

# Submission to the inquiry into Workforce Australia employment services

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Social Ventures Australia

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# Introduction

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SVA thanks the House Select Committee for the opportunity to provide a submission to the inquiry into Workforce Australia Employment Services.

Recognising the wide range of issues canvassed by the Committee in the guidance material, SVA's submission focusses on those areas where our past work has given us insight into one or more relevant issues. We have structured our response to align with the questions presented in the guidance material, and provided input to the following areas:

- Section 1: Policy objectives that underpin employment services
- Section 2: The best operating structure for employment services
- Section 3: Integration and support for local responses
- Section 6: Helping job seekers into secure jobs
- Section 7: Meeting employers' needs
- Section 11: Research, evaluation & adaptation

## About SVA

Social Ventures Australia (SVA) is a not-for-profit (NFP) organisation with the mission to alleviate disadvantage, towards an Australia where all people and communities thrive. We influence systems to deliver better social outcomes for people by learning what works in communities, helping organisations be more effective, sharing our perspectives, advocating for change and influencing systems.

Over our 20 year history, SVA has taken a deep interest in the role of fair and equal employment as a key part of achieving our vision. SVA works with employers and young people across a range of initiatives to influence systems to deliver better employment outcomes for young people including by looking for ways of creating more pathways to skilled employment.

This submission draws on SVA's experience and commissioned research related to the employment and employment services system. This includes:

- The ['What will it take' report](#) (with Apprenticeship Employment Network and PWC) exploring the barriers and enablers to employers supporting young people into skilled employment;
- [Future Fair](#) – an exploration of trends affecting young people's employment and how employment programs and systems might need to change to address these;
- Commissioned [research](#) into young people's experience of employment in Western Sydney, in addition to a tracking study of several young people's pathways into employment over time;
- Working directly with medium-large employers to uncover and address barriers to entry to quality jobs for young people at risk of exclusion through our [Employer Innovation Lab](#);
- Involvement in 'action research projects' in Sydney and Melbourne which have involved working with TAFE, employment services providers, an industry association and young people to promote pathways into skilled employment for young people;
- Commissioned research into [funding better youth employment outcomes](#)
- Work on the financial viability of the charity sector in our [Partners in Recovery](#) project, and on ['paying what it takes'](#) for service providers, especially not-for-profits, to deliver effective outcomes



- Via our impact investing work, developing [social impact bonds](#) and other forms of outcomes-based contracting.
- Extensive experience in evaluating programs and services, including [working with First Nations communities](#)

We would be pleased to provide further information to the Committee about any of the matters discussed here.

# Section 1: Policy objectives that underpin employment services

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The current design of employment services reflects a primary, and overriding, objective to reduce the number of people on unemployment benefits at the least possible cost. These objectives are reflected in performance measures reported by the Department of Employment and Workplace Relations for these services. They include, for example:

- Cost per employment outcome (where employment outcomes are defined as the number employed 3 months following participation)
- Proportion of job seekers actively looking for work (defined by those fully compliant with their mandatory job search obligations) and
- Proportion of job placements sustained to 26 weeks (defined as time off benefits or time in work, including work with multiple employers).<sup>1</sup>

As the Committee has noted, other objectives are frequently claimed for the system. These include contributing to productivity, encouraging workforce participation, reducing inequity, and reducing structural unemployment. However, the results actually achieved by the system are often at odds with these objectives. For example:

- Many unemployed people report that participation in employment services increases anxiety, is stigmatising, and does little to assist in helping them find suitable employment<sup>2</sup>
- Rather than reducing inequality, there is evidence that the system works best for those who face fewer obstacles to employment<sup>3</sup>
- Just over half (50.6%) of people who participate in employment services are placed in casual or temporary work.<sup>4</sup> This is more often the case for those who face greatest disadvantage (59.1%). Precarious employment is negatively associated with wellbeing and contributes to poor mental health, in turn reducing capacity to work.<sup>5</sup> People in precarious work are less likely to receive training and other support that would enable them to take up more highly skilled employment.<sup>6</sup> For young people, starting off in poor quality jobs can lead to long term 'scarring' – reducing their future economic opportunities.<sup>7</sup>

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<sup>1</sup> Department of Education, Skills and Employment (DESE), *2021–22 DESE annual report*, DESE, Australian Government, 2022, accessed February 2023

<sup>2</sup> For example: D O'Halloran, L Farnworth and N Thomacos, Nikos, 'Australian employment services: Help or hindrance in the achievement of mutual obligation?' *Australian Journal of Social Issues*, 55(4):492-508, doi:10.1002/ajs4.82; S Casey, *Voices 2: results of a survey of people who used jobactive*, ACOSS, 2022, accessed February 2023; J Murphy, S Murray, J Chalmers, S Martin and Greg Marston *Half a Citizen: Life on Welfare in Australia*, Routledge, Oxford UK, 2011

<sup>3</sup> S O'Sullivan, M McGann, and M Considine, *Buying and Selling the Poor*, Sydney University Press, Sydney, 2021, p42

<sup>4</sup> DESE, *jobactive PPM survey results - 1 January 2021 to 31 December 2021*, DESE, Australian Government, 2022, accessed February 2023

<sup>5</sup> Senate Select Committee on Job Security, *The job insecurity report*, Senate Select Committee on Job Insecurity, Parliament of Australia, 2022, accessed February 2023

<sup>6</sup> G Gilfillan, 'Characteristics and use of casual employees in Australia', *Parliamentary Library Research Paper Series 2017-2018*, Department of Parliamentary Services, 2018, accessed March 2023; N Cassidy and S Parsons 'The Rising Share of Part-time Employment', *Reserve Bank of Australia Bulletin*, Reserve Bank of Australia, 2017, accessed March 2023

<sup>7</sup> C de Fontenay, B Lampe, J Nugent, and P Jomini, *Climbing the jobs ladder slower: Young people in a weak labour market*, Productivity Commission Staff Working Paper, Productivity Commission, Australian Government, 2020, accessed March 2023



One recent study of the impact of mutual obligation on over 6,000 unemployed people found that those subject to mutual obligation (and therefore in employment services) took longer to find employment than those who weren't, concluding that:

*...mutual obligation as a labour market policy instrument fails the test of assisting unemployed Australians into jobs. Where it does, it gets them into jobs which aren't as remunerative.<sup>8</sup>*

The current system, in prioritising moving people off income support over other objectives, contributes to labour market inequality by negatively impacting on participants' wellbeing, and pushing people into low quality employment which may harm their long-term job prospects.

Long-term unemployment is a key driver of disadvantage, has far-reaching social and economic consequences, and affects individuals, communities, and the economy. Long-term unemployment is also associated with higher likelihood of ill health, homelessness, stigma, social isolation and atrophied work skills.<sup>9</sup> The Productivity Commission has identified that children living in jobless households face the risk of experiencing persistent, entrenched, and in some case, intergenerational poverty and disadvantage.<sup>10</sup> If reducing inequality and disadvantage is a policy objective of government, an employment services system that supports people into good quality jobs over their lifetimes should provide an opportunity to pursue that objective.

In our view, employment services should be designed to maximise long term economic opportunities for those who are unemployed, underemployed, or at risk of economic exclusion.

