Issues in labour force participation

Youth at risk and lower skilled mature-age people

May 2014

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Commissioned by the
Australian Workforce and Productivity Agency

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PART TWO—APPENDICES

APPENDIX A: LITERATURE REVIEW

Glossary

Term	Description
ACCI	Australian Chamber of Commerce and Industry
ACE	adult and community education
AWPA	Australian Workforce and Productivity Agency
BFO	Building Family Opportunities (South Australia)
CSIS	Community Safety Information Service (Victoria)
COAG	Council of Australian Governments
DEEWR	Department of Education, Employment and Workplace Relations
DFEEST	Department of Further Education, Employment, Science and Technology
DOME	Don't overlook mature expertise
GTO	Group Training Organisation
ICAN	Innovative Community Action Networks (South Australia)
ICSEA	Index of Community Socio-Educational Advantage
JSA	Job Services Australia
NEET	not in education, employment, or training
NFE	not fully engaged
NGO	Non-government organisation
RTO	registered training organisation
SROI	social return on investment
the National Partnership	National Partnership on Youth Attainment and Transitions
UKCES	UK Commission for Employment and Skills
VET	vocational education and training
WLC	Workplace Learning Coordinator (Victoria)
YCNN	Youth Connections National Network

Key messages

The study set out to discover and describe what works to achieve labour force participation for the two target groups. In the course of the research, we found that the right question is actually "if we know what works, what is stopping us from implementing it?" What works is already clear.

In relation to the youth target group key messages are:

- Early intervention is critical and there is a need to identify at-risk young people at school and focus intervention efforts on transition before they become disengaged.

- Holistic, long-term programs that involve individualised and wraparound services are critical, as they identify and respond to all the person's barriers to workforce participation, both personal and work/learning related.

- There are no quick fixes. It takes perseverance and requires stability and flexibility of funding to achieve good outcomes.

- The role of high quality work placements cannot be overestimated in achieving successful transitions to work.

- The foundations for delivering holistic services are there. National approaches such as occurred under the National Partnership on Youth Attainment and Transitions and experimental approaches by individual jurisdictions and non-government organisations have forged the way and benefits are being seen.

- Many programs come and go and stakeholders are frustrated by the churn. Success is most likely to be sustained if there is an overarching framework to drive vision, directions and coordination, provide the policy settings for effective program features, establish effective infrastructure and integrate evaluation to gather evidence of outcomes.

- Stakeholders say that what works to improve employment outcomes may seem costly but the social and economic costs of not doing it are greater.

- Overwhelmingly stakeholders recommend a youth-specific service that can complement current JSA services.

In relation to the lower skilled mature-age target group key messages are:

- As for young people, early intervention is critical and needs to include holistic, long-term programs individually tailored to the person. Wraparound services need to resolve both skill and personal barriers.

- For this cohort, barriers relate to the person's confidence and motivation, so solutions need to focus on building confidence and self-esteem and identifying strengths and transferable skills.

- The stakeholders consulted for this project believe many in this group may have given up and simply dropped out of the labour force, becoming invisible to agencies and services who could assist them.

- There are few programs that target the needs of this cohort and those who have experience with this group say targeted programs work more effectively.

- The most useful focus for efforts in relation this group should be on adjusting current job services to meet their needs more effectively, complemented by specialist service providers.

Future directions

- It is proposed that governments, policymakers and service providers adopt the features of policies and programs that are working effectively for the two groups in policy and program design and delivery.

- It is recommended that the findings of this study be used to inform the Australian Government's review of the employment services system beyond 2015.

Executive summary

The Australian Workforce and Productivity Agency (AWPA) has commissioned this study to provide a deeper understanding of policy and programs that work well to support and improve labour force participation by two key target groups:

- Young people (aged 15-24) (referred to in this report as the youth at risk cohort). Of particular interest are three overlapping subgroups of young people: those who are unemployed; those not fully engaged in education and/or employment; and those who are not in education, employment, or training at all (NEETs)

- Mature-aged people (aged 45-59) who left school early and have no post-school qualifications. This cohort is referred to in this report as the 'lower skilled mature-age cohort or group'.

The two groups were selected on the basis of AWPA's research, published as *Labour force participation: Youth at risk and lower skilled mature-age people – a data profile* that paints a compelling picture of inadequate participation. Behind the data lies a story of large numbers of young people and lower skilled mature-age people who are at risk of permanent disengagement from the labour force, resulting in long-term serious economic and social impacts, an ongoing drain on the public purse, wasted potential and lost opportunities. AWPA's data profile highlights the case for policy and program interventions to improve labour force participation. The profile shows that:

- The period of transition between education and employment is becoming prolonged, with young people less likely to be in full-time employment and more likely to start full-time work at a later age.

- Around one in five young people are not fully engaged in work or study, while just under one in ten young people are disengaged entirely from education, employment and training (NEETs).

- Young people in their early 20s (aged 20-24 years) are more likely to be not fully engaged (NFE) or completely disengaged from education, employment and training (NEET) than teenagers (aged 15-19 years).

- There is a gap of nearly 20 percentage points between the labour force participation of lower skilled mature-age people (aged 45-59 years), at 69.3 per cent, and those who completed Year 12 and have post-school qualifications, at 88.3 per cent.

- Nearly three times as many lower skilled mature-age people are not in the labour force compared to those with higher-level skills.

- Less than half of lower skilled Indigenous mature-age people are in the labour force (49.6 per cent)[1]

The study has also comprised a literature review, and consultations with key stakeholders to test and build on the literature review findings:

- AWPA's data profile explored trends in labour force participation for each of the target cohorts and provided a backdrop to the consideration of the literature.[2]
- The literature review (see Appendix A) examined national and international approaches, evidence of what constitutes effective policy and program approaches, and whether evaluations of such approaches had considered value for money.
- The consultations aimed to build a story of what works for the two target groups based on policy and program experience on the ground from a sample of stakeholders drawn from diverse settings.

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[1] AWPA, 2014, *Labour force participation: Youth at risk and lower skilled mature-age people – a data profile,* Commonwealth of Australia, Canberra.
[2] AWPA, 2014, *Labour force participation: Youth at risk and lower skilled mature-age people – a data profile,* Commonwealth of Australia, Canberra.

The findings

The youth at risk group

The study has found that what works to improve employment outcomes is clear. Early intervention is critical and there is a need to identify at-risk young people at school and focus intervention efforts on transition before they become disengaged. Holistic, individualised and wraparound services are also critical. This means identifying and responding to all the person's barriers, both personal and work/learning related, and working often not just with the individual but also their family.

There are no quick fixes. It takes perseverance and requires stability and flexibility of funding to achieve good outcomes.

Many stakeholders emphasised that the role of high quality work placements cannot be overestimated in achieving successful transitions to work. Better links between schools, training providers and industry/employers will generate work placements that provide a bridge between learning and labour markets and foster work readiness. This was supported by the literature.

It was also suggested that social enterprises can provide opportunities to build employability skills and work-readiness.

Several employer stakeholders stressed that partnerships with non-government organisations and other specialist service providers are critical to their success in employing both of the target cohorts. Specialist providers can support the sustainability of jobs by providing support to both the employee and the employer, assisting with non-work related issues, and building capability of employers particularly where there is good will but a lack of confidence.

A consistent theme across all stakeholders was that what works to improve employment outcomes may seem costly but the social and economic costs of not doing it are greater. However many successes are over-subscribed and cannot meet the level of demand; while a lack of funding in a fiscally-constrained environment presents barriers to continuing successful approaches.

The stakeholders we consulted considered the JSA model may be effective for many job-seekers but is less effective for this cohort. Overwhelmingly they recommend a youth-specific service that can complement current JSA services.

A consistent theme in the literature and consultations related to the fact that many programs come and go. Stakeholders are frustrated by the churn. It appears that success is most likely to be sustained if there is an overarching framework to drive vision, directions and coordination, provide the policy settings for effective program features, establish infrastructure and integrate evaluation to gather evidence of outcomes.

The foundations for service infrastructure to deliver holistic services are there. The National Partnership on Youth Attainment and Transitions and experimental approaches by individual jurisdictions and non-government organisations have forged the way and benefits are being seen.

However holistic approaches and service models that work present challenges to governments and individual services. The challenges are significant and include:

- the need to commit to long-term arrangements to allow time for benefits to accrue

- considering how to break down silos and embed cross-portfolio approaches within jurisdictions

- working out who pays in the transitions from school to work, and how to overcome arguments about cost shifting between the Commonwealth and states and territories.

The lower skilled mature-age group

There are few programs that target the needs of this group and those with experience with the cohort say targeted programs do work more effectively. Despite the lack of cohort-specific programs there are clear messages about what works to improve labour market participation and ways to improve current approaches to achieve better outcomes, some of which are very similar to the messages identified for the youth cohort.

Early intervention is critical and should include holistic, long-term programs individually tailored to the person that provide support to resolve both skill and non-work related barriers. The theme of partnerships between employers and non-government organisations/specialist service providers in achieving effective outcomes and providing support for both employers and employees emerged as it did for the youth cohort. Similarly it was noted that there should be greater use of social enterprises to provide work placements and volunteer opportunities as a bridge to work.

Stakeholders also emphasised that expert and accurate careers advice is essential for this group as noted in the literature. For this cohort, barriers relate to the person's confidence and motivation, so solutions need to focus on building confidence and self-esteem and identifying strengths and transferable skills. Developing foundation skills and digital literacy are also vital.

Many of the stakeholders consulted argued that the current JSA model is not working effectively for this group. They believe many lower skilled mature-age job-seekers have given up and simply dropped out of the labour force, becoming invisible to agencies and services who could assist them. Further exploration of the specialist service model that is operating in at least one jurisdiction could point the way to effective approaches which could complement existing JSA services.

Discrimination against mature-age job-seekers continues to be an issue, highlighting the importance of continuing programs that communicate positive messages to employers about employment of mature-age job-seekers.

Stakeholders also warned it is important not to underestimate the impact of mental health issues, anxiety and disability as barriers for both cohorts.

Barriers and next steps

The study set out to discover and describe what works to achieve increased labour force participation for the two target groups, but we found that the right question is actually 'if we know what works, what is stopping us from implementing it?' Many of the barriers are systemic in nature and relate to both groups. Barriers identified included:

- churn of policies/programs

- overlapping commonwealth, state and territory roles and boundaries

- portfolio funding boundaries, inflexibility in funding models, poor coordination and short-term interventions

- limitations in evaluation and measurement of outcomes to demonstrate evidence

- lack of focus on the lower skilled mature-age group.

The analysis of effective approaches for the two groups identified a number of key features that maximise opportunities for successful transitions. Many of these actively address the barriers outlined above and it is these key features that form the basis of the recommendations. In addition, it is noted that the contracts for Australian Government employment services delivered through JSA end in June 2015 and that future directions beyond 2015 are being considered. The reshaping of JSA beyond 2015 provides the opportunity to consider the outcomes of this study in relation to both cohorts.

Recommendations

In relation to the youth at risk cohort

1. It is recommended that governments, policy makers and service providers note the following features of policies and programs that are working effectively to engage young people in transitions to further learning and work and adopt these where relevant in policy and program design and delivery:

    a) **early and targeted identification and outreach**—identifying young people in early secondary school years who are considered most vulnerable to disengagement, targeting needs more effectively by differentiating learners according to learning disadvantage, and outreach programs to identify young people post-school who are already disengaged from learning and work.

    b) **holistic services**—models of service delivery that offer youth-specific tailored case management, drawing together multiple government and non-government services for individuals (and their families where necessary) to resolve the range of personal and skill barriers to learning and employment.

    c) **youth-specific services**—that complement and add value to JSA providers

    d) **linking learning to work**—establishment of partnerships between schools, training providers and employers to integrate high quality work placements into the learning experience, make learning relevant to work, increase work-readiness, and create links between schools/training and areas of labour market demand.

    e) **using social enterprises as a platform**—to provide supported employment and work placements as a bridge to employment.

    f) **engaging and supporting employers**— through partnerships between employers and non-government organisations/specialist providers to provide support for both young people and employers, particularly in relation to resolution of personal and work-readiness issues and building the confidence and capability of employers to understand the impact of personal issues.

    g) **stable and long-term funding models**—that enable improvements to be identified and implemented and longer-term benefits to be realised and evidenced through evaluation.

    h) **flexible funding models**—that maximise sustainability of employment through enabling services to be tailored to need so that they:

        ◆ start with addressing the young person's development needs including resolution of personal issues, building confidence, foundation skills and work-readiness

        ◆ can vary in length to offer post-placement support over an extended period if necessary

        ◆ build in arrangements for bringing together multiple service providers to create wraparound approaches.

In relation to the lower skilled mature-age cohort

2. It is recommended that governments, policy makers and service providers note the following features of policies and programs that are working effectively to support labour force participation for the lower skilled mature-age cohort and adopt these where relevant in policy and program design and delivery:

a) **early intervention and outreach**—through media and use of specialist providers such as the model of DOME[3], to quickly reach those who lose their jobs or to make contact with those who are already disengaged from work

b) **models of service delivery** that:

- offer a specialist service for the mature-age cohort and that can meet the needs of the lower skilled mature-age cohort in particular

- identify the range of personal and skill barriers to employment and provide holistic and wraparound approaches by assisting individuals with navigation and connection to multiple services to address the barriers

- offer expert career advice that matches the person's aptitudes and skills with the local labour market demand

- build strong links to local businesses and focus on effective job/person matching

- use social enterprises as a platform—to provide supported employment, volunteer opportunities and work placements as a bridge to employment.

c) **stable and long-term funding models**—that enable improvements to be identified and implemented and longer-term benefits to be realised and evidenced through evaluation.

d) **flexible funding models**—that maximise sustainability of employment through enabling services to be tailored to need so that they:

- start with addressing the person's development needs first including resolution of personal issues, building foundation skills and addressing confidence and self-esteem

- can offer post-placement support to both employees and employers over an extended period if necessary.

In relation to both cohorts

3. It is recommended that the findings of this study are used to inform the Australian Government's review of the employment services system beyond 2015, in particular that consideration is given to:

a) encouraging employment services providers that specialise in meeting the needs of:

- young people to age 24

- mature-age people

b) establishing effective systems for the identification of job-seekers who need specialist services and for referral from general to specialist providers

c) examining the model of the specialist employment services provider that currently operates for mature-age job-seekers in South Australia to determine whether the model can be cost effectively replicated in other locations with a large cohort of lower skilled mature-age people

d) reviewing the current system of financial incentives, payment schedules and milestones in view of the overwhelming feedback from the stakeholders consulted that they are impeding effective service delivery and driving perverse outcomes

e) extending the definition of sustainable employment to at least 52 weeks and providing incentives for coaching and other support services through the first 52 weeks of a job placement in view of overwhelming feedback that 26 weeks is too short to achieve sustainability of outcomes.

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[3] DOME is a community based, not for profit employment and training organisation funded by the South Australian government to assist mature aged and disadvantaged people over the age of 40 to find employment.

1 Introduction

1.1 Context and purpose of study

AWPA's 2013 National Workforce Development Strategy (*Future focus*) argues that increasing labour force participation is critical to Australia's long-term economic growth and prosperity, which in turn is dependent on being able to meet the demand for additional skills in the economy and ensuring the most beneficial application of those skills.

AWPA has commissioned this research into the factors affecting labour force participation of two target cohorts:

- Young people (aged 15-24) (referred to in this report as the youth at risk cohort or group). Of particular interest are three overlapping subgroups of young people: those who are unemployed; those not fully engaged in education and/or employment; and those who are not in education, employment, or training at all (NEETs)

- Mature-aged people (aged 45-59) who left school early and have no post-school qualifications. This cohort is referred to in this report as the 'lower skilled mature-age cohort or group'.

The two groups were selected on the basis of AWPA's publication *Labour force participation: Youth at risk and lower skilled mature-age people – a data profile* that paints a compelling picture of inadequate participation[4]. Behind the data lies a story of large numbers of young people and lower skilled mature-age people who are at risk of permanent disengagement from the labour force, resulting in long-term serious economic and social impacts, an ongoing drain on the public purse, wasted potential and lost opportunities.

The purpose of this study is to provide a deeper understanding of policy and programs that work well to support and improve labour force participation by the two target groups.

1.2 Approach

The study aims to answer the following research questions for each of the groups:

- What strategies and approaches improve the labour force participation of the groups?

- What does research and experience show has worked?

- Why are some policy interventions less effective?

- Where are the gaps in policy/program responses or the evidence base on which decisions can be made?

These research questions were explored so that we could reach a deeper understanding of how to systemise and sustain effective approaches, how best to engage employers in providing opportunities to the two groups, how to improve programs and address the barriers to design and implementation of effective approaches.

The study has comprised a literature review (see Appendix A), a data profile of the two target groups, and consultation with key stakeholders. The literature review covered some 146 published and unpublished reports covering policies or programs that are aimed at improving the labour force participation of the two groups. It examined national and international approaches and evidence of what constitutes effective policy and program approaches and whether evaluations of such approaches had considered value for money.

In undertaking the literature review we sought advice from a number of government and non-government agencies about policy/program evaluations, reviews or other documents (dated 2006 or

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[4] AWPA, 2014, *Labour force participation: Youth at-risk and lower skilled mature-age people – a data profile*, Commonwealth of Australia, Canberra.

later), not necessarily in the public domain, that could provide insight into the success or otherwise of policies or programs aimed at improving labour force participation for the two target groups.

We used the findings of the literature review and the additional data and information provided by stakeholders to inform the approach to the consultation phase.

The consultations aimed to test and build on the literature review findings, further exploring the research questions addressed by the literature review and tapping into the insights of stakeholders who are involved in policy or programs related to employment of the two groups. This enables the study to move beyond the data and literature and build a story of what works based on policy and program experience on the ground from a sample of stakeholders drawn from diverse settings.

We conducted a total of 22 interviews with stakeholders, either face to face or via telephone. Stakeholders included representatives from six Commonwealth agencies, three State and Territory agencies, two non-government organisations, two training providers, one industry peak body, two Industry Skills Councils and four employers. Of these, nine focused specifically on the youth cohort, three focused on the lower skilled mature age cohort and eight were able to provide insights about both cohorts. Several also spoke from experience in working with particular subgroups of the target cohorts including young Indigenous Australians and people with a disability. The list of stakeholders is at Appendix B as is the consultation guide that was used to focus the discussions. The consultation guide outlined project information, draft high level findings of the literature review, and a number of discussion questions.

We also asked stakeholders to point to any references or evaluations relevant to the study's research questions. Where appropriate to the analysis and findings we have cited these references throughout this report.

1.3   Structure of this report

Section 2 of the report summarises the high level findings of the literature review undertaken in phase 1 of the study and stakeholders' comments about its findings during the consultations.

Section 3 of the report focuses on the youth group.

- Section 3.1 outlines what research and experience tell us about what is working to improve labour market participation for the youth cohort.

- Section 3.2 draws upon stakeholder insights about how to improve existing policies and programs.

- Section 3.3 provides stakeholder views about the Job Services Australia (JSA) model and how effectively it is working for young people.

- Section 3.4 sets out the findings of this study in relation to the youth cohort.

Section 4 of the report focuses on the lower skilled mature-age group.

- Section 4.1 outlines what research and experience tell us about what is working to improve labour market participation for the lower skilled mature-age cohort.

- Section 4.2 draws upon stakeholder insights about improvements that can be made to existing policies and programs.

- Section 4.3 provides stakeholder views about the JSA model and how effectively it is working for this cohort.

- Section 4.4 sets out the findings of this study in relation to the lower skilled mature-age cohort.

Section 5 identifies the barriers to design and implementation of what is known to work effectively for both groups. Many of the barriers are systemic and common to both cohorts.

Section 6 outlines what the findings suggest about future directions.

Section 7 makes recommendations about actions in relation to both groups.

2　Literature review

2.1　High level findings

A literature review of the target groups was undertaken in phase 1 of this study and is included as Appendix A. AWPA's data profile explores trends in labour force participation for each of the target cohorts and provided a backdrop to the consideration of the literature. The data analysis presents a stark picture that highlights the case for policy and program interventions to improve labour force participation, showing that:

- The period of transition between education and employment is becoming prolonged, with young people less likely to be in full-time employment and more likely to start full-time work at a later age.

- Around one in five young people are not fully engaged in work or study, while just under one in ten young people are disengaged entirely from education, employment and training (NEETs).

- Young people in their early 20s (aged 20-24 years) are more likely to be not fully engaged (NFE) or completely disengaged from education, employment and training (NEET) than teenagers (aged 15-19 years).

- There is a gap of nearly 20 percentage points between the labour force participation of lower skilled mature-age people (aged 45-59 years), at 69.3 per cent, and those who completed Year 12 and have post-school qualifications, at 88.3 per cent.

- Nearly three times as many lower skilled mature-age people are not in the labour force compared to those with higher-level skills.

- Less than half of lower skilled Indigenous mature-age people are in the labour force (49.6 per cent), while the participation rate of Indigenous mature-age people with higher skills is 82.4 per cent.[5]

As an example of the economic impact of the key facts above, data shows that the number of people on Newstart Allowance has risen markedly in recent years, from 578,219 in March 2012 to 733,601 by March 2014. A further 113,456 individuals are on Youth Allowance payments (which excludes full-time students) as of March 2014.[6] Around two thirds of Newstart recipients (485,069) are 'Long-term Allowees' who have received income support for 12 months or more: an increase of 38 per cent since 2012.[7] This also reflects policy changes which have seen the movement of individuals from other types of programs, such as Disability Support Pensions and Parenting Payments, to Newstart Allowance.

Young people (aged 24 years or younger) account for around one quarter (104,950) of job seekers receiving Newstart Allowance or Youth Allowance, while people aged 40 years or older account for two-fifths of job seekers receiving Newstart.[8] However, more than half of those aged 55 years and older are 'very long term' recipients of income support (two years or more).[9]

Current expenditure on Newstart Allowance is $8.4 billion per year, which is expected to rise to $8.7 billion by 2016-17 with a nominal growth rate of approximately 1.4 per cent per annum.[10]

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[5] AWPA, 2014, *Labour force participation: Youth at risk and lower skilled mature-age people*, Commonwealth of Australia, Canberra.

[6] Department of Social Services, 2014, 'Labour Market and Related Payments', March.

[7] Department of Social Services, 2014, 'Labour Market and Related Payments', March.

[8] Note: Newstart Allowance is only available from the age of 22 and job seekers on Youth Allowance payments exclude individuals in full-time study. Department of Social Services, 2014, 'Labour Market and Related Payments', March.

[9] Australian Law Reform Commission (2012) 'Social security', *Grey Areas—Age Barriers to Work in Commonwealth Laws (DP 78)*, http://www.alrc.gov.au/publications/5-social-security/newstart-allowance-and-mature-age-job-seekers#_ftn85.

[10] National Commission of Audit, 2014, '9.11 Unemployment benefits and the minimum wage', http://www.ncoa.gov.au/report/appendix-vol-1/9-11-unemployment-benefits-minimum-wage.html.

Clearly, improving the labour force participation and employability of all Australians is a policy priority which will bring benefits to both individuals and the broader economy.

The review of the literature found:

1. There is a broad understanding of barriers facing the two groups. Barriers are complex and varied and extend beyond employment-related issues, requiring policy responses flexible enough to be tailored to individual needs and circumstances.

2. A number of Australian policy/program evaluations were directly relevant to the target cohorts. However there is much less attention paid to the lower skilled mature-age cohort.

3. Many policies/programs did not consistently or robustly evaluate program/policy aims, particularly in terms of the sustainability of employment outcomes, and few analysed the value for money outcomes in any objective manner.

4. There is little literature available for either cohort on what approaches are not effective. The findings from the available literature include:

   - Those policies or programs that provide single, structural solutions or services tend not to be as effective as more holistic responses, particularly for the youth cohort.

   - There is evidence that some current policies and programs are not sufficiently tailored to meet the needs of the youth cohort.

   - Subsidised employment solutions to addressing unemployment for the youth cohort are not very effective.[11]

   - Policies or programs that don't address the non-employment related barriers or which disconnect support services at the same time as the program ceases, thereby adversely impacting on the sustainability of the program outcomes, tend to be less effective.

5. Gaps identified:

   - Further analysis is needed on:

     - how to effectively target young people who are not fully engaged so as to accelerate their transition to work and/or further education and prevent their long-term disengagement from the labour force

     - the effectiveness of policies/programs that seek to improve youth to work transitions by tackling the problem before young people leave school

     - the effectiveness of policies and programs for the lower skilled mature-age cohort. This should include:

       ◆ improving the understanding of needs of the cohort with respect to improving their workforce participation

       ◆ assessing the relative effectiveness of approaches that focus on specific barriers compared to those that take a holistic approach that deals with multiple barriers.

   - Policy or program evaluations, where they have occurred, have not been sufficiently consistent or robust to determine whether program aims have been met, cost effectiveness or sustainability of outcomes. As a result, there is limited hard evidence on the direct benefits and costs associated with specific policies or programs for the cohorts.

   - Some, but not all, jurisdictions have whole-of-government policies to guide a consistent approach to policy or program evaluation, raising the broader issue of how to ensure consistent and robust policy and program evaluations across jurisdictions.

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[11] One stakeholder did not agree that subsidised employment solutions to addressing unemployment for young people are not very effective. They argued that well-targeted subsidies can work effectively to get young people "over the line" with an employer if they demonstrate reliability and willingness to work.

2.2 Stakeholder views

We asked stakeholders whether the draft high-level findings of the literature review aligned with their experience. Eight stakeholders responded to this question and all indicated that the findings generally rang true for them. Several provided comments about specific findings, with the key comments including:

- Many of the lower skilled mature-age cohort have given up and simply dropped out of the labour force, becoming invisible to agencies and services who could assist them.

- For the lower skilled mature-age cohort many of the barriers relate to the person's confidence and motivation, so solutions need to focus on the individual, building confidence and self-esteem and identifying strengths and transferable skills.

- The importance of effective career advice services cannot be over-estimated, both for young people who need to build aspiration for the future and understand the possibilities open to them, and for mature-age people who need to build confidence for career transitions.

- It is important not to underestimate the impact of mental health issues, anxiety and disability as barriers for both cohorts.

- In relation to evaluation of policies and programs stakeholders commented that:

  - Evaluation does occur, but is often not made available in the public domain.

- Evaluation can be complex and costly and tracking outcomes over time to determine sustainability is difficult to maintain as governments and programs change. Sometimes programs are of insufficient length to test effectiveness.

- In general, the pressures are to report on short and medium-term outcomes.

- Many stakeholders commented that there is no funding available for evaluation.

- In terms of methodological challenges, it can be difficult to establish direct causal relationships between interventions and outcomes. One stakeholder suggested that Social Return on Investment (SROI) can be a useful evaluation approach for cases where there is no simple cause and effect, as it places value on what is important to the stakeholders.[12]

- Longitudinal surveys testing the sustainability of policy/program outcomes can be significantly reduced in effectiveness because of attrition rates over time.

- In view of the continuous change in policies at a state and national level, it is questionable whether investment in tracking very long-term outcomes is worthwhile and perhaps the most useful measure of value is whether policies/programs get people into the labour force. The evidence is clear that the longer people are out of the labour force, the more their chances of getting back in diminish.

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[12] The UK Cabinet Office for the Third Sector advises that SROIs can be predictive or evaluative. An SROI evaluation values identified social outcomes in present value terms and compares them with the costs involved in achieving them. This results in a ratio of a dollar of social value created for every dollar invested in achieving that outcome. Care needs to be taken in comparing SROIs for different programs as an SROI involves different stakeholders making different judgements on the value of different outcomes. UK Cabinet Office for the Third Sector, September 2009, *Social return on investment – an introduction*, UK Cabinet Office for the Third Sector, p. 5.

3 Youth at risk cohort

Key features of effective policies and programs for the youth at risk group

a) **early and targeted identification and outreach**—identifying young people in early secondary school years who are considered most vulnerable to disengagement, together with outreach programs to identify young people post-school who are already disengaged from learning and work

b) **holistic services**—models of service delivery that offer youth-specific tailored case management, drawing together multiple government and non-government services for individuals (and their families where necessary) to resolve the range of personal and skill barriers to learning and employment

c) **youth-specific services**—that complement and add value to JSA providers

d) **linking learning to work**—establishment of partnerships between schools, training providers and employers to integrate high quality work placements into the learning experience, make learning relevant to work, increase work-readiness, and create links between schools/training and areas of labour market demand

e) **using social enterprises as a platform**—to provide supported employment and work placements as a bridge to employment

f) **engaging and supporting employers**— through partnerships between employers and non-government organisations/specialist providers to provide support for both young people and employers, particularly in relation to resolution of personal and work-readiness issues and building the confidence and capability of employers to understand the impact of personal issues

g) **stable and long-term funding models**—that enable improvements to be identified and implemented and longer-term benefits to be realised and evidenced through evaluation

h) **flexible funding models**—that maximise sustainability of employment through enabling services to be tailored to need so that they:

- start with addressing the young person's development needs including resolution of personal issues, building confidence, foundation skills and work-readiness

- can vary in length to offer post-placement support over an extended period if necessary

- build in arrangements for bringing together multiple service providers to create wraparound approaches.

