



CREATE. CONNECT. CONVINCED.

<http://www.cpd.org.au>

28 October 2020

Department of Education, Skills and Employment
50 Marcus Clarke Street
Canberra ACT 2601
By email: Future-Employment-Services@dese.gov.au

Submission: Proposed licensing system for the New Employment Services Model

The Centre for Policy Development (CPD) welcomes the opportunity to make a submission to the Department of Education, Skills and Employment, in response to the *Discussion paper on the Proposed licensing system for the New Employment Services Model*. CPD recognises the need for a licensing system as part of the new employment services model. We have long advocated for a system that enables employment services to be delivered by organisations that are networked well at the local level and can respond effectively to the needs of disadvantaged job seekers. Our submission to the 2018 Employment Services Expert Advisory Panel, which details these recommendations, is enclosed.

CPD's view is that a licensing model, alongside activity-based funding (ABF), should feature strongly in the new employment services system. A licensing model would enable all providers of employment services to be formally recognised in the national system, including local networks and public entities, NGOs, social enterprises and private providers. Bringing a range of locally-connected providers into the service system would boost capacity and capability to deliver specialised and tailored services, and mark a welcome departure from the fully outsourced system. Alongside licensing, activity-based efficient pricing would help to ensure that providers, once in the market, can respond flexibly to local labour market conditions, and are incentivised to specialise and collaborate to achieve high quality, sustainable employment outcomes for job seekers. Pricing and licensing could be controlled by an independent authority, able to assure the quality of provider performance and review the most efficient bundled pricing at regular intervals.

CPD's *Blueprint for Regional and Community Job Deals* (blueprint), also enclosed, expands on our earlier recommendations and shows how licensing and activity-based efficient pricing could work together in practice to respond to the current unemployment crisis at scale across Australia. The blueprint draws on the public hospital funding model to illustrate what a similar approach might look like for employment services. A federal employment service system funded through efficiently priced bundles of activities, spanning multiple services (e.g. employment, language), could enable the delivery of tailored services, wrapped around individuals and families, through a diverse and collaborative provider network. It could also provide a funding structure to enable local and state governments and philanthropy to fund additional supports (e.g. training courses) in parallel to federal supports, together building effective employment pathways.

A licensing model holds even greater importance as we build back from COVID-19. Before COVID, the system's ability to support the most disadvantaged job seekers was already concerning, taking them on average more than five years to find employment. Since December 2019, the number of people using employment services has more than doubled. Over 1.4 million people are now on the caseload (September 2020), with disadvantaged job seekers disproportionately represented. Analysis from the RBA, delivered as part of our *Transitions to Employment Initiative*, reminded us that the longer someone is unemployed, the lower their probability in finding full- or part-time work. An effective licensing and pricing system will be vital to building employment transitions and ensuring that the most disadvantaged job seekers do not slip into protracted unemployment and underemployment after COVID.

Please contact us if you have any questions or would like to discuss any of the matters raised by this submission.

Annexure and Further Information

Further data and information is contained in the submissions enclosed.

CPD's *Blueprint for Regional and Community Job Deals* is enclosed. CPD's blueprint was made publicly available in September 2020 after consultations with business, philanthropy and government, including with senior officials at the Department of Education, Skills and Employment. We would be pleased to continue these conversations to expand on our proposals.

CPD's submission to the 2018 Expert Advisory Panel on the future of employment services chaired by Sandra McPhee AM is also enclosed.

Additional resources related to CPD's *Cities and Settlement Initiative*, *Blueprint for Regional and Community Job Deals* and *Transitions to Employment Initiative* are available at www.cpd.org.au.

For questions about this submission please contact CPD Program Director Annabel Brown (annabel.brown@cpd.org.au) or CPD Policy Adviser Frances Kitt (frances.kitt@cpd.org.au).



BLUEPRINT: REGIONAL & COMMUNITY JOB DEALS

SEPTEMBER 2020

Acknowledgements

This blueprint has been developed as part of the CPD's ongoing work on boosting economic and social outcomes for disadvantaged Australians.

Much of the material in the blueprint has emerged from CPD's *Cities and Settlement Initiative* (CSI), a 3-year program focused on employment and settlement services for refugees and humanitarian migrants. It was through CSI that CPD developed its Community Deals model, working closely with the City of Wyndham and other local communities. CSI is made possible by the generous support of the Myer Foundation, the Vincent Fairfax Family Foundation, the Cameron Foundation, the Lord Mayor's Charitable Foundation and a group of volunteers from the Boston Consulting Group.

The blueprint also draws on conversations from CPD's Employment Transitions Initiative, which has been supported by the Paul Ramsay Foundation.

The blueprint has been compiled by CPD, with expert advice from Peter Fitzgerald (former Deputy Secretary, Victorian Department of Health & Human Services), Kerrin Benson (former CEO, Multicultural Australia) and James Flintoft (former CEO, Regional Development Victoria).

We would like to thank everyone involved who worked to make this blueprint a reality and hope it can help Australian communities to build back better in the wake of COVID.

About the Centre for Policy Development

CPD is an independent, values-driven, and evidence-based policy institute. Our motivation is an Australia that embraces the long term now. CPD's policy development is geared towards an Australia that is equitable, aspirational, and truly prosperous – and enlivened by the challenge of shaping a better future.

CPD's signature method is Create-Connect-Convince. In all we do, we create ideas from rigorous, cross-disciplinary research, then we connect experts and (often divergent) stakeholders to develop these ideas into practical policy proposals, before we seek to convince governments, business and communities to champion and implement them.

This blueprint is an example of the way we work in practice to tackle challenges, working at community and systems levels to understand the blocks in the system and to put forward actionable recommendations. More information is available at <https://cpd.org.au/>.

Contents

Blueprint for Regional and Community Job Deals	Page
<u>Summary</u>	4
<u>Purpose: Blueprint for Regional and Community Job Deals</u>	5
<u>Burning platform</u>	6
<u>There is a daunting jobs crisis, but some regions have been hit harder</u>	7
<u>These areas of “double disadvantage” can be prioritised for targeted stimulus projects to boost jobs and support economic growth</u>	8
<u>Growth in disadvantaged groups in <i>jobactive</i></u>	9
<u>Blueprint for an effective response</u>	10
<u>Within each Regional Job Deal are a number of Community Deals</u>	11
<u>Features of Regional and Community Job Deals at full national scale-up</u>	12
<u>Regional Jobs Taskforces</u>	13
<u>Jobs Taskforce Support Unit: Staffing and functions</u>	14
<u>Approach to regional governance</u>	15
<u>National governance</u>	16
<u>Reforms to the employment services market and national licensing and independent pricing</u>	17
<u>Cost and funding</u>	18
<u>Toolkit for Community Deals</u>	19

Summary

This blueprint responds to the impacts of COVID-19 and entrenched unemployment. It complements reforms the Federal Government has started of the national employment services system, and builds on the Local Jobs Program and the establishment of Local Jobs and Skills Taskforces in 25 employment regions, announced in September 2020.

It offers a detailed how-to guide to scale up regionally and locally tailored approaches to tackling unemployment, with a focus on people facing disadvantage in the job market. It aims to move beyond the principles of locally tailored approaches, to assisting actors to put them into practice. It aims to make locally and regionally differentiated responses an enduring part of the employment service system.

Regional and Community Job Deals include:

- local and regional governance
- coordination of multiple funding sources
- collaboration between service providers
- engagement with local industry and employers
- realignment of national and state employment services
- data-driven approach to continuous improvement

The blueprint costing and timeframe for roll-out envisages support in the initial three year period for up to 20 Regional Job Deals and up to 300 Community Job Deals. Each job deal has common elements tailored to address local employment market exigencies.

The number of jobs and job pathways generated will in part depend on the level of wage subsidy available and other actions taken to stimulate the economy and create jobs.

The total indicative cost ranges from a minimum of \$492m to a maximum of \$5.9b and the blueprint envisages these costs are borne by Federal, State and Local Governments, business and philanthropy. Savings can be achieved elsewhere in employment and other services.

Although Regional Job Deals scale up the facilitation of employment pathways for disadvantaged jobseekers, to avoid larger numbers of Australians facing entrenched unemployment they will also reinforce job matching and placement activities (digital, predictive matching, jobs boards etc) for people with less complex needs.

In time Regional and Community Job Deals could be expanded to all regions and could become an integral part of the new employment services system.

Purpose: Blueprint for Regional and Community Job Deals

There is growing appetite and momentum for tailored, place-based strategies to support job creation and economic development as part of the COVID-19 recovery.

This blueprint for Regional and Community Job Deals aims to provide an effective framework to respond to the increasing number of Australians facing unemployment and underemployment, in a way that is tailored to local needs and opportunities.

The blueprint does three things:

1. Responds to unprecedented unemployment caused by COVID-19 and the need for differentiated responses at regional and local level.
2. Proposes a course of action to achieve enduring reforms to the employment service system by 2022, building on important work done in recent years to transform national and state employment services, including the newly announced Federal Government Local Jobs Program.
3. Provides a practical implementation toolkit, including detailed case studies, to help Australian communities get ahead of the curve on the entrenched unemployment associated with recessions and extend support to those already facing long-term unemployment and underemployment when COVID struck.

We intend for this to be a 'living document' which can be updated as consultations continue between government, social services, employers, philanthropy and civil society on how best to differentiate employment services at the regional and local level.

What is the burning platform?

With unprecedented economic disruption, the biggest task facing Australian governments today is addressing large scale unemployment and underemployment, and preventing it from becoming an entrenched reality for significant numbers of people, particularly the most disadvantaged.

According to Department of Education, Skills and Employment figures:

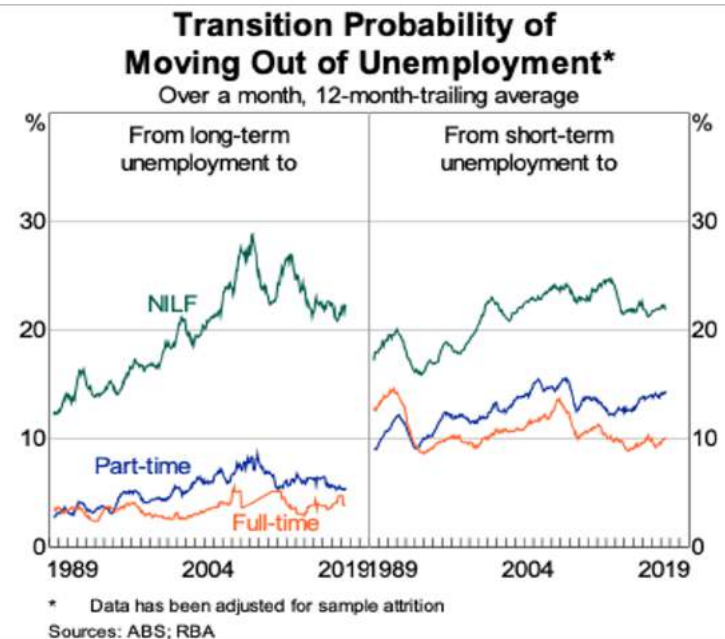
- The *jobactive* caseload has grown from around 613,371 (31 December 2019) to 1.39 million at the end of August 2020
- The female *jobactive* caseload (15+) has increased from 360,653 (31 December 2019) to 669,305 (31 August 2020)

The number of disadvantaged job seekers on the caseload has also increased, for example:

- The number of youth (under 25) on the *jobactive* caseload has increased from 110,171 (31 December 2019) to 248,504 (31 August 2020)
- The number of people with disability on the *jobactive* caseload has increased from 178,031 (31 December 2019) to 241,567 (31 August 2020)
- We understand the number of culturally and linguistically diverse jobseekers has increased threefold and the number of refugees on the *jobactive* caseload has increased from 33,084 (31 December 2020) to 52,000 (31 August 2020)

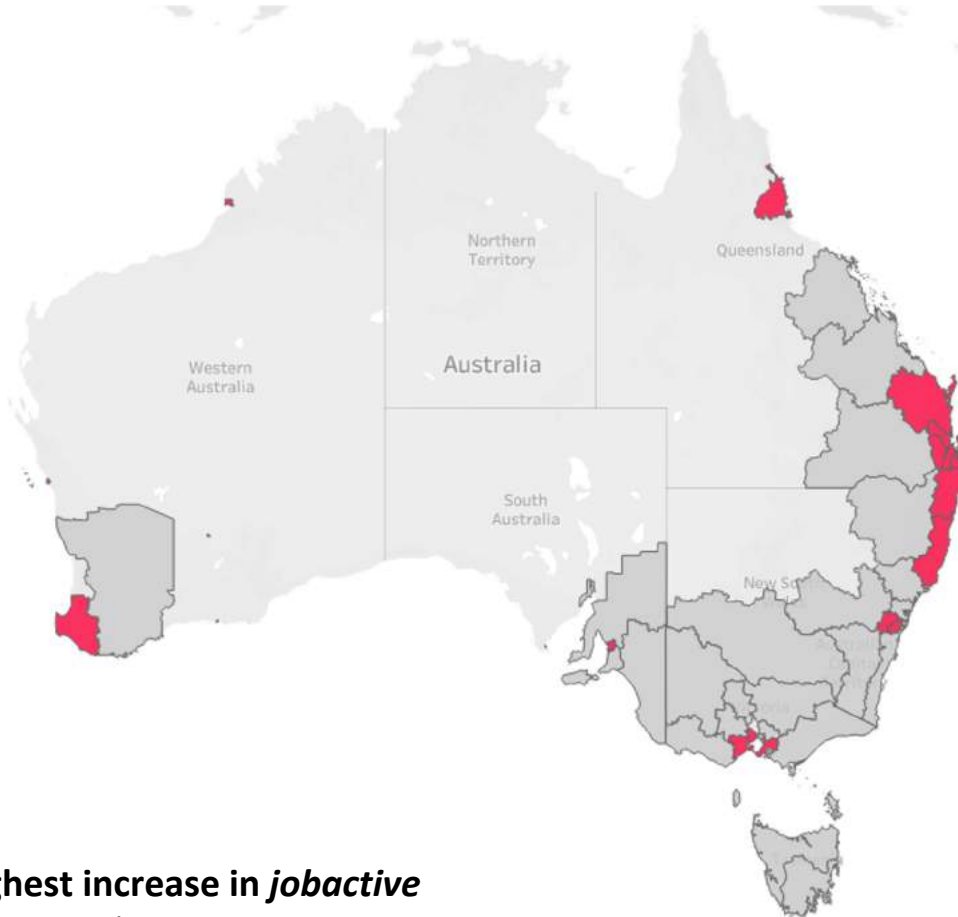
The challenge now is to prevent the most disadvantaged job seekers from moving into the long-term unemployed category.


This is vital because we know that the longer someone is unemployed, the lower their probability in finding full- or part-time work.



NILF (Not In Labour Force)

There is a daunting jobs crisis, but some regions have been hit harder

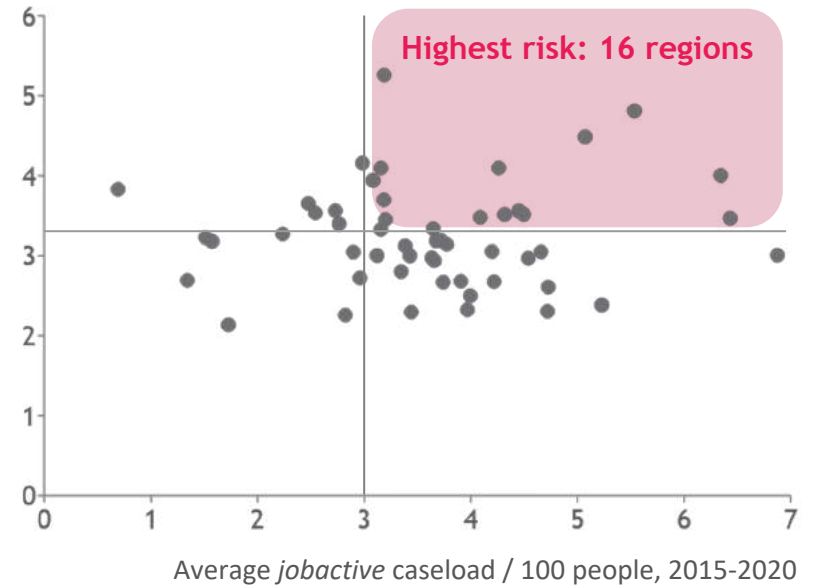


 **Highest increase in *jobactive* case load** (More than 3.3 per 100 people, Dec '19 - Jun '20)

Many people on the *jobactive* caseload are concentrated in particular employment regions

16 regions have double disadvantage of high increase in cases and high historic caseload

Increase in *jobactive* caseload / 100 people Dec '19 - June '20



These areas of “double disadvantage” can be prioritised for targeted stimulus projects to boost jobs and support economic growth

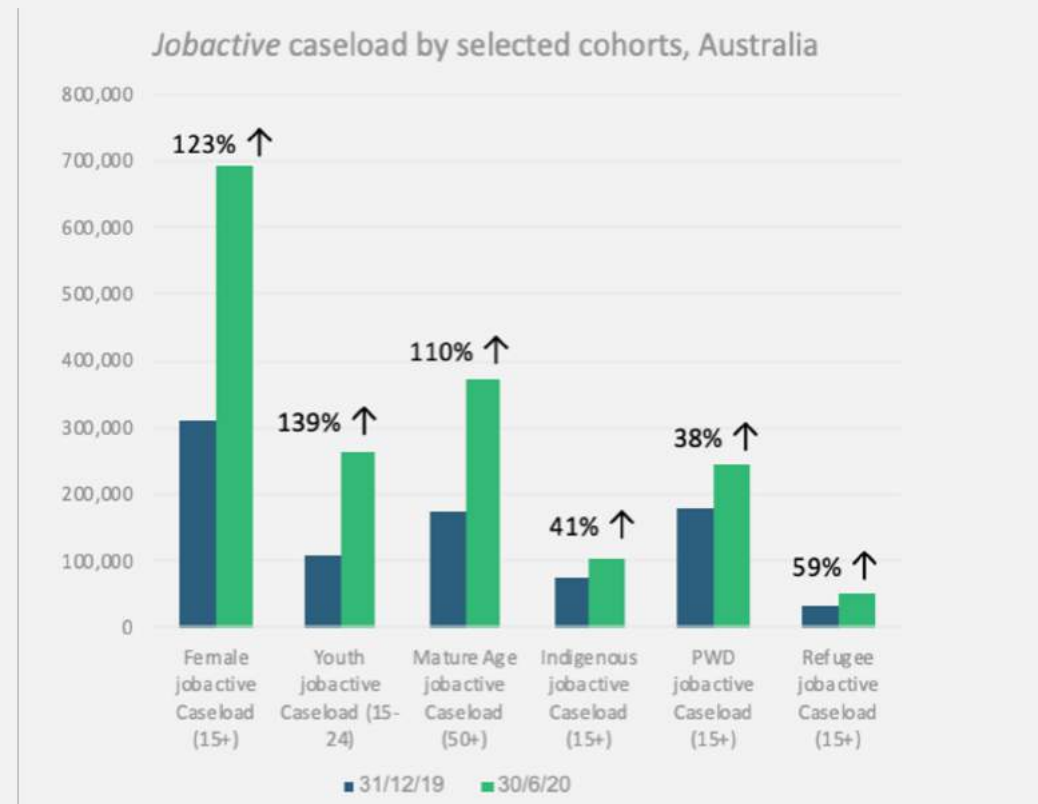
Employment Region	State	Population	Jobactive caseload (Jun 20)	Increase in cases / 100 Dec 19- Jun 20	Average cases / 100 2015 - 2020	Above average baseline & increase	Included in Local Jobs Program
Gold Coast	QLD	684,700	52,514	5.3	3.2	✓	✓
Cairns	QLD	244,500	23,185	4.8	5.5	✓	✓
North Coast	NSW	239,500	20,552	4.5	5.1	✓	✓
NW Melbourne	VIC	406,300	26,324	4.2	3.0	✓	✓
Wide Bay & Sunshine Coast	QLD	672,100	51,190	4.1	4.3	✓	✓
Western Melbourne	VIC	819,000	54,164	4.1	3.2	✓	✓
Broome	WA	14,800	1,464	4.0	6.3	✓	
Sydney SW	NSW	912,800	60,143	3.9	3.1	✓	✓
Brisbane SE	QLD	949,500	60,490	3.7	3.2	✓	
Adelaide North	SA	675,500	48,306	3.6	4.4	✓	✓
Mid North Coast	NSW	310,500	22,956	3.5	4.5	✓	✓
Esperance	WA	10,100	729	3.5	4.3	✓	
South West WA	WA	178,400	12,819	3.5	4.1	✓	✓
Geraldton	WA	36,400	3,415	3.5	6.4	✓	
Wivenhoe	QLD	489,500	30,833	3.5	3.2	✓	✓
Perth - South	WA	1,045,100	70,236	3.3	3.6	✓	✓
AUSTRALIA				3.3	3.0		