**Recommendation: The objectives of the employment services system should be reframed so to focus on:**

- **Assisting participants to move into secure stable, quality employment;<sup>11</sup>**
- **Assisting participants to build skills and experience that increases their ability to sustain employment and advance to better quality work over time;**
- **Supporting employers to recruit, support and retain people who are unemployed or face other obstacles to employment;**
- **Reducing long term unemployment and underemployment;**
- **Meeting the needs of people at disproportionate risk of unemployment and underemployment, such as young people, people with disability, refugees, First Nations people, and people in rural and regional areas.**

**In addition, the system should:**

- **Contribute to more equitable distribution of economic opportunities, both for current participants and future generations;**
- **Support the wellbeing and mental health of participants;**
- **Improve incomes and income stability of its participants.**

<sup>8</sup> R Gerards and R Welters, 'New finding: jobseekers subject to obligations take longer to find work', *The Conversation*, 15 June 2021, accessed March 2023

<sup>9</sup> Social Ventures Australia (SVA), *Employment perspective paper*, SVA, 2016, accessed March 2023

<sup>10</sup> Productivity Commission, *Rising inequality? A stocktake of the evidence*, Commission Research Paper, Australian Government, 2018, accessed March 2023

<sup>11</sup> For definition and measurement, see G Irvine, D White and M Diffley, *Measuring good work: the final report of the Measuring Job Quality Working Group*, Carnegie UK Trust and RSA Future Work Centre, 2018, accessed March 2023

## Section 2: The best operating structure for employment services

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Social Ventures Australia does not have a settled view on what the overall best operating structure for employment services is. However, we take this opportunity to raise two issues which are likely to be relevant in designing a system that enables efficient and effective service delivery:

- Sustaining the financial viability of providers
- Approaches to outcomes-based payments

### Sustaining the financial viability of providers

With a number of partners, Social Ventures Australia has undertaken multiple pieces of research on how not-for-profit organisations can best be supported to deliver outcomes on behalf of government.<sup>12</sup> While noting that the employment services market includes a mix of for-profit and not-for-profit providers, we believe that not-for-profit service providers fill a critical role in the system. However, the environment for not-for-profit providers is fundamentally different to that of commercial businesses (see Box 1). If government values the role of not-for-profit providers, it needs to ensure that the system is set up to recognise the specific constraints and barriers they face.

As our *Partners in Recovery* reports have demonstrated, charities face different financial, legal and operational constraints to commercial businesses. While employment services were not as badly hit by the pandemic as some other types of charities and had access to government supports like many other organisations these factors have the potential to constrain future activity if the system is not appropriately designed.

These constraints present genuine market failures, including:

- A lack of access to capital and flexible funding which constrains innovation and productivity. The Productivity Commission recognised these constraints in their landmark report on the non-profit sector more than ten years ago, which informed their recommendation to extend some industry supports to the charity sector.<sup>13</sup>
- Being in the business of public benefit. Charities operate not to respond to the demand of paying customers, but to public need – and funding does not always follow that need.<sup>14</sup> It is generally understood that payments for at least some government-funded services, especially those delivered by competitive tender processes and similar market structures, don't fully cover the cost of delivering such services at the quality needed to achieve desired outcomes. For-profit businesses will quickly stop producing a product or service that doesn't cover its costs. But because charities believe in, and exist for, the public good that they provide, they may seek to

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<sup>12</sup> See Social Ventures Australia (SVA) and Centre for Social Impact (CSI) *Partners in recovery: moving beyond the crisis*, SVA and CSI, September 2022, accessed February 2023; Social Ventures Australia (SVA) and Centre for Social Impact (CSI), *Paying what it takes: funding indirect costs to create long-term impact*, SVA and CSI, March 2022, accessed 15 September 2022

<sup>13</sup> Productivity Commission, *Contribution of the not-for-profit sector*, Commission Research Report, Australian Government, January 2010, accessed 15 September 2022

<sup>14</sup> Productivity Commission, *Contribution of the not-for-profit sector*



continue to deliver high-quality services to those in need, even when they are not funded to do so.<sup>15</sup>

These constraints have profoundly shaped the way the sector operates and has led to many charities operating on thin margins and underinvesting in core capabilities as standard practice.

Not-for profit organisations have the potential to be highly effective and innovative providers of employment services, given their close connections to community, integration with other key service systems, and concern for public benefit. Government and the community will benefit if these organisations are supported to operate efficiently and effectively.

**Recommendation: That government should consider the impact of operational and funding structures on the effectiveness and sustainability of not-for-profit service providers**

#### **Box 1: Causes of financial vulnerability in the not for profit sector<sup>16</sup>**

Recent research has delved deeper into many of the causes of widespread financial vulnerability in the not-for-profit sector. While this research is not specific to employment service providers, the nature of that sector – including the many services providers who operate across the broader community services sector – means that at least some providers are likely to experience these dynamics:

**Funding insufficiency:** The latest *Carrying the Costs of the Crisis* report demonstrated the ongoing challenges with underfunding.<sup>17</sup> In 2021, only 20% of charity respondents reported that their main funding source covered the full costs of service delivery and just 14% said that indexation arrangements for their main funding source was adequate. Government funding processes, which prioritise low prices over sector viability, makes it difficult for charities to operate effectively, and to put away reserves to manage future crises.<sup>18</sup>

**Funding restrictions:** Recent work in the *Paying What It Takes* report has found that not-for-profit organisations across Australia are, in general, not funded for the actual cost of what they do.<sup>19</sup> As a result, this is holding charities back from operating effectively and delivering better outcomes in the community. Despite research showing that not-for-profits that invest more in their indirect costs can be more effective than those that do not, many not-for-profits find themselves with limited funds that can be spent on core costs, such as measurement and evaluation, IT and human resources.<sup>20</sup> Even when funders do not put explicit restrictions, there is a widespread trend of not-for-profits under-reporting their true indirect costs due to persistent beliefs about what funders are 'willing' to pay.<sup>21</sup> This has led chronic under investment in essential infrastructure and increased vulnerability. And while some of these impacts may be masked by the temporary investments from government during Covid, this will undoubtedly persist in the absence of more structural reforms.

<sup>15</sup> Social Ventures Australia (SVA) and Centre for Social Impact (CSI) *Partners in recovery: why charities need tailored support*, SVA and CSI, July 2020, accessed February 2023

<sup>16</sup> SVA and CSI *Partners in recovery: moving beyond the crisis*

<sup>17</sup> N Cortis and M Blaxland, *Carrying the costs of the crisis: Australia's community sector through the Delta outbreak* [PDF], Australian Council of Social service (ACOSS), April 2022, accessed 15 September 2022.

<sup>18</sup> Cortis and Blaxland, *Carrying the costs of the crisis: Australia's community sector through the Delta outbreak*

<sup>19</sup> SVA and CSI, *Paying what it takes: funding indirect costs to create long-term impact*

<sup>20</sup> SVA and CSI, *Paying what it takes: funding indirect costs to create long-term impact*

<sup>21</sup> SVA and CSI, *Paying what it takes: funding indirect costs to create long-term impact*





**Funding flexibility:** The lack of flexibility on contractual obligations has also been highlighted through the recent crisis, with charities needing to pivot their operating models rapidly within the confines of their funding. Community sector leaders have previously highlighted how project-based funding with tight contractual limits on funding use make it difficult for organisations to be adaptive and innovative to new circumstances.

