



## **JESUIT SOCIAL SERVICES SUBMISSION**

**Employment Services – building on success – issues paper**  
Department of Education, Employment and Workplace Relations

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## Introduction

Jesuit Social Services welcomes the opportunity to make a submission to the Department of Education, Employment and Workplace Relations on the *Employment Services – building on success – issues paper*. We commend the Australian Government's continuing commitment to improving employment services and promoting a wider social inclusion agenda.

Jesuit Social Services has over 35 years experience working with disadvantaged and socially excluded people and communities throughout Victoria, New South Wales and the Northern Territory. Amongst this group are people involved in the criminal justice system, young people with mental illness or drug and alcohol issues, members of refugee and migrant communities, remote Aboriginal communities, as well as people disengaged from mainstream education and training through Jesuit Community College.

The people we work with struggle to overcome social exclusion and many have been clients of Job Services Australia (JSA). Their experiences of JSA and our efforts to support them within this system provide the basis for this submission. As such, the focus of this submission is primarily with the group of people who are stream 3 and 4 clients in Job Services Australia, many of whom have little stable employment experience, low levels of basic skills, and a range of other barriers to inclusion.

In this submission, we will outline the problematic nature of Job Services Australia and argue that it too often fails to meet the needs of disadvantaged Australians. Jesuit Social Services believes that there is a need for a rethink of how we can better build the capabilities of disadvantaged Australians so that they can participate more meaningfully in the community. As a starting point, we believe that for this group of people, the employment and wider human services system needs to broaden its focus from the narrow aim of securing 13 and 26 week employment outcomes. Instead, disadvantaged Australians should be supported on a journey to social inclusion that can be measured against a wider range of social outcomes.

We have identified three areas where reform is needed. These are:

- **Effective support to build people's capabilities** -The high volume, low margin nature of JSA means that many disadvantaged people are not provided with intense, ongoing and meaningful support. Often they engage with multiple services. We need to rethink the nature of support and relationships between different services;
- **Pathways to meaningful participation** - Training, skills development, work experience and opportunities for participation in the community need to be provided. Incentives for providing these must be built into our human services system; and
- **Transforming organisations** - The current transactional nature of engagement with employers needs to be replaced by genuine engagement focused on building shared values for disadvantaged people, employers and communities.

A major issue that influences all areas of reforms concerns the structure of the employment services system and how it links into the human services system. This issue will be explored in detail before exploring the three areas for reform. In doing so, we outline areas for further consideration in how

employment and human services might be reformed to meet the needs of disadvantaged jobseekers. Before this we will briefly describe who we are and what we do.

## Who we are and what we do

Jesuit Social Services works to build a just society by advocating for social change and promoting the health and wellbeing of disadvantaged people, families, and communities.

Jesuit Social Services works where the need is greatest and where it has the capacity, experience and skills to make the most difference. Jesuit Social Services values every person and seeks to engage with them in a respectful way, that acknowledges their experiences and skills and gives them the opportunity to harness their full potential.

We do this by intervening directly to address disadvantage and by influencing hearts and minds for social change. We strengthen and build respectful, constructive relationships for:

- Effective services - by partnering with people most in need and those who support them to address disadvantage;
- Education - by providing access to life-long learning and development;
- Capacity building - by refining and evaluating our practice and sharing and partnering for greater impact;
- Advocacy - by building awareness of injustice and advocating for social change based on grounded experience and research; and
- Leadership development - by partnering across sectors to build expertise and commitment to justice.

The promotion of **education, lifelong learning and capacity building** is fundamental to all our activity. We believe this is the most effective means of helping people to reach their potential and exercise their full citizenship. This, in turn, strengthens the broader community.

Our service delivery and advocacy focuses on the following key areas:

- **Justice and crime prevention** – people involved with the justice system;
- **Mental health and wellbeing** – people with multiple and complex needs and those affected by suicide, trauma and complex bereavement;
- **Settlement and community building** – recently arrived immigrants and refugees and disadvantaged communities; and
- **Education, training and employment** – people with barriers to sustainable employment.

Currently our direct services and volunteer programs are located in Victoria, New South Wales and Northern Territory. Services include:

- **Jesuit Community College:** increasing opportunities for people constrained by social and economic disadvantage to participate in education, work and community life and reach their full potential;

- **Artful Dodgers Studios:** as part of Jesuit Community College providing pathways to education, training and employment for young people with multiple and complex needs associated with mental health, substance abuse and homelessness;
- **Western Sydney Program:** delivering social enterprises and other community building initiatives that provide affordable food, training and employment opportunities to people living in the area of Mount Druitt, Western Sydney;
- **Brosnan Services:** supporting young people and adults in the justice system, and assisting them to make a successful transition from custody back into the community. Within the suite of services are Perry House, Dillon House and Youth Justice Community Support Services;
- **Community Programs:** working with people on public housing estates across metropolitan Melbourne, including the African Australian and Vietnamese communities, and supporting remote Aboriginal communities in governance and capacity building initiatives in Central Australia;
- **Connexions:** delivering intensive support and counselling for young people with co-occurring mental health, substance and alcohol misuse problems;
- **The Outdoor Experience:** offering an alternative treatment service through a range of outdoor intervention programs for young people aged 15 – 25 years, who have or have had problems with alcohol and/or other drugs;
- **Community Detention Services:** delivering case management support to asylum seekers, including unaccompanied minors, in community detention; and
- **Support After Suicide:** supporting people bereaved by suicide, including children and young people.

Research, advocacy and policy are advanced through our Policy Unit, coordinating across all program and major interest areas of Jesuit Social Services.

