htm>

<sup>22</sup> Borland, J 2017, *Part-time work in Australia: a second look*, Labour market snapshots, University of Melbourne, Melbourne.

officially began. The youth underutilisation rate (combined unemployment and underemployment figures) was 31.5 per cent in February 2017, the highest it has been in almost 40 years, exceeding the level of the recession in the early 1990s.<sup>23</sup>

- **Introduction of new technologies, digitisation and automation** would appear to offer advantages to the 'digital natives'. However, there are differences in the kinds of digital skills required to find, access and analyse information or use complex technology, and those required for the ways in which young people use technology, particularly when combined with low literacy and numeracy. Entry level jobs are also among those most at risk of automation, further compounding the decline of these kinds of roles.<sup>24</sup>
- **Distribution of work**, with most growth in urban areas and the inner city. This is compounded for young people living in regional, rural and remote areas due to lack of access to transport and difficulties in attaining drivers licenses.
- **Housing affordability** – the emerging crisis in housing affordability has particular impact on young people who, along with older renters over the age of 65, are the most disadvantaged in the housing market. This impacts on the mobility of young people in relation to the labour market.
- **Low benefit rates for income support** (Youth Allowance, Newstart and Commonwealth Rent Assistance) resulting in many young people living below the poverty line, even when in work.

For young people, the combination of these factors creates financial and housing insecurity and a stretched transition to independent adulthood. They undermine the link between employment and economic security and challenge the assumptions on which employment services are based – that full time, sustainable employment is available for all who want it, and that those in work will have adequate means to live.

Understanding the profound changes happening to work regionally, nationally and globally is critical to identifying policy responses to ameliorate risks and maximize opportunities. Understanding and anticipating the knowledge, attributes and skills that will be required for people and especially young people to navigate this workscape will be crucial.

## 1.2 The capabilities required for the future of work

The rate of job destruction and substitution that will occur as a result of these trends is speculative, and the capabilities required to navigate these changes cannot be fully known. Nevertheless, a plethora of literature has developed on the capabilities that people – and young people in particular – will need to succeed as work dramatically changes. The literature discusses a range of factors, from 'soft' skills, technical skills, attributes, aptitudes and knowledges, and broadly points to:<sup>25</sup>

- **Cross-professional skills** – i.e. the knowledge, aptitudes and attributes that apply to like groupings of jobs, occupations and industries (e.g. care work) rather than repetitive or highly

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<sup>23</sup> Brotherhood of St Laurence 2017, *Young, underemployed and living precariously in Australia*, Youth Unemployment Monitor March 2017, BSL, Melbourne.

<sup>24</sup> OECD 2018b, *Putting face to the jobs at risk of automation*, Policy Brief on the Future of Work, OECD Publishing, Paris.

<sup>25</sup> Balliester, T & Elsheikh, A, op. cit.; FYA 2017a, *The New Work Order: 7 new job clusters to help young people navigate the new work order*, Foundation for Young Australians, Melbourne; FYA 2017b, *The New Work Smarts:*

*Thriving in the New Work Order*, Foundation for Young Australians, Melbourne; Hajkowicz et al. 2016, *Tomorrow's Digitally Enabled Workforce: Megatrends and scenarios for jobs and employment in Australia over the coming twenty years*, CSIRO, Brisbane.

structured tasks (such as current competency based training) This would allow people to move both horizontally and vertically within a broad sector.

- **The importance of STEM, digital literacy and entrepreneurial skills.**
- **Interpersonal and personal capabilities** (e.g. emotional intelligence, adaptability, resilience) to handle minor and major labour market transitions.
- **Planning and information seeking capacity** about what jobs are available now, what jobs are likely to become available, and what is needed to access these jobs.

### 1.3 The purpose of employment services for young people in a changed labour market

So what does this all mean for the 'next generation of employment services'? We contend that if government is to realize transformational change of the system, employment services need to be designed with:

- A clear and re-imagined purpose.
- Capacity to be adaptive to changing economic conditions.
- Reference to broader a broader National Employment Strategy.

#### *A clear and re-imagined purpose*

Employment services have a critical role to play for young people in particular given their life stage, the way in which the labour market changes outlined above impact them, and the scarring effect of unemployment and underemployment in early life. In the context of this changed and still changing labour market, the purpose of employment services for young people must be:

**To provide young people with a pathway into *decent work* (i.e. work that is secure and pays a living wage), and set them up for medium and long-term economic security.**

If they do not, employment services risk 'manufacturing precarity' for these young people and perpetuating the scarring effects of unemployment and underemployment by focusing only on placing them into short term jobs that prevent rather than create vocational pathways.<sup>26</sup>

#### *Capacity to be adaptive to changing economic conditions*

Given the prevailing labour market conditions outlined above – particularly the prevalence of under-employment, insecure work and projected multiple major career changes over their lifecourse – young people will need a particular kind of assistance if employment services are to fulfil this crucial role. The key features of this service offer, how it should be effectively delivered, and the commissioning approach that will best enable this, are outlined in the subsequent sections of this submission.

#### *Reference to broader a broader National Employment Strategy*

Employment service must adapt to these changing economic conditions. A critical part of this adaptation is not divorcing them from the other complementary policy areas. The need for effective policy coherence in attempts to address youth unemployment has been well-recognised by the ILO.<sup>27</sup> They observe that because of the structure of government departments, portfolios and

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<sup>26</sup> Hawley, J et. al. 2012, *Effectiveness of policy measures to increase the employment participation of young people*, Eurofound, Dublin.

<sup>27</sup> ILO 2012, *The youth employment crisis: A call for action, Resolution and conclusions of the 101st Session of the International Labour Conference*, ILO, Geneva.

budgets, much to do with the labour market (and indeed, VET, education and social security) is out of scope, and out of view of the employment service system, and can even operate as barriers to achieving the purpose of employment services.<sup>28</sup>

This is true of Australia, where current efforts to improve employment outcomes are largely disconnected. We echo Olney and Gallet's assessment:

*"While the barriers to work faced by the long-term unemployed are complex... governments' efforts to address those barriers are not mutually reinforcing. Every service provider interacting with the long-term unemployed and people at risk of long-term unemployment is working towards achieving [individual] key performance indicators tightly bound to the critical success factors of its [own, distinct] funding sources... and no overarching authority steering or coordinating their activity or capturing meta-data on its impact. This is a significant weakness in the institutional architecture of activation and employment services."*<sup>29</sup>

Employment services need to operate as a coherent part of a broader policy strategy. They ought to be designed to leverage economic development efforts; post-secondary education, training and apprenticeship systems; broader human services, social procurement and inclusive employment policies; and the interface with the social security and tax systems. This requires the development of an overarching National Employment Strategy – driven by a Ministerial Taskforce – that situates and connects employment services to a range of mutually reinforcing initiatives including:

- A national careers and vocational advice service.
- Coherent training offers to strengthen foundation and vocational skills.
- Industry workforce plans for current and emerging labour force needs.
- Measures to mediate the increasing precarity of work and working conditions.
- A strategy for social procurement and social enterprise initiatives to underpin government spending.
- Inclusive employment strategies across the public sector.
- Regional and local economic development initiatives.
- Reforms to the social security and tax systems to reduce the risk of moving between benefits and employment.

Getting these articulations right is integral to driving better outcomes, and ought not to be dismissed as out of scope. Failure to do so will fundamentally limit the capacity of the future system to successfully realise its purpose: to equip young job seekers to engage and sustain employment in a dramatically changed labour market.

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<sup>28</sup> O'Higgins, op. cit., p.7.

<sup>29</sup> Olney, S & Gallet, W 2016, *Issues in market-based reform of human services: lessons from employment services*, Social Service Futures Dialogue, Power to Persuade blog post.  
<http://www.powertopersuade.org.au/blog/social-service-futures-dialogue-issues-in-market-based-reform-of-human-services-lessons-from-employment-services/4/7/2016>

## Section 2: The need for a youth specific enhanced employment service

In this section we present the case for a youth specific employment service within the future service system, and outline who should be eligible for this enhanced youth service. In doing so, we respond to:

- Chapter 3: Helping disadvantaged Australians into work

This part of the submission addresses the following questions from the Discussion Paper:

*3. (iii). Are enhanced services best delivered through a single unified service, or a model that includes specialist service provision directed at particular cohorts of job seekers, as well as a core service?*

*3. (iv). How could the quality of services job seekers receive from their employment services consultant be improved?*

### Section summary

For unemployed young people, the most effective employment services model is youth specific, and delivered through a 'hub and spoke' model or a discrete specialist service.

Young people require a tailored, youth specific service response, delivered by practitioners who understand the specific circumstances involved in the transition from school to work, and what is required to enable a successful transition. Commissioning a youth specific employment service would improve the quality of services job seekers receive, and achieve the best outcomes for young unemployed people, the employers taking them on, and government.

**Recommendation 3:** Commission the enhanced youth employment service through a hub and spoke model or a discrete specialist service model to a) achieve the best outcomes for young people and b) improve workforce capability.

**Recommendation 4:** Simplify and expand eligibility for the enhanced youth employment service (from the current Transition to Work eligibility requirements) to include two groups:

a) All young people aged 15-25 accessing activity-tested income support, regardless of Stream, in recognition of the evidence that youth specific servicing will achieve the best results.

b) Unemployed young people not accessing income support (Group 2 in the current Transition to Work service) who are in danger of becoming the 'invisible' long-term unemployed. This group should be capped according to budget constraints.

**Recommendation 4.1.** Allow this second group of young people to access the service immediately upon disengaging from education and/or work, in recognition of the need for a rapid response to prevent further disengagement.

The Discussion Paper proposes two options for the delivery of enhanced services:

1. A single unified enhanced service that assists all highly disadvantaged job seekers, with providers being responsible for meeting individual job seeker needs.
  - a. With scope for 'permitting enhanced services providers to specialise in particular cohorts of job seekers (e.g. Indigenous Australians or young people)'.
2. A 'hub and spoke' model, which includes a generalist, enhanced service as well as complementary programs targeting particular job seekers, in some cases being delivered by separate providers.<sup>30</sup>

The TtW CoP strongly supports the proposals in the Discussion Paper for 'enhancing' the capacity of the generalist employment services system to cater to disadvantaged job seekers, through higher resourcing, lower caseloads and a more intensive service offer. However, the evidence is clear that young job seekers require a specific service offer, delivered by agencies and practitioners skilled in working with young people, to be able to move into work. This service is best delivered through either a 'hub and spoke' model or a discrete specialist service model. A youth specific service is required because:

- The **transition from school to work** is a vulnerable point in the life course, characterised by a very specific set of challenges.
- The evidence shows that these challenges require a specific service offer and practice approach, which in turn necessitates a **skilled workforce knowledgeable in working with young people**, delivering the service in a youth specific context. Failure to do so can result in barriers to access and engagement of young people in the service.<sup>31</sup>
- The delivery of this particular service offer requires **alignment with state based employment, health and support service systems**, which are structured around youth as a life stage. A generalist, adult focused enhanced service will lack the capacity and expertise to effectively integrate these complementary supports and services.

