

Decent Work

Decent Work Funding Goal

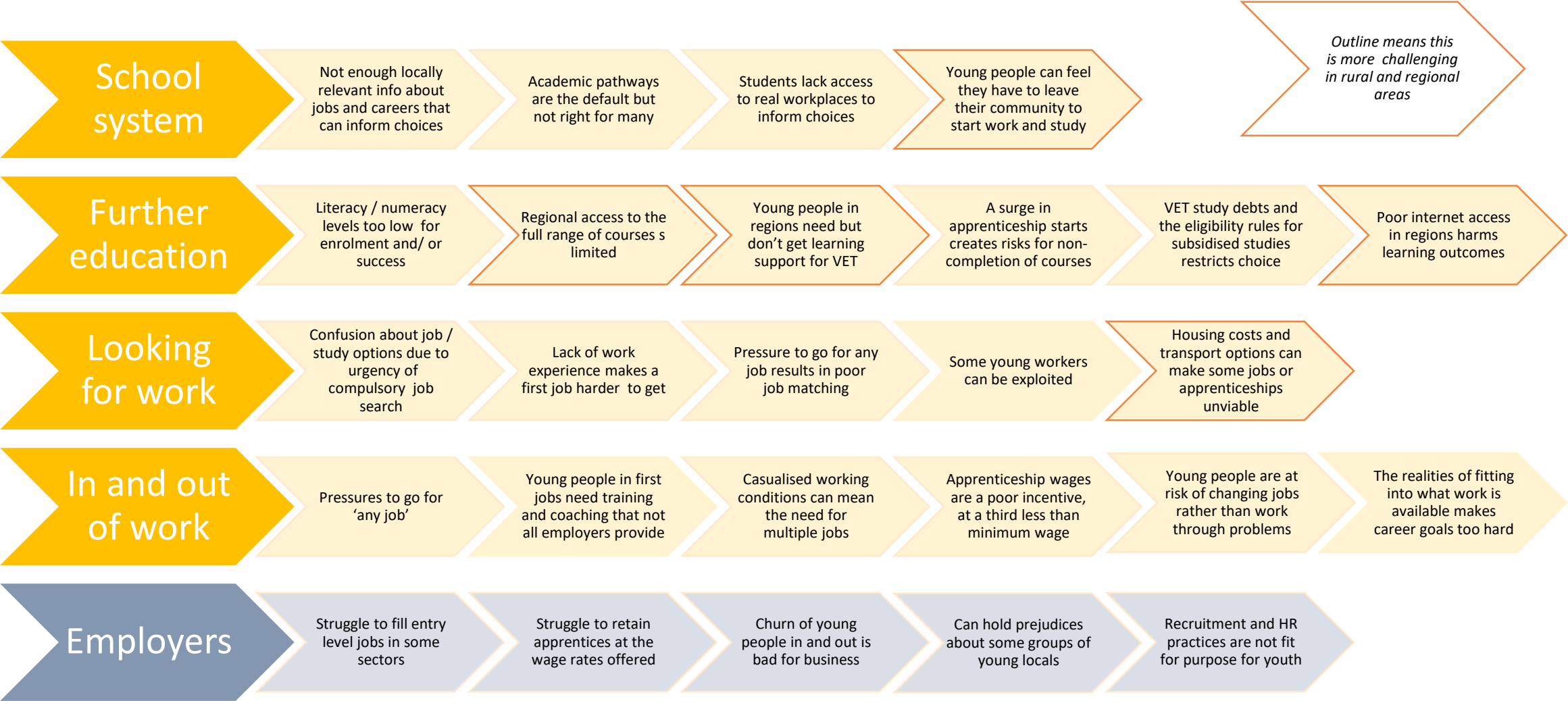
Employer driven, innovative models for work that integrate learning to ensure young people gain the work and experience they need and value

Decent Work Funding Outcomes

- Increased employer engagement in work-based learning relevant to the needs of local industry
- Increased entry-level jobs for young people
- Smoother transitions to decent secure work from entry level jobs



Learning from stakeholder consultations



Summary conclusion from stakeholder consultations

Employment programs can be characterised as having a focus on:

- the labour **supply-side** of the labour market, which means ensuring that candidates meet the requirements and expectations of employers
- the labour **demand-side**, which means working with employers and industries to create and/or offer roles that can attract, recruit, retain, and improve skills and progression prospects for young people

VFFF focuses on the demand side of employment.