## Do employment services meet the needs of disadvantaged and vulnerable Australians?

### *The scope and nature of disadvantage*

In recent years, research has attempted to quantify the scale and nature of disadvantage in order to precisely outline the numbers of people in our community who can be described in one way or another as disadvantaged. There are a range of methods to define and measure disadvantage; these are being explored in a forthcoming release from the Productivity Commission (Productivity Commission, 2012). At present, the work of the Social Inclusion Board provides some idea of the scale of disadvantage in Australia with estimates that around 5% or 640,000 of working age Australians experience multiple disadvantages (3 or more factors of disadvantage). Within this group there is an even smaller subset that experience what might be characterised as extremely complex factors of disadvantage (.62% of the adult aged population experience 5 or more measures of disadvantage) for an extended period of time (40% experience multiple disadvantage for two years or longer).

Jesuit Social Services' own research has demonstrated the concentrated and overlapping nature of disadvantage. Jesuit Social Services' research *Dropping Off the Edge*, undertaken in partnership with Professor Tony Vinson, revealed the complex and overlapping nature of deprivation and social exclusion in Australia's most disadvantaged communities. This included high levels of long-term unemployment, low income levels, higher levels of disability and sickness, child maltreatment and criminal convictions, as well as poor performance in educational attainment and measures of early childhood development.

The assessment and streaming process within the JSA system allows for the identification of different levels of disadvantage amongst clients within the employment services system. We note that there were 578,103 individuals in the in-scope population of streams 3 and 4 of JSA in 2011, an increase from 446,760 in the previous year.<sup>1</sup> This is a significant increase on the 242,552 individuals who were in equivalent programs in the last year of the job network (OECD, 2012). The change in numbers is likely the result of extended service coverage and changes in profiles of program participants as opposed to a growth in the number of disadvantaged jobseekers. However, there are limitations in defining disadvantage within the jobseeker population by reference to scores on standardised assessment instruments. These instruments provide a level of consistency in screening individuals for support, but are limited in their ability to capture the nuances and the depth of disadvantage that is often experienced by jobseekers. The fact that a significant amount of effort and time is spent on reclassifying jobseekers demonstrates the limitation of the screening process in capturing the true character of the disadvantage experienced by people (OECD, 2012).

#### *Current employment services still fail to meet the needs of most disadvantaged jobseekers*

JSA has had some successes in moving disadvantaged jobseekers into work relative to previous programs. The discussion paper notes that the most recent employment outcome rate of 30.7% for stream 4 jobseekers compares well to the rate of 15.2% of participants on Personal Support Programs ('PSP'). This achievement is backed up by claims, outlined in the OECD's report on Australian activation policies, that the system is achieving significantly higher outcomes for disadvantaged jobseekers than in the past (OECD, 2012).

Looking in more depth at the outcome figures, there is evidence that JSA is still not meeting the needs of a significant number of disadvantaged jobseekers. Most alarming are the following outcomes published in the most recent set of available figures:

- A large number of stream 4 jobseekers (28.6%) who participated in JSA in 2012 had left the labour force by September 2012;
- Poorer outcomes for long term jobseekers within stream 4, with 21.9% of jobseekers unemployed for 36 months or more moving into employment compared with 30.7% within the full cohort who had employment as their outcome; and
- The rate of full time employment outcomes for stream 4 jobseekers is very low (10.9%).

On the whole, the conclusion that can be drawn is that whilst performance in achieving 13 and 26 week employment outcomes has improved in relation to previous programs, the JSA program is still

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<sup>1</sup> We note that the in-scope population figures have not been included in Labour Market Assistance Outcome reports for 2012, meaning the most recent figures on numbers in different streams are not available.

not producing positive outcomes for over half of the most disadvantaged participants. A further issue regarding outcomes for disadvantaged people in the current system is the fact that success is measured relative to the performance level of the PSP and does not use more rigorous methods such as randomised control trials (OECD, 2012). The comparison with the PSP is somewhat problematic as PSP also focused on social outcomes for highly disadvantaged people (Perkins, 2005) and the profile of people on the two programs might also differ. In light of this, we welcome the fact that the evaluation of the JSA 2009 to 2012 contract identified looking at the net impact of assistance as a key measure of effectiveness (Department of Education, Employment and Workplace Relations, 2009). We are aware that work on assessing the net impacts has been ongoing but that it has not yet been made publicly available.

In addition to statistical measures regarding the performance of JSA, there is also qualitative evidence from researchers, organisations and participants in the JSA system. This evidence makes clear some of the shortcomings of the current system including:

- inconsistency in the services that disadvantaged jobseekers receive that is often the result of a financial imperative to prioritise more job ready clients (Fowkes, 2011) (OECD, 2012);
- a heavy focus on administration and compliance requirements with one report finding that providers spend up to 50% of their time with any one jobseeker on administration and compliance (Group, 2010);
- minimal levels of support with the OECD reporting that active jobseekers attended one appointment per month on average and that the average caseload of employment consultants was around 91 clients (OECD, 2012);
- a lack of focus on non-vocational outcomes; and
- high rates of suspension of jobseekers from JSA, often for reasons that are linked to their inability to find employment (OECD, 2012).

Jesuit Social Services has observed both positive and problematic aspects of the JSA system. A positive example is our partnership with JSA provider Wise Employment on project Next Steps, a time limited project funded through the Victorian Government's Homelessness Innovation Project to work with highly vulnerable young people. This project has incorporated the employment support available to vulnerable young people through WISE's JSA services into a wider service model providing support with housing, family issues and therapeutic case management. As WISE made clear in our partnership submission for the Next Steps funding, the level of intensive therapeutic and case management support required by the highly vulnerable stream 4 client group was beyond the capacity of the job search agency alone, or as brokered on an ad hoc basis through the EPF. We have observed these broader limitations on JSA providers. The lack of resources and support for the highly vulnerable and marginalised people with whom we work means that their needs continue to go unmet. Furthermore, the commercial imperatives built into the system, with its focus on moving large numbers of job ready people into employment, mean that care for individuals in their journeys to and through employment is often neglected. This is most extremely evidenced in the lack of capacity for post employment support, and includes outcomes such as the high numbers of stream 4 job seekers leaving the work force, as reported above.