### 2.1 The need for a youth specific service – a lifecourse approach

An extensive body of literature recognises the transition from school to work as a particularly vulnerable point in the life course, characterised by multiple major life changes in a relatively short period of time.<sup>32</sup> Entry to the labour market for the first time is one such major change, and despite the implied linearity of the term 'from school to work', for many young people this period of their life is characterised by 'churn' in and out of the labour force.<sup>33</sup>

All young people experience challenges and risks which are linked to both their life stage, and to structural changes now defining the labour market (outlined previously in Section 1). They often lack experiences of workplace environments, 'soft' (employability) and 'hard' (technical and accredited)

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<sup>30</sup> Department of Jobs and Small Business 2018, *The next generation of employment services: Discussion paper*, Australian Government, Canberra, pp.27 & 67.

<sup>31</sup> Hawley, J et. al., op. cit.

<sup>32</sup> OECD 2016b, op. cit.; Bowman, D et. al. 2015, *Making Sense of Youth Transitions from Education to Work*, Brotherhood of St Laurence, Melbourne; Fry, J & Boulton, C 2013, *Prevalence of Transition Pathways in Australia: Productivity Commission Working Paper*, Productivity Commission, Melbourne; Cuervo, H & Wyn, J 2011, *Rethinking youth transitions in Australia: a historical and multidimensional approach*, The University of Melbourne, Melbourne.

<sup>33</sup> Fry, J & Boulton, C, op. cit.

skills, and professional networks and contacts.<sup>34</sup> As such, young employees often require higher costs of initial investment by business through on the job training and supervision.<sup>35</sup> These challenges are compounded for many young people by limited access to transport and financial means.

The length and quality of this transition is fundamentally shaped by a combination of individual, familial, geographic, structural and institutional factors. The challenges young people face are multifaceted and not experienced uniformly, and while many are able to navigate this transition successfully – usually with the financial and emotional support and guidance of their family – some are particularly vulnerable to being left behind. Young people experiencing disadvantage – including those from low socio-economic backgrounds, those without family support or experiencing homelessness, some Aboriginal and Torres Strait Islander young people and those from newly arrived communities, young people with disability and those living on the urban fringes or in regional or remote locations – are disproportionately disadvantaged in their attempts to enter, and remain engaged in, decent employment.<sup>36</sup> They often lack the necessary social capital – resources, networks that facilitate getting a job, and access to opportunities and support – to mitigate the increased risks associated with the changed labour market.<sup>37</sup> For early school leavers, in particular, low literacy and numeracy and limited career guidance and opportunities for work experience further complicate the pathway to sustainable employment.

## 2.2 The need for a youth specific service – workforce capability

As the Discussion Paper highlights, the quality and capability of the employment services workforce is critical to achieving employment outcomes. For those who work with young people it is important that they understand:

- The developmental issues associated with this life stage.
- The particular risks and opportunities for young people in the labour force.
- The nature of the employment pathway support required by young people.
- The system of state based services required to assist young people to address non-vocational challenges (e.g. state funded health and welfare services).

The need for youth specific service provision is neither controversial nor unusual. State funded employment services, mental health, alcohol and other drugs (AOD), homelessness, and other education, community and welfare service systems are structured around youth specific models. These services recognise the specific expertise, pedagogies and practice approaches required to effectively work with young people in a service environment.<sup>38</sup>

The formality, regulation and bureaucracy of adult focused service environments can also act as an access barrier to young people, and exacerbate the power imbalance between adult staff and young people. For some young people, entering employment services may be the first time they have engaged directly with a government system, increasing their need for youth focused navigation

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<sup>34</sup> FYA 2017b, op. cit.; OECD 2016b, op. cit.; Cuervo & Wyn, op. cit.

<sup>35</sup> Thomas, M & Vandenbroek, P (date unknown), *Employment—Measuring and improving outcomes for young Australians*, Parliamentary Library brief, Commonwealth of Australia.

<sup>36</sup> OECD 2016b, op. cit.; Bowman et. al., op. cit.; Cuervo & Wyn, op. cit.

<sup>37</sup> OECD 2016b, op. cit.; Borlagdan, J 2014, 'Inequality and 21-year-olds' negotiation of uncertain transitions to employment: a Bourdieusian approach', *Journal of Youth Studies*; Cuervo & Wyn, op. cit.

<sup>38</sup> Hawley, J et. al., op. cit.

assistance. For others who may have been connected to juvenile justice or child protection systems, staff with expertise in working with young people experiencing disadvantage are critical to developing the trusting relationships that facilitate engagement.

### 2.3 Eligibility for the youth employment service

Currently, TtW services young people aged 15-21, who fall into one of three groups considered by the Department to be at risk of long-term unemployment:

- **Group 1:** young people who have not completed Year 12 (or equivalent), who are receiving Youth Allowance (other) and assessed as having a medium to high risk of long-term unemployment (through the Job Seeker Classification Instrument).
- **Group 2:** ‘disengaged young people’ – early school leavers who have disengaged from education, employment or training, and who are not already participating in employment services and are at risk of becoming long-term unemployed. This group includes young people who are not receiving income support or who are receiving non-activity tested income support such as Parenting Payment.
- **Group 3:** jobactive referrals – young people in Stream C in jobactive who have not completed Year 12 (or equivalent) and who are identified by their jobactive providers as having a capacity to benefit from Transition to Work services.

We contend that **all young people aged 15-25 should be eligible for the enhanced youth employment service**. This view is supported by the extensive body of evidence outlined here regarding young people’s stretched transition from school to work that young people today are experiencing, and the key features of service and practice that many require to achieve this transition. This is also consistent with international definitions of ‘youth’, which generally range up to age 25.

Under current arrangements, young people are only eligible for TtW if they have not completed Year 12 or equivalent (with the exception of those who are not accessing income support and Indigenous young people). However, while it is true that early school leavers suffer higher rates of unemployment and are disproportionately represented in the long-term unemployed, the TtW CoP is acutely aware that having a Year 12 or equivalent qualification does not always make it easier for young people to break into the labour market. Studies have found that those who have completed Year 12 or a post-school qualification make up around half of all unemployed or inactive 15-24 year-olds.<sup>39</sup>

The inclusion and explicit focus on young people not accessing activity tested income support (Group 2 young people) in TtW is a welcome feature of the service – particularly as these young people are at risk of becoming the invisible long-term unemployed once they reach adulthood if they are not re-engaged early. The inclusion of this group in TtW has been explicitly acknowledged as best practice by the OECD.<sup>40</sup> However, currently these young people must have disengaged from education or work for at least 13 weeks to be eligible for TtW. This rises to 6 months for those who have completed Year 12 or equivalent. This contradicts the extensive evidence about the necessity of

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<sup>39</sup> Sweet, R 2012, *Unemployed and Inactive Youth: What Works?*, Sweet Group, Sydney.

<sup>40</sup> OECD 2016b, op. cit.

rapid re-engagement of young people who have left education and/or are unemployed, and risks these young people becoming highly marginalized from the education system and labour market.<sup>41</sup>

While we contend that all young people should be eligible for this service we also note that the intensity of the service can and should be tailored to adapt to young people's needs, enabling scope for 'light touch' servicing where young people access aspects of the online service. This in-service tailoring is already done in TtW; the flexibility of the service arrangements has enabled our staff to 'fast-track' those young people who come to our services relatively job-ready (although this group is a clear minority). However, the evidence is clear: all young people require certain things to move into work, and digital servicing alone risks young people becoming further disengaged.

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<sup>41</sup> OECD 2016b, op. cit.; Sweet, R, op. cit.

## Section 3: The evidence on effective youth employment responses

In this section we outline what the required 'service offer' is for these young people and how it should be delivered. We also address how they can be most effectively 'activated'. In doing so, we respond to:

- Chapter 3: Helping disadvantaged Australians into work
- Chapter 6: Assessing job seekers to tailor support to their needs
- Chapter 7: Incentives for job seekers to find work

This part of the submission addresses the following questions from the Discussion Paper:

*3. (i). What services should be available to job seekers who are disadvantaged in the labour market and how can they be delivered in a culturally competent way?*

*3. (ii). What incentives might be useful to assist job seekers who are disadvantaged in the labour market to find work?*

*7. (ii). Which of the activation options (points-based or time-based) would best support enhanced services participants?*

### Section summary

There is a clear consensus in the literature on what all young people need to move into work. Our extensive experience across the TtW CoP of working with young people to connect them to education and work backs this up.

The most effective way to activate and incentivise young jobseekers to engage in education, training and work is to build their agency by providing them with the support to identify their aspirations and develop their capabilities. Young people want to work, and enabling them to have choice over their pathways into work, and facilitating access to meaningful opportunities is fundamentally motivating.

The current Transition to Work service embeds many of the key features identified in the evidence base (outlined below), and the overwhelming success of the program at a national level demonstrates the effectiveness of this approach. However, there is still scope to improve. What is often overlooked in the design and delivery of services to young people is practice: the quality of frontline staff's work with service user's to transition them into education or work.

In this part of our submission, we summarise the evidence on effective youth employment programs, and highlight where this evidence aligns with the Transition to Work service design. We then outline how this could be built upon, drawing on our own Model for the delivery of Transition to Work.

**Recommendation 5:** Design the enhanced youth employment service according to evidence informed key features, at a minimum: vocational guidance, career planning, skill building, real world opportunities, and specialist support.

**Recommendation 6:** Embed a greater focus on practice with young people to maximise effective delivery of the evidence informed service offer.

**Recommendation 7:** Reframe activation around agency to productively motivate young people to pursue and attain education by:

- a) Ensuring the right kind of investment in promoting young people’s capacity to choose, through tailored opportunities and activities.
- b) Re-designing the Job Plan to enable engagement and real choice over for the young person over their pathway.
- c) Re-framing mutual obligation around mutual accountability using tools such as the TtW CoP Deal, to foster reciprocity and commitment between young people and providers.

**Recommendation 7.1.** Maintain the time-based activation mechanism of the current Transition to Work service, to enable the greatest degree of agency and choice.