3.1 What does research and experience show is working for the youth at risk cohort?

Seventeen stakeholders contributed insights into policies and programs for this cohort, including ten with specialist knowledge. The ten specialists included three representatives from Commonwealth agencies, two from state government agencies, two training providers, one industry group, and two employers.

Consistently stakeholders indicated that they know what works and many commented that the approaches can be effectively applied to services for all disadvantaged cohorts and not just young people. Early intervention is the key. Data shows we are losing young people at transition points from primary to secondary school, from early secondary to senior secondary school, and in the transition from school to further learning or work, so this is where we need to focus our efforts. This should involve:

- reaching into schools to identify at-risk young people early and intervening before disengagement occurs

- offering youth-specific services that reach young people who have already disengaged.

Young people need many transition points (between school and further learning or employment) which meet different learning styles and provide supports around all their circumstances. One stakeholder described it as needing "on-ramps" with lots of safety nets. In Victoria, for example, these "on ramps" which provide an accessible entrée into further learning can be via Adult and Community Education (ACE) and pre-accredited training which builds aspiration and work-readiness.[13]

Consistent with the literature review findings, stakeholders strongly supported offering young people individualised case-management which provides tailored wraparound support services that address all the barriers they face. They emphasised that someone needs to be on the journey with them—and support needs to continue post-placement in work for as long as needed for both the employee and the employer to maximise the chances of a sustainable outcome. And programs need to continue for a long enough period to evaluate their outcomes and enable benefits to be realised. A recent paper by the Australian Chamber of Commerce and Industry (ACCI) *Learning to work* argues that:

> Sometimes programs can be reviewed and removed at a micro level without taking into account the long-term productivity and economic gains that can be made in keeping successful programs working.

> Therefore even in this difficult fiscal climate, ACCI believes that there is merit in continuing to have a program that supports young people transition from learning to work that has a more holistic approach. This approach brings into consideration the substantial savings that can be achieved through lower unemployment levels, including welfare savings, as well as the contributions to a productive economy and increases in taxation revenue from higher employment.[14]

If we know what works, what does it look like? Many stakeholders described policies, programs and practices that they say are generating positive outcomes for the youth cohort, including many that have originated through the catalyst of the Australia-wide focus on young people through national agreements across Commonwealth and state and territory governments such as the National Partnership on Youth Attainment and Transitions. The following sections include more detail of examples about what is working, including:

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[13] Pre-accredited programs are short modular courses designed for learners to gain confidence and skills. They focus on creating pathways to nationally accredited training or employment. Pre-accredited training has an emphasis on those learners who have not achieved Year Nine or an equivalent qualification. It addresses the particular needs of those adults who have experienced barriers to education in the past and find it difficult to undertake accredited programs as their first step back into education and training. Programs might include communications, teamwork or job search skills or adult literacy and numeracy. Department of Education and Early Childhood Development, Pre-accredited programs, education.vic.gov.au/training/providers/learnlocal/Pages/preaccredited.aspx, accessed 19 March 2014.

[14] Australian Chamber of Commerce and Industry, 2014, *Learning to work A helping hand for young Australians*, p.9, acci.asn.au/getattachment/67807971-0571-4ab8-b6ed-8f305ba541fb/-Learning-to-Work----A-helping-hand-for-young-Aust.aspx, accessed 11 April 2014.

- policy and program infrastructure at the national level supporting a network of service providers and building local capability;
- jurisdictional approaches that are:
  - demonstrating new models of service delivery that draw together multiple Commonwealth, State and community organisation services for families with long-term unemployment so that the cycle of intergenerational employment is broken, enabling young people to be re-engaged in learning and work
  - acting as community hubs with Aboriginal community leaders actively involved in design of models that coordinate and leverage off existing services
  - establishing an overarching framework for youth to guide development of joined-up services and maximise use of available resources.
- wraparound services that are supporting learners experiencing multiple barriers
- employers' advice about the features in their workplace that are supporting young people to achieve success in work
- what works in engaging employers
- what works in systemising successful programs.

3.1.1 National policy and infrastructure

National programs that have been agreed by the Council of Australian Governments have been described by stakeholders as having achieved the establishment of significant infrastructure for youth-specific service delivery.

Stakeholders commented positively about Youth Connections in particular and its success is confirmed by evaluations. There was almost universal advocacy for continuation of a youth-specific service with features similar to this program.

Youth Connections outcomes

Youth Connections is delivered in 113 regions across Australia, covering every state and territory. Service delivery is characterised as flexible, individualised case management to assist young people aged 13 to 19 (except in Tasmania where the cohort starts at age 11) who are disengaged, or at risk of disengagement from education. Youth Connections providers also implement outreach and re-engagement activities for young people in the community and strengthen wraparound services in their regions so that young people can access better support.[15]

As at November 2013 30,000 young people were on the program annually.

The Youth Connections National Network (YCNN) recently completed a Destination Study that surveyed the current education, financial and personal situations of over 200 young people who received a final outcome from the Youth Connections program in 2011.

Six months after completing a final outcome, 94.2 per cent of young people surveyed reported that they either stayed at school or continued studying somewhere else or started working part-time or full-time in the six months after leaving the program. The majority of participants recorded that they were not receiving any Centrelink financial assistance (111 participants – 54 per cent). Those who were receiving Centrelink assistance were typically on Youth Allowance (45 participants – 22 per cent) or Youth Allowance (Other) (18 participants – 9 per cent).

The long-term outcomes for the survey participants two years after their involvement with the

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[15] Youth Connections National Network, undated, *The space in-between*, p.3, youthconnect.com.au/wp-content/uploads/2013/03/Space-in-between-4web.pdf, accessed 2 April 2014.

program were also encouraging, with 81.5 per cent of young people recording they were still in education or in employment. The young people surveyed were ambitious for a future where they are involved in education or employment. This was a significant change from their sense of disengagement and disconnection from education, the world of work, and society when they entered the program.

The destination data report demonstrates that intensive and flexible support translates to long-term activation in education, training or employment. Importantly, the sustained engagement following involvement in the program has resulted in reduced dependence on welfare.[16]

2011 annual reports by jurisdictions indicate that providers are being used to deliver other youth-specific services and programs. For example:

> Youth Connections providers are also responsible for conducting the Victorian Government *On Track* Connect program. As part of the *On Track* annual destinations survey, the program aims to assist young people who have left school and are not studying or in full time work, by connecting them with an appropriate pathway.

However, demand for services outstrips supply. Victoria's annual report also notes:

> The Youth Connections program, in its third year, has become better known and more popular with referral agencies, in particular Centrelink. As Centrelink now has Youth Connections referral targets, managing the expectations of such a large agency is challenging, in particular when Youth Connections providers flag their respective limited service capacity. The challenge is typically addressed by Youth Connections providers linking with other relevant youth providers active in the respective region.[17]

The national School Business Community Partnerships Brokers program comprises 107 service regions and 83 contracted organisations across the country. The program, implemented in 2010, builds partnerships between schools and other education and training providers, business, parents and families, and community groups to support young people to make a successful transition to further education, training and work. It is based on the use of independent intermediaries to build capacity within local networks and multiply outcomes through collective action.

The program currently supports over 2000 partnerships nationally, involving more than 6000 partner organisations. One in five of the partnerships supported have an indigenous focus. Approximately 40 per cent of the schools involved in partnerships are from the most disadvantaged quartile based on their Index of Community Socio-Educational Advantage (ICSEA) value.[18]

Over 1600 companies and small businesses are currently involved in partnerships supported by the program. Almost 1280 partnerships are supporting business engagement with young people and providing quality workplace and community learning opportunities. In many cases, these partnerships are supporting workforce development needs and addressing skill shortages.

School–business community partnership brokers outcomes

An independent evaluation of the Youth Attainment and Transitions National Partnership found that the Partnership Brokers program delivers high quality partnerships that address the needs of young people with a high level of support for the program from partner organisations.

A Department of Education (then DEEWR) survey of over 1000 schools, businesses and community groups involved in partnerships showed over 90 per cent of partner organisations feel

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[16] Youth Connections National Network, November 2013, "*Outside the School Gate*", pp.1-5, ja.com.au/sites/default/files/%5Buser%5D/files/events/Report%20-%20Outside%20the%20School%20Gate.pdf, accessed 4 April 2014.

[17] Government of Victoria, 2011, *National Partnership on Youth Attainment and Transitions Victoria 2011 Annual Report (submitted May 2012)*, p. 35, docs.education.gov.au/documents/vic-np-yat-annual-report-2011, accessed 19 March 2014.

[18] ICSEA was created by the Australian Curriculum, Assessment and Reporting Authority (ACARA) specifically to gain an understanding of the levels of educational advantage or disadvantage that students bring to their academic studies.

that their partnership is achieving outcomes that support their community and its young people. The results also indicated that a similar percentage highly value the support provided by Partnership Brokers.

A Social Return on Investment (SROI) analysis of five Partnership Broker regions showed that for every $1 invested by the Australian Government, Partnership Brokers have been the catalyst for up to $5.50 of created value.

The national network of Partnership Brokers represents an established infrastructure. The network has provided the Australian Government with a flexible delivery arm that can act locally, regionally or nationally in response to current or emerging priorities. The national network of Partnership Brokers is supported by representative bodies at the national and jurisdictional levels. These representative bodies, comprising elected Partnership Broker providers, act as a point of contact for state and national level stakeholders and provide a mechanism to support strategic, large scale partnerships, and scope-up and propagate successful partnership models.

An important feature of the programs is the requirement for providers to work together to identify and address the needs of their region.[19]

3.1.2 Jurisdictional approaches

South Australia's Building Family Opportunities

This South Australian program aims to break the cycle of long-term joblessness in families, by providing the whole family with intensive case management, which helps families overcome all barriers to achieving their educational and employment potential. Engagement with the families is long-term and intensive.

South Australia's Building Family Opportunities (BFO)

There is strong evidence that children growing up in jobless families are at higher risk of leaving school early, becoming parents at a younger age and experiencing poorer employment outcomes compared to children growing up in working households.

To address this issue, the South Australian Government established the BFO program which is delivered by a number of non-government organisations.

The BFO objectives are to:

- increase the economic independence and social circumstances of long-term jobless families by securing employment in a decent job for one or more members of the family

- engage family members of all ages in tailored learning, training, and skills development with a focus on increasing educational attainment so as to enhance their employment prospects

- improve the responsiveness of systems and services so that families are able to access the whole-of-life services they need in a seamless, timely and coordinated way.

Case managers provide a coordinating and advocacy role, particularly where multiple services are needed across state and Australian government services. The support provided by this single 'go to' person who addresses the full range of a family's challenges is critical to clients progressing along a pathway to social and economic participation.

The South Australian Government allocated $9.6 million in 2009–10 for a four-year demonstration program. This concluded in December 2013. In September 2013, the South Australian

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[19] Information on the School Business Community Partnership Brokers Program was provided by the Australian Government Department of Education and Partnership Brokers National Network, January 2014, *Supporting successful school to work transitions: a shared responsibility,* 107brokers.files.wordpress.com/2014/01/supporting-successful-school-to-work-transitions-a-shared-responsibility.pdf, accessed 2 April 2014.

Government announced a targeted extension of the BFO program from 2013–16 as part of the Jobs and Skills policy. An additional $2 million was allocated to the Department of Further Education, Employment, Science and Technology (DFEEST) to continue the delivery of BFO in the Playford region, with a focus on postcodes where the highest numbers of jobless families with children are living. A Building Aboriginal Family Opportunities program is also being rolled out.

To date, the BFO has assisted 608 families comprising 1,700 individual family members. The program has enabled 384 family members to enter or return to work, with 703 undertaking training. The majority have been single-parent families. A high percentage of families were Aboriginal – 37 per cent in Port Adelaide Enfield, 57 per cent in Port Augusta, and 19 per cent in Playford.

Identified strengths of the BFO include:

- the whole family is assisted

- 'life-first' approach – non-vocational and vocational issues dealt with

- strengths based approach, that starts with the family's strengths

- assertive case management

- motivational goal setting

- comparatively low caseloads for each case manager

- coordinated multiple cross-agency involvement at the local level and highest levels of government through the BFO Senior Officers Group.[20]

New South Wales Opportunity Hubs

As part of its Aboriginal Affairs Plan the New South Wales Government is implementing Opportunity Hubs initially in four trial areas. The keys features of this program are that:

- the concept has been developed with commitment and support from Aboriginal communities

- it starts intervention early (from year 5)

- it is cross-government, long-term, and integrated into the NSW Government's 10 year Strategic Plan NSW 2021

- it has a strong focus on evaluation.

It is anticipated that the Hubs will link to the network of Youth Connections and School Business Community Partnership Brokers wherever possible in line with the philosophy of using existing services.

NSW Opportunity Hubs

Opportunity Hubs are networks which will facilitate local management strategies to develop personalised transition planning from school into tertiary education, training and/or employment for Aboriginal young people through the use of existing services.

The Hubs concept responds to feedback from Aboriginal communities who indicated they want effective co-ordination to prevent the duplication of government and non-government services and a strengthened focus on education and employment, as keys to overcoming Aboriginal disadvantage.

The non-government service provider in each region will be responsible for:

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[20] Source: The Department of Further Education, Employment, Science and Technology, interviewed 6 March 2014.

- building career aspirations and strengthening understandings of career pathways for Aboriginal students in Years 5 to 8

- working with schools to deliver personalised career and transition planning for Aboriginal students in Years 9 to 12

- engaging the local Aboriginal community and parents in support of the work of Opportunity Hub

- linking key local education and training providers and youth services into the Hub and coordinating student pathways in accord with their career plans

- engaging local employers and industry to work with the Hub to assist the delivery of industry grounded career advice, work experience and employment opportunities

- delivering personalised support services for students at serious risk of disengagement from education and training

- arranging wraparound support from relevant agencies and the community as required.[21]

Western Australia's Strategic Youth Workforce Development Plan

In 2013 Western Australia's State Training Board published its study of youth education, training, employment and unemployment in Western Australia. It explores the challenges of disengaged young people. Phase 2 of the work aims to develop a Strategic Youth Workforce Development Plan for Western Australia, for consideration by the Minister for Training and Workforce Development. It is proposed that the findings of consultations will be shared with a view to development, testing and evaluation of a fully collaborative community-based program to promote cooperative and 'joined-up' services or 'wraparound' action to maximise the impact of government interventions at the local level.[22]

3.1.3 Wraparound services supporting learners to achieve success

Several stakeholders provided advice about approaches that are supporting learners on a pathway to work. The following sections outline a program achieving positive outcomes in South Australia, and draw upon the perspectives of two training providers about what works in their settings.

South Australia's Learner Support Services

South Australia has been trialling a Learner Support Services model since 2011. This model is targeting students in vocational education and training (VET) with significant economic and educational disadvantage with a view to supporting them to remain in education and transition to work using a single point of contact, case management approach.

While an evaluation is not yet available, early success factors are its flexibility, individualised approach, targeting of those with highest need, and leveraging off existing student support services to create value-add and achieve cost-effectiveness through use of already available services.

Early indicators are that the model is cost-effective with some students only needing a small amount of funded additional support in order to complete their education.

Training providers' perspectives

One training provider said their experience and feedback from clients showed that what works to achieve effective learning outcomes and pathways to employment is constancy of contact and support throughout

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[21] NSW Department of Education and Communities, February 2014, Opportunity Hubs Fact Sheet, aboriginalaffairs.nsw.gov.au/wp-content/uploads/2013/08/140226-Opportunity-Hub-Fact-Sheet.pdf, accessed 19 March 2014.

[22] State Training Board of Western Australia, Youth Unemployment Project, stb.wa.gov.au/Pages/YouthUnemploymentProject.aspx, accessed 31 March 2014.

the journey. Based on client feedback and research, this training provider found that they had disparate and duplicated services in different locations which were difficult for clients to find their way to. This myriad of services is replicated in the community where the provider has found that there is a bewildering array of services and agencies addressing different needs that are as confusing for the provider to navigate as they must be for clients.

Within their organisation, they have commenced a change process which will relocate staff and services to create a single point of contact, providing welcoming one-stop-shops where all provider services can be accessed. This includes a thorough pre-enrolment process that checks indicators of poor foundation skills, explores the person's aptitude and interests, and looks at opportunities in the local job market. This process has been found to be critical to retention and pathways to work, a point highlighted by another training provider.

Like other stakeholders, both training providers indicated that early intervention is the key for young people. One noted that their greatest success has been reaching into schools and connecting with young people before they become disengaged - this formed a bridge between school and further learning and created work readiness. The stakeholder also indicated that a key to success is to have absolute clarity about mission so efforts are focused – for them this is about skilling people for the economy.

The other training provider also stressed the importance of identifying young people at risk of disengaging in years 9 and 10 and creating a "scaffold" for them to stay at school by integrating time at TAFE each week into their program. This enables engagement with the young person, their parents, schools and the training provider in a long-term relationship before year 11 and sets the foundations for the transition to work. They see the creation of pathways from school to further learning in TAFE as one of their number one successes. Another feature of fundamental importance to achieving positive outcomes, is the institutional backing and infrastructure for inclusive programs. The institute has a faculty for general education and equity, enabling equity policy and practice to be integrated throughout the institute rather than being 'bolted on'. This enables the institute to run and evaluate pilots and roll them out if evidence shows they work.

From learning to employment

Whittington Works

The Whittington Works Alliance was formed as part of the Whittington Community Renewal Project, funded by the Victorian Government and managed by the City of Greater Geelong. It is integrated with the Geelong regional plan and is consistent with the priorities identified by local residents in the Whittington action plan to address disadvantage and promote community well-being.

The Alliance engages with all areas of the community including employers, colleges and primary schools, Employment Service Providers, as well as (Registered Training Organisations) RTOs and individual community members. Each of these organisations has the opportunity to contribute to the broader community via regular meetings and forums. Importantly, all three levels of government are involved in the project. These collaborations are critical to the functioning of the Whittington Works Alliance in developing flexible solutions to local education, training and employment issues.

Its Education to Employment model was established in October 2011 and is a partnership approach to linking jobseekers to job opportunities. It strengthens the relationships between the community, education providers and local businesses by providing local education and training opportunities in a supported environment. The project targets four strategic action areas: promoting lifelong learning, student engagement and social inclusion; improving skills and qualifications; linking labour supply and demand; and supporting local economic growth.

The Education to Employment program is deliberately marketed to jobseekers who are traditionally hard to engage. They may come with an array of personal issues ranging from low levels of literacy/numeracy to a lack of self-confidence and motivation as well as anxiety about

continuing education and ultimately obtaining employment. Working closely with Employment Service Providers and the Department of Education, Whittington Works has been able to break down barriers that have negatively impacted on people's ability to complete study.

Strong community and business support have been crucial to the success of the project. The majority of participants are linked to an Employment Service Provider and rather than replace the work done by these providers, the focus of this program is to assist and add value to existing support services.

Most programs are structured into two 13 week semesters and run a minimum of two days per week. Whittington Works assists learners by providing additional numeracy and literacy support that is relevant to their chosen field of study, provides flexible course delivery and ensures that programs are school pickup friendly and assists with transportation to classes if required. Catch up classes are offered if required and work placement happens as early on in the program as possible to ensure that trainers are able to support each participant's workforce preparation for as long as possible.

Since its commencement, the program has graduated 40 individuals in the areas of Aged Community Care, Children's Services, Transport and Logistics and Cleaning Operations. 27 of these individuals have obtained employment in their chosen field of study. In addition, the Alliance is about to commence Certificate III programs in Children's Services and Transport and Logistics. Programs in Cleaning Operations and Aged Community Care are scheduled to commence mid-year.

3.1.4 Employer perspectives on what works for the youth cohort

One employer consulted employs young trainees (primarily aged 20 to 24 years), most of whom have many non-work related problems and have not worked for at least 6 months. That employer is clear about the key features that have led to all the trainees being either in employment or learning following their traineeship:

- a solid support network consisting of a three-way partnership between the employer, the Group Training Organisation (GTO) and the training provider in which the GTO provides consistency of contact and support for both trainees and employer

- ensuring that work experience is lined up with training so that it is work-relevant and learning is integrated

- a supportive workplace and managers with an understanding of the impact of non-work related issues, as this can make the difference between success and failure

- ready access to a range of services to assist with non-work and broader life challenges

- building hope, aspiration and confidence for the young people at the outset

- a clear recognition of the time it takes to build trust and confidence and assist people to break a vicious cycle of unemployment and family dysfunction

- support for transition to employment through assistance with resumes, referee reports, role playing of interviews etc

- a clear transition to employment plan which includes:

  - building aspiration for the future

  - exposure to a range of work activities to identify interests and aptitude

  - role plays and interview preparation

  - having a safety net to allow extension of the traineeship if necessary to ensure readiness for jobs

- ensuring employment is secured before completion of the traineeship to maximise sustainability of outcomes
- pairing trainees with mature age volunteers for mentoring and support.

Another employer who employs young trainees experiencing many barriers to work, both personal and skills-related, articulated similar themes:

- Expectations are clear and realistic from the outset. The trainees do five hours a day for three days a week – this is achievable and does not set them up to fail.

- Start with the basics—in relation to punctuality, commitment, motivation and presentation—and build self-esteem, trust, buy-in and aspiration.

- One of the keys to success is a partnership between the employer and a non-government organisation who provides consistent support to both the trainees and the manager and is available to assist with non-work related issues.

- Ready access to counselling services is also provided through an Employee Assistance Program.

- Support is provided to get work including interview preparation and referee reports.

The key lessons from these employers point to:

- employer commitment and persistence with a drive to create success

- individual managers' skills to work with young people who present with complex non-work and work related barriers

- consistent strong partnerships between private sector employers, non-government organisations, and training providers to create the support network and learning required for pathways to work.

Stepping stones from training to employment

Outstation North in the Northern Territory

Outstation North, a training operation run by husband and wife team, Damien Curr and Bridget Adams, has a vision to provide good quality training and employment opportunities to young people in rural and remote locations across the Top End of Australia.

Outstation North has been offering specialised training for over five years now, traditionally offering these opportunities to predominantly Indigenous learners. More recently they have opened their facilities to disengaged youth and school-leavers from all backgrounds. Their training and employment model has enjoyed great overall success since its inception in 2009, with more than 300 young people, many of whom had never worked before, now in on-going employment.

Statistics for Outstation North's Indigenous Employment program alone for the period 2010 to 2012 show that of the 130 training places offered, 97 per cent of trainees successfully completed and of the 180 employment places offered, 75 per cent remained in employment at the 26 week milestone point.

Damien and Bridget offer a unique Rural Skills Training Program for young people aged 14 to 25 that is delivered using a 'stepping-stones' approach. Many of those undertaking the program have had little or no assistance with basic life skills and many suffer from drug and alcohol abuse. Outstation North believes that addressing these issues first and empowering young people to deal with the challenges of everyday life provides the greatest chance of success in their future career.

The first stepping-stone is intensive life-skills, personal presentation and work ethics training which is provided alongside a five-week accredited training course leading to a Certificate II in Agriculture (Beef Production). The certificate provides graduates with a broad range of work and job-readiness skills, including work health and safety and machinery skills, which are also easily transferable to industries such as horticulture and mining.

The second stepping-stone of the program sees participants placed in the Outstation North mobile mustering camp, where the new employees undertake paid work experience in best practice pastoral techniques whilst still being supervised and supported by Outstation North, until each worker is deemed job-ready and likely to remain engaged in employment.

The third stepping-stone is placement of each employee in a Host Employer workplace (cattle station or mustering contractor operation), where a mentor accompanies the employee to the workplace and assists them to settle in and become familiar with staff and fellow team members. This mentor support continues in person and by phone to improve the likelihood of continued engagement in employment, and over time the participant works toward an independent, self-directed career pathway.

An 'Upskilling and Job-Readiness' program is being run by Outstation North in 2014. This program engages previously trained/experienced participants who are able and willing to work, but need assistance to become job-ready and find employment. This program involves non-accredited personal development/life skills training, job-search skills, rural skills extension training delivered on the job, and mentor-supported employment placement and assistance. This is basically a second stepping-stone activity aimed at a different target group— those who have already been employed away from the community, but unable to sustain employment due to personal/family issues, drug/alcohol dependence, and poor life-skills.

3.1.5 What works in engaging employers

There is good will

Several stakeholders— employers, industry and government— contend that there is no shortage of good will among employers to give people a go, but they need support and capability building. In relation to employment of Indigenous people, employers often want to offer jobs but lack confidence and are fearful they will make mistakes. Interventions therefore need to work not just on the supply side (job-seekers) but also the demand side (employers) to build capability and maximise job/person fit.

Partnerships can make the difference

Several employers stressed the importance of partnerships with non-government organisations and other specialist providers who can give support to both employers and employees, especially with respect to dealing with personal challenges, such as mental health, family problems and substance abuse, and as a key way to build employer capability and confidence.

One employer said there needs to be more advertising and marketing of the sorts of partnerships with non-government organisations that can support employers who want to give people a go –this organisation found out by accident rather than design. Plenty do want to give young people a go but they need to have entry-level positions available and have the time, patience and persistence to lead by example. This employer sees the benefits of engaging with the community and considers it has assisted with their own professional development and learning.

One representative from a large employer said that partnerships with specialist providers such as non-government organisations, disability providers and Indigenous Group Training Companies are important. It relies on its partners to get people work-ready while it concentrates on its core business.

The organisation has a substantial focus on inclusion programs for a range of groups who experience disadvantage in obtaining employment, with a specialist team of Career Development Managers within the Inclusion Team that oversees a large traineeship program for Indigenous Australians, refugees and people with a disability.

This representative also emphasised that the good will is there with many employers. Many large employers can provide alternate entry points for trainees and have the capacity to establish the infrastructure to generate success including:

- specialist positions, staffed by people who know the business and have established internal relationships with managers to do the job/person matching

- ongoing career counselling, support and mentoring to aid the transition from traineeship to employment

- advocacy - "reverse marketing" individuals to business areas

- post-placement support, paying particular attention to getting people through the 13 and 26 week points because if this occurs it will probably be sustainable

- facilitation of a culturally safe work environment for Indigenous employees.

All of these factors generate sustainable work outcomes.

But employers have to see the benefits

Employers indicated that governments need to consult with and understand businesses and their drivers better, and employers have to see the case for engagement. One employer indicated that the Indigenous Youth Careers Partnership for school-based trainees did not work well last year when changes were made right at the time when employers were trying to source trainees. The program was working for business and the changes seemed to have no rationale. There was little or no consultation with the end users and as a result trainee numbers dropped significantly that year.

Some stakeholders said that the main barriers for employers are cost and commitment.

One industry stakeholder pointed out the need to be realistic and acknowledge the context in which employers are working. For example, if employers are facing high cost of labour, a high exchange rate and high levels of automation, it will be difficult to convince them to employ young people with limited skills. They also can't always take on young people who are experiencing complex non-vocational barriers in their lives. One stakeholder commented that better buy-in and commitment from employers can be achieved when they can see a healthy benefit from their involvement. This is more likely to result in strong pathways for all young people and not just those who are disengaged.

Better connections between education, training and employers benefit everyone

Several industry stakeholders stressed the importance of engaging business in education so they can shape both inputs and outcomes.

On this theme, it was noted that:

> It is only by working together that schools, businesses and the broader community can improve student outcomes, create a more agile and responsive education and training sector, and develop young people who are qualified and work ready. Central to achieving this is engaging business as active partners in education; contributors and influencers in the learning and development of their future workforce.[23]

The Beacon Foundation and effective business-school partnerships

The Beacon Foundation, based in Tasmania, has been working for 25 years to assist young people to successfully transition from school to further education, work or training. In 2013 it worked with 13,000 young people in 115 schools across Australia. It reports that effective business-school partnerships are key to the success of its program and that its model will be refined in the coming year to include co-designed industry focused curriculum, development of industry knowledge and exposure to authentic workplace sites and practices and school and community access to online tools and resources for best practice career development.

Beacon's 2013 Annual Outcomes Report reports that:

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23   Partnership Brokers National Network, January 2014, *Supporting successful school to work transitions: a shared responsibility,* pp. 2-3, 107brokers.files.wordpress.com/2014/01/supporting-successful-school-to-work-transitions-a-shared-responsibility.pdf, accessed 2 April 2014.