**Financial norms:** Operating in a constrained financial environment over the long term has led to the evolution of a set of financial norms for the sector. These norms, such as 'minimise overhead', 'diversify revenue' and 'avoid debt' are a rational response by charities to the pressures they observe from funders and the systems they operate in.<sup>22</sup> Yet recent research in the US has shown just how counterproductive those norms can be. A study found that charities that follow these norms tend to underperform charities that do not.<sup>23</sup> Many of the behaviours that charities undertake to appear 'trustworthy' are likely to be impeding their ability to achieve good outcomes.

## Approaches to outcomes-based payments

As noted in Section 1, the outcomes-based payment approaches used in the past by Commonwealth Government employment services has been designed to incentivise moving people off income support rather than supporting people into quality jobs which will improve longer term economic mobility. If outcomes-based payments are continued to be used as part of the system, a more sophisticated, nuanced and evidence-based approach should be adopted.

SVA has been one of the leading players in the social impact bonds (SIB) market in Australia over the past decade, and heavily involved in discussions about outcomes-based contracting more generally. This has highlighted for us the potential for new Commonwealth-State partnerships that recognise the complex needs of people experiencing disadvantage and enable interventions that stretch beyond the realm of employment services. Experience with the bonds funded via the Department of Social Services' Social Impact Investment trials,<sup>24</sup> including Foyer Central (see Box 2), and Newpin SA, demonstrate that programs working with vulnerable cohorts (e.g. young people leaving care at risk of homelessness, and parents with children in out of home care) can help them to achieve a number of their goals, which may include employment, education, stable housing, reconnection with family, and engagement with community. As these bonds progress, and more data on the effectiveness of their approaches is available, they may provide insight into future design choices for the employment services system.

These approaches have also provided insights into more effective use of government data, which is discussed in Section 11 below.

**Recommendation: That government should consider experiences with outcomes-based payments in other parts of the social services system, including the potential for partnering across departments and jurisdictions, to achieve better outcomes for people facing complex challenges across multiple domains**

<sup>22</sup> G Mitchell and T Calabrese, 'Proverbs of nonprofit financial management', *The American Review of Public Administration*, 2018, 49(6), doi:10.1177/0275074018770458

<sup>23</sup> G Mitchell and T Calabrese, 'The hidden cost of trustworthiness', *Nonprofit and Voluntary Sector Quarterly*, 2022, 1(23), doi:10.1177/08997640221092794

<sup>24</sup> Department of Social Services (DSS) *State and Territory partnership trials*, DSS website, 2023, accessed March 2023





**Box 2: Social Impact Bonds: Foyer Central<sup>25</sup>**

Foyer Central is an integrated learning and accommodation centre that will support young people who have been in out-of-home care on the path to independence. The Program will build their capacity to access resources and opportunities, connect with education, training and employment, and make positive decisions.

The Foyer Central Program is delivered by Uniting and St George Community Housing, drawing on their collective experience supporting vulnerable young people and providing social and affordable housing. The Foyer Central Program is based on a model of support which has been successfully deployed both across Australia and globally.

The Program operates in purpose-built accommodation located in Chippendale, close to the Sydney CBD, universities and training centres. It is anticipated that approximately 272 young people will be enrolled into the Program.

The Foyer Central Social Impact Bond is underpinned by the close partnership between Uniting, NSW Government and SVA formed over the seven-year term of Newpin Social Benefit Bond.

This innovative transaction is expected to generate a positive social impact by equipping young people with the tools they need to succeed, improving wellbeing and lifetime earning potential, while reducing reliance on welfare and other government services.

Outcomes metrics for this program encompass employment, education and independent housing. The first outcomes data from the project will be available in December 2023.

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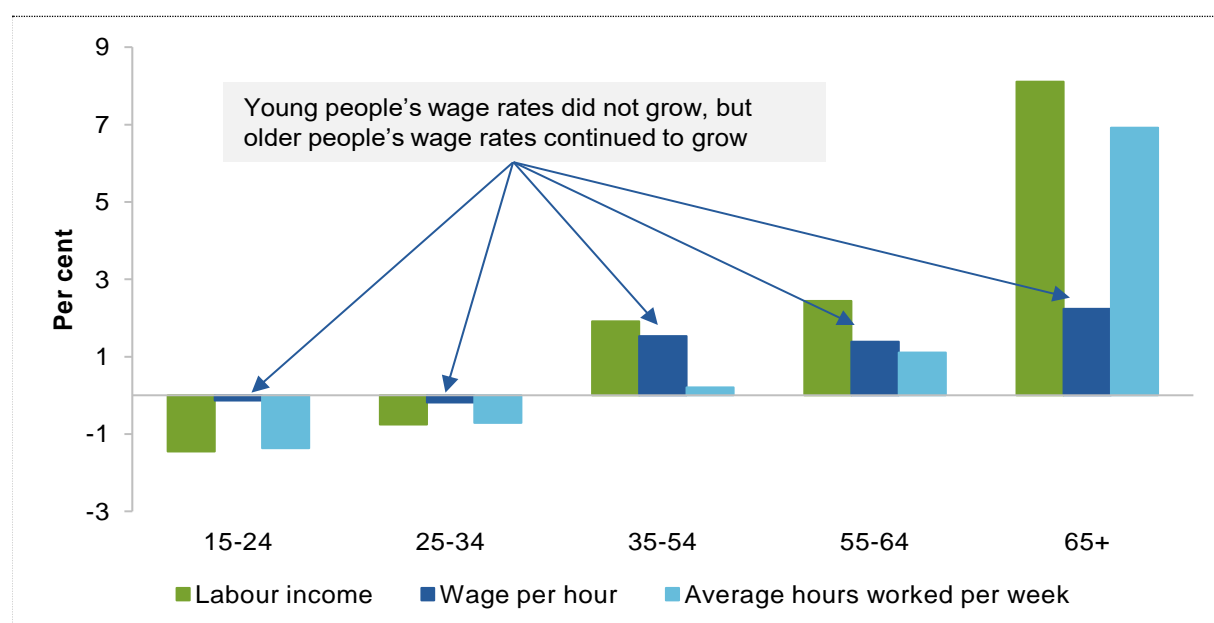
<sup>25</sup> SVA, *Foyer Central Social Impact Bond*, SVA website, n.d., accessed March 2023

## Section 3: Integration and support for local responses

SVA believes that government could redesign the employment services system to provide a more effective, integrated approach to supporting pathways for young people into quality employment which includes access to progression.