Example: growth in disadvantaged groups in *jobactive*, Western Melbourne

The percentage change by cohort joining the *jobactive* caseload between December 2019 and June 2020 is higher in Western Melbourne for most groups than at the national level

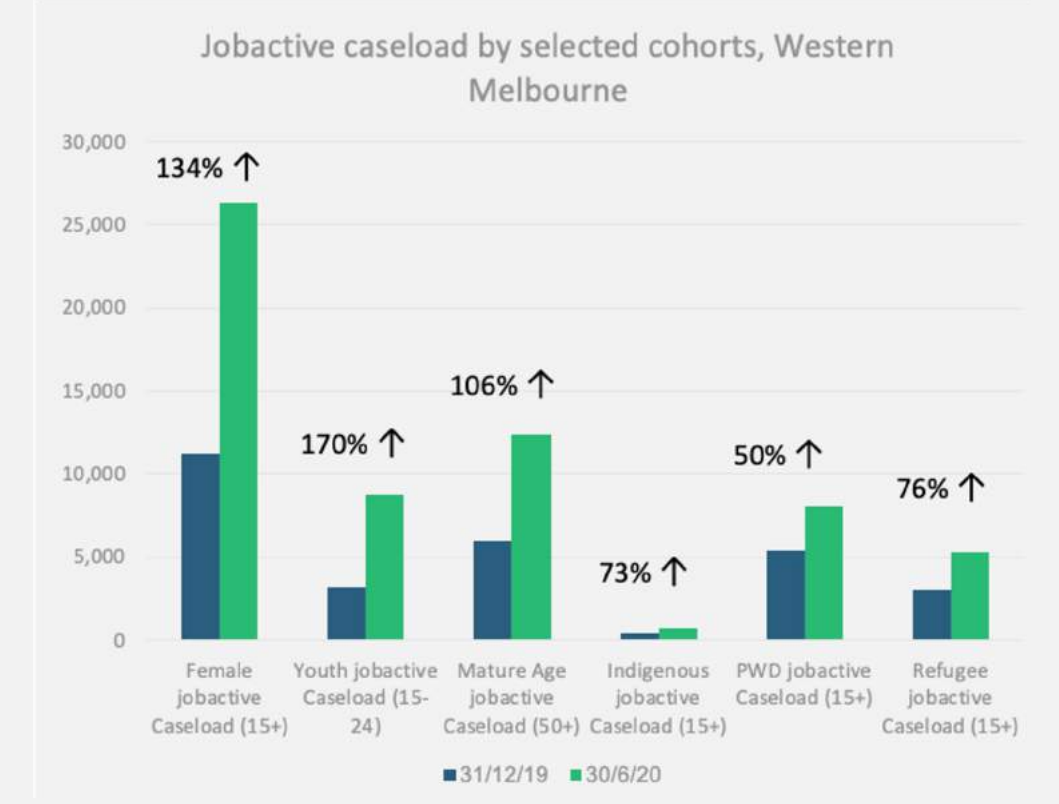
NATIONAL

Between December 2019 and June 2020, the total *jobactive* caseload increased by 134%, from ~613,000 to ~1.4 million



WESTERN MELBOURNE

Between December 2019 and June 2020, the total *jobactive* caseload increased by 163% (from ~20,000 to ~54,000)



Source: Graphs based on 'jobactive Caseload by Selected Cohorts Time Series - 20200630'. Available from 'Downloads' on the Labour Market Information Portal [here](#). Note *jobactive* caseload data is reported by Employment Region

Blueprint for an effective response

Regional and Community Job Deals provide a blueprint for an effective response by facilitating locally and regionally coordinated and tailored approaches to employment and training assistance. They complement reforms underway of the national employment and training service systems, and build on the Federal Government's newly announced Local Jobs Program.

A Regional Job Deal approach allows for an effective response that can:

- respond to rising unemployment quickly
- differentiate approaches depending on labour markets and composition of jobseekers in regional and local areas
- bring specialist providers into the system to respond effectively to the needs of regions and disadvantaged jobseekers within them
- create a collaborative environment to keep large employment service providers focused on regions and communities
- use data to drive continuous improvement

In the long-run, a regional approach will enable multiple levels of government to team up on a tailored approach to unemployment within communities, build capability to unleash more effective approaches and accelerate reforms to the national and state employment service systems. Australian governments have delivered successful responses to unemployment crises before through genuine, collaborative government and non-government partnerships, and regionally and locally tailored approaches.

Case study: [Closure of car manufacturing plants](#)

SOUTH AUSTRALIA & VICTORIA, 2013

Following announcements in 2013-2014 of the closure of Ford, Holden and Toyota manufacturing plants, it was predicted that there would be a loss of 27,500 jobs over a number of years. Collaboration between manufacturers, the Federal Government and the South Australian and Victorian Governments allowed for a coordinated response to manage the transition of employees into other jobs or to pursue further study, allowing for the mitigation of large unemployment numbers.

Case study: [Latrobe Valley Industry and Employment Roadmap](#)

VICTORIA, 2012

After the Federal Government introduced a national carbon tax, the Victorian Government developed a transition roadmap for the region and the workers and businesses impacted by the closure of the local coal-fired power stations. The roadmap was developed collaboratively with local councils, chambers of commerce, unions, academics and the local community. It identified seven strategic directions to support the Latrobe Valley to adjust to the structural change and reposition the regional economy.

Local Jobs Program

The Federal Government's recently announced \$62.8 million Local Jobs Program will establish 25 Local Jobs and Skills Taskforces targeting employment regions most impacted by COVID-19 and ongoing disadvantage.

Minister Cash noted in the announcement "the recovery is also likely to look different across sectors and communities, which is why it is critical to provide tailored support to help Australians find work in their local regions. Local knowledge and collaboration will be vital to achieving this."

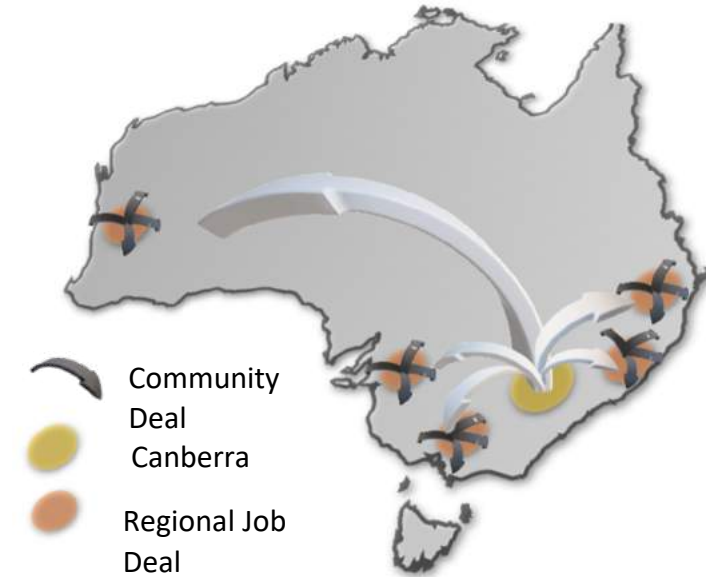
Within each Regional Job Deal are a number of Community Deals

The number of Community Deals in each Regional Deal would depend on need, cohort numbers, geography, density and backbone organisations.

Community Deals are a local place-based model aiming to boost economic and social participation, based on good practice in Australia and overseas.

They are a genuine partnership between government, business and community that allow a consortia of local actors to adapt programming locally to achieve concrete outcomes for their community.

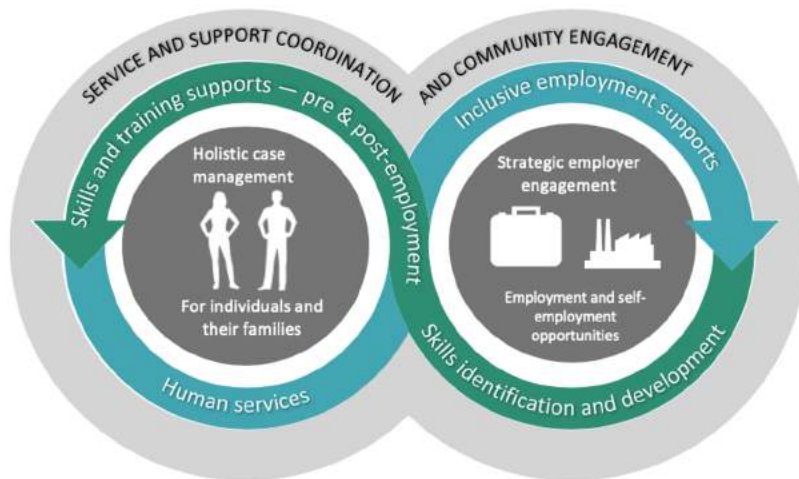
Community Deals feature holistic, tailored services wrapped around an individual and their family, and strategic engagement of employers and local industry.



They harness sustained support from Local, State and Federal Government, as well as non-government and philanthropic resources. They are distinct in that they are vertically integrated into national and state service systems.

They use a ‘tight-loose-tight’ framework that gives confidence to funders and partners to invest in an ongoing and sustainable way.

Although Job Deals would focus on employment pathways for disadvantaged jobseekers, to avoid larger numbers of Australians facing entrenched unemployment they will also reinforce job matching and placement activities (digital, predictive matching, jobs boards) for people with less complex needs.



Features of Regional & Community Job Deals at full national scale-up

Reform of the employment services market and national governance

Reform elements include **national licensing** or **accrediting** of employment service providers and local partnerships for new approaches and broader scope

National body for pricing and activity-based funding, including a unit for efficient price setting based on a bundle of common services and activities (e.g. employment, training, language). Bundled pricing to reflect objectives (e.g. JobShifter, JobCreator, JobPathway, JobStarter) and pricing adjusted for those with complex needs, with regular updating

A **national governance body** for setting and delivering the mission and objectives

Independent **impact assessment** and good practice support

Common elements for each Regional Job Deal

Regional governance and engagement for a detailed appraisal of labour market opportunities and tailoring of employment programs

A **pool of positions** identified using local networks and regional data, including:

- Jobs and job pathways for recovering and growing industries and businesses
- Jobs that can be preserved through short-term wage subsidisation
- Jobs and job pathways for new and emerging industries

A number of Community Deals or **local employment initiatives** catering to regional opportunities and priority jobseekers

Common elements for each local Community Deal

Collaborative local service delivery via a solutions group including *jobactive* and specialist employment service providers, training providers, NGOs, personal support service providers to specific cohorts

Activities/services to facilitate **pathways to job outcomes** — pre-employment support, job placement, case management, personal supports, training and skills development, employer engagement, recruitment support, post-employment support, and project leadership

Local governance and engagement with local community and industry

Support to local taskforce, coordination of service delivery and engagement with local employers, via a **backbone organisation**

Opportunities for differentiation

A range of players who could be the ‘backbones’ (e.g. local councils)

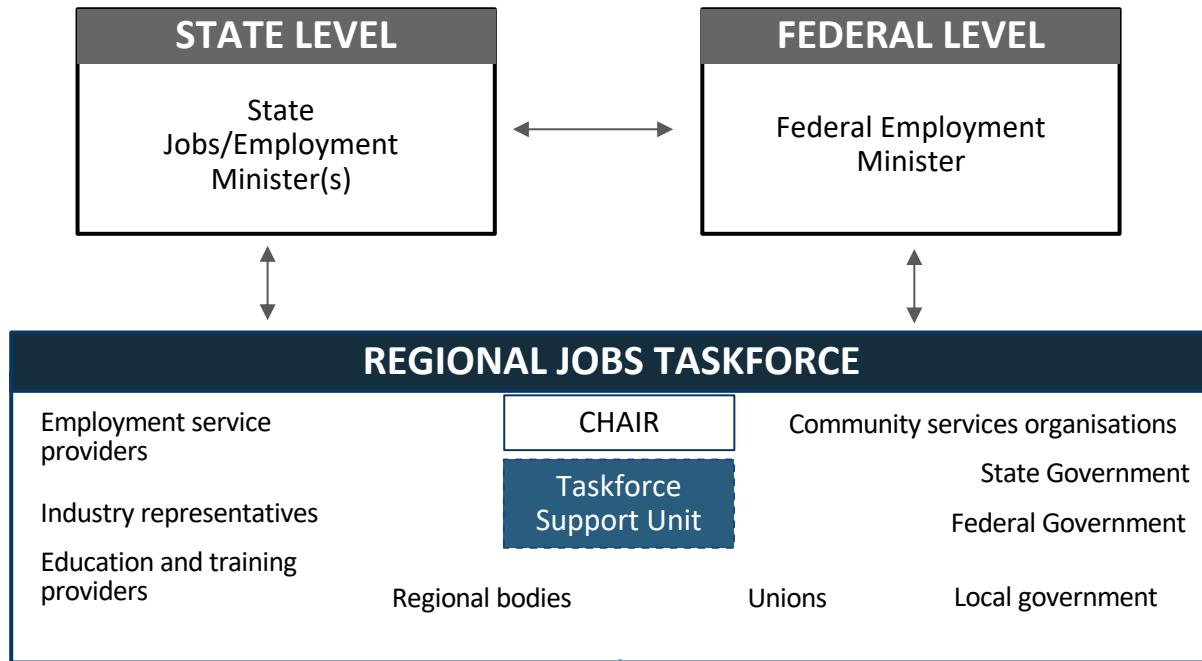
Mix of service provision to match the needs of the local cohort/s

Funding mix depending on the locality and cohort dynamics

Mix of jobs created and identified specific to the local market

Regional Jobs Taskforces

To broker, coordinate and catalyse the actors in local jobs/employment ecosystems



LOCAL JOBS/EMPLOYMENT ECOSYSTEMS

- Spans a number of government systems: Education, skills, employment, human services and industries
- Key actors and programs grounded/employed in a natural labour market: Jobseekers; Employment Service Providers; Government Employment Programs; Employers; Skills, Education & Training; Community Services

What

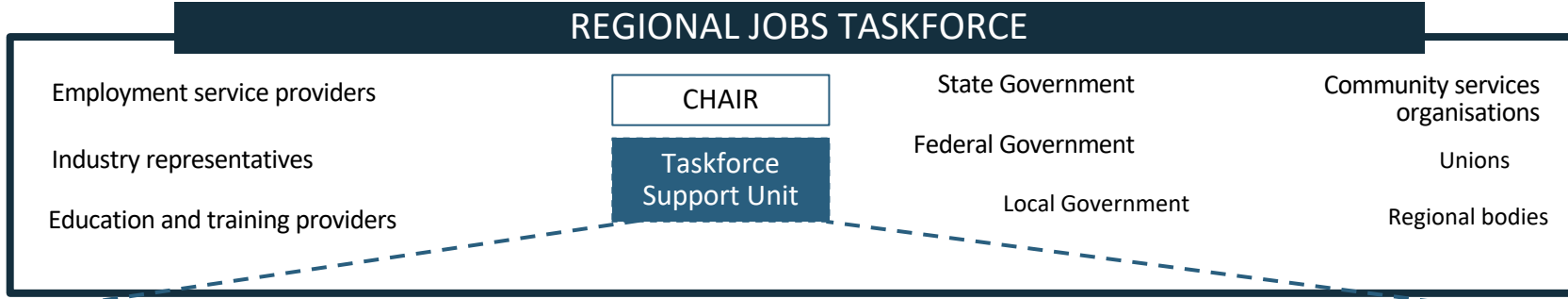
- A group of approximately ten regional leaders
- Helps to activate, catalyse and coordinate local jobs/employment ecosystem
- Tactical and systemic
- Keeps track of all *jobactive* streams (A + B/C)
- Similar to previous mechanisms (e.g. Auto Transition SA/Vic, Newcastle/BHP)

How

- Sets and delivers regional vision and objectives, and track progress
- Understands in detail the needs, issues and opportunities of the metro area/region, different actors and programs
- Builds tighter and closer relationships across the 'ecosystem'
- Brokers bespoke partnerships/projects/outcomes (e.g. employer pilots, jobs fairs, new training etc)
- Adapts government approach to local circumstances and feeds systemic issues to State/Federal level
- Ensures that a regional engagement strategy informs decision-making
- Identifies and attracts a mix of funding in the area (e.g. from philanthropy and/or all levels of government)
- Supported by data and a support unit

Regional Jobs Taskforce Support Unit: Staffing and functions

REGIONAL JOBS TASKFORCE



TASKFORCE SUPPORT UNIT



Secondees

From Federal and State departments and National Skills Commission



Executive Director/Director

Feeding back systemic issues to Federal and State departments



1-2 Data Analysis & Research staff

- Informing taskforce decision making through undertaking and commissioning data analysis and research
- Developing and brokering employment, skills and training solutions/initiatives



2 Stakeholder Engagement staff

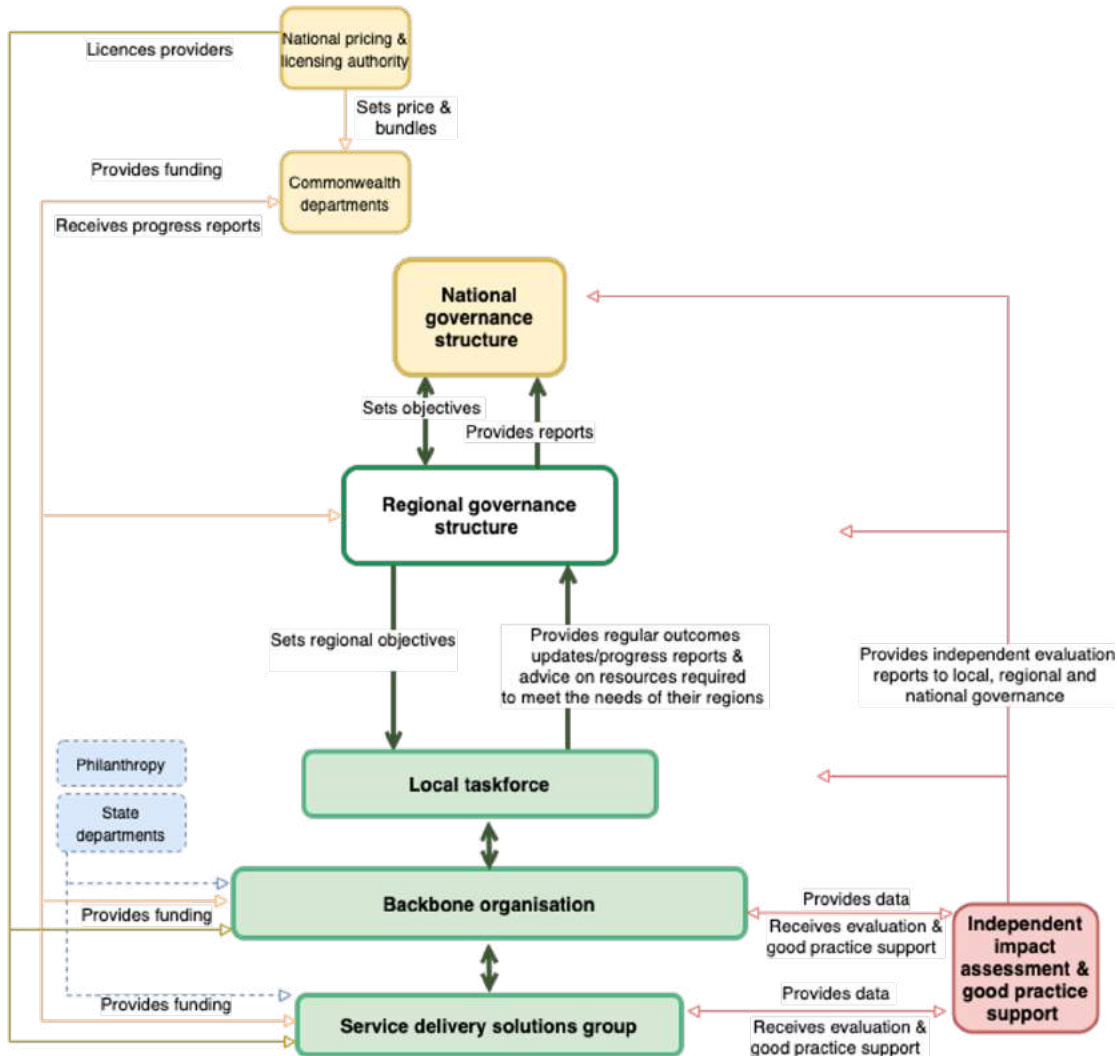
- Brokering engagement and relationships/partnerships with stakeholders
- Identifying and facilitating access to broader supports for jobseekers



1 Logistics & Administration staff

- Support taskforce members

Approach to regional governance



Regional governance arrangements can be rapidly and effectively established if:

- their boundaries reflect or respond to natural labour markets, or the unique ways in which people, businesses and organisations already interact, and areas of common interests;
- they build on, harness and connect to existing mechanisms, initiatives and actors; and
- they are developed in partnership with Federal and State Governments and local leaders.

There are a variety of existing governance mechanisms at the regional level which can be harnessed to facilitate regionally differentiated approaches.