If success of Job Services Australia is defined by its ability to achieve a greater number of job outcomes than previous employment services programs, then it has achieved some mark of success.

However, if a wider notion of success is adopted, focusing on ability to build the capacity of disadvantaged jobseekers and offer pathways to inclusion then there is still substantial room for improvement. Jesuit Social Services has observed the costs of failure to improve and meet the needs of disadvantaged and marginalised jobseekers, including the churn of people through a range of ineffective programs or short term support that is not sustained. We believe that there is a need to reconsider whether the current system of employment services provides value to the community in both an economic and social sense. This rethink should not only be confined to employment services but also needs to take into consideration the wider context of policies and practices that impact upon meaningful participation in society. The aforementioned Next Steps project suggests one way forward, whereby cross sectoral partnerships are formed with capacity to provide intensive support to address the wider needs and barriers to employment experienced by the most disadvantaged job seekers.

## **Better services for disadvantaged Australians**

The previous section referred to the challenges in building an employment services system that promotes the meaningful participation for disadvantaged Australians. Instances of good practice such as the Next Steps partnership between Jesuit Social Services and Wise Employment are often the result of individual leadership and circumstantial factors as opposed to systemic design. Developing a system where person centred services and joined up working is the norm should be a focus moving forward. This desire for integration and partnership is not new in the human services field, and has consistently been identified as an issue for over 30 years (Valentine & Hilferty, 2012). This is understandable as it *'intuitively appeals to people's notion of common sense'* (Valentine & Hilferty, 2012), and also has the potential to result in cost savings as the result of the removal of inefficiencies and duplication (HM Treasury (UK), 2010).

Initiatives such as the JSA demonstration pilots will hopefully provide some guidance as to how linked-up and place-based service provision might be achieved. Other systemic reforms to promote joined up working could include expanding the range of social outcomes that providers are funded to achieve, rewarding providers and people who are clients of employment services for meeting milestones on their journey towards inclusion, linking up outcomes between the providers of different (such as jointly funded outcomes for state funded training and Commonwealth funded JSA providers achieving outcomes in partnership), or altering the incentives offered to providers and jobseekers to achieve these outcomes. Some of these reforms will be considered in more detail later in this submission.

However, in addition to considering how the current system might be reformed, there is a need for reflection about whether the current system - with its focus on jobseeker compliance and meeting prescribed outcomes - can effectively build the capabilities of disadvantaged people. Current performance imperatives define the nature of the relationship between people and JSA service providers. These performance imperatives can be understood as characteristics of modern human services delivery that are drawn from principles of private sector management. This approach is not without its critics. Hilary Cottom of British public services think tank Participle who, referring to similar services in the United Kingdom, noted *'The social and cultural effect of the market reforms [of public services] has been to intensify a transactional relationship, when what is actually wanted is something more human, caring and time rich.'* (Cottom, 2011). As a real life example of this

problem, Cottom pointed to the fact that social workers in the English town of Swindon spent 80% of their time on administrative related tasks and only 20% on supporting clients. Furthermore, the clients accessed a wide range of other social services that adopted a similar approach. Whilst the 50% of time spent on administration by JSA is significantly lower than the rate in Swindon, it does suggest the presence of a similar approach to service delivery.

An alternative approach would be to attempt to minimise administrative burden and invest more resources in meaningful support. This was the response of Participle in Swindon (explored in more detail below). However, a major challenge is how this type of approach could become the norm across a wider employment or human services system. One potential approach would be to locate employment and training support services for the most disadvantaged jobseekers within state based human services systems. Taking Victoria as an example, employment and training consultants/ specialists could be situated within the Managed and Guided Support streams<sup>2</sup> of Victoria's Services Connect system which is the new operating model for that state's Department of Human Services. An alternative approach might be to pool the funds spent on JSA for disadvantaged jobseekers into area based budgets in combination with other human services expenditure, with local control over how these funds are used to fund services. This approach is currently being piloted in the United Kingdom where funds normally spent on a range of services are being pooled and invested in local areas to work with disadvantaged families. Discretion over investment of funds and accountability for results rests at a local level (Insitute for Government (UK), 2011). One aim of both initiatives is to improve the efficiency of services and free up more resources to work with disadvantaged people. However, the UK reforms are also seeking these efficiencies in order to reduce overall expenditure. As these initiatives are still in their pilot stage it remains to be seen whether this conflicts with the level of services that are provided.

**Recommendation 1: Working in partnership, the Federal Government and state governments should pilot models of funding place based support for highly disadvantaged stream 4 clients who are also clients of state human services. Examples of models for pilots could include funding joint outcomes as well as pooled community budgets.**

## Support to build people's capabilities

Questions addressed:

*How can we ensure that individual job seekers from all backgrounds and levels of disadvantage get the services that best meet their needs?*

*How should specialist services best be structured and incentivised to ensure they most effectively reach the largest number of job seekers?*

*How can employment services work with the Department of Human Services and other services which support families to improve outcomes for job seekers?*

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<sup>2</sup> The Services Connect operating model will stream Victorian Department of Human Services clients into four levels of support. The managed support category will provide services to around 5% of DHS clients (around 10,200 clients). It will provide Comprehensive planning, support and coordination of services for vulnerable individuals or families through a care team approach. Although not entirely clear, there may be a role for community sector organisations in the provision of this support.