In 2020 the Productivity Commission reported that, since the Global Financial Crisis (GFC), young peoples' wages had declined both in real terms and relative to older workers.<sup>26</sup> They attributed this to a combination of (i) the decline in the average number of hours worked by young people and (ii) young people entering the workforce lower down the occupational ladder and climbing more slowly (Figure 1). Young people with university degrees are taking up jobs that don't use their qualifications, while those without are moving into lower skill jobs or off the occupational ladder altogether.<sup>27</sup>

Figure 1: Change in wages and hours worked by age group 2008-2018



Source: Productivity Commission, *Why did young people's incomes decline?*, Commission Research Paper, Australian Government, 2020, accessed March 2023, p41

In a related report, the Productivity Commission noted that deterioration in labour market outcomes for young people was not reflected in their headline unemployment rates, suggesting that:

*... the unemployment rate may no longer be useful as the primary measure of the health of the job market. Instead, more attention must be devoted to the types of jobs available.*<sup>28</sup>

<sup>26</sup> Productivity Commission, *Why did young people's incomes decline?*, Commission Research Paper, Australian Government, 2020, accessed March 2023

<sup>27</sup> Borland J, 'The next employment challenge from coronavirus: how to help the young', *The Conversation*, 15 April 2020, accessed March 2023

<sup>28</sup> de Fontenay et al., Climbing the jobs ladder slower: young people in a weak labour market



This overshadowing of issues of job quality by low headline unemployment is occurring again in 2023. In the last few months strong labour demand has reduced the youth unemployment rate to pre-GFC levels (7.9% at January 2023), but youth underemployment, at 14.7%, remains high.<sup>29</sup> More than one in five young people in the labour force are either un- or underemployed. The National Centre for Vocational Education Research's (NCVER) recent analysis of Longitudinal Surveys of Australian Youth (LSAY) data suggests that many young peoples' transitions into full time employment stalled through Covid-19. It also identifies alarmingly high rates of poor mental health in this cohort – significantly higher amongst this group than earlier groups at the same age.<sup>30</sup>

Despite favourable labour market conditions, the *type* of jobs that young people are getting still need attention if these young people are to be set up for future success.

As currently designed, employment services do not consider the types of jobs that young people are getting. They focus on getting people into any job, regardless of the permanence of the job, its wage or skills content – or its alignment with current and future skills needs.

Separately, Commonwealth and State governments invest in a range of measures designed to ensure that current and future workers gain skills required in the economy. While employment services consultants can refer people to these programs, these referrals tend to be driven by factors other than the pursuit of quality jobs – for example as a way for participants to meet their mutual obligations ('annual activity requirements'), or as a 'plan B' for those who have not been able to be placed in work immediately.<sup>31</sup> Employment services are not set up to help young people make good decisions about the mix of training and work experience that might set them up for future careers.

Through its employment work SVA has spoken with hundreds of young people about their challenges in finding pathways into quality employment and long term careers.<sup>32</sup> These discussions have highlighted some key challenges – many of which echo the findings of other research:

- Once young people leave education, they find it hard to get information about their career options. Most rely on family and friends – making it hard for young people who don't have family support, or whose families lack local labour market connections.
- Young people don't just want online information about careers or jobs in demand, they want to understand what it's like to work in that industry. Ideally, they need the chance to get some work experience and some basic skills before committing to on an apprenticeship or job in the industry.
- Many young people experience poor treatment at work, including not being trained properly or being treated as expendable. Many feel they can't get the type of work experience they need to advance into the types of jobs they want.

At the same time, SVA works with many employers who tell us that:

- They feel that young people aren't aware of jobs in their industry and either don't apply, or don't understand enough about the jobs to succeed;
- Some employers engage with schools through programs like Local Learning and Employment Network (Vic) and Regional Industry Education Partnerships (NSW), or through non-government organisations like Australian Business and Community Network or Beacon Foundation. But not all jurisdictions have these programs and their availability seems to change over time;
- Employers don't have time to try to understand or navigate the various organisations or programs that might enable them to connect with young people who need work.

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<sup>29</sup> Seasonally adjusted underemployment rate 15-24 year olds, January 2023. Australian Bureau of Statistics (ABS), [Labour force, Australia](#), ABS website, January 2023, accessed March 2023

<sup>30</sup> C Forrest, *Treading water: effects of the COVID-19 pandemic on youth transitions*, NCVER, 2022, accessed March 2023

<sup>31</sup> DESE, *Transition to work- final evaluation report*, DESE, Australian Government, 2021, p 96, accessed March 2023

<sup>32</sup> J Mackaway and MF Amigo, *Young people in Western Sydney's voices on work* [PDF], SVA, 2022, accessed March 2023



One possible mechanism for helping connect young people who want quality jobs with employers who can offer them is through pre-employment or pre-apprenticeship programs. There is some evidence that these programs *can* improve successful transitions for young people into quality employment. For example:

- A study of pre-apprenticeship programs found that ‘the (pre-apprenticeship) program is a valuable mechanism to increase apprentice completion rates as it addresses one of the chief causes of non-completion; that is, the mismatch between the expectations of a new apprentice and the reality of life in the trade.’<sup>33</sup>
- Industry taster type programs can improve young people’s understanding of the range of careers open to them and support better decision making – for example, of over 2,500 young people (unemployed and school students) who participated in the Multi-Industry School Based and Pre-apprenticeship Pilot (MIP,) 92% said it helped them make a career decision and over half reported changing their career interest through the program.<sup>34</sup>

However the system of support for pre-employment and/or pre-apprenticeship programs lacks coherence, is inconsistent and fragmented. It is not possible to identify the number or type of pre-employment offerings available, let alone assess their efficacy.<sup>35</sup> A recent evaluation of the Commonwealth’s Youth Jobs PaTH Program highlighted the variability of these programs, some of which failed to make any connection with employers, and many of which only addressed generic ‘employability skills’.<sup>36</sup> For young people and employers it can be difficult to identify or differentiate between the range of pre-employment training offerings. In some places there appears to be no appropriate training at all.<sup>37</sup> Funders and providers of these programs have little ability to learn from others’ practice or assess whether they are addressing a genuine gap in provision.

**Recommendation: That the Commonwealth should work with State and Territory Governments to:**

- **Capture information about the availability and accessibility of government funded pre-employment/pre-apprenticeship programs;**
- **Establish a common approach to gather evidence about engagement with and effectiveness of these programs;**
- **Work towards a system that ensures that young people who could benefit can access an appropriate program, and that government investments are focussed on approaches that work.**

In addition to improving quality and availability of pre-employment programs, these programs need to be better co-ordinated and integrated at the local level. Young people and employers need a trusted ‘one-stop-shop’ that brings together careers information and advice, access to ‘tasters’ or other forms of pre-employment/pre-apprenticeship, that can help identify possible study and/or apprenticeship pathways and that can connect employers with young people who may be interested in working with them.