Learning from analysis of social enterprises and the labour market

Analysis of social enterprises in scope

- Though the social enterprise sector is growing, the pipeline of prospects for Decent Work funding is narrow.
- Work Integrated Social Enterprises (WISEs) are scarce in regional and rural areas and there are fewer of them in NSW/Qld compared with Victoria.
- Youth-specific WISEs are rarer too.
- Another challenge is aligning the kinds of skills and jobs typically found in social enterprises with future workforce skills in demand, and relevant training/qualifications.
- White Box Enterprises, a VFFF grantee, is developing WISEs across diverse job types in NSW/Qld, but more development work is needed to achieve for workers the minimum 20 hours required for the WBE outcomes-based funding trial in progress, and/or to establish employment progression beyond the WISE.

Analysis of skills in demand

- Youth unemployment (ABS Jan 2022) is still high at 9%, while skills shortages are becoming more obvious, with significant jobs growth and entry level opportunities in health care and social assistance, construction, and some IT/technical work.
- Region-focused industries such as mining, manufacturing, and agriculture, forestry and fishing have ageing workforces and need staff too.
- Where skills shortages are acute, employers need to take new approaches to job design and better work conditions and progression pathways, informed by youth perspectives.
- Innovation thinking and new partnerships are needed with employers and industry.

Learning from a review of not for profit sector initiatives for youth employment

Analysis of not for profit sector capacity to propose Decent Work projects

1. Many not-for-profit and employment services organisations face **resource constraints** and **a lack of staff expertise** to adopt new youth employment solutions, which might call for things like: the data to demonstrate needs, evidence of what works or could work; consulting and co-design with young people and/or employers; new service models or practices, new partnerships and business models.
3. **Competition between providers** for funding combines with limited time and resources, meaning **dampened collaboration capacity**. Yet there are many examples of complementary skills, strengths and resources in the community, social enterprise, and employment services sectors.
4. A **newly reformed and contracted employment services system** is starting in July 2022, meaning some changes in providers and services to be delivered.
5. There is a **need to work more closely with industry sector peaks/employers**. The mining, digital skills, or human services care are obvious examples, and the agribusiness industry is looking at its image and appeal to workers.



Social enterprises focused on youth employment in NSW and Qld

Introduction

This analysis on social enterprises in NSW and Queensland:

1. Seeks to identify the **kinds of social enterprises that are, or could be aligned** with the Decent Work focus area goal
2. Reports on **new directions and developments** under way for social enterprises and for the social enterprise sector, which are relevant to VFFF
3. Consider **the implications to map the path forward** for granting priorities and approach.