*How can the employment services system be structured to encourage partnerships with a wide range of other organisations to meet the needs of job seekers?*

*How can providers and Government ensure that the employment services workforce is appropriately skilled, and well placed to deliver excellent services?*

*Implications of 'high volume, low margin' services for disadvantaged people*

In a reflection on the operation of JSA, former CEO of Job Futures, Lisa Fowkes has described the system as a *'high volume, low margin business'* (Fowkes, 2011). Jesuit Social Services has seen how, in this type of system, the most disadvantaged and vulnerable are more likely to have their needs go unfulfilled. Partly this comes down to the inability for relationships to develop between provider staff and clients and for meaningful support to be provided. One meeting every month with a caseworker who has dozens of other clients is not likely to provide a basis for meaningful relationships or support. From our experience delivering learning and training programs to disadvantaged people through Jesuit Community College and, earlier, our Gateway program (providing health and welfare support and vocational pathways to young jobseekers with complex and multiple needs), we have learnt that it can often take significant time and effort to engage with and build trusting relationships with this group of people.

A further problem that arises from the lack of intensity in service provision is the limitation of the range of support offered to people who are clients of JSA. We believe that very few, if any, individual contract or services provide funding for the personnel/staff time required to liaise and collaborate with the other services being received by the individual client. While there is potential for partnerships to be formed between specialist social services and JSA providers, relatively few of the broader categories of stream 4 job seekers have access to such specialist support programs. For example, in Victoria, only the most at risk adults or young people leaving prison/custody access the Intensive Transitional Support Services (adults) or the Youth Justice Community Support Services.<sup>3</sup> Notions such as collaboration, person centred services and integration are all enviable goals for employment and other human services, however without sustained effort and resources directed towards these efforts, they are often little but wishful thinking.

The nature of support provided to highly disadvantaged people who are clients of JSA is also problematic. The finding, noted previously, that 50% of time is spent on administration and compliance is reinforced by the views of stakeholders to the system. While this procedural and compliance focus might hold people to account, it also limits the development of their capability to make choices. As Fowkes explained, *'Employers, when they are asked to identify core employability skills identify, among others: problem solving, initiative and enterprise, planning and organising, self management; learning. Labour market assistance is not designed to enable participants to develop and use these skills, instead it encourages leaving these decisions to others.'* (Fowkes, 2011).

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<sup>3</sup> Intensive Transitional Support Services (adults) and Youth Justice Community Support Services provide intensive support to offenders in Victoria's adult and youth justice systems, often on release from custody. Both services focus on supporting people on release to establish stable accommodation and other community supports. They work with limited numbers of people, usually those with higher risk profiles.

### *Meaningful support focused on building capabilities*

In light of the issues outlined above, any future employment services system must focus on the provision of more meaningful support to disadvantaged people. This support should centre on building the capacity of people to realise their aspirations and more meaningfully participate in the community. Providers of support should also focus on providing clear pathways for disadvantaged people so that their aspirations can become a reality (explored in more detail below). Such an approach would require changes to how services are structured (outlined above) as well as practice by individual providers. Altering definitions of outcomes from notions of absolute success (employment) to a milestones based system would potentially provide an impetus of providers to deliver this type of support. Under such a milestones based system, outcomes would be remodelled to reward participation in activities recognised as essential to prevocational pathways, acknowledging that for the most disadvantaged such meaningful activity may be an end of itself.

From its work with vulnerable and disadvantaged people, Jesuit Social Services understands what is required to achieve this transformation in practice. Our practice framework emphasises the importance of building genuine and trusting relationships. This relationship based approach is delivered by highly skilled professionals. In day to day practice this is reflected in features of Jesuit Social Services' initiatives including:

- appropriate engagement - our assertive outreach workers engage with clients in environments throughout the community. We also provide opportunities for engaging young people in activities of interest including arts and music through the Artful Dodgers studio;
- low caseloads – an example is our Next Steps program in which each caseworker works with a maximum of eight young men;
- ongoing support - we understand that building the capabilities of people can take time and many of our services with young people work with them for up to two years; and
- flexibility and choice - courses run by Jesuit Community College are tailored to the needs of individuals and provide flexibility so that they can continue to learn whilst dealing with barriers to learning.

Our approach to working with disadvantaged people, outlined above, has been developed in light of our values, our practice experience, and evidence from across the wider human services field regarding 'what works'. The importance of relationships has been demonstrated in research that has found the influence of relationship on positive outcomes with up to 70% of success in working with clients dependent on the nature of the relationship and factors intrinsic to clients themselves (Clark, 2001). These findings have been supported by Australian research looking at what works in case management<sup>4</sup> of homeless persons which found that case management worked because of the relationship between the client and case manager with the qualities of persistence, reliability, intimacy and respect (Gronda, 2009). The need for flexibility and choice has been demonstrated through research on human decision making; this research argues that good decisions should be promoted as well as the capacity of people to make these decisions (Fowkes, 2011). The LIFE program which works with high needs families in disadvantaged communities in the United Kingdom

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<sup>4</sup> The research defined case management as an intervention that develops a person's capacity to self-manage their own access to any supports they need.

provides some evidence of the effectiveness of this approach. The focus of workers in this program is 'to listen, challenge and support a process of discovery and transformation' (Cottom, 2011). Early findings from these programs have found improvements for participating families across a range of social and economic outcomes (Cottom, 2011).