<sup>33</sup> P Toner and C Lloyd, *A study into pre-apprenticeship delivery models and their labour market outcomes*, Group Training Australia, 2012, accessed March 2023

<sup>34</sup> Apprenticeship Employment Network (AEN), *Multi Industry School Based and Pre-Apprenticeship Support Project*, AEN website, n.d., accessed March 2023

<sup>35</sup> T Karmel, *The efficacy of pre-apprenticeships*, Mackenzie Research Institute, 2021, accessed March 2023

<sup>36</sup> DESE, *Youth jobs PaTH evaluation report*, DESE, Australian Government, 2022, accessed March 2023

<sup>37</sup> DESE, *Transition to work- final evaluation report*, p 92



An effective model would have the following characteristics:

- One stop shop – a single point of access so that young people can understand and access the range of opportunities in their area, and employers can more easily get their information to young people.
- Local – each centre should be organised locally and focussed on a local labour market so that advice and opportunities are appropriate to the local labour market.
- Trusted – the centre should be set up to meet the needs of young people and employers, and to provide impartial advice about different pathways and opportunities. Where it might refer people to programs delivered by others (e.g. a pre-apprenticeship program) it should collect evidence of their experience and outcomes, so that any providers of these services are held to account, and participants can be supported to make good decisions.
- Safe and readily accessible – eligibility to access the services should be very broad (e.g. 15-24, including school students), and should not be linked to any form of compulsion or compliance activity. Young people should be able to engage and re-engage as they need to.
- Knowledgeable and proactive – the centres should be proactive in understanding their local labour market and act as an information resource for local schools and other youth focussed organisations. Where there are gaps in delivery of pathways into local jobs, the centre should play an active role in addressing or commissioning others to address these gaps.

Some elements of this model exist at the State level. Victorian Skills and Jobs Centres and WA's Jobs and Skills Centres have some of these functions. Both are based in TAFEs – a trusted, stable, and well-known public institution, well placed to help young people to identify VET pathways.<sup>38</sup> Local councils might be another suitable institution to house this role.

The efficacy of these place based models is limited at the moment because they are only one of many organisations in each area – including employment services providers, Employability Skills Training providers, Apprenticeship Support Network providers, Registered Training Organisations – that are competing to engage with young people and with employers. Their resourcing may not allow them to do the type of long-term development work needed to engage employers and young people in their area. They are part of a system of 'spaghetti and confetti' – simultaneously overly complex and capable of only superficial responses to labour market challenges ('like throwing confetti into a gaping hole').<sup>39</sup> The Commonwealth should consider how it might devolve some functions to these, or other local bodies so that they can genuinely provide a 'one stop shop' for young people and employers around jobs and skills. We suggest that some form of case management (like Transition To Work) services would still be required for young people who need more personal support, and to work with employers to place and support individual participants (e.g. reverse marketing), but this case management support would operate alongside, and support, the advice, programs and assistance offered through Jobs and Skills Centres.

**Recommendation: That the Commonwealth Government work with State and Territory Governments to establish an integrated transition service for young people which provides career advice, pre-employment training and access to local employers.**

<sup>38</sup> We note that there is little publicly available information about the efficacy of these Centres at this stage.

<sup>39</sup> 'spaghetti and confetti' metaphor was used by TACSI to describe employment support in southern Melbourne – see The Australian Centre for Social Innovation (TACSI), Regional Development Australia (RDA) and Regional Development Victoria (RDV) *Addressing disadvantage in Southern Melbourne – Towards Outcomes* [PDF], TACSI, 2017



## Section 6: Helping job seekers into secure jobs

As we noted in Section 1, the current system's focus on getting people into 'any job' rather than a good quality job can be counterproductive for the longer-term goal of improving lifetime economic outcomes for jobseekers.

SVA believes that employment services should be re-oriented to focus on supporting people into good quality jobs. Depending on individual circumstances, this might mean:

- supporting people to identify undertake training that will help them access good quality jobs;
- assisting people to find the type of job that can act as a 'stepping stone' into better quality jobs;<sup>40</sup>
- supporting job search efforts that target jobs that are better quality, even if that means forgoing a poor quality offer in the short term;
- better targeting wage subsidies so that they support employers who create quality jobs.

A move to a focus on quality jobs would require employment services staff to have good general and specific local information about the labour market and of training pathways. It would include extension of employment services into work advancement/career progression.<sup>41</sup>

We note that both the OECD<sup>42</sup> and the UK Government<sup>43</sup> have done considerable work on identifying indicators of quality employment. The UK Government's Office of National Statistics now publishes national reports on job quality.<sup>44</sup> Employment services could be designed as part of a wider strategy (including such things as industrial relations reform) to improve quality of jobs nationally.

**Recommendation: That employment services should focus on supporting people into good quality jobs that will be more likely to improve lifetime economic and employment outcomes**

<sup>40</sup> Some jobs are more likely than others to provide for progression – see, for example, S Lamback, C Gerwin and D Restuccia, *When is a job just a job and when can it launch a career?: The real economic opportunities of middle-skill work*, Jobs for the Future, 2018, accessed March 2023

<sup>41</sup> For examples, see MDRC, *WorkAdvance*, MDRC website, n.d., accessed March 2023

<sup>42</sup> Organisation for Economic Co-operation and Development (OECD), *Job quality*, OECD website, n.d., accessed March 2023

<sup>43</sup> Irvine et al., *Measuring good work: the final report of the Measuring Job Quality Working Group*

<sup>44</sup> Office of National Statistics (ONS), *Job quality in the UK – analysis of job quality indicators: 2021*, ONS website, 2022, accessed March 2023



## Section 7: Meeting employers' needs

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As the Committee notes in its submission guide,<sup>45</sup> employment services are not currently focussed on employers. Instead, they focus on maintaining a supply of available workers through applying pressure on participants to job search and providing 'light touch' assistance.

Demand-led approaches (those that 'work back' from the needs of employers, and tailor selection and training of potential candidates to meet employers' needs) are hindered by the current structure of employment services which distribute potential candidates across multiple provider caseloads, and which incentivise providers to 'hoard' employer contacts. Initiatives like Employer Liaison Officers, Employment Facilitators and Workforce Specialists attempt to overcome this problem, however there is evidence that they have not always been successful in securing the co-operation of employment services providers.<sup>46</sup> In any event, many of these initiatives are limited in scope, with training to support very basic skills and industry orientation, rather than equipping people for secure, quality employment or attempting to reshape employer practices.

Another approach, documented by the MDRC in the US, is to establish programs that intentionally focus on higher quality jobs. This approach recognises that, while a focus on quality may mean taking longer to achieve an initial successful employment placement, it can improve long term economic outcomes for people facing disadvantage.<sup>47</sup> These programs (known as 'sectoral programs') have been shown to successfully improve incomes for beneficiaries, not just in the short, but in the medium to long term.<sup>48</sup> For example the Year Up program in the US provides a combination of classroom based training, 'life skills', personal support and a six month supported work placement with industry partners, all geared to securing well paid jobs in the IT sector for people from low SES backgrounds. A randomised control trial of this program has shown sustained improvement in incomes for participants over a 7 year period.<sup>49</sup> Delivering this type of integrated approach in an Australian setting would be difficult, given the system's focus on short term outcomes, the siloing of 'employment' and 'skills' systems, and the lack of system support for development of long term relationships with industry partners.

However, as the Committee considers how employment services might be redesigned, there is an opportunity to create a framework which would support long term partnerships between employers and intermediaries to design and deliver sectoral strategies that connect people at risk of exclusion with skilled, quality jobs.

