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LA EIC - Disadvantaged Jobseekers Inquiry  
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2<sup>nd</sup> August 2019

Hon John Eren MP  
Chair  
Economy and Infrastructure Committee  
Parliament of Victoria  
Spring Street  
MELBOURNE VIC 3002

Dear Mr Eren,

**RE: G21 SUBMISSION INTO PARLIAMENTARY INQUIRY INTO SUSTAINABLE  
EMPLOYMENT FOR DISADVANTAGED JOBSEEKERS**

As CEO of G21 - Geelong Region Alliance, I am pleased to have this opportunity to present our submission into the Economy and Infrastructure Committee's inquiry into sustainable employment for disadvantaged jobseekers.

As you are aware, the G21 - Geelong Region Alliance was established in 2002 by five Geelong region municipalities (Geelong, Queenscliffe, Surf Coast, Golden Plains and Colac Otway) with the support of the Victorian Government and a wide range of local organisations. Membership now spans all three levels of government, non-government organisations, businesses and community groups.

Under the G21 - Geelong Region Alliance we have brought together our region's leaders to develop a regional plan, determine regional priority projects and advocate for their implementation. We represent the voice of the G21 region and have a formal role as the Regional Strategic Planning Committee, in advising the State and Federal Governments on regional issues and priorities.

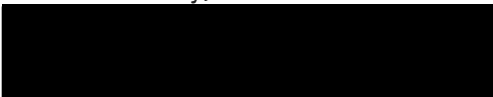
Addressing disadvantage in our region is a key priority for the G21 Board as some of the communities of the G21 region are amongst the most disadvantaged in the nation.

At least ten percent of our region's people live at or below the poverty line and in some suburbs unemployment is as high as twenty-two percent with youth unemployment considerably higher again.

G21 therefore is pleased that the Committee's inquiry is focusing on disadvantaged jobseekers and the need for sustainable employment.

Please find enclosed G21's submission for your consideration.

Yours sincerely,



Elaine Carbines  
CHIEF EXECUTIVE OFFICER



G21 is the formal alliance of the government, business and community organisations, working together to improve people's lives in the Geelong region.





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## INQUIRY INTO SUSTAINABLE EMPLOYMENT FOR DISADVANTAGED JOBSEEKERS

### G21 - GEELONG REGION ALLIANCE SUBMISSION

#### ***The social and economic benefits of seeking to place disadvantaged jobseekers into sustainable employment.***

Addressing disadvantage in our region is a key priority for the G21 Board as some of the communities of the G21 region are amongst the most disadvantaged in the nation.

The SEIFA index indicates that the suburb of Norlane is significantly disadvantaged with a score of 723 and it is currently experiencing an unemployment level of 22%.

Nearby Corio scored 832 on the SEIFA index indicating significant disadvantage with the township of Colac scoring 906 and Linton 828.

VCOSS's Poverty Atlas (2018) indicates that approximately 35,000 people in the G21 region live at or below the poverty line - 10% of our regional population.

Additionally youth unemployment across the G21 region is well above the state and national average.

We are now seeing intergenerational unemployment in some parts of our region.

The social dislocation in our region that comes from such high levels of poverty underscored by pockets of very high unemployment is significant.

The estimated cost of long-term unemployment per person per annum is \$100,000.

Of major concern is the fact that our disadvantaged jobseekers are unable to realise their personal potential as citizens and with at least ten percent of our people living at or below the poverty line, the effect on our region's economy is significant.

Accordingly sustainable employment opportunities for disadvantaged jobseekers must be created and be a clear focus of government at all levels.

#### ***The jobseekers who may be considered as being "disadvantaged" in the labour market and the types of barriers to employment they may face.***

The people from our region's disadvantaged communities may experience multiple barriers to employment. These include:

- Poor school retention and attainment rates
- Inadequate housing options including homelessness
- High levels of family violence
- Addiction issues
- Mental health issues
- Lack of public transport
- Low family aspirations
- No positive work role models
- Discrimination.