**Recommendation 7.2.** Maintain the current Transition to Work arrangement for Mutual Obligation, whereby young job seekers meet their Requirements through participating in the service (i.e. exemption from the Compliance Framework)

### 3.1 The service offer: what do young people need to move into work?

There is an extensive body of literature from diverse fields focused on what young people need to gain and sustain employment, particularly in the context of the current and future labour market. A number of reviews and meta-analyses have been conducted at the national and international level. International policy institutions, including the OECD, ILO and Eurofound have identified the key characteristics of ALMPs most likely to have a positive impact on the employment outcomes for young people:<sup>42</sup>

*“The most successful programs directly target disadvantaged young job seekers, providing a comprehensive package of support services, such as literacy and remedial education; vocational and job-readiness training; job search assistance and career guidance and counselling; and social support and workplace training.”<sup>43</sup>*

Based on this evidence, the key features of effective employment services for young people models are:<sup>44</sup>

**Vocational guidance:** providing exposure to, and information about, a wide range of industries and careers, as well as information about their education and training requirements enables young

<sup>42</sup> See for example OECD 2016b, op. cit.; O’Higgins, op. cit.; Hawley, J et. al., op. cit.

<sup>43</sup> Thomas, M & Vandenbroek, P, op. cit. p. 6.

<sup>44</sup> This is a summary of the elements consistently highlighted in literature concerning young people’s employment transitions. See for example: OECD 2016b, op. cit.; Bowman, D et. al, op. cit.; Card, D et. al. 2015, *What Works? A Meta Analysis of Recent Active Labor Market Program Evaluations*, Working Paper No. 21431, National Bureau of Economic Research, Cambridge; OECD 2015, ‘Activation policies for more inclusive labour markets’, Chapter 3 in *OECD Employment Outlook*, OECD Publishing, Paris; Skattebol, J et. al. 2015, *Unpacking Youth Unemployment*, Social Policy Research Centre, UNSW Australia, Sydney; Sweet, R, op. cit.

people to develop ambition and realistic career aspirations that match their interests, skills and abilities with areas of opportunity.<sup>45</sup> While essential for all young people, vocational guidance is particularly important for those experiencing disadvantage who may have left school early and had little or no access to career guidance, and who may also lack support from family members and networks that other young people typically access to assist them to make decisions about their futures.

**Career planning support:** knowledge and information about given careers is crucial, but young people also need to be supported to identify both their career goals, and the concrete actions and responsibilities they must meet to achieve these goals. Enabling young people to develop personal visions and goals provides them with agency and self-direction about their future career. This approach leads to a deeper and more sustained level of engagement in education, training and employment.<sup>46</sup> The labour market changes outlined previously in this submission make it particularly crucial that young people are equipped to become better skilled at long term career management and maintenance.

**Skill-building activities:** engagement in skill building activities is crucial for all young people, and especially young people experiencing disadvantage. These activities can assist them to develop necessary expertise and capabilities in areas where they typically have skill gaps namely: transferable employability skills (e.g. planning and organising, communication and initiative); language, literacy and numeracy skills; job search skills (e.g. resumé writing, interview prep etc.); and support to access industry-specific skills and qualifications as needed.<sup>47</sup>

**Exposure to the real world of work:** young people need opportunities to increase their exposure to the world of work through work experience in real workplaces, work tasters and connections to employers and industry mentors. The value of work experience goes beyond job opportunities. Young people are able to learn about workplaces and vocations, test their work-readiness capabilities in an area of employment relevant to their career goals, increase their social capital, and build their self-confidence in a workplace.<sup>48</sup> Work experience and work tasters are also critical for a young person to try out an area of employment before they commit to accredited training, which might leave them in debt and further disconnected.

**Support to access specialised services:** young people often need support to access specialised services that can assist them to address life issues that directly and indirectly impact on their capacity to access, engage and attain education, training and work (sometimes misleadingly termed non-vocational barriers). This includes:

- Health and wellbeing – including physical health, and emotional, mental and social wellbeing. People with mental illness have ‘low levels of high school completion, low levels

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<sup>45</sup> Polvere, RA & Lim, P 2015, *Career Development Supporting Young Australians: A Literature Review*, National Centre for Vocational Education Research, Adelaide and Brotherhood of St Laurence, Melbourne; Hawley, J et.al., op. cit.

<sup>46</sup> Aldridge, F & Tuckett, A 2011, *Tough Times for Adult Learners: The NIACE Survey on Adult Participation in Learning*, National Institute of Adult Continuing Education, Leicester, UK.

<sup>47</sup> Hajkowicz et. al. op. cit., p. 51; Blades, R et. al. 2012, *Measuring Employability Skills: A Rapid Review to Inform Development of Tools for Project Evaluation*, National Children’s Bureau, London; Anderson, K et. al. 2010, *Opening the Doors to Apprenticeships: Reaching Young People who Are Disadvantaged and Disengaged from Apprenticeships*, The Young Foundation, London.

<sup>48</sup> Skattebol, J et. al., op. cit.; Sweet, R op. cit.

of labour force participation and high rates of unemployment levels', in spite of their desire to complete their education and enter the workforce.<sup>49</sup>

- Housing and material resources – stable housing is crucial for health and wellbeing, as well as for engagement in education and employment.<sup>50</sup>
- Social and community connections – relationships with people who value and support you are known to build self-esteem and motivation to engage with others and the broader community. Young people experiencing disadvantage often feel disconnected from their community, and require opportunities to build networks, including those that enhance their social capital and enable them to access employment and other opportunities.

**Support once in a job** – to troubleshoot any issues for the young person and/or employer, and maximise continued on-the-job learning.

### *3.1.1 Youth specific practice – how should the 'offer' be delivered?*

In our experience – which is supported by the body of literature on engaging young people and youth practice – there is an under emphasis on practice (the way in which staff work with young people).<sup>51</sup> This can be the difference between a good service model working or not. The Department of Jobs and Small Business has recognised this through the recent establishment of a National Youth Employment Body, hosted by the Brotherhood and focused on identifying and disseminating good practice. It is the **combination of the model and the practice approach that is key to motivating (activating) and inspiring (incentivising) young job seekers to engage in education, training and work.**

Broadly speaking, best practice in working with young people involves:

- **Being knowledgeable of and responsive to the circumstances of young people**, including cognitive and emotional development; the differing needs, capabilities and agency of young people in comparison to adults; and the youth specific specialised state based education and support systems.
- **Face-to-face, intensive support** to develop enabling relationships based on trust.
- **Capabilities focused approaches** which prioritise attention on talents, abilities and potential, rather than deficits.<sup>52</sup>
- **A combination of one-on-one and group work** to enable young people to discover their own aptitudes, talents, weaknesses and strengths. Group work can help in the development of key transferrable skills that are important in the professional world, as well as developing knowledge and attitudes in various areas.<sup>53</sup>

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<sup>49</sup> Orygen Youth Health 2014, *Tell Them They're Dreaming. Work, Education and Young People with Mental Illness in Australia*, Orygen Youth Health Research Centre, Melbourne, p. 10.

<sup>50</sup> Foster, G et. al. 2011, *Precarious Housing and Health: Research Synthesis*, Australian Housing and Urban Research Institute, Hanover Welfare Services, The University of Melbourne, University of Adelaide and Melbourne City Mission, Melbourne; Mallett, S et. al. 2011, *Precarious Housing and Health Inequalities: What Are the Links?*, Hanover Welfare Services, The University of Melbourne, University of Adelaide and Melbourne City Mission, Melbourne.

<sup>51</sup> Grogan, P et. al. 2013, *Building the Scaffolding: Strengthening support for young people in Victoria*, VCOSS, Melbourne; Morrow, N 2013, *Working with Children, Young People and their Family: A practice philosophy guide*, Familycare; YACSA, *Better Together: A practical guide to effective engagement with young people*, Government of South Australia, Adelaide.

<sup>52</sup> Bowman et. al., op. cit.; ILO 2013, *The ILO call for good practices on youth employment: summary report*, ILO, Geneva.

<sup>53</sup> Kohler FW & Strain, PS 1990, 'Peer-assisted Interventions: Early promises, notable achievements and future aspirations', *Clinical Psychology Review*, 22.

- **Experiential or applied learning** as opposed to classroom based pedagogies to enable young people to explore, create and apply knowledge first hand within and across a range of authentic and meaningful contexts.<sup>54</sup>
- **Structured but flexible delivery which provides a clear pathway** through the program, allows time for exploration and builds as motivation increases.
- **Culturally responsive**, particularly for Indigenous young people and newly arrived and refugee young people.

### 3.2 Designing an effective youth employment service – learnings from the TtW CoP Model

The current TtW service design is founded on this evidence base. However, there is scope for improvement. Over the past two and a half years, the TtW CoP has been testing and refining a Model for delivering TtW which builds upon the base service and incorporates further evidence informed practice. This Model is depicted in Appendix A and is detailed at length in a Practice Guide, Coaching Guide, and a range of supporting tools and resources, which can be provided upon request.

Broadly speaking, the TtW CoP Model consists of:

1. An innovative **practice approach called Advantaged Thinking**, which builds motivation and agency by: a) working with young people according to their talents and aspirations; and b) being intentional in how we invest in providing or sourcing opportunities, resources and networks to build their capabilities.
2. **Evidence informed Service Offers** which incorporate the key activities and opportunities outlined in the literature synthesis above – namely Vocational Guidance, Co-designed Planning, Skills and Capabilities Building and Real World Opportunities.
3. **A structured approach to service delivery through Four Phases**, which focuses on exploration and inspiration to build motivation, and provides young people with a blue print for their journey to work.

The delivery of this service model is supported by two key structures, which are outlined in the next section of this submission:

- An employer-led mechanism for harnessing community effort to maximise local economic development for young job seekers, through our Community Investment Committees.
- A mechanism for continuous improvement and knowledge sharing through the Community of Practice and associated evaluation of the model.

Here we share some of the key learnings from our delivery of the TtW service. A table summarising the evidence informed features and practice that the future enhanced youth employment service should incorporate, and how this maps to the current TtW service is included in Appendix B.

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<sup>54</sup> Blake, D & Bowling, B 2011, 'Youth literacy development through applied learning and the national curriculum', in B. Doecke, G. Parr & W. Sawyer 2011, *Creating an Australian Curriculum for English: National Agendas, Local Contexts*, Phoenix Education, Putney, NSW, pp. 139–54.