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<sup>45</sup> Select Committee on Workforce Australia Employment Services, *Submission guide: inquiry into Workforce Australia employment services*, House Select Committee on Workforce Australia Employment Services, Parliament of Australia, 2022, accessed March 2023, p 27

<sup>46</sup> SVA Consulting, *Local Jobs Program 2020–2022 Evaluation Report*, Department of Employment and Workplace Relations, Australian Government, 2022, p121, accessed March 2023

<sup>47</sup> K Schaberg, *Sector strategies for success: Meeting the needs of workers and employers*, MDRC, 2020, accessed March 2023

<sup>48</sup> LF Katz, J Roth, R Hendra and K Schaberg, 'Why Do Sectoral Employment Programs Work? Lessons from WorkAdvance', *Journal of Labor Economics*, 2022, 40(S1):S249-S291, doi:/10.1086/717932

<sup>49</sup> ABT Associates, *Evaluating Year Up's Programs for Young Adults*, ABT Associates website, n.d., accessed March 2023





**Box 3: Case study: SVA's Employer Innovation Lab – supporting employer practice change**

In 2022, SVA secured philanthropic funding to adapt an innovative US model (Talent Rewire's 'Rewire Lab') for the Australian labour market. This model was designed to apply a systems approach to the challenge of connecting people at risk of exclusion with high quality jobs and careers.

Through SVA's first two Employer Innovation Labs, we have worked with 13 medium-large employers to look at how they can adapt their recruitment, retention and advancement practices to create better quality jobs for young people at risk of exclusion. Each Lab includes a two day workshop at which employers are challenged to consider how their existing practices might exclude some young people, and to pilot a change that will make a tangible difference. They get feedback from their peers and from young people with 'lived experience'. SVA then supports each employer to implement their pilots, including helping them navigate the employment services system.

The initial, independent evaluation of the Lab found that: 'based on participant observation, content analysis of relevant Lab documentation and interviews with the participating organisations, our evaluation strongly endorses the structure, process and content of the Lab. Participating organisations particularly valued the coaching component of the Lab and the opportunity to hear from young people about their lived experiences of employment and searching for work.'<sup>50</sup>

In addition to simply responding to employers' stated needs, there is a key role for intermediaries to work with employers to rethink their employment practices to create more, better quality jobs for people at risk of exclusion.<sup>51</sup>

In 2021, SVA, along with PwC, Apprenticeship Employment Network and Global Apprenticeships Network (Australia), investigated the factors that shape employers' actions to hire and train young workers, and considered what might be done to increase their opportunities.

The report identified several obstacles to employers creating the types of pathways that would enable young people to move into quality jobs.<sup>52</sup>

Foremost amongst these was a desire for employees to be 'productive from day one'. The mentoring and support that many young workers need was identified as costly. Employers often prioritised resources, including the time and attention of existing skilled workers, to meeting immediate business needs, rather than supporting and training new workers. While employer incentives were valued, most employers suggested that they were not decisive. In this sense the 'cost' issue is better understood at an organisational level – reflecting the cost of establishing and maintaining a structure of supervision, training and support for young people over time.

While not universal, many employers also indicated a lack of internal capability and/or the need for better system navigation support. Some employers have well established internal mechanisms for recruiting and supporting apprenticeships and trainees. These tend to be larger organisations, and their internal capability is reflected in higher completion rates.<sup>53</sup> But other employers have limited or no recent experience in supporting apprenticeships. Larger employers in sectors/occupations with a less

<sup>50</sup> J Ingold, A Knox and QY Lee, *Evaluation of Rebuilding the Career Ladder: Supporting business to enhance youth inclusion and economic mobility* [unpublished report], SVA, 2023– provided at Attachment A to this submission

<sup>51</sup> R Jain and A Blair, *Promoting Equity and Inclusion and Connection to Good Fit Jobs for Young Adults: Typology of Workforce Development Practices to Influence Employer Practice Change*, Aspen Institute, 2021, accessed March 2023

<sup>52</sup> SVA, *What will it take? Creating better, more sustainable jobs for young people* [PDF], SVA, 2021, accessed March 2023

<sup>53</sup> L O'Dwyer and P Korbel, *Completion rates for group training organisations and direct employers: how do they compare?*, NCVER, 2019, accessed March 2023



established culture of apprenticeship pathways (like IT) are grappling with a range of challenges from identifying appropriate qualifications/skill sets, to implementing internal support structures.

Many employers acknowledge the need for cultural change within their workplaces, particularly in middle and frontline manager roles, to support diverse learners within the workplace. It is worth noting the significant value of Group Training Organisations (GTOs) in addressing these challenges, particularly in supporting smaller employers to support and retain apprentices, but their reach is patchy across the country, and the current business model<sup>54</sup> does not always cover the costs for the level of support required by employers and employees.

Following the release of that report, SVA and AEN/GAN produced a document mapping existing services against the needs identified in the report. This document is attached to this submission as Attachment B.

**Recommendation: That the Commonwealth support the development of effective intermediaries that can provide technical assistance and direct support to employers to create high quality, sustainable employment for people at risk of exclusion.**

**Recommendation: That future employment services should be designed so as to encourage the development of sectoral programs that target higher skill roles, and include a combination of vocational and foundation training, personal support, and paid placement with employers.**

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<sup>54</sup> Noting that in most States GTOs must rely entirely on fees from employers to deliver the range of support services they offer

# Section 11: Research, evaluation & adaptation

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SVA would like to share our perspective on two issues relevant to this section:

- Effective evaluation
- Effective data-sharing

## Effective evaluation

To be effective, evaluation needs to be considered from multiple perspectives and at multiple levels – at a population level, a community level, and a service level, as well as from the perspective of the life of an individual. The following section outlines some aspects of evaluation that we believe should be considered in the evaluation of employment services.

### Identifying appropriate outcomes measures

Historically outcomes measurement and evaluation for employment services has focussed narrowly on job placement and short-term retention as the primary outcomes for participants. As discussed in previous sections, this narrow focus has not been effective in achieving good long-term employment outcomes, and the system needs to change.

As above, we advocate that the system should be reoriented to focus on supporting people into quality jobs that will improve their future employment opportunities. Outcomes measures should also be reoriented in this way. New outcomes measures should include internationally recognised job quality indicators (see, for example, the report of the Measuring Job Quality Working Group in the UK, summarised in Figure 2).<sup>55</sup> There should be increased emphasis on long term labour market attachment, overall incomes and economic mobility.

In addition, we recognise that transforming employment outcomes will require changes in the way employers recruit, hire and support candidates. Current data collection and measurement approaches tend to overlook outcomes for employers and the broader systems that affect people's ability to secure employment. Looking forward, we recommend that greater emphasis be placed on tracking and measuring outcomes such as inclusive hiring policies and practices and creation of quality entry level roles.<sup>56</sup>

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<sup>55</sup> Irvine et al., *Measuring good work: the final report of the Measuring Job Quality Working Group*

<sup>56</sup> SVA Consulting, *Funding better youth employment outcomes: Research report to inform Macquarie Group Foundation's Grant Making Strategy* [PDF], SVA, 2021, accessed March 2023

Figure 2: Job quality dimensions



Source: G Irvine, D White and M Diffley, *Measuring good work: the final report of the Measuring Job Quality Working Group*, Carnegie UK Trust and RSA Future Work Centre, 2018, accessed March 2023, p 12

## Centring user and community voices

*My learnings over these years are fairly simple, really: that those who are most invested and most impacted must not be assigned to simply be policy render. They must be the designers, the architects, the builders and even the evaluators for impact and change.<sup>57</sup>*

While employment services are intended to be tailored to individuals, the experience of many individual participants does not reflect this.<sup>58</sup> In theory, participants in the system can choose from different providers, however these choices are constrained in a number of ways – including by lack of trusted information about the experience of those who have engaged with them. Measures tracked by the existing Post Placement Monitoring surveys give providers and government little useful information to generate real practice improvements.