Programs offered in our region to assist disadvantaged workers access training and work opportunities such as those offered by Northern Futures and Whittington Works are undervalued by state and federal governments with their funding allocations insecure.

Similarly training courses offered by the Gordon under the highly effective “Skilling the Bay” initiative which matches training to employers’ needs also has insecure funding.

Government needs to acknowledge the vital role these organisations play in creating pathways to sustainable employment for our disadvantaged jobseekers by guaranteeing recurrent funding.

Access to federal programs such as “Transition to Work” is voluntary and requires the jobseeker to have been “disengaged” for at least three months.

The “Work for the Dole” program imposes an obligation on jobseekers that is often not meaningful and rarely leads to sustainable employment.

***How well current efforts, programs or activities meet the needs of disadvantaged jobseekers and/or employers looking for workers, and potential improvements.***

Successive Governments have implemented employment programs that continue to under-deliver for the most disadvantaged job seekers and as a result many of whom remain ‘long term unemployed’.

The jobactive program is a good example of this. Providers are encouraged by program guidelines to position themselves in the midst of the employer and employee relationship for a maximum term of no longer than 26 weeks. Sometimes with great success, other times with limited success.

A truly effective employment service for the most disadvantaged job seekers in our community isn’t only a job matching service, it’s an end to end wrap around support that in the first instance builds skills and capacity and once an individual is employed the service becomes an ancillary support to the employers for as long as necessary. The employment provider complements the employer’s own HR capacity and intervenes where necessary to troubleshoot the factors likely to re-emerge (those factors typically belying the individual’s original long term unemployment, eg drug & alcohol issues, poor money management, social isolation, housing, family & cultural expectations). Historically, a supportive family, friends or church group may have played this role.

The support made available under the jobactive model is finite, and jobactive providers must cease support at a prescribed point in time, ie 26 weeks. A new model that delivers ongoing support to those long term unemployed persons most likely to fall out of work within 12 months would do well to improve the retention, and not unlike the current Disability Employment Services model, could be contingent upon an assessment done by an external party to remove the potential conflict of interest on behalf of providers.

Assisting the most challenging unemployed persons has to be an individualised service or their needs invariably go unmet. In the current jobactive context approximately 40% of individuals have fallen out of their jobs before reaching 6 months. The impact to the employers and the wider economy is significant. With access to longer term support the benefit to the economy is twofold; greater production/output and decreased generational welfare dependence. Studies have proven that where the parents are unemployed their children are more likely to be unemployed as well.

The Transition to Work program is a good example of meeting the needs of young people in the region, however young people must be out of work for at least three months before they can access the service. Three months is certainly enough time for other issues to take hold including drug and alcohol problems and homelessness. The economic independence of young people ultimately drives other parts of the community, including housing, retail and hospitality. Service providers should be able to intervene or be accessible when the young person needs the help, not at a prescribed point in time that is potentially too late.

In the Barwon region, unemployment has been climbing for the past 2 years and place based initiatives like Northern Futures, effective as they are, scrape the tip of the ice-berg as systemic issues in the Northern suburbs remain unchanged. Waitlists are long for drug and alcohol interventions, stable accommodation needs are not met and education outcomes are poor.

Community renewal, vibrant local businesses and social enterprises ought to be encouraged back into public & retail spaces like Labuan Square and Rose Avenue. Connected communities that intersect with industry build positive role models & drive greater labour participation in the immediate area. Individuals benefit by being exposed to new opportunities and increased income typically lends itself to better health outcomes and better choices for successive family members.

## ***Outcomes to encourage greater labour participation of disadvantaged jobseekers.***

### **GROW**

Addressing disadvantage is a key priority for G21- Geelong Region Alliance and we have worked in partnership with the Give Where You Live Foundation to create an innovative economic approach to this complex social issue called GROW - the G21 Region Opportunities for Work.