Social enterprises of interest to VFFF

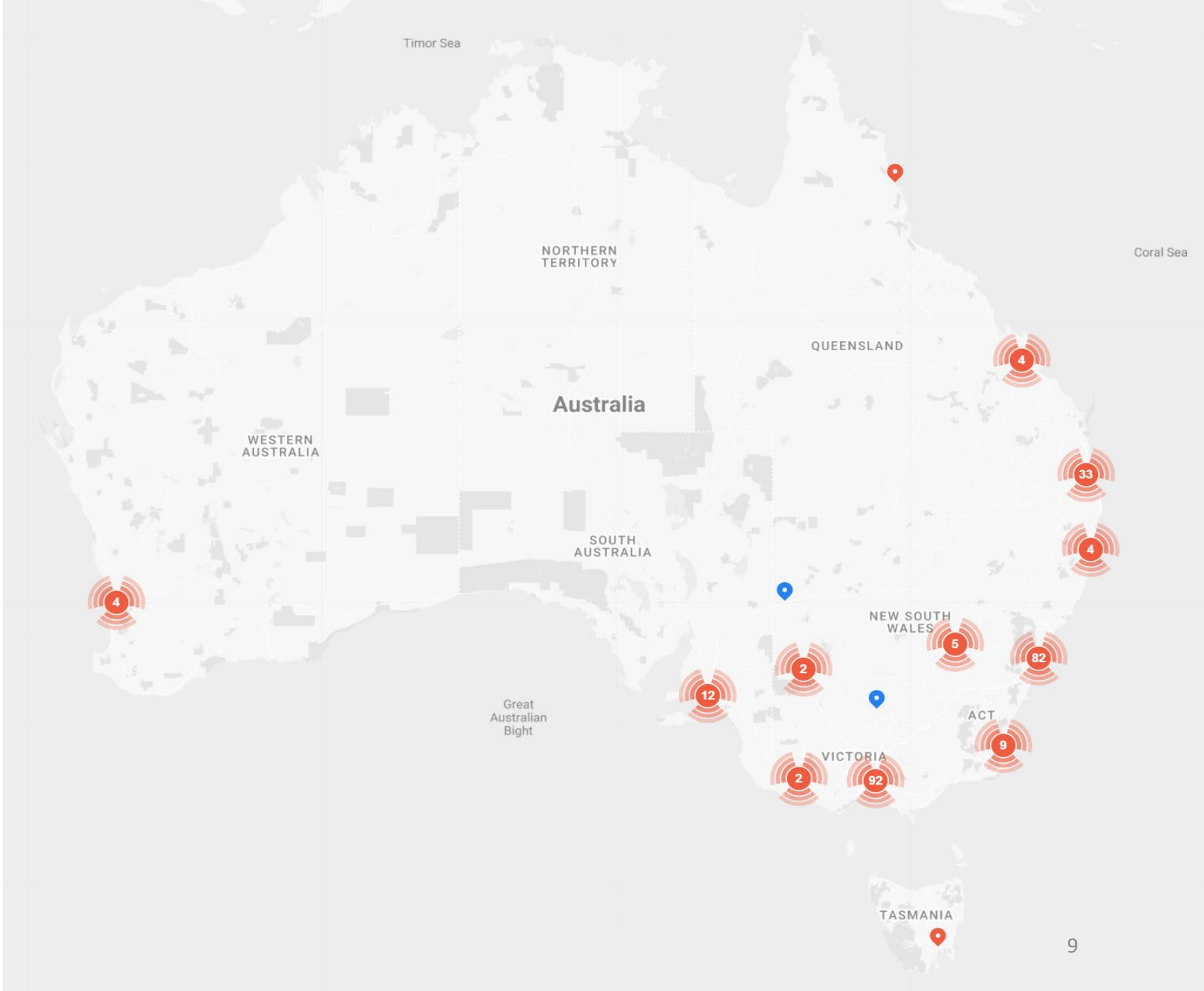
To inform options for funding support through the VFFF Decent Work focus area, our challenge is to identify and learn about social enterprises that:

1. **Operate in NSW and Queensland**, with an emphasis on those in regional areas.
2. **Focus on young people** or are open to young participants.
3. **Offer experiences in learning and work** that can lead to:
 - Secure employment and adequate income
 - Skills and qualifications in demand now and in future
 - Prospects for further career progression.



Social Traders Directory Map

This illustrates the concentration of social enterprises in the cities.



Social enterprises inherently face business challenges in trying to create decent work for employees

Running a business staffed by new workers, often with high needs who are learning on the job, is a balancing act between profitability and social mission.

Some risks of social enterprise employment that the Decent Work lens brings into focus are:

- **Fluctuating hours of work**
- **Not enough work hours** to make a living
- **Restricted choice of work roles** and type of work experience
- **Pathways onto next jobs are unclear** or unsupported
- **Work experience and skills that are not well aligned to skills in demand**

These are understandable risks, given the unreliability and, often, the inadequacy of revenue to support wages, role choices, and higher-quality supports or training on the job.

We are looking for a work-focused category of social enterprise

The Decent Work focus area is looking for what the social enterprise sector calls **Work Integrated Social Enterprises**. These are characterised by:

- The role they play in **filling a gap in government-funded employment services**, by offering full or part-time employment to unemployed people while they get work experience, learn vocational and general workplace skills, and access social supports and coaching.
- **Employment typically at award rates of pay**, though some unpaid work experience might be arranged by formal agreement. Employment might be ongoing or time-limited, with the goal and expectation that workers will transition to other paid jobs.

Decent Work social enterprise focus

In developing its Decent Work granting focus, VFFF seeks to learn about social enterprises that are:

- **Youth-specific**
- **Preferably in regional areas in New South Wales and Queensland**
- **Able to understand and work with youth priorities, cultural values, preferences**, which are important drivers of engagement and success.
- **Aligned to improved future labour demand** (where more entry level jobs are available).
- **In industry sectors with better prospects** (quality of jobs) for pay and conditions of work, security and stability of hours/shifts and employment tenure, and skills training and progression.