SVA has developed a survey platform for providers of youth employment programs that enables them to ask participants in their programs about key areas of their experience that are important to achieving good outcomes.<sup>59</sup> These include the extent to which young people felt that they had a person they could trust to speak to during the program, whether they get high quality information about local jobs and whether they are connected with employers. Providers use the feedback they receive to adapt and improve their programs, ensuring that they are meeting young people's needs.

Systematic participant feedback on the quality and usefulness of employment services should be used on an ongoing basis to improve program practices and government policy.

Given the different contexts and issues in each community, in some areas a community-led approach may be most useful to identifying relevant outcomes and measures. To be effective and accurate, evaluating 'what works' in employment services must include that the voices of those looking for work and employers.

<sup>57</sup> Romlie Mokak, Productivity Commission Indigenous evaluation lead, quoted in S Easton, 'Productivity Commission's new Indigenous affairs role puts evaluation in the spotlight', *The Mandarin*, 9 July 2019, accessed March 2023

<sup>58</sup> S O'Sullivan et al., *Buying and Selling the Poor*

<sup>59</sup> SVA, *Review* [website], n.d., accessed March 2023



## First Nations people and communities

We would encourage government to be particularly aware of the challenges of effective evaluation of programs involving First Nations people and communities. Data sovereignty and self-determination must be central to the design and delivery of these communities.

SVA has worked with many First Nations organisations to evaluate the impact of their programs and policies, some commissioned by the organisations themselves and some by external bodies such as governments (Box 4). Based on that experience, and the many conversations with First Nations leaders, evaluators and civil servants that we have had as part of the work, we have identified five areas for improving evaluation practice to recognise and support the right of First Nations self-determination. They are:

- Evaluation commissioners should invest in more and better evaluations to build a stronger evidence base
- Evaluation commissioners and evaluators should ensure Aboriginal and Torres Strait Islander people take the lead in defining what 'successful' policies and programs look like
- Evaluators should use genuinely participatory and culturally appropriate methods for gathering data and consulting community (and evaluation commissioners need to pay for these methods)
- Evaluation commissioners should invest in building the capacity of Aboriginal and Torres Strait Islander organisations in evaluation, learning and improvement – not just funding external evaluations for compliance and funding acquittals
- Evaluation commissioners and evaluators should ensure evaluations collect information about strengths, opportunities and existing resources<sup>60</sup>

### Box 4: A case study of evaluating the work of a First Nations organisation <sup>61</sup>

Kanyirninpa Jukurrpa (KJ) is a Martu organisation – Martu are the traditional custodians of a vast area in the Western Desert of the Pilbara. In 2020, KJ engaged Social Ventures Australia Consulting to evaluate their impact on Martu communities between 2010 and 2020. The evaluation had to reflect Martu's experiences and feelings about KJ's impact on their communities over the past 10 years. It was therefore important that the methodology was pegged by outcomes that Martu value, was adaptive to Martu communities and captured the Martu voice. Further, it was critical that the evaluation did not impose conventional evaluative methods to quantify impact at the expense of authentic Martu assessments of KJ. This approach of centring the methodology around Martu (as opposed to imposing conventional methods) is in line with the Productivity Commission Indigenous Evaluation Strategy.<sup>62</sup>

To ensure this intention carried through the project, a number of guiding principles were set and embedded into the evaluation's design:

**Who:** This is a Martu story, by Martu, for Martu and 'whitefellas' – This project was a chance for Martu to describe what outcomes are important to them and for all programs impacting Martu to be measured against those outcomes. The project was a chance for Martu to consider what has been successful (or not) from KJ's work over the past 10 years, using a Martu frame of reference.

**How:** Martu voices are central to the evaluation – The evaluation needed to tell the story of Martu experiences as a result of KJ's contribution. Martu informed the design of the evaluation criteria and

<sup>60</sup> For further detail, see J Finighan and B Ferguson, 'How can evaluation better recognise Indigenous self-determination?' *SVA Quarterly*, 28 August 2019, accessed March 2023 and J Eades and B Ferguson (2018) *Data sovereignty, community control and better outcomes*. *SVA Quarterly*, 29 November 2018, accessed March 2023

<sup>61</sup> A Kwok and S Faivel, *Indigenous evaluation: how you do it is as important as what you find out* *SVA Quarterly*, 26 May 2022, accessed March 2023

<sup>62</sup> Productivity Commission, *Indigenous Evaluation Strategy*, Productivity Commission, Australian Government, 2020, accessed March 2023



method for consultation. The consultation approach in Martu communities also needed to be led by Martu wherever possible and appropriate.

**What:** The output of the evaluation will be shared with different audiences and complement other Martu and KJ research and stories – For Martu communities, this evaluation needed to support the evolution of how KJ and other organisations work with Martu. For funding bodies, this evaluation demonstrates the impact KJ has made on Martu communities through their support and investment over the past 10 years.

To ensure these principles were embedded from the outset, there were two key design elements that ensured Martu voices were central to the evaluation:

Firstly, two discovery workshops were held at the beginning of the evaluation with Martu Leadership Program (MLP) members to develop a list of Martu outcomes. These outcomes formed the foundation of the project and were used as indicators to assess KJ's contribution. The outcomes were also reviewed at each Martu community consultation to ensure there was confirmation by the broader community. The 11 outcomes are split by traditional (outcomes relating to the traditional Martu identity) and modern outcomes (outcomes relating to how Martu live in the modern world). The first five are traditional outcomes with the remaining six being modern outcomes.

Secondly, three to five MLP members were involved as co-facilitators in subsequent community consultation sessions. MLP members led workshops and acted as translators.

### Shared outcomes frameworks

We would also draw the Committee's attention to the potential of developing shared evaluation and measurement frameworks in employment services. If government, communities and service providers have an agreed set of outcomes they are pursuing, and therefore a common understanding of what success looks like, this can reduce fragmentation and lay the foundation for greater collaboration, as well as saving time and effort by reducing duplication.

SVA has been involved in the development of several of these frameworks and related tools, including

- a Disability Housing Outcomes Framework, developed in partnership with the disability housing sector.<sup>63</sup> This work includes a tool that service providers can use to measure their performance against the framework.
- a shared outcomes framework for the South Australian homelessness sector <sup>64</sup>
- Review for Outcomes, an online hub for youth employment program providers that provides free access to tools and resources to enable good practice in program measurement.<sup>65</sup> It includes an outcomes framework, outcomes template, and surveys

One challenge in developing shared outcomes frameworks and related approaches, is that in highly competitive markets there is often reluctance from organisations to share their data, for fear it may affect their competitiveness in future tender processes. In designing future employment services commissioning processes, government should consider how a competitive commissioning model may affect willingness to collaborate and share data, even when such sharing may help understand and improve outcomes.