GROW's purpose is to create work across the G21 region but most particularly in and around those areas where already high rates of joblessness have resulted in persistent place-based disadvantage.

We commissioned Dr Burkett to develop a business case for GROW using matching funding from the state government.

The GROW business case was launched in May 2015 focusing on four elements:

- Job creation through local and social procurement
- Job creation through impact investment
- Demand - led brokerage
- Impact measurement and data collection.

The GWYL board committed \$2m over 10 year towards the implementation of GROW which allowed the innovative policy initiative to commence implementation.

We approached businesses and industry across the G21 region inviting them to become GROW Compact Signatories and in November 2015 we announced our first 20 companies had committed to embed the principles of GROW into their procurement practices.

In March 2016 the state government committed \$1m towards the implementation of GROW in our region.

We now have 130 local companies and agencies who are GROW Compact signatories. These include government agencies and institutions such as Barwon Water, TAC, WorkSafe, University Hospital Geelong and Deakin University plus private businesses across our region.

To develop our policy initiative further, in 2016 G21 and GWYL commissioned an economic analysis of procurement in the G21 region with matching funding from the BSW RDA Committee.

Arc Blue was appointed and found that over \$17bn of goods and services are procured annually in our region but over \$9bn is bought into the region meaning that local suppliers and people are not being used.

Economic modelling through Arc Blue showed that if we could secure a 7% shift towards local procurement in our region we would create 2,500 jobs by 2020 and add \$1bn to our economy annually.

Our GROW compact signatories accepted the challenge to where possible shift their procurement to local suppliers.

We have measured the impact of this local procurement initiative in its first year and found that amongst our GROW compact signatories the average shift towards local procurement exceeded our target of 7% with most recording a 9% shift.

Most pleasingly, this had resulted in the creation of 286 local jobs and employment pathways in our target communities.

Our region's desire to increase local procurement has also led to the creation of a new digital platform in our region, *Localised*, which links businesses to local suppliers.

Companies and government agencies can also list their tender documents on *Localised* to ensure local businesses have the opportunity to bid for contracts.

GROW's philosophy is that addressing disadvantage is everyone's business and ultimately we aim to make sure that we reduce the levels of disadvantage in the G21 region.

Importantly, GROW has portability and application for other regional settings. Indeed the state government is now implementing GROW in the Latrobe Valley, Ballarat and Shepparton with other regional cities also planned.

GROW, the joint initiative of G21 - Geelong Region Alliance and the Give Where You Live Foundation, is a highly innovative policy initiative that through its implementation, is working to address disadvantage in our region.

Both organisations have very small staffing profiles - working together we have created a new way of doing business in the G21 region that is changing people's lives.

### ***Education and training needs to support disadvantaged jobseekers transitioning into work.***

#### **Skilling the Bay**

The Gordon's "Skilling the Bay" is responsible for delivery of a number of integrated projects to achieve education, employment and skills outcomes that have been recognised as priorities for the region. These critical priorities include: raising education attainment levels; increasing workforce participation through training and re-skilling and growing existing and emerging industries through targeted skills development.

Since 2015, "Skilling the Bay" has played an integral part of the Geelong region's combined efforts to address high unemployment, supporting Northern Futures and Whittington Works to attract over 500 long term unemployed participants to engage with education to employment programs. Of these participants, approximately 220 gained employment, whilst others went on to complete further study.

Geelong is home to communities such as Norlane, Corio and Whittington which rank in top percentage of the most disadvantaged in the state. Assisting the vulnerable in the community to access education to employment pathways is a key factor in addressing prosperity, productivity and wellbeing in the Geelong region.

Workforce participation challenges for the more vulnerable or disadvantaged in our community are compounded in the new work environment which requires a new set of personal skills to navigate. The rise of the gig economy and the notion of a portfolio of work is difficult to comprehend and participate in if you've never had a job at all or have been out of the workforce for a years.