### *3.2.1 Activate and incentivise young people through agency and accountability*

The emphasis on greater agency for job seekers throughout the Discussion Paper is a welcome acknowledgment of the disempowering nature of employment service provision over the past decade, and recognition that most job seekers are desperate to work. However, we would extend this concept of agency even further.

Drawing on the capabilities approach articulated by Sen (1999) and Nussbaum (2001), we define 'agency' as the freedom and capacity of empowered individuals 'to be and to do' in ways they have reason to value. Among other things this means having the freedom and opportunity to choose their employment, education and training pathway. To achieve agency in relation to services, choice needs to be coupled with voice, to ensure users have a more effective say in the direction, development, and delivery of services.

The concept of 'activation' is a key feature of active labour market programs both in Australia and around the world. It is underpinned by the notion of individual responsibility, primarily through 'work-first' approaches which require job seekers to take any job as quickly as possible, with the idea being that this will improve their employability and wellbeing.<sup>55</sup> There is an extensive body of literature detailing the problematic nature of this approach, particularly in the UK and US context where the work-first style ALMPs were first implemented. This literature highlights the disempowering effect of this approach, the negative impact on job seekers motivation, and the 'churn' that results from a focus on securing short-term labour market outcomes for individuals rather than decent medium to long-term work.<sup>56</sup> Increasingly, those writing on this subject are looking to the capabilities approach as an alternative to work-first and punitive activation measures, with a focus on agency and accountability to build motivation and achieve sustainability.<sup>57</sup>

Giving people agency and choice is intrinsically motivating. It builds personal investment and the confidence required to maintain engagement in education and work. People are more persistent in their pursuit of a goal if they have chosen to pursue it, and if it is something linked to their interests and aspirations. This in turn leads to higher outcomes and greater sustainability, as well as increased wellbeing and self-confidence, which in turn has a further compounding effect on outcomes and productivity. This is hardly radical; the importance of choice in relation to careers is recognised and emphasised throughout secondary and tertiary education. Taking this capabilities approach to activation means attending to the 'prerequisites' required for people to take responsibility and exercise effective agency, namely:

- Empowering individuals with the **capacity to act and to make choices**, through appropriate investment in material resources, skills and available opportunities.
- Providing the individual with the **real freedom to choose and to act**.<sup>58</sup>

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<sup>55</sup> Egdell, V & McQuaid, R 2014, 'Supporting Disadvantaged Young People into Work: Insights from the Capability Approach', *Social Policy and Administration*.

<sup>56</sup> Bowman, D & Randrianarisoa, A 2018, *Missing the mark: employer perspectives on employment services and mature age jobseekers in Australia*, Brotherhood of St Laurence, Melbourne; Egdell, V & McQuaid, R, op. cit.

<sup>57</sup> Egdell, V & McQuaid, R, op. cit; Orton, M 2011, 'Flourishing lives: the capabilities approach as a framework for new thinking about employment, work and welfare in the 21 st century', *Work, Employment & Society*, Vol. 25, No. 2, pp. 352-360; Bonvin, JM 2008, 'Activation Policies, New Modes of Governance and the Issue of Responsibility', *Social Policy & Society*, Vol. 7, No. 3, pp.367-377.

<sup>58</sup> Bonvin, JM op. cit.

For young people in employment services this means providing them with the right supports, opportunities and investment to develop their capacity to choose and the real freedom to choose the path they want to follow, and the steps they will take to get there.

This does not mean that their choices are wholly unconstrained, or that young people are not held accountable – our choices are always constrained by external factors, such as the availability of opportunities in the labour market and our skills and abilities. What it means is that the way in which these constraints are constructed should be oriented towards promoting as much agency and choice as possible. Our focus should be on the right **balance of accountability and freedom, underpinned by appropriate investment**, so as to build personal investment and achieve more sustainable outcomes.

#### Key learning 1: Phase 1 of the TtW CoP Model is critical

Through our delivery of the TtW CoP model, we have seen the efficacy of this agency based approach to activation. While it permeates throughout the whole of program delivery, the approach is most clearly realised in Phase 1 of our Model, called Guidance and Exploration (see Appendix A for an outline of the Four Phases). Young people enter Phase 1 as soon as they commence in TtW. Activities in Phase 1 are non-classroom-based, and focus on:

- **Self-exploration** – where young people reflect on their values, interests and talents and how that can inform their career choices.
- **Career-exploration** – where young people explore a range of different industries and fields through hands-on learning experiences, workplace visits and guest speakers.
- **Vocational guidance and pathway planning** – where young people connect what they've learned through self-exploration and career-exploration activities to identify their pathway and set goals to work towards throughout their time in TtW.

Phase 1 is arguably the most important part of a young person's journey in TtW, as it lays the foundation for their journey through the service by building motivation, engagement and a strong sense of self. The delivery of this critical component of our Model is enabled by the current time-based activation approach of TtW, and the exemption from the compliance framework (including the recent Demerit-point system). This enables the greatest degree of agency and choice, balanced with the reasonable requirements of 25 hours of activity.

#### Case study 1: Phase 1 at Gen Z on the Gold Coast

Gen Z, the TtW CoP provider on the Gold Coast, delivers their Phase 1 activities through the I:Connect and I:Life programs. I:Connect runs once a week, offering activities with an emphasis on building connections, having fun and developing new skills. Young people attending I:Connect are supported to engage in lifestyle activities like cooking, yoga, arts and crafts, as well as more focused activities such as budgeting workshops. This program is developed and run by mentors and placement students, allowing for individualised support as required. These activities serve to engage and connect young people who are at particular risk of social exclusion, and ease them into thinking about what they want to be and do in relation to work.

I:Life is a more intensive program of weekly workshops following I:Connect, and is designed to guide young people in their explorations of career and employment options. The program is designed to ignite aspiration within Participants, so they have a clearer idea about where to focus their

attention. Participants have the option of attending a group Life workshop, or one-on-one sessions with a qualified career counsellor at Gen Z. Participants are supported to engage in conversations about career pathways, work readiness, and their skills and capabilities, and to create a cover letter and resumé.

This approach has proven critical for many young people in Gen Z's TtW service, particularly those with low self-esteem and/or anxiety. For one young person, his struggle to gain work had left with almost no belief in himself. Providing him with the opportunity to engage and explore career paths, along with intensive career assessment, meant that he could identify what he really wanted to do. This has led to a career he loves in landscaping, which he is still engaged in nearly 12 months later.

### Key learning 2: the Job Plan is not fit for purpose

Critical to building agency and motivation for young people is enabling them to have **real choice over their pathway** through a meaningful approach to career planning, including the use of **fit-for-purpose tools** to build and capture this plan. In our TtW CoP Model, we use a 'Co-designed Plan' tool which we developed to address the limitations in the Job Plan (currently used in all employment services). While we are aware that the Job Plan is linked to social security legislation, it must be acknowledged that it is not a 'job plan' in any real sense of the term. It holds no connection to a young person's aspirations, goals or motivation. Instead, it serves as a list of activities that the young person will undertake, and reads like a legal document. This serves as a barrier to engagement rather than a means of building it. A fit-for-purpose Job Plan would:

- Utilise digital technology (e.g. Apps) to be more dynamic, with regular two way communications between the young person and staff.
- Include goals and aspirations.
- Support progress and link to actions (including appointments), encouragement and feedback.

### Key learning 3: mutual accountability works better than obligation

Under our Advantaged Thinking practice approach, we re-frame 'mutual obligation' as 'mutual accountability'. We do this through **The Deal**, which all young people sign up to when they enter the TtW service. It is underpinned by the recognition that young people want to work, and that in order to do so they need to the right kind of investment. The Deal is non-punitive, and expresses value by holding high expectations for young people to instil in them a sense that they are valued members of society with something to contribute. It is designed to prepare young people for the real world and the expectations associated with sustaining an independent livelihood. It does this by fostering a culture of reciprocity, and expressing shared ownership of the TtW service.

The *Deal Checklist* is a tool used to operationalise the Deal. It outlines the specifics of the agreement between young people and the TtW service. By signing this checklist, shared values, principles and expectations are communicated and agreed. Young people are primarily accountable for remaining engaged in education, training and employment, contributing to the wider community and for actively participating in program activities. TtW is responsible for promoting a safe and secure environment that gives young people access to opportunities, resources and networks to enable them to use their talents and gain sustainable employment.

#### Key learning 4: Engage employers throughout the young person's journey

Our research and experience of delivering employment programs has found that employers are eager to play an increased role in providing employment for young people, if they are given the right support. Employers want candidates who are work-ready; who understand the job role and workplace requirements; and who are willing to learn.

They also want to work with a single contact who understands their business; co-designs a recruitment pathway that meets their needs; sources appropriate candidates that match those requirements; and assists them to support and retain staff.<sup>59</sup> If employers are meaningfully engaged in service design and delivery they will have greater confidence in employment services to support their recruitment and emerging workforce needs.

#### **Case study 2: Working with employers at VPG**

An example from the TtW CoP provider in Cairns, Vocational Partnerships Group (VPG) is illustrative of our approach. VPG developed a partnership with Tjapukai Cultural Park, one of the largest Indigenous employers of any tourism enterprise in Australia.

As part of a Work Inspiration activity, twelve TtW participants were given the opportunity to engage with Tjapukai to develop their aspirations and create positive employer networks. The young people attended a site tour, during which they visited the Hospitality, Gardening & Maintenance, Customer Service and Administration Departments. Each of these Departments held information sessions, providing the young people with valuable career guidance and insight into the workplace.

All twelve young people were encouraged to complete job application forms whilst on the site tour, and as a result, three of them were successful in gaining employment with Tjapukai. A further four young people were inspired to undertake and complete their Certificate III Hospitality Qualifications with the goal of future employment at Tjapukai.

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<sup>59</sup> VECCI and BSL, *Barriers to hiring disadvantaged or vulnerable entry-level job seekers: Victorian employers' attitude survey*, December 2009

## Section 4: Commissioning the enabling conditions for an effective youth service

In this section we outline the commissioning approach that would enable the most effective and efficient delivery of the enhanced youth employment service. In doing so, we respond to:

- Chapter 9: A service culture built on competition and quality

This part of the submission addresses the following questions from the Discussion Paper:

9. (i). *What level of contestability, competition and Government intervention in the market is desirable?*
9. (ii). *Should provider performance be evaluated against set benchmarks, or compared with that of other providers? What factors should inform performance evaluation?*
9. (iii). *Should the Government allocate market share among enhanced service providers? If so, how?*

### Section summary

The effective delivery of the evidence informed service model outlined previously in this submission requires a commissioning approach that:

- Enables and incentivises the **integrated, cross sectoral, community response** that evidence tells us is required to achieve outcomes for young people experiencing disadvantage.
- Builds in **mechanisms for continuous improvement of the evidence base** through shared learnings between providers. The recent commissioning of the National Youth Employment Body provides an opportunity to maximise this.
- **Balances fidelity** (to evidence informed features and practice) **with adaptability** (to jobseeker need and labour market need).

