

11 September 2020

**RE: Funding employment support for those who need it most**

While the Federal Government has extended JobKeeper and other stimulus measures beyond September, there remains an urgent need for new and innovative ways to create jobs, especially for those most likely to slip through the cracks and be long-term welfare dependent.

Employment-creating social enterprises can provide a solution, placing and keeping people in sustainable, meaningful work, with flow-on benefits for government and the whole community.

[Community Resources](#) runs some of the largest social enterprises in the country and employs more than 500 people across Australia, 75% of whom started working for us while experiencing barriers to employment.

We address the gaps in mainstream employment programs such as jobactive and Work for the Dole; these programs can work for people who are job-ready but have limited impact on the most disadvantaged job seekers, and youth in particular<sup>1</sup>.

We do this by providing work-experience programs and Award-wage jobs, coupled with personalised support to address employment barriers.

Research shows that employment-focused social enterprises like ours improve people's lives and livelihoods and are effective in generating employment outcomes for the most disengaged and disadvantaged<sup>2</sup>, while directly reducing government costs, particularly welfare, health and housing services<sup>3</sup>.

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<sup>1</sup> "...while ALMPs work reasonably well for people who are job-ready, they have a limited impact on outcomes for the most disadvantaged jobseekers." – ['Employment—Measuring and improving outcomes for young Australians'](#), Parliament of Australia briefing, date unknown

<sup>2</sup> "...employment-focused social enterprises are an alternative solution. They have been found to produce higher and better employment outcomes than mainstream employment services for people experiencing significant disadvantage." – ['Social Enterprise, A people-centred approach to employment services'](#), Westpac Foundation and Centre of Social Impact report, 2019

<sup>3</sup> "...every young person who is not able to actively engage in work or study after they leave school, produces a direct cost on Australian taxpayers and government through lower tax revenues, higher dependence on public health and higher costs on crime and law enforcement system." – ['Counting the costs of lost opportunity in Australian education'](#), Mitchell Institute, Victoria University, 2017



### Local solutions to youth unemployment

Through NSW Government funding under the Youth Employment Innovation Challenge, our social enterprise [Green Connect](#) engages the most disengaged and disadvantaged young people in the Illawarra, where youth unemployment is high. We provide support, training and work experience, and we help move these young people into paid employment within the business and then on to mainstream employment, providing further support as they navigate the demands of the Australian workplace.

The program started when the NSW Government went to local communities to seek place-based solutions to youth unemployment.

Announcing the [successful applicants](#) last year, Member for Kiama and Minister for Families, Communities and Disability Services Gareth Ward said: “We reached out to local communities to understand their problems. We then threw out the challenge for them to help come up with fresh, local solutions to get young people into work.

“Green Connect operates in the environmental sector running an organic farm and engaging in various areas of environmental repair including recycling and composting at large events. In doing so, they provide jobs, training and wrap-around support to young people.”

NSW Deputy Premier John Barilaro said: “Having a job is one of the best ways to boost someone’s sense of self-worth and empowerment and it’s important that we create and support new ideas to help our young people get into work.”

Importantly, our program engages and supports young people at a crucial time in their lives, reducing the risk of negative consequences later<sup>4</sup>.


### Outcomes

Less than two years after the program started, 105 young people have been engaged in work experience and of those, 58 have commenced paid work, 40 have transitioned to long-term employment, and seven have already completed six months in employment (as at 31 August 2020).

Our program works.

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<sup>4</sup> “Time spent (Not in Education, Employment or Training) can have negative consequences for physical and mental health and increase the likelihood of long-term unemployment, low wages or low quality of work later in life. It also has an immediate economic cost: according to the OECD, Australia’s NEET levels cost the nation around \$16 billion every year, or around one percent of GDP.” – [‘The long term impact of being “not in employment, education or training” on our young people’](#), PWC, date unknown



Here are some excerpts from letters of support from funders, schools, partners and mainstream employers:

“Over the past 2 years, Green Connect’s program design has proven to be effective with its consistent delivery of employment outcomes. Green Connect has demonstrated strong engagement and support for participants through the case studies that Green Connect has shared. Further, Green Connect has also been very collaborative in working with the Department.” **Austin Whitehead, Director of Programs and Ministerial Support, NSW Department of Education, August 2020**