A workforce with appropriate level of skills and personal attributes will be required in order to provide meaningful case management support. The need to develop a workforce with appropriate attributes is all the more important given the proven links between relationship (outlined above) and the success of interventions in the human services field. Of concern is the fact that research has illuminated counter-productive trends in the employment services workforce including high turnover, deprofessionalisation and standardisation leading to the diminishment of specialised skills (Bowman & Horn, 2010).

A survey of the employment services workforce conducted by the Australian Services Union ('ASU') identified similar issues - in particular the fact that many workers with skills in areas such as social work, counselling or psychology who had worked in the sector on the PSP had experienced difficulties in transitioning to JSA as their skills were not as likely to be utilised. This is problematic, as these skills are often required in order to identify and work with clients who have multiple needs. The ASU report recommended a range of actions including the development of a training strategy for the workforce (Australian Services Union, 2011). The need to develop the skills and capacity of workers within human services has been increasingly recognised in recent years. An example is alcohol and drug services where, in Victoria, the government has put in place a ten year workforce development framework which focuses on attraction of skilled candidates, retention, and leadership development within the workforce in that sector. In addition to reviewing the employment services system post 2015, there is also a need to plan and develop the workforce that will deliver these services.

**Recommendation 2: The post 2015 employment services system should adequately resource and incentivise intensive and meaningful support for highly disadvantaged people. Without limiting the capacity of providers to develop individual solutions, some core features of support should include that it:**

- is relationship based;
- focuses on building their capabilities;
- embeds clear pathways to participation; and
- is delivered by skilled staff with small caseloads.

**Recommendation 3: Intensive support for disadvantaged people should be delivered by the most appropriate providers in the most appropriate environment for individual people. This might mean a more intensive level of support within employment services providers, or alternatively the delivery of casework and support through partners in other areas of the human services field who are provided with booster funding to deliver these additional services.**

**Recommendation 4: Measures of success including outcomes (if the outcomes model is retained) must include participation in prevocational activities and success in addressing personal and environmental barriers to participation. Funding should be allocated to meet these outcomes.**

**Recommendation 5: A workforce development strategy should be part of any new employment services system. Drawing on workforce development plans in other parts of the human services system, this strategy should focus on building the skills of workers to identify and work with highly disadvantaged people, career development pathways and enhancing leadership within the sector.**

*Joining up support and services*

A key challenge identified in the discussion paper is how to strengthen joined up working and partnerships between employment and other services. Previous sections have considered how this challenge might be tackled at a systemic level, however it is also important to consider how it can be made a reality in day to day practice. Jesuit Social Services supports better joined up working and partnerships between service providers as we have seen the problems many of the people we work with experience such as mental health, drug and alcohol, housing, and contact with the justice and child protection systems.

Through our practice we have seen the positive impacts that partnerships and joined up working can have on client outcomes. Several of our programs working with young people in the criminal justice system feature partnerships. Youth Justice Community Support Services (YJCSS) features partnership consortia of community sector agencies which deliver accommodation, drug and alcohol, family, education and training, and support services to young people exiting custody. As has previously been noted, our Next Steps program has a formal partnership model with young people on the program accessing employment and training support through JSA provider WISE employment. In both partnerships, Jesuit Social Services acts as the lead agency with responsibility for ensuring that the partnership delivers the support that clients require. This experience has demonstrated to us the importance of leadership and responsibility arrangements within partnerships.

Evaluations of other initiatives that seek to join up working or promote partnerships have also produced promising results. In the United States, the Individual Placement and Support model of employment assistance which closely integrated employment services and mental health support has been rigorously evaluated in several studies and has an average employment rate of 60% of participants compared with 23% for control groups (Lawler & Perkins, 2009).

Effective partnership and joined up working requires the investment of resources into developing the structures and processes to make partnership a reality as well as to build a culture of partnership between services. In the human services field a review of efforts to better join up youth justice and child protection services in 12 American states outlined crucial elements to joined up working including:

*“[L]eadership by one or a small number of leaders who are able to enlist the support of the human services community; experienced managers as both program administrators and members of the local human services community who facilitate efforts to develop connections between programs; staff training and development, with cross-program training at regular intervals...[and] willingness to take chances, experiment, and change, as well as*

*independence from higher level bureaucracy to implement untried strategies” (Wiig & Tuell 2008 in McGinness & McDermott 2010).*

Jesuit Social Services’ own experience in developing partnerships and joined up services corresponds with the findings of the American study. We have seen how partnerships require time and resources to develop and that there is a need for (change) facilitators to support and advise and enable change to occur. One example of a change facilitation initiative in the alcohol treatment and mental health services fields is the Improved Services Initiative which Jesuit Social Services has been running since 2008 (ISI). The ISI exists to build service relationships and the skills of the workforce in these areas. It has achieved this through training, facilitation of networks of service providers, and staff roles to foster collaboration and service integration.

In the employment services sector, an example of change facilitation is the FCEP (Goodna) (Family Centred Employment Project) which has provided funding to support the work and change in practices which needed to be supported. It has been noted that over a period of 18 months to 2 years, changed practices began to occur.

**Recommendation 6: The funding arrangements for a post 2015 employment system should incentivise partnerships and joined up working. Options to be considered should include flexible funding for the delivery of joined up services as well as joined up outcomes for service partners.**

**Recommendation 7: Investment must be made into change facilitators to lead the process of joining up services at a local level. Drawing on the learning of the local employment coordinator project and other human services integration initiatives (such as ISI) an initiative should be piloted with the specific aim and resources to link up services.**

## **Pathways to meaningful participation**

Questions addressed:

*How would partnerships between training providers and employment services most effectively improve outcomes for job seekers?*

*What role can employment services play in breaking entrenched or intergenerational unemployment?*

*What is the most effective way to measure the success of the employment services system?*

*What role should place-based solutions play in the future?*

*How can the employment services system be structured to encourage partnerships with a wide range of other organisations to meet the needs of job seekers?*

Our employment and human services systems must do more to provide pathways to participation for disadvantaged people. Pathways to participation should be embedded into the engagement and support services outlined above. However, there is also a need to reconsider how we might more effectively build the capabilities of disadvantaged people and provide them with access to opportunities to gain experience.