- Despite 83 per cent of Beacon schools being located in low SES communities, at 98.7 per cent, Beacon students are more likely to be employed or studying full-time after completing Year 10 than the average 16-17 year old from similar backgrounds.

- 96.8 per cent of Beacon students were still in education nine months after completing Year 10 (14.9 percentage points higher than the national average).

- In 2012, 97 per cent of students reported that Beacon activities helped them to gain industry knowledge, learning aspirations or employability skills.[24]

Several jurisdictions and other stakeholders also pointed to the importance of good quality work placements and links to industry as the key to jobs, as they create pathways from training to employment. Several initiatives focused on achieving these outcomes are showcased in jurisdictions' annual reports on the National Partnership on Youth Attainment and Transitions.[25]

A number of stakeholders said that having a clear coordination point for employers makes placements easy to access and they can readily see the benefits. Evaluation of Victoria's Workplace Learning Coordinator (WLC) program which has been in place since 2010 has shown that this system has increased the number and quality of workplace opportunities. The impact evaluation noted:

> A common theme raised by all categories of stakeholders in this evaluation is one of program consistency and momentum. WLCs and stakeholders argue that the investment placed in the WLC program since mid-2010 has resulted in improving relationships between employers, the WLC and education and training providers. This developing relationship and understanding of each other's requirements is beginning to produce strong placement results of students (evidenced by the growth in placements). With this in mind, a key learning from the project is that organisational and cultural change requires strong leadership and support, particularly in its early stages, if it is to be embedded systemically. It also needs time to become part of 'normal operations'.[26]

Several stakeholders suggested there is a need for more innovative ways to build employability skills and work-readiness through partnerships with social enterprises, of which there are an increasing number. Social enterprises can offer supported employment and work placements in a supportive environment, providing a bridge to employment.[27]

Social Enterprise in action—the STREAT story

Youth rights advocate Rebecca Scott and partner and clinical psychologist Kate Barrelle founded the Melbourne-based social enterprise STREAT in 2008. STREAT offers skills and supported pathways to employment for 16 to 25 year olds who are homeless, at risk of becoming homeless or are disadvantaged in some other way. Business has steadily expanded from one food cart to four cafes, a catering business and a coffee roasting company.

Rather than purely focussing on accommodation for homeless youth, STREAT's holistic model says that for a young person to thrive they require, at a minimum, a stable self, a stable job and a stable home. STREAT's programs are set up around these focus areas:

- stable self – individualised case management, wraparound supports, life skilling, coordination of specialist services

[24] Beacon Foundation, Beacon Outcomes Reports, beaconfoundation.com.au/about-us/evidence/, accessed 31 March 2014.

[25] See for example New South Wales Independent Employer Advisor Program, Government of New South Wales, 2011, *National Partnership on Youth Attainment and Transitions New South Wales Annual Report (submitted May 2012)*, p. 5, docs.education.gov.au/system/files/doc/other/nsw_np_yat_annual_report_2011.pdf, accessed 4 April 2014.

[26] Synergstiq, 2013, Impact Evaluation of the Workplace Learning Coordinators Program Final Report, p. 4, *education.vic.gov.au/Documents/about/programs/pathways/wlcimpact.pdf* accessed 17 March 2014.

[27] Social enterprises are businesses that trade to tackle social problems, improve communities, people's life chances, or the environment. They make their money from selling goods and services in the open market, but they reinvest their profits back into the business or the local community. Source: Social Enterprise UK, About social enterprise, socialenterprise.org.uk/about/about-social-enterprise, accessed 2 April 2014.

- stable job – vocational training (the full suite of programs outlined below), supported work in STREAT's four inner city cafes and catering kitchen, transition support into open employment

- stable home – work with a wide range of services to ensure youth maintain safe, secure and affordable accommodation.

STREAT's vocational training programs include:

- short-courses (coffee/cooking) designed to give young people the confidence to embark on further vocational training

- flexible work experience program – a variable preventative program for high risk students often attending community schools

- Certificate I (3 month program) and Certificate II (6 month program)

- Certificate III/chef apprenticeship –a three year program to commence when STREAT opens its new flagship site in 2015.

To date STREAT has trained over 100 young people in its Certificate I and II programs with a retention rate of 65 per cent in the programs. Whilst many of STREAT's graduates have transitioned into hospitality and retail work following their program, many others have gone on to further study. This includes many who have undertaken full apprenticeships to become fully qualified chefs or front-of-house staff, and others who have moved into TAFE or university study in areas as broad as community services, youth work, marketing, business administration, and childcare.

STREAT's young people report an increase in self-confidence and self-worth and the capacity to adequately manage their mental illnesses and seek treatment for drug and alcohol issues. STREAT aims to equip the young people with resources and life skills to better manage their emotional and physical wellbeing and follow their aspirations to forge a better future and livelihood.

In 2014 STREAT will begin development of Cromwell Manor, a youth training academy to be located in Collingwood, Melbourne. With this new site, STREAT will have the capacity to train up to 250 young people each year. The organisation has now set itself a more ambitious 10 year goal of being able to help a young person each mealtime – that's 1,095 young people each year.

In 2013 STREAT was awarded the Social Innovation Enterprise Award by the Australian Government.

3.1.6 What works in systemising successful programs

One of the challenges of locally-based or programmatic responses linked to a finite source of funds is that the knowledge, experience and learnings can disappear when funding ceases. One government stakeholder indicated they are now focusing more attention on building clear success drivers into funding, contractual and other systems rather than perpetuating a programmatic response. As an example, they have looked at what features effectively identify at-risk young people early and are identifying opportunities to build these into accountability requirements for education providers.

Stakeholders were asked about how to convert successful local or program initiatives so they can be systematically implemented and sustained. The examples outlined below show how to "scale up" initiatives or use local learnings to create similar models in other regions.

Sustaining partnerships

Stakeholders with experience in the School Business Community Partnership Brokers program suggested that sustainability of partnerships can be built by:

- developing multiple contacts within organisations to ensure that skills and capability as well as commitment and investment are built and there are back-ups that extend beyond individuals

- documenting arrangements with Memoranda of Understanding or other formal documents so there is continuity
- building exit strategies for the partnership broker so partnerships are owned locally
- strengthening networks so there is more connection at state and national levels and with businesses that operate across states and territories
- increasing cross-regional work to look beyond local issues.

A report by the Partnership Brokers National Network suggests that the established infrastructure which has been building since 2010:

- offers government a flexible delivery arm that can act nationally or through a local place-based response
- provides a point of contact for national and state stakeholders to engage with communities
- can support strategic large-scale partnerships and share learnings.

Snapshots that have been shared that show providers leveraging off and adding value to local, state and Commonwealth programs and initiatives.[28] A number of stakeholders confirmed during the consultations that they see value in capturing and distributing case studies, good practice and learnings to encourage and act as a catalyst for systemic implementation.

Established infrastructure for coordinated service delivery

The Youth Connections National Network argues that state or community youth services are sometimes short-lived programs that vary in investment from state to state or region to region and that the longevity of the Youth Connections Program has led to a bank of expertise among providers in the youth service industry.

Evidence of this success is seen in the fact that the established infrastructure is being used to 'bolt on' other programs or initiatives:

> The depth of expertise in gaining outcomes for highly disengaged young people is recognised outside of the sector. For example, when the Victorian State Government recently sent out tenders for their Springboard out-of-home care services for young people, only Youth Connections providers were invited to tender. This example also demonstrates that there is not a duplication of the delivery of services, but rather, the Youth Connections programme complements and in some cases leverages against existing or new state or community-based initiatives.[29]

Similarly, in South Australia the Innovative Community Action Networks (ICAN) and Youth Connections programs complement each other by ensuring that the most appropriate program is utilised, based on the individual young person's requirements. South Australia's 2011 Annual Report on the National Partnership on Youth Attainment and Transitions indicates this has created a seamless approach and ensures that the young person has continuous case management support.[30]

Victoria's Youth Partnerships

Demonstration sites which test models, document the learnings, evaluate outcomes and identify improvements can be used as the basis for systemising approaches. Victoria's Youth Partnerships is an example of this approach.

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[28] Partnership Brokers National Network, January 2014, *Supporting successful school to work transitions: a shared responsibility,* pp. 5-7, 107brokers.files.wordpress.com/2014/01/supporting-successful-school-to-work-transitions-a-shared-responsibility.pdf, accessed 2 April 2014.

[29] Youth Connections National Network, November 2013, "*Outside the School Gate*", p.7, ja.com.au/sites/default/files/%5Buser%5D/files/events/Report%20-%20Outside%20the%20School%20Gate.pdf, accessed 2 April 2014.

[30] Government of South Australia, 2011, *National Partnership on Youth Attainment and Transitions South Australia 2011 Annual Report (submitted July 2012)*, p. 30, docs.education.gov.au/system/files/doc/other/sa_np_yat_annual_report_2011.pdf, accessed 4 April 2014.

Youth Partnerships is a whole-of-government initiative to better coordinate responses across community, local and state government services to vulnerable young Victorians. The aims of the initiative include reducing the escalation of problems for individual young people and improving engagement with education and training, leading to an increase in the completion of Year 12 or VET qualifications.

Collaborative approaches to improve support for young people have been tested in seven demonstration sites across Victoria (three metropolitan and four rural or regional), with activities in each site decided by local governance structures, based on evidence and current activity and a central Secretariat for overall support.[31] The initiative has now been subsumed by Victoria's Vulnerable Children Strategy. The governance arrangements which have been established through the partnerships will inform the new strategy.

3.2   What improvements can be made to existing policies and programs?

Stakeholders pointed to many improvements that could be made to current policies and programs to strengthen their outcomes for young people.

The areas suggested for improvements included:

- systemic changes at school to prevent young people from becoming disengaged, strengthen foundation skills, improve careers advice, and create better links between school and industry which will build stronger pathways to work

- better use of resources by effectively targeting those who are in greatest need

- introduction of a fully integrated one-stop-shop youth service and better tracking of young people, as highlighted in international examples.

3.2.1   The school system

Several stakeholders emphasised the need to focus efforts on systemic changes at the school level to address disengagement before it occurs.

It was suggested there is a need to:

- focus efforts on schools with large low socio-economic status cohorts and address foundation skills and implementation of effective learning systems

- provide interventions for re-engagement as is occurring now through many school-to-work transition and outreach programs for young people who are disengaged.

There also needs to be targeted interventions along the way at different points in the life course such as transitions through retrenchment.

Others suggested a focus on lifting foundation skills together with an increased emphasis on career counselling at schools to improve school to work transitions. More can be done to build the workforce capability of career counsellors and the whole career counselling infrastructure in schools.

One industry body indicated that it believes there is a disconnect between schools and the workforce. They proposed that better outcomes will be achieved by:

- improving the quality of VET in Schools

- ensuring the availability of VET in Schools from year 9

- building in high quality work placements as part of VET in Schools to assist with work-readiness

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[31] Government of Victoria, 2011, *National Partnership on Youth Attainment and Transitions Victoria 2011 Annual Report (submitted May 2012)*, p.7, docs.education.gov.au/documents/vic-np-yat-annual-report-2011, accessed 19 March 2014.

- ensuring closer connections so that industry influences both inputs and outcomes of school and other education systems.

They also emphasised the need for early intervention to identify at-risk young people at school and provide pastoral care.

3.2.2   Targeting those with greatest need

A number of government agencies indicated they have either shifted towards new approaches or are considering new approaches to ensure funds are effectively targeted to people with the greatest need.

This includes considering whether the characteristic-based approach (for example youth, disability) is the most effective way to identify need, especially when linked to funding. There is a concern that this approach is a very blunt instrument as it can mask learning and other needs by assuming uniformity in the group when not all members of a group are necessarily disadvantaged.

A better approach could be considering more effective ways to identify need using, for example, low foundation skills levels as an indicator, and investigating more effective ways for training providers to conduct learning needs assessment to facilitate successful learning.

The ACE Social Inclusion Strategy has taken up the theme of targeting needs more effectively in its recommended approach of differentiating learners according to learning disadvantage. The more vulnerable the learner, the more comprehensive the support services and time allocated. The Strategy document cites the South Australian Innovative Community Action Networks (ICANs) initiative which identifies four youth learner segments according to their level of engagement with learning and disadvantage. ICANs then link the risk profiles to learning program types and persistence strategies. Similar segmentation strategies could be developed based on both learning and non-learning disadvantage.[32]

The Youth Connections National Network similarly advocates targeting the service to those who are most vulnerable and have the greatest need.

It also advocates the need for a national youth activation and transition service. This would give priority targeting to young people 16 to 24 years who are unemployed, underemployed or inactive who have multiple barriers to employment, with transition to a JSA provider when work-ready. Young people who are unemployed, inactive or receiving Centrelink benefits should be compulsorily connected to the service, introducing an element of mutual obligation.[33]

3.2.3   A fully integrated youth service

Several stakeholders said that ideally the aim should be to create a fully integrated specialist youth service.

One government stakeholder said a fully integrated youth service should be seamless. The ideal would be a one-stop shop for all people under 25 years that addresses all their needs in one place rather than the 'virtual wraparound service we have now' where individual case managers do the handholding to other services. An alternative would be an early intervention one-stop shop with wraparound services for all under 25s who have no qualification or have a qualification but have not made a successful transition.

A training provider echoed this theme arguing for a one-stop-shop rather than having to rely on the capacity of individual providers to facilitate connections with disparate services.

Sweden's Navigator Centres are an example of such a model.

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[32] Commonwealth of Australia, 2011, *Framework for the development of an ACE social inclusion strategy,* prepared by the New South Wales Department of Education and Training, Sydney NSW, pp. 6, 22-23.

[33] Youth Connections National Network, November 2013, "*Outside the School Gate*", pp.1-6, ja.com.au/sites/default/files/%5Buser%5D/files/events/Report%20-%20Outside%20the%20School%20Gate.pdf, accessed 4 April 2014.

Sweden's Navigator Centres

Navigator Centres were established in 2004 'to create a common ground of cooperation for different actors helping youth toward employment and education.' The centres address all the needs of the young person, not just their skills needs, and are a national network of one-stop-shop services for young people seeking reintegration into education, training and employment, rather than directing them to contact several different public agencies. According to a national evaluation, around 45 per cent to 71 per cent of all visitors to Navigator Centres manage to move on to employment or education within a year. Those who did not, stated that their confidence and commitment to work had been strengthened.[34]

Some government stakeholders also referred to international models which track and rapidly reconnect with young people who have dropped out.

Denmark, the Netherlands and Norway have created networks of nationwide services to track and rapidly contact young people who drop out of education and attempt to re-engage them with education and training. These services are over and above those adopted to ensure that few young people drop out of initial education and training, and over and above measures adopted within public employment services to activate unemployed youth. The three countries have, in effect, created intermediary agencies that operate in the space between the education and training system and the public employment service and income support systems.[35]

3.2.4   Improvements to School Business Community Partnership Brokers

The national program report on the School Business Community Partnership Brokers Program indicates that challenges include building the capability of partners and brokers and variations in infrastructure and capacity in some regions. This report indicates that some school leaders and other stakeholders don't understand the role of the Partnership Broker as a facilitator, rather than service delivery provider.[36]

Stakeholders confirmed that the systems and cultures of business and schools are quite different, so the role of intermediary who understands both is critical.

3.2.5   Other improvements flagged

A number of stakeholders noted that the recent changes which have placed all Indigenous policies and programs into one central agency (Prime Minister and Cabinet) might yield benefits over time. In particular, it was felt that this may offer the opportunity to design coordinated policy across portfolios and implement amalgamated knowledge and understanding of what works, creating opportunities for a holistic solutions-based approach.

One industry stakeholder also advised that changes to incentives can have a negative impact and that the removal of Certificate II incentives has been a real barrier to getting people into jobs, especially new entrants and young people. He suggested this issue should be revisited to consider and address the impacts.

Stakeholders also identified a number of significant barriers to the design and implementation of approaches that are known to be effective. Many of these are systemic issues which also relate to

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[34] Sweet R, unpublished November 2012, *Unemployed and inactive youth: what works?*, supplied by the Australian Government Department of Education, p. 32

[35] Sweet R, unpublished November 2012, *Unemployed and Inactive Youth: what works?,* pp. 37-38

[36] Australian Government Department of Education, September 2013, School Business Community Partnership Brokers Programme Report National, p. 6 transitions.youth.gov.au/sites/Transitions/Programmes/Documents/PB_Outcomes_Report.pdf, accessed 2 April 2014.

improving labour force participation for the lower skilled mature-age cohort. They are therefore outlined at section 12 in relation to both cohorts.

3.3 The JSA model and youth at risk

JSA is the Australian Government employment services system that supports job-seekers and employers. The literature review found evidence that the JSA was not sufficiently tailored and holistic to meet the needs of disengaged youth although examples of good practice were noted.[37] This finding was tested with the sample of stakeholders interviewed by asking how effective the JSA model is in meeting the needs of young people. Most stakeholders expressed an opinion in response to this question.

Several stakeholders commented that there are good job services providers, including some that specialise in meeting the needs of particular types of job-seekers.[38] However, there were many generic criticisms of aspects of the model which stakeholders believe are impacting the quality of the service, including poor matching of jobs and individuals and insufficient support for those with complex and multiple barriers to work. An interesting feature of the observations about poor job/person matching is that it is seen to disengage both job-seekers and employers. Comments of this nature included:

> There are a lot of people working in the jobs market who are commercially focused and highly competitive, creating perverse incentives which works against those whose needs put them in the 'too hard' basket [provider and government stakeholders]

> There is a need for a specialised model for young people. Many young people turn up from JSA with no idea about the job they are being interviewed for. There is inadequate preparation of job-seekers for interviews and poor job/person match. Both the young people and the employers are demoralised by the experiences [employer and government stakeholders].

Other government stakeholders compared the Youth Connections model favourably to the JSA model and suggested that the two models are complementary:

- The JSA model has a hard exit point, that is, post-placement support is available for 26 weeks while the Youth Connections program offers flexibility for a person to stay until their needs are met. The two programs focus on different outcomes, JSA seeks a job and Youth Connections seeks a reconnection. Youth Connections providers have lower caseloads and can provide much deeper support.

- Youth Connections is a much more case-managed model but is over-subscribed. Originally this stakeholder wondered whether Youth Connections was a duplication of JSAs but now accepts that a specialised youth model is better for disengaged young people and that the two services complement rather than duplicate each other. It is considered that Youth Connections offers a journey-based approach rather than focusing at the start on hard employment outcomes and this is what makes the difference for young people.

The Youth Connections National Network supports these views:

> It is the experience of Youth Connections providers that young people with complex non-vocational barriers do not successfully transition to employment through a JSA provider often resulting in long-term unemployment. The reasons for such young people not succeeding in the current JSA system are varied. The highly regulated compliance-driven transactional employment service does not suit many young people, due to the stage of their cognitive development, lack of skills and lack of work experience. The difficulty in making a successful connection with JSA is amplified when a young person presents with complex non-vocational barriers that require intensive assistance.

> Although there are some specialist Youth JSA providers, young people aged 17 to 24 who have not had a steady education are invariably not 'work ready' for the highly regulated employment service. They need to develop pre-employment skills; pre-training skills; access to supported work experience; and address

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[37] See for example Department of Education, Employment and Workplace Relations (DEEWR), March 2012, *Good practice in Job Services Australia*, DEEWR, Canberra
[38] The JSA tender process provides for both generalist and specialist providers.

the personal, educational and vocational barriers that have prevented them from making successful transitions thus far.[39]

Jobs Australia—the national peak body for not-for-profit organisations that assist unemployed people to get jobs—also supports these views in its recent policy paper on youth transitions:

> The Youth Connections Programme has been successful in preventing and addressing disengagement from education, training and employment and helping young people achieve long-term outcomes. The strengths of Youth Connections include flexibility, capacity to provide intensive and holistic support, and outreach to the most disengaged.

> The Job Services Australia program lacks capacity to provide the intensive support and individual case management needed by highly disadvantaged and disengaged young people. Also the highly complex and regulated system of JSA services inhibits the development of innovative and specialised services. For these reasons, JSA providers will often refer the most disengaged early school leavers to Youth Connections. In this way the two distinct programs complement each other.[40]

The National Employment Services Australia (NESA) has recommended a number of enhancements to the Job Services model including changing the learn or earn policy which requires that young people under 21 without Year 12 or equivalent be in education, training or working to maintain eligibility for income support. Changes would enable providers to work with early school leavers and help them transition into employment or further learning. NESA notes that the learn or earn policy has limits on interactions with employment services that can negatively impact on engagement and participation over the longer term. It recommends that the limitation be removed to improve the opportunity for disengaged young people to achieve meaningful employment.[41]

At least one of the case studies supplied for this study (see Whittington Works) demonstrates the concept of JSA's role being supported and assisted by other providers who add value to the existing services offered by JSA.

In a report prepared for the former Department of Education, Employment and Workplace Relations on effective approaches for inactive and unemployed young people, Richard Sweet also argues that one option could be a youth-focused job placement and education re-engagement service that is separated from job placement services that cater for adults.

Sweet proposes that:

> An appropriate target is young people who have not completed Year 12 and who are subject to the participation and income support requirements of the Compact with Young Australians, with the eligibility requirements in terms of age for any re-engagement service aligned to those of the Compact with Young Australians. At present the upper limit for eligibility for access to Youth Connection's services does not align to that of the Compact. [42]

> Such a service should have a charter to contact and assist those young people who have not completed Year 12 and who are inactive but not on welfare benefits, and perhaps also some of those who are on benefits and for whom intensive support and assistance could result in reintegration into the workforce. He notes that this target group is somewhat broader than the current eligibility requirements of the Youth Connections programme's Connection Level 2B assistance, which focus attention upon those young people judged as having substantial educational, personal or social barriers that limit their participation in education, training or employment.

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[39] Youth Connections National Network, November 2013, "*Outside the School Gate*", p. 5, ja.com.au/sites/default/files/%5Buser%5D/files/events/Report%20-%20Outside%20the%20School%20Gate.pdf, accessed 4 April 2014.

[40] Jobs Australia, January 2014, *Policy on youth transitions*, p. 3, ja.com.au/submissions/Jobs_Australia_Youth_Transitions_Policy.pdf, accessed 4 April 2014.

[41] National Employment Services Australia, March 2014, *Employment Services in Australia: roadmap for the future*, p.12, www.nesa.com.au/media/62879/nesa_roadmap2015_roadmap%20for%20the%20future%20(detailed%20proposals).pdf, accessed 1 May 2014.

[42] The Compact with Young Australians includes strengthened participation requirements which means anyone under 21 who does not have a Year 12 or equivalent qualification and who is not in education or training will not be eligible for benefits (with some exemptions). Source: Australian Government Department of Education, Compact with young Australians, education.gov.au/compact-young-australians, accessed 21 March 2014.

Re-engagement services should be able to assist young people very quickly after they drop out of school, become unemployed or become inactive. At present the Youth Connections program's Connection Level 2B assists those who have been continuously disconnected from education and training for three months or more, and JSA offers case management to those who have been unemployed for six months or more. Sweet notes that this is not in line with international best practice and recent Australian research.[43]

3.4 Findings—youth at risk cohort

Drawing on the outcomes of the literature review and consultations, we have found:

- What works to improve employment outcomes is clear. Holistic, individualised and wraparound services are critical. This means identifying and responding to all the person's barriers, both personal and work/learning related, working often not just with the individual but also their family, and navigating and connecting them to relevant support services. Examples of holistic services that are cited in this report are South Australia's Building Family Opportunities and the national Youth Connections program.

- There are no quick fixes. It takes perseverance and requires stability and flexibility of funding to achieve good outcomes.

- Early intervention is critical and there is a need to identify at-risk young people at school and focus intervention efforts on transition before they become disengaged.

- The role of high quality work placements cannot be overestimated in achieving successful transitions to work. Better links between schools, training providers and industry/employers will generate work placements that provide a bridge between learning and labour markets and foster work readiness.

- Several employer stakeholders stressed that partnerships with non-government organisations and other specialist providers are critical to their success in employing both of the target cohorts. Specialist providers can support the sustainability of jobs by providing support to both the employee and the employer, assisting with non-work related issues, and building capability of employers particularly where there is good will but a lack of confidence.

- Partnerships with social enterprises can also offer supported employment and build employability skills and work-readiness as a bridge to work.

- Stakeholders say what works to improve employment outcomes may seem costly but the social and economic costs of not doing it are greater.

- Successful approaches are over-subscribed and cannot meet the level of demand; while a lack of funding in a fiscally-constrained environment presents barriers to continuing with effective approaches.

- While examples of good practice were identified and it was noted that the JSA model may well be effective for many job-seekers the stakeholders we consulted argued that it is not effective for this cohort. Overwhelmingly stakeholders recommend a youth-specific service that can complement the current JSA services.

- Some stakeholders advocated for a fully integrated 'one stop shop' youth service.

- Many programs come and go and stakeholders are frustrated by the churn. It appears that success is most likely to be sustained if there is an overarching framework to drive vision, directions and coordination, provide the policy settings for effective program features, establish infrastructure and integrate evaluation to gather evidence of outcomes.

- The foundations for delivering holistic services are there. National approaches such as occurred under the National Partnership on Youth Attainment and Transitions and experimental

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[43] Sweet R, unpublished November 2012, *Unemployed and inactive youth: what works?* supplied by the Australian Government Department of Education, p. 51.

approaches by individual jurisdictions and non-government organisations have forged the way and benefits are being seen.

- Holistic approaches and service models that work present challenges to governments and individual services. The challenges are significant and include:

    - the need to commit to long-term arrangements to allow time for benefits to accrue

    - considering how to break down silos and embed cross-portfolio approaches within jurisdictions

    - working out who pays in the transitions from school to work, and how to overcome arguments about cost shifting between the Commonwealth and states and territories.

4 Lower skilled mature-age cohort

Key features of effective policies and programs for the lower skilled mature-age group

a) **early intervention and outreach**—through media and by providing specialist providers such as the model of DOME, to quickly reach those who lose their jobs or to make contact with those who are already disengaged from work

b) **models of service delivery** that:

- offer a specialist service for the mature-age cohort and that can meet the needs of the lower skilled mature-age cohort in particular

- identify the range of personal and skill barriers to employment and provide holistic and wraparound approaches by assisting individuals with navigation and connection to multiple services to address the barriers

- offer expert career advice that matches the person's aptitudes and skills with the local labour market demand

- build strong links to local businesses and focus on effective job/person matching

- use social enterprises as a platform—to provide supported employment, volunteer opportunities and work placements as a bridge to employment.

c) **stable and long-term funding models**—that enable improvements to be identified and implemented and longer-term benefits to be realised and evidenced through evaluation.

d) **flexible funding models**—that maximise sustainability of employment through enabling services to be tailored to need so that they:

- start with addressing the person's development needs first including resolution of personal issues, building foundation skills and addressing confidence and self-esteem

- can offer post-placement support to both employees and employers over an extended period if necessary.

4.1 What does research and experience show has worked for this cohort?

Eleven stakeholders contributed insights into policies and programs for this cohort, including three with specialist knowledge:

- one not-for-profit employment and training organisation that provides services only to job-seekers over 40 years and employers seeking mature-age workers

- one employer who employs a large number of mature-age workers and has also partnered with an NGO to deliver programs for mature-age workers aimed at getting them back into the workforce

- one industry body that has run workforce assistance programs for retrenched workers for the past 10 years, supporting workers as they transition to new training and secure employment. Many of the workers are in the lower skilled mature-age cohort.

Throughout the discussions which follow the term 'mature-age' is often used more broadly as many stakeholders referred to the mature-age cohort in general, including, but not limited to the lower skilled mature-age cohort.

All stakeholders spoke of the value and positive impact of specialist programs for mature-age people but (confirming the findings of the literature review) noted that such programs are few and far between. Several stakeholders referred to programs that used to exist, but which disappeared once funding had finished.

Time and again stakeholders stressed the importance for the lower skilled mature-age cohort of programs that focused on the basics first. This involved starting where the person is and working on building confidence and self-esteem, ensuring there are wraparound services to respond to both work/skill related and personal needs and providing foundation skills support, including digital literacy or updating of digital skills. These messages are very similar to those expressed in relation to the youth cohort.

The following sections highlight practices, services and programs that are working effectively for this cohort including:

- employers who are supporting transitions to work through work experience or work placements;

- specialist services for mature-age people—an employment services provider that provides services to people aged 40 years and over

- ACE programs that are providing pathways to further learning and work

- regionally-based workforce participation programs

- programs to assist workers affected by industry restructuring

- what works in engaging employers

- what works in systemising successful programs.