The pipeline of social enterprise prospects for Decent Work funding is relatively narrow, due to:

1. The youth specific focus and regional preference for grant making
2. The invisibility of social enterprises that are not members of State-based social enterprise peak bodies
3. The challenges for social enterprises to achieve a viable business model employing inexperienced workers *and* ensuring high quality work and learning conditions
4. The constrained capacity of the social enterprise and not-for-profit sector to explore and develop new and viable models

A smaller-scale and more flexible funding approach is needed, to support the development and feasibility testing of youth-focused social enterprises creating decent work. These activities will be strengthened by **working with organisations seeking to establish or grow social enterprises** but also with:

- **Other funders and social enterprise intermediaries**, such as White Box Enterprises, the Westpac Foundation, the Jobs and Skills Funders Network, or the state peaks such as Social Enterprise Council of New South Wales, or the Queensland Social Enterprise Council.
- **Industry groups and employers**, for example in the IT, building, or care work industries, to strengthen the pipelines of social enterprise employment into mainstream jobs.



Skills in demand relevant to youth employment

Has the employment status of young people improved?

Though the unemployment rate dropped to 4.2% in December 2021, and young people are the age group most benefiting from jobs growth (see graph), the national youth unemployment rate is still high at 9% (Jan 2022).

Note that the ABS counts as 'employed' anyone who in the week before the survey had anything upwards of 1 hour of paid work.

Young people continue to be twice as likely to be under-employed as the rest of the working age population. They want more work hours.

Access to some jobs has improved with fewer international students and working holiday makers, but most of those jobs are lower-quality jobs.

This means there is definitely still a role for the Decent Work focus area.

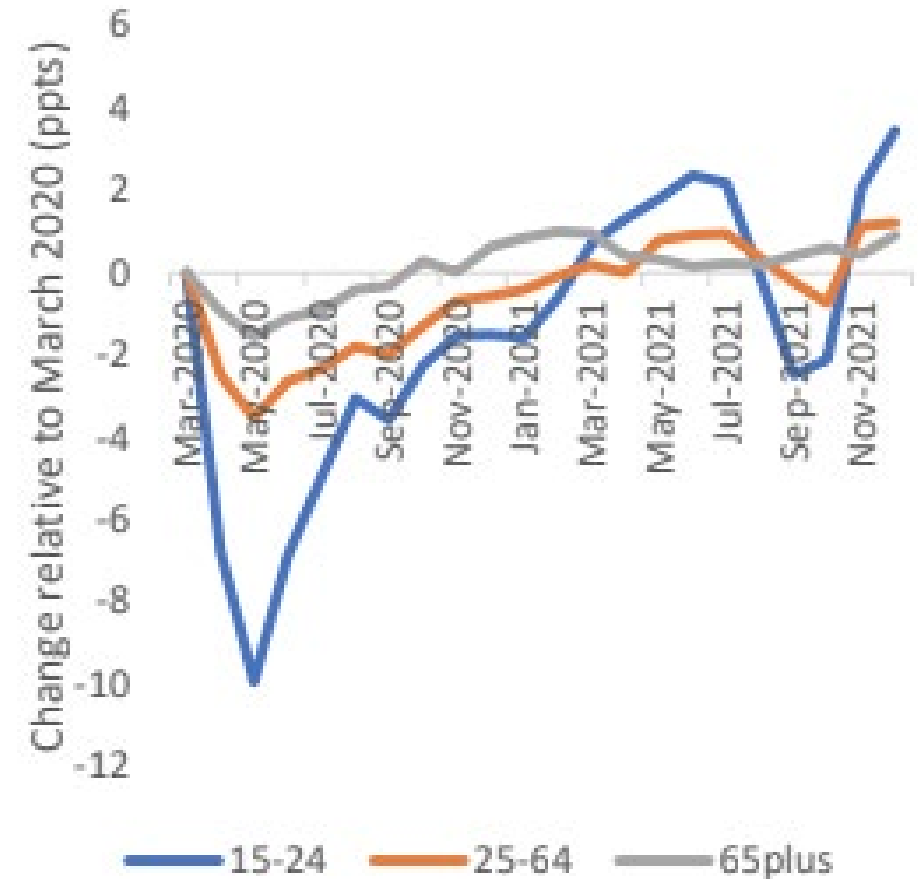


Chart 2: Change in employment/population rates by age, compared against March 2020, seasonally adjusted. (Borland, 2022)