Emerging evidence on the impact of competition in the human services and education sectors suggests that market-based systems typically work where services are transactional – i.e. clearly defined, easily substituted, discretionary, and come with minimal costs and consequences to the citizen changing providers. For relatively job-ready jobseekers, this transactional approach delivers efficacy and value for money for government. However, for young people entering the labour market for the first time, competition between providers contributes to system fragmentation, undermining the capacity of service providers to leverage the opportunities from business, the community and other service providers that are vital to achieving employment outcomes for young people. Critically, it also undermines collaboration between providers, by creating perverse disincentives for agencies to work together to achieve better outcomes for service users and communities.

Learnings for how to commission for an effective youth employment service can be drawn from the TtW commissioning process, and from the literature.

**Recommendation 8:** Commission to support local coordination by:

- a) Using a collaboration focused model of contestability (as outlined in Discussion Paper) where providers are not in direct competition in a geographic area.
- b) Appointing organisations with the expertise and capacity to engage their community, by requiring them to demonstrate this in the tender process (e.g. TtW tender).

**Recommendation 9:** Commission to support diversity of providers and coverage of regions by:

- a) Allowing agencies to tender for parts of a region where they can demonstrate community connections.
- b) Using an uncapped, demand driven model for allocation of market share, with a minimum floor (i.e. a minimum level of places with upfront funding per place) to enable flexibility to respond to demand while also supporting smaller organisations to enter the market.

**Recommendation 10:** Commission to drive evidence informed best practice by:

- a) Clearly defining evidence informed key features and good practice in tender documents and Deeds.
- b) Requiring demonstration of youth employment and education expertise in the tender process (e.g. prior TtW tender).

**Recommendation 10.1.** Commission regional communities of practice supported by continuous improvement mechanisms whereby providers share learnings and use data to drive improvement.

**Recommendation 10.2.** Leverage the work of the National Youth Employment Body to support innovative pilots, and the sharing of best practice.

**Recommendation 11:** Maintain the current method for setting targets through a benchmarking approach, not through a relative approach (Star Rating), in line with previous recommendations re incentivising collaboration between providers.

**Recommendation 12:** Design a more expansive and nuanced outcomes framework, which includes progressive outcomes of Cert 1 and 2 in addition to the current employment and education outcomes.

**Recommendation 13:** Re-orient data collection systems (currently ESS Web) to be about a) accountability; b) service improvement; and c) productivity for frontline practitioners, rather than punitively monitoring provider compliance with Deed.

**Recommendation 14:** Continuously evaluate the effectiveness of employment services using data on the profiles of local labour markets, unemployed people, the assistance offered to people, and feedback from service users.

**Recommendation 14.1.** Make data publicly available (with suitable privacy protections) and available in suitable form for independent researchers to use.

## 4.1 Commissioning for local coordination

The delivery of the evidence informed key features outlined in the previous section of this submission is predicated on contributions from other sectors of the community. Access to quality training and education, real work experience opportunities, and specialised support necessitates contributions from education providers, employers and health providers respectively. The evidence consistently emphasises that the effectiveness of youth employment programs is underpinned by the extent to which they involve collaboration between employment service providers, specialist support services and employers at the local level.<sup>60</sup>

There are three critical components to enabling and incentivizing this local coordination:

- The degree of competition between providers in a given area
- The tender process and specifications
- Local coordinating groups, particularly in areas of disadvantage and/or thin markets (outlined in Section 5).

### 4.1.1 Degree of competition in geographic areas

Effective integration and coordination at a local level is undermined by competition between providers within regions, as demonstrated by the evidence around successive iterations of employment services.<sup>61</sup> This is compounded by the 'relative' performance management framework (Star Ratings system) and a punitive, compliance focused approach to contract management, operationalised through complex Deeds and burdensome IT systems (both of which are outlined further below).

The Productivity Commission has observed that competition can erode the trust and bridging social capital that is essential to an integrated service response. Social capital encompasses the institutions, relationships, attitudes and values that govern interactions between people, or 'the glue that holds society together'.<sup>62</sup> The Productivity Commission has also recognised the many social and economic benefits of social capital due to 'positive externalities' such as reduced transaction costs, facilitating the dissemination of knowledge and innovations, and by promoting cooperative and pro-social behaviour in public institutions, in workplaces, and in human services.<sup>63</sup>

Competition also undermines the capacity and inclination of employers to engage with the employment services system, with numerous providers competing for contact with local employers at the cost of overall system effectiveness. In her research on JSA, Olney found that:

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<sup>60</sup> Borland, J et. al. 2016, 'What are best-practice programs for jobseekers facing high barriers to employment?', *Melbourne Institute Policy Briefs Series: No. 4/16*, Melbourne Institute, Melbourne; Olney, SJ 2016, 'False Economy: New public management and the welfare-to-work market in Australia', PhD Thesis, University of Melbourne, Melbourne; OECD 2016b, op. cit.; Mallett, S & Myconos, G 2015, 'A mixed record: A recent history of youth policy', in *Under the Pump! The Pressures of Young Australia*, John Cain Foundation, Melbourne, pp. 31–45; Considine, M, op. cit. 2011, 'Quasi-markets and service delivery flexibility following a decade of employment assistance reform in Australia', *Journal of Social Policy*, 40(40):pp. 811–33.

<sup>61</sup> OECD 2016b, op. cit.; Olney, S op. cit.; Mallett & Myconos, op. cit.; Considine et al. op. cit.

<sup>62</sup> Productivity Commission 2003, *Social capital: reviewing the concept and its policy implications*, Research paper, AusInfo, Canberra, p. ix.

<sup>63</sup> Productivity Commission 2016, *Introducing competition and informed user choice into human services: identifying sectors for reform – preliminary findings report*, Commonwealth of Australia, Canberra.

*“In putting employment services out to the market, the Australian Government unleashed numerous providers chasing employment outcomes on the local labour market and fragmented the pool of labour available to employers between providers competing for business. The findings of this study suggest that employers’ response was to pull away...”<sup>64</sup>*

As acknowledged in the Discussion Paper, surveys of employers consistently highlight the frustration experienced when engaging with employment services. Some are put off by having to deal with multiple providers about a single vacancy. Others feel burnt by being inundated with irrelevant applications and poor quality applicants by jobactive agencies competing for short-term outcomes.<sup>65</sup>

In contrast to the current (and previous) iteration of mainstream employment services, TtW was commissioned as a ‘collaboration focused market’, described in the Discussion Paper as follows:

*“...a single provider in each employment region (with the number of employment regions being increased). Providers would be encouraged to collaborate across regions. This would also provide employers with a single point of contact in each region.”<sup>66</sup>*

This approach has greatly supported the capacity of providers to engage effectively with other support services, local council, education providers and employers to provide opportunities and support to participants. By removing the imperative to compete with each other, providers are able to devote time and resources to engaging with the community transparently and productively. It also increased the capacity of community partners – including employers, education providers and other services – to engage with TtW as the ‘one-stop-shop’ for young people seeking education and employment in the area.

The TtW commissioning process established this collaboration-focused market through the tender specifications:

The Department is seeking to establish one or more Transition to Work services in each of the 51 Employment Regions around Australia (see Appendix D).

Respondents may apply to deliver services in one or more Employment Regions. There is no requirement to cover an entire Employment Region, the Department encourages Respondents to nominate specific Locations.

Respondents must nominate the Location within an Employment Region they propose to service and will be required to nominate the minimum and maximum number of places they are willing to contract for in a Location or across an Employment Region. For each Location in an Employment Region, only one Provider will be selected to deliver services.

All Respondents will need to demonstrate existing community networks with Employers, community services and schools in the Location(s) and/or Employment Region(s). They will also need to demonstrate experience in working with difficult to engage young people and have a track record of

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<sup>64</sup> Olney, S op. cit. p.190

<sup>65</sup> Bowman, D & Randrianarisoa, op. cit.; van Kooy, J et. al. 2014, *Understanding employer engagement programs for disadvantaged jobseekers: An exploratory study*, Brotherhood of St Laurence, Melbourne.

<sup>66</sup> Department of Jobs and Small Business, op. cit. p. 66.

achieving Employment and Education Outcomes in the Location or Employment Region they are bidding in.<sup>67</sup>

#### *4.1.2 Commissioning for expertise – the TtW tender specifications*

As outlined previously in this submission, effective engagement with the community stakeholders required for youth employment service delivery depends upon the expertise and capability of the provider and the staff they employ. This is as true for metropolitan areas with crowded service sectors as it is for regional and rural communities with thin markets. Community embedded organisations hold considerable social capital through networks with other service providers, education and training providers, local council, employers and individual citizens.

The TtW tender process explicitly recognized this by requiring agencies to demonstrate a history of achieving outcomes for young people, and of working effectively with relevant community stakeholders:

#### **Criterion 4: Demonstrated capacity to work with Employers, community based organisations and schools to create employment and education opportunities in the local community.**

**Requirement:** In preparing a response to this criterion, Respondents **must**:

- a) describe, with at least two examples, their engagement with local Employers and Employer networks in the region to create work experience and employment opportunities for young people
- b) describe, with at least two examples, their engagement with schools and other education organisations in the region to assist young people into education
- c) describe, with at least two examples, their engagement with community organisations to identify and assist young people into employment and education
- d) detail the plans to extend local networks that support young people in the Employment Region or Location.

All Respondents must provide details of at least two and no more than six referees who are able to verify the Respondent's claims, particularly in relation to the engagement the Respondent has described in the response to criterion 4.<sup>68</sup>

#### **4.2 Perceived problems with a collaboration-focused market – diversity, user choice and innovation**

Competition and increased marketization have been a mainstay of employment services since the introduction of Job Network in 1998. Twenty years of this approach has resulted in some deeply held assumptions – and misconceptions – about the efficacy of marketization. Here we address three of these to support a collaboration-focused market as the most appropriate commissioning approach: the concept of user choice; the value of a diversity of providers; and the role of competition in driving innovation.

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<sup>67</sup> Request for Proposal for Transition to Work 2016-2020.

<sup>68</sup> Request for Proposal for Transition to Work 2016-2020.