4.1.1 Employers supporting transitions to work

One employer shared experiences in providing traineeships for young people together with offering volunteer opportunities to mature-age people. The experiences support the view of others that mature-age people need a peer environment to build (or rebuild) confidence and reduce significant anxiety about returning to work. In addition, the employer has found that for both the youth and mature-age cohorts, the sense of the possibilities open to them and their aspiration for work is strengthened by giving them exposure to different areas of work. Also successful is this employer's model of pairing young trainees with older volunteers, where they have found the mentoring and sharing of experience builds a supportive relationship and positive work environment for both parties.

Another employer highlighted the need to experiment with innovative models that provide job-seekers with relevant work experience and prepare them for the transition from a work placement to a sustainable job.

> In our program 'Job Jump' we employ people who have significant barriers, such as chronic mental illness, for 8 to 16 hours a week for up to 6 months. During this time we start to work on getting them permanent work elsewhere. Having built their sense of achievement and self-esteem we are able to market them effectively as having work experience and skills. Now in its fourth year we are gathering evaluation data but the evaluation is unfunded so we have to fund this ourselves [employer].

Loi's story

An innovative model of supported employment to sustainable work

In partnership with the Victorian Department of Human Services, the Brotherhood of St Laurence developed the Community Safety and Information Service, (CSIS) – a social enterprise to provide concierge services at the base of seven high-rise housing estates in Collingwood, Richmond and Fitzroy. The program is a social procurement initiative funded by the Victorian State Government. Its aims are to increase employment rates with the City of Yarra and increase the safety of local residents.

The Community Safety and Information Service provides information and support for residents, controls building access and offers liaison services with service providers to ensure that the estates are safe and functional. CSIS also incorporates an intermediate labour market program that provides tenants with up to 12 months of supported employment and training followed by support to find further employment after their traineeship concludes.

The CSIS has proved very successful and now provides around 20 jobs each year for public housing tenants, with 80 per cent of these employees transitioning to mainstream employment positions after 12 months.

Loi was 56 years old when he first approached the Brotherhood of St Laurence looking for work. At that time he had been out of work for four years. Loi had tried enrolling in a bakery traineeship which did not work out and had also done some casual interpreting and bus driving but these hadn't led to an ongoing job. Loi had become depressed and believed that he would never get work.

In 2012 Loi joined the CSIS security training program and completed his traineeship with the program's concierge and security team in 2013. He was an active participant in the program, never missing a day of work. His newfound confidence saw Loi became an active volunteer in the local Chinese and Vietnamese communities and he participated in a number of community events on the local housing estate.

Recently, Loi was supported by the Brotherhood of St Laurence to gain a full-time employment opportunity with a private security firm as a Security Officer. He is very optimistic about his future.

4.1.2 Specialist services for mature-age people

Comments about services designed specifically for this cohort included:

> The peer learning and coaching environment was important – participants found it refreshing to have colleagues and facilitators in the same age group [employer].

> This group also need social media skills and assistance to prepare resumes and the work placement and post-placement support elements are important. However, experience has shown that some job-seekers, once placed, do not want post-placement support. Hence, support needs to be individualised, based on the employer and employee views and an individual assessment [government stakeholder].

An example of a cohort-specific service is DOME, a community-based not-for-profit employment and training organisation funded by the South Australian government to assist mature-aged and disadvantaged people over the age of 40 to find employment.

As far as a representative of DOME is aware it is the only organisation of its type in Australia. However this representative believes its model could be easily replicated in other locations with modest levels of funding as it employs only one or two paid staff and utilises a bank of well-trained mature-age volunteers. It has longevity, having been in existence since 1981 (starting as a small volunteer organisation) so it has a repository of experience that it could share.

Over the past ten years 35.4 per cent of the more than 10,000 people who have registered with DOME have not completed year 12. Of the 1800 people currently registered, 93 per cent are between the ages of

40 and 65, and 30 per cent have been referred to DOME by JSA. DOME has 2000 employers registered and about one third of its job-seekers obtain jobs each year.

DOME employment, training and career development services

The key features that make it work are:

- providing a specialist service which mature-age people say makes a difference because it understands their needs

- providing work experience for mature-age people as volunteers to build confidence and self-esteem together with advice to assist job-seekers to identify their skills and aspirations and prepare good resumes

- acting as an example of a flexible workplace through its volunteer-to-paid work model

- taking a whole-of-individual approach, starting where the person is and building on strengths, maintaining long-term connection

- aiming for sustainable placements and strong trusting relationships with employers through good job/person matching, reliability and quick service, referring quality people within 48 hours

- maintaining a thorough and accurate data base and knowledge of local labour markets

- longevity and success generating credibility with employers and job-seekers and expertise in reaching employers with clear and consistent messages that make business sense, about the benefits of employing mature-age people.

4.1.3 The role of Adult and Community Education (ACE) in providing pathways to further learning and work

Victoria undertook a longitudinal study of 3000 pre-accredited learners from year 2011 enrolments state-wide in ACE. The study showed the importance of access to this type of learning for the lower skilled mature-age cohort and the pathways to work that are created.

Pre-accredited learners are those undertaking pre-accredited courses which are intended to act as pathways to accredited training, further study or employment, to build confidence and to develop skills. They can include employability, literacy and job search skills.

Pre-accredited learners surveyed from year 2011 in Victoria

The 3000 learners in the study were divided between respondents in the workforce (54 per cent) and those not in the workforce (46 per cent).

The study found that amongst learners in pre-accredited courses, younger workers, while being a smaller group, are better qualified than older workers. The latter group can be said to be engaged in a process of qualifications compensation – that is, making up for early school leaving and a lack of post school credentials through skills acquisition in pre-accredited and ultimately accredited training.

- Lower skilled men and women make up 40 per cent of the class of 2011.

- Generally they have not finished school and have at most basic vocational qualifications.

- Nearly seven in 10 are below retirement age, but fewer than half are in the workforce.

- Most are women.

- Those who are in the workforce have too little work or no work at all.

- One in four lower skilled persons has a permanent disability.

The evaluation found that for the unemployed, there was substantial progress. Over half have found work—13 per cent full-time, 20 per cent part-time (with sufficient hours), and 18 per cent part-time (but with insufficient hours). On the downside, just under a third remain unemployed (32 per cent), and almost 1 in 5 are no longer in the workforce (not including retirees).

Completing a pre-accredited course is associated with a 50 per cent change in employment status amongst the unemployed. Every second unemployed worker who completed a pre-accredited course shifted from being out of work to being in work.

Nearly one in five learners in pre-accredited courses are unemployed, and over half of these are aged 45 or over. Older unemployed workers experience much longer periods of unemployment. Of the 2011 cohort, 50 per cent of workers aged 25-44 who were unemployed both when they commenced their pre-accredited course and when recontacted, had been out of work at the time of recontact for up to 6 months. In contrast, 46 per cent of those aged 45-64 years had been out of work for between 1 year and 3 years.

The study concludes by recommending that efforts are targeted to improve access and impact, including through paying particular attention to the needs and circumstances of the groups of unemployed who are less likely to find work, that is, older men and women, the disabled and people with poor reading skills.[44]

4.1.4 Regionally-based workforce participation programs

A specialist provider said that two workforce participation programs in South Australia are working effectively to engage older workers and employers because they work together in a complementary process that combines a focus on building job seeker skills, both work and non-work related, and line these up with local labour market needs identified through regional networks including industry and employers. Skills for Jobs in Regions targets people who are disconnected from learning, training and work. It prepares them for work through a combination of career services, accredited and non-accredited training, individual and family case management, mentoring, and post-participation and post-employment support. The program involves projects that are aligned to local skill and workforce needs and are for people who are:

- not in the labour force but who want to work

- unemployed

- underemployed, or

- at risk of losing their job.[45]

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[44] Teese R, Klepetko R and Lai A, March 2013, *Learners in pre-accredited courses: a labour force perspective on students, their motives and the benefits they gain: A research report for the Adult, Community and Further Education Board of Victoria*, pp. 65, 66, 105, 124,126, 130, 141, education.vic.gov.au/Documents/about/research/acfepublications/longitreport2013.pdf, accessed 17 March 2014.

[45] Government of South Australia, Skills for All, Skills for Jobs in Regions, dfeest.sa.gov.au/About-us/Our-Department/Initiatives-programs/Skills-for-Jobs-in-Regions, accessed 21 March 2014.

The program is delivered with the assistance of 17 Jobs and Skills Regional Networks across the state. The networks are a partnership between the three tiers of government, economic development agencies, industry, employers and non-government and community organisations. The partners work together to identify and act on their region's local labour market challenges related to skills, learning and workforce participation. This partnership results in a shared understanding of local skills needs and industry demand and enables Skills for Jobs in Regions projects to be targeted to the specific needs of each region. Fifteen Industry Leaders Groups work alongside each Network to strengthen the Networks' engagement with employers and industry.[46]

4.1.5 Programs to assist workers affected by industry restructuring

Several stakeholders discussed the need to consider the disproportionate impact of industry restructuring on the lower skilled mature-age cohort. In view of the number of high profile cases of industry restructures and closures in headlines recently, the issue was front-of-mind during the consultations.

ForestWorks is an industry-led learning and development organisation for the forest, wood, paper and timber products industry. ForestWorks also performs the role of the national Industry Skills Council for the industry. For more than ten years, ForestWorks has assisted retrenched workers across its industry via the Workers Assistance Service.

> We understand that timely and comprehensive support for retrenched workers is the key to successful outcomes – not only for workers, but for their families and the broader community.
>
> Assistance is offered in a range of areas – from resume-writing and visiting local businesses to identify job opportunities, to facilitating personal and professional counselling, government services and training places.
>
> The secret to the success of our Workers Assistance Services is our specialist Workers Assistance Coordinators. All are former forest industry workers who have firsthand experience of retrenchment. Their ongoing advocacy for individuals in the job seeker process generates employment and training outcomes that would not otherwise be possible.
>
> Our aim is to support workers as they transition to new training and secure employment. [47]

The program is based on collaboration between employers, unions, communities and ForestWorks, with the union providing an advocacy and monitoring role to ensure proactive approaches for identifying opportunities for workers. ForestWorks says the program works well and has achieved a minimum 90 per cent success rate every time they run it because:

- It is based on a strong understanding of the target cohort, generally people who have been in the same job for many years and have no experience of the job market or those who are in and out of transient work and thus are vulnerable to disconnection from the labour force.

- It is an early intervention program that follows the person into their family and starts with building motivation, confidence, and capacity to deal effectively with the change that retrenchment brings.

- It is a strength and skills-based model that identifies people's transferable skills and characteristics and markets those strengths using local knowledge to tap into hidden and regional job markets.

- Coordinators are recruited from the group that has lost jobs and take on roles as leaders, advisers, advocates and facilitators of connections to local services to address non-work related needs.

- There is a strong infrastructure to support coordinators, who meet fortnightly to network and problem solve.

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46   Government of South Australia, Skills for All ,Jobs and Skills Regional Networks
      dfeest.sa.gov.au/DesktopModules/Bring2mind/DMX/Download.aspx?Command=Core_Download&EntryId=325&PortalId=1&Ta
      bId=1041 ,accessed 21 March 2014.
47   ForestWorks, Workers Assistance Service, forestworks.com.au/ltd/our-work/workers-assistance-service, accessed 17 March
      2014.

- Usually a group of coordinators will start a project with a fixed number of retrenched workers. As they find workers jobs, the numbers reduce, and more resources are able to be applied to the remaining, yet to be employed workers (that is, the workers who are facing more challenges end up with more support).

- It is a peer learning, community and locally based model that works to change viewpoints about what is possible and build hope and aspiration for retrenched workers.

- Intervention can be long-term, between 12 and 24 months, and the incentives work to achieve sustainable outcomes as the better the job/person match, the less likely individuals will return to the program. Post-placement support is also available, but is rarely intensive if investment is made in good matching of persons to jobs at the outset.

- Training is strongly linked to pathways for work – it is not 'training for training's sake'.

4.1.6 What works in engaging employers

Stakeholders indicated that two key characteristics are required if programs for the lower skilled mature-age cohort are to successfully engage employers:

- Employers need to see the benefits of participating in the program.

- The program needs to understand the labour market and identify and tap into opportunities.

Employers have to see the benefits

This was a dominant message in discussions about both cohorts, and was particularly emphasised in relation to the lower skilled mature-age cohort where stakeholders considered that employers underestimated, or were simply not aware of, the value-add these employees can bring. The need to demonstrate the value proposition for employers was stressed time and again.

Stakeholders said that employers will take notice of what is in their interest economically, so there is a need to get messages out about positive employment experiences with mature-age people including characteristics such as reliability, dedication, life experience, and commitment. The business case has to be made by providing more data about the costs of employee turnover as against benefits of the stability and commitment of mature-age workers.

> We need to give messages to employers that make business sense and work with them to focus on merit rather than age first, with a view to them getting the best person for the job [specialist provider].

Several stakeholders said that the Corporate Champions program is an effective way to get the message out to employers via other employers who have already seen the business case in employing mature-age workers.

It was suggested that more partnerships with non-government organisations using programs such as Corporate Champions will support employers and employees and help distribute the positive stories. It is noted that case studies showcasing the benefits to businesses taking part in the Experience+ Corporate Champions program are being developed.

Experience+ Corporate Champions

The Corporate Champions program aims to attract employers who make a public commitment to move toward better practice in employing mature-age people (aged 45 years and over).

Employers can receive a program of tailored assistance valued at around $20,000 from an industry expert which includes:

- a professional assessment of the organisation's workforce demographics and recruitment and retention practices

- practical help in developing an Action Plan. This could include updating recruitment processes, rolling out new flexible working arrangements and implementing retention and mentoring programs

- practical help to access government incentives

- advice on topics including positive age management, superannuation, occupational health and safety, career planning, training and age discrimination.

Case studies showcasing the Corporate Champions are being developed to build a national repository of better practice, promoted to employers Australia-wide, including through a series of national seminars. Early results show benefits to employers and their employees including:

- Employees gave advance notice of retirement intentions and arrangements were put in place for employees to work differently as they transitioned to retirement (e.g. mentoring, skills and knowledge transfer, health and safety management, flexible hours or part-time work, working from home etc.).

- Employers were able to make arrangements to transfer skills and knowledge, modify ways of working and limit the impact on the organisations or business when experienced staff retired.

- Employers were also better equipped to attract older workers for specific client service preferences and reap the benefits of recruiting older workers (e.g. reliability and diversity of experience).[48]

Understanding the labour market and tapping into opportunities

All three specialist stakeholders agreed that it is important to look at where employers source their workers and find a way to tap into that. Employers will often use networks and recommendations from people they know.

DOME noted that half of their vacancies are not listed and half of the people registered with them are not registered with Centrelink i.e. are not in the labour force.

ForestWorks, in its programs for retrenched workers, relies on its coordinators having a healthy understanding of local offerings, employer recruitment strategies, and support services. They use their networks to tap into the informal and hidden job market, rather than listings; linking up to labour hire companies as necessary if that is what is used locally.

A training provider indicated that in an area with many small businesses, engaging employers is based on building relationships and understanding the local labour market. This has led to a high level of cooperation from employers in providing work placements.

One non-government organisation that is both a provider and an employer of the target cohorts indicated that it engages employers by working to ensure job/person fit, providing intensive post-placement support

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[48] Australian Government Department of Employment, Experience+ Corporate Champions Program and fact sheet, employment.gov.au/benefits-mature-age-staff, accessed 17 March 2014.

(often unfunded but subsidised through other activities in the business), and through offering value-add services to employers such as assistance with work health and safety assessments and position descriptions.

The theme of strong job/person matching was echoed by a number of stakeholders. They stressed it is important to meet the needs of both job-seekers and employers by understanding employer needs and ensuring good preparation of the job-seeker.

Many stakeholders emphasised the critical importance of thorough and accurate careers advice that considers the person's skills, aptitudes and interests as well as local labour market information. One government stakeholder suggested the need to reopen the debate about the importance of career services.

Finally one industry stakeholder cautioned that there is no magic solution to engaging employers. They noted that employers operate in a supply and demand market and some will always take a broad view and be readily engaged in giving opportunities to job-seekers with barriers, while others won't. They suggested there is a need to have demand-side policies to stimulate engagement, but the economic context in which business is operating will always be a factor influencing employer engagement.

An employer's story—employing mature-age people

Simply Caring Australia
Queensland-based company Simply Caring Australia has been operating since 2011 as a prominent, non-medical homecare agency that provides caring services for frail and elderly people. Owner Patrice Howland and her team are committed to offering in-home care to the elderly so that they can live longer and happier in their own homes, with a little bit of help. As Patrice says, 'We are committed to providing exceptional home care services and offer a personal touch that enriches the lives of those for whom we care.'

Simply Caring Australia has a small workforce of 16 caregivers, 12 of whom are over the age of 45 years and with no previous post school qualifications. Patrice believes that the success of the organisation comes from having an older workforce who tend to understand the elderly and have been honed and trained by raising a family and caring for their own elderly family members.

Patrice conducted her own in house training, allowing her staff to complete the Certified Companion Aide program offered under the Seniors Choice Certified Companion Care training program.

More recently, and to comply with new state legislative requirements, her staff have completed a Certificate III in Aged Care and many have also gone on to complete additional qualifications such as a Certificate III in Disability Care. Some employees have now started a free training course in Palliative Care which is conducted online. Simply Caring Australia is very positive about the online learning process as it can be done when time allows and has no requirement to gather at one location at one time to conduct the training.

4.1.7 What works in systemising successful programs

Stakeholders were asked about how to convert successful local or program initiatives so they can be systematically implemented and sustained. However unlike the stakeholders who addressed this question for the youth at risk cohort, few stakeholders were able to address this question due to the paucity of programs for the lower skilled mature-age cohort. DOME advised that it believes its specialist employment services program can be cost effectively replicated as outlined in the previous section of this report.

Other stakeholders suggested that building local infrastructure, such as formal community working groups, can help to sustain local initiatives and identify lessons and improvements for other regions to consider. In a similar vein to feedback about the youth at risk cohort the value of documenting and sharing case studies that analyse good practice was also mentioned.

4.2   What improvements can be made to existing policies and programs?

Some key themes raised in relation to making programs more effective for the youth at risk cohort were also raised consistently about this cohort, including:

The need for early intervention

Stakeholders continually stressed this point.

> Early intervention is critical. Experience shows that it does not take long before being out of the workforce impacts on confidence and mental health, isolation takes hold, and long-term disengagement is more likely [employer].

Holistic approaches

Provide opportunities to resolve both the skill and non-skill barriers through a holistic assessment of the person's circumstances.

Several stakeholders indicated that barriers, especially those that are non-work related, can take time to identify as they can be masked. Mature-age people often experience substantial poverty and pride prevents disclosure of personal issues. They also have more life experience to draw upon than young people so the range of non-work related barriers are not as evident.

Make programs longer

A consistent theme raised by stakeholders is that it takes time to achieve good outcomes to maximise the chances of sustainability.

> Forget the "quick fixes" and make the programs longer than six months, building in ongoing support and transition at the end [employer].

> Funding needs to be flexible, available for intensive one-on-one support, including for post-placement support which needs to be ongoing until individuals feel they can stand alone and employers similarly feel confident [employer].

> The average term of unemployment for our cohort is 66 weeks, but most of our state programs run for 52 weeks and at Commonwealth level, 26 weeks. If we could be there for follow up and post-placement support we can often save the placement which would otherwise fail, with a small amount of effort [DOME].

Focus on both employers and job-seekers

There needs to be a balance between supply side (job-seekers) and demand side (employer) interventions to maximise effectiveness

Stakeholders observed that there is a need for not only a strong focus on employers but also on reaching those who are disengaged.

> We need to pitch more strongly to reach those in the mature-age cohort who aren't in the labour market – there has been some success through radio and print as a way to convince those who have given up that they should re-engage [government stakeholder].

Several stakeholders commented that discrimination against mature-age job-seekers continues to be an issue, with both employers and recruitment agencies. Interventions are needed that work on reducing biases and building capability in employing both cohorts. A government stakeholder advised that Recruitment and Consulting Services Association is working at a peak level to influence their members' attitudes.

A number of other improvements were suggested during discussions about the lower skilled mature-age cohort which could equally apply to the youth at risk cohort. These include:

Entitlement policies

Several industry and other stakeholders pointed to the need for consideration of the impact of the states' and territories' implementation of entitlement policy on accessibility and affordability. The entitlement policy can present barriers for mature-age people who need a new career if they already have a Certificate at a certain level and they need another at the same level in a new area to retrain. This point was highlighted by AWPA in *Future focus* in which it expressed concern about the concept of "firstness" (i.e. entitlement to public subsidy for only the first qualification) as it may prevent people from retraining in crucial areas. AWPA recommended that Australian governments review their entitlement systems to ensure that any restrictions to publicly subsidised qualifications do not undermine the capacity of individuals to adapt to changes in the labour market.[49]

More strategic use of training linked to jobs

> Be more strategic in our use of training and skills development which is often scattergun rather than careful and targeted. Training needs to be based on not only local labour demand so that there are jobs available, but also a good high quality analysis of the person that ensures an appropriate job/person match and the aptitude for available jobs [employer].

Engaging more non-government organisations and social enterprises in work placements

Several stakeholders suggested that there could be more innovative ways to look at work experience and work placements, particularly in ramping up opportunities in non-government organisations and community bodies. They observed that policy interventions could support this through providing transport costs for participants and resolving issues such as worker's compensation. The theme of increasing partnerships with social enterprises to provide supported employment, volunteer opportunities and work placements as a bridge to employment was also raised, as it was in relation to the youth cohort.

Funds for experimentation, action research and evaluation

> More funding should be available for action research, evaluation to obtain evidence about effective approaches, and for experimentation and trials of innovative approaches [provider who is also an employer of both cohorts].

Broadening the nature of programs

Several stakeholders stressed that policy and program interventions need to consider and address the costs of barriers to participation such as transport. Not everyone agreed this was a major issue. However, given the wholehearted support for holistic and individualised approaches that address both skill/work and personal barriers, it is safe to say that there was complete support for approaches that are flexible enough to be customised to individual needs.

Finally a number of stakeholders identified two specific issues of concern in relation to this cohort which they consider do not receive sufficient policy attention:

- foundation skills
- the gender dimension.

Many stakeholders noted that **foundation skills** are a significant but often hidden issue for this cohort and the lack of cohort-specific programs regarding these skills hinders identification of the issue and development of relevant and effective responses:

> There are no programs for the mature-age cohort, they are "lumped in" with everyone else. The issue is very important to this cohort, but the approach needs to be on small, relevant and focused content, individualised to the specific needs of the participant. Some people will not admit or do not understand that they have an issue with low literacy and numeracy [DOME].

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[49] Australian Workforce and Productivity Agency, 2013, *Future focus 2013 national workforce development strategy*, Commonwealth of Australia, p. 105.

- Several stakeholders indicated that skills in digital literacy and updating outdated skills in this area are particularly critical.

- Foundation skills can be a significant issue for the cohort of retrenched workers. Many will have worked in a stable long-term job and moving to a different environment and skill set can put pressure on their level of literacy and numeracy. They may have some digital literacy but in a particular setting/use and they may have worked out ways around their poor literacy skills in a stable environment or used peer support to mask the problems.

- A government stakeholder said current programs could be improved in both effectiveness and take up if they were linked more closely to other skills offerings. They observed that currently lots of people tend to find their way to foundation skills programs by happy accident rather than by design.

In relation to **gender** issues:

- Several stakeholders including providers, industry and government stakeholders indicated that gender issues in the lower skilled mature-age cohort need further attention, with men and women having different needs. They noted that there are many mature-age women seeking to re-enter the workforce after a lengthy absence due to separation, divorce or widowhood. These women have outdated or limited skills, little work experience and will need to access work for long periods of time as they have little or no superannuation. Policy settings need to consider how to reach and engage this group and meet their needs. One employer who works with a significant bank of mature-age volunteers noted that most of the volunteers are women and 80 per cent are seeking work experience to include in their resumes as a bridge to paid work.

- AWPA's research, *Future focus* noted the decline in male workforce participation over the past 40 years and that the fall has been particularly severe for mature-age men. In addition, the report pointed out the substantial increase in the number of men not in the labour force due to long-term health condition or disability or short-term illness or injury, almost three-quarters of whom were aged 45 years or older.[50]

4.3   The JSA model and the lower skilled mature-age cohort

Many stakeholders expressed views about how effectively the current JSA model is able to meet the needs of the lower skilled mature-age cohort, or the mature-age cohort generally. Overall the comments were similar to those expressed in relation to the youth at risk cohort. While again there was acknowledgement that there are providers delivering a good service, many stakeholders were generally critical of the model itself, which is seen to be driven by incentives and time pressures. Others spoke of the model contributing to an unwillingness to service the needs of the mature-age cohort. This view has also been expressed recently by the Commonwealth Age Discrimination Commissioner, the Hon Susan Ryan AO, when she stated that 'job services programs … are not well designed for the mature worker.'[51]

The theme of poor job/person matching and its negative impacts on motivation and on the confidence of both job-seekers and employers was prevalent. The literature review did not make any findings about the JSA model in relation to the lower skilled mature-age cohort so the following represents opinions based on experience of the sample of stakeholders who were interviewed for this study.

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[50] Australian Workforce and Productivity Agency, 2013, *Future focus 2013 national workforce development strategy*, Commonwealth of Australia, pp.73-74.

[51] Radio National, 2014, http://www.abc.net.au/radio/player/rnmodplayer.html?pgm=RN%20Breakfast&pgmurl=http%3A%2F%2Fwww.abc.net.au%2Fradionational%2Fprograms%2Fbreakfast%2F&w=http%3A%2F%2Fwww.abc.net.au%2Fradionational%2Fmedia%2F5441074.asx&r=http%3A%2F%2Fwww.abc.net.au%2Fradionational%2Fmedia%2F5441074.ram&t=Age%20discrimination%20could%20hinder%20success%20of%20budgetary%20reforms&url=http%3A%2F%2Fwww.abc.net.au%2Fradionational%2Fprograms%2Fbreakfast%2Fage%2F5441074&p=1, accessed 9 May 2014.

Opinions about the JSA model included:

- One employer who had previous experience in a JSA commented that staff turnover is extremely high because it is unsatisfying work driven by financial targets. The employer noted that of the 70 staff working in a JSA three years ago only one original staff member remains. This was backed up by other stakeholders who said the turnover means there is a continual need to go back and build new relationships and that job-seekers regularly comment that they had a good caseworker who left.[52]

    Financial incentives in isolation create perverse outcomes. There is a need for qualitative outcomes and not just quantitative ones, but we focus on what is measurable [employer].

- This approach was summarised as incentivising placement versus sustainability and training versus training relevant to work.

- Others stressed, as for young people, the importance of early intervention.

    By the time JSA's model identifies people as at risk of long-term unemployment, three months has already passed and by this stage, people are already disengaged and lacking in confidence. Early intervention is the key [industry stakeholder].

- One stakeholder outlined that their experience is that the driver is the funds rather than achieving a sustainable job.

    The drive is to get people into a training course "because they are eligible" rather than checking it is relevant to both job outcomes and aptitude/interests. Alternatively there is active filtering out of the clients who are hardest to assist [government stakeholder].

- One NGO indicated that to achieve a five star rating, very high numbers are needed, incentivising churn rather than sustainability.[53]

- Finally one stakeholder attempted to bring some balance to the picture, but summed up the same concerns expressed by others.

    The positive aspect of JSA is that it has an established infrastructure, but there seems to be limited capacity for specific rather than generic responses. The Guidelines look and sound good, so it seems to be the incentives and numbers that are driving it wrongly, perhaps because the unit costing is so tight that it doesn't permit the flexibility of responses to deliver what individuals need. They also often send people to inappropriate placements perhaps driven by the numbers and targets and this attracts the ire of employers, and there is insufficient understanding of the skills that people bring and the skills of jobs available [industry stakeholder].

On the theme of job/person matching, comments included:

Poor job person matching for interviews sets up to burn both the employers and the interviewees [several stakeholders].

JSA is frequently seen by employers as too heavy handed, too compliance focused and as delivering a poor job/person match [stakeholder with specialist knowledge of mature-age cohort].

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[52] A 2013 survey by the National Employment Services Association found that the majority of the 1300 respondents has been in the industry for more than 12 months, 74.5 per cent for more than 2 years, and almost half (46 per cent) had been in the industry for 5 years or more. Around 24 per cent of workers in the sector have been with their employer for under 12 months which is consistent with the community and personal services sector as a whole according to Australian Bureau of Statistics data. National Employment Services Association, March 2013, *Australian Employment Services Workforce Education and Qualification Overview*, p.4, www.nesa.com.au/media/50172/attachment%204%20-%20nesa%20realising%20or%20potential%20-%20education%20and%20qualification%20census%20overview%202013.pdf, accessed 1 May 2014. Additional information provided by NESA on 17 April 2014.