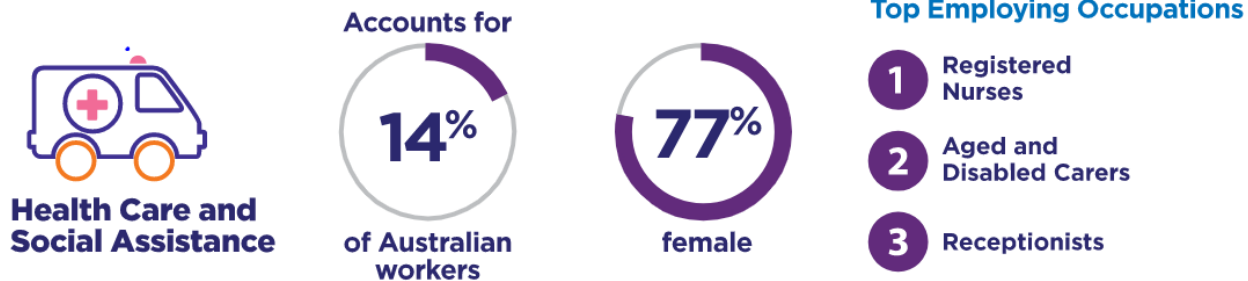
Where are the jobs for young people?

From among the many sources of **skills-in-demand** data, we need to:

1. Retain a **focus on the industries/ occupations that can inform VFFF grant making**, remembering that our goal is to support Decent Work activities that get good outcomes and set a good example.
2. Understand **which industries represent good outcome prospects** in order to identify which types of organisations to approach and who might have solutions in mind or in train. This might include employer/industry groups, social enterprises or partnership initiatives.
3. Identify **good jobs that don't have a degree pre-requisite**, so focusing on jobs with VET studies pathways and opportunities to learn on the job and upgrade and broaden qualifications through working life.
4. Informed by this clearer picture of skills-in-demand, identify and **build the capacity of relevant charities/not-for-profit organisations** (including social enterprises), to partner and work with employer/industry sector organisations to realise opportunities for good jobs for young people.

Top five employing industries

Source: [National Skills Commission](#)



- 45% workers in this industry work part time
- Nearly half have VET quals, which will increasingly be required for certification/ quality standards
- Other in-demand roles are child carers, carers for the aged, nursing support, personal carers
- **Overall jobs growth: 6.5%**



- A third of workers are young people
- 50 per cent of current workers have no quals
- 33% of jobs are in regional areas
- Retail jobs growth is in food/grocery due to COVID
- **Overall jobs growth: 10.3%**



- Entry level opportunities with 15% of workforce employed as labourers
- Most typical entry point is apprenticeship
- Well paid
- A lot of word of mouth for recruitment
- Lowest female participation of any industry (14%)
- **Overall jobs growth: 18.3%**, some fuelled by government stimulus

Notes:

- **Projected jobs growth is annual: growth by each sector can be** compared with the annual national average of 1.7 per cent growth across all industries.
- These sector-level data need to be interpreted carefully, to identify both **entry level job opportunities**, and the growth that can be sustained long-term.

Top five employing industries



Professional, Scientific and Technical Services

Accounts for



of Australian workers



full-time

Top Employing Occupations

- 1 Accountants
- 2 Software and Applications Programmers
- 3 Solicitors

- This is a highly skilled industry; 80% have post-school qualifications
- 17% of roles are regional
- 9% are aged 15-24
- There are a very few entry-level occupations, but this has high quality work potential
- The IT Council of Australia is worried about pipeline for future recruitment and unhappy with the industry relevance of VET qualifications
- **Overall jobs growth: 11.6%**



Education and Training

Accounts for



of Australian workers



hold post-school qualifications

Top Employing Occupations

- 1 Primary School Teachers
- 2 Secondary School Teachers
- 3 Education Aides

- 100,000 roles are for education aides, closer to entry level
- This sector overall is set for strong growth
- Only 9% of the current workforce are young people
- Ageing workforce indicates potential for young people to join. Schools could and should foster youth-focused recruitment

Rural and regional jobs focus

The Regional Australia Institute reports acute skills shortages in the regions, and significantly greater competition for workers.

These graphs show the industry sectors employing significant numbers in the regions, and youth representation in those sectors.