No matter their composition and connections, it is critical that regional governance:

- is regarded as neutral and credible;
- has sufficient influence and decision-making authority to direct funding and service delivery according to regional need; and
- has sufficient transparency and trust to build collaboration between stakeholders.

Regional Job Deals ensure accountability and effectiveness through a ‘tight-loose-tight’ approach. This is achieved within **funding, licensing and governance** arrangements through:

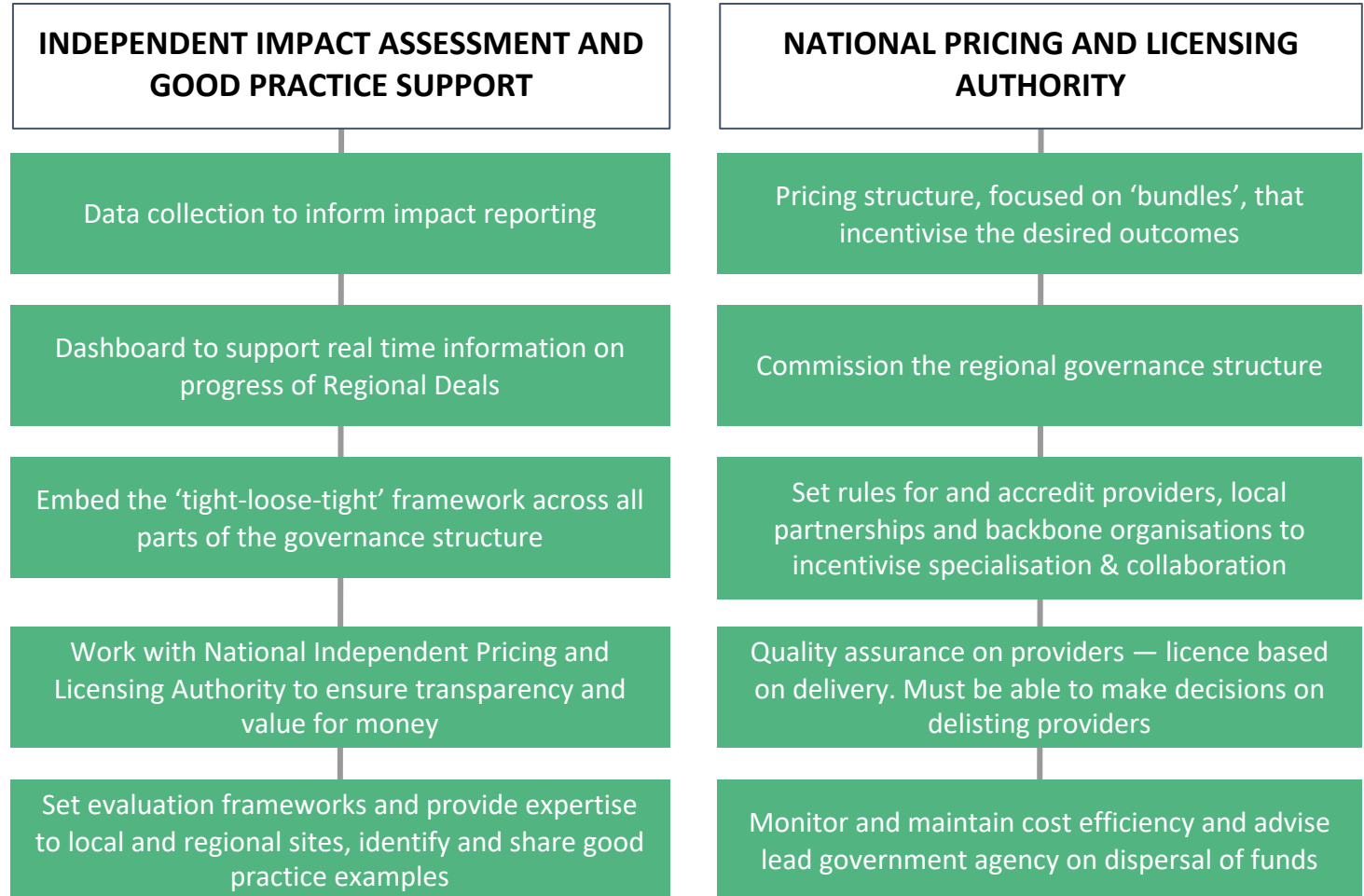
- **Tight:** a very clear mandate around a defined scope and desired outcomes; expectations and rules for licensed providers; and efficiently priced bundles of activities, all controlled by an independent authority
- **Loose:** freedom to comprise governance and engagement mechanisms, and to coordinate services and supports, in a way that responds to context; licensing a diverse set of providers able to effectively deliver services locally and utilise bundles of funding to respond to client and employer needs
- **Tight:** streamlined but rigorous reporting on, and accountability for outcomes (not activities), and on actual costs of delivering bundles of activities, with consequent updating of pricing

National governance

National governance arrangement

A national governance arrangement would be a small and influential group of (6-8) Federal, State Government, industry and civil society representatives. They would:

- Decide target regions
- Be accountable to key departments and their Ministers for setting and delivering the mission of the program and the high-level objectives
- Review progress of regions towards outcomes, based on information received from the Independent Impact Assessment Support and National Independent Pricing and Licensing Authority
- Provide advice to Treasury on resources required, and to relevant government departments on the scale up or down of Regional Job Deals
- Champion the high-level narrative about the approach and be internal government champions
- Identify existing national funding for incorporation into the approach



Reforms to the employment services market and national licensing and independent pricing

Licensing and activity-based efficient funding — controlled by an independent authority, could create incentives and conditions for joined up regional and local responses

Capable, responsive and diverse providers — underpinned by the ability to select and fund providers that are best placed to deliver services locally

Service provision coordinated regionally and locally — facilitated by a funded backbone organisation

Equity and transparency — a fixed and efficient price for agreed bundles of services, updated regularly with regional variation as appropriate

Bundled pricing — services priced as a bundle for those with complex needs and spanning multiple services (e.g. employment, training, language) and objectives

What could the bundles be in employment and training services?

JobShifter (new skills/industries)

JobCreator (entrepreneurship and small business creation)

JobPathway (not a new job but a pathway; language, trauma support)

JobStarter (new job)

Learnings from case studies

Funding for children’s services

A Productivity Commission report (April 2020) identified that funding for children’s services in the Northern Territory is fragmented, siloed and top-down. It proposed a model of pooled and coordinated funding, that can resolve complex and overlapping roles between governments and also more easily support local decision-making.

Jobactive

The main payment point in *jobactive* is a job placement. Providers can theoretically draw from an employment fund to provide a variety of supports to achieve that outcome. In practice, many providers don’t have the capacity to deliver a high quality tailored solution due to issues such as high caseloads, high staff turn-over, limited networks, and narrow definition of what can be purchased. Prices are classified by assessment stream A, B or C, regional location or not, and the length of time unemployed. Practice shows these prices do not accurately reflect costs, as many program participants do not receive the support they need.

Cost and funding

Costing and indicative timeframe for roll-out was developed in June 2020 as part of discussions with a range of stakeholders and would need to be updated in light of subsequent Federal and State Government decisions.

This blueprint envisages support to up to 20 Regional Job Deals and up to 300 Community Job Deals over an initial 3-year period. Each Job Deal would have common elements tailored to address exigencies of the local employment market. The total cost ranges from a minimum of \$492m to a maximum of \$5.9b.

The cost structure has been designed to incorporate a mix of funding, including from Federal Government and co-contributions from State and Local Governments, non-government and philanthropic funds.

Funding mix — new and existing

- Wage subsidy for jobs where necessary, as negotiated percent of *JobKeeper*
- Project governance and leadership, via regional and local mechanisms and backbone organisations — coordination, employer engagement
- Service provision such as case management, personal support services, training and development, through existing funding sources e.g. TAFE/RTO, NDIS, Migrant and Settlement Services
- Opportunity to leverage and coordinate with state job creation programs e.g. Working for Victoria
- Opportunity to leverage social procurement initiatives
- Other funding, for instance philanthropy, State and Local Government funding to undertake evaluation, to assist governance mechanisms and backbone organisations, and provide additional support to special cohorts

Indicative cost range

The costings provided below are a range and can be rolled out at scale to reflect the level of stimulus needed in any given year. The final cost will vary based on a number of factors, such as the level of state contributions and the rate of Federal Government wage subsidy provided (which may be tapered over time).

	REGIONS	PROJECTS	PARTICIPANTS PER PROJECT	TOTAL JOBS	TOTAL COSTS (inc. Wage Subsidy)
YEAR 1	5-10	50	500-1000	25,000-50,000	\$492m- \$985m
YEAR 2	15	Up to 150	500-1000	75,000-150,000	\$1.4b- \$2.9b
YEAR 3	20	Up to 300	750-1000	225,000-300,000	\$4.4b- \$5.9b

Assumptions — Costs table

- Wage subsidies — \$19,500 per job/per year (based on 50% of *JobKeeper*)
- Fixed costs are roughly ~\$7,000 per participant (including assessment, case management, training and development), the rest depends on the rate of wage subsidy
- Project costs — \$1 million per region/per year (covers funding for regional and local governance, local backbone organisation activities such as coordination, employer engagement)
- Not covered — specialist employment, training and personal support service costs
- Not detailed — contributions from other funders, employers etc
- Not included — savings achieved because of reforms to existing *jobactive* system

TOOLKIT FOR COMMUNITY DEALS

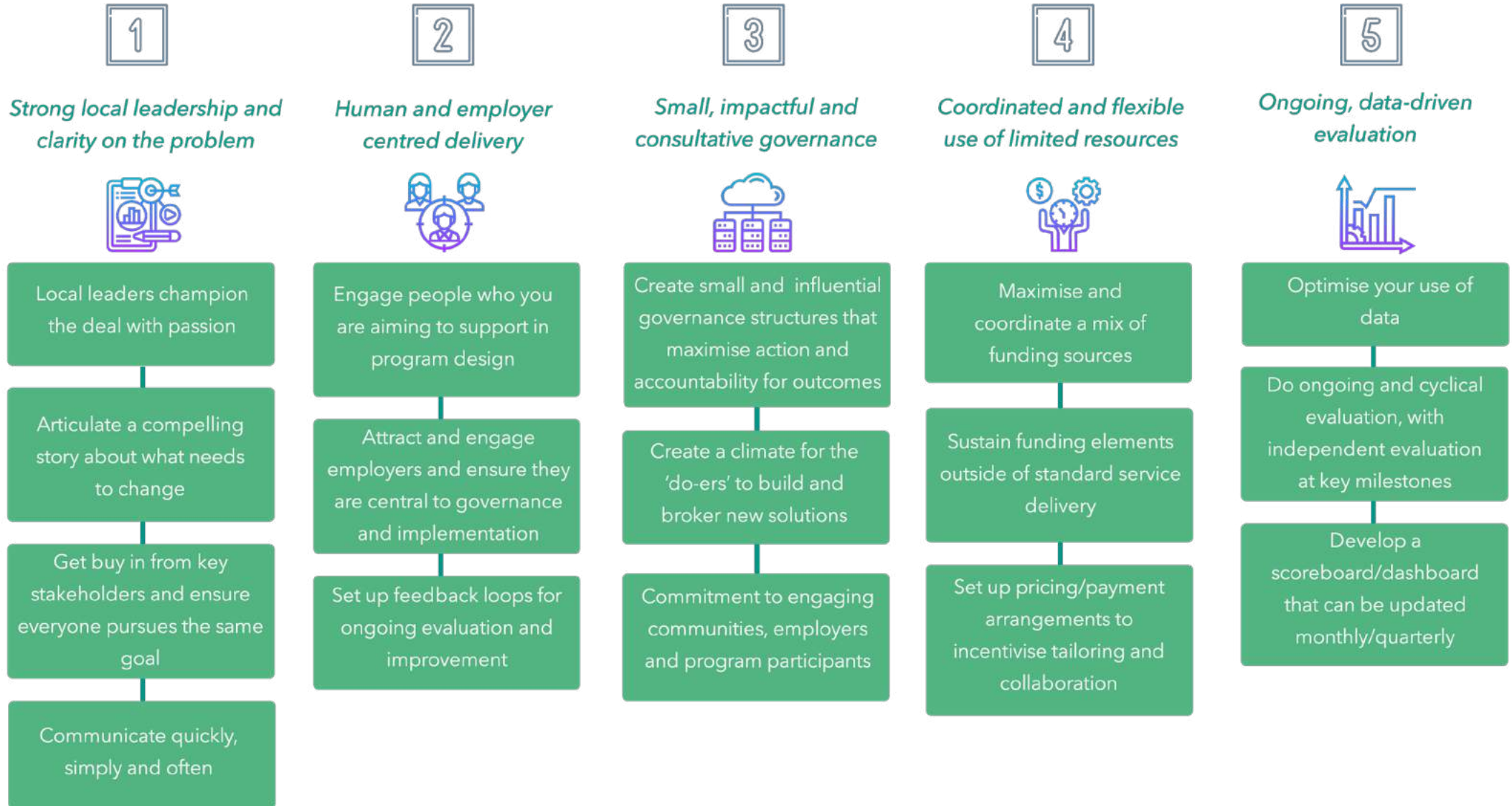
SEPTEMBER 2020



Contents

Toolkit for Community Deals	Page
<u>How to achieve success</u>	21
<u>1. Strong local leadership and clarity on the problem</u>	22
<u>2. Human- and employer-centred delivery</u>	24
<u>3. Small, impactful and consultative governance</u>	26
<u>4. Coordinated and flexible use of limited resources</u>	28
<u>5. Ongoing, data-driven evaluation of outcomes</u>	29
<u>Testing for readiness</u>	31
<u>Case studies</u>	32

How to achieve success



1. Strong local leadership and clarity on the problem

Best advice

- **Local leaders champion the deal with passion**
- **Articulate a compelling story about what needs to change**
- **Get buy-in from key stakeholders and ensure everyone pursues the same goal**
- **Communicate quickly, simply and often**

Community Deals are an innovative new model that will require leadership. Leadership qualities that are the right fit for a Community Deal are critical to the five key success factors.

At the beginning of the Community Deal it will be useful to articulate the principles and values all parties in the Community Deal are working to, which will also form the foundation of the recruitment and leadership strategy.

A minimum of one or two strong, passionate champions are critical to craft the vision and drive the Deal. Ensure that the leaders are able to explain the vision: the problem, the purpose and goals of the project, the values important to the community, and those who will benefit from it throughout the process.

Make sure the leadership and sponsors are credible, with reputations and outlook aligned to the thinking of other political, philanthropic and bureaucratic leaders. Leaders should be able to engage at senior levels and resolve issues as they arise.

Checklist for building a compelling narrative

- Does the evidence of the problem clearly communicate the burning platform?
- Can the leadership and sponsorship team articulate the case for change and vision in their own words?
- Are there elements of the narrative that work on a human and corporate level?
- Is there clarity on: how the project differs from the past; how local people will benefit; and in what numbers?
- Is the narrative aligned with the language and priorities of government?
- Has the landscape of stakeholders been mapped to build a comprehensive advocacy plan?
- Does the project have potential to scale up?

Learnings from case studies

Luv-a-Duck

NHILL, VICTORIA, AUSTRALIA

Leadership has been identified as a critical element of success in the resettlement of Karen refugees to Nhill to work at Luv-a-Duck. Features of the leadership included a champion who quickly found other aligned leaders to work with, and the building of trusted relationships beyond individual ownership of the project.

Logan Together

LOGAN, QUEENSLAND, AUSTRALIA

In Logan Together, strong leadership was critical to ensuring sustainability of the movement. Champions led the agenda and were embedded within various partners, including all levels of government, service providers, industry and philanthropy.

Qualities for successful leadership

A leader with an ‘abundance mindset’ believes there are enough resources to deliver the desired future, and makes decisions based on the big picture, rather than a single snapshot in time. An ‘abundance culture’ is based on a view the someone else’s gain is not my loss. It is the opposite of a scarcity approach that believes in projects that involve the distribution of resources.

Abundance: Community Deals will require resource negotiation between multiple partners. Resources beyond funding and employees will need to be considered. The key to the Community Deal is that local social capital exists and can be built for the benefit of participants, employers and the local community. Community Deal leaders will need to build an abundance culture to ensure that decisions are made about the best use of resources and to support partners to think beyond self-interest.

Creativity: Community Deals require innovation. This will require leaders with courage, who are able to skillfully assess, mitigate and take risks.

Human-centred: Those affected by the outcomes of the project (participants, employers and the local community) need to be at the centre of the work, focusing on the idea of ‘nothing about us without us’.










Grit: Innovative and transformational projects require the determination to push through and to take others with you.

Transparency: Leading with transparency will be a foundational element of building trust among stakeholders. The best advice from the research and existing place-based deals like Wyndham is that unswerving commitment to transparency throughout the governance and operations is critical to success.

Agility: At the operational level it will be important to try new approaches, be clear about success and failure, learn quickly and pivot program design and implementation.

Impact obsessed: Community Deals are based on making a real difference to the lives of disadvantaged Australians, employers and local communities. Leaders of Community Deals need to be unashamedly relentless about the evidence that demonstrates the difference being made in people’s lives.

Checklist for recruiting for success

-  Have you developed a set of principles and are all the key partners signed up to them?
-  Have you articulated your values in a simple, meaningful way?
-  How will you role-model your leadership to others involved in the Community Deal?
-  Are both the principles and values explicit in the recruitment/appointment process?
-  How will you build the principles, values and character traits into your recruitment process?
-  Are you clear about the leadership qualities that already exist in the team?
-  How will you check out these qualities with referees?
-  What would your leadership KPIs for each role look like?
-  What can you build into your Community Deal that regularly checks in on leadership behaviours?

2. Human- and employer-centred delivery

Best advice

- Engage people you are aiming to support in the program design
- Attract and engage employers and ensure they are central to governance and implementation
- Set up feedback loops for ongoing evaluation and improvement of delivery, with program participants, employers and members of the wider community

Engage target cohorts in program design

It is key that a Community Deal is underpinned by deep engagement with the people an initiative is aiming to support. This requires a deep understanding of participants and an ongoing commitment by the local governance of the Deal to use this knowledge to innovate, plan, create and implement responsive programs. It is important to keep in mind a common refrain from groups experiencing disadvantage, that there should be “nothing about us without us.”

Attract and engage employers

Ongoing engagement with employers is also key. To build functional and sustainable supports for disadvantaged job seekers pre- and post-employment, it is important for local governance to maintain an up-to-date knowledge of the operational and business realities of local employers and their industries. This often means identifying and building on what already works locally, leveraging existing relationships and networks.

Set up ongoing community feedback loops for delivery

Frequent feedback loops ensure that the voice of employers, participants and members of the wider community continuously inform implementation of service delivery solutions. These feedback loops also bring these groups together around shared goals. It is important that there is a clear and effective community feedback mechanism that is integrated into periodic evaluation and monitoring processes. The process of calibrating and responding to feedback and possible realignment and improvements in service delivery must be continuous.

Learnings from case studies

Human-centred design

Human-centred design is a way of designing products or models which puts user engagement and their feedback at the centre. It aims to create the most effective and impactful solutions through deep understanding and involvement of the end user, broad community engagement, as well as ongoing evaluation and iterative program design.

Wyndham Employment Trial

CITY OF WYNDHAM, VICTORIA, AUSTRALIA

In Wyndham, the local City Council is the local body or ‘backbone’. It provides tailored services and supports for employers through two employer liaison roles, which work with employers to design sustainable employment pathways for refugees and humanitarian migrants in the area. In Wyndham, human-centred design was used to inform the trial, to understand the needs of users and how their experiences could improve the focus, development and implementation of their employment trial.

Human Centred Design

Human Centred Design (HCD) engages users and incorporates their feedback throughout the design process to ensure products or models are as effective and impactful as possible. Applicable to both product-design and model-design, HCD is based around three **principles**:



HCD **methodology** generally takes the form of:



OUTCOMES

- ✓ Minimised continued support:**
Greater end-user productivity and efficiency due to tailored design means less extraneous support and ongoing costs associated with a traditional one-size-fits-all approach
- ✓ Lower development and design costs:**
Iteration with small-scale prototypes to test with all stakeholders help discover critical insights before committing to resource-intensive full execution
- ✓ The right approach, executed faster:**
A customised approach to create a useful, usable and viable design the first time
- ✓ A more compelling end-product and reputation:**
A compelling design for all stakeholders for initial pilots to catalyse a strong reputation for the model, paving the way for scaling more broadly



3. Small, impactful and consultative governance

Best advice

- Create small and influential governance structures that maximise action and accountability for outcomes
- Create a climate for the ‘do-ers’ to build and broker new solutions
- Commit to broad engagement mechanisms with communities, employers and participants

Small and influential governance structures

Local taskforce — a mix of funders, employers and civil society, which set strategic direction for the project and the local engagement strategy. It is informed by specialist advisory groups and in line with national and regional objectives.