[53] The JSA Star Ratings (from 1 to 5 with 5 being the highest) are performance ratings used by job-seekers, providers and the Department of Employment:
- job-seekers to assess the comparative performance of providers in their local area;
- providers as a measure of their contractual performance; and
- the department to drive improved performance and allocate business share to providers. Source: employment.gov.au/job-services-australia-provider-performance-star-ratings, accessed 22 March 2014.

> We hear anecdotally that there is not as good a careers advice service as is needed and that people do the wrong training and burn their entitlement under the entitlement model. It seems that JSAs either don't have the resources or they don't have the skills and expertise [government stakeholder].

In relation to services for the mature-age cohort generally:

> The older age group is not valued by the JSA. It is an industry that is driven very much by payment incentives. Older people take more work to place so are not worth the effort and they park them [employer].

> It surprises me that JSA providers don't seem to provide the basics to this group in relation to resume presentation, understanding of workplace expectations, professionalism, skills that have value and those that are outdated [employer].

> JSA has limited success with our cohort. They are seen as too hard and 30 per cent of our job-seekers are referred to our organisation by JSA. The common comment is that we listen and appear interested in them [specialist provider].

Finally a number of stakeholders suggested improvements:

> It is critical that JSAs and the training system build better understanding of each other. One jurisdiction has developed a kit for both sides so they can both better meet the needs of job-seekers accessing training [government stakeholder].

> It is critical to ensure good links between training providers and JSA providers so that job-seekers aren't directed to "training for training's sake" in order to meet their mutual obligation requirements, but instead do training with a pathway to work [training provider].

- An industry stakeholder noted that JSAs have a 'low strike rate' with employers across the board. Their view is that most employers do not source from the JSA. There is a need to refresh the brand and change the look and feel of the model if more employer engagement is sought. They also suggested the need to move past the one size fits all universal model and entrench specialist providers with a case management approach to maximise chances of success.

- Several stakeholders on the theme of the need for longer programs and post-placement support noted that outcome payments are made to providers for 26 week outcomes which is insufficient to maximise sustainability of job outcomes. AWPA in *Future focus* supported the recommendations of other reports that the definition of sustainable employment outcomes should be extended to 52 weeks. AWPA recommended that the schedule of payments should be revised to provide incentives for the provision of coaching and other support services for the most disadvantaged job-seekers through the first 52 weeks of job placement including career advancement interventions post-placement.[54]

- A final point made by a government stakeholder was that ideally a service such as JSA should be universal and able to customise approaches to meet individual client needs as many do. They suggest that specialist services don't work to reduce stereotypes and change attitudes.

- This stakeholder also advised that recent workshops that have aimed to build an understanding of the needs of mature-age people using the Corporate Champions program indicate that more diversity of provider staff that can relate to different client groups would be useful as a way of ensuring a universal service is able to meet diverse client needs.

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[54] Australian Workforce and Productivity Agency, 2013 *Future focus 2013 national workforce development strategy*, Commonwealth of Australia, p. 81.

- Many of these improvements and others outlined in this report are echoed by the National Employment Services Association in its roadmap for future employment services including:
  - a stronger focus on employers
  - connection job seekers to active and tailored assistance as early as possible to achieve the fastest possible engagement to the labour market and decrease the risks of long-term unemployment
  - better alignment of incentives.[55]

4.4 Findings—lower skilled mature-age cohort

Drawing on the outcomes of the literature review and consultations we have found:

- There are few programs that target the needs of this cohort and those who have experience with this group say targeted programs work more effectively.

- Despite the lack of cohort-specific programs there are clear messages about what works to improve labour market participation and ways to improve current approaches to achieve better outcomes, some of which are very similar to the messages identified for the youth at risk cohort.

- As for young people at risk, early intervention is critical and should include holistic, long-term programs individually tailored to the person that provide support to resolve both skill and non-work related barriers. The personal barriers can often be masked and take more time to be disclosed or identified than they do for the youth cohort.

- The theme of partnerships between employers and non-government organisations/specialist providers as achieving effective outcomes and providing support for both employers and employees emerged as it did for the youth cohort. Similarly it was noted that there should be greater use of social enterprises to provide work placements and volunteer opportunities as a bridge to work.

- Expert and accurate careers advice is essential for this group but a debate is needed about how to renew focus and build capability.

- For this cohort, barriers relate to the person's confidence and motivation, so solutions need to focus on building confidence and self-esteem and identifying strengths and transferable skills.

- Many of the stakeholders consulted argued that the current JSA model is not working effectively for this group. They believe many have given up and simply dropped out of the labour force, becoming invisible to agencies and services who could assist them. Further exploration of the specialist service model that is operating in at least one jurisdiction could point the way to effective approaches which could complement existing JSA services.

- Discrimination against mature-age job-seekers continues to be an issue, highlighting the importance of continuing to communicate positive messages through programs such as Experience+ Corporate Champions

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[55] National Employment Services Association, March 2014, *Employment Services in Australia Roadmap for the future*, pp. 3,4,www.nesa.com.au/media/62879/nesa_roadmap2015_roadmap%20for%20the%20future%20(detailed%20proposals).pdf, accessed 1 May 2014.

5 What are the barriers to designing and implementing what works for both groups?

The study set out to discover and describe what works to achieve labour force participation for the two target groups, but we found that the right question is actually 'if we know what works, what is stopping us from implementing it?' Many of the barriers are systemic in nature and relate to both groups. Others are cohort-specific. Where the barriers discussed below are cohort-specific, this has been indicated. Implementation of policies or programs to increase labour force participation for the two groups needs to specifically target removal, or at the very least, active management of these barriers, to maximise their effectiveness.

Stakeholders overwhelmingly reported that the most significant barriers are:

Churn of policies/programs

- Policy changes disrupt delivery of programs and tracking of outcomes. Sometimes start dates are delayed and termination can be sudden.

- Good design of policy and programs needs time, but sometimes pressures to deliver for governments compromise this.

Commonwealth/state and territory roles and boundaries

- Overlapping commonwealth and state and territory boundaries, responsibilities and differing priorities can disrupt and limit outcomes. 'Our guidelines say this… yours say that.'

- Cost shifting can be a problem. Is it feasible for the Commonwealth to provide funds to improve school performance as well as contributing funds to develop their capacity to form partnerships in the community to improve the transition from school to work, or is this double dipping?

Costs, funding models, and poor coordination

- Many stakeholders said that costs are a barrier. Successful models can be seen as costly and therefore often not sustainable over the long-term as funding sources and funding models shift. Many stakeholders advised that young people in the transition between school and work need basic social skills, literacy skills, communication and conflict resolution skills, self-management and a range of developmental work before they can focus on content related to work. Several of these features were noted by stakeholders as also relevant to the lower skilled mature-age cohort. Training providers indicated that this requires innovative approaches to teaching which is not content—or classroom bound—and often requires team teaching with literacy specialists. Development of literacy skills in particular needs to be individualised and relevant. Funding models need to provide some leeway for experimental approaches that recognise the range of resources needed, including costs for teaching specialists and activities where young people can take risks and learn in a safe non-classroom environment.

- It may be that the balance needs to shift towards increased funding per person to achieve long-term sustainability, rather than sacrificing sustainability for larger numbers of people in programs.

- Good things are happening, but there is a lack of coordination, hampered by short-term and inflexible funding. One non-government organisation noted that existing funding levels might well be sufficient if it were better coordinated.

Portfolio funding boundaries, inflexibility and short-term interventions

- An expectation of 'quick fixes' is a barrier. What works best is to identify at-risk young people in year 9 and 10 and build a bridge between the school and the training provider so there is

'scaffolding' to keep them in learning. It presents challenges as it 'double dips' school and VET funds, but it works because it engages the young people, parents, schools, training providers and employers in a long-term relationship, rather than let those young people drop out.

- It is ineffective for funding to be linked purely to vocational outcomes without recognition of the time it takes to build aspiration for young people who come from intergenerational unemployment. Funding needs to be flexible and long-term to address developmental needs.

- A similar theme permeated discussions about the lower skilled mature-age cohort. Short-term highly employment-focused programs have some initial success, but not necessarily good long-term results. Sustainable employment outcomes are generated from a whole-of-individual approach that starts with confidence building and restoration of self- esteem, careers assessment, employment support and skills identification and development.

Limitations in evaluation and measurement of outcomes to demonstrate evidence

- Consistent measurement of outcomes is challenged by:
  - inter-governmental and cross-agency silos
  - inconsistencies across jurisdictions in the framing of the policy problems
  - different approaches to data collection
  - lack of publicly available data[56]
  - different definitions of learning outcomes.

- This makes it a big challenge to achieve the same evidence platform. The challenges inherent in evaluation are confirmed by the final evaluation report on the National Partnership on Youth Attainment and Transitions which noted:

  > It is important to recognise that a complex range of influences impact on youth participation, attainment and transitions. It has therefore been beyond the scope of this project to prove causality. For this reason we have focused on establishing correlation where it is possible and relied on qualitative research to offer perspectives on the extent to which the National Partnership has had a causal influence. Another difficulty in demonstrating causality is the relatively short period of time that has lapsed between establishment of the National Partnership and the summative evaluation. It is recognised that a longer period of time is required to fully assess the full impact of some initiatives.[57]

- Short-term interventions and the discontinuity of the election cycles also impact on the ability to run successive programs, meaning there are lost opportunities to learn from experience and implement improvements.

- Evaluations are not necessarily being shared to establish a bank of learnings. While pilots are being done, the evidence from them is not necessarily being gathered and shared. The result is that the wheel is continually reinvented.

Lack of focus on the lower skilled mature-age group

- The consultations confirmed the finding of the literature review that there has been little focus in the policy and research space on labour force participation for this cohort. As a result identification and engagement can be particularly challenging. However, several industry stakeholders noted that it is likely that attention will be heightened if the pace of economic restructuring (which has a disproportionate impact on this group) picks up.

- Any increase in focus needs to recognise and address the particular needs of both men and women in this target group.

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[56] Evidence of JSA outcomes is not readily available in the public domain.

[57] Dandolo Partners, 2014, *Evaluation of the National Partnership on Youth Attainment and Transitions: A report for the Department of Education*, p.5. docs.education.gov.au/node/35457, accessed 19 March 2014.

6 What do the findings suggest about future directions?

6.1 For the youth at risk cohort

The key to future directions lies in the foundations of infrastructure and new models of service delivery that have been established that can complement the JSA service. The analysis of effective approaches for this group has clearly identified a number of key features that maximise opportunities for successful transitions and many of the new service models highlighted in this report reflect these features.

Service models

A step back from the detail in the picture provided by jurisdictional annual reports on the National Partnership on Youth Attainment and Transitions suggests that the national focus on young people by the Partnership may have acted as a catalyst for significant trials of differing approaches for diverse groups across metropolitan, regional, rural and remote Australia. This has resulted in a rich source of evidence and knowledge about what works to engage young people in learning and pathways to employment.

Individual jurisdictions are also partnering with other services and the community sector in new models of service delivery driven by the need to use scarce resources in the most effective way. This can be seen in the South Australian program Building Family Opportunities referenced in this report and the Whittington Works case study which involves all three levels of government, as well as schools, training providers, businesses and employment services providers.

Partnerships with the non-government sector are a recurring theme. The findings of this research project suggest the need for further exploration of partnership approaches (not just between government and the community sector, but also between non-government organisations and employers) that are resulting in improved access to sustainable jobs for both the youth at risk and mature-age cohorts.

National infrastructure

The network of Youth Connections and the National Partnership Brokers has resulted in significant infrastructure onto which other programs can be 'bolted' to achieve more integrated services and economies of scale. Several stakeholders expressed concern about the possible dismantling of the infrastructure that has been established from several years of operation of these programs.

> The Evaluation of the National Partnership for Youth Attainment and Transitions notes that a number of issues need to be resolved relating to specific components of the National Partnership, including the Youth Connections and National Partnership Brokers programs. The report indicates that funding for the programs was provided for an additional year, but the future of both remains uncertain. A range of decisions will need to be made, including whether these programs should continue at all.[58]

The strength of views in favour of maintaining a youth-specific service to complement JSA suggests that there is an appetite for key stakeholders to discuss how to maintain programs such as these following the completion of the National Partnership.

A continued focus on youth attainment and transitions

Stakeholders have consistently praised the cooperation that has been established through partnership approaches. In relation to the vexed issue of costs and who is responsible, the evaluation of the National Partnership notes that policy focused on youth attainment and transitions outcomes spans jurisdictions as well as levels of government: states are responsible for school-age education, whereas the Australian Government has taken a leadership role in tackling disengaged youth.

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[58] Dandolo Partners, 2014, *Evaluation of the National Partnership on Youth Attainment and Transitions: A report for the Department of Education*, p. 117-118. docs.education.gov.au/node/35457, accessed 19 March 2014.pp 117, 118

The report suggests that in recognition of the linked roles and responsibilities of the Commonwealth and states and territories, a collaborative approach could help to ensure that policy responses are integrated and that cost-shifting and inefficient duplication is avoided. State and territory stakeholders highlighted the importance of youth attainment and transitions being maintained as a national priority. One of the major achievements of the National Partnership has been the fact that it elevated the status of engagement, attainment and transition issues within jurisdictions.[59]

The outcomes of this research report suggest the need for consideration by governments about how to maintain a focus on young people and engagement now that the National Partnership is complete. Clearly both Commonwealth and state and territory governments are working hard in this space to achieve better outcomes for young people and they have shared interests and common objectives. A new national 'framework' (however it is titled) that provides the structure for coordination, collaboration and sharing of evaluations and evidence, could be an option in the post-National Partnership environment. This could provide the impetus for continuing efforts to forge new models of service delivery based on partnerships between all levels of government and the non-government and business sectors. It would also enable jurisdictions to continue to build on achievements to date and to implement improvements identified in evaluations. A new national arrangement could also consider how to support the maintenance of the infrastructure established through previous programs.

In the meantime it is proposed that the key features of policies and programs that have been identified as effective in supporting young people to transition to work should be adopted by governments and those who design and deliver services.

6.2   For the lower skilled mature-age cohort

It is understandable that there is a greater focus on the youth at risk cohort given the economic and social implications of their long-term disengagement from the labour force. However the dearth of programs that are available to meet the needs of the mature-age cohort generally and the lower skilled mature-age cohort in particular suggests there is insufficient understanding of the economic impacts and waste of potential that is occurring through the loss of labour force participation of large numbers of people aged 45 plus.

On the evidence gathered for this project, it appears that effective service models for this cohort are similar to those identified for the youth at risk cohort. Key features that optimise successful labour force participation include early intervention, flexible program length, and holistic wraparound service models that address both work and personal barriers. However what distinguishes the discussions about the two cohorts is that for the lower skilled mature-age cohort there isn't the same sense of scale of the challenge, urgency or intensity of need to be met.

The findings suggest that the most useful focus of efforts in relation to this cohort should be on adjusting current job services to meet their needs more effectively and establishment of more providers that specialise in meeting the needs of this group including offering expert career advice. Consideration could be given to replicating the specialist employment services model that is working effectively in at least one jurisdiction.

The continuation of demand side programs that work to communicate positive messages to employers about employment of mature-age job-seekers is also important.

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[59] Dandolo Partners, 2014, pp. 118-119.

6.3 For both cohorts

With regard to adjustment of current job services it is noted that the contracts for Australian Government employment services delivered through JSA end in June 2015 and that future directions beyond 2015 are being considered. Many of the themes identified in this study have been flagged as major themes emerging from the consultation process conducted to consider future services.[60]

The reshaping of JSA beyond 2015 provides the opportunity to consider the outcomes of this study in relation to both cohorts.

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[60] Details of the review process for employment services beyond 2015 are outlined at Australian Government Department of Employment, Employment services beyond 2015, employment.gov.au/employment-services-beyond-2015, accessed 23 March 2014.

7 Recommendations

7.1 In relation to the youth at risk cohort

1. It is recommended that governments, policy makers and service providers note the following features of policies and programs that are working effectively to engage young people in transitions to further learning and work and adopt these where relevant in policy and program design and delivery:

   a) **early and targeted identification and outreach**—identifying young people in early secondary school years who are considered most vulnerable to disengagement, targeting needs more effectively by differentiating learners according to learning disadvantage, and outreach programs to identify young people post-school who are already disengaged from learning and work.

   b) **holistic services**—models of service delivery that offer youth-specific tailored case management, drawing together multiple government and non-government services for individuals (and their families where necessary) to resolve the range of personal and skill barriers to learning and employment.

   c) **youth-specific services**—that complement and add value to JSA providers

   d) **linking learning to work**—establishment of partnerships between schools, training providers and employers to integrate high quality work placements into the learning experience, make learning relevant to work, increase work-readiness, and create links between schools/training and areas of labour market demand.

   e) **using social enterprises as a platform**—to provide supported employment and work placements as a bridge to employment.

   f) **engaging and supporting employers**— through partnerships between employers and non-government organisations/specialist providers to provide support for both young people and employers, particularly in relation to resolution of personal and work-readiness issues and building the confidence and capability of employers to understand the impact of personal issues.

   g) **stable and long-term funding models**—that enable improvements to be identified and implemented and longer-term benefits to be realised and evidenced through evaluation.

   h) **flexible funding models**—that maximise sustainability of employment through enabling services to be tailored to need so that they:

   - start with addressing the young person's development needs including resolution of personal issues, building confidence, foundation skills and work-readiness

   - can vary in length to offer post-placement support over an extended period if necessary

   - build in arrangements for bringing together multiple service providers to create wraparound approaches.

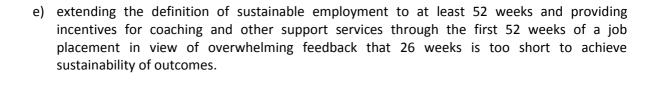## 7.2   In relation to the lower skilled mature-age cohort

2.   It is recommended that governments, policy makers and service providers note the following features of policies and programs that are working effectively to support labour force participation for the lower skilled mature-age cohort and adopt these where relevant in policy and program design and delivery:

a)   **early intervention and outreach**—through media and use of specialist providers such as the model of DOME, to quickly reach those who lose their jobs or to make contact with those who are already disengaged from work

b)   **models of service delivery** that:

  ◆   offer a specialist service for the mature-age cohort and that can meet the needs of the lower skilled mature-age cohort in particular

  ◆   identify the range of personal and skill barriers to employment and provide holistic and wraparound approaches by assisting individuals with navigation and connection to multiple services to address the barriers

  ◆   offer expert career advice that matches the person's aptitudes and skills with the local labour market demand

  ◆   build strong links to local businesses and focus on effective job/person matching

  ◆   use social enterprises as a platform—to provide supported employment, volunteer opportunities and work placements as a bridge to employment.

c)   **stable and long-term funding models**—that enable improvements to be identified and implemented and longer-term benefits to be realised and evidenced through evaluation.

d)   **flexible funding models**—that maximise sustainability of employment through enabling services to be tailored to need so that they:

  ◆   start with addressing the person's development needs first including resolution of personal issues, building foundation skills and addressing confidence and self-esteem

  ◆   can offer post-placement support to both employees and employers over an extended period if necessary.

7.3   In relation to both cohorts

3.   It is recommended that the findings of this study are used to inform the Australian Government's review of the employment services system beyond 2015, in particular that consideration is given to:

a)   encouraging employment services providers that specialise in meeting the needs of:

  ◆   young people to age 24

  ◆   mature-age people

b)   establishing effective systems for the identification of job-seekers who need specialist services and for referral from general to specialist providers

c)   examining the model of the specialist employment services provider that currently operates in South Australia to determine whether the model can be cost effectively replicated in other locations with a large cohort of lower skilled mature-age people

d)   reviewing the current system of financial incentives, payment schedules and milestones in view of the overwhelming feedback from the stakeholders consulted that they are impeding effective service delivery and driving perverse outcomes

e) extending the definition of sustainable employment to at least 52 weeks and providing incentives for coaching and other support services through the first 52 weeks of a job placement in view of overwhelming feedback that 26 weeks is too short to achieve sustainability of outcomes.

APPENDIX A: LITERATURE REVIEW

Contents—Appendix A

Glossary

Term	Description
ABS	Australian Bureau of Statistics
ACE	adult and community education
AWPA	Australian Workforce and Productivity Agency
CBA	cost benefit analysis
CEA	cost effective analyses
COAG	Council of Australian Governments
CUA	cost utility analyses
DEEWR	Department of Education, Employment and Workplace Relations
JSA	Job Services Australia
NCVER	National Centre for Vocational Education Research
NEET	not in education, employment, or training
NFE	Not fully engaged
NSPAC	National Seniors Productive Ageing Centre
NSW	New South Wales
OECD	Organisation for Economic Co-operation and Development
PACTS	Parents As Career Transition Supports Project
PYC	Peninsula Youth Connections
SROI	social return on investment
UK	United Kingdom
UKCES	UK Commission for Employment and Skills
VET	vocational education and training
WELL	Workplace English Language and Literacy
YEP	Youth Employment Project

Executive summary

Improving labour force participation is critical …

AWPA's 2013 National Workforce Development Strategy (*Future Focus*) argues increasing labour force participation is critical to Australia's long-term economic growth and prosperity, which in turn is dependent on being able to meet the requirement for the additional skills demands in the economy and ensuring the most beneficial application of those skills.

In this context, how Australia uses its potential labour force and ensures that those who can participate in the labour force do so, directly influences the quantity and quality of the labour force available to drive national economic growth.

This literature review examines evidence arising from interventions aimed at improving labour force participation for two target cohorts….

This literature review is the first stage of a two-stage study designed to deepen AWPA's understanding of the policy context and policy effectiveness of interventions aimed at improving labour force participation for two key population groups (the target cohorts):

(1) Young people aged 15-24 (referred to in this paper as the youth cohort). Of particular interest are three overlapping subgroups of young people: those who are unemployed; those not fully engaged in education and/or employment; and those who are not in education, employment, or training at all (NEETs).

(2) Mature-aged males and females aged 45-59 who left school early and have no post-school qualifications (referred to in this paper as the lower skilled mature-age cohort).

These target cohorts have been selected based on AWPA's publication *Labour force participation: Youth at risk and lower skilled mature-age people – a data profile*. This data profile indicates that:

- The period of transition between education and employment is becoming prolonged, with young people less likely to be in full-time employment and more likely to start full-time work at a later age.

- Around one in five young people are not fully engaged in work or study, while just under one in ten young people are disengaged entirely from education, employment and training (NEETs).

- Young people in their early 20s (aged 20-24 years) are more likely to be not fully engaged (NFE) or completely disengaged from education, employment and training (NEETs) than teenagers (aged 15-19 years).

- There is a gap of nearly 20 percentage points between the labour force participation of lower skilled mature age people (aged 45-59 years), at 69.3 per cent, and those who completed Year 12 and have post-school qualifications, at 88.3 per cent.

- Nearly three times as many lower skilled mature-age people are not in the labour force compared to those with higher-level skills.

- Less than half of lower skilled Indigenous mature-age people are in the labour force (49.6 per cent), while the participation rate of Indigenous mature-age people with higher skills is 82.4 per cent.[61]

At a broad level, the barriers to labour force participation for the target cohorts can be either demand side barriers or supply side barriers.

- Demand side barriers predominantly involve a lack of labour demand and require a policy focus that increases the demand for labour, for example by stimulating

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[61] AWPA, 2014, *Labour force participation: Youth at risk and lower skilled mature-age people – a data profile*, Commonwealth of Australia, Canberra.

economic activity, providing incentives to hire workers or reducing the cost of labour for employers.

- Supply side barriers require a different focus through improving the capacity of workers to obtain and retain employment (e.g. improving skill levels) and/or removing or mitigating a range of non-skill barriers that prevent people from participating in the labour force.

The outcomes of this literature review will inform the stakeholder consultations in Stage 2, which aim to further investigate the policy context and effectiveness of policies to address labour force participation of the target cohorts.

… it found few evaluations directly relevant to the target cohorts…

This literature review has involved identifying and analysing a range of documents relating to policies and programs aimed at improving the labour force participation of the target cohorts. These documents have included policy/program evaluations, academic and other research reports, reviews or other relevant documents that have reported the outcomes of specific policy/programs.

The literature review was able to identify a number of Australian policy/program evaluations that were directly relevant to the youth and/or lower skilled mature-age cohorts. However, there is limited literature available specifically in relation to the lower skilled mature-age cohort, with much of the literature dealing with the mature-age cohort generally.

In terms of international literature, the review revealed a small number of international studies that provided a comparative analysis of policy approaches to improving labour market participation for the youth and lower skilled mature-age cohorts. One study, Pohl and Walther (2007), argues that it is important to take account of the different national contexts that apply when assessing and understanding the nature of labour market activation policies (which includes measures to increase labour force participation) across different countries. They outline a 'transition regimes' model that 'incorporates different constellations of national socio-economic, institutional and cultural structures in which youth transitions are embedded'. The 'liberal' transition regime contained in this model most closely resembles the Australian situation, with its focus on individual rights and responsibilities and post-compulsory arrangements that have flexible vocational and academic education options and a range of entry/exit points. The United Kingdom, United States, Canada and New Zealand are other countries whose transition regime is predominately 'liberal'. Because of this, care was taken to largely confine this literature review to drawing on experiences in countries with comparable regimes or, where relevant, broader experiences across a range of countries.

…there is a broad understanding of the barriers to labour force participation for the target cohorts…

The literature indicates there is a broad understanding of the barriers to labour force participation for the youth cohort and the mature-age cohort. These barriers can be complex and varied in nature and extend beyond employment-related issues. This requires policy responses that are flexible enough to be tailored to individual need and circumstances.

The two cohorts face different types of barriers, with the mature-age cohort generally facing mostly barriers of a structural nature, whilst the barriers facing the youth cohort are more evenly spread between structural, social/cultural and individual barriers. Policy interventions need to be tailored to the needs of the different cohorts due to the different types of barriers faced.

The youth cohort is particularly characterised by diversity, with data showing that different subgroups such as males, females, young people with a disability and Indigenous young people have differential rates of labour force participation, suggesting they face different types of barriers.

The literature review revealed two important gaps.

Firstly, because few evaluations were identified of policies or programs specific to the youth or lower skilled mature-age cohorts there is limited hard evidence on the direct benefits and costs associated with such policies or programs. In particular, the literature pays much less attention to the lower skilled mature-age cohort and, whilst there is a general appreciation of the barriers to labour force participation faced by the cohort, there is a need for more information on what are the needs of the cohort and what types of policy/program responses are effective in achieving sustainable employment outcomes for this cohort.

Secondly, policy or program evaluations, where they have occurred, have not been sufficiently consistent or robust to determine whether program aims have been met, their cost effectiveness or the sustainability of outcomes. Some governments (e.g. New South Wales and the Australian Capital Territory) have evaluation policies to guide a consistent approach to policy or program evaluation. The presence of such evaluation policies is a step towards those governments applying a consistent and robust approach to policy/program evaluations. However, not all jurisdictions, including the Australian Government, would appear to have such policies. This raises the broader issue of how to ensure consistent and robust policy and program evaluations across jurisdictions.

Despite the limited number of relevant evaluations or reviews specifically concerned with our chosen cohorts, the literature does send some clear messages regarding the type of policies or programs that result in improvements in participation of these target groups. Specifically:

Youth cohort

- The literature suggests that programs that are effective in increasing the labour force participation of young people tend to take a holistic approach, being tailored to individual needs, providing good support mechanisms and addressing multiple barriers in the program responses. This is necessary to deal with the diverse barriers that the cohort experiences and is consistent with trends internationally.

- While many young people are successfully transitioning to work and/or further education over time, this is not true of all and there is evidence that this period of transition is becoming prolonged. An important policy issue for government consideration is how to accelerate this transition in a cost-effective and sustainable manner by targeting the subgroups of the youth cohort that are most likely to remain disengaged in the absence of specific interventions.

Lower skilled mature-age cohort

- The literature identifies a range of policies and programs for the mature-age cohort generally that tend to focus on resolving specific barriers, rather than multiple barriers.

- Policies and programs that aim to increase labour force participation for the mature-age cohort need to take into account issues broader than skills needs, such as age discrimination, lifestyle and health related issues.

Both cohorts

- The diverse range of barriers to labour force participation that are faced by both cohorts suggests there is a need for a broad range of policy/program responses that can be accessed over a range of timeframes. Individuals may require different combinations of support for different time periods according to their circumstances. For example, a training response to provide specific skills may be completed in 12

months, but the person may require access to ongoing assistance to cope with other non-skill barriers such as homelessness, substance abuse and mental illness in order to function effectively enough to use their newly-acquired skills.