Although youth unemployment has fallen to 12.4% (from above 17% in 2014-15), it is still 2.4% higher than the Victorian average. There continues to be certain areas in Geelong that rate significantly higher for unemployment (Sept 2018), such as Corio which sits at 20.6% and Norlane 22%.

Education attainment and participation in education at all levels remains a challenge for the region. Continued focus on programs which aim to increase education attainment and promote sustainable employment pathways from senior secondary school is a proactive step to reducing unemployment and reducing disadvantage within the community.

#### **Northern Futures**

Northern Futures Ltd exists to help address this issue by delivering tailored training and employment programs for disadvantaged jobseekers in Geelong's northern suburbs. Programs provide the skills, resources and motivation required to inspire hope and transform lives and addresses the need for appropriately skilled workers, as identified by industries such as:

- Advanced manufacturing
- Construction
- Health and community services
- Business and Administration.

Training is delivered based on local industry workforce needs, to ensure graduates have the best chance to secure employment. Northern Futures is successful in seeing disadvantaged jobseekers move into employment because of the engagement of employers (40+ industry partners) who provide work experience, employment opportunities and traineeships for program participants. Employers also provide site tours and discuss what it takes to be successful in the workplace. These Industry partners make a considerable in-kind contribution, ensuring job seekers have the additional support required to undertake the training and stay in employment.

The program has secured long standing support from a range of significant employers in the region, who offer structured mentoring, industry visits, work placements, and employment opportunities. Traineeships are regularly offered by the TAC, local and state government, and Barwon Health.

The Gordon TAFE is the lead RTO and is best placed to provide education and training given its key role in Geelong's transition from traditional manufacturing to a more diverse knowledge and service based economy. The skills training courses are highly experiential and include guest speakers from industry and site visits to business partners. These courses are designed to skill participants for jobs in growth sectors of the local economy such as business administration, health care, and engineering. The Gordon trainers deliver training on site in Northern Futures, and provide additional support to students. Northern Futures work with employers to provide post-placement support for at least 12 months, ensuring participants transition successfully from training to meaningful and sustained employment.

The program is enhancing links with the Growing Regional Opportunities for Work (GROW) initiative which has employers signed to a local compact which asks organisations to buy local goods and services and to recruit people from disadvantaged communities within the region, including Corio/Norlane, into their workforce.

- Over 350 people have participated in the program over 2015-2018, a further 70 - 80 participants are expected in 2019.
- Average of 85% completion rate - demonstrating an extremely high level of engagement for a cohort with multiple barriers to employment.
- 48% have achieved employment outcomes (measured at 16+ weeks); a rate exceeding the national benchmark\*.
- 18% continued with further training or education.
- Over 40 local organisations supporting the program with work placements or direct employment.

\* The 2017 National employment outcomes for those who were previously unemployed: 41.3% (TAFE providers), 47.1% (All VET providers).

### **Whittington Works**

Skilling the Bay is committed to working with Whittington Works to support people in Eastern Geelong and surrounding communities who are experiencing unemployment to engage in education and training for work. The Whittington Works Alliance auspiced by City of Greater Geelong is a partnership that promotes lifelong learning and helps improve local residents' skills and qualifications. It also provides job coaching and links employers and industry to job seekers through 'education to employment' programs.

Whittington Works is currently delivering an education to employment project 'Opportunity East' funded by Skilling the Bay program, in partnership with The Gordon's Skills and Jobs Centre, Brotherhood of St Laurence and Encompass Community Services. Opportunity East supports people from Whittington and surrounding areas to reskill, retrain and build confidence for work. Residents from Whittington and surrounding suburbs also have access to job coaching from Bethany Community Support as part of the state government's Jobs Victoria Employment Network project.

In the period to 2018, 72% of Whittington Works' participants who enrolled in an education to employment course completed that training. This compares positively against the State average for government-funded VET courses certificate I and above commenced in 2015 where only 47% of participants completed the course.

- 134 local residents enrolled in training programs over 2014-2017
- 72% successfully completed
- 46% successfully transitioned to employment.