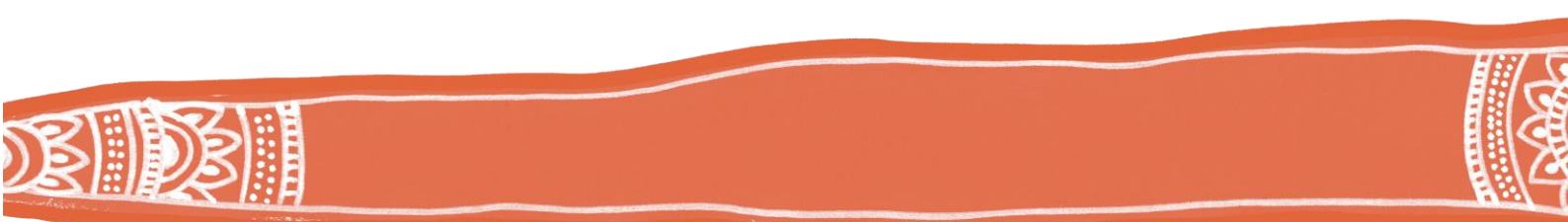
“Green Connect has shown beyond a doubt that their model works, has lasting effects on the participants, generates remarkable cost savings for the welfare system and excellent value for money returns for funders.” **Dr Alberto Furlan, Senior Program Manager, The Ian Potter Foundation, September 2020**

“While the work, practical skills and experience is invaluable, it's the confidence, enjoyment, sense of self and improvement in mental health that I see in young people as the real benefit. Without this program and programs like it, I believe a number of our students would have fallen through the cracks and be another negative statistic.” **Peter Cattle, Careers Advisor, Warrawong High School, August 2020**

“In the new ‘normal’ and in a country descending into a severe economic depression, young people will bear the brunt of these social and economic shifts; the skills and connections that young people develop in the Green Connect programs will be more essential than ever in establishing hope for their futures. Simply, a failure to fund these programs will see a more significant marginalisation of young people in the Illawarra and see more young people spiralling into drug use, unemployment, mental illness and criminality with the inevitable negative effects on the whole community. The Green Connect program needs on-going and secure funding so that other young people similar to the ones that attend our schools, can benefit from the support, skills development and confidence building the program can offer.” **Ivan Mahoney, Network Principal, Edmund Rice Education Australia Eastern Flexible School Network, August 2020**

“Select Civil utilise a number of the Green Connect employees for various projects, we find the organisation to be very professional and responsive to our needs. The employees that are supplied are eager to work and do anything that is asked of them without issue. This program needs funding so that other young people and clients can benefit from the support and direct employment programs that Green Connect can offer.” **Graham Peace, General Manager, Select Civil, August 2020**

“The Green Connect program is different to other employment programs in that it directly employs people and wraps support around them... In this period of high youth unemployment, it’s critical that the Government continue to support this program and others like it [to] create opportunity for those who need it most to break the cycle of welfare dependency.” **Councillor Gordon Bradbery AM, Lord Mayor, Wollongong City Council, September 2020**



## Scaling up

In a national organisation like ours, this program has the potential to be rapidly scaled-up; much-needed in the current context of rising unemployment.

We offer real work experience and employment in a supportive environment, are a net creator of jobs, and fund the majority of this work through trade. However, we need government funding, not to run our business or pay wages, but to provide the additional support that those who experience barriers to employment need. There is strong evidence that this additional support is a worthwhile investment, benefiting governments and communities as well as individuals, and avoiding long-term unemployment and welfare dependency.

Financial support could be redirected from traditional employment programs or as economic stimulus that puts dollars into the economy while tackling unemployment; and it would save government money.

## What is needed

With the NSW Department of Education funded youth employment program due to end in December this year, and youth unemployment sitting at more than 16%, we are asking the Federal Government to progressively:

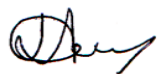
1. Commit to funding the ongoing delivery of the youth employment program
2. Enter discussions with us and other proven employment-focused social enterprises to extend the program to other locations and cohorts

Details of our outcomes-based payment model can be made available upon request. The cost of this program is lower than current programs such as jobactive, and lower than the cost to government of a disengaged school leaver, conservatively estimated to be \$37,900 per annum<sup>5</sup>.

We are seeking to partner with government, based on shared investment in employment outcomes, to help tackle unemployment in the current context.

We enclose further reading on our program – case studies on several current participants and a case study from the Centre of Social Impact at Swinburne University.

Yours sincerely,

Handwritten signature of Jess Moore.

Jess Moore  
CEO  
Community Resources

Handwritten signature of Kylie Flament.

Kylie Flament  
General Manager  
Green Connect

<sup>5</sup> Mitchell Institute 2017, <https://www.vu.edu.au/mitchell-institute/educational-opportunity/counting-the-costs-of-lost-opportunity-in-australian-education>