- While the costs of holistic and targeted policies and programs can be high, this needs to be weighed against the high costs to Government, society and the economy of supporting the cohorts outside of the labour force.

The insights provided by this literature review will inform the consultations undertaken in Stage 2 of this study.

1 Introduction

AWPA's 2013 National Workforce Development Strategy (*Future Focus*) argues that 'it is imperative to increase Australia's labour force participation to enable our economy to grow and thrive'.[62]

Australia's long-term economic growth and prosperity is dependent on being able to meet the requirement for the additional skills demands in the economy and ensuring the most beneficial application of those skills. In this context, how Australia uses its potential labour force and ensures that those who can participate in the labour force do so, directly influences the quantity and quality of the labour force available to drive national economic growth.[63]

Future Focus recommends:

> That the Australian Government adopt an aspirational goal of 69 per cent labour force participation by 2025 to meet the projected demand for labour, noting that this will be supported by raising skill levels within the workforce and community.[64]

Evidence shows that those holding a qualification are significantly more likely to be in the labour force than those who do not have qualifications.[65] The importance of skill development in supporting economic growth and improving social inclusion is recognised internationally, with the Organisation for Economic Co-operation and Development (OECD) developing a skills strategy to help countries 'develop policies that can transform better skills into better jobs, economic growth and social inclusion'.[66]

Importantly, the OECD strategy recognises that skills and labour force participation rates are linked. It observes:

> People may have skills, but for a variety of reasons may decide not to offer them to the labour market. In all OECD countries, many individuals are out of the labour force by choice, because of their personal/family circumstances, or because there are financial disincentives to work. Integrating under-represented groups into the labour force can increase the skills base in an economy. However, this requires identifying inactive individuals, possibly re-training them, ensuring that the benefit system offers them financial incentives to enter or return to the labour market, and removing demand-side barriers to hiring.[67]

The OECD strategy observes that governments can promote growth in labour force participation by improving the financial attractiveness of employment, restricting access to government income replacement schemes and by reducing the range of non-financial employment barriers.[68]

Different population cohorts have specific and different barriers to their participation in the labour force. Accordingly, policy makers have different challenges to meet when designing appropriate policy/program responses aimed at improving the labour force participation rate of the cohorts that are the target for this literature review.

The Australian Bureau of Statistics (ABS) defines the **labour force participation rate** as the number of persons aged 15 years and over who are employed or unemployed expressed as a proportion of the population.[69]

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[62] Australian Workforce and Productivity Agency (AWPA), 2013, *Future Focus – 2013 National workforce development strategy*, AWPA, Canberra, p. 67.

[63] Skills Australia, May 2011, *Skills for prosperity - a roadmap for vocational education and training*, Skills Australia, Canberra, p. 1; AWPA, *Future Focus*, pp. 67-68.

[64] AWPA, *Future Focus*, p. 70.

[65] AWPA, *Future Focus*, p. 67.

[66] OECD, 2012, *Better skills, better jobs, better lives: a strategic approach to skills policies*, OECD Publishing, pp. 13.

[67] OECD, *Better skills, better jobs, better lives*, p. 14.

[68] OECD, *Better skills, better jobs, better lives, p. 66.*

At a broad level, the barriers to labour force participation for the target cohorts can be either demand side barriers or supply side barriers.

- Demand side barriers predominately involve a lack of labour demand and require a policy focus that increases the demand for labour, for example, by stimulating economic activity, providing incentives to hire workers or reducing the cost of labour for employers.

- Supply side barriers require a different focus through improving the capacity of workers to obtain and retain employment (e.g. improving skill levels) and/or removing or mitigating a range of non-skill barriers that prevent people from participating in the labour force.

Against this background, AWPA is undertaking a two-stage study designed to deepen AWPA's understanding of the policy context and policy effectiveness of interventions aimed at improving labour force participation for two key population cohorts (the target cohorts):

(1) Young people (aged 15-24) (referred to in this paper as the youth cohort). Of particular interest are three overlapping subgroups of young people: those who are unemployed; those not fully engaged in education and/or employment; and those who are not in education, employment, or training at all (NEETs).

(2) Mature-aged males and females aged 45-59 who left school early and have no post-school qualifications (referred to in this paper as the lower skilled mature-age cohort).

The objective of the study is to provide an evidence base about approaches that can be used to improve labour force participation for the target cohorts. This literature review is the first stage of the study.

Increasing participation in the labour force is achieved by encouraging those persons not in the labour force to re-join the labour force, either by obtaining a job or by actively looking for a job. However, in recognition that increasing employment is ultimately the key policy goal of Australian governments (not just raising the participation rate), this literature review focuses specifically on identifying those policies and programs that may help achieve this aim.

1.1 Objectives of this review

This paper presents the outcomes of a literature review examining policies and programs aimed at improving the labour force participation of the target cohorts. In this context, policies are the strategic directions adopted by governments to improve labour force participation for the target cohorts, whilst programs are initiatives that are designed and implemented to achieve this specific policy outcome.[70]

The objective of the literature review is to identify:

- the issues affecting labour force participation for the target cohorts

- the evidence that demonstrates how effective policy/program approaches have been in overcoming the identified barriers and what represents value for money in different approaches.

The outcomes of this literature review will inform the stakeholder consultations in Stage 2, which aim to further investigate the policy context and effectiveness of policies to address labour force participation of the target cohorts.

This review has involved identifying and analysing a range of documents relating to policies and programs aimed at improving the labour force participation of the target cohorts. These documents

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[69] Australian Bureau of Statistics (ABS), 2013, *Labour Force Australia*, Cat. no. 6202.0, October, pp.37.
[70] ACT Government, December 2010, *Evaluation policy and guidelines*, ACT Chief Minister's Department, Canberra, p. 5.

have included policy/program evaluations, reviews or other relevant documents that have reported the outcomes of specific policy/programs. Given that one of the objectives of this study is to identify issues affecting labour force participation, the review has specifically included references that explored barriers to the participation of the target cohorts.

In the remainder of this literature review:

- Sections 2 and 3 contain the key findings of the literature search for each of the target cohorts.

- Section 4 summarises the broad conclusions drawn from the literature review.

- Section 5 documents the references used by this literature review.

The methodology for the review is outlined in section 6 below. As part of the methodology, detailed summaries were developed for a selected number of documents that were identified as relevant to the review. Two examples of these summaries (one relating to each of the target cohorts) are contained in section 7.

As part of developing the detailed summaries, the documents were analysed as to whether they had evaluated the value for money of those policies or programs. An outline of some different approaches to evaluating the value for money of policies or programs is contained in section 8.

2 Improving participation for the youth cohort

Key Messages

- The barriers to labour force participation for disengaged young people cut across a range of structural, social/cultural and individual dimensions, all of which affect the labour force experience.

- While many young people are successfully transitioning to work and/or further education over time, this is not true of all and there is evidence that this period of transition is becoming prolonged. An important policy issue for government consideration is how to accelerate this transition in a cost effective and sustainable manner by targeting the subgroups of the youth cohort that are most likely to remain disengaged in the absence of specific interventions.

- A better understanding is required of the broad impact of the variety of national government policy/program interventions aimed at improving youth transitions to work. It is recommended that an analysis be undertaken to identify the impact of policy/program interventions such as those undertaken since 1990 aimed at improving school retention rates, the development of vocational education and training (VET) in schools and so on.

- There is no single, clear answer to the question of how best to improve the labour force participation of young people. There are, however, some key understandings of the types of policies and programs that work.

- The literature suggests that effective policies and programs share the common characteristics of taking a holistic approach, which involves being tailored to individual needs, providing good support mechanisms and addressing multiple barriers in the program responses. This is consistent with trends internationally.

- There is evidence that some policies and programs are not sufficiently tailored to meet the needs of disengaged youth. For example, the Commonwealth's Job Services Australia (JSA) has been criticised in this respect.

- While the costs of holistic and targeted policies and programs aimed at encouraging labour force participation for young people can be high, this needs to be weighed against the high costs to Government, society and the economy of supporting this cohort outside of the labour force.

- Few specific evaluations of policies and programs specific to the youth cohort were identified through the research. Where policies and programs have been evaluated, they tend not to evaluate the success of the program against the stated program objectives and few evaluate value for money using robust methodologies.

2.1 Overview

International literature points to a number of priority groups of young people that present different features in terms of their entry and attachment to the labour market and necessitating targeted policies and programs.

Young people (aged 15-24) not in education, employment or training (NEETs) have been the subject of policy discussion in the European Union (EU), mainly centred on the view that this cohort is

considered to be a net drain on society as they are not economically active.[71] *Future Focus*, in citing the OECD, notes that this group is of particular concern as they are especially vulnerable and at risk of long term detachment from the labour market.[72]

Not all young people aged 15-24 who are not in education, employment or training can be considered to be 'disengaged'. As noted in a paper on youth education, training, employment and unemployment in Western Australia, young people use the time immediately following school completion to:

> "try out" different employment and training options in real workplaces and adult education facilities. A spell of unemployment or underemployment is quite normal and is generally short lived.[73]

However, the paper also suggests that a sizeable proportion of young people experience difficulties in the transition between school and further education and work, and as such, fall into the 'disengaged' category.[74]

In addition to the at-risk NEET group, an OECD report refers to 'good performers' (university graduates who in the past did not have particular difficulty in finding a job) who are now finding it harder to secure a job that matches their qualifications because of low demand for certain high skills. Not only is unemployment growing, but so too is underemployment as young people work in jobs for which they are overqualified, resulting in a waste of their talents and a poor return on the investment in their skills. The report also notes that labour market outcomes for this group consequently affect outcomes for the more at risk groups. As higher-skilled applicants apply for lower skilled jobs to get a foothold into the labour market, those with lower skills are forced further down the skills ladder.[75]

Pohl and Walther (2007) indicate that there has been a 'de-standardisation and individualisation of youth transitions' between school and work, which has created new risks of social exclusion for young people. They suggest that transitions have become 'prolonged, diversified, unstable and uncertain' with approaches tending to reduce social integration to labour market integration and youth transitions to school-to-work transitions. This has led governments in the European Union to move to a new phase of transition policy that involves more sophisticated and targeted policy responses to encourage young people into work or further education.[76]

To some extent, this experience has been reflected in Australia, particularly since 1990. Changes in the labour market, together with a range of government policy interventions, have seen corresponding developments in the transition pathways between school and work in Australia. The 1990s saw increases in school retention rates, increased flexibility of training delivery, the inclusion of VET programs in secondary schools and increased links between the education sector and business. The policies that underpinned these changes aimed to improve school to work transitions for those at risk of not effectively transitioning from school to work through the traditional pathways.[77]

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[71] Robson K, 2010, 'The afterlife of NEETS', *Growing gaps: educational inequality around the world*, Oxford University Press, pp. 185-207.

[72] AWPA, *Future Focus*, p. 79.

[73] State Training Board of Western Australia, 2013, *Youth matters: a study of youth education, training, employment and unemployment in Western Australia*, State Training Board of Western Australia, p.6.

[74] State Training Board of Western Australia, *Youth matters.*

[75] OECD, 2013, *Local Strategies for Youth employment: learning from practice,* OECD Publishing, Paris, p. 9.

[76] Pohl, A and Walther A, 2007, 'Activating the disadvantaged. Variations in addressing youth transitions across Europe', *International Journal of Lifelong Education*, Vol. 25:5, p 535.

[77] Ball K, 2001, 'School to work transition in Australia', *2001 KRIVET international conference on technical and vocational education and training: national strategies for developing human resources through technical and vocational education and training*, KRIVET, Seoul, pp.11-26.

Conventional education structures do not suit everyone. This has been recognised through the implementation of policies and programs specifically developed to provide an alternative to young people deemed 'at risk' of withdrawal, such as the Community Victorian Certificate of Applied Learning program for young people delivered through the Brotherhood of St Laurence.[78]

The Brotherhood of St Laurence has reported that in 2008, over half of those who had left school early would have remained, had 'a more adult environment' and more vocational programs been available. As the Brotherhood concludes, this suggests that:

> the inflexibility of formal school settings contribute to early school leaving.[79]

Increasing school retention rates has been a specific focus of all Australian states and territories in recent times.[80] The introduction of Vet in Schools programs to the senior secondary system has been viewed as a strategy for increasing year 12 retention by:

> broadening the school curriculum so that it appeals to a wider range of students. These programs can help students form a positive view of learning and encourage them to stay in school.[81]

Vet in Schools is also an example of a mechanism used to help in the transition between education and work, aiming to provide students with foundation workplace skills. It has been suggested that it is not appropriate to view Vet in Schools as a direct employment pathway. Rather, the programs are best seen as 'the foundational component of a post-school education and training pathway'.[82] It is evident in the literature that the Vet in Schools model is not specifically focussed on addressing issues relating to those young people who are at risk of ongoing disengagement with education and work, although Vet in Schools arguably does have an affect on this 'at risk' group.

The Glasgow Works Youth Gateway looked at evidence which demonstrated an established pattern where young people – particularly from the most deprived backgrounds – struggled in the education system beyond the primary levels. Steps were taken to address this issue through the early identification of 'at-risk' pupils, offering a wider and more flexible curricula, involving employers and monitoring the school performance of these pupils closely.[83]

A survey conducted in 2011 identified a multitude of programs Australia-wide that focus on working with young people at risk of disengagement with education and work. The survey identified that programs were delivered at 1,979 locations throughout Australia.[84]

Government policies and programs aimed at improving labour force participation for the NEET cohort range from:

- wide-reaching policy initiatives that focus on providing foundation skills such as language, literacy and numeracy (LLN) skills (for example, the Australian Government's Language, Literacy and Numeracy Program);[85] to

- programs such as Youth Connections, which provides a safety net for young people at risk, either through personalised individual support or by providing services that recognise the role that family and community play in a young person's well-being and development;[86] to

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[78] Myconos G, 2012, *Re-engagement, training and beyond: evaluating the second year of a community VCAL education program for young people,* Brotherhood of St Laurence, Fitzroy.

[79] Brotherhood of St Laurence, June 2010, *Response to the stronger futures for all young Victorians - discussion paper on the youth transitions system*, Brotherhood of St Laurence, Fitzroy, p. 8.

[80] State Training Board of Western Australia, 2013, *Youth matters.*

[81] Nguyen N, 2010, *The impact of Vet in Schools on the intentions and achievements of young people*, NCVER, Adelaide.

[82] Clarke K, 2012, *Entry to vocations: the efficacy of Vet in Schools*, NCVER, Adelaide, p.9.

[83] OECD, *Local strategies for youth employment,* p. 28.

[84] Holdsworth R, 2011, *Learning choices national scan - programs and schools catering for young people at risk of not completing their education*, Dusseldorp Skills Forum.

[85] Department of Human Services, Skills for education and employment, humanservices.gov.au/customer/services/centrelink/skills-for-education-and-employment, accessed 18 December 2013.

- those focusing on continued engagement in learning and transitions to work such as the School Business Community Partnerships Brokers, which aims for sustainable partnerships between schools and the community including business, industry, community organisations and families;[87] to

- more specific programs tailored to particular groups with specific needs (for example, the New South Wales Employment Program), which works with young people who have committed crimes and aims to provide them with job readiness training and employment opportunities.[88]

The literature review shows that there is no single ideal solution to improving workforce participation of disengaged youth. However, in response to the diversity and overlap between policies and programs offered to young people, the Brotherhood of St Laurence claim that the 'fragmented' program environment suggests a lack of strong policy direction in this area:

> There is a high level of fragmentation and overlap among current funded programs aimed at young people. Individual accountability and reporting obligations differ between these programs, compromising both efficiency and effectiveness. This fragmented program environment reflects a lack of a clear strong policy mandate for achieving the best possible transitions for all young people based on our understandings of social exclusion.[89]

The Brotherhood called for the restructure and consolidation of:

> the plethora of youth programs into a universal youth model that places the young person at the centre of assistance and support.[90]

2.2 Barriers to participation

Education, location, cultural and personal characteristics and skills are related factors that all contribute as barriers to labour force participation for the youth cohort. The types of participation barriers that policies and programs seek to address can be categorised into three broad groups:

- structural or systemic barriers; Includes barriers that are likely to be related to the systems that support transitions from school to further education and work

- social/cultural barriers; Includes barriers that arise due to cultural or social background

- individual barriers; Includes psychological and health-related barriers.

Table 1 demonstrates the types of barriers addressed through policy/program evaluations and other broader literature in relation to labour force participation of the youth cohort. It illustrates the broad coverage of policies and programs. Significantly, while some of the barriers identified are skills-related, others are related more to social-cultural and individual factors.[91] The common feature of the analysis of barriers is their interdependence.

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[86] State Training Board of Western Australia, *Youth matters*, p.50.

[87] State Training Board of Western Australia, *Youth matters*, p.50.

[88] Bain and Company, October 2012, *NSW Employment Program: evaluation and social return on investment*. whitelion.asn.au/files/publications/Bain_Whitelion_evaluation_and_SROI.pdf, accessed 18 December 2013.

[89] Brotherhood of St Laurence, *Response to the stronger futures discussion paper*, p. 3.

[90] Brotherhood of St Laurence, *Response to the stronger futures discussion paper*, p. 3.

[91] The issue of whether barriers are skills related can be open to interpretation.

Table 1   Barriers to participation – youth cohort

Structural	Social/cultural	Individual
1. Poor LLN skills 2. Low educational completion 3. Lack of experience and skills 4. Limited public transport 5. Lack of access to information regarding employment, training and education pathways 6. Lack of commitment to completing school 7. Lack of support networks 8. Geographic disadvantage 9. Employer attitudes	10. Social isolation 11. Family care responsibilities 12. Settlement issues due to recent migration from non-English speaking countries 13. Poverty 14. Language barriers 15. Cultural issues 16. Homelessness 17. Family violence 18. Current welfare dependency	19. Risky behaviours 20. Interpersonal issues 21. Lack of personal motivation 22. Physical or mental health issues 23. Learning difficulties 24. Lack of driver's licence

The literature, both nationally and internationally, indicates that policies/programs tackling the issue of improving labour force participation for young people typically seek to address multiple barriers.

2.3   Strategies and approaches to improving participation

2.3.1   What works and why

An analysis of Australian and international works in relation to strategies developed to improve the labour force participation of the youth cohort reveals that there is no single, clear answer to what constitutes a successful program. There are, however, some key understandings of the types of policies and programs that work.

A review of OECD literature by Bodsworth concludes that the following features contribute to successful outcomes for young people:

- Programs should intervene early - after no more than six months unemployment (Finland and the Netherlands begin 'activating' unemployed young people immediately).

- Job search assistance programs are the most cost-effective form of intervention for young people, with wage and employment subsidy programs found to have a positive short-term impact but a less positive net impact on participants' longer-term employment prospects. A 2011 evaluation of the Future Jobs Fund which provided six months of subsidised employment for participants, estimated an employment retention rate of 43% for up to 12 months beyond the program.[92]

- Private sector employers and local communities should be mobilised and involved in the design of programs in order to match training programs to local or national labour market needs.

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[92] Fishwick, Lane and Gardiner, July 2011, *Future Jobs Fund - an independent evaluation*, CESI, London.

- Targeting of programs is crucial. The OECD recommends that programs should differentiate between teenagers (who should be helped to remain in school and acquire qualifications) and young adults (who need help to acquire work experience).[93] Programs should focus on early school leavers.

- The findings suggest that programs should insist on tight job search requirements, in the interests of early exits from unemployment.

- Working Links in the UK identifies the need for strongly structured programs when working with young people on employment and incorporate diagnostic tools to identify barriers and preferences, employability skills, work placements, rewards for progress and regular feedback from young people to continuously improve program design.[94]

It appears to be commonly accepted in Australian and international literature that policies and programs aiming to improve labour force participation levels of the youth cohort must provide more than just education or skills to be successful.[95] They need to offer support for participants and their families, be small in scale and be tailored to participants' needs and the needs of industry.[96]

The New South Wales Department of Education and Training summarises the situation for young people in the NEET group:

> People who are educationally disadvantaged can face a suite of emotional, social, educational (starting level), financial and other barriers to undertaking a learning program. They can be facing several of these issues … To overcome barriers to participation in learning and work a whole-of-life conceptual approach is required. All elements of people's lives that can act as barriers need to be considered and outstanding needs met.[97]

The literature suggests that the provision of targeted, flexible, holistic and integrated approaches is a key to success.[98] In some cases these are referred to as combination programs, in others they are referred to as 'wraparound' support programs, which involve providing a range of individual supports to overcome a range of participation barriers. Wraparound services in this instance can be defined as those that are holistic and integrated and conform with the National VET Equity Advisory Council Good Practice Principles (see Box 1). These holistic or wraparound approaches will deal with a multitude of issues facing the young person, rather than just focussing on one or two issues.

Box 1: NVEAC good practice principles – those relevant to wraparound services[99]

1.   Supported learner pathways and transitions are built into the learning experience.

Holistic, integrated support is provided to build the confidence and independence of the learner and to help their pathways and transitions to further training and/or employment. Such strategies focus on the whole person and recognise that that an individual can experience multiple barriers that affect their participation and success in learning and/or work. Relevant strategies to support and empower the learner may include an

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[93] However, note that this is contested. Boystown suggest that the school environment will not suit some young teenagers. The challenge is to provide an opportunity for employment while enabling young early school leavers to continue their learning in an appropriate setting – to at the least competencies in general literacy and numeracy.

[94] Bodsworth E, *Youth unemployment- labour market programs (unpublished)*.

[95] For example, see Martin JP and Grubb D, 2001, What works and for whom: a review of OECD countries' experiences with active labour market policies, *Swedish Economic Policy Review* 8, p 24.

[96] O'Neil M and Neal P, June 2008, *A review of the literature on active labour market policies*, South Australian Centre for Economic Studies, Adelaide, p. 35.

[97] NSW Department of Education and Training for the Adult and Community Education Action Group, January 2011, *Framework for the development of an ACE social inclusion strategy*, Commonwealth of Australia, p.20.

[98] For example, see: Martin JP and Grubb D, 'What works and for whom'; O'Neil M and Neal P, *A review of the literature on active labour market policies*; Keating M, Riemens W and Smith C, 26 October 2012, 'Improving social inclusion through employment participation', *CEET 16th Annual National Conference 2012*, Melbourne.

[99] NVEAC, *Equity in VET - good practice case studies*, nveac.natese.gov.au/history/good_practice_equity_in_vet, accessed 23 January 2014, p.1.

individualised case management approach, mentoring, coaching and culturally appropriate training. In some of the case studies, support has been extended to many facets of an individual's life, including assistance with transportation, accommodation, childcare and referral to other support services.

2. **Strong partnerships and connections exist to support learners' needs and their successful transitions to further learning and/or work.**

    These initiatives are underpinned by effective collaboration across different organisations and agencies including training providers, community support agencies, employment service providers, employers and other stakeholders. Many of these case studies demonstrate how the resources of complementary service providers can be leveraged to develop innovative initiatives, deliver comprehensive support services to diverse learners and streamline students' transitions through training and into employment. Other collaborative approaches involve training/service providers and government working with Indigenous leaders and communities to meet the learning and skill development needs of those communities.

3. **Training has been integrated with work experience and/or is aligned with areas of labour market demand to support sustainable employment outcomes.**

    This may include arranging work placement for a learner and structuring training so that the theory gained in the classroom directly links to and reinforces the practical experience obtained in the workplace. One of the case studies is based on such an experiential learning model and achieving outstanding employment outcomes. In another case study, a 100% on-the-job traineeship has been developed. Other strategies include the delivery of programs that reflect labour market needs and areas of skill shortage to enhance learners' prospects of securing sustainable employment.

These sorts of programs appear to be more effective than those that do not have these features:

> An effective national transition service must be designed to assist young people on an individual basis, and be able to provide preparatory, planning, support and follow-up services to meet their particular needs. A universal service is required. However, within the design should be the capacity to direct intensive resources for those at risk, while a less intensive level of resources is needed to assist those with lower levels of vulnerability. Young people may move between the general and the at risk populations as a result of particular experiences at a point in time.[100]

For example, Bodsworth (2012) reported on a Youth Employment Project (YEP) based in the Caroline Springs area in Victoria, which provided services to participants to equip them with a variety of foundation skills in combination with advice and guidance to help them in choosing their path to employment, education or training. A short term work placement was also made available to participants. The program involved case management to 'wraparound' these core services and other services relevant to participants, including referrals to mental health practitioners, discussions with schools about the participants returning to school and support in dealing with other personal and family issues.[101]

The provision of long term individualised support has been identified as important in the success of programs directed towards young people at risk of long-term unemployment.[102] Mission Australia

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[100] Kellock, 2003 cited in Bowman K, February 2011, *Engaging young people in education and training: community colleges and schools working together to provide educational choices*, Adult and Community Education, NSW, p.11.

[101] Bodsworth E, 2012, *Pathways that work: lessons from the Youth Employment Project in Caroline Springs,* Brotherhood of St. Laurence, Fitzroy.

[102] State Training Board of Western Australia, *Youth matters,* p. 69.

suggests that a minimum of 12 months support is required to help with the school to work transition.[103]

An example of a program developed to help meet the school to work/further education needs of disadvantaged young people was the Parents As Career Transition Supports Project (PACTS) in Victoria, which involved the use of parents as 'transition supports' for their children. This program upskilled parents by providing them with relevant and current careers and transitions information as well as training them in effectively communicating with their teenagers. The program was reported to be very successful:

> To assess the (indirect) impact of PACTS on young people this evaluation relied on parent perceptions. More than 9 out of 10 parents felt that since attending the workshops their children had benefited at least slightly from the knowledge and/or skills they had gained. Perceived benefits can be expected to increase as the children get older and move closer to transition decisions and parents are likely to draw more heavily and frequently on the knowledge they got from PACTS.[104]

Program reviews indicate that the support provided as part of a program is very important to the participant's success, and therefore the success of the program. A relationship with a case manager can determine the quality of a participant's experience.[105] Indeed, participants benefit significantly from a range of support mechanisms, some of which might extend beyond the completion of a program. Post placement support provided by JSA, for example, has been flagged as being essential in keeping job seekers in employment.[106] The time span for ongoing support has also been considered in international case studies:

> BladeRunners is an employment programme that helps youth (ages 15-30) with multiple barriers to employment build careers in construction and other industries throughout the province of British Columbia, Canada. The ultimate goal of the program is to develop skills and work experience that foster long-term attachment to the labour force and to support the social and community integration of young people.
>
> Support is offered whenever programme participants need it, on or off the job. It is available 24 hours a day, 7 days a week. BladeRunners participants all have the mobile phone number of "their" co-ordinator who can be reached at all times. Although emergency calls are rare, they do occur and co-ordinators are willing to provide any useful assistance at these times. In the past, access to support from co-ordinators was offered only up to 18 months after placement. However, in practice, programme co-ordinators always maintained an open-door policy and continued to engage with any past BladeRunners participants who expressed a need for support in returning to employment. Today, no time limits are placed on the availability of support.[107]

However, individual case managed approaches are more costly from a financial perspective. While the financial cost of individually case-managed programs is high, there is also a high opportunity cost for governments and society in not addressing the issue of youth under-participation. This has been recognised in the literature, where it has been noted that placing people into sustainable employment can save costs to the welfare system, as well as other related costs.[108]

In this respect, there is evidence that it is not sufficient to merely look at the total numbers of young people not currently in education, training or work. It is also important to consider the extent to which young people's capacity to participate is not being fully used, and their transition to full-time work is being delayed. The degree to which not being fully engaged in work or study is an individual

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[103] Hall T, March 2010, *Youth Employment Strategy: preventing a lost generation,* Mission Australia, p. 11.

[104] Bedson L and Perkins D, February 2006, *A positive influence - equipping parents to support young people's career transitions: evaluation of the PACTS program,* Brotherhood of St. Laurence, Fitzroy, p. iv

[105] Barrett A, 2012, *Building relationships for better outcomes: Peninsula Youth Connections evaluation stage 2 report*, Brotherhood of St. Laurence, Fitzroy, p. vi.

[106] Department of Education, Employment and Workplace Relations (DEEWR), March 2012, *Good practice in Job Services Australia*, DEEWR, Canberra, p. 24.

[107] OECD, *Local strategies for youth employment*, p.50.

[108] Keating M, Riemens W and Smith C, 'Improving social inclusion through employment participation', p.19.

choice versus the product of structural barriers is a significant question for policymakers and the design of programs aimed at increasing youth participation.

This suggests that policies or programs for this cohort should focus on how to accelerate the transition from education and training to work for persons moving through the cohort, rather than how to improve the workforce participation of persons emerging from this cohort.

This, in turn, will require a deeper analysis of youth under-participation to identify the characteristics of those that are most likely to remain disengaged.