### *The importance of education, training and lifelong learning*

The importance of training and skills development to labour market outcomes is beyond dispute with the discussion paper outlining the disproportionate growth in higher skilled occupations that is predicted over the next five years. Foundational learning skills are just as important with evidence showing that literacy and numeracy levels are associated with employment and economic wellbeing outcomes (Guenther, Falk, & Arnott, 2008). This fact has been recognised by Skills Australia, the Industry Skills Council and the Australian Chamber of Commerce and Industry who have all identified poor foundation skills as a major barrier to workforce participation and productivity and called for an increased focus on language, literacy and numeracy in preparing people for work. In addition to labour market outcomes, Guenther, Falk and Arnott (2008), in reviewing links between training and employment services programs identified a range of other positive social outcomes that result from training including socialising with other trainees/course participants; better engagement with the community; reducing isolation; and making connections (Guenther, Falk, & Arnott, 2008).

The importance of education and training to inclusion has been recognised in recent years and Jesuit Social Services welcomes the commitment of government to this through initiatives such as the Jobs and Training Compact and the Productive Places Program. We also note an increased focus within JSA with larger numbers of people achieving education and training outcomes within the system. However, Jesuit Social Services believes that the current employment services system still does not effectively provide appropriate skills and learning pathways for highly disadvantaged people. This problem is not a result of a lack of availability of training; instead it revolves around the nature of training and the absence of clear pathways to inclusion through training and education.

A common experience of many of the people we work with is that they have been trained in a variety of key work skill areas such as child care or aged care, yet remain unemployed and, depending on their literacy and numeracy skills and social and communication skills, may be unemployable. This problem has been documented by other organisations working with disadvantaged people. The Brotherhood of St Laurence has noted *'there are risks however, of over-reliance on training provision, including training churn, credentialism and poor matching of skills development to available jobs'* (Brotherhood of St Laurence, 2011). Furthermore, the OECD report into Australian jobseekers noted that providers consider very little training was suitable for work experience phase clients. (OECD, 2012). In response to these issues, Jesuit Social Services, through the Jesuit Community College, is focusing on providing disadvantaged people with flexible learning opportunities that focus on building their core skills. Importantly, we are embedding pathways into employment and participation in our training and learning programs. Through this experience, we have discerned some key areas where both training and employment services must better meet the needs of disadvantaged jobseekers.

### *Provide learners intensive and ongoing support*

Jesuit Community College was established because we identified a need for training to be delivered in ways that addressed the personal and structural barriers of the people we worked with through our programs. Our experience convinced us that the most disadvantaged learners lacked key foundation skills needed to enter and successfully navigate the training system and achieve learning outcomes that lead to sustained employment – including basic literacy, numeracy and communication skills. The College's approach to teaching and learning is underpinned by

characteristics of Jesuit education – care and concern for each learner, encouraging lifelong openness to growth and developing men and women who have a positive influence on their community. This tradition is over 500 years old, and operates schools and centres for learning throughout the world. In practice, our approach is characterised by flexible and appropriate engagement with learners, often in community settings; tailoring teaching methods and learning environments so that they are suitable for disadvantaged learners; and providing ongoing support, mentoring, and counselling so that our learners can realise their aspirations.

The approach taken through Jesuit Community College is supported by evidence from programs and interventions from around the world that work with disengaged learners. In a review of effective models for supporting disengaged learners, Davies, Lamb and Doecke (2011) identified four key influences on successful programs - these were outreach, learner well-being, pedagogy and pathways. Their review outlined how effective programs provided flexible, individualised, and ongoing support that took into account the personal and environmental factors that influenced learners. The need for this type of support of learners who are clients of the employment services system has long been recognised. In research for the National Council of Vocational Education and Research published in 2008, Guenther, Falk and Arnott (2008) identified a need for flexible and intensive training linked into the employment services system. They also noted that delivery of this training to highly disadvantaged clients of employment services would place a demand on training providers and would require adequate resourcing to meet these demands.

Intensive and ongoing support that provides genuine pathways to participation necessitates stronger partnerships between employment services and the education and training system. The challenges of integration and partnerships have been discussed in previous sections of this submission. In the context of education and training, it is important to note that reforms within the employment services framework alone are not likely to resolve this issue. This was recognised by Brown and North, who, in looking at how the Vocational Educational Training system might more effectively meet the needs of disadvantaged learners noted, *'there is value in looking outside the VET sector to consider issues of model implementation, funding sources and the capacity of the VET system to implement system-wide support programs.'* (Brown & North, 2010).

Linking up training and educational opportunities with other support services may necessitate a rethink of boundaries between systems and how services are funded and delivered. In looking at how to finance training for disengaged learners, Davies, Lamb and Doecke (2011) identified needs based funding as a mechanism through which the appropriate levels of support for disengaged learners could be financed. This model was influenced by the structure of funding for services within the JSA system. Moving forward, initiatives considered in previous parts of this submission might provide options for improving partnerships and holistic services. This could include integrating outcomes and funding for employment and training services or, alternatively, allowing providers in either the learning or employment services systems to draw down on funding from either system to support clients and provide them with pathways to participation.