Backbone organisation — the engine room of local governance, leading the operational management, engagement and coordination of the initiative. The backbone acts as a secretariat to the taskforce, undertakes executive day-to-day leadership of the initiative and co-ordinates performance reporting and evaluation against objectives, working with independent impact assessment and good practice support.

Service delivery solutions group — a set of partner service providers coordinated by the backbone responsible for designing and making decisions about local service delivery, integrating services in the best interest of outcomes.

Consistent approach to flexible delivery, decision-making and accountability for outcomes (tight-loose-tight framework)

Tight — a very clear mandate around a defined scope and desired outcomes

Loose — freedom to comprise governance and engagement mechanisms, and to coordinate services and supports, in a flexible way, that responds to local and regional context and stakeholders

Tight — streamlined but rigorous reporting on and accountability for outcomes (not activities)

Commitment to broader engagement mechanisms

Commitment to broad engagement with key stakeholder groups, such as employers and organisations delivering local services, to inform decision-making at each level of governance. Best to engage these stakeholders through the local taskforce, as they are at the community level.

Learnings from case studies

Community Investment Committees, AUSTRALIA

Each Committee brings together local stakeholders, including employers, service providers, all levels of government, young people and key community organisations to strengthen employment pathways for local young people.

Wigan Deal

WIGAN, GREATER MANCHESTER, UK

Wigan constructed a ‘Deal’ between the council and local residents to create a better borough. This is underpinned by a “new relationship” between all members of the community.

The Deal aims to reduce costs to Council by actively involving residents in the community, aiming to eliminate wasteful resource usage and demand for services like healthcare through prevention. Every single person in the Council is trained in ethnographic practice.

Logan Together

LOGAN, QUEENSLAND, AUSTRALIA

The movement is led and coordinated by a ‘Backbone Team’ hosted by Griffith University, which provides an executive system, with priority on consensus decision-making. This team focuses on strategy, with operational responsibilities sitting with the chapters and community groups it convenes. Directors of the local Logan Child Friendly Community Consortium Trust act as an informal management committee guiding the Backbone Team.

Local governance arrangements

Local taskforce — a mix of funders, sponsors, employers and civil society representatives

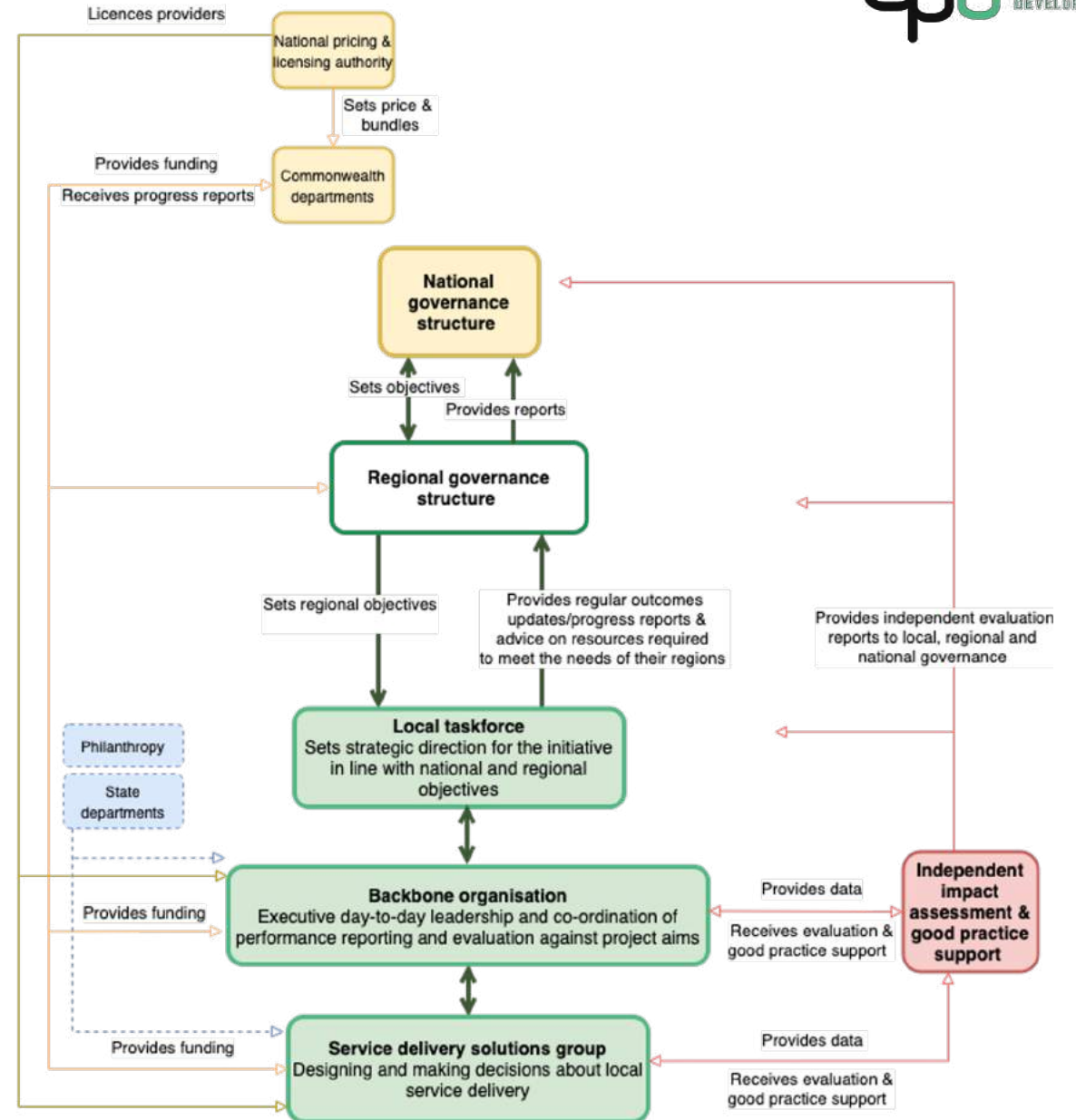
- Sets the strategic direction for the initiative, informed by specialist advisory groups and in line with national and regional objectives
- Coordinates the local engagement strategy
- Monitors overall progress towards objectives and reports to regional governance mechanism
- Informed by advisory groups e.g. people with lived experience

Backbone organisation — a local organisation as the ‘engine room’ of local governance

- Develops the strategy for outcomes delivery, labour market and community engagement
- Leads the day-to-day operational management and coordination of the strategy
- Auspices the taskforce and implements the engagement strategy
- Coordinates performance reporting and evaluation against objectives

Local service delivery solutions group — a group of representatives of partner service providers that deliver services locally, coordinated by the backbone

- Designs and makes decisions about tailoring local service delivery, as agreed with the taskforce and backbone organisation and informed by human centred design principles
- Continuous monitoring and evaluation, reporting to the backbone, and pivoting the design of services quickly according to reported outcomes





4. Coordinated and flexible use of limited resources

Best advice

- **Maximise and coordinate a mix of funding sources**
- **Sustain funding elements outside of standard service delivery**
- **Set up pricing/payment arrangements to incentivise tailoring and collaboration**

Community Deals are based on a premise that existing public resource levels should deliver better outcomes. It is less a question of needing more resources overall, but rather a need to coordinate and utilise what is available with greater focus on making a positive difference to people's lives.

There are three key elements of good practice funding arrangements for a Community Deal:

Maximise a mix of funding sources from government, philanthropy and the private sector:

program funding for common services, and flexible funding for gap filling, specialised services and sewing the service delivery together. Ongoing program service providers need to be given the flexibility to deviate from strict contracts if necessary.

Commit to sustained funding for elements of the model that are outside standard service delivery, which make a difference to outcomes, for instance: coordination of service providers, development of shared approaches/tools, strategic employer liaison, comprehensive and intensive case management, and service innovation.

Set up pricing/payment arrangements to incentivise tailoring, and collaboration between providers, and accurately cost responding to complex cases. This will ensure the providers have the flexibility to tailor a service offering to best meet the needs of the program participant and deliver the right outcome for them.

Learnings from case studies

Our Place

VICTORIA, AUSTRALIA

In 2017, the Colman Foundation and the Victorian Government signed an agreement to create an integrated cross-sectoral education approach at ten school sites in Victoria. Shared, long-term funding commitments between five different philanthropic donors and the Victorian Government maximises financial capital and enables a true partnership.

Wyndham Employment Trial

CITY OF WYNDHAM, VICTORIA, AUSTRALIA

In Wyndham a consortia of service providers build on existing state and national employment and settlement services, using shorter term funding from multiple sources to create the 'webbing' between the services — including coordination and strategic employer engagement.

Funding public hospital services, AUSTRALIA

Public hospitals use activity-based funding, a national mechanism for funding, pricing and performance measurement using a Nationally Efficient Price and a National Weighted Activity Unit — this helps to build a simple funding system with confidence, through a focus on efficiency and transparency.



5. Ongoing, data-driven evaluation of outcomes

Best advice

- **Optimise your use of data**
- **Do ongoing and cyclical evaluation, with independent evaluation at key milestones**
- **Develop a scorecard/dashboard that can be updated monthly/quarterly**

Projects that include well-articulated purposes and outcomes create high expectations for accountability and the gathering of evidence and data.

Incorporate data into the system; create clear mechanisms to keep, synthesise, interpret, communicate and act on all data types, which measure results (experiential, quantitative and qualitative). Ensure data collection design is integrated with the expected evaluation approach.

Commit to high standards of transparency, performance reporting, regular and comprehensive evaluation, and real-time program redesign and tweaking.

Commit to best practice in tracking, reporting and evaluation of activities and outcomes (including human outcomes and experience), along with benchmarks for value-for-money and returns on investment.

Checklist for measurable outcomes, data and dashboard

- ✓ Have measures of success been documented in the MOU or funding agreements in clear, unambiguous and high-level terms?
- ✓ Is there a data plan to collect sufficient client/other data to enable regular performance reporting, benchmarking, research and evaluation?
- ✓ Is the data going to be sufficient to enable an accounting of project activities, as well as the size, amount or degree of change achieved?
- ✓ Is there a regularly updated Dashboard that includes a focus on human outcomes? Does it specify what has been undertaken and the indicators of engagement? Is the narrative aligned with the language and priorities of government?
- ✓ Does the detail of the Dashboard include sufficient indicators that provide evidence whether the objectives of the project are being met?

Learnings from case studies

Communities for Children, AUSTRALIA

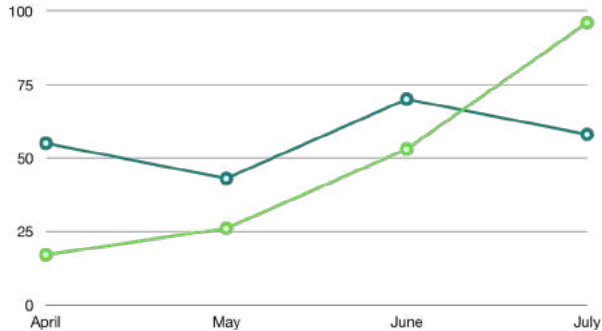
The Communities for Children (CfC) Initiative aims to improve the development of children in over 40 disadvantaged communities across Australia, with importance placed on place-based service coordination. CfC has had a strong and comprehensive approach to evaluation, including:

- extensive baseline and ongoing data collection;
- a number of independent evaluations;
- the use of 'contrast sites' to understand the counterfactual; and
- a focus on sharing lessons and promising practices.

Evaluation dashboard

Measures to consider for evaluating progress and outcomes of Community Deals:

ECONOMIC PARTICIPATION OUTCOMES



Employment rate, by type

E.g. job placements, part-time/full-time

Quality of employment

E.g. Skills match between role and participant

Sustainability of employment

E.g. Duration in current placement, contract type

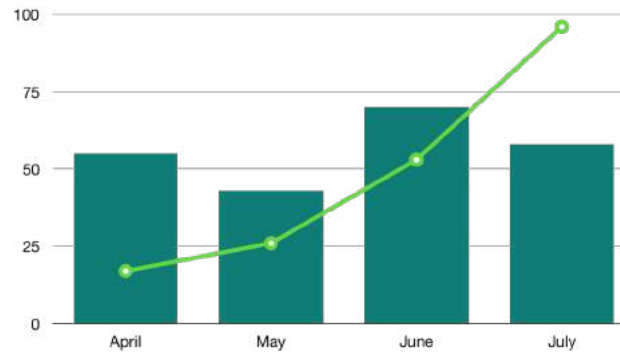
Business start-up rate

E.g. New businesses registrations

Income

E.g. Median weekly household income

EMPLOYER ENGAGEMENT



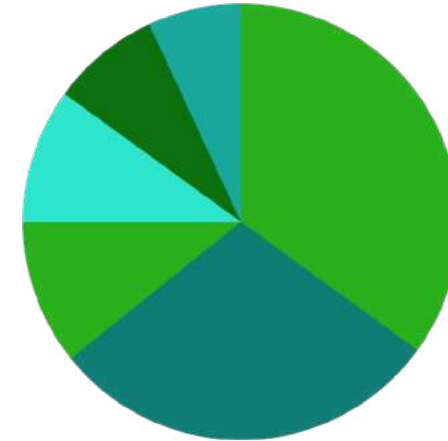
Businesses engaged, by industry

E.g. Number of employers hiring through local initiative, segmented by industry & type (e.g. Social enterprise, SMEs, MNCs)

Future employer partner pipeline

E.g. Number and type of employers in discussion with initiative

OPERATIONAL DATA



Participants in initiative

E.g. Total number of participants engaged with the initiative at any given time

Characteristics of participants

E.g. Age, gender, background (e.g. criminal convictions), skill profile, education level

Number and type of service providers

E.g. NGOs, *jobactive* providers, entrepreneurship supports

Testing for readiness

Community Deals are typically complex collaborations.

Readiness to commence a project which includes multiple parties requires activities across a range of areas, including matters of governance, an outline of aims and boundaries, and documentation clarifying roles and functions.

Partners should be joined in a Memorandum of Understanding (MOU), and there must be documentation as to the expected quantification of metrics such as activities, clients (participants or employers), service encounters/hours and the resources allocated.

Service providers must have clarity on the nature of funding arrangements, including requirements to record activities and outcomes. There must also be clarity on the protocols and frameworks – professional and operational – that are applicable to the context.



READINESS TO COMMENCE - SPONSORS, EMPLOYERS & SERVICE PROVIDERS



- ✓ Have each of the core partners signed an MOU, with resources and people ready to move?
- ✓ Has the decision-making (governance) environment (including delegations and governance) been fully documented in an MOU and foundation/constitution document?
- ✓ Have the scope, aims and performance indicators of the project been well documented in the MOU and/or funding agreements?
- ✓ Have arrangements been settled for accommodation and facilities for the first phase of operations?
- ✓ Has the anchor/backbone provided clarity on the respective roles of the employer, staff management, supervision and compliance with workplace safety and respect?
- ✓ Are processes clear for the recruitment of staff and clients and related payments, remuneration and classification?
- ✓ Is the initial funding committed for a well-defined and sufficient time period?
- ✓ Are the funding advances settled in terms of date and volume, with clarity on triggers for variation in funding (volume/price)?
- ✓ Have the cost and logistics of project evaluation been incorporated into planning, and budgeting?

CASE STUDIES

This section provides a range of case studies which have informed the development of the blueprint and toolkit.

The case studies included are not exhaustive, and we are aware there is much more out there.

The information in these case studies has been drawn from consultations and the analysis of the blueprint authors. Also the case studies site heavily from open source materials.

Contents

Case study	Location	Page
1. Jobactive outcome payment schedule	National employment services system, Australia	34
2. Closure of car manufacturing plants	South Australia and Victoria, Australia	35
3. Latrobe Valley Industry and Employment Roadmap	Victoria, Australia	36
4. Breaking the Unemployment Cycle Program	Queensland, Australia	37
5. Regional governance mechanisms	Examples from across Australia	38
6. GROW (G21 Region Opportunities for Work)	Geelong, Victoria	39
7. Sydney Metro Skills Instructure Centre	Sydney, New South Wales	41
8. City Deals	Australia and the United Kingdom	42
9. Luv-a-Duck	Nhill, Victoria, Australia	44
10. Logan Together	Logan, Queensland, Australia	46
11. Wyndham Employment Trial	Wyndham, Western Melbourne, Victoria	47
12. Community Investment Committees	Australia	52
13. Wigan Deal	Greater Manchester, United Kingdom	53
14. Our Place	Doveton, Melbourne, Victoria	55
15. Funding for public hospital services	Australia	57
16. Primary Health Networks	Australia	60
17. Funding children's services in the Northern Territory	Northern Territory, Australia	62
18. Communities for Children	Australia	66
19. Benevolent Society Bond	New South Wales, Australia	67

Case study 1: *Jobactive* outcome payment schedule

OUTCOME PAYMENTS

Table 1A – Outcome Payments for Stream Participants in Non-regional Locations

	Period of Unemployment (less than 24 months inclusive)		Period of Unemployment (24-59 months inclusive)		Period of Unemployment (60 months inclusive plus)	
	Partial Outcome	Full Outcome	Partial Outcome	Full Outcome	Partial Outcome	Full Outcome
Employment Outcomes						
Stream A and Volunteers	Partial Outcome	Full Outcome	Partial Outcome	Full Outcome	Partial Outcome	Full Outcome
4 Week	\$160	\$400	\$200	\$500	\$240	\$600
12 Week	\$200	\$500	\$400	\$1,000	\$500	\$1,250
26 Week	\$0	\$650	\$0	\$1,250	\$0	\$1,550
Total	\$360	\$1,550	\$600	\$2,750	\$740	\$3,400
Stream B	Partial Outcome	Full Outcome	Partial Outcome	Full Outcome	Partial Outcome	Full Outcome
4 Week	\$300	\$750	\$400	\$1,000	\$500	\$1,250
12 Week	\$600	\$1,500	\$800	\$2,000	\$1,000	\$2,500
26 Week	\$0	\$1,900	\$0	\$2,500	\$0	\$3,150
Total	\$900	\$4,150	\$1,200	\$5,500	\$1,500	\$6,900
Stream C	Partial Outcome	Full Outcome	Partial Outcome	Full Outcome	Partial Outcome	Full Outcome
4 Week	\$400	\$1,000	\$600	\$1,500	\$800	\$2,000
12 Week	\$800	\$2,000	\$1,200	\$3,000	\$1,600	\$4,000
26 Week	\$0	\$2,500	\$0	\$3,750	\$0	\$5,000
Total	\$1,200	\$5,500	\$1,800	\$8,250	\$2,400	\$11,000
Education Outcomes	\$1000					

Source: *jobactive* Deed 2015-2020, available [here](#). Note amendments for 2020-2025, available [here](#).

Case study 2: Closure of car manufacturing plants

About

The closure of the Ford, Holden and Toyota manufacturing plants in 2016-2017 was one of Australia's most significant structural adjustments in the manufacturing industry. The announcement of these closures in 2013-2014 allowed for a coordinated response from the manufacturers, the Federal Government and the South Australian and Victorian State Governments to manage the transitions and to support workers into different roles — either within their current workplace, a new workplace or to pursue study and other opportunities.

The closure of the manufacturing plants and the closure or down-sizing in the automotive supply chains was predicted to result in the direct loss of 27,500 jobs nationally, staggered over a number of years. Estimates of actual job losses in 2019 were closer to 14,000. The majority of this reduction from the original estimate is due to fewer job losses from supply chain companies.

Services provided to workers included a combination of:

- Information on existing support services available and how to access them
- Career advice and local labour market information including jobs in growth areas
- Skills recognition and training support, including financial assistance with training costs
- Resume, application, interview and job search assistance and job fairs
- Health and wellbeing support, including financial counselling
- The continuation of some services and support measures post-closure

Key outcomes

12 months post-closure:

- 85% of workers are in the jobs market, of which 82% are working (78% employed, 4% started their own business)
- The top industries where they found employment include manufacturing (35%), transport, postal and warehousing (13%) and construction (9%)
- The 15% that are not employed are: retired (6%); taking a break (6%); or undertaking study (3%)

Key elements

Case management model: Trusted and knowledgeable case managers were assigned to workers. Case managers had a sound understanding of the industry and skills of the workers, and provided well-informed career counselling and the development of career transition plans.

Coordinated delivery: A National Governance Committee was created to ensure coordinated services, a focus on continual improvement and also to act as a communication hub, which the state governments reported to. The Federal Government also worked with state governments and Toyota to deliver six jobs fairs across two states.

The value of data and information sharing: Key stakeholders agreed to common definitions and data collection items, standardised collection timeframes and committed to sharing information, resulting in regular worker surveys and standardised reporting of outcomes. The collection and analysis of data in the early stages of the transition allowed all stakeholders to continually adapt their programs and services in response to worker or employer feedback, resulting in enhanced services throughout the transition period.