Such an analysis should also aim to develop a better understanding of the success of the impacts of the variety of national government policy/program interventions that have previously been implemented to improve youth transitions to work by tackling the problem before young people leave school. In this respect, it is recommended that an analysis be undertaken to identify the impact of policy/program interventions such as those undertaken since 1990 aimed at improving school retention rates, the development of Vet in Schools and so on.

This would enable the development of targeted policies and programs that would ensure scarce funding resources are directed where they are most needed.

2.3.2   What doesn't work and why

The literature suggests that those policies or programs that provide single, structural solutions or services tend not to be as effective as holistic models. For example, some of the literature reviewed expresses concerns with the JSA model, which is currently the Australian Government's primary labour market program. It is suggested that while JSA services are sufficient in providing work experience and connections to training, the services may not sufficiently provide holistic, tailored support to young people.[109] Fowkes (2011) indicates that the JSA model relies on including unemployed people into existing programs and courses, suggesting that the impact of such an approach is limited.[110] It has also been contended that the JSA model serves the needs of those who are less disadvantaged over the more disadvantaged.

> A typical strategy is to have a weekly list of 'top ten employable job seekers' and to focus attention on this group. For a caseworker with 100 or more clients, rationing one's effort is essential. This takes place within the context of targets (financial and/ or outcome targets) – whether at a team or individual basis. Numerical targets are essential to achieving star ratings. The incentive and star ratings systems are cleverly designed to ensure more focus on longer term unemployed / job seekers in higher streams, but not with all of these clients. More motivated and compliant job seekers will be selected above others.[111]

In saying this, the JSA model has been flagged as a significant improvement to former employment service models. It has reduced complexity for both providers and job seekers and aims to connect job seekers with providers who can best meet their needs. Concerns with this model include:[112]

- The JSA is not sufficiently youth-centred, which leads to the needs of young job seekers not being met.

- Youth specialist providers are dealing with a broader range of referrals outside of the youth cohort. This can potentially lead to providers not being able to truly offer a youth focused service as they are focusing on a broader group of people.

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[109] Rose J, Morstyn L, and Tudehope A, August 2011, *Swimming upstream: young people and service provision under Job Services Australia*, Youth Affairs Council of Victoria, Melbourne; and Bodsworth E, *Youth unemployment – labour market programs* (unpublished).

[110] Fowkes L, March 2011, 'Rethinking Australia's employment services', *Whitlam Institute Perspectives,* No. 6, pp. 8-11.

[111] Fowkes L, 'Rethinking Australia's employment services', p.8.

[112] Hall T, *Youth Employment Strategy*.

- Employer feedback from the Keep Australia Working Forum identified that the current JSA model lacks the ability to prepare young people for real employment opportunities. Feedback indicated that a large number of young people do not have the skills to effectively work in an adult environment.

- There needs to be commitment in building employment opportunities for youth through engaging employers in developing and sharing strategies, as well as supporting employers to increase their recruiting skills.

In addition, it has been suggested that subsidised employment solutions aimed at increasing employment for the youth cohort are not very cost-effective. These programs were established in the past with the aim of providing participants with skills that would enable them to gain employment following the completion of the subsidy. They have now been replaced by more holistic interventions that link work and training.[113]

2.3.3   Gaps

Few specific evaluations of programs specific to the youth cohort were identified through the research.

Where programs have been evaluated, they tend not to evaluate the success of the program against the stated program objectives. Rather, they tend to focus on the positive outcomes of the program at a broader level than against stated objectives. This finding is reflected internationally. A World Bank inventory of youth programs noted that one of the major observations of its research was that the level of program evaluation was weak suggesting a need for major improvements in the quality of evidence available for youth employment interventions. It concluded that this absence of rigorous evaluations almost certainly leads to an overestimation of program impacts by policy makers.[114] As O'Neil and Neal comment, one of the criteria set by the OECD for labour market programs for disadvantaged youth requires that programs undergo rigorous evaluation in order to lead to program improvement.[115]

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[113] Keating, Riemens and Smith, 'Improving social inclusion through employment participation', p.18.
[114] Betcherman G, Godfrey M, Puerto S, Rother F and Stavreska A, March 2007, *Global inventory of interventions to support young workers: findings of the Youth Employment Inventory,* World Bank, p. 28.
[115] O'Neil M and Neal P, 'A review of the literature on active labour market policies', pp. 26-27.

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3 Improving participation for the lower skilled mature-age cohort

Key Messages

- While there is a general appreciation of the barriers facing this cohort, there are few references on the lower skilled mature-age cohort (when compared to those available regarding the youth cohort) and in particular few that evaluate the effectiveness of policy/program responses.

- The literature does not differentiate between the lower skilled mature-age cohort and those in the broader mature-age group, which includes persons aged 60 and over. Accordingly, it is not possible to discern which barriers are most relevant for the lower skilled mature-age cohort that is the focus of this literature review and the broader mature-age group.

- While the barriers to labour force participation for the lower skilled mature-age cohort cut across a range of dimensions, this cohort is particularly affected by structural barriers that are related to the skill issues.

- Policies and programs directed toward the lower skilled mature-age cohort in Australia tend to focus on specific barriers, rather than taking a holistic approach as is the case with the youth cohort.

- Policies and programs that aim to increase labour force participation for the lower skilled mature-age cohort need to take into account issues broader than skills needs, such as age discrimination, lifestyle and health related issues.

- Some literature suggests there is a need to move to more holistic approaches to increasing labour force participation for the lower skilled mature-age cohort, where a range of initiatives and support can be tailored to suit individual needs. However, it is not clear from review of the literature whether the holistic approach should replace individualist approaches or if there is a place for both types of approaches. Further investigation in this area would be valuable.

- The evidence base for policy-making is insufficient. The needs of the lower skilled mature-age cohort and the nature of effective policy responses need further investigation.

3.1 Overview

For the purposes of this review, the lower skilled mature-age cohort comprises mature-aged males and females aged 45-59 who were early school leavers and have no post-school qualifications.

Post-school education and labour force participation are positively linked, with people with more education more likely to be participating in the workforce. It has been noted that qualifications and employment are strongly related at all ages, and that this association is even stronger for females than for males. For example, Griffin and Beddie (2011) identified that, in 2006, of the male age group 55-59 years, 83 per cent who held a degree were employed, whereas 66.4 per cent of the same age group with no qualification were employed. The difference in employment for females is starker, where 75.6 per cent of females who held a degree were employed, while 48.0 per cent of those with no qualification were employed.[116]

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[116] Griffin T and Beddie F (eds), 2011, *Older workers: research findings*, NCVER, Adelaide, pp. 29-30.

Issues that affect the lower skilled mature-age cohort are different in nature to those affecting the youth cohort. Analysis of relevant literature reveals that workforce and skills-related issues have greater implications for labour force participation for this group.

The lower skilled mature-age cohort is vulnerable to unemployment, particularly as technology and new developments emerge and result in workplace restructuring:

> Many of these workers [semi-skilled with no formal qualifications] are vulnerable to structural changes in the economy, and without specific intervention, their skills could be lost to the labour market.[117]

Employers are increasingly demanding formal qualifications for jobs. Skills and knowledge developed through experience are not always recognised and as a result this cohort can find it difficult to re-enter the labour force.[118] Given this vulnerability in relation to both entry to and retention in the labour market, it is important that issues affecting mature-age people with no post-school qualifications are addressed efficiently and effectively.

There was limited literature available specifically in relation to the lower skilled mature-age cohort compared to the youth cohort. The available literature tends to focus on the barriers to participation, general commentary about labour force participation and recommendations for change rather than focusing on the effectiveness of specific policies or programs. Further, the literature tends to address issues relating to people aged 45 years and over and does not specifically focus on specific age groups within the 45 plus age range. This makes it difficult to determine if all the barriers identified by the literature apply equally to the lower skilled mature-age cohort compared to persons aged 60 and over. For example, it could be expected that retirement related and aged pension issues would be more likely to affect those who are over 60.

It may be that this dearth of information reflects the fact that addressing issues relating to the 45-59 year aged group, in Australian policy, is not considered as high a priority as addressing the issues for the youth cohort. This has been the case in the United Kingdom (UK), where the UK Commission for Employment and Skills (UKCES) observed:

> Despite the recent emphasis on workforce development, it remains the case that policy to raise skill levels in the UK remains disproportionately focussed on young people. This is understandable since older workers are more difficult to reach while the returns from investing in young people are greater because they will remain in the workforce longer than older workers and because unemployment whilst young can have a permanent "scarring" effect on their future employment prospects.[119]

The UKCES also suggests that improving labour force participation among 'older' people is a major policy challenge, particularly for those who lack current qualifications. They observe that:

* gaining qualifications does not necessarily increase labour force participation

* short courses can aid re-entry to the labour force

* training aimed at broadening skills has not been the focus of UK programs.

The UKCES indicates that training aimed at broadening skills could be considered a positive strategy for alleviating the risk of long term unemployment by assisting participants to develop skills that can be applied in a variety of workplaces.[120]

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[117] AWPA, *Future Focus*, p.33.

[118] Bowman D and Kimberly H, 2011*, Sidelined: workforce participation and non-participation among baby boomers in Australia,* Brotherhood of St. Laurence, Fitzroy, p. vii.

[119] UK Commission for Employment and Skills, September 2011, 'Low skills and social disadvantage in a changing economy'*, Briefing Paper Series*, p.43.

[120] UK Commission for Employment and Skills, September 2011, 'Older people and skills in a changing economy', *Briefing Paper Series,* p. 33*.*

3.2 Barriers to participation

Similar to the youth cohort, the mature-age cohort generally experiences barriers to labour force participation related to education, location, cultural, personal characteristics and skills.

The barriers identified through a review of the literature are categorised and presented in Table 2, using the same three broad groups applied to the youth cohort. While the barriers cut across a range of dimensions, this cohort is particularly affected by structural barriers that are related to the skill issues.[121] It is clear from the table that the barriers the mature-aged cohort face are diverse, and as such, effective policy and program approaches to address these barriers must be diverse. The common feature of these barriers is their interdependence.

Table 2   Barriers to participation—mature-age cohort generally

Structural	Social/cultural	Individual
1. skills do not match those required by employers 2. skills tend to be overlooked as employers look for the qualifications of a job applicant 3. lack of access to transport 4. lack of computer skills 5. long-term unemployment, which makes using current employment systems challenging and discouraging 6. the impact of the tax-transfer and retirement income systems 7. workplace flexibility 8. employment terms and conditions; 9. access to retraining, upskilling and support services 10. lack of formal qualifications 11. outdated job search skills 12. exclusion on the basis of workforce status – for example, some incentive programs require participants to be employed (for example, the Commonwealth's WELL Program)[122]	13. age based discrimination 14. cultural attitudes 15. a reluctance of employers to hire older workers 16. low English proficiency	17. work related disability and injury 18. physical disability 19. caring responsibilities; 20. lack of self-confidence and self-esteem 21. physical and mental health issues.

Suggestions have been raised in literature that there are gender differences in barriers to labour force participation for the mature-age cohort.[123] As noted in *Future Focus*, some pertinent gender differences that may impact labour force participation include: [124]

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[121] For example, Bresnan A and Wands M, July 2013, *45+ Men's Program: final evaluation report,* ConNetica*;* Berrell N, 2011, *Workforce participation and non-participation among baby boomers in Australia*, Brotherhood of St Laurence, Fitzroy; Australian Human Rights Commission, 2010, *Age discrimination - exposing the hidden barrier for mature-age workers,* Australian Human Rights Commission, Sydney.

[122] Department of Industry, Workplace English Language and Literacy (WELL) Program, innovation.gov.au/skills/literacyandnumeracy/workplaceenglishlanguageandliteracy/Pages/default.aspx, accessed 18 December 2013.

[123] Gong CH & McNamara J, 2011*, Workforce participation and non-participation among baby boomers in Australia,* Brotherhood of St. Laurence, Fitzroy, p. 24

[124] AWPA, *Future Focus*, pp.76-77.

- superannuation; more females than males at an older age may need to continue to bolster their superannuation

- disability support pension (DSP); males are more likely to be on the DSP than are females

- carers; females are more likely to be carers than are males.

Future Focus also observes that family circumstances impact female participation in the labour force, noting that 'barriers to women returning to work after having children are complex and interrelated'.

A number of initiatives designed to improve women's access to the labour force are highlighted, and include:

- the Jobs, Education and Training Child Care Fee Assistance program under the 2012–13 Budget, which provides an extra $225.6 million over four years in child care assistance to help unemployed parents, particularly single parents, to enter the workforce

- promotion of awareness of the flexible work arrangements that can be requested by employees under the Fair Work Act. A good example of what can be done to inform parents is provided by the Parental Toolkit developed by the Minerals Council of Australia

- the provision of onsite child care such as that offered by CSL Limited in Melbourne

- strategies to boost the confidence of women returners who may have been out of the workforce for some time. The model of 'returnships', where organisations create opportunities for short-term paid positions designed for professionals who have been out of the workforce for several years, has been benefiting both individuals and organisations in the United States and the United Kingdom.[125]

3.3 Strategies and approaches to improving participation

3.3.1 What works and why

This review involved analysis of Australian and international articles and papers that discuss strategies that have been used to improve labour force participation of the mature-age cohort generally. Overwhelmingly, the literature did not evaluate or provide evidence to show whether the interventions cited were effective or otherwise.

The evaluation of the 45+ Program, which addresses issues facing mature-age males looking for work, highlighted some successful strategies, including:

- That the program incorporates best practice follow-up procedures with participants.

- Facilitators for the program must have the personal skills necessary for the participant base.

- The design and delivery of the 45+ program needs to be flexible and strengths based.

- The program should be expanded nationally and funding sources identified.

- Collaborate with other service providers that are complementary to the program and the participant base.[126]

The UKCES, in a briefing paper based on literature and UK data, identified a set of policy initiatives as having the potential to improve the labour force participation of the mature-age cohort in the UK. These initiatives are likely to be applicable in Australia and include:

- increasing the flexibility of the labour market

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[125] AWPA, *Future Focus*, p.75.

[126] Bresnan A & Wands M, July 2013, *45+ Men's Program,* p.5.

- recognising the diversity of older workers

- recognising the diversity of employers

- making work more attractive to older people;

- reducing negative incentives, such as stress and lack of support

- helping people anticipate change

- supporting training.[127]

Responses that have been used to tackle some of the barriers facing the mature-age cohort in terms of labour force participation tend to respond variously to one or more of the structural, social/cultural and individual barriers identified in Table 2.

The literature indicates that policies and programs directed toward the mature-age cohort generally in Australia tend to focus on specific barriers, rather than taking a holistic approach by responding to multiple barriers as is the case with the youth cohort. Some examples of dealing with specific barriers are outlined in Box 2.

Box 2: Approaches to addressing barriers for the mature-age cohort

Physical disability, injury and poor health

Barriers associated with physical and mental health related issues can be dealt with through measures to encourage participation, such as changing the Australian disability support pension to encourage greater workforce participation by increasing the work threshold for disability support pension recipients, and the provision of wage subsidies to employers who employ people with a disability.[128] Both of these measures have been implemented in Australia.

Mental health issues

It appears that the literature includes persons with mental health issues as having a disability, and as such the measures listed above apply.

Caring Responsibilities

Living arrangements and care-giving responsibilities have been found to significantly impact upon mature-age workers' ability to secure and retain employment. A range of policies and programs have been established in an attempt to alleviate this impact, including:[129]

- the establishment of support groups to help carers of young children with disability as well as peer support groups for grandparent carers

- respite care

- the National Employment Standards allow for a request for flexible working arrangements for carers

- legislation that makes it unlawful to discriminate against a person because they are a carer.

Age discrimination

Age discrimination can be viewed to have a causal role in mature-age people 'self-selecting' themselves out of the workforce, as they believe that their skills are no longer valued in the

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[127] UK Commission for Employment and Skills, *Older people and skills.*

[128] Temple J, Adair T and Hosseini- Chavoshi M, December 2011, *Ageing and the barriers to mature-age labour force participation in Australia,* National Seniors Productive Ageing Centre (NSPAC), p. 11.

[129] NSPAC, *Ageing and the barriers to mature-age labour force participation,* p. 16

workplace.[130] A range of strategies have been implemented, including the provision of wage subsidies for employers who hire older, long term unemployed workers.[131] The Experience + Program is a Commonwealth initiative that provides careers advice and job search assistance to mature-aged workers and job seekers. This program also provides support services and subsidies to employers of mature-aged workers aged 45 and over.[132]

The OECD notes that in all OECD countries, those over 50 years of age are less likely to be hired through factors such as skills obsolescence or age discrimination. It observes that a range of policy initiatives have been designed to address this – including information campaigns; providing employers with financial incentives; employing older workers and emphasising skill based responses – for example life-long learning and targeted training.[133]

Some further strategies identified by the literature include:

- the establishment of specialised recruitment agencies that provide advice to and cater for older workers

- the introduction of new legislation and increasing the provisions of existing legislation to provide protection against unlawful age discrimination

- the development of advice for employers in relation to age discrimination in recruitment.[134]

Mismatch of skills and experience with industry demands, and re-training and up skilling barriers

It is often cited that the development of technology over time has led to mature-age workers' skills and experience that suited industry in the past being less relevant in today's economy.[135] Indeed, the National Seniors Productive Ageing Centre recommends that the development of training packages specific to the mature-age cohort would be beneficial, particularly training on improving information technology capacity.[136]

The literature identifies some responses that have been implemented to alleviate this barrier:

- the establishment of Government and industry partnerships to train for jobs in sectors with skill shortages

- training grants to help employers provide training for certificate-level qualifications

- the provision of advisory services to help mature-age workers identify their transferable skills

- opening up the apprenticeship system to allow access to anyone with or without a secondary certificate aged 25 years and over.[137]

Flexibility of employment arrangements

It has been suggested that increased flexibility of employment arrangements can help to increase the employment participation of the mature-age cohort.[138] Some examples of this include increasing access to work part-time or flexible hours. Part-time and flexible hours can accommodate workers who face other barriers to working, such as illness and caring responsibilities. It has also been noted that awards and workplace agreements can be amended to

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[130] Australian Human Rights Commission, *Age discrimination - exposing the hidden barrier for mature-age workers*, p. 18.
[131] Chomik R and Piggott J, 2012*, Mature-age labour force participation: trends, barriers, incentives, and future potential*, ARC Centre of Excellence in Population Ageing Research, Sydney, p. 9.
[132] Department of Employment, Experience +, employment.gov.au/experienceplus, accessed 19 January 2014.
[133] OECD, 2012*, Better skills, better jobs, better lives*, p. 73.
[134] NSPAC, *Ageing and the barriers to mature-age labour force participation*, p. 13.
[135] NSPAC, *Ageing and the barriers to mature-age labour force participation,* p. 14.
[136] NSPAC, *Ageing and the barriers to mature-age labour force participation,* p. 25.
[137] NSPAC, *Ageing and the barriers to mature-age labour force participation,* pp. 14-15.
[138] OECD, *Better skills, better jobs, better lives*, p. 80.

allow for the provision of additional flexible employment arrangements.[139]

Long term unemployment

Mature-aged persons experiencing long term unemployment can find the structures of current employment systems challenging and discouraging. The National Seniors Productive Ageing Centre identifies that methods used to alleviate difficulties of long term unemployed people have included the provision of wage subsidies for employers who employ those who have been on income support for two or more years.[140] In addition, policies and programs that minimise the risk of the unemployed becoming unemployed on a long-term basis are important as they avoid some of the specific difficulties and challenges associated with being long term unemployed.[141]

Job search assistance

Mature-age workers have been identified as experiencing difficulties finding employment due to outdated job search skills. Some responses that have been identified in the literature to alleviate this issue include:[142]

- the strengthening of employment services, such as JSA

- the provision of wage subsidies to employers who take on and retain a job seeker

- the provision of training and workforce development support through the National Workforce Development Fund (NWDF)

- job transition support for workers over 50

- the provision of career advice.

3.3.2   What doesn't work and why

There were no interventions cited in the literature that were deemed ineffective. However, analysis of the literature does indicate that responses aimed at alleviating barriers to labour force participation for the mature-age cohort generally that do not consider the variable nature of these barriers are less likely to be effective than those that take a more holistic approach to meeting individual needs by addressing multiple issues or barriers facing the cohort.

3.3.3   Gaps

Given the varied nature of the barriers associated with labour force participation for the mature-age cohort generally, it has been suggested that policies and programs that aim to increase labour force participation need to take into account broader issues than just skills. For example:

> rather than higher participation being a policy objective in and of itself, the key objective is to eliminate barriers to participation. Higher participation should be seen as playing a role in achieving improved social and economic outcomes and enhancing individual wellbeing.[143]

Indeed, as observed by the National Seniors Productive Ageing Centre, the barriers to labour force participation for the mature-age cohort generally are not independent of one another, they are interrelated.[144]

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[139] NSPAC, *Ageing and the barriers to mature-age labour force participation*, p. 18.
[140] NSPAC*, Ageing and the barriers to mature-age labour force participation,* p. 20.
[141] Bresnan A & Wands M, *45+ Men's Program: final evaluation report*.
[142] NSPAC, *Ageing and the barriers to mature-age labour force participation*, p. 22.
[143] Kennedy S, Stoney S and Vance L, 2009, 'Labour force participation and the influence of educational attainment', *Economic Roundup* Issue 3, p.22.
[144] NSPAC, *Ageing and the barriers to mature-age labour force participation,* p. 25.

For this reason, policy/program responses to lift the labour force participation of the lower skilled mature-age cohort need to provide a range of initiatives and support that can be tailored to suit individual needs – that is, they need to take into account issues broader than skills needs, such as age discrimination, lifestyle and health related issues. This need for a more holistic approach is similar to that which has been shown in Section 2 as effective for the youth cohort.

Further work needs to be undertaken in this area to determine what approaches are most effective for the lower skilled mature-age cohort. Further, it is not clear from review of the literature whether response with a more holistic approach should replace individualist approaches or there is a place for both types of approaches. Further investigation in this area would be valuable.

The view that holistic programs are important is supported in the New Zealand context, where Jackson, Cochrane and McMillan (2013) indicated that skills and employment services need to be designed with the training preferences and other characteristics of older workers in mind.[145] This is related to the observation that an important issue in securing employment and job mobility for mature-age workers is the composition of their human capital (i.e. skills and other employment characteristics).

> As the [New Zealand] Department of Labour notes, "this will match older job seekers with employers more disposed towards hiring them. … Empowering a range of options may have advantages over concentrating on a few areas. Such strategies help older workers take advantage of the human capital they already have and increase the incentives of employers and employees to manage that capital wisely".[146]

The literature indicates that the needs of the lower skilled mature-age cohort and effective responses to those needs require further investigation. This has been recognised in the literature, with the Brotherhood of St Laurence observing that the needs of mature-age workers need investigation and action.[147]

The barriers associated with labour force participation are well documented and initiatives that do and don't work have been flagged, however there is little hard evidence on the benefits of different policies or programs. Because of this, the next step should be to gather information on the performance of specific programs to alleviate the barriers. This view is supported in Gong and MacNamara's (2011) observation that

> Building a strong evidence base for policy would be a key goal for further quantitative analysis, focusing on finding out which barriers to participation play the greatest role for which groups of mature age Australians, and thus what policy interventions could best address these issues.[148]

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[145] Jackson N, Cochrane B, and McMillan R, 2013, *Workforce participation of older workers as an element of New Zealand's retirement income framework: a review of existing knowledge and data*, National Institute of Demographic and Economic Analysis and the University of Waikato, p. 29.

[146] Jackson N, Cochrane B, and McMillan R, 2013, *Workforce participation of older workers, p. 29.*

[147] Berrell N, 2011, *Workforce participation and non-participation among baby boomers in Australia*, p. 26.

[148] Gong and McNamara, *Workforce participation and non-participation among baby boomers in Australia,* p.25.

4 Conclusion

This literature review has aimed to identify, for the youth and lower skilled mature-age cohorts:

- the barriers affecting labour force participation of these cohorts; and

- the evidence that demonstrates how effective policy approaches and programs have been in overcoming the identified barriers and what represents value for money in different approaches.

There was limited literature available specifically in relation to the lower skilled mature-age cohort, with much of the literature dealing with the mature-age cohort generally.

The literature indicates there is a broad understanding of the barriers to labour force participation for the youth and lower skilled mature-age cohorts. However it is evident from the discussions in Sections 3 and 4 that the barriers can be complex and varied in nature and extend beyond employment related issues. This requires responses that are flexible enough to be tailored to individual need and circumstances.

Furthermore, the two cohorts face different types of barriers, with the mature-age cohort generally facing mostly structural barriers that are related to the skill issues, whilst the barriers facing the youth cohort are more evenly spread between structural, social/cultural and individual type barriers. Therefore, policy interventions need to be tailored to the needs of the different cohorts due to the different types of barriers faced.

This literature review was able to identify a number of Australian policy/program evaluations that were directly relevant to the target cohorts. Of those identified, many did not consistently or robustly evaluate the program aims, particularly in terms of the sustainability of employment outcomes. Other evaluations commented on the cost of the policies or programs, but few of them actually analysed the value for money outcomes in any objective manner.

The youth cohort is particularly characterised by diversity, with data showing that different subgroups such as males, females, young people with a disability and Indigenous young people have differential rates of labour force participation, suggesting they face different types of barriers.

The literature review revealed two important gaps.

Firstly, because few evaluations were identified of policies or programs specific to the youth or lower skilled mature-age cohorts there is limited hard evidence on the direct benefits and costs associated with such policies or programs. In particular, the literature pays much less attention to the lower skilled mature-age cohort and, while there is a general appreciation of the types of barriers facing the cohort, there is a need for more information on what are the needs of the cohort and what types of policy/program responses are effective in achieving sustainable employment outcomes for this cohort.

Without firm evidence of sustainable employment outcomes through such evaluations, governments cannot properly determine the efficiency and cost effectiveness of different policy approaches or programs, which in turn limits their ability to appropriately prioritise such policies and programs. In the current constrained fiscal climate that all Australian governments face, this situation is clearly less than desirable.

Consequently, further analysis is required to develop a better understanding of the success and sustainability of the impact and the cost effectiveness of the variety of national government policy/program interventions that seek to improve the workforce participation of the target cohorts. This should include:

- An analysis on how to accelerate the transition from school to work for the youth cohort in a cost effective and sustainable manner by targeting the subgroups that are most likely to remain disengaged in the absence of specific interventions.

- An analysis of the effectiveness of policies/programs that seek to improve youth to work transitions by tackling the problem before young people leave school.

- Assessing the effectiveness of policies and programs for the lower skilled mature-age cohort. This should include:

  - improving the understanding of needs of the cohort with respect to improving their workforce participation

  - assessing the relative effectiveness of approaches that focus on specific barriers compared to those that take a holistic approach that deals with multiple barriers.

Secondly, policy or program evaluations, where they have occurred, have not been sufficiently consistent or robust to determine whether program aims have been met, cost effectiveness or sustainability of outcomes. In particular, the literature review found that there is no consistent approach nationally to the evaluation of policies and programs aimed at increasing labour force participation for the target cohorts, including determining the value for money of the various policies or programs.

Evaluating the value for money outcomes of policies and programs can be difficult and expensive. Several used sophisticated methodologies, such as the Social Return on Investment (SROI methodology), which is a form of Cost Benefit Analysis (see section 8). For example, an evaluation of the Australian Government's Partnership Brokers Program undertook five SROI analyses across a number of regions in which the program was delivered. The evaluation found that in all regions analysed the value of social returns exceeded the initial Australian Government's investment by between 1.1 times and 3.7 times.[149]

Some governments (e.g. New South Wales and the Australian Capital Territory) have evaluation policies to guide a consistent approach to policy or program evaluation. These evaluation policies are high level and procedural in nature and provide general guidance on when evaluations should be undertaken and the nature and scope of evaluations. The New South Wales Government's Evaluation Framework is comprehensive and indicates that the Government has a transition plan to build evaluation capability including development of an evaluation toolkit, establishment of an evaluation unit in Treasury, running pilot evaluations and establishing an evaluation community of practice.[150]

The presence of such evaluation policies is a step towards those governments applying a consistent and robust approach to policy/program evaluations. However, not all jurisdictions, including the Australian Government, would appear to have such policies. This raises the broader issue of how to ensure consistent and robust policy and program evaluations across jurisdictions.

Finally, despite the limited number of relevant evaluations or reviews, the literature does send some clear messages regarding the type of policies or programs that result in improvements in the participation of the target cohorts for this literature review. Specifically:

Youth cohort

- The literature suggests that programs that are effective in increasing the labour force participation of young people tend to take a holistic approach, being tailored to individual needs, providing good support mechanisms and addressing multiple barriers in the program responses.