**Recommendation 8: A post-2015 employment services system must prioritise training and educational opportunities for disadvantaged people. Resources need to be allocated for flexible, individualised and ongoing support for learners that provide them with clear pathways towards enhanced levels of participation.**

**Recommendation 9: Resources and incentives should be built into the employment services system to encourage partnership with training providers. This could include pooling of funds and joint outcomes.**

*Linking to employment opportunities*

From our experience, we have observed how too often funds have been spent on training in the absence of a clear pathway to employment. This has also been recognised as a need by the Brotherhood of St Laurence, *'better integration of training with support and paid work experience is essential, with training tailored to individual job seeker needs and job prospects.'* (Brotherhood of St Laurence, 2011). Pathways to employment were one of the key elements to effectively engaging with disengaged learners identified by Davies, Lamb and Doecke (2011). Elements of a pathways approach can include embedding pathways in the learning program, integration with work opportunities, or utilisation of intermediate labour market programs (explored in more detail below). We believe that both the employment services and training sectors must enhance their links with employers and better understand recruitment practices of employers and entry points to work. There are many examples of discrete programs in which training and employers are brought together to provide opportunities for disadvantaged people; the Local Employment Coordinator Flexible Funding Pool is one initiative that has made this possible. A challenge is to extend this type of approach across the wider system. We believe that resources and incentives for employment services and training providers to embed pathways to inclusion into their delivery would provide a means to achieve this.

**Recommendation 10: Options for exploring how training providers can be incentivised to embed pathways to inclusion into learning programs should be explored. A possibility could be to allow training providers to claim some form of outcome fee for an employment placement as part of the jointly funded outcomes in recommendation 9.**

*Building experience and skills – the role of the intermediate labour market*

Many of the people with whom Jesuit Social Services works have limited experience in the formal labour market. This is especially so for many young people who have disengaged from formal learning and a part of the significant number of young Australians not in employment, education or training. Jesuit Social Services aims to build the capabilities of these people and equip them with the skills to enter the workforce. A key means to achieving this is through the 'living classrooms' of our social enterprises which include several Cafes in New South Wales and Victoria (under the banner of Ignite Cafe) as well as a supermarket located within the Mt Druitt community enterprise hub in New South Wales.

Social enterprises providing work experience and training to disadvantaged people should be a key element of a post 2015 employment services system. Evaluations of social enterprise initiatives worldwide have found that they assist disadvantaged jobseekers in achieving employment outcomes, improve 'soft skills' of participants, reduce recidivism amongst prisoners and enhance community wellbeing and the environment (Nockolds, 2012). Key elements to successful social enterprises include strong leadership and administrative systems, links to community, flexibility in training and support, as well as the level of support required. Research shows that nine to twelve



months of experience and training is required for disadvantaged people to develop their work and social skills. (Nockolds, 2012)

There are two key challenges for social enterprises in regards to their role within the employment services system. The first is that, although operating as businesses, they experience a productivity deficit as a result of the need to provide support to disadvantaged jobseekers. (Nockolds, 2012). A consequence of this is that the financial viability of these enterprises is often uncertain and contingent on government support. Promising examples of initiatives to support the financial viability of social enterprises include the Victorian government's social procurement guidelines as well as SE finder, a website and smartphone directory of social enterprises.

A second challenge for social enterprises is linking people who gain experience in social enterprises into the formal labour market. Evaluations of social enterprise programs have found that improving pathways into formal employment would improve outcomes (Nockolds, 2012). Jesuit Social Services is seeking to embed employment pathways into its social enterprises. Our social enterprise in Mt Druitt, Western Sydney, has entered into a partnership with one of its suppliers, Harris Farms (a major perishable food distribution business in New South Wales). Through this partnership, people on work experience and training placements in the store have been offered permanent employment with Harris farms upon their graduation.

**Recommendation 11: The post-2015 employment services system should include an intermediate labour market development strategy, identifying disadvantaged communities where these enterprises could meet local needs and, depending on the cohort of participants, allocating seed or ongoing funding for the establishment and sustainability of these enterprises.**

**Recommendation 12: Options for funding intermediate labour market social enterprises to work with highly disadvantaged employment services clients and provide them with pathways into the mainstream labour market should be explored. This could include the provision of outcome fees to these enterprises for successful transitions into the mainstream labour market.**

#### *Meaningful participation in the community*

For some highly disadvantaged jobseekers, the barriers they face mean that they are some distance from the formal labour market. As noted at the outset of this submission, Jesuit Social Services believes that the employment services system needs to move away from merely focusing on the narrowly defined notions of employment but should also provide a means to support meaningful participation in the community. British academic Gill Seyfang (2004) has reconceptualised formal employment as part of a wider spectrum of productive engagement in work which also included unpaid work such as volunteering as well as community currencies and time banks (Seyfang, 2004). Volunteering contributes extensively to the community and to the work of organisations such as Jesuit Social Services. It also has benefits for volunteers with its positive impacts on physical and psychological wellbeing, building social networks, reducing loneliness, and also opening up potential pathways into employment (Haski-Leventhal, 2009). In addition to its benefits for people and their work prospects, volunteering is also seen as an activity that builds community, trust and reciprocity. (Bates & Davis, 2004)

Despite the benefits of volunteering, a major challenge is engaging highly disadvantaged people in this activity. Evidence suggests that groups with higher levels of social capital are more likely to participate in volunteering and that persons with physical and mental health issues, minorities, and persons from other socially excluded groups are less likely to volunteer than well off people (Haski-Leventhal, 2009). Jesuit Social Services believes that employment services can promote participation in volunteering for highly disadvantaged groups. Although there are challenges in ensuring that unemployed people are not exploited for cost free labour, the benefits of participation necessitate a rethink of how disadvantaged people can be engaged.