Case study 3: Latrobe Valley Industry and Employment Roadmap

About

In 2012, the Federal Government's national carbon tax came into effect, encouraging the closure of the Latrobe Valley's brown coal-fired power stations. The Victorian Government developed a roadmap to guide the economic transition, as the power stations employed over 3,000 people in the Latrobe Valley.

The workers impacted are predominantly mature age and male, many are parents and their family's main income earner. As the roadmap notes, many workers in the power generation sector "have certificate level engineering qualifications (77%) and significant experience and capabilities attained through on-site training in power stations, few have graduate degrees or post-graduate qualifications."

The roadmap, launched in July 2012, was developed collaboratively and it outlines seven locally-developed strategic directions, each with short-term, medium-term and long-term outcomes, as well as a range of specific actions and initiatives, aligned with the plan.

The initiatives outlined, which aim to achieve the roadmap's goals, were funded through the 2012-13 State Budget and the Regional Growth Fund.

The governance reported jointly to the State Regional Minister (The Hon Peter Ryan) and Federal Regional Minister (The Hon Simon Crean).

Key outcomes

As at October 2019:

- 74% of the former Hazelwood Power Plant workforce were either employed or not looking for work (including retirement), and more than 1,400 workers and their families has been provided with support (part of the *Worker Transition Service* program)
- 17 training programs were delivered in growth industries in Latrobe Valley region through partnerships with organisations such as TAFE Gippsland, Interchange Gippsland and the West Gippsland Healthcare Group (as part of the *Access New Industries Program*)
- More than 2,500 jobs are being directly created by programs and initiatives led by Latrobe Valley Authority and Regional Development Victoria since 2016.

Key elements

Latrobe Valley identified the 4 most important elements identified for their transition as:

- Collaboration and innovation across industry sectors and between organisations
- Ensuring solutions and decisions are community-driven
- Building capacity locally in both people and facilities, and
- Promoting engagement and participation of local people.

Case study 4: Breaking the Unemployment Cycle Program

About

'Breaking the Unemployment Cycle' commenced in Queensland in 1998 with a \$283 million commitment to create 24,500 jobs over 4 years and reduce unemployment to 5 percent.

When the program was phased out in 2007, it is claimed to have helped to create in excess of 124,000 jobs.

This large scale job creation and skills formation program was implemented through local community partnerships of community groups, unions, local government, members of state parliament and government departments.

It aimed to coordinate policies to combat unemployment, to incorporate both 'bottom-up' and top-down elements, and to integrate strong community consultation throughout.

Key elements

Key components of the strategy:

1. Increase future levels of skilled labour available to industry through increasing intakes of apprenticeships and trainees

- provide subsidies to public, community and private sectors
- provide opportunities for Indigenous youth, with mandated minimum employment levels for government funded construction
- requirement of 10% structure training on all state government funded construction programs

2. Assistance to jobseekers by community organisations

- employment preparation and job search assistance
- special assistance to early school leavers and other disadvantaged groups - released prisoners, parents, carers

3. Increase the demand for labour

- subsidies for private sector employers
- subsidising work for long-term unemployed for six months with community groups, local government, in jobs that contributed to community infrastructure and services

The program was a genuine partnership between government, community and industry. Central to implementation were the:

- **Jobs Planning Council:** Chaired by the Employment Minister and included representatives from government departments. The Council was responsible for establishing target groups, strategies, methods, information dissemination within government and community consultation.
- **Thirteen Regional Community Jobs Priorities Committees:** Comprised members of community, government departments and employers. Local community groups developed applications for funding in conjunction with the local Department of Employment, Training and Industrial Relations and submitted them to the Community Jobs Priorities Committee for consideration. The Committees evaluated all proposed projects and made recommendations to the Department.

Case study 5: Regional governance mechanisms

About

Regional Development Australia (RDA): The RDA program is a national initiative established in 2008 which brings together the three levels of government and the community to develop and strengthen economic outcomes for regions. Made up of 55 committees, the RDA network covers all metropolitan, rural and remote regions across Australia, excluding the external territories. All 52 RDA Committees (except those in Victoria) are independent, not-for-profit bodies.

Regional Partnerships, Victoria: There are 9 Regional Partnerships in Victoria, structured around natural labour markets. They have committees of 10, including CEOs of local councils, RDA representatives and a Victorian Government Deputy Secretary. They consult with community and regional stakeholders, advising Victorian Government on state policies with a place-based focus. They were established with a Terms of Reference approved by the Minister.

Employment Facilitators: As part of the Regional Employment Trial program, 10 Employment Facilitators have supported delivery in trial regions. Contracted by the Department of Education, Skills and Employment, Facilitators are responsible for liaising with the wider community to connect job seekers with employment and training opportunities, and work with employers and local stakeholders to identify strategies that take advantage of local employment opportunities. Employment Facilitators will be integral to the Federal Government's Local Jobs Program across 25 employment regions of the country.

Industry Training Hubs: These regional hubs aim to improve employment opportunities for young people, particularly targeting Year 11 and 12 students. They target regional areas with above average youth unemployment (above 12%). The first hubs are located in Burnie (TAS) and Townsville (QLD), with further hubs in each jurisdiction to launch in 2021.

The Geelong Region Alliance (G21): An alliance between government, business and community organisations to improve the lives of those within the Geelong region. G21 and the Give Where You Live Foundation have created the joint regional initiative of GROW, aligning efforts to tackle place-based disadvantage. G21 is a company by limited guarantee, established with a constitution. It holds a MOU between its municipality partners.

Local Learning and Employment Networks (LLEN): LLENs bring education and training providers, business and industry and community agencies together in local areas, to create and develop sustainable relationships, partnerships and brokerage of initiatives to enable education and employment transitions for young people. They including career support, accurate labour market information for communities, as well as a focus on getting young people work experience and vocational pathways.

Key elements

Local engagement: At the heart of these regional mechanisms are the priorities and opportunities of the local communities. Communicating these priorities within municipalities, as well as to State and Federal Government, is critical. Regional mechanisms also work with local employers to create opportunities for economic participation.

Transparency and Vision: Between these regional mechanisms, as well as internally, there needs to be a clear sense of how these mechanisms operate (systems and structures), as well as clear sense of the vision, in order to build trust and collaboration.

Evaluation and learning: There is a need for these regional mechanisms to take part in cyclical evaluation and for these learnings to be applied to future operations and initiatives.

Case study 6: GROW (G21 Region Opportunities for Work)

About

GROW (G21 Region Opportunities for Work) is a collective impact initiative that aims to significantly reduce the unemployment rates and improve wellbeing in the most disadvantaged communities in the G21 Region (Norlane, Corio, Whittington and Colac).

It is a joint initiative of the Give Where You Live Foundation and the G21 Geelong Region Alliance, which together form the backbone of the initiative.

They work together with business, government, community organisations and individuals to address disadvantage in areas with high unemployment.

Initially located in the region of Geelong, the Victorian Government has recognised the benefit of the GROW model, rolling it out in Greater Shepparton and Gippsland.

Key outcomes

- **Signatories and procurement practices:** In the three years since the inception of GROW, efforts to engage organisations and businesses as part of the GROW collective have led to the engagement of 110 signatory organisations (SOs) and approximately 11 active partners. The key practice change for signatory organisations has been a shift towards local procurement practices. Some businesses are also increasingly engaging in local social procurement practices (including inclusive employment).
- **Employment outcomes:** There has been a sizeable increase in jobs in the region and in target suburbs (247 jobs and 39 employment pathways by 2018), with a reported 72% retention rate for employment outcomes in 2017. Despite these achievements, high unemployment persists in target suburbs.
- **Evaluation:** The development of dashboards and other simple methods of measuring and communicating success or change as a result of GROW efforts have been welcomed by SOs and partners.
- **Embedding principles:** The negotiation with Local, State and Federal Government to embed GROW principles in publicly funded contracts in the region is a significant achievement. This is progressing particularly well for infrastructure developments. For example, at the Local Government level, the Council of Greater Geelong (COGG) now incorporates GROW principles in contracts.

Key elements

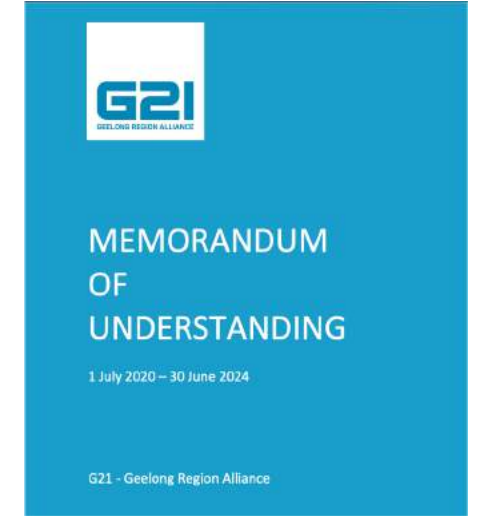
- **Social procurement:** Encouraging organisations to buy goods and services that contribute economically and socially to the local community.
- **Impact investment:** Injecting capital into businesses and not-for-profit enterprises in target communities.
- **Demand-led employment:** Matching employment opportunities with the skills of local people.
- **Shared measurement framework:** Building a shared measurement framework that seeks to understand the immediate impact of GROW, as well as the longer term impact towards reducing unemployment and place-based disadvantage within the region.
- **Collective impact:** Providing a framework for collaboration and integrated effort, including shared and accountable measurement by linking sectors and organisations.

G21 Memorandum of Understanding

The objective of the incorporated company G21 - Geelong Region Alliance Ltd is to foster and undertake actions that will support sustainable growth and development of the region. It is guided by a constitution and a Memorandum of Understanding (MOU). The core role of G21 is to build on the existing social, economic and environmental capacity of the region.

The MOU is between the constitutional body and Member Councils. It articulates the arrangements and expectations between G21 and the Member Councils including:

- Resourcing
- Accountability and communication
- Specific arrangements (including governance)



Case study 7: Sydney Metro Skills Infrastructure Centre

About

The Sydney Metro Skills Infrastructure Centre is a joint initiative between the Federal Government and the New South Wales Government's Sydney Metro and TAFE NSW.

They opened the first 'one-stop-shop' for infrastructure jobs and skills training in 2017.

This was to help meet the demand of Sydney's booming infrastructure program, including the Sydney Metro and the Western Sydney Airport.

Three Infrastructure Skills Centres have been setup in Annandale, Nirimba and Ingleburn.

These Skills Centres have enabled expert and industry experienced teachers to train apprentices, trainees and a new generation of workers.

The funding from Federal and State Governments has enabled a dedicated *jobactive* service provider to operate onsite and also to secure equipment to support pre-employment training courses.

Key outcomes

- Employment opportunities are expected to increase as other infrastructure projects and employers utilise the Skills Centre.
- Trainees will have the opportunity to receive additional vocational training, mentoring and post-placement support through the Skills Centre to ensure their skills meet the growing infrastructure needs over time.
- Tailored pre-employment training will be available to a range of cohorts including young people, Aboriginal and Torres Strait Islander peoples, culturally and linguistically diverse individuals and women working in non-traditional roles.

As of 3 December 2019:

- The latest participants in Sydney Metro's pre-employment program have graduated with a 100 percent jobs success rate
- So far, 106 people have completed the program with 39 percent Aboriginal participation, 96 percent successful completions and 82 percent with job outcomes.

Key elements

Funding and partnership: The Skills Centres have joint funding from State and Federal Governments. They have also involved combining the expertise and resources of a *jobactive* service provider and TAFE NSW to provide direct opportunities for jobseekers in training, skill development and employment.

Tailored training: The program has been designed to ensure tailored training to cohorts with more complex needs, such as Aboriginal and Torres Strait Islander peoples, culturally and linguistically diverse people, and women working in non-traditional roles.

Evolving employment pathways: The Skills Centre has been setup to provide evolving training for participants to ensure that their skills are relevant to the infrastructure project needs of the day.

Case study 8: City Deals

About

City Deals are genuine partnerships between all levels of government and the community and private sectors, working to a shared goal to create productive and liveable cities. They aim to align planning, investment and governance, and tailor approaches to the context of each city.

At present, 7 City Deals have been signed across Australia. Innovative financing and funding models form the foundation, enabling greater investment than could be offered by these entities working in silos.

Integrating services and policies like transport and housing, City Deals offer opportunities to coordinate action and thus maximise investment value.

City Deals rely on the premise that they are a deal between all stakeholders, with benefits realised by all - perhaps not all at once - but everyone ultimately has something to gain.

City Deals aim to garner shared investment into economic development. Co-investment projects have the potential for local jobs creation, although that is not necessarily the focus of the 'deal'. They are therefore complementary to Regional and Community Job Deals, with their focus on creating employment pathways for local jobseekers.

Key outcomes

Some examples of City Deals in Australia and key co-investment projects include:

- **The Townsville City Deal**, agreed in 2016, has seen the development of numerous jointly funded projects, attracting funding from all levels of government, as well as substantial private investment through tourism, trade and research.
- **Launceston's City Deal** has helped to facilitate the relocation of the University of Tasmania's main campus to the heart of the city. Funding from the Federal Government, the Tasmanian Government and the City of Launceston has been harnessed to transform the academic experience in Launceston. The University has also been able to attract private investment of over \$84m to design the precinct plan and projects, such as the development of new student housing.

Key elements

- A KPMG review of the City Deals model in the UK found that the growth benefit of investments is a core focus. Projects are ranked on the basis of their capacity to deliver productivity and employment outcomes, thus generating the tax revenues to pay for publicly funded investment and a more rational approach to decisions about investment.
- The same KPMG review noted that the core concept of a City Deal is that it offers significant incentives for local authorities to invest to realise economic outcomes. The city, in effect, is able to "earn back" a share of tax revenue which is generated for the central government through the deal.

Economic indicators for Townsville

The success of the Townsville City Deal is monitored through a suite of indicators that measure employment, economic activity and amenity.

The tracking of these metrics provides an indication of the health of Townsville’s economy, progress against 2016 baseline figures, and where investments may need to be tailored to reflect emerging economic trends.

— Townsville Economic Data



Gross Regional Product^{1,2} (per capita GRP)

	2016	2017	2018	2019 ³
	\$57,194	\$65,029	\$71,650	\$72,760



Unemployment rate

	2016	2017	2018	2019
Townsville ⁴	11.3%	8.5%	8.5%	8.0%
Youth ⁴	19.4%	19.5%	17.3%	18.5%
Indigenous ⁵	24.8%	n/a	n/a	n/a



Jobs⁶

	2016	2017	2018	2019
Employed residents	94,600	104,700⁶	108,000	108,500



New private investment⁷

	2016	2017	2018	2019
Value of residential and non-residential building approvals	\$607m	\$570m	\$671m⁸	\$482m



Trade through port⁸

	2016	2017	2018	2019
Total throughput (tonnes p.a.)	9.2m	6.9m	6.8m	7.0m



Tourism industry investment and attraction⁹

	2016	2017	2018	2019
Overnight visitors	1.329m	1.228m	1.284m¹⁰	1.585m
Tourism expenditure	\$986.3m	\$861.4m	\$832.2m¹	\$945.4m



Community perceptions of amenity¹⁰

	2016
Community perceptions of amenity	3.34 out of 5

1. Financial year to June.
2. Remplan and Townsville Enterprise.
3. Six months to December only.
4. ABS 6291.0.55.001 - Labour Force, Australia, Detailed - Electronic Delivery. Data is a calendar year monthly average. Data is for the Townsville SA4.
5. Figure revised to reflect data not available at the time of the previous annual report.
6. 2016 Census. Next available data 2021 Census. Data is for the Townsville SA4.
7. ABS 8731.0 - Building Approvals, Australia. Data is for the Townsville SA3.
8. Port of Townsville - Annual Trade Statistics.
9. Tourism Research Australia (International and National Visitors Survey). Data is for the Townsville SA4.
10. Townsville City Council. No updated data available at time of print.

Case study 9: Luv-a-Duck

About

Between 2010 and 2015, 160 newcomers of refugee background relocated to Nhill in Victoria, primarily to work at Luv-a-Duck, a family owned and run local business.

Luv-a-Duck is a major employer in the area and in 2009 it experienced a major growth opportunity. Like many regional areas, Nhill was characterised by declining population and low levels of unemployment.

The initiative was driven by the employer who had come in contact with the Karen community. The Karen are an ethnic minority from Burma who have settled in Australia since 2008. Like many success stories, this case study started with a good idea. In 2009, the then General Manager of Luv-a-Duck operations in Nhill made contact with AMES to identify how best to recruit workers from the Karen community.

The resettlement was totally demand-driven by the employer. AMES CEO provided the authorising environment to encourage settlement staff to support the initiative beyond strict funding guidelines or KPI's. No additional funding was provided to support either the resettlement or the employment. The approach was to focus on the desired outcome and then work out what funding boxes could be ticked and access funding opportunities as they arose. At that time, AMES was a provider of settlement, employment support and AMEP under three separate Federal contracts.

Key outcomes

- 160 newcomers now call Nhill home
- 10% of the community is now of Karen background
- Labour force participation is high
- 70.5 FTE jobs added to the regional economy from 2010-15
- \$41.5m contribution to gross regional product
- Revitalisation of local services and increased government funding
- Increased social capital for both settlers and host community

Key elements

Leadership

Leadership was the critical element of success. Refugee resettlement to help a business grow was an idea that evolved into a revitalised and vibrant regional community.

The features that characterised the leadership were:

- starting with the need in the community
- a champion who quickly found other aligned leaders to work with
- having a clear outcome and a preparedness to 'figure it out' to achieve desired outcomes
- building of trusted relationships beyond individual ownership of the project
- a shared approach to work collaboratively, without 'over cooking' the governance requirements

Leadership and partners

LEADERSHIP 'X FACTORS'



Local Influencers and Champions

- Had standing in the community
- Proactive and advocated for solutions in advance
- Vouched for work ethics and advocated to “give people a go”
- Provided a ‘go to’ place for new settlers
- Involved the community and got them on board



Leadership within the settling community

- Helped recruit the most suitable people. The pioneers and first settlers were critical for success
- Liaised with employers on work conditions to meet needs of employees and employers
- Provided bilingual support across the service system
- Influenced the behaviour of the settling community in a culturally sensitive manner, particularly where individual behaviour may jeopardise reputation

Broker leadership



- AMES played a key brokerage role. There was a sophisticated level of judgement required to know when to ‘lean in’ and play a supportive role, without driving the project. This approach grew and nurtured local leadership.
- AMES also figured out the resources needed, without it being a leading issue for the work. This approach enabled the project to remain outcome-focused and led, owned and sustained locally.

PARTNERS

- **General Manager and HR at Luv a Duck** — employing and supporting candidates to maintain their employment
- **AMES staff** — sharing the opportunity with refugees and providing case management support around relocation, access to services and job retention
- **Community leadership** — encouraging the community, helping to identify candidates and building cultural competencies of the host and settler community.
- **Other service providers** — schools, Neighbourhood Centre and others created services that were accessible and welcoming

Case study 10: Logan Together

About

Logan Together is a ‘whole-of-city child development approach’ which focuses on improving outcomes for children in Logan, Queensland, in the first eight years of their lives.

The movement is driven by a clear, measurable goal: to help 5,000 more kids in Logan thrive by 2025. It is guided by a 10-year roadmap, which focuses on prevention and early intervention for families and children, designed through a balance of data analysis, research and community consultation.

Although focused on early childhood development, the Logan model could have other benefits, such as avoiding difficulties faced later as adolescents and adults, such as crime and unemployment.

Key outcomes

- 7 service providers across Logan work collaboratively through Logan Together to deliver a readiness program designed to help parents with young children to re-enter the workforce when their children start school. Together, providers are working to find ways to remove barriers to employment, whilst also improving systems efficiency.
- Following the 2017 floods, Logan Together helped coordinate across various partners and service providers to offer emergency child care for affected families, as well as other community services like food banks and clothing.
- Another project in Logan aims to support families to enrol their children for school. Partnering with community gateways, schools, ParentsNext providers and McDonald’s, amongst others, Logan Together aims to prepare families holistically for the beginning of school.

Key elements

Governance model

The governance model enables local decision-making capacity to be built into each level, with the Backbone team and Leadership Table driving the work forward and providing a link between funders, government and service providers. The Backbone team focuses on strategy and comprises members with a variety of skill, where priority is placed on consensus decision-making. An inter-departmental committee creates networks between all levels of government and the Logan community, and focuses on addressing barriers in the system.

Collaboration and leadership

Bringing these partners together through a collaborative governance model, with a focus on the child at the centre, enables resources to be targeted around clear and shared objectives. Logan Together identified critical conditions and enablers for change, including: a ‘burning platform’, community buy-in to a shared vision, the need for champions across sectors, coordination mechanisms and a strong Backbone.

Case study 11: Wyndham Employment Trial

About

Wyndham is a growing municipality on the urban fringe of Melbourne and home to a diverse community, including many refugees and other migrants.

Wyndham City Council (WCC) and local partners have developed the Wyndham Employment Trial to boost social and economic participation for humanitarian migrants.

The trial is based on the Community Deals model and commenced in mid-2019.