#### 4.2.1 User choice in a collaboration-focused market

The commissioning approach proposed in this submission emphasises the importance of user choice in service delivery. It recognises that choice of provider, enabled by greater competition and marketization within geographic areas, may be important for assisting some young people to better access and attain employment. Aligning young people's preferences with service style, culture and quality may be important factors here. However we contend that this choice – provider choice – is not the choice that will make the most difference to individual young people and, more broadly, the delivery of efficient and effective employment service. It misplaces service design effort and fails to account for the contextual factors that both enable and curtail service user's ability to choose between providers. Moreover it fails to address the unintended consequences of marketization for the development of quality, evidence informed service delivery.

We argue below that it is choice of pathway that is crucial to young people and for this reason it is essential to develop a commissioning approach that enables services to prioritise young people's capacity to choose their pathway.

First, the assumption that more providers in a market will automatically enable job seekers to effectively choose their service provider overlooks both geographic and logistical barriers (e.g. transport), and the difficulty many people experience in navigating a complex and increasingly fragmented service system. This is compounded by information asymmetry, as well as the degree to which job seekers have the capabilities required to use information effectively.

Very often there is a power imbalance in the relationship between the provider and the service user that can make it difficult for service users to assert their preferences and have their needs acknowledged. Despite substantial changes in recent decades, some human service sectors have a long history of disregard for the views of those they serve, and in some service areas the professional tendency to dismiss client concerns remains deeply embedded. And too often the official channels that are made available for customers to voice their dissatisfaction are inaccessible or intimidating for those unused to asserting themselves.<sup>69</sup>

Second, the prevailing definition of 'user choice' – the right for consumers to enter or exit a given service – is both limited and limiting. To address the limitations inherent in the concept of user choice, the TtW CoP has adopted the concept of agency, of which choice is a key dimension. As outlined previously in this submission, agency implies not merely choice, but also voice; the opportunity to have meaningful input into the menu of choices available and the combination of the services received.<sup>70</sup> As we articulate in Section 2 of this submission, for young people embarking on the start of their career, the critical factor is choice over their pathway – what they want to be and do, and the steps they will take to get there. For this reason it is crucial to design a collaborative service model and practice, with the necessary access to opportunities and networks that can enable young people to meaningfully choose what they want to do.

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<sup>69</sup> Marshall, S 2004, *Has service user participation made a difference to social care services?*, Social Care Institute for Excellence, London.

<sup>70</sup> Simmons, R 2011, 'Leadership and listening: the reception of user voices in the today's public services', *Social Policy & Administration*, vol. 45, no. 5, pp. 539–568.

#### 4.2.2 Diversity of providers in a collaboration-focused market

A collaboration focused market does not mean a lack of diversity of providers, quite the opposite. Allowing providers to tender for the part of an employment region in which they hold the local connections necessary for effective service delivery, when coupled with an appropriate approach to the allocation of market share, enables the Government to achieve diversity, as well as greater coverage in areas of thin provider markets.

Smaller organisations that are unable to service the full size of the current Employment Regions are further prohibited from entering the market by the outcomes-driven funding arrangements, which require significant upfront financial investment by the organization. This has diminished opportunities for responsiveness to local circumstances and community collaborations - undermining some of the key benefits associated with outsourcing.<sup>71</sup> As outlined previously, providers that are embedded in their local community are uniquely placed to leverage the trust and resources of a local area.<sup>72</sup>

In contrast, the approach taken in commissioning TtW supported smaller community organisations to enter the market. This was achieved by allocating market share through an annual number of places, and providing up-front funding for expected outcome targets, combined with bonus payments as performance incentives. TtW has since moved to an uncapped, demand driven model for annual places, in recognition of the high demand for services in most areas. For the next enhanced youth employment service, guaranteeing a minimum number of places, linked to funding and expected outcomes, with an uncapped demand driven model would support a diversity of providers while enabling flexibility in responding to demand.

#### 4.2.3 Driving innovation in a collaboration focused market

The marketization of the employment services system was intended to promote flexibility, innovation and adaption of services to local conditions, with the assumption that competition would 'incentivise providers to operate efficiently and to innovate in order to secure clients and funding'.<sup>73</sup>

However, research suggests that in fact, competition made services increasingly homogenous and that tight contract management and compliance regimes may have hindered providers' flexibility to respond to the needs of service users<sup>74</sup> – a point acknowledged in the Discussion Paper.

Commissioning for services that respond to complex social and economic problems must be underpinned by greater, deeper and more diverse forms of collaboration and partnerships – between government, service providers, business and communities – rather than more competition. Collaboration built on trust and reciprocity has the potential to foster innovation in human service delivery by creating opportunities for sharing ideas and experimenting with new approaches. Most importantly it could achieve this while creating pathways for service users to collaborate with providers as drivers of innovation and reform.<sup>75</sup>

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<sup>71</sup> Jobs Australia, *State of Play: Jobactive Employment Services 2015-2020 Tender Results*

<sup>72</sup> Borland et al., op. cit.; Bowman, et. al., op. cit.

<sup>73</sup> OECD 2016b, op. cit, p. 225.

<sup>74</sup> Horn, M 2013, 'Inclusive growth: the role of active labour market interventions', in P Smyth & J Buchanan (eds), *Inclusive growth in Australia*, Allen & Unwin, pp. 222–41; Considine et al., op. cit.

<sup>75</sup> Wilks, S et. al. 2015, *Commonwealth place-based service delivery initiatives: key learnings project*, Australian Institute of Family Studies; O'Flynn, J & Alford, J 2012, *Rethinking Public Service Delivery: Managing with External Providers*, 39

How this collaboration for innovation and best practice could be achieved in the enhanced youth employment service is outlined below.

### 4.3 Enhancing best practice through collaboration between providers

Previously in this submission, we outlined the evidence informed service offer and practice that should form the model for the next youth employment service. Continuous improvement, supported by fit-for-purpose monitoring systems and rigorous evaluation, will be critical to ensuring the effective delivery of this service model. Key mechanisms to support this include:

- Sharing best practice between providers through establishing regional communities of practice, and leveraging the new National Youth Employment Body to support this collaboration.
- A fit-for-purpose performance management framework.

#### 4.3.1 Sharing best practice through regional Communities of Practice

The Discussion Paper states that in a collaboration-focused market, 'providers would be encouraged to collaborate across regions'. Collaboration creates opportunities for service providers to share ideas, and experiment with new approaches to service delivery while offsetting some of the unintended issues associated with the increased marketization of human services. Formalising this through regional 'communities of practice' would provide an effective mechanism for providers to share networks and best practice that could deliver improved services for jobseekers.

The TtW CoP has experienced firsthand the value derived from collaborating through a formal arrangement such as a CoP. At the most basic level, CoPs can be defined as:

*"...groups of people who share a concern or a passion for something they do and learn how to do it better as they interact regularly."<sup>76</sup>*

From a social learning angle, CoPs highlight how socialisation amongst practitioners, and exchange of practice-based expertise and situated knowledge, can generate a shared knowledge base and enhance the potential for innovation. The value generated by this approach is backed up in the literature, and includes: collective problem solving; generation of new and innovative ideas and solutions; new skills, confidence or knowledge; increased connections within the given field; stronger ties that provide greater sources of information and potential for future collaboration; access to resources, including tools, processes and practice.<sup>77</sup> The diverse value generated by CoPs is realised on the individual level (improved skills and capability for staff, outcomes for service users) and the organisational level (improved performance and efficiency), in turn resulting in value for government.

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Palgrave Macmillan, Basingstoke; Muir, K, Katz, I, Edwards, B, Wise, MGS & Hayes, A 2010, 'The national evaluation of the Communities for Children initiative', *Family Matters*, no. 84, pp. 35–42.

<sup>76</sup> Wenger-Trayner, E., and Wenger-Trayner., B. 2015. *Communities of Practice a brief introduction*, p.1 <http://wenger-trayner.com/introduction-to-communities-of-practice/>

<sup>77</sup> Blackmore, C. 2010. 'Managing systemic change: Future roles for social learning systems and communities of practice?' In *Social learning systems and communities of practice*, edited by the author (pp. 201-218). London, Springer, in association with The Open University; Wenger, E., Trayner, B. & de Laat, M. 2011. *Planning and assessing value creation in communities and networks* (Rapport 18). Heerlen, Open University of the Netherlands, Ruud de Moor Centrum.

The Department of Jobs and Small Business has commissioned a new National Youth Employment Body, hosted by the Brotherhood of St Laurence, to serve as a forum to capture and co-create best practice youth employment service models. Regional CoPs for the enhanced youth employment service could be supported by this Youth Employment Body, providing opportunity to maximise the investment and scale local innovations to national solutions.

#### *4.3.2 Fit-for-purpose performance management framework*

The effective delivery of the enhanced youth employment service outlined in this submission requires a fit-for-purpose outcome and performance management framework. This consists of:

- An outcomes framework which recognises the importance of progressive outcomes for young job seekers, including completion of Certificate 1 and 2.
- An approach to measuring outcomes which encourages accountability on the part of the provider, but doesn't serve as a barrier to collaboration.
- An IT system which supports a) accountability; b) service improvement; and c) productivity for frontline practitioners.

Research into frontline service delivery of employment services, including the current jobactive service, has demonstrated what is also acknowledged in the Discussion Paper: the provider compliance framework, operationalised through the Deed, Guidelines and IT system, diverts precious time and resources away from front-line assistance to the detriment of staff productivity and job seeker outcomes.<sup>78</sup> Most providers supplement their use of the IT system (ESS Web) with a third party system to effectively manage their service. Another key feature of the current performance management system, the Star Ratings systems, also has perverse outcomes. It encourages a focus on short-term outcomes, rather than an approach that invests in the capacity of the job seeker, and undermines collaboration between providers.

The performance framework for the current TtW service goes part way to addressing some of these issues. The service is not subject to the same degree of provider related compliance as jobactive, in line with the exemption from the full compliance framework for young people in TtW. Outcome targets are set as benchmarks, derived from historical employment services and adjusted according to labour market changes. This approach to benchmarking outcome targets has worked well in TtW and should be maintained in a collaboration-focused market.

However, TtW also uses ESS Web, and a significant proportion of frontline staff time is spent entering data into the system. This system is designed around the Department's desire to rigorously monitor provider compliance. Accountability on the part of the provider is important – publicly funded services should rightly be held accountable for what they deliver. However, this accountability is perversely undermined when compliance impedes productivity and supersedes quality service delivery to job seekers. The data collection system for the future enhanced youth employment service should be reoriented to balance accountability with usability, and support continuous improvement through the regional CoPs outlined above.