### **An example of maximising value to the state**

The State Government identified in the Victorian Jobs Partnership presentation (15 August 2017), "Unemployment has a significant cost and impact on individuals, their communities and governments. *The cost of unemployment is estimated at \$97,126 per annum for the average unemployed Victorian.* The report also goes on to say that a lack of full time employment is also an issue, with under-employment rising from 8.0 per cent to 8.6 per cent over 5 years.

Northern Futures current program investment in relation to employment outcomes indicates that it costs an average of \$7,368 for every employment outcome. \*

\* based on 95 employment placements in 2018

In comparison the current Newstart allowance for Single person is approx. \$14,448 per year.

Addressing inequality and reducing barriers to entering the workplace is a key Government objective as stated in Jobs Victoria Policy. Supporting disadvantaged job seekers is a complex issue which requires support across all Government departments. The placed based education to employment programs currently operating in Whittington and Geelong's East and Northern Futures programs are currently funded via the Department of Education and Regional Development Victoria.

Regional examples of initiatives assisting the disadvantaged and under-resourced cohorts into employment include:

- **Returnships** a pilot program of paid work-placements to support unemployed people into work (particularly youth, mature aged, new migrants) - coordinated by Skills and Jobs Centre funded by STB and Commonwealth Government. The pilot program was very effective with over 50% of participants gaining sustainable employment. There is potential for government to support wider delivery of this program in the future.

For more information see: <https://www.thegordon.edu.au/stb/initiatives/goal-2/returnships>

- **RISE Program** - focused on Construction Industry aiming to increase apprentices - coordinated by City of Greater Geelong, working with: Gforce, Whittington Works, Northern Futures, Geelong Region Local Learning and Employment Network, Master Builders.

<https://www.geelongaustralia.com.au/business/sectors/article/item/8d61focdcoe1230.aspx>

- **Growing the Health and Community Services Workforce Program** - funded by Skilling the Bay (STB) coordinated by the GRLEN to increase number of young people entering the CS&H workforce. Industry partners include: Barwon Health, St John of God, genU, Barwon Child Youth and Family, Gforce, The Gordon, Geelong Region Secondary Schools (23), Diversitat, Encompass.

<https://www.thegordon.edu.au/stb/initiatives/goal-1/growing-health-community-services-workforce>

For other STB details see the website: <https://www.thegordon.edu.au/stb/home>

### ***Interstate and overseas best practice models that could be implemented in Victoria.***

G21 strongly believes that we already have innovative place based practice models working successfully to assist disadvantaged jobseekers in our region.

Collectively the local government, the Gordon, Deakin, state agencies, not for profits, philanthropy and businesses are working together in the G21 region to address disadvantage in our region by creating training and job opportunities for people from our target communities.

What we need is both recognition from both state and federal governments of the role that we are playing in our community, the results we are achieving together and importantly appropriate recurrent funding to allow us to not only continue but to grow the reach of our work in our region.

It is not only very disappointing that vital projects such as Skilling the Bay and the operations of essential wrap around services provided by Northern Futures and Whittington Works do not have guaranteed funding but totally counterproductive to the needs of disadvantaged jobseekers.

A long-term view is required to address the issues. It takes significant time to build trust and relationships within the community of disadvantaged jobseekers, and to build trust and relationships with employers and industry, in order for them to provide training and employment opportunities.

There is a socio-economic multiplier effect when a vulnerable job seeker gains employment.

A long-term commitment of funding and resources is required to ensure proven, effective programs continue to make a positive difference, and to allow them to expand their programs and extend their reach.



This is impossible to achieve when organisations are in a cycle of short term funding arrangements and planning for short term outputs and outcomes to meet the particular funding stream available. The solution requires work, collaboration and funding support across Government departments (at State and Federal level), the recognition of TAFE as quality training provider (with training funded adequately) and the involvement of regional industry employers from the outset.

Elaine Carbines  
CHIEF EXECUTIVE OFFICER

5<sup>th</sup> August 2019