The work grew from an identified absence of coordinated and holistic support to enable humanitarian migrants to embrace opportunities—in Wyndham there was a lack of central visibility over refugees settling in the area, and their need for support was being overlooked.

As of 30 June 2019, there were 768 humanitarian migrants on the Werribee *jobactive* regional caseload. These people were on the *jobactive* caseload for an average of 80 weeks.

Key outcomes

- Over 130 humanitarian migrants and other jobseekers placed in employment as a result of collaboration enabled by the trial
- Over 18 employers are involved, providing information on vacancies and actively recruiting

Key elements

Governance framework: The Wyndham Social and Economic Inclusion Taskforce includes industry/business leaders, community organisations and government representatives. There is a need for a strong governance framework to oversee the trial and resulting initiatives, however, they are still grappling with the size of this group and how it can be most effectively deployed to benefit the trial and its outcomes.

Funding and authorisation flexibility: The work is funded by WCC, as well as State and Federal Governments. The trial has suffered from an historical absence of flexible funding sources, contracts and incentives to achieve scalable and sustainable solutions.

Human and employer engagement: Including a human-centred focus in the design of the trial, to understand the needs of the target group, and two employer liaison focused positions in WCC to ensure employment engagement in the trial.

Leadership and coordination: A coordinated trial by WCC in partnership with AMES, Wyndham Community and Education Centre (WCEC) and Job Prospects, with local bodies deciding their own priorities and approaches to service delivery in consultation with stakeholders. The service delivery is designed to be holistic, coordinated and integrated, with intensive one-to-one case management for clients through a family-focused assessment tool and referral systems centred around employment and training. Service delivery includes an employer-focused component, targeted at boosting employment of refugee job seekers as well as championing diversity and migrant success.

Timeline



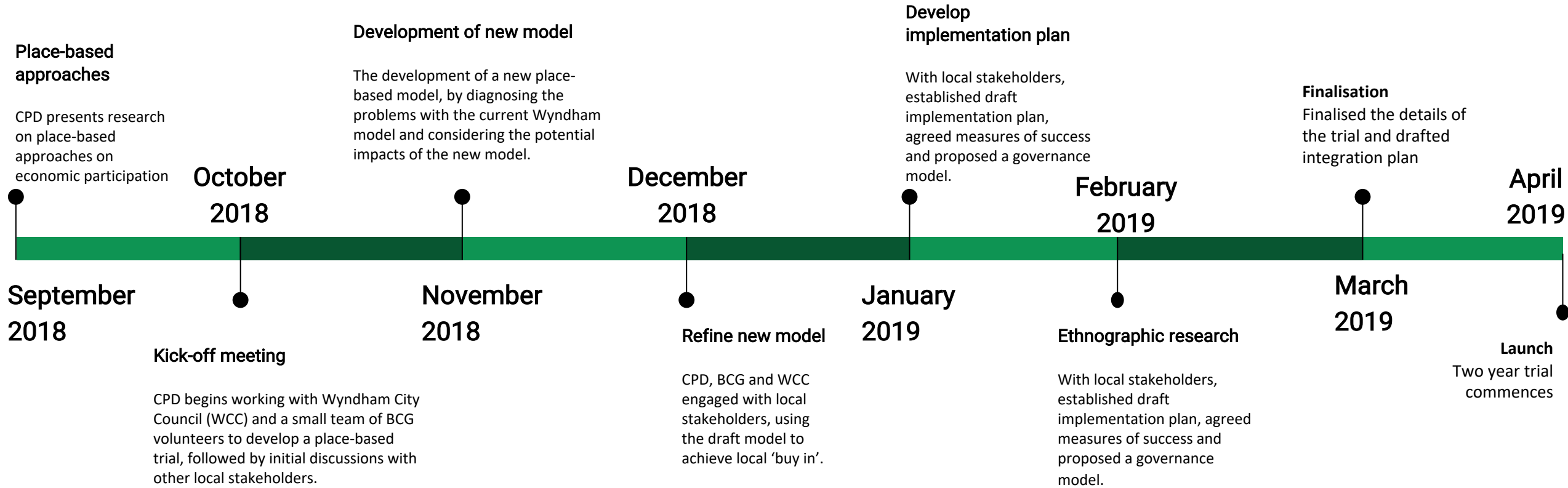
February 2017

CPD and a small group of volunteers from BCG release the report *Settling Better: Reforming refugee employment and settling services*. This is followed by the launch of CPD's *Cities and Settlement Initiative*.

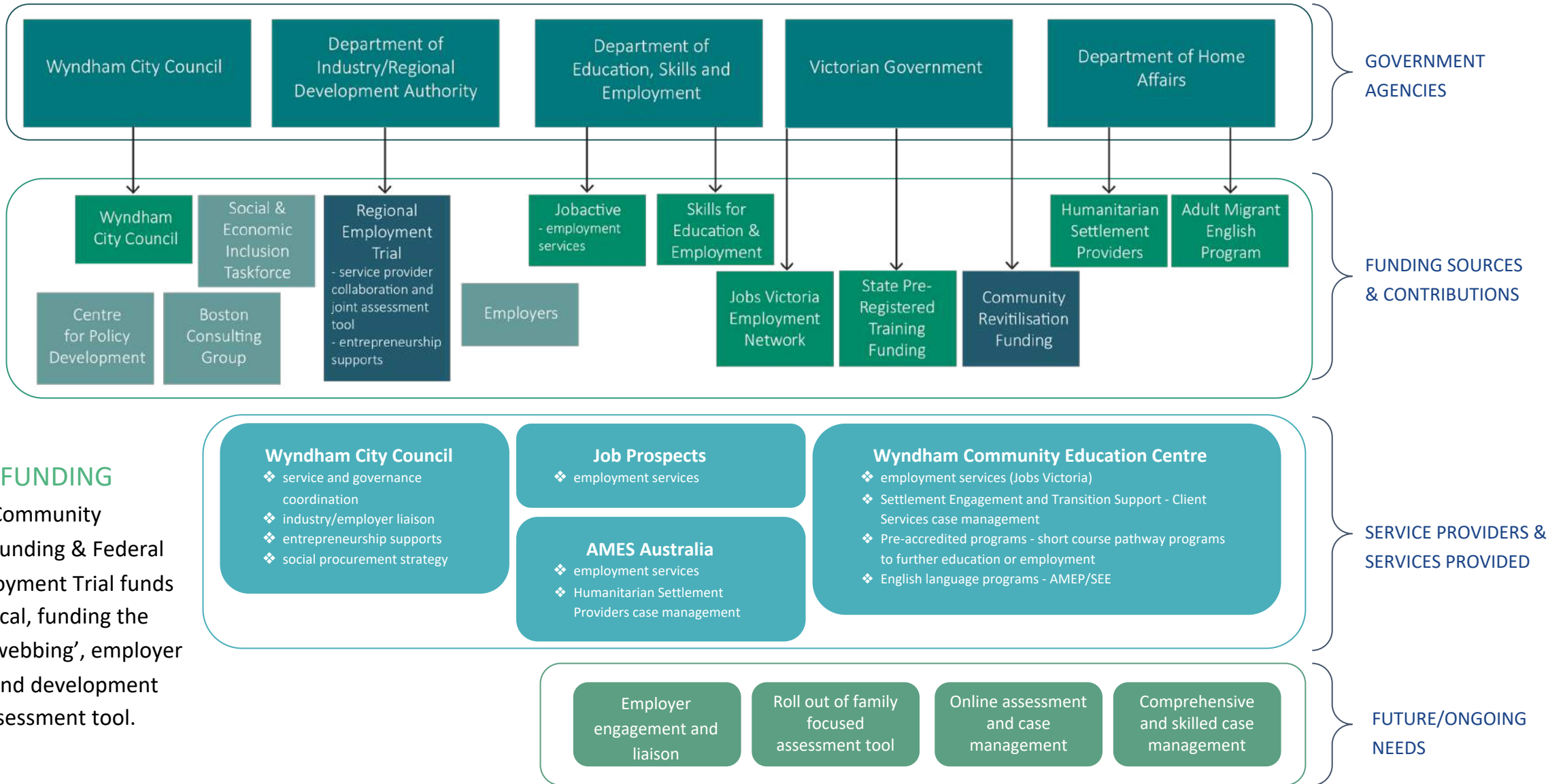


February 2018

CPD convenes the first meeting of the intergovernmental Council on Economic Participation for Refugees, which included the participation of Wyndham City Council.



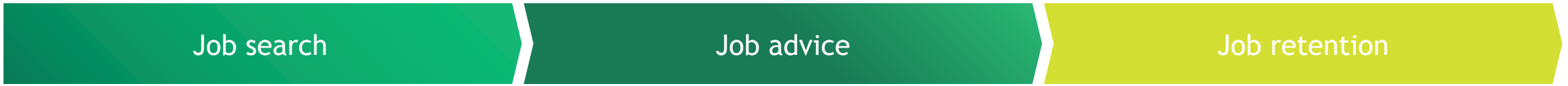
Funding model












TRIAL FUNDING

The Victorian Community Revitalisation funding & Federal Regional Employment Trial funds have been critical, funding the coordination ‘webbing’, employer engagement, and development of a shared assessment tool.

Wyndham Ethnographic Research Insights



-  **Overcoming confidence issues**
-  **Personal networks are trustworthy and useful**
-  Believe job service system takes advantage of them
-  Find provider advice formal, not timely or relevant
-  Trust organisations with diverse, diligent workforce
-  **Gathering places where people relate and belong are important**
-  English education tailored to training, safety, licensing requirements
-  To many intermediaries hamper accountability
-  Job retention can be hard and needs support

Wyndham Opportunities Employment Pathways: Industry Commitment

Industry commitment agreement, between Wyndham City Council and an employer, as part of the Wyndham Employment Trial model

Employer Commitments

- Share employment opportunities within your company.
- Collaboratively develop training and support programs for jobseekers.
- Provide work-trial and/or employment opportunities for jobseekers that complete the training and support programs.
- Help identify other pathways for Wyndham residents to build experience and confidence.
- Participate in industry insights sessions at least once a year.
- Encourage inclusive recruitment practices and culturally safe workplaces.
- Take part in reporting and evaluation activities.

Employer Benefits

- Have access to reliable, motivated, job ready people.
- Save time and money on recruitment costs.
- Get access to tools and information on inclusive employment.
- Get support for recruitment, induction and training processes.
- Improve local engagement by securing a diverse workforce.
- Be a part of a community of organisations delivering social benefit.

Community Benefits

- Local people are able to develop their aspirations and gain the skills and experience they need for work.
- All members of the community have better access to the networks and connections that open up opportunity.
- Wyndham develops a reputation for being a wonderful place to live and work.

Schedule of work

Wyndham City Council and(insert business name),

agree to partner on the following components of inclusive employment (please tick the boxes relevant to your business):

- | | |
|---|---|
| <input type="checkbox"/> Industry Site Visits
(structured workplace visit for career builders to know your business) | <input type="checkbox"/> Work Experience |
| <input type="checkbox"/> Industry Insights Panel
(presentation to career builders and community) | <input type="checkbox"/> Structured Recruitment Programs (tailored to your business) |
| <input type="checkbox"/> Fresh Start Employment Pathways Program—Group Interviews 2020 | <input type="checkbox"/> Presentation on diversity in Wyndham |
| <input type="checkbox"/> Take part in reporting and evaluation activities | <input type="checkbox"/> Inclusive Industry Toolkit— workforce planning resources, information and consultation |
| | <input type="checkbox"/> Cultural Awareness—staff development resources and training |

Case study 12: Community Investment Committees

About

Community Investment Committees (CIC) form part of a place-based model, in which Committees, led by communities, build solutions to youth unemployment.

Supported by the Brotherhood of St Laurence, Committees are made up of local stakeholders, such as employers and industry, service providers, three levels of government, community organisations and young people.

Each CIC has its own governance structure, with an employment chair and local and industry representation.

The Committees leverage existing efforts and investments. They aim to move beyond program and political cycles. They use local expertise to broker solutions to benefit young people, as well as local employers and industries.

Key outcomes

- Adelaide North's CIC is providing a coordinated mechanism to help the recruitment of young people into Datacom call centres, which has seen a rise in demand for work since the outbreak of COVID-19. The Datacom HR manager, an employer champion and member of the CIC, is able to provide insights on how to prepare young people for call centre work.
- The Shoalhaven CIC is creating employment pathways for young people in areas affected by the bushfires, supported by Mission Australia. Pre-employment pathways helps build young people's skills in various trades in order to build a 'work-ready' trade labour force. Youth service providers and group training organisations are engaged in the project, working with the Local Council.
- The Logan-Beaudesert CIC includes a 7-Eleven franchise owner, who is using his knowledge about how small and medium businesses often have limited capacity to train young people. The franchise owner is developing a simple recruitment tool for attracting and training young people.

Key elements

Variety of governance models: It is important to accept that the governance of the CICs will vary significantly, as they build on existing local efforts. For example, the CIC in Hume is a sub-committee of the Local Government's Economic Development and Jobs Committee, whilst the CIC in the Gold Coast is connected to the local Jobs Council.

Link supply and demand: CICs address youth unemployment by linking 'supply' end organisations (representing youth and providing youth services) with 'demand' end organisations (employer and industry led). In this way, they can activate employers to co-design employment pathways and unite young people's goals with business needs.

Case study 13: Wigan Deal

About

During the 2008 financial crisis, Wigan, a local authority in England, faced >40% budget cuts.

In response, Wigan Council established 'The Deal' which in essence formed a "new social relationship" between the Council and the local community.

It aimed to reduce costs by actively involving residents in the community, eliminating wasteful resource usage and reducing demand for services like health care through prevention.

Despite budget cuts, Wigan has invested £10m in community projects.

This funding was budgeted on a 4-5 year basis which allowed the Council to invest in the community.

Key outcomes

- A borough survey in 2016 showed that 83% of residents were supportive of The Deal's principles
- A 50% increase in resident satisfaction with the Council
- By February 2019, The Deal had saved Wigan Council £141.5m
- Estimated that £2 of savings was realised for every £1 invested in community projects
- The Council had not increased council tax, as part of 'The Deal'
- In 2016, the Council was accredited with a one-star rating by Best Companies for its "very good" level of workplace engagement

Key elements

Human-centred approach: In Wigan, all staff received ethnographic training to ensure they "see every person as an individual, not just a unit of need". The Wigan Council's deputy chief executive, Paul McKeivitt, explained: "We've changed the type of care we facilitate, moving from a one-size-fits-all care package to one that builds on a person's strengths."

Encourage cultural change: To compliment the ethnographic training, it was critical that the Council gave their workforce the "freedom and permission to innovate". The King's Fund summarised that an enabling style of leadership has been central to this. Senior leaders undertook proactive steps to foster this culture, such as regular listening sessions with staff, identifying champions early, and acknowledging that not all risks pay off.

Clear objectives and regular community engagement: As part of the "new relationship" the Council aimed to reduce costs by actively involving and gradually transferring responsibility to the community. Fundamental to the success of the Deal was regular community engagement that was objective-focused, celebrated successes and was transparent on progress (e.g. the Council provides openly accessible data on issues such as Council spending). To complement this, Wigan created feedback loops with the community (e.g. Public Consultations, The Big Listening Project, The Report It app allows people to report local issues).

The Wigan Deal in practice

OVERVIEW OF THE DEAL — "NEW RELATIONSHIP"

The Deal Wigan Council

Our part

- Keep your Council Tax as one of the lowest
- Help communities to support each other
- Cut red tape and provide value for money
- Build services around you and your family
- Create opportunities for young people
- Support the local economy to grow
- Listen, be open, honest and friendly
- Believe in our borough

Signed 
Lord Peter Smith of Leigh, Leader of Wigan Council

Your part

- Recycle more, recycle right
- Get involved in your community
- Get online
- Be healthy and be active
- Help protect children and the vulnerable
- Support your local businesses
- Have your say and tell us if we get it wrong
- Believe in our borough

Signed

WiganCouncilOnline | wigan council | @wigan council | wigan.gov.uk

EXAMPLES OF THE DEAL IN PRACTICE

Encouraged residents to access services online via the MyAccount website, as in-person or phone interactions cost significantly more

The Deal for Communities Investment Fund: Wigan has invested £10m in community projects. For example:

- **Healthy Arts:** local artists led over 400 creative workshops run for people with mental health needs or dementia
- **Leigh Community Garden Project:** turned a deserted walkway into a garden at a cost of \$480
- **Community Asset Transfer:** transferred dozens of community assets to community/voluntary groups or social enterprises.

Case study 14: Our Place

About

In 2012, an agreement was signed between the Victorian Department of Education and Training (DET) and the Colman Foundation to establish a place-based and integrated education approach called Our Place.

Our Place began at Doveton College, responding to the area's significant economic and social disadvantage, where over two thirds of students were below national minimum standards in literacy and numeracy.

At 10 different schools across Victoria, the Our Place model includes funding for dedicated engagement officers who work with schools, the Department of Education and Training, local councils and early childhood and adult education providers to help local families engage in education and training, no matter their age.

Our Place is described as a 'philosophical shift around not just writing a big cheque and then saying: alright, good luck, come back and tell us if it worked or what went wrong. Instead we're saying we are all in the boat together, let's all figure out how to get there' (McKenzie 2019).

Key outcomes

- The project acknowledges challenges in evidencing impact. High mobility amongst the target communities (children changing schools) means that long-term data may be inconsistent. It also recognises that, change may be measured in decades rather than months or years.
- At Doveton College, the Our Place model has seen more than 100 parent volunteers each week, with a 20% increase in the number of parents reading to their children.
- More than 150 courses at Certificate III, IV or Diploma level have been completed by Doveton parents since 2013. Just under 100 parents were provided with career/job support from Our Place, and have transitioned into sound employment, many for the first time.

Key elements

- The ten-year investment horizon by the Colman Foundation was critical in ensuring sufficient recognition of the need for collaborative programs and investments to change the trajectory of disadvantage. Individual programs can't achieve systemic change on their own. Short-term funding is not realistic — a long-term horizon recognises the extent of the challenge, by asking partners to work in alignment.
- The five philanthropic donors are creating a partnership agreement of their own, setting a high-level common intention for the project, but also practical matters like aligning reporting requirements for funding acquittals which aim to minimise administrative burdens for providers.
- The Colman Foundation acknowledges that working with government makes things harder and slower, but if you want to achieve sustainable systems change and large-scale policy shift, joint collaboration and funding is crucial.

Funding allocation

Combined with funding from the Victorian and Federal Governments and a range of philanthropic partners, a contribution of \$37.8 million was made to support the initial build phase of the new Doveton College. A Memorandum of Understanding and Deed of Agreement between the Victorian Government, the Colman Foundation and other philanthropic bodies outlined that government education funding would continue, and the joint philanthropic partnership would provide long-term resourcing to support community engagement and innovation at Doveton College.

In this way, funding is maximised from across government and philanthropic sources, which enables for a truly shared approach and common objectives. Philanthropic donors do not replace government funding but give the schools extra money, allowing for flexibility and innovation, and opening the way for partnerships with other non-government agencies. The integrated model allows for partner organisations to offer ongoing or occasional funding: such as GPs, allied health, early childhood intervention services and refugee services.

Each of the five philanthropic funders has committed for various lengths of time, some for the initial upfront investment in infrastructure, some for scaling the program over time and many pledging enduring funding for 10 years. For example, major donor the Colman Foundation provides an average of \$300,000 per year per school site. The Victorian Government supplements this by ensuring schools are funded to support first rate early childhood facilities.

Case study 15: Funding public hospital services

The national ABF (Activities Based Funding) hospital funding model is possibly the high-water mark of sophisticated funding allocation in Australia. Last year \$50 billion was allocated to Australian public hospitals with 84 percent based on the ABF model.

Funding allocation is based on forecast activity levels in specific categories e.g. Acute or Emergency Services, with each hospital receiving the 'nationally efficient price' - \$5,012 per unit. A standard unit equates to the resources required for a typical admission and stay at a hospital for a recognised procedure or treatment. A tonsillectomy has a weighting of 0.7 of a unit and attaches to funding of \$3588. Adjustments are made for paediatric patients, indigenous, remoteness and complexity.

Attachment 1 illustrates how a highly complex funding approach is summarised into a brief table - Part C of an agreement between a Health Service and the Health Minister.

Matters not funded under the ABF model such as Chronic Disease Management, Case Coordination and Aboriginal Support Services are currently priced in Victoria at \$109.36 per hour (Attachment 2).



Hospital funding agreement schedule

Part C — The performance and financial framework within which state government-funded organisations operate is described in 'Volume 2: Health operations 2019-20 of the Department of Health and Human Services Policy and funding guidelines 2019.

The policy and funding guidelines are available [here](#).

Further information about the Department of Health and Human Services' approach to funding and price setting for specific clinical activities, and funding policy changes is also available [here](#).