Even if shared frameworks are not implemented, sharing the results of research and evaluation is critical to improving outcomes. Too often, evaluation reports are held by the government department

<sup>63</sup> SVA, *Disability Housing Outcomes Framework* [website], n.d., accessed March 2023

<sup>64</sup> N Elliot, 'Shared measurement: easier than you think' *SVA Quarterly*, 14 March 2014, accessed March 2023

<sup>65</sup> L Fowkes, 'How SVA's Review project supports improvements in youth employment outcomes', *SVA Blog*, SVA website, 2021, accessed March 2023





who commissioned them. This limits the ability of service providers, other governments, and sometimes even other departments within the same government, to learn from the findings and apply them to future programs and services.

## Resourcing

Effective evaluation also requires resources. As discussed in previous sections, too often government funding to service providers does not provide sufficient funding for the providers to build high-quality evaluation into program design and delivery, or pursue potential innovation that may arise from such evaluation. Not-for-profit providers in particular often do not have access to other funding sources to use for evaluation. If government values effective evaluation and outcomes measurement, it needs to reflect this in the way it funds services.

**Recommendation: That the Commonwealth Government use evaluation and measurement approaches that:**

- **Reflect a reorientation of the employment services system to focus on quality jobs**
- **Consider the full breadth of desired outcomes from employment services – including change on the employer side as well as amongst current and former jobseekers**
- **Centre the concerns of the individual and community in the design and implementation of the evaluation**
- **Ensure that employment services users' experiences are captured on an ongoing basis and are used to drive ongoing improvements in employment services policy and practices.**
- **Recognise the importance of First Nations self-determination and data sovereignty**
- **Seek to use shared frameworks for outcomes measurement where possible, and consider the impact of system design on willingness for providers to share data**
- **Make evaluations public by default to support the sector to learn and improve**
- **Sufficiently fund service providers to effectively evaluate their work**

## Effective data sharing

Good evaluation requires access to good data. Governments across Australia already hold administrative datasets that can be used in evaluation processes, but they can be difficult to access, especially across jurisdictional or departmental boundaries. While protecting the privacy of individuals is paramount, SVA has worked with several projects that have developed approaches to sharing de-identified data for research and evaluation processes.

There are existing State and Federal government projects with data sharing frameworks (involving required consents, ethics considerations and extraction processes) that could be emulated and / or learned from to facilitate further access to de-identified government datasets for use in research and evaluation. The provision of de-identified government data in these projects, supplemented by service provider data, and underpinned by a robust and meaningful measurement approach (often linked to payments) enables the sharing of insights between government, service providers and intermediaries through their ongoing governance, reporting and evaluation mechanisms. These include:

- **Foyer Central SIB:** The Foyer Central SIB funds the delivery of the Foyer Central Program, which is delivered by Uniting NSW.ACT and SGCH in partnership with the New South Wales Department for Communities and Justice. The Foyer Central Program is an integrated learning and accommodation centre that supports young people who have been in of out-of-home care on the path to independence.<sup>66</sup> The Australian Government, through the Department of Social Services'

<sup>66</sup> SVA, Foyer Central Social Impact Bond





State and Territory Partnership Trials, is supporting the Program through the provision of outcomes data (housing situation, income and educational engagement) to the NSW Government.<sup>67</sup> Outcomes data will be reported on and made publicly available annually via the SVA website.

- **PBO Trials:** The Commonwealth Government committed \$15.7 million from 2019-20 to 2026-27 to co-develop, implement and evaluate three Payment by Outcomes (PBO) Trials in the social services sector.<sup>68</sup> PBO Trial 1 aims to support unemployed or underemployed persons into employment, with the Federal Government providing outcomes data (welfare payments and business establishments) to Many Rivers. PBO Trial 2 aims to support families to improve school readiness and increase school participation, with the Tasmanian Government providing outcomes data (attendance at Launching into Learning activity, and Kindergarten development check achievement). PBO Trial 3 aims to deliver long-term employment outcomes for jobseekers with a disability through Work Integrated Social Enterprises, with the Federal Government providing outcomes data (employment) to White Box Enterprises. The PBO Trials are currently being evaluated by the Department of Social Services, alongside the Try, Test and Learn Transition Fund Projects which have grant funding linked to measured outcomes.<sup>69</sup>
- **Social Impact Bond with State Governments:** Social Ventures Australia is currently involved in a number of Social Impact Bonds which involve the provision of de-identified data held by government to other project partners (including the service provider/s, intermediary and independent certifier) on an annual basis to inform outcome-based payments. The measured outcomes are made available publicly on the SVA website. Each Social Impact Bond reports on the following data:
  - **Resolve SBB:** NWAU, hospital bed days, hospital admissions, emergency department visits provided by the NSW Ministry of Health<sup>70</sup>
  - **Side by Side SIB:** school attendance provided by the Victorian Department of Education and Training<sup>71</sup>
  - **Aspire SIB:** emergency accommodation provided by the South Australian Housing Authority, convictions provided by the South Australian Courts Authority and hospital bed days provided by SA Health<sup>72</sup>
  - **Newpin SA SIB:** reunification data provided by the South Australia Department of Child Protection<sup>73</sup>
- **BetterStart Better Evidence, Better Outcomes, Linked Data (BEBOLD):** BEBOLD is a platform that is used by BetterStart Health and Development Research (University of Adelaide) to underpin its research.<sup>74</sup> The platform uses de-identified unit-record linked data for birth cohorts from 1991 from a broad range of government data sources (education, homelessness, public housing, Centrelink, hospital admissions etc). SA-NT DataLink and data custodians / managers from government departments at State and Federal levels contributed to the development of the BEBOLD platform. The platform was used by BetterStart to understand the historical reunification rates for children in out of home care,<sup>75</sup> which was used to inform the counterfactual reunification rates of the Newpin SA Social Impact Bond.

<sup>67</sup> See DSS, State and Territory partnership trials

<sup>68</sup> See DSS, *Payment by outcomes trials*, DSS website, n.d., accessed March 2023

<sup>69</sup> See DSS, *Transition Funding for Successful Try, Test and Learn Projects*, DSS website, n.d., accessed March 2023

<sup>70</sup> SVA, *Resolve Social Benefit Bond*, SVA website, n.d., accessed March 2023

<sup>71</sup> SVA, *Side by Side Social Impact Bond*, SVA website, n.d., accessed March 2023

<sup>72</sup> SVA, *Aspire Social Impact Bond*, SVA website, n.d., accessed March 2023

<sup>73</sup> SVA, *Newpin SA Social Impact Bond*, SVA website, n.d., accessed March 2023

<sup>74</sup> See BetterStart Health and Development Research, *BEBOLD*, University of Adelaide website, n.d., accessed March 2023

<sup>75</sup> A Montgomerie, D Haag, A Gialamas, R Pilkington and J Lynch, *Eligibility for a reunification program: supporting social impact investment in South Australia* [PDF], BetterStart Health and Development Research, The University of Adelaide, 2021, accessed March 2023



**Recommendation: That the Commonwealth Government consider opportunities for sharing deidentified administrative datasets to support the evaluation of employment services programs, providers and initiatives to ensure the system is delivering the best possible outcomes for individuals and employers**