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<sup>78</sup> Randrianarisoa, A & Bowman, D 2018, *On the front line: employment services staff perspectives on working with mature age jobseekers*, Brotherhood of St Laurence, Melbourne.

## Section 5: Commissioning for place based responses

In this section we emphasise why a recognition of place in the design and delivery of employment service is critical, and how this can be built into commissioning processes. We also outline two innovative approaches to delivering youth employment services in areas of concentrated disadvantage and/or thin labour markets. In doing so, we respond to:

- Chapter 8: Targeted regional and local approaches

This part of the submission addresses the following question from the Discussion Paper:

*8. (ii). How could local stakeholders be encouraged to identify priorities, engage with providers and implement local employment solutions?*

### Section summary

The last component of the fit-for-purpose commissioning approach outlined so far in this submission is the recognition of place. Place is pivotal to the delivery of employment services. Unemployment – like other social and economic issues – has a strong geographical dimension, and the opportunities and networks jobseekers need are both enabled and curtailed by local community context.<sup>79</sup>

A recognition of the ways place shapes employment opportunities can, and should, be embedded across the commissioning process; from the Tender Specifications (e.g. encouraging providers to detail how they will be responsive to local labour market conditions or concentrations of particular populations in place, such as high number of newly arrived or Indigenous young people), through to how outcome targets are set (including recognising the value of progressive outcomes in areas of concentrated disadvantage or thin labour markets).

Service design and implementation, including Tender Specifications and Deeds, should aim to balance fidelity to the evidence based service offer and practice (outlined previously in this submission), with the flexibility to contextualise this offer to local social, economic and cultural conditions.<sup>80</sup> Key to striking the right balance between fidelity and flexibility is ensuring that adaptations are always focused on jobseeker need and/or labour market characteristics.

The TtW CoP employs two mechanisms to recognise and address the impact of place, and harness locally based networks and opportunities in youth employment services delivery:

- **TtW CoP Community Investment Committees** which co-ordinate regional economic and employment development initiatives for young people
- An **'enabling organisation'** which acts as an intermediary to balances fidelity and adaption, a role fulfilled by the Brotherhood.

<sup>79</sup> Webb, S, Black, R, Morton, R, Plowright, S & Roy, R 2015, *Geographical and place dimensions of post-school participation in education and work*, NCVET, Adelaide; Muir, K et. al., op. cit.

<sup>80</sup> Considine, M et. al. 2018, 'The Policymaker's Dilemma: The Risks and Benefits of a 'Black Box' Approach to Commissioning Active Labour Market Programmes', *Social Policy and Administration*, Vol. 52, No. 1, pp. 229–251

**Recommendation 15:** Design and commission the youth employment service in recognition of place by:

a) Encouraging agencies to be innovative in how they account for how they will meet the needs of the population/place, particularly in areas of concentrated disadvantage, thin labour markets and/or specific populations (e.g. Indigenous, newly arrived).

b) Reflecting place based conditions in the allocation of target outcomes (including progressive outcomes).

**Recommendation 15.1.** Where appropriate, commission 'enabling organisations' to support smaller organisations to scale, strengthen downwards accountability, authorise adaptation to local conditions, and facilitate collaborative ways of working between different local actors.

**Recommendation 16:** In areas of concentrated disadvantage and thin labour markets, commission employer led regional economic development approaches such as the Community Investment Committees.

### **Case study 3: Recognition of place in Indigenous communities**

The TtW CoP provider in Darwin, YouthWorX NT, has a caseload of approximately 70 per cent Indigenous young people. A place based approach is particularly essential in Indigenous communities; all communities are different, the people and the language. The complexity of Indigenous social relationships means that behaviour in all aspects of an Indigenous person's life is determined by their place in the kinship system.

However, this is rendered all but impossible when services are designed and implemented according to inflexible, catch all contracts and guidelines. Community ownership is essential for the success of programs in Indigenous communities, yet this is impossible when services are pre-defined and pre-determined by policy makers. The commissioning process should enable services to be co-developed, empowering communities to negotiate, not solely advise or confer. This would enable solutions which are based on local needs and solutions as identified by local people. Community consultation mechanisms should facilitate Indigenous influence over policy determination and decision-making at a local level.

If such an approach is taken, the likelihood of successful outcomes in Communities will be greatly enhanced.

## 5.1 Community Investment Committees

Employment services in Australia have, to date, been poor at developing and fostering demand side responses to (un)employment. They have also demonstrated limited ability to develop structured supply side responses. As the OECD notes, local collaboration between Australian employment services and training providers, business and welfare organisations is often unstructured, ad hoc and targeted at individuals or small groups of jobseekers rather than more structural solutions.<sup>81</sup> Employment services have largely ignored the necessity and opportunity to create structural solutions to employment that are attuned to regional labour markets and local infrastructure, conditions and populations. This is hardly surprising; they have not been funded or incentivised to undertake these activities.

As a range of authors indicate, to be effective local economic development initiatives must integrate regional and national policies, and develop effective strategic plans involving all relevant parties (including government, business and local community). These should be combined with effective monitoring and evaluation mechanisms to drive integrated planning and activity.<sup>82</sup>

To address these gaps in employment service design and practice, the TtW CoP has developed and resourced **Community Investment Committees (CICs)** as part of our service Model. These committees provide the key mechanism to co-ordinate local effort that fosters and builds economic development opportunities for young people. Chaired by local employers, the CIC brings together partners – business, education providers, local council, the TtW provider and other community organisations – to develop and implement an economic development strategy for young people within the community.

The role of the CICs is to:

- Identify or create **opportunities for economic development** that may not already exist in the community
- Identify and formulate ways to **address local barriers to employment for young people** (e.g. transport).
- Leverage **practical support, advice and opportunities for the delivery of the TtW service** and other youth employment initiatives. Community resources and opportunities are mobilised for TtW Participants (e.g. employers willing to give work experience placements, work tasters; volunteers and mentors to work with the Participants).
- **Contribute expert knowledge on local issues, such as local labour market change** and youth unemployment and, and to inform strategic decision making for the TtW service.
- **Implement and participate in broader campaigns or activities to address local youth unemployment**, and promote a positive view about the potential of young jobseekers in the short and longer term (e.g. local employer pledge or youth employment campaigns, a regional youth employment strategy).
- **Identify and facilitate ways to improve local work and learning pathways for young people** through collaboration with local services, educational providers and other relevant stakeholders,

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<sup>81</sup> OECD 2014, *OECD Reviews on Local Job Creation: Employment and Skills Strategies in Australia*, OECD Publishing, Paris.

<sup>82</sup> Skattebol, K et. al., op. cit.; ILO 2012, op. cit.; Cook et al. 2008, *Creating Effective Local Labour Markets: A New Framework for Regional Employment Policy*, Centre of Full Employment and Equity, University of Newcastle, Newcastle, NSW.

and advise on how delivery of the program can best complement other local services and programs.

- **Formalise mutual accountability between the community and TtW** by ensuring that the program is informed and supported by the community, and that the community is in turn investing in the program.
- **Inform the advocacy work of the national TtW CoP** through their knowledge about structural and systemic policy issues that impact on the local community and the capacity of TtW to achieve outcomes for young people.
- **Contribute to the ongoing innovation and improvement of the TtW CoP Model** by providing feedback on the outcomes achieved and the lessons learned, as well as the action research evaluation of the service.

The composition and work of the CICs is tailored to local conditions, including different existing networks or entities, as well as the social, economic and cultural context of the community. Some examples of how the CIC approach has been operationalised around the country are outlined here.

#### **Case study 4: Community Investment Leadership Group – Colony 47 Tasmania**

Colony 47 identified the need for the CILG to have a broad-based industry engagement, with a particular focus on industries that were forecast to grow their employment numbers over the next three years.

The CILG includes senior representatives from the growth industries of tourism and hospitality, building and construction, agriculture and aquaculture, and community services, as well as the utilities and the manufacturing sectors. Members include: Hydro Tasmania – energy generation; Nyr Star; Building Group Apprenticeship Scheme; Federal Hotels; Huon Aquaculture; Houston Farms; Tassal; Colony 47; and DoE (funding agency).

Initial work on the CILG by Colony 47 sought to engage senior industry executives in understanding the scope of the youth unemployment issue in Southern Tasmania, and also to canvass initiatives to address employment barriers facing young people. The initial briefing scoped four key areas for further work, including the need to address the cost and hours of practice required for young people to complete their driving licences; finding young employed people in all sectors to act as mentors; the different sectors' requirements for hiring entry-level roles; and the lack of opportunities for young people in regional areas to engage in training and to develop work skills.

As a result of this initial work, a number of projects were developed in June 2017 for the CILG to consider, including:

- a sponsorship arrangement with Royal Automobile Club Tasmania and Myer Foundation to provide young people with access to free driving lessons so they can get their licence
- a series of mentors from, and information sessions about, growth industries for young people, such as tourism and hospitality and the automotive industry
- a process to develop the CoP Work Readiness Skills Tool to incorporate the employer perspective through pilot projects with Federal Hotels and National Disability Services

- an Empowering Youth project supported by the DoE in regional areas to engage young people in projects to develop work-related skills

The CILG will meet regularly to oversee the implementation of these projects and to provide further advice and guidance on opportunities for young people to access employment.

### **Case study 5: The Brotherhood of St Laurence Community Investment Committee – Broadmeadows**

The Broadmeadows CIC brings together the Economic Development Unit at Hume City Council, local employer Scalzo Foods, representatives from Bendigo Kangan Tafe and other local employers and key stakeholders.

To date, the CIC has contributed to and inform the advocacy work of the national TTW CoP through their knowledge about structural and systemic policy issues that impact on the local community and the capacity of TTW to achieve outcomes for young people, opened up local employment opportunities for young people in the region, collaborated on trialling and enhancing the development of the Work Readiness Skills Tool and explored ways to collectively respond to emerging policy changes that might affect young people in the region and opportunities to collaborate with other organisations on existing projects.

In Hume the CIC is a youth working group of the Hume Jobs and Skills Taskforce (the CIC). The Chair of the CIC, a local employer – Quin Scalzo from Scalzo Foods. The CIC reports to the HCC Jobs and Skills Taskforce, where it links to broader government planning and community support for addressing unemployment and socio-economic disadvantage.