Funding type	Activity	Budget (\$'000)
Acute Admitted		
Acute WIES	5,278	27,720
WIES DVA	50	258
WIES TAC	5	29
Other Admitted		2,568
Acute Non-Admitted		
Emergency Services		8,421
Home Enteral Nutrition	36	8
Specialist Clinics	9,028	2,563
Specialist Clinics - DVA		1
Subacute & Non-Acute Admitted		
Subacute WIES - Rehabilitation Public	237	2,547
Subacute WIES - Rehabilitation Private	10	95
Subacute WIES - GEM Public	145	1,559
Subacute WIES - GEM Private	5	53
Subacute WIES - Palliative Care Public	33	353
Subacute WIES - Palliative Care Private	2	22
Subacute WIES - DVA	16	213
Subacute Non-Admitted		
Palliative Care Non-admitted		539
Health Independence Program - Public	19,531	3,221
Aged Care		
Residential Aged Care	21,335	1,040
HACC	12,570	632
Mental Health and Drug Services		
Drug Services		83
Primary Health		
Community Health / Primary Care Programs	12,289	1,288
Community Health Other		1,061
Other		
Health Workforce		997
Other specified funding		5,349
Total Funding		60,621

Health Services Unit Prices

Estimated unit prices for community health care output, 2019-2020, Victorian Department of Health and Human Services

1.1.6 Primary, community and dental health output group

Table 1.17 shows estimated unit prices for primary community health care output.

Table 1.17: Primary community health care output 2019–20

Service	Service sub-section	Funded unit	Estimated unit price (\$)
Family and Reproductive Rights Education Program	Direct care	Hours	109.36
Innovative Health Services for Homeless Youth	Counselling/casework	Hours	109.36
	Nursing	Hours	96.64
Family planning	Counselling/casework	Hours	109.36
	Nursing	Hours	96.64
Aboriginal services and support	Case coordination	Hours	109.36
Integrated chronic disease management	Allied health	Hours	109.36
	Nursing	Hours	96.64
Refugee and asylum seeker health	Allied health	Hours	109.36
	Nursing	Hours	96.64
Healthy Mothers, Healthy Babies	Allied health	Hours	109.36
	Nursing	Hours	96.64
Community health	Allied health	Hours	109.36
	Nursing	Hours	96.64
ACCO services	Counselling/casework	Hours	111.70
MDC community health nurses	Nursing	Hours	96.64
Community Asthma Program	Allied health	Hours	109.36

Case study 16: Primary Health Networks

About

Primary Health Networks (PHNs) were established in 2015 to increase the efficiency and effectiveness of medical services for patients, with a focus on those at risk of poor health outcomes and to improve coordination of care to ensure patients receive the appropriate care at the right time.

The seven key priorities to be targeted by PHNs are:

- mental health;
- Aboriginal and Torres Strait Islander health;
- population health;
- health workforce;
- digital health;
- aged care; and
- alcohol and other drugs.

Key outcomes

- PHNs are demonstrating a better understanding of the health needs of their community, through analysis and planning
- Have identified and are building effective partnerships to address shared priorities
- Developed innovative ways of commissioning services
- Fostered the development of a primary health care commissioning model to suit the Australian context and with ongoing investment it will ensure that PHNs have sufficient capability and capacity to commission effectively

Key elements

Governance arrangements: Developing a strong governance arrangement has been a priority for PHNs. The governance structure is still evolving for many PHNs to best meet their objectives. Building appropriate governance arrangements take significant time and effort, particularly in building the appropriate capability and capacity.

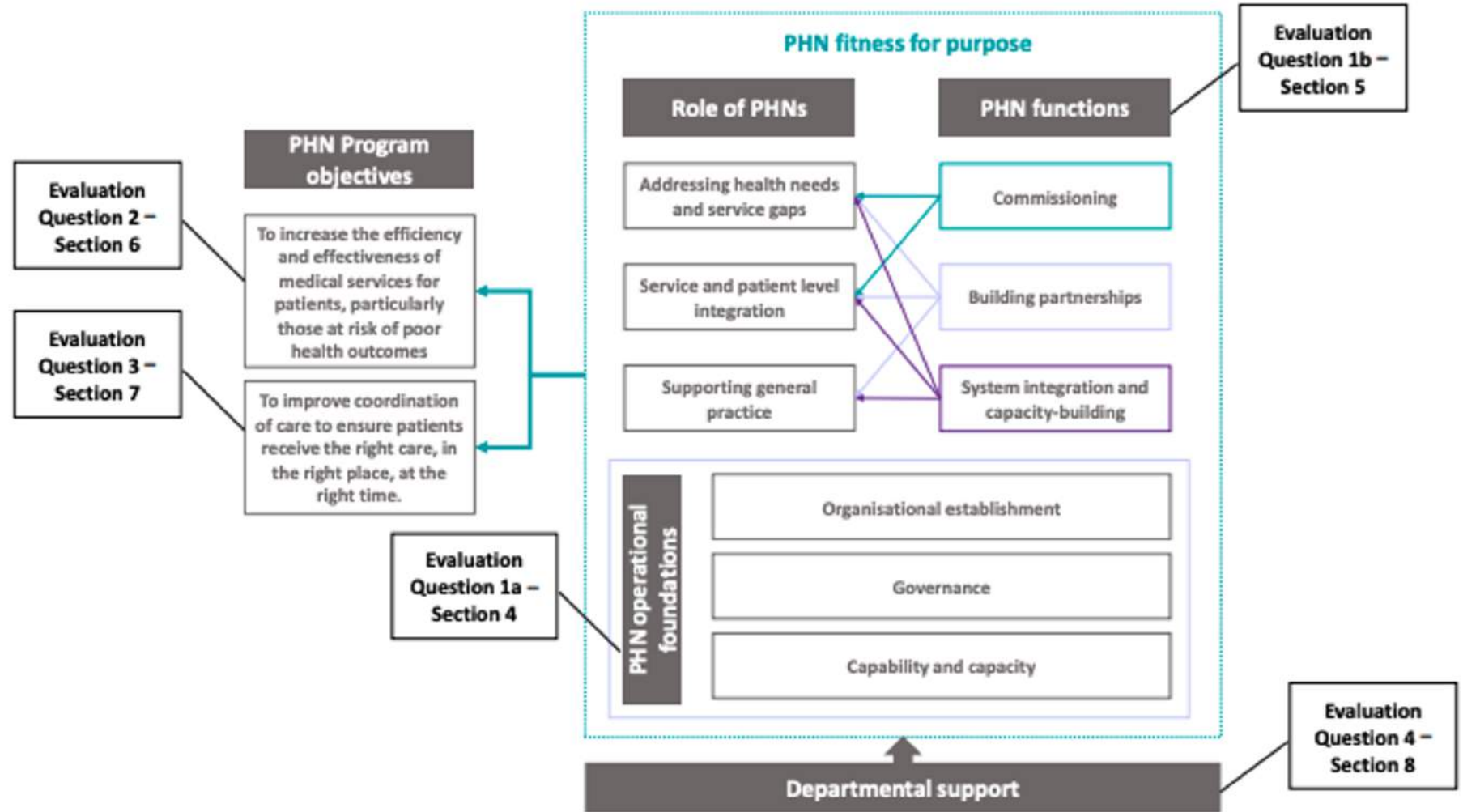
Evolving approaches: PHNs have implemented a developmental commissioning process, where they have been learning as they go. This has meant that many PHNs are still working through what is required to deliver leading practice commissioning which are most relevant to their local contexts.

Rebuilding/creating trust in partnerships: Implementation of the new commissioning approach through PHNs have been considered a 'threat' for some non-government service providers. It has been important through this process to rebuild trust with existing stakeholders, as well as create trust with new stakeholders and the participants.

Funding arrangements: A key issue found was the lack of long-term funding creating issues in planning and strategy for PHNs. Longer-term funding arrangements would also allow PHNs to better plan and align funding arrangements with Local Hospital Networks. The joint funding across levels of government have cemented the intention to improve the coordination of care across the seven key priorities.

Primary Health Networks

Figure 3: Overview of the PHN Program program logic and how it aligns to the Evaluation Questions and this report



Case study 17: Funding children's services in the Northern Territory

About

A Productivity Commission (PC) report released in April 2020 identified that funding for children's services in the Northern Territory is fragmented, siloed and top-down. Significant investments are being made by the Federal and Northern Territory Governments, but inadequate coordination and a lack of long-term vision is hampering outcomes.

The PC recommends that the two governments transition to a joint funding approach and a formal process with selected funds pooling for particular locations or services. They should also transition to longer-term contracts of a minimum of seven years, and to contracts which account for the capacity of local providers to deliver outcomes for communities.

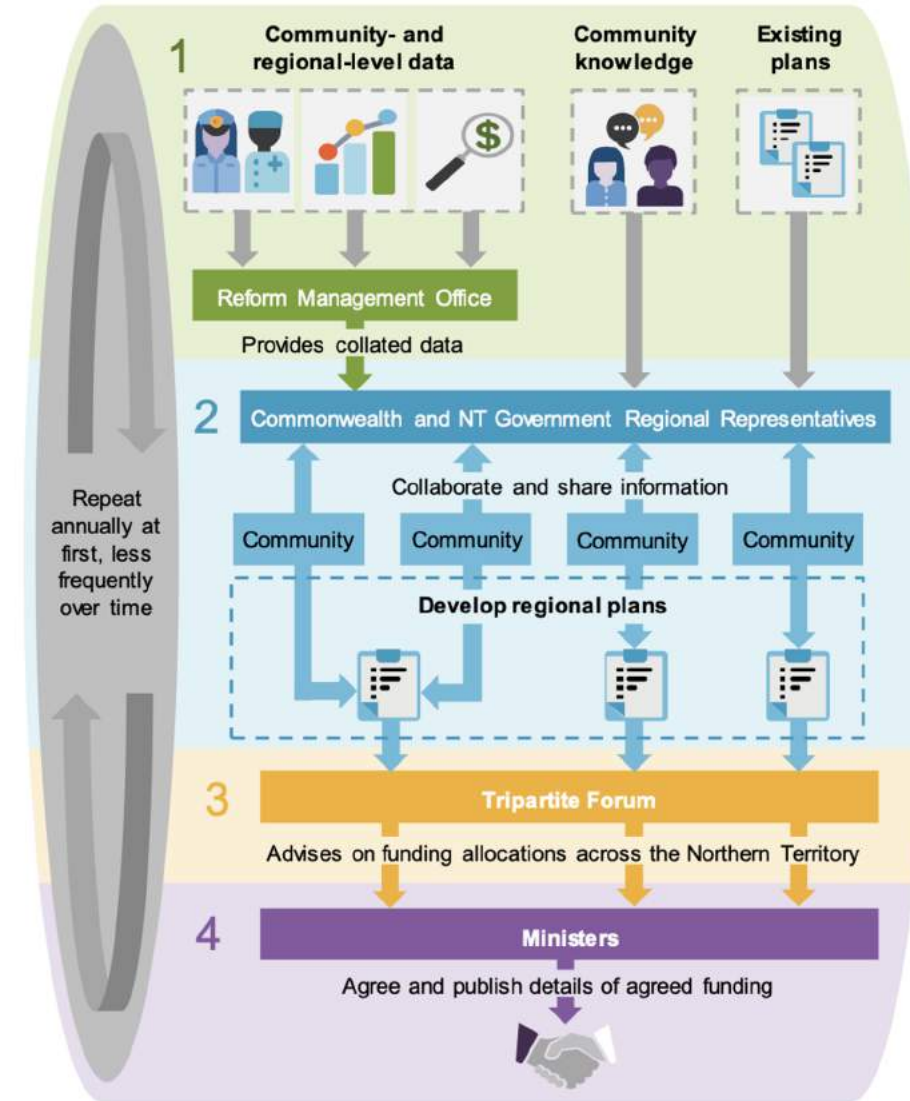
The report argues that pooled and coordinated funding can help resolve complex areas of overlapping roles between governments and can also more easily support local decision-making. This model relies on enhanced information and data sharing between agencies.

Key elements

- A core tenet of the PC's recommendations for better funding coordination is that keeping children safe and well is a shared responsibility of families, communities and governments.
- 'Shared responsibilities are challenging but inevitable': the responsibilities and objectives of different levels of government overlap to a considerable degree in relation to children and family services, particularly in the NT.
- Re-aligning responsibilities would likely be protracted, and so focusing efforts on better coordinating funding decisions is more desirable in the short- to medium-term.

Northern Territory Children & Family Services Funding Model

Figure 3: A process for the Federal and Northern Territory Governments to agree on funding for children and family services.



Northern Territory Children & Family Services Funding Model



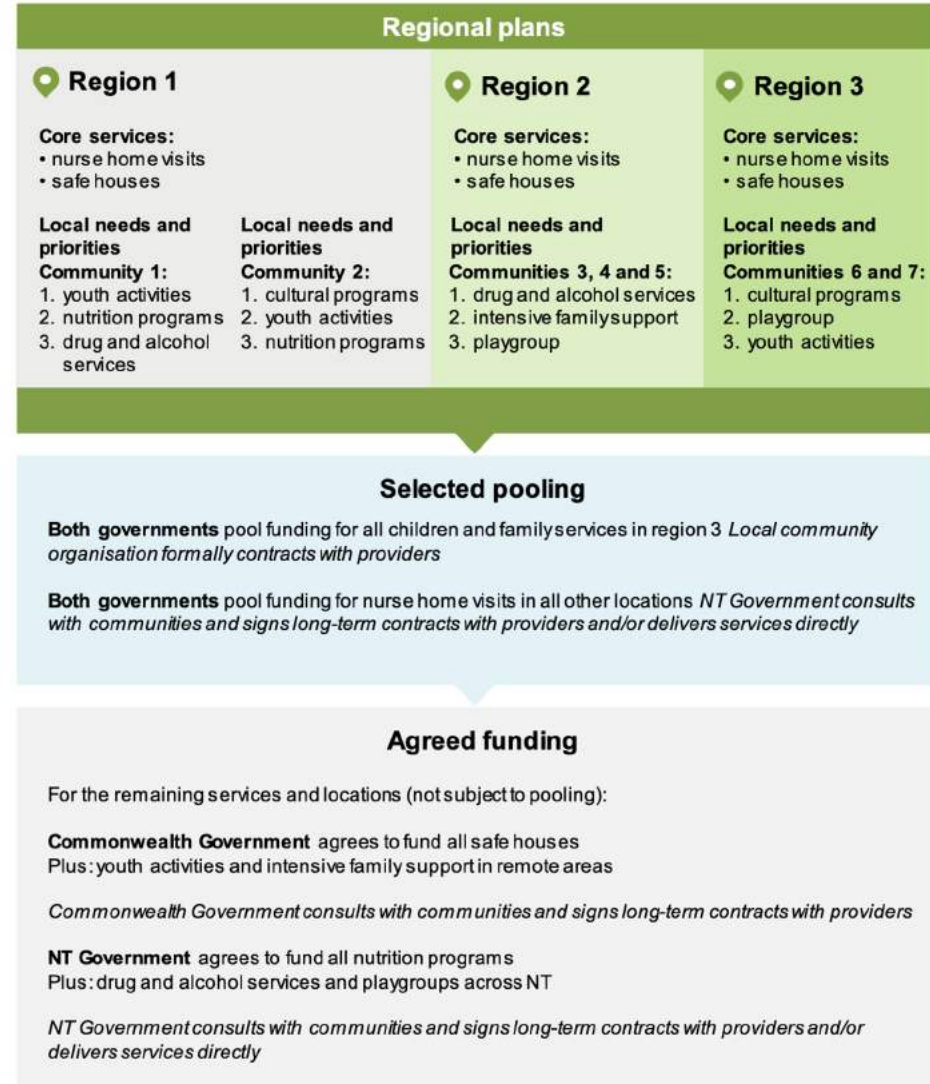
Figure 6.1: Options for inter-governmental funding coordination.

The Productivity Commission, in its 2020 report, recommends option 3.

	<p>1. Information sharing 2. Agreed funding 3. Selected funds pooling 4. Full funds pooling</p>			
Data	Governments share administrative data and detailed expenditure data (by service and location), including to identify where services fall short of a minimum level			
Funding	Governments consult each other prior to each making separate funding decisions	Governments agree on which services each will fund and where, prior to each making separate funding decisions	Governments agree on which services each will fund and where, and pool funding in selected locations and/or for some service types	Governments pool funding for all children and family services, covering all locations Sub-pools could be established for specific locations
Program structures	Existing funding programs remain	Existing funding programs remain	Existing funding programs could remain, or be merged where funds are to be pooled	Funding from existing programs is rolled into the new funding pool
Community engagement	Regional plans provide a voice for local views on children and family services			

Northern Territory Children & Family Services Funding Model

Figure 6.2 Agreed funding with selected pooling: Hypothetical example



Case study 18: Communities for Children

About

The Communities for Children (CfC) initiative is a major 'area-based' intervention. It was designed to improve the development of children in over 40 disadvantaged communities across Australia, particularly focusing on improving services for children up to age five and building community capacity to engage and to better meet needs. The logic is based on a model that the coordination of services is just as important as the number and nature of services.

Several evaluations of the CfCs have been completed, including by the Australian Institute of Family Studies in 2009 and 2010, as well as themed studies.

Extensive baseline and ongoing qualitative and quantitative data was collected from across all CfC sites and 5 contrast sites.

Key outcomes

The 2010 evaluation provided clear evidence of the early impacts of a large-scale, place-based approach to childhood early intervention, including that:

- fewer children were living in a jobless household,
- parents reported less hostile or harsh parenting practices, and
- parents felt more effective in their roles as parents.

The CfC developed an Outcomes Indicator Framework with 77 indicators across several different domains. This provided a baseline dataset (where there was not one before) on which to measure long-term results.

A key aim of the national evaluation of the CfC was to disseminate lessons learned. This was done through 'promising practice profiles' (PPPs), identified through a semi-blind independent review process. PPPs illustrated effective practices to help with planning and enhancing quality, offering a resource for practitioners, policy makers and researchers.

Key elements

Contrast sites: Demonstrating a counterfactual in the evaluation of place-based trials is challenging. CfC used contrast sites (for which children's outcomes could have been expected to be the same if not for the CfC initiative, accounting for similar socio-economic status and other factors). The contrast sites enabled comparison of outcomes and demonstration of the impact of CfC.

Data collection: The plan for data collection was ambitious, focusing on both outcomes and outputs. But data collection was slowed down by complex data definitions that were difficult to standardise across sites. Reporting on outcomes was challenging as it was mainly qualitative, proving expensive. Small NGOs also found the level of reporting difficult to cope with.

Case study 19: Benevolent Society Bond

About

The Benevolent Society bond is a joint venture of the Benevolent Society, Westpac Institutional Bank and the Commonwealth Bank. The \$10 million bond is operating over five years to deliver the Resilient Families Service to up to 400 families and their children in NSW.

It works for up to nine months with families to deal with issues like:

- unstable housing
- debt problems
- regular income
- domestic violence
- substance misuse
- family functioning and relationships.

Key outcomes

- The four-year results show a 32% improvement on the outcomes for a control group.
- The Benevolent Society's Social Benefit Bond has delivered good results in both tackling complex and entrenched social problems and good returns for investors.

Key elements

Greater clarity on outcomes and flexible service responses: A key part the social impact investment bonds success has been greater clarity about outcomes and the flexibility to develop the best service responses.

Understanding real costs and capturing key data: The nature of developing the bond has necessarily required a greater understanding of real costs and projected savings, and the capturing of key data to inform design and delivery.

Commitment and collaboration: Parties to a bond, or other social investment vehicle, dedicate time, effort and resources, particularly at the outset, but also throughout the life of the investment as issues arise, to collaboration to ensure each party understands the objectives, contributions and importance of the other parties to the venture. This is potentially a transferable lesson regardless of whether a bond exists or not.

Expertise: Establishing a bond is a highly complex transaction and required input from a range of experts with diverse skills, some of which are not normally found in-house for many non-government organisations, such as economic and financial modelling, lawyers, insurance experts, tax advisors, evaluation experts and statisticians

Therefore, in terms of achieving results to intractable social problems, – it is not clear that the program financed under the bond is different to those financed by other means. In fact the key lessons for good results are:

- More flexible contracting arrangements
- Greater emphasis on outcome-based contracting
- High levels of collaboration throughout the life of the project
- Data informed responses
- Clearly being able to evidence a shift in outcomes
- The potential for comparing results against a traditional funding model community. That is, evaluate against a control group.

All of these elements could be brought together outside of the impact bond framework.



10 August 2018

Future Employment Services Consultation
Department of Jobs and Small Business
GPO Box 9880
Canberra ACT 2601

Centre for Policy Development Submission: Future of Employment Services

Introduction

The Centre for Policy Development (CPD) welcomes the opportunity to make a submission to the Future Employment Services Consultation.

CPD has a track record of research within our Effective Government Program into the effectiveness of employment services. Our long interest in these matters is reflected in the reports [Grand Alibis](#) (December 2015) and [Settling Better](#) (February 2017, which was released with the support of the Boston Consulting Group), and a broader discussion paper on Australia's democracy (December 2017). These issues also informed the creation of our multi-year Cities and Settlement Initiative, which focusses on helping refugees to find jobs faster. These reports, related [articles](#) by CPD staff members about *jobactive*, and further information about CPD's Cities and Settlement Initiative are available on our website.