Agriculture, forestry and fishing

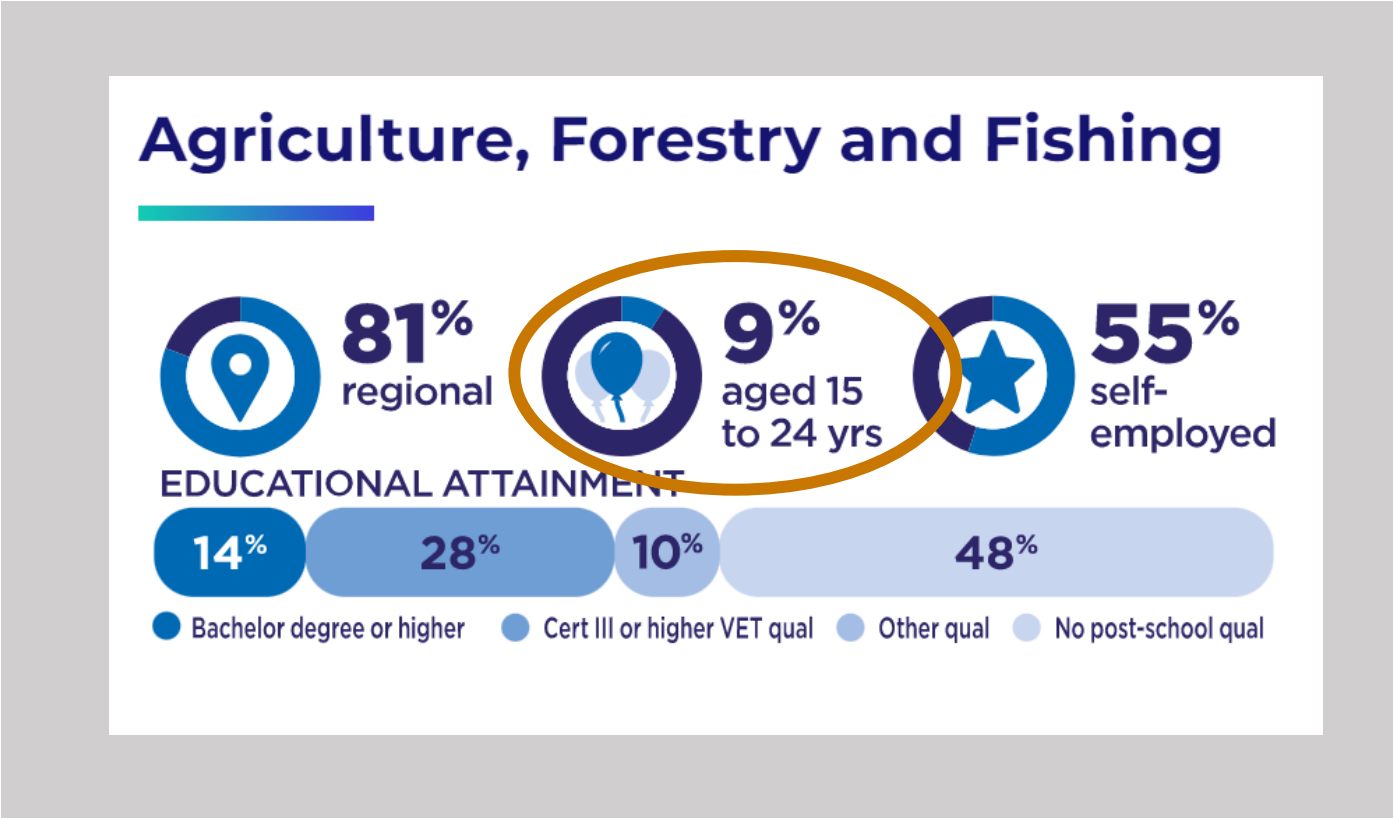
Crop farm workers are in critically short supply and have been sensitive to border closures.

Annual employment fell by 14% to May 2021.

Most of the 150,000 livestock and crop farmers in this industry are self-employed.

This is an ageing sector: 43% are over 55.

Technological advances in production systems will mean the need for fewer and more skilled workers.



Accommodation and food services

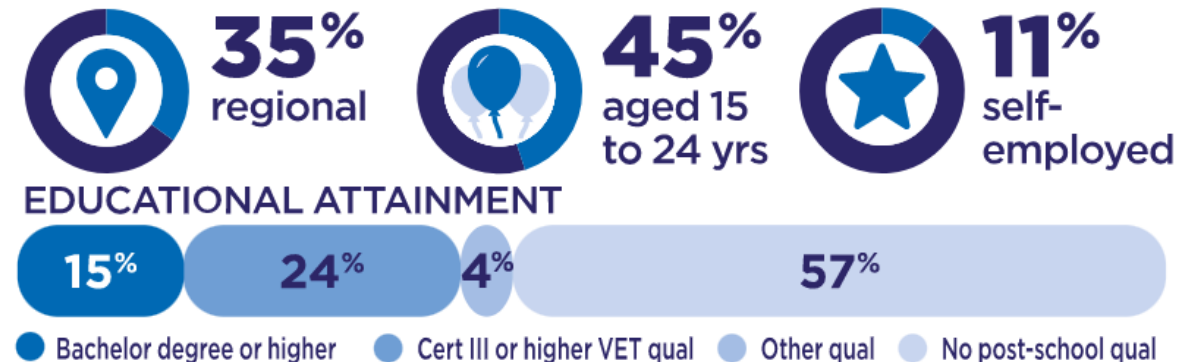
Annual employment growth
36.3%.