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[149] Social Ventures Australia (SVA) Consulting, February 2013, *Partnerships Brokers Program: baseline social return on investment analysis*, SVA Consulting, p. 2.

[150] NSW Government, August 2013, *Evaluation framework*, NSW Government, Sydney, pp. 1-21.

This is necessary to deal with the diverse structural, social/cultural and individual type barriers that the cohort experiences and is consistent with trends internationally.

- While many young people are successfully transitioning to work and/or further education over time, this is not true of all and there is evidence that this period of transition is becoming prolonged. An important policy issue for government consideration is how to accelerate this transition in a cost-effective and sustainable manner by targeting the subgroups of the youth cohort that are most likely to remain disengaged in the absence of specific interventions.

Lower skilled mature-age cohort

- The literature identifies a range of policies and programs for the mature-age cohort generally that tend to focus on resolving specific barriers, rather than multiple barriers.

- Policies and programs that aim to increase labour force participation for the mature-age cohort need to take into account issues broader than skills needs, such as age discrimination, lifestyle and health related issues.

Both cohorts

- The diverse range of barriers to labour force participation that are faced by both cohorts suggests there is a need for a broad range of policy or program responses that can be accessed over a range of timeframes. Individuals may require different combinations of support for different time periods according to their circumstances. For example, a training response to provide specific skills may be completed in 12 months, but the person may require access to ongoing assistance to cope with other non-skill barriers such as homelessness, substance abuse and mental illness in order for them to function effectively enough to use their newly acquired skills. The literature does not point to an 'ideal' time frame for continuing supports, but at least one international program has removed any restrictions on the time span for which ongoing support is available to program participants.

- While the costs of holistic and targeted policies and programs can be high, this needs to be weighed against the high costs to Government, society and the economy of supporting this cohort outside of the labour force.

In terms of what approaches do not work, there is little literature available on this matter for either cohort. The key findings in this area are that:

- Those policies or programs that provide single, structural solutions or services tend not to be as effective as more holistic responses, particularly for the youth cohort.

- There is evidence that some current policies and programs are not sufficiently tailored to meet the needs of the youth cohort. For example, the Commonwealth's JSA has been criticised in this respect.

- Subsidised employment solutions to addressing labour force participation issues for the youth cohort are not very effective.

There are some lessons embedded in the analysis of 'what works' that indicate what doesn't work. For example, policies or programs that tend to be ineffective are those that don't address the non-employment related barriers or which disconnect support services at the same time as the program ceases, thereby adversely impacting on the sustainability of the program outcomes.

The insights provided by this literature review will inform the consultations undertaken in Stage 2 of this study.

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6 Methodology

The methodology for this literature review started with a literature analysis process. This process involved:

- an initial assessment of the degree of relevance of the literature, including the degree to which it covered the target cohorts that are the focus of this literature review

- the development of detailed summaries of selected references that were considered directly relevant to the literature review. The following section contains two examples of these summaries—one relating to each target cohort.

AWPA provided an initial list of documents, which was supplemented by a search for relevant publicly available documents both nationally and internationally. At an international level, the literature search focus was on relevant documents relating to OECD countries.

A request for relevant unpublished literature was also made to the following organisations:

- Australian Government Department of Employment

- Australian Government Department of Industry

- Australian Government Department of Prime Minister and Cabinet

- Australian Government Department of Social Services

- Australian Government of Department of Education

- Job Services Australia

- NSW Department of Education & Communities

- NSW Department of Human Services

- Victorian Department of Education and Early Childhood Development

- Victorian Department of State Development, Business and Innovation

- Queensland Department of Education Training & Employment

- Western Australian Department of Education Services

- Western Australian Department of Training and Workforce Development

- South Australian Department of Further Education, Employment, Science and Technology

- Tasmanian Department of Education

- Northern Territory Department of Business

- Northern Territory Department of Education

- ACT Education and Training Directorate

- Brotherhood of St Laurence

- Dusseldorp Forum

- Mission Australia

- The Smith Family

- Whitelion

In some cases, organisations provided unpublished literature subject to restrictions on how they can be cited due to confidentiality and privacy considerations. This report respects those restrictions.

Prior to the submission of the draft report, this process resulted in:

- The initial assessment of 89 references.

- The preparation of 21 detailed summaries of references that were deemed directly relevant. The literature view draws extensively on these summaries.

- The remaining 67 references were referenced where appropriate.

As a result of the request to the organisations for relevant literature, some 57 additional references were received and assessed post the development of the draft report (i.e. a total of 146 references were assessed for this review). Where appropriate and relevant, these additional references have been cited in this final report, however, no additional detailed summaries were completed following the submission of the draft report. A further five references were received late and not assessed.

This analysis process revealed that, whilst there is a reasonable amount of literature available on the barriers to labour force participation faced by the target cohorts, there are relatively few program/policy evaluations or reviews, particularly related to programs/policies aimed at the mature-age cohort.

AWPA's publication, *Labour force participation: Youth at risk and lower skilled mature-age people – a data profile*, was critical in providing a detailed analysis of data for each of the target cohorts. In particular the data profile contributed to understanding the different rates of labour force participation for subgroups of the cohorts. The data profile provided a backdrop to the consideration of relevant literature and helped set the scene for the consultations to take place in Stage 2 of the study.

In terms of relevant international literature, the focus of the review was on identifying relevant OECD and European Union literature. As was the case nationally, the literature review revealed few relevant international program/policy evaluations or reviews that could be cited. Rather, the search revealed a small number of international studies that provided a comparative analysis of policy approaches to improving labour market participation for the youth and lower skilled mature-age cohorts.

One study, Pohl and Walther (2007), argues that it is important to take account of the different national contexts that apply when assessing and understanding the nature of labour market activation policies (which includes measures to increase labour force participation) across different countries.[151] They outline a 'transition regimes' model that 'incorporates different constellations of national socio-economic, institutional and cultural structures in which youth transitions are embedded'. The 'liberal' transition regime contained in this model most closely resembles the Australian situation, with its focus on individual rights and responsibilities and post-compulsory arrangements that have flexible vocational and academic education options and a range of entry/exit points. The United Kingdom, United States, Canada and New Zealand are other countries whose transition regime is predominately 'liberal'. Because of this, caution was taken during this literature review to confine it to largely drawing on experiences in countries with comparable regimes or, where relevant, broader experiences across a range of countries.

An analysis framework was used for the analysis of the documents selected for detailed summary. The framework encapsulated the key research questions that guided the analysis and enabled the consistent extraction of data from the identified literature. The analysis framework is outlined in Table 3.

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[151] Pohl, A and Walther A, 'Activating the disadvantaged. Variations in addressing youth transitions across Europe', pp. 533-553.

Table 3:   Literature analysis framework

Focus	Research Question
Outline	• What was the subject/scope of the paper reviewed? • What was the nature and objectives of the policy/program? • What was the scale of the policy/program?
Client	• Which subgroup of the key target groups (or subgroups of these) was the focus of the policy/program?
Barriers	• What barriers to labour force participation for the two target groups were identified? • Which of these barriers did the policy/program attempt to redress?
Strategy	• What was the underlying policy strategy(s) of the policy/program (i.e. how was it trying to overcome the barriers)?
Effectiveness	• What were the success factors for the policy/program? • How did the policy/program perform against those success factors? • What problems were identified that impacted on the success of the policy/program? How were these overcome?

Value for Money	• Was a cost/benefit analysis undertaken for the policy/program and, if so, what was the outcome?
	• If no cost/benefit analysis was undertaken:
	  • What was the cost incurred (per participant or overall)?
	  • What were the benefits achieved (per participant or overall)?

Lessons	• What lessons were learnt regarding:
	  • How to improve the labour force participation of the key target groups: that is:
	    ◆ what worked and why?
	    ◆ What did not work and why?
	  • How to overcome barriers to labour force participation?
	  • Were there any gaps in approaches?

7   Examples of literature summaries

Youth cohort

Focus	Description
Reference	Barrett A, 2012, *Building Relationships for Better Outcomes: Peninsula Youth Connections Evaluation stage 2 report*, Brotherhood of St. Laurence, Fitzroy.
Outline	This report describes the Peninsula Youth Connections (PYC) program funded by the Department of Education, Employment and Workplace Relations (DEEWR). The PYC program assists young people at risk of disengaging from education or training in the Frankston and Mornington Peninsula region in Melbourne. The program seeks to build the capacity of youth services in the area, as well as provide intensive case management, outreach and re-engagement activities for young people. Students are able to enrol in the program for up to two years. Partners of the program include the Brotherhood of St Laurence and TaskForce. The overall objectives of the PYC are to: • support young people to attain year 12 or equivalent qualifications • allow for the successful transition from school to further education, training or employment.
Client	The report did not clearly define the eligible age range for participants. The Brotherhood of St Laurence confirms that eligible people are 13-19 year olds.[152] The program therefore covers a broader audience then the disengaged youth cohort. The report indicates that the average age of participants was 15.8 years, with the majority aged between 14 and 16 years.
Barriers	Five broad groups of barriers to labour force participation for the client group were identified: • unstable contexts (i.e. Inadequate family support, unstable living arrangements, financial distress, and abuse / domestic violence) • learning difficulties • risky behaviours • mental health and stress issues • interpersonal issues.
Strategy	The report indicates that the underlying strategy of the program is to alleviate the barriers to labour force participation that young people face that lead to disengagement from education, training and employment. The program endeavoured to achieve this through intensive case management, outreach and re-engagement activities as well as building the capacity of local youth services.

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[152] Brotherhood of St Laurence, *Peninsula Youth Connections*, bsl.org.au/peninsulayouthconnections#Eligible, assessed 10 December 2013.

Focus	Description
	The report indicates that there was a lack of data that provides information on how learning difficulties were overcome. Therefore, it is unclear whether this barrier was addressed through this program.
Effectiveness	The report is the second part of a three-stage evaluation of the program. This stage attempts to evaluate the experience of the young people who had participated in the program by asking the following questions:

The report is the second part of a three-stage evaluation of the program. This stage attempts to evaluate the experience of the young people who had participated in the program by asking the following questions:

- What concerns did young people have with the program?

- How did their individual barriers affect their ability to progress through education, and achieve success through the program?

- Did the program meet the needs of young people?

- Were the outcomes achieved through the program sustainable and what ongoing challenges did young people continue to face?

Qualitative data was gathered through:

- consultations with 16 young people who had participated in the program

- consultations with nine program staff members

- 228 participants who had exited the program from January 2011 to March 2012, obtained through the program management information system and referrals database

- 52 former participants who contributed additional information through a follow-up survey.

Overall, the evaluation results indicated that PYC program was successful in connecting with young people who are disengaging from education and training in the area.

The consultations results indicated that:

- The young people who took part in the consultations rated the program highly. They indicated that their experience was positive and the relationships with their case managers were invaluable.

- The program helped participants with social reconnection, establishing a routine and boosting confidence.

The program met the needs of young people by:

- providing a flexible service that could adapt to meet the needs of young people at differing levels of connection with education

- enabling relationships to form with participants and staff due to the length of available enrolment; this led to the needs of young people being met

- helping young people with mental health issues, facing difficult life events and interpersonal issues such as bullying

- helping young people with risky behaviours such as substance abuse and anger management issues as well as young people from unstable contexts such as family conflict. The report noted that young people facing these barriers also faced continuing challenges.

The survey of former participants outcomes three months after exiting the program

Focus	Description
	indicated that:
	• 72.5 per cent of respondents were currently studying.
	• 36.5 per cent were currently working.
	• 21.2 per cent were neither studying nor working.
	The outcomes indicate that the program was successful in re-engaging young people in education and employment.
Value for Money	No cost benefit analysis was undertaken for this program.
	The evaluation did not provide any information on the program cost overall or the cost incurred per participant.
Lessons	Increases in labour force participation for the target group can be achieved through this program; this is evident through the 36.5 per cent of participants who indicated they were in paid employment three months after completing the program.
	The majority of young people who were followed up after exit from the program maintained some form of positive outcome including working or studying.
	Despite the positive outcomes that many had achieved through the program, young people still faced financial hardship, self-esteem and confidence issues as well as poor mental health. It appears that gaining employment did not fully overcome these issues, as social inclusion through employment is not sufficient to overcome the long term issues faced by young people.
	The varying barriers faced by young people participating in the program highlight the importance of providing a holistic, integrated and intensive case management approach to meet the specific needs of disengaged young people.

Mature-age cohort

Focus	Description
Reference	Bresnan A and Wands M, July 2013, *45+ Men's Program: Final Evaluation Report*, ConNetica.
Outline	The report describes an evaluation of a pilot of the 45+ Men's Program, which was conducted in 5 locations in Victoria (Bendigo, Shepparton, Frankston, Coburg and Hastings). The program is designed to help re-employ mature-aged males who are unemployed or about to face redundancy. It is a holistic program that offers vocational and non-vocational skills development with a priority focus on re-employment strategies as well as increasing personal aspects such as self-confidence.
	The program is built around a 4-day 'male friendly' course where participants develop a 'Career Pathways package' to improve their chances of obtaining work. This package includes a range of descriptions related to their job capacity and skills as well as identifying training, skill requirements and job search techniques.

Focus	Description
	The key outputs of the program are:
	• the Career Pathways document
	• a personal plan for broader 'life' Vision / Goals process.
	The report indicates that the involvement of Job Services Australia (JSA) agencies in the program is important to its successful delivery.
	This report was developed to provide an assessment of the pilot program and the impact it had on participants. The evaluation of the program aimed to provide findings that enable stakeholders and other interested parties to make informed decisions regarding the effectiveness and efficiency of the program.
	The evaluation consisted of the following methodology:
	• 92 per cent of the total participants (34 males) completed an online survey.
	• 94 per cent of total participants (35 males) completed an online resilience scale assessment survey.
	• 54 per cent of total participants (20 males) participated in an interview at the conclusion of the course.
	• attendance and observation by a skilled consultant at two days of the program to observe how the program worked and to identify any issues;
	• telephone interviews with a skilled consultant and three employment agency representatives
	• a desktop literature review of existing literature on issues and strategies for mature-age males seeking work in Australia.
	This project was funded by Superfriend - Industry Funds Forum Mental Health Foundation and Cbus.
Client	The program targeted males 45 and over, which is a broader scope than the mature-age cohort specific to this literature review.
Barriers	The report identified that mature-aged males seeking employment face particular needs and issues that include:
	• workplace injuries
	• lack of access to transport
	• long-term unemployment, which makes using current employment systems challenging and discouraging
	• lack of computer skills
	• lack of self-confidence and self-esteem.
Strategy	The underlying strategy of the program is to provide mature-aged males who are not working with unique support that is not available through any other avenue in the current employment assistance system. The program focuses on providing males with support and direction that will help them in returning to the workforce.

Focus	Description
Effectiveness	Online survey and participant interviews These identified that: • The participants were highly motivated in looking for work and were better prepared and more confident to take advantage of employment opportunities. This was evident through the high rating areas where they were looking for assistance such as helping identifying potential employers (64.7 per cent) and better prepare themselves for a job interview (56.6 per cent.) • The survey results indicated that the facilitator's non-judgemental, respectful and positive approach was valued by participants. The program was successful in overcoming issues identified for the group including building self-confidence and enhancing career path options. The highest percentages were as follows (p. 16): • 91.9 per cent (31 males) identified personal career goals. • 90.9 per cent (30 males) identified a career path.`85.3 per cent (29 males) boost their confidence. Resilience Scale: The report defines resilience as the 'ability to successfully cope with change or misfortune (p. 16)'. The results indicated that the males who participated in the survey generally had a high level of motivation. However, building confidence is a key issue and needs to be 'boosted.' The survey shows that there was a high level of coping skills and an ability to bounce-back from unemployment. Final Participation Interviews: The fact that the program facilitators were of a similar age and experience as participants was highly valued by participants. Participants felt comfortable in sharing their experiences. The small group structure instead of a seminar structure was successful.
Value for Money	The report did not assess the value for money provided by the program. The benefits achieved are discussed in the effectiveness section above.
Lessons	The evaluation identified that mature-age males face unique issues in looking for work and many have negative experiences with the current employment assistance system in Australia. The evaluation concluded that the 45+ program addresses the needs of males that no other program covers. It does this by addressing issues faced by males in gaining employment and aims to rebuild self-esteem and confidence. The report provided the following recommendations for the program (p.5): 1. That the program incorporates best practice follow-up procedures with participants. 2. The coordinator of the program must have the personal skills necessary for the participant base.

Focus	Description
	3. The design and delivery of the program needs to be flexible and based on strengths.
	4. The program should expand nationally and funding sources should be identified.
	5. There should be collaboration with other service providers that offer complementary services.
	6. Local circumstances such as industry downturns or high unemployment rates should be considered as part of the program.

8 Assessing value for money for policies and programs

This literature review analysed whether identified reports on policies or programs relevant to the target cohorts had evaluated the value for money of those policies or programs.

Governments use evaluations to determine if their policies or programs meet their intended objectives in an efficient and effective manner. In undertaking evaluations, a number of techniques are available for assessing the value for money of government policies and programs. These techniques are generally applied as part of summative evaluations that occur when a policy or program has been operating long enough to produce a result. A commonly used technique is cost benefit analysis (CBA), but other approaches can be used.

Mason and Tereraho (2007) compare a number of methodologies used in Canada for estimating the value for money of active labour market programs, including CBAs, cost effective analyses (CEA) and cost utility analyses (CUA).[153] They observe that CBAs are a powerful conceptual method for assessing the costs and benefits of a program. By expressing all current and future costs and benefits in present day terms (i.e. present value), CBA provides an unambiguous outcome. If the net present value of a program is positive, it is socially beneficial. Choices can be made among alternative programs by choosing the program with the highest net present value.

The SROI concept is an extension of CBA that assesses a range of social impacts beyond what would normally be captured by a CBA:

> SROI is a form of stakeholder-driven evaluation blended with cost-benefit analysis tailored to social purposes. It tells the story of how change is being created and places a monetary value on that change and compares it with the costs of inputs required to achieve it.[154]

SROIs can be predictive or evaluative. An SROI evaluation values identified social outcomes in present value terms and compares them with the costs involved in achieving them. This results in a ratio of a dollar of social value created for every dollar invested in achieving that outcome. Care needs to be taken in comparing SROIs for different programs as an SROI involves different stakeholders making different judgements on the value of different outcomes.[155]

CEAs, on the other hand, are widely used in evaluating health care and education programs and involve:

- expressing program outcomes in terms of a single concrete measure such as 'increased lifespan in years, reduced incidence of drop-out, and increased academic standing using standardized tests' (p. 7);

- measuring the costs of each intervention; and

- comparing the relative program outcomes to their costs.

CUAs are an extension of CEAs that incorporate a subjective assessment by program participants of the value of a program.

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[153] Mason G and Tereraho M, 2007, 'Value-for-money analysis of active labour market programs', *The Canadian Journal of Program Evaluation*, Vol. 22, No. 1, pp. 1-29.

[154] Social Ventures Australia Consulting, February 2012, *Social return on investment - lessons learned in Australia*, Social Ventures Australia Consulting, p. 3.

[155] UK Cabinet Office for the Third Sector, September 2009, *Social return on investment – an introduction*, UK Cabinet Office for the Third Sector, p. 5.

Whilst CBAs provide a more robust and rigorous approach, CEAs provide advantages over CBAs due to their lower cost and simplicity. For this reason, Mason and Tereraho observe that CEAs are more likely to be undertaken than CBAs.

The following sections outline the extent to which value for money assessments were applied to identified reports on policies or programs relevant to the target cohorts.

APPENDIX B: CONSULTATION GUIDE AND STAKEHOLDER LIST

Consultation guide

The labour force participation project

The Australian Workforce and Productivity Agency (AWPA) has commissioned Lista Pty Ltd in conjunction with Stenning and Associates to undertake research into the factors affecting labour force participation of two target cohorts:

- *Young people (aged 15-24) not fully engaged in education and/or employment.*

- *Mature-aged people (aged 45-59) who left school early and have no post-school qualifications. This cohort is referred to in this guide as the 'lower-skilled mature-age cohort'.*

The purpose of this research project is to provide an evidence base to inform AWPA's next National Workforce Development Strategy. AWPA will use this evidence base to provide clear advice to the Australian Government about systemic implementation of policy and programs that work well to support labour force participation by the two cohorts.

The project comprises a literature review and consultation with key stakeholders. The first phase of the project reviewed published works covering policies or programs that are aimed at improving the labour force participation of the two target groups. The review examined national and international approaches and evidence of what constitutes effective policy and program approaches and whether evaluations of such approaches had considered value for money.

The first phase of the project also sought advice from a number of government and non-government agencies about policy/program evaluations, reviews or other documents (dated 2006 or later), not necessarily in the public domain, that could provide insight into the success or otherwise of policies or programs aimed at improving labour force participation for the two target groups.

The consultation phase

The findings of the literature review and the additional data and information provided by stakeholders in response to our request has been used to inform the approach to the consultation phase.

The consultations aim to test and supplement the literature review findings, further exploring the research questions addressed by the literature review and tapping into the insights of stakeholders who are involved in policy or programs related to employment of the two target groups.

This consultation guide aims to:

- Enable stakeholders to prepare in advance for the consultation sessions; and

- Provide a robust framework for analysis of the outcomes to inform the final project report.

A summary of the draft high level findings of the literature review is below.

Discussion questions

1. From your experience do the draft high level findings of the literature review "ring true" for you and if not, can you tell us how your experience differs?

2. In developing or implementing policies/programs, what lessons have you learnt regarding:

- How to improve the labour force participation of the key target groups? (that is, what worked and why?)

- What didn't work and why?

- The barriers to the design and implementation of the policies/programs?

- How to ensure policies and programs produce sustainable outcomes?

- How existing policies/programs could be improved?

- What you would do differently next time around?

3. What steps would you recommend to overcome barriers so that successful individual or localised policies or programs can be systemically implemented?

4. Have you identified gaps in policy/programs for either of the groups in existing policies/programs or the evidence base on which decisions can be made?

5. To what extent are foundation skills or language/literacy/numeracy programs key components of policies and programs that aim to improve workforce participation for the two cohorts and can you give us examples?

6. Can you point to any policies or programs that are successfully reaching those in the cohorts who are not in the labour force and who might be at risk of more long term disengagement?

7. In your experience how effective is the Job Services Australia (JSA) model in meeting the needs of the clients in the two target groups?

8. How can industry and other stakeholders be most effectively involved in policy and program responses?

- Can you give us examples of how you have involved them; and

- What have been the barriers/challenges and successes?

9. What are the challenges in evaluating the success or otherwise of policies/programs to inform a sound evidence base for improvements or development of new policies and programs?

10. Are you aware of any whole-of-government or portfolio-specific evaluation policies or guidelines and if so, do you have any examples of their implementation?

11. *(Optional question for those agencies which have not already provided advice on published and unpublished references and information sources)* Can you provide us with any policy or program evaluations relevant to the two groups, in particular evaluations:

- That are documenting what works in terms of effective policy/program interventions and what does not work?

- That are tracking sustainability of employment outcomes?

- That are analysing value for money?

Project timelines and contact details

Consultations will be conducted in February and March 2014 with the final report incorporating both the literature review findings and consultation outcomes submitted in mid April 2014.

The final report will be used to inform development of AWPA's 2016 National Workforce Development Strategy and may include recommendations for action that could be taken to improve workforce participation by clients in the two cohorts.

For further information contact:

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Draft high level findings drawn from the literature review

1. Data paints a compelling picture of the two cohorts (and in some cases subgroups of the cohorts). In 2011:

- One in five young people (20 per cent) aged 15-24 years are not fully engaged in formal study and/or employment;
- A greater proportion of young people aged 20-24 years are not fully engaged in work or study (26 per cent), compared to teenagers aged 15-19 years (14 per cent);
- Indigenous Australians and individuals with low-language proficiency are disproportionately represented in the youth cohort;
- There were approximately 1.2 million 45-59 year old early school leavers without post-school qualifications in 2011, a decline of 8 per cent over the previous five years;
- There is a gap of nearly 20 percentage points between the labour force participation of lower-skilled mature-age people, at 69.3 per cent, and those who completed Year 12 and have post-school qualifications, at 88.3 per cent;
- Nearly three times as many lower-skilled mature-age people are 'not in the labour force' compared to those with higher-level skills;
- Less than half of lower-skilled Indigenous mature-age people are in the labour force (49.6 per cent), while the participation rate of Indigenous mature-age people with higher skills is 82.4 per cent.

2. There is a sound understanding of barriers facing the two cohorts. Barriers are complex and varied and extend beyond employment related issues requiring responses flexible enough to be tailored to individual needs/circumstances.

3. The literature review identified only a small number of Australian policy/program evaluations that were directly relevant to the target cohorts and there is much less attention paid to the lower-skilled mature-age cohort.

4. The majority of literature in relation to young people tends to focus on youth who are not engaged at all rather than those who may be temporarily "in transition" between these phases (i.e. who may not currently be working or studying but are less at risk of disengagement).

5. Many policies/programs did not robustly evaluate the program aims, particularly in terms of the sustainability of employment outcomes and few analysed the value for money outcomes in any objective manner.

6. Key messages:

For the youth cohort

- Effective policies and programs take a holistic approach, being tailored to individual needs, and providing good support mechanisms in order to deal with the diverse barriers that the cohort experiences.

- The important policy issue for governments is how to effectively target the subgroups that are most likely to become or to remain disengaged.

For the lower-skilled mature-age cohort

- The literature identifies a range of policies and programs for the mature-age cohort generally that tend to focus on resolving specific barriers, rather than multiple barriers.

- Policies and programs that aim to increase labour force participation for the mature-age cohort generally, take into account issues broader than skills needs, such as age discrimination, lifestyle and health related issues.

For both cohorts

- The diverse range of barriers to labour force participation that are faced by both cohorts suggests there is a need for a broad range of policy or program responses that can be accessed over a range of timeframes. That is, individuals may require different combinations of support for different time periods according to their circumstances.

- While the costs of holistic and targeted policies and programs can be high, this needs to be weighed against the high costs to Government, society and the economy of supporting the cohorts outside of the labour force.

7. There is little literature available for either cohort on what approaches are not effective but findings include:

- Those policies or programs that provide single, structural solutions or services tend not to be as effective as more holistic responses, particularly for the youth cohort.

- There is evidence that some current policies and programs are not sufficiently tailored to meet the needs of the youth cohort.

- Subsidised employment solutions to addressing labour force participation issues for the youth cohort are not very effective.

- Policies or programs that don't address the non-employment related barriers or which disconnect support services at the same time as the program ceases, thereby adversely impacting on the sustainability of the program outcomes, tend to be less effective.

8. Gaps identified:

- Further analysis is needed on:

  o How to effectively target young people who are not fully engaged so as to prevent long-term disengagement from the labour force.

  o Assessing the effectiveness of policies and programs for the lower-skilled mature-age cohort including assessing the relative effectiveness of approaches that focus on specific barriers compared to those that take a holistic approach dealing with multiple barriers.

- There is limited hard evidence on the benefits and costs associated with policies or programs for the cohorts.

- Not all jurisdictions would appear to have whole-of-government policies to guide a consistent approach to policy or program evaluation raising the broader issue of how to ensure consistent and robust policy and program evaluations across jurisdictions.

- There is no consistent measurement framework used by the Australian or state/territory governments for the evaluation of policies and programs aimed at increasing labour force participation for the two cohorts.

- The evaluation of policy/program outcomes on a long term as well as short term basis is important to provide a picture of the sustainability of policies/programs.

Stakeholder consultation list

Organisation	Date of consultation
Commonwealth agencies	
Australian Government Department of Industry	19 February 2014
Australian Government Department of Employment	20 February 2014
Job Services Australia	20 February 2014
Australian Government of Department of Education	19 February 2014
Department of Prime Minister and Cabinet (Indigenous policy and program areas)	19 February 2014 25 February 2014
State and Territory agencies	
South Australian Department of Further Education, Employment, Science and Technology	6 March 2014
VIC Department of Education and Early Childhood Development	25 February 2014 11 March 2014
NSW Department of Education & Communities	7 March 2014
Non-government organisations	
Encompass Community Services	4 March 2014
DOME Association Inc	6 March 2014
Training providers	
TAFE New England	3 March 2014
South Western Sydney Institute	24 February 2014
Industry	
Australian Industry Group	4 March 2014
AgriFood Skills Australia	26 February 2014
ForestWorks	27 February 2014 7 March 2014
Employers	
Monash University	4 March 2014

Organisation	Date of consultation
Australia and New Zealand Banking Group Ltd (ANZ)	5 March 2014
Central Ringwood Community Centre	7 March 2014
The High Street Centre Brotherhood of St Laurence	14 March 2014