Our submission to the Future Employment Services Consultation builds on our correspondence with Sandra McPhee, Chair of the Employment Services Expert Advisory Panel (the Panel), and discussions with the Active Labour Market Assistance Branch in the Department of Jobs and Small Business (the Department). It also draws on discussions and analysis produced through our Cities and Settlement Initiative. We would be pleased to continue these conversations to expand on the recommendations below.

Our recommendations focus on service and funding models; activation and assessment; governance and evaluation; policy objectives and service coordination; and digital offerings.

General Principles

Several principles inform CPD's approach to employment services.

- A goal of sustainable, appropriately paid employment in the places that matter most;
- Employment services should upskill and retrain all Australians – young, old, and new;
- All jobseekers have capabilities to contribute, not least refugees;
- One size does not fit all – the new system will need a combination of digital training accounts for all and personalised, flexible, local services for the most disadvantaged;
- Local governments or other public agencies are often best placed to coordinate or deliver integrated, flexible and well adapted solutions – especially for complex social services;
- 1:1 engagement with employment services for disadvantaged jobseekers, often at the family level, and with a career or life cycle perspective; and
- Funding models must be designed for quality outcomes, not price.

CPD's extensive attitudes research conducted in 2017 about Australia's democracy found that Australians are highly sceptical about outsourced social services and view government as the better provider on key indicators (cost, accessibility, quality, accountability, and affordability). We found 82 per cent of respondents wanted government to retain the skills and capability to deliver services directly, and 75 per cent of respondents supported embedding the public sector in more parts of Australia. These findings are consistent with Gary Morgan's [research](#) on the most trusted professions in Australia. Public employees delivering services at the front line are always at or near the top. Nurses have been the most trusted for 23 years running.

Doctors and teachers are not far behind, ranking second and fourth respectively in 2017. Public servants in general are ranked well above journalists, business leaders, and politicians.

Public service values and culture may seem esoteric to some but deliver tangible benefits if deployed towards the delivery of integrated services in the places Australia needs them most. These values include an imperative to work in the public and community interest, to find the best outcome for the intended beneficiary, and a willingness to use networks to ensure individuals have the best collection of services available. Cultural elements include remembering what has been attempted beforehand, lesson learning systems and evaluation, retained capability, and trusted relationships with complex sets of stakeholders.

These values and cultural elements appear to have been lost in the evolution of the outsourced delivery system, especially the tender and commissioning processes. These objectives are not highly weighted in tender documents, to the extent they appear at all. Nor are they generally available publicly or measurable against outcomes transparently given the reliance on commercial-in-confidence provisions in procurement contracts. Commissioning processes that are not intended to exclude public delivery options in theory often do so in practice, making it very difficult for public institutions to bid and depriving the market of public sector values and culture often associated with the best quality of delivery. There is seldom any accurate comparison of cost in these outsourced systems with the cost within an effectively managed public sector environment, or tangible evidence of the reported efficiency gains via outsourced systems. Without better evidence, an observer could conclude profits are placed ahead of efficiency and quality in outsourced delivery systems. Arguably this has been the case with Australia's employment services.

Recommendations

1. *Change service and funding model*

CPD believes a pivotal issue for employment services, especially the enhanced services model, is that they must be driven by results, not by price. They must also enlarge the role of public authorities in delivery at the local level. We are finding in our research that locally connected, place-based approaches to service delivery, with active and autonomous local brokers, are achieving better results. Our view is that activity based funding (ABF) and place based services should feature strongly in the new system.

If the panel is persuaded by this, we encourage them not to let transition risks or transition arrangements to the new system to impact the ultimate design. There are several ways to minimise the transition risks, including by implementing the new design in different geographies at different times. Another option is to adopt a hybrid model, whereby jobseekers who are currently be streamed in category A receive digital training accounts (and associated funds) directly, as under the NDIS, whereas the more disadvantaged jobseekers (now categories B and C) are eligible for the enhanced services model built around ABF.

a. *Activity based funding*

Simple but effective outcomes-based funding arrangements have been difficult to achieve in practice. Finding a job is often the sole payment point, instead of a bundle of activities that collectively generate sustained economic participation (such as employment readiness, skills certification, mentoring, re-training, work experience, mapping career pathways, collaboration, and building local networks). However, insufficient attention appears to have been given during the growth and pricing of outsourced employment services to:

- Joined up responses (such as employment, education, and language training);
- Cost-benefit comparison of public provision; and
- Culturally-sensitive capability, service delivery experience and incentives to ensure decision-makers act in the best interests of the client.

The Department will be familiar with ABF and casemix models used in Australian public hospitals. A similar model, with a fixed efficient price, local authority and accountability for outcomes, could make employment services much more effective. We believe ABF is superior to the existing reliance on tendering, where incentives are skewed toward producing the lowest price without due regard to results and the most difficult to place jobseekers.

Designed well, ABF can help to remedy the inherent problems of managerialism which harm *jobactive* and create legitimate and collaborative institutions and services that empower citizens at the local level. This responds directly to the attitudes research reported in CPD's 2017 discussion paper on Australia's democracy, namely great weariness with policy based on microeconomics as a means of taking the country

forward and a desire for more active involvement of government in designing and delivering complex services alongside communities.

ABF encourages governments and other funders to consider the relative cost-effectiveness of different types of employment services. It is an important tool in allocative efficiency and has three benefits:

1. *Transparency*: it directly links funds to services provided.
2. *Equity*: it assists benchmarking and ensures that funding paid for like services is the same.
3. *Efficiency*: it helps managers identify inefficient practices and target unnecessary costs, while providing incentives to do this by allowing surpluses to be used for reinvestment, research, or other purposes.

ABF has two features: price and classification. Both are commonly handled by an independent government authority. That authority describes the relevant employment services activities and sets their price. The authority sets the rules that surround those prices (e.g. quality performance indicators, characteristics of the organisations providing the service, strong preference for organisations that are networked well into the community, expectations around evaluation and data). The prices and rules are updated on a regular basis (e.g. annual price adjustments based on the efficient price, three-year rule reviews). The authority also sets the criteria for public and private entities to qualify as providers, and therefore be eligible to receive funding. It might also distinguish between providers that do activation and assessment, and those that are best placed to deliver services at the local level.

One advantage of using ABF for employment services is local flexibility and autonomy. Formal recognition of providers of employment services would be the entry point to working in the system, with no restrictions placed on the type of provider under the system. They could be TAFEs, local community groups, not for profit organisations, local governments, and for profit providers. Collaboration between providers can be incentivised so that a bundle of services (including employment readiness, skills recognition, work experience, counselling, and language training) can be provided to those with complex needs.

As with the Gonski reforms, the efficient price for a given service should apply to all providers. However, tender based prices should not be the reference point. Declining prices have, over time, reduced the quality of services for those with complex needs and crowded out public involvement. Funding needs to be channelled through the appropriate government agency, although simplifying funding channels and accountability is needed. One area of overlap is between employment and language support. Another is between federal, state, and local funding.

We have conducted a comparative analysis of employment services contracts and funding mechanisms provided to us by Settlement Services International (SSI) in NSW, and the Jobs Victoria Employment Network (JVEN). We believe these contracts are instructive because they are designed to remedy the areas where *jobactive* has fallen short and take a different approach to prescription, pricing, autonomy and incentives for collaboration. Unique elements to the contracts, in contrast to *jobactive*, include:

1. Place based initiatives: taking a specific geographic area allows the targeting of the cohort, clearer awareness of barriers faced, and stronger connections to local employment opportunities.
2. A focus upon *sustainable* and *skilled* employment.
3. Face-to-face and personalised support through, for example, Employment Pathway Plans.
4. Ongoing language training and payments for providers when clients complete *post-AMEP* training.
5. Collaboration: requiring the provider to develop working relationships with employers, employment services, education providers and settlement services, or to establish stakeholder advisory committees.
6. Payment points for overcoming the barrier of overseas-skills recognition, through obtaining recognition, or providing alternative pathways to recognition.
7. Payment points for the provider when a client successfully completes work experience.
8. Entrepreneurship as an employment outcome: helping individuals to access and connect with information about establishing their own businesses.
9. Mentoring and mental health care: providers are required to engage with health and mental health services, as well as mentoring services for clients.
10. Transport barriers: payment points for overcoming this barrier for clients and allowing them to reach their place of employment.

These models come closer to ABF as applied in hospitals and when an independent government body sets prices, depending on the complexity of client's needs. They have one or more of the following elements, which appear increasingly important for better outcomes.

- Autonomy in provision of services;
- Sets of activities clearly set out; and
- Clear price signals and incentives for collaboration at the local level.

b. Place based service models

Chapter 8 of *The next generation of employment services* discussion paper suggests that targeted regional and local approaches will be necessary for future employment services. Indeed, networks at the local level are often the best means of involving businesses in considering people for jobs and in identifying individual specific skills gaps. Only a local arrangement can provide this given that national administration is often distant from the circumstances of the numerous communities which constitute Australia. Support at the local level in an integrated way (skills, language, employment etc.) can prepare people for participation in jobs available at the local level. Markets have been unable to achieve this level of personalised integration.

Place based service models might be a subset of or alternative to the enhanced services model. They build self-reliance in local communities, whereby the key unit of change is a geographic area. Designed well, they are one way for the next generation of employment services to spark creativity at the local level and make a real difference to employment outcomes. Such areas demand creative partnerships and active brokers that employ the 'Bunnings Principle' to find local solutions. By this we mean identifying bespoke approaches and local infrastructure or public entities that can be leveraged (and then replicated and scaled) to achieve better outcomes. The alternative is the status quo, where *jobactive* providers compete with state government and tailored NGO approaches for the same clients: three organisations spending money on the same cohort without a coordinated effort in design or local delivery.

We think there is considerable merit in exploring these models further and trialling approaches that devolve funding and authority to public agencies (or local governments) operating in communities where there is acute unemployment or underemployment. Within our Cities and Settlement Initiative, we have a working group investigating what locally connected approaches to employment services could look like in practice for vulnerable jobseekers. They have examined various models in the United Kingdom, Europe, Canada and the United States. These examples suggest several critical success factors, including:

- Close working relationships with and proximity to partner organisations (e.g. higher and vocational education, business, NGOs and charities);
- Understanding of the local population's needs (including by undertaking specific research and surveys, and awareness of local processes and emerging trends);
- Active government involvement (often local or municipal governments) and integration with local businesses (matching employers with employees, acting as a broker for employment); and
- Local control and design of programs (either by autonomy to adapt well-funded and developed national programs or to design, fund and manage such programs independently).

If the panel is suitably persuaded by placed based approaches, accurate segmentation of vulnerable cohorts by geographic area based on data from *jobactive*, the Index of Relative Socioeconomic Advantage and Disadvantage ([ISRAD](#)), and the ABS SA2-3 datasets will assist with identifying areas of acute need. Those areas and cohorts should be mapped so that there is a clearer view of the employment/non-employment distribution, the *jobactive*/related services distribution, labour demand and other economic indicators. We suspect significant service or capability deficits in those areas whereby a 1:30 caseload is unachievable. Employment services in such areas are a worthy candidate for the sort of 'special project' undertaken jointly by governments contemplated by the Productivity Commission in *Shifting the Dial* (2017, pp. 192-208).

2. Better assessment and prompt activation of services

A successful future employment services system will rely heavily on accurate assessment of need (including of digital literacy) and prompt activation of services in the initial phase, even for those who are not able to find work immediately.

Better assessment requires the right set of questions, capable systems and experienced staff to assess need, and continuity of 1:1 planning and service provision thereafter if individualised services are activated. Each of these areas needs fixing. Our research has found that inaccurate streaming is a big issue, and that 1:1 early

intervention by a case manager focussed on sustainable outcomes has a better track record than blunt, transient *jobactive* targets. The integration and establishment plans in Finland and Sweden, the *Given the Chance* program run by the Brotherhood of St Laurence, and JVEN are several examples of such an approach in action.

Future employment services should also bear in mind that jobseekers who are assessed as requiring the enhanced services model may not be the only household member able to find suitable employment but may be the only one interacting with the system. Data we have seen, for example, suggests migrant spouses have an unemployment rate of 22.7% despite 36% of the same cohort holding bachelor degrees. The additional spend required to do 1:1 plans *for all family members* of other disadvantaged cohorts (such as CALD and Indigenous communities) will likely pay for itself through a greater dividend over the long term.

3. Offer smarter digital solutions

We agree the new system should equip the workforce for the future and that digital services can reduce the cost of supporting those jobseekers with stronger prospects. Digital technology can assist with more effective assessment and activation, including by mapping skill sets to the local labour market. Digital services can also boost equity and flexibility, making online training, language support, coaching and employer matching available regardless of location. They are likely to be attractive to those who are underemployed, seeking to change careers, or in the process of retraining or upskilling – all growing trends.

One strong caution, however, is that digital services and big data will not be a panacea for better employment services. Data transfer from providers to government has been poor, and commonly for compliance, not to learn more about what works. For vulnerable jobseekers, digital is barely used because computer literacy is often low. We suggest savvier digital offerings that focus on smart phones, where literacy is much higher. We also suggest incentives to encourage jobseeker, service provider, and employer participation, such as topping up digital training account credits when jobseekers evaluate services or refer others, and triggering wage subsidies when employers recruit direct from the system.

4. Streamline policy objectives and service delivery coordination

We recommend a specific gender lens be applied to the next system. New initiatives principally for women and children (e.g. Community Hubs Australia) have emerged in the settlement space because mainstream service offerings (including in *jobactive*) take a one-size-fits-all approach often unsuited, for example, to migrant women.

Our research on employment services continues to find that language, and effective language services, are a necessary condition for better employment outcomes in culturally and linguistically diverse communities. Data we have seen confirms English language fluency is critical to employment, and that it is more of a barrier to women than it is to men. For this reason, language training should be a key plank of the new enhanced services model.

More can be done in this respect to link federal government programs that should be interconnected and mutually reinforcing. Policy drivers, like ‘finding a job’ or ‘learning a language’, are delivered by separate programs, *jobactive* and the Adult Migrant English Program (AMEP), that can push in opposite directions. This is counterproductive. For example:

- Poor English is the second strongest predictor (after gender) of workforce participation for refugees.
- 26% of eligible refugees were unable to continue the AMEP program after finding a job.

A defined period of interagency collaboration between relevant departments (e.g. Jobs and Small Business, Social Services, Industry, Education, Human Services and Home Affairs) will be necessary to refine the new employment services system so that policy objectives are aligned and service are streamlined.

5. Reform governance and build in evaluation

If the funding and service models change, the governance strategy used is important. Relatively independent public agencies (such as schools and hospitals) arguably have a better track record at delivering services than departments of state. These agencies can be held accountable for outputs and outcomes given significant improvement in management techniques and clearer thinking about how best to achieve the purchaser-provider separation. In some areas, therefore, it may be prudent to experiment with decentralised or devolved delivery to independent agencies within the public sector as this puts responsibility for delivering services close to the clients of those services.

So far as place based services are concerned, we propose area-specific governance models that make the most of experience at the local level about what it takes to get a job and connect with employers.

Specifically, we suggest:

- elevating the role of local government or other public agencies to broker, coordinate and deliver services (like models in London, Hamburg, the Netherlands, or [Northern Futures](#) in South Australia);
- incentivising tripartite partnerships (as required by JVEN) between peak bodies in the community or industry, local government, and education;
- front-loading funding for individualised plans and service coordination, together with wage subsidies to local employers (such as Denmark's IGU program), particularly where employment is connected to other services like language support (such as Sweden's 'Step In' subsidies).

Governance reforms at the local level will only be effective if accompanied by changes federally. As *Settling Better* showed, in settlement and employment services there can be four departments and six ministers involved at any one time, a recipe for fragmentation and grand alibis. If interagency collaboration is unlikely to result in greater alignment of policy objectives and service offerings, machinery of government changes will be necessary.

The Federal Government's commitment to [open contracting](#) and a lack of good data on what works in job services also provides an incentive to embed evaluation into the new system. This is one area where immediate progress can be made. Employment trials could exempt certain cohorts from *jobactive* and track their progress via bespoke services that have emerged because of *jobactive*'s deficiencies (like SSI's Refugee Employment Service or JVEN). Both focus on integrated services tied to employment for vulnerable cohorts, have different payment points and activation phases.

Triple Dividend on Offer for Australia

CPD's research on refugee employment and settlement services, conducted with the support of the Boston Consulting Group and through our Cities and Settlement Initiative, has revealed several of the pain points in the current employment services system. Just as important, however, is that it has highlighted the prize on offer for Australia if we can do better.

Our analysis of Wave 3 of the Department of Social Services' *Building a New Life in Australia* longitudinal study found that after 36 months in Australia:

- Overall, just 21% of humanitarian migrants are in paid work;
- Humanitarian migrants with poor English speaking skills are 2.2 times more likely not to have a job;
- Humanitarian migrants with no paid work experience before arrival are 1.8 times more likely not to have a job; and
- Woman are 4.2 times more likely not to have a job.

Improving employment outcomes by 25 per cent for just one annual intake of humanitarian migrants (compared to average jobseekers) would deliver a 'triple dividend' for Australia. It is worth \$465 million in direct annual value to those migrants, \$165 million to the Federal Government budget and significant social cohesion dividends. Lessons learned by improving outcomes for refugees will also improve outcomes for other jobseekers requiring an enhanced services model (such as CALD and Indigenous communities). To do so, future employment services must overcome several pain points (Figure 1) and consider the reforms we have outlined above (Figure 2).

Figure 1: Multiple pain points for refugees with jobactive

	Pain point	Description
Arrival & HSP	Insufficient early focus on employment	While HSP has a stated focus on employment, this is not yet supported by funding or HSP processes
Connected with ESP	Engagement model too one-size-fits-all	Initial assessments miss factors unique to refugees, leading to incorrect streaming. Three-stream model doesn't reflect the very wide range of refugee capability profiles (some ready for work well before 6 months, others need extended/specialised supports)
	Women not sufficiently supported	Female refugees often not the primary jobseeker - Current model lacks flexibility to deliver complementary services like childcare, or ramp up AMEP/employment services later
Job-readiness activities	Complex and costly to gain skill recognition	Skilled refugees often placed in jobs below their skill level because it is a lengthy and costly process for migrants to gain recognition/certification
	Not well coordinated with other services	Employment services are not well integrated & aligned with language (AMEP) and settlement services, VET/TAFE, or local gov't
	Funding model too narrow	Narrow focus on employment outcome in current funding model limits incentive for ESPs to invest in harder-to-place refugees (e.g. work experience, mentoring, training)
Job search	Too much time spent on compliance	Excessive time spent on ESP requirements as opposed to job search (e.g. completing activity schedules, navigating non-digital services)
Employed	Employer needs not taken into consideration	Employment services do not sufficiently engage employers or prepare refugees to meet their needs (e.g. high-growth sectors in disability services and infrastructure)

Figure 2: Potential reforms

	Pain point	Proposal	Description
Arrival & HSP	Insufficient early focus on employment	Encourage 'better' assessment and prompt activation of services	<ul style="list-style-type: none"> Implement individualised assessment and service activation Implement the 'right' set of questions, capable systems and experienced staff to assess need
Connected with ESP	Engagement model too one-size-fits-all		
	Women not sufficiently supported	Reform governance and 'build in' evaluation	<ul style="list-style-type: none"> Implement a randomised trial that exempts people from <i>jobactive</i> and tracks their progress via bespoke services Embed evaluation of what works in the new system
Job-readiness activities	Complex and costly to gain skill recognition	Streamline policy objectives and service delivery coordination	<ul style="list-style-type: none"> Streamline policy objectives and improve coordination of service delivery across the five Commonwealth Departments involved in humanitarian migration (Home Affairs, DSS, DHS, DET, DJSB)
	Not well coordinated with other services	Change service and funding model to encourage steps towards employment	<ul style="list-style-type: none"> Revise funding model to incentivise broader range of activities for high-needs cohorts, and pilot place-based approaches through area-specific governance and funding arrangements in high-need LGAs Test activity-based funding and placed-based model with regional employment trials
	Funding model too narrow		
Job search	Too much time spent on compliance	Offer smarter digital solutions	<ul style="list-style-type: none"> Boost flexibility of delivering training, language support, coaching and employer matching - with a focus on smartphones Use incentives to encourage jobseekers, providers and employers to participate, with appropriate solutions for CALD clients
Employed	Employer needs not taken into consideration		

Conclusion

CPD is aware that employment trials will commence in ten disadvantaged regions in October 2018. These trials provide a unique opportunity to test an activity based funding model for higher needs cohorts, and a greater role for public agencies and local governments in coordinating or delivering services.

Please contact us if you have any or would like to discuss any of the matters raised by this submission.

Sincerely



Travers McLeod
Chief Executive Officer