The main roles are for waiters,
kitchen hands, bar attendants,
sales.

These are obviously entry level
jobs, and subject to casual
work and just-in-time
assignment.

**62% of work in this industry is
part-time.**

Accommodation and Food Services



Mining

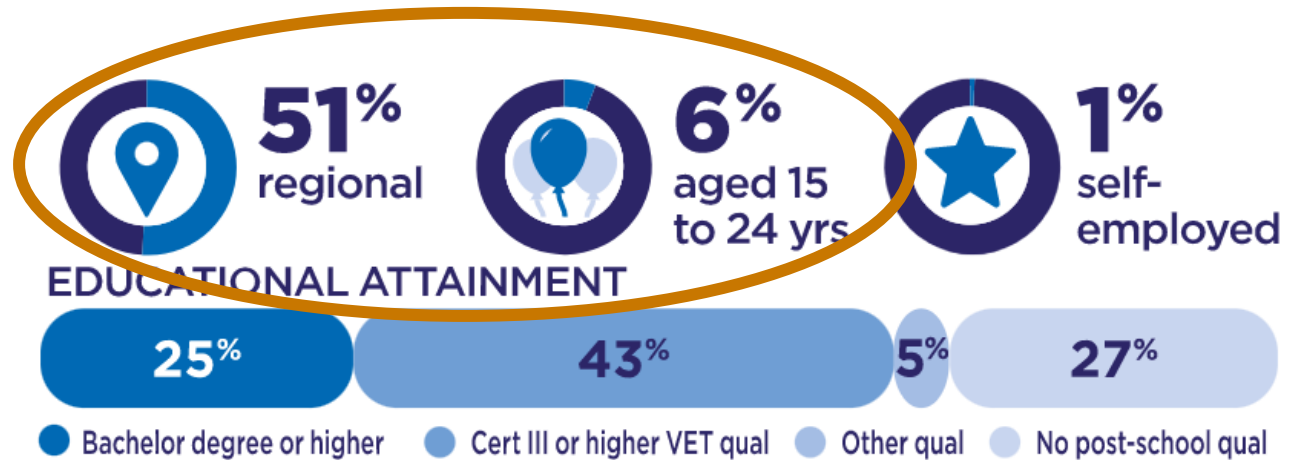
Annual employment growth is 18.3%.

Most work is in Queensland and WA, much of it on a fly-in, fly-out basis.

Some mines are in NSW, including Broken Hill, with growth of jobs projected there.

Very under-represented with young people.

Mining



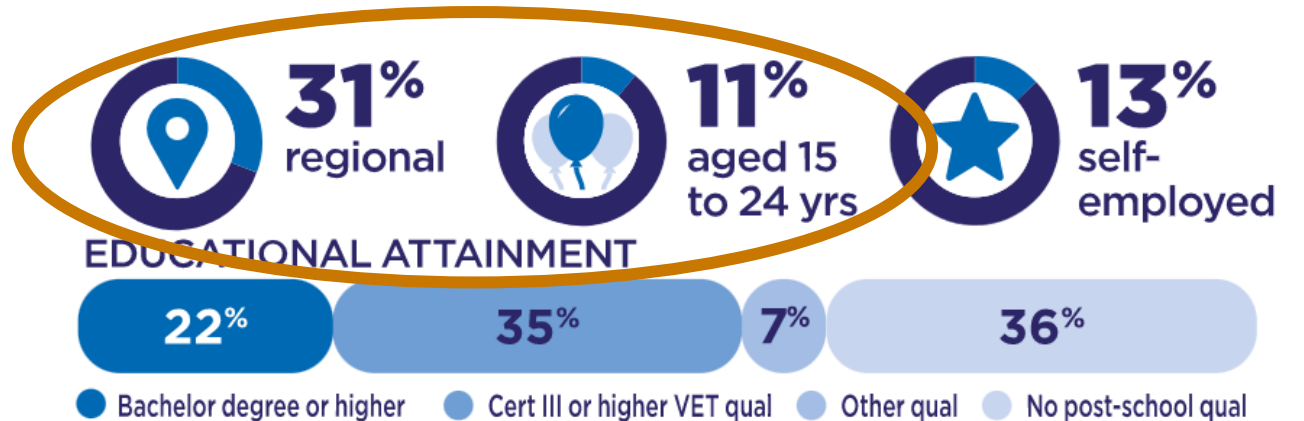
Manufacturing

Annual employment has risen by 5.8%. Specialist / advanced manufacturing is on the rise in some areas.