In Europe, particularly the United Kingdom, initiatives have been developed which add an element of exchange in order to incentivise traditional volunteering. In community currency schemes, individuals who offer services are paid in a form of local currency that can be exchanged for goods and services from other people and organisations participating in the scheme. Another initiative, time banks, provides people who volunteer with time credits which are used in exchange for services from other volunteers (Seyfang, 2004). The experience of the United Kingdom and Europe needs to be explored in more detail in order to determine the feasibility of these initiatives in Australian communities. They might offer the potential through which social inclusion could be more effectively promoted outside of the formal employment market.

**Recommendation 13: Volunteering and other forms of participation could be included as part of the expanded measures of success outlined in recommendation 4.**

**Recommendation 14: Providers should be provided with incentives for developing strategies and initiatives that promote volunteering for highly disadvantaged jobseekers.**

## Transforming organisations

### Questions addressed:

*How can employment services build stronger partnerships with employers to achieve sustainable employment outcomes?*

*How could large employers – with many work sites – partner most effectively with employment services? How can employment services providers partner with small and local employers?*

The discussion paper identified the need to improve partnerships with employers in light of findings that very small numbers of businesses use JSA and that the same businesses are less willing to hire people who have been unemployed for a long time and people with disabilities. In line with other features of the JSA, engagement with employers has historically been a transactional relationship. Providers, clients and prospective employers are brought together through incentives and the demands of the labour market. Jesuit Social Services believes that this approach often produces short term outcomes that do not meet the needs of disadvantaged people, and the ultimate costs are eventually borne by businesses and the community.

There is an emerging body of thinking and practice within business and management theory and literature that is rethinking the role of businesses within society. The concept of shared value, explored in detail in the Harvard Business Review by Porter and Kramer (2011), links together

economic and social progress by arguing that the health of communities in which businesses operate is vital to their success. In light of this, they argue that business should focus on generating both economic and social progress (Porter & Kramer, 2011). The importance of social outcomes has also been recognised within management thinking. A 2008 meeting of American business leaders and thinkers identified a need for changes to management practice in light of a modern business environment characterised by rapid change, the need for creativity, and the need to deal with the costs to environment and communities of business. The first two areas they identified for transformation in management were to:

***"Ensure that the work of management serves a higher purpose. Management, both in theory and practice, must orient itself to the achievement of noble, socially significant goals";***  
and

***"Fully embed the ideas of community and citizenship in management systems. There's a need for processes and practices that reflect the interdependence of all stakeholder groups."***  
(Hamel, 2009)

Jesuit Social Services has been engaging with these developments, most notably through our Just Leadership initiative which aims to develop the leadership capacity of individuals, organisations and communities in ways that contribute to building a more just and compassionate society. Through Just Leadership, Jesuit Social Services supports organisations to put social leadership at the heart of business. We believe that concepts such as shared values and social leadership within business should influence the approach taken to working with business and promoting the inclusion of disadvantaged people. The role of business as an enabler of social inclusion needs to be explored in more detail and promoted. This requires moving away from a transactional relationship between business and disadvantaged people to one grounded in an understanding of its capacity to generate value across organisations and the community.

The African Australian Inclusion Program (AAIP) provides a working example of how this type of approach can be realised in order to enhance social inclusion. The program is a highly successful and award winning partnership between Jesuit Social Services and the National Australia Bank (NAB) that provides a professional bridging and training program for qualified African-Australians, including six months paid workplace experience. The program aims to provide commercial experience and learning opportunities for participants, including enhancing their business networks. The need for the program was identified by the African-Australian community who noted that lack of local experience in the Australian business sector was a significant barrier to employment for qualified African-Australians.

The outcomes have been significant. Since its inception in 2009, 93 African-Australians have had six month, paid workplace experience at NAB; 14 are still completing their 6 month placement; and 54 have progressed to ongoing employment within NAB. There are 13 who have secured ongoing employment in other companies outside NAB, bringing a total of 67 who have progressed to ongoing employment. The Program also demonstrates an effective model of support for people who have moved into employment that is centred within the employer organisation. In the AAIP, each participant is paired with a mentor, a coach and a buddy, all of whom provide them with support

throughout the duration of the program. Other forms of support and development opportunities within the working environment include skills workshops which are conducted by NAB staff as well as opportunities for participants to engage with different areas of the business.

Initiatives such as the AAIP involve significant commitment from both partners, and move beyond merely being a transactional relationship between business, provider and potential employees. Instead, the employer, in this case the National Australia Bank, has invested significant resources and goodwill in order to provide opportunities for a group of people who have been disadvantaged within the labour market. Significantly, the initiative has fostered change within and across the organisation through the opportunities it has provided for staff to develop social leadership and mentoring, an understanding of community issues, and exposure to a more diverse workplace. An employee of the National Australia Bank who was interviewed as part of a survey on the program noted:

*“There is a genuine passion that people on the team have shown for this. I have had people saying to me that they have never been more proud of the organisation or the team for taking this project on.”* (Cain & Siddiqi, 2013)

Significantly, in the context of shared value, a social return on investment study of the program calculated that it had generated \$6.24 in social value to stakeholders for every \$1 that was invested (Cain & Siddiqi, 2013). Jesuit Social Services believes that there is an emerging awareness within the business community, driven by ideas such as shared value, of the need for social leadership. In the coming years, organisations working with disadvantaged people need to harness this awareness through initiatives that promote inclusion for this group of people.

**Recommendation 10: The Australian Government should explore how initiatives that promote social leadership by business could be promoted. This could include high level accords between businesses, government and the community; initiatives to promote successful social leadership; and the incentivisation of initiatives through the tax system and government procurement policies.**

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