

The Department of Education, Skills and Employment

Exposure Draft for the New Employment Services Model 2022
Purchasing Arrangements

Response submitted by:

Yourtown



Response to the Exposure Draft for the New Employment Services Model 2022 Purchasing Arrangements

A Case to Include Youth Specialisation

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yourtown, July 2021

Authorised by:



yourtown is a national organisation and registered charity that aims to tackle issues affecting children and young people's lives. Established in 1961, **yourtown's** mission is to enable young people, especially those marginalised and without a voice, to improve their life outcomes.

yourtown provides a range of services (virtual and face-to-face) to children, young people and families. These services include:

- Kids Helpline, a national free 24/7 telephone and on-line counselling and support service for 5 to 25 year olds with special capacity for young people with mental health issues
- Employment and educational programs and social enterprises, which support young people to re-engage with education and/or employment, including programs specifically developed for those in long term unemployment
- Accommodation responses to young parents with at-risk children and to women and children seeking refuge from domestic and family violence
- Young Parent Programs offering case work, group work support and child development programs for young parents and their children
- Parentline, a telephone and online counselling and support service for parents and carers
- Mental health service for children aged 0-11 years old, and their families, with moderate mental health needs
- Expressive Therapy interventions for young children and infants who have experienced trauma and abuse.

yourtown's work with unemployed young people

yourtown has more than 20 years' experience helping young people who face significant barriers to find and keep a job. We deliver youth specialist jobactive services (under subcontract to MAX employment) in 24 locations across eight regions, Transition to Work (TtW) in 12 locations across five regions, and ParentsNext in the Mid North South Australia region, including Port Pirie and adjacent communities.

Our specialist employment services experience and research with young people underpins our innovative program, **your job your way**, addressing long-term youth unemployment in Elizabeth (South Australia), Caboolture (Queensland), and Burnie and Devonport (Tasmania). **your job your way** is a strengths-based, trauma-informed best practice employment services model assisting young people aged 15-24 who are engaged with jobactive, experiencing long-term unemployment and are at the highest risk of permanent detachment from the labour market. Our model includes the delivery of intensive, concurrent support to small active caseloads of 25 young people, by a qualified and experienced youth specialist dual support team that use their complementary skills to engage young people, stabilise their personal situation, and develop foundational skills to assist their achievement of employment and training goals. **your job your way** led to 67 commencements, 145 employment placements and 153 employment outcomes (at 4, 12 and 26 weeks). A Centre for Social Impact evaluation shows that **your job your way**:

- Delivers significant improvements across a range of measures including mental health, employability skills, aspirations, motivation and confidence;
- Is more effective than jobactive in getting young people experiencing long-term unemployment into work (82% vs 49%) and sustaining employment for 26 weeks or more (85% vs 71%); and
- Generates a cost saving of \$6.60 for every \$1 invested.

We run social enterprises for young people at-risk of or experiencing long-term unemployment. Our social enterprises employ young people aged 15 to 25 years who are not yet work-ready, and transition them to sustainable employment through a combination of paid work, on-the-job training, and support to overcome personal barriers. From July 2020 to May 2021, there were 70 employment outcomes (4, 12, 26 weeks), and 28 of these outcomes were for long-term unemployed young people.

yourtown is the largest provider of labour market programs in Queensland through the Government's Skilling Queenslanders for Work (SQW) initiative. Our SQW model has a dual support team (youth worker and employment mentor) building trust and rapport with participants for engagement and positive outcomes, and providing post-placement support to help clients maintain employment. From July 2020 to May 2021, SQW

resulted in 339 commencements, 253 participants with employment outcomes, and 356 participants who completed accredited qualifications.

Our face-to-face employment programs specialise in working with young jobseekers who are at the highest risk of long-term unemployment, including:

- Early school leavers (12% of our jobactive caseload);
- Young Aboriginal and Torres Strait Islander peoples (15% of our jobactive caseload and 37% of our TtW caseload);
- Young offenders (12% of our jobactive caseload and 10% of our TtW caseload);
- Those from culturally and/or linguistically diverse backgrounds (12% of our jobactive caseload 10% of our TtW caseload); and
- Principal carers (10% of our jobactive caseload and 10% of our TtW caseload).

yourtown's outcomes for jobactive and TtW from July 2020 to May 2021 are below:

Program	Commencements	12 week outcomes	26 week outcomes
jobactive	3,810 (2,626 LTU) in employment	1,549 (911 LTU) in employment	802 (430 LTU) in employment
TtW	1,891 (826 LTU) in employment 590 (237 LTU) in education	759 (333 LTU) in employment	452 (152 LTU) in employment 175 (96) in education

Note: Outcomes for young people previously in long-term unemployment (LTU) are in brackets.

yourtown recommends:

That youth specialisation should be included in the New Employment Services Model to complement Transition to Work

In our experience, young people experience more benefits in an employment services model where they receive tailored service from youth specialists. We recommend including youth specialisation in the New Employment Services Model for the following reasons:

- Since the 2007 Global Financial Crisis, rates of youth unemployment (8.8% in 2008 vs 14.4% in 2020),¹ long-term youth unemployment (0.8% in 2008 vs 2.3% in 2020)² and youth underemployment (11.3% in 2008 vs 18.7% in 2020)¹ have increased and continue to be at least double the rates for the overall working population;
- Potentially 100,000 highly vulnerable young people may be in the new model's Enhanced Services;
- Youth specialist providers understand their target cohort because they have recruited, trained and resourced with a specific staffing profile and service delivery model designed for this specialty;
- Consistent youth-centred employment interventions have more success than generic services in assisting unemployed young people, particularly those with mental health issues, to achieve enhanced employment and social outcomes;³ and
- Young people with complex barriers achieve better outcomes in services offering relational-based practice with skilled and youth-friendly staff.⁴

Young people in the New Employment Services Model

As at May 2021, 206,000 young people aged 15-24 years were accessing employment services support. Specifically, 168,000 young people were in jobactive and 38,000 were in Transition to Work. While positions in Transition to Work will increase to 42,000 in July 2022, this will still leave at least 126,000 to be transferred to Digital Services or Enhanced Services.