## **5.2 Balancing fidelity and adaptation – the role of enabling organisations**

Knowledge of local labor markets as well as deep, collaborative networks in a community are essential for the delivery of evidence informed employment services that are attuned to, and can adapt to, local conditions. It is through this knowledge and networks that frontline staff can develop and leverage appropriate opportunities for young jobseekers. Local providers, who in some cases may be smaller organizations, are best placed to understand their communities and deliver the collaborative, evidence informed models we have outlined. However, as outlined previously, many of these providers have been squeezed out of the employment services market as they are unable to compete in tender processes with larger providers (for profit and not for profit). Moreover they often lack the back of house resources to adequately resource compliance components of the contract and demonstrate the efficacy of their work with jobseekers.

Innovative commissioning models provide one solution to this problem. Intermediary bodies could be commissioned to support smaller providers to be competitive in the employment services market. There are multiple examples within and beyond the employment service sector of different forms of intermediary bodies being used to mediate government's need for upwards accountability

with the flexibility to develop services tailored to local community need.<sup>83</sup> These include but are not confined to classical 'prime provider' or 'lead contractor' models which might primarily manage sub-providers.

The *Better Futures, Local Solutions* initiative (BFLS), funded in 2011-12, piloted a community-led, place-based approach to combat intergenerational disadvantage in ten locations. Jointly overseen by three Commonwealth departments, BFLS expressly sought to enhance the effectiveness of existing support services by improving coordination and making them more accountable to the communities they served. In each location, responsibility for allocating funds was delegated to a not-for-profit organisation in partnership with a Local Advisory Group. Although a full evaluation was never completed, early findings indicated that BFLS had strengthened collaborative relationships between local agencies and increased community capacity to participate in local planning, and further, that both factors were contributing to better outcomes for residents.<sup>84</sup>

Likewise, the Commonwealth Communities for Children program (CfC) sought to improve outcomes for children and families living in 50 disadvantaged communities. Facilitating Partners (FPs) were funded to mentor Community Partners (CPs) to build their capacity for coordination of services for families requiring support from multiple agencies. A longitudinal evaluation of CfC found that the program had increased coordination both between CPs, and between CPs and smaller, local not-for-profits, with associated gains for participating families and for the community.<sup>85</sup>

In both programs, an intermediary organisation was engaged by government to coordinate the whole-of-community effort and balance upwards and downwards accountability. By contrast to prime provider models, the function of these intermediary organisations is expressly *not* to enforce adherence to a standardised program logic, but to **strengthen downwards accountability, authorise adaptation to local conditions, and facilitate collaborative ways of working between different local actors**. The capacity of such entities to balance government's need for upwards accountability with the flexibility to develop services tailored to community need makes them particularly suitable for place-based approaches.

The Brotherhood currently plays a comparable role in several programs for which they are also registered providers. This approach—in which the Brotherhood delivers a program while concurrently collaborating with other providers to build their capacity—is sometimes described as 'having skin in the game'. The Brotherhood intentionally has a small service footprint in the area (e.g. one or two services) and a larger service development, training and evaluation role. The direct experience of service delivery enables the Brotherhood to understand the practical challenges staff face, and prevents a 'disconnect' opening up between the front-line and the back office.

### **The Brotherhood's role as the 'enabling organisation' for the TtW CoP**

The Brotherhood's fulfils this role most clearly in the TtW CoP. It delivers two services, one in Hume and another in the Frankston/Mornington Peninsula region. It also facilitates the TtW CoP to develop a more effective employment service for young people by harnessing the expertise and

<sup>83</sup> In addition to the two outlined here, see also New Zealand's Whanau Ora initiative and Collective Impact approaches.

<sup>84</sup> Wilks, Lahausse & Edwards, op. cit.

<sup>85</sup> Muir et al. op. cit.

learning from the group. It seeks to build the capacity of the providers to work more effectively with each other and with other local agencies and community groups. The Brotherhood does not manage the other service providers as in a 'prime provider' or franchise commissioning arrangement.

**Specifically, the Brotherhood's role involves:**

- Establishing and facilitating the activity of the TtW CoP
- Service development, including Practice Guides, tools and resources and websites
- Training in the service model and practice approach via site visits to organisations, training days, forums and e-learning modules
- Facilitating regular conferences and meetings
- Research and data analysis through the BSL Research and Policy Centre.
- Co-ordinating the effort about the national influencing agenda

**The role of the other TtW CoP members includes:**

- Contributing to the co-design and ongoing improvement of the Model through trialling key tools and resources and providing feedback to BSL on how they are working or could be improved. Members also share details and examples of how they have implemented the Model in their local context, including new ideas and innovations, and additional or alternative tools and resources that could benefit other CoP members.
- Contributing to the monitoring and evaluation of the CoP through collecting consistent data through ESS and additional methods provided by BSL, and sharing this data with BSL and other CoP members; and participating in evaluation activities as required by the BSL's research team (e.g. interviews).
- Providing support and advice to other CoP members in areas they hold expertise.

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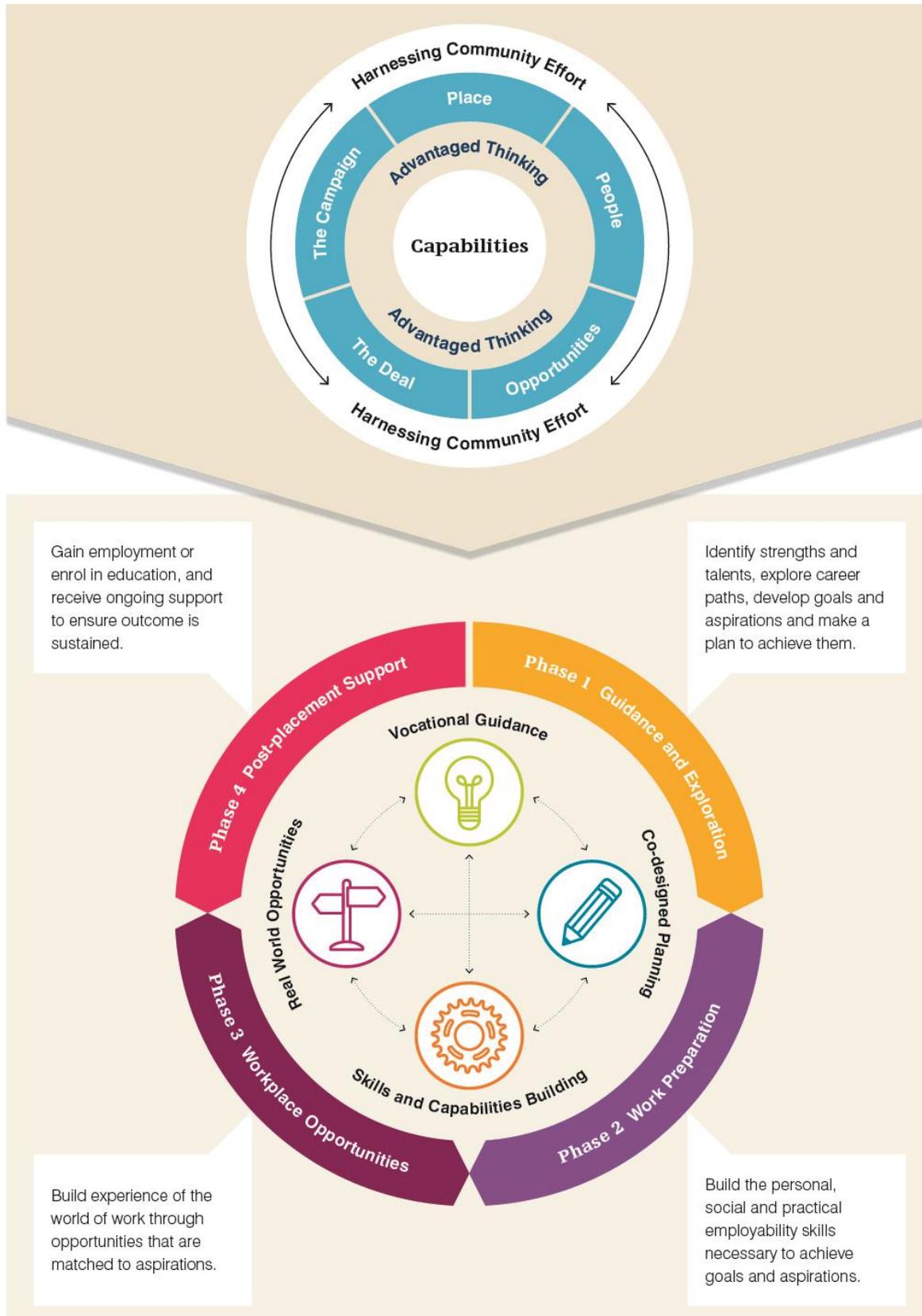
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## Appendix A: The TtW CoP Model



## Appendix B: The service offer and practice approach required for the enhanced youth employment service

<b>Key features of the service offer</b>	
<i>What</i>	<i>Currently in TtW?</i>
Vocational guidance based on: <ul style="list-style-type: none"> <li>- Strengths and interests</li> <li>- Labour market opportunities</li> </ul>	Yes – but should have stronger focus
Co-designing a plan by: <ul style="list-style-type: none"> <li>- Allowing adequate time for career exploration to identify interests and skills</li> <li>- Enabling choice over what goes in the plan, and adequate information and coaching to make informed choices</li> <li>- Setting achievable goals and actions linked to career aspirations</li> <li>- Engaging and useful tools to record goals and aspirations and celebrate progress</li> </ul>	No – the Job Plan is used as a proxy for this and is not fit-for-purpose.
Skill development including: <ul style="list-style-type: none"> <li>- Employability skills</li> <li>- Job search skills</li> <li>- Foundation skills (language, literacy, numeracy, digital literacy)</li> <li>- Access to accredited training</li> </ul>	Yes
Real work experiences including: <ul style="list-style-type: none"> <li>- Work experience (inc. internships etc.)</li> <li>- Work tasters</li> <li>- Connections to employers</li> </ul>	Partially – the red tape associated with the National Work Experience Program and PaTH are a barrier.
Support to access specialised services.	Yes
Support once in a job	Yes
<b>Key features of the practice approach</b>	
<i>What</i>	<i>Currently in TtW?</i>
Intensive servicing supported by low caseloads	Yes
Capabilities focused: <ul style="list-style-type: none"> <li>- Agency building</li> <li>- Strengths based coaching rather than deficit based case management</li> <li>- Attends to external factors (opportunities, networks) as well as internal (skills, attributes)</li> </ul>	No – there is an insufficient focus on practice (how services are delivered) in the current TtW service.
Face-to-face support through a combination of one-on-one and group work	
A structured pathway approach to service delivery which emphasises adequate investment in exploration and inspiration.	