Historically, 42% of jobactive clients have been classified as Stream B and 16% as Stream C.⁵ Within the New Employment Services Trial regions, 66% of the caseload were in Enhanced Services Tier 1 and 14% were in Enhanced Services Tier 2.⁶ While these breakdowns may not be an exact representation of what is expected in the new model, they suggest that between 73,000 and 100,000 potentially vulnerable young people (currently in jobactive Stream B or C) may be in the new model's Enhanced Services.

The 'scarring' effects of unemployment on vulnerable young people

Young people's experiences, or lack thereof, in the labour market can influence their attainment of longer-term labour market outcomes.⁷ They are particularly vulnerable during and after downturns in the labour market, such as the recent decline resulting from the pandemic. Young people who usually would be in short-term unemployment before finding work are now at-risk of long-term unemployment. This cohort are also at-risk of experiencing longer-term 'scarring' effects, including:

- Lower prospects for employment
From January to May 2021, 62,000 young people on average were in long-term unemployment. This is higher than pre COVID-19 in Australia where 49,000 young people on average were long-term unemployed during 2019.²
- Decline in disposable income

¹ ABS (2021). 6202.0 Labour Force Australia. Table I3. Labour force status for 15-24 year olds. Table 22. Underutilised persons by age and sex.

² ABS (2021). 6291.0.55.001 - UM3 - Unemployed persons by Age and Duration of job search, January 1991 onwards

³ Gmitroski, T. et al. (2018). Barriers and facilitators to employment for young adults with mental illness: A scoping review. *BMJ Open*. 2018; 8(12): e024487. Published online 2018 Dec 18. doi: 10.1136/bmjopen-2018-024487

⁴ For example, Ramia, I, Meltzer, A., Moffatt, J., Powell, A and Barnes, E. (2020). **your job your way** Final Evaluation Report. Centre for Social Impact and yourtown.

⁵ DESE. (2019). Employment Services Outcomes Report (jobactive).

⁶ DESE. (2019). FAQs – Discussion paper New Employment Services Licensing System.

⁷ The University of Melbourne (2015). The Household, Income and Labour Dynamics in Australia Survey: Selected Findings from Waves 1 to 12. https://melbourneinstitute.unimelb.edu.au/___data/assets/pdf_file/0006/2155506/hilda-statreport-2015.pdf

In the ten years after the 2007 Global Financial Crisis, young people aged 15-24 years experienced a 1.6% decrease per year in their disposable income and young people aged 25-34 years had a 0.7% decline per year in disposable income. Other age groups experienced at least 2% growth per year in their disposable income.⁸

- **Worsening mental health**

For long-term unemployed youth, poorer mental health can be experienced at the time of unemployment and then periodically throughout their life.⁹ In **yourtown's** program for long-term unemployed youth, **your job your way**, 40.1% of young people indicate that they experience high or very high levels of psychological distress. This is higher than the national rate (31.5%) of young people who indicate that they are experiencing high or very high levels of psychological distress.⁴

The need for youth specialisation

Elevated levels of youth unemployment and long-term youth unemployment, as well as the associated scarring effects, indicate that young people in the New Employment Services Model need specialist providers who will deliver relational-based practice and integrated mental health and wellbeing assessment and support. The Department would be able to identify areas that specifically have high levels of long-term youth unemployment and entrenched structural and intergenerational disadvantage. Youth specialists then could build a case for youth specialisation in specific areas within employment regions. These specialists would also need to detail their strategies for working collaboratively with complementary services, such as Transition to Work.

Suggestion point

Youth unemployment is a wicked problem that should be addressed with an evolving approach and by accessing the best available solution. The outcome of the Transition to Work tender process will provide the Department with access to the best youth specialists, as identified by the Department. The Department could leverage the expertise of the successful tenderers by placing them in a panel that can be accessed to offer youth specialisation Licenses within Enhanced Services.

In regions where the youth unemployment rate and needs of young people exceed the allocation of places in Transition to Work, the Department would then have the option of going to this panel of youth specialist providers and entering into a closed tender process with, or directly offering Licenses to, providers who have indicated interest in that region. To facilitate this process, a mechanism could be incorporated in the Transition to Work tender for tenderers to express interest in delivering youth specialisation in the new model's Enhanced Services.

By accessing and utilising the highly skilled workforce and youth specialist service delivery models across programs, the Department would be acting in the best interests of young people and employers.

Clarification point

The Department have advised that job seekers will be referred to the relevant specialist in the area by default. These job seekers will only go to an enhanced provider by choice. The Department has also advised that Transition to Work will be the nominated youth specialist provider. We are seeking clarification around Indigenous young people. If job seekers are Indigenous and meet the Indigenous Eligibility Criteria for Transition to Work, which specialist provider will they be referred to by default?

⁸ Productivity Commission (2020). Why did young people's incomes decline? Productivity Commission Research Paper.

⁹ Strandh, M., Winefield, A.H., Nilsson, K., & Hammarstrom, A. (2014). Unemployment and mental health scarring during the life course. *The European Journal of Public Health, 24*(3)