Includes food/beverages, petroleum and coal, polymer products, machinery, furniture, more.

Trade experience and practical knowledge are valued; less emphasis on formal quals though these will be needed in advanced manufacturing.

Manufacturing



Strategic choices for Decent Work funding opportunities

High quality but lower volume
job opportunities

Eg: IT; construction trades;
education and training

*The solution here is to **improve access** for young people*

Lower quality higher volume job
opportunities

Eg: Aged, disability, social care;
agribusiness

*With so many more jobs on offer, is this a chance to **improve the jobs?***

New solutions will also mean understanding what drives young people’s decisions

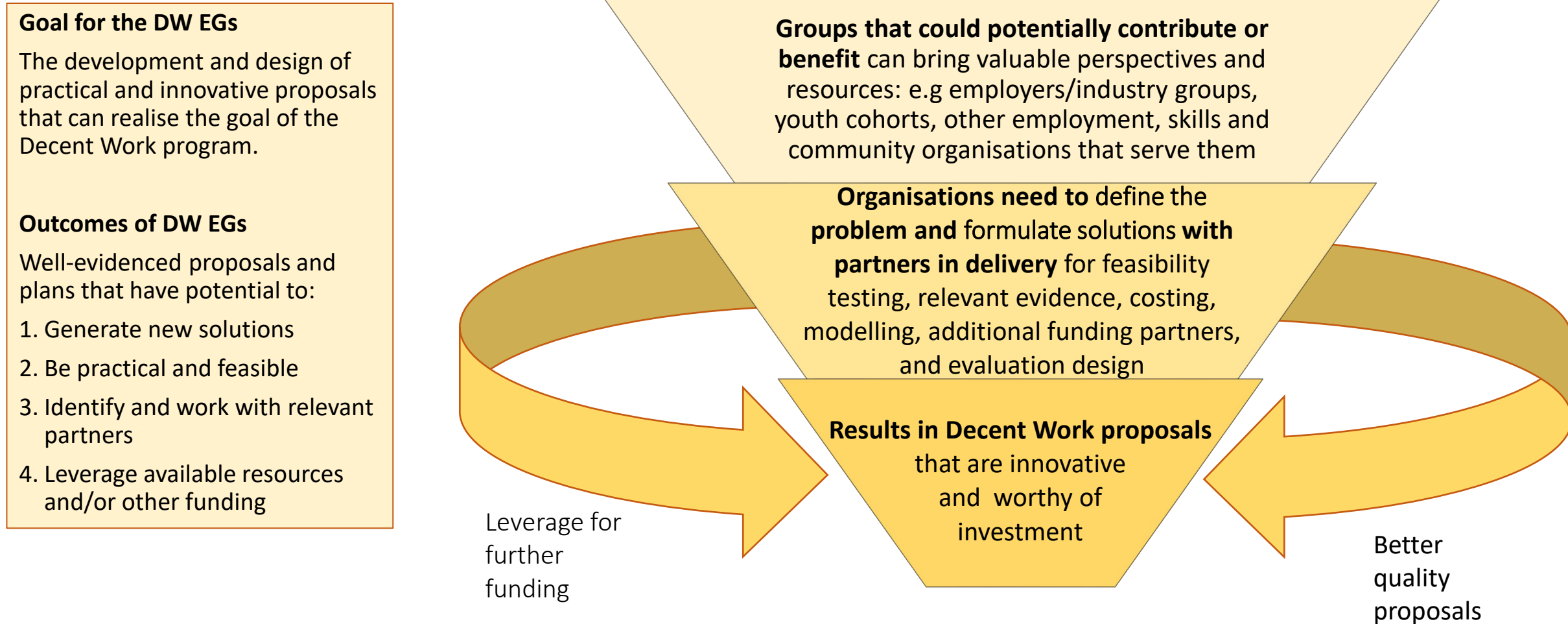
There are many drivers of youth decision-making around employment and career ideas and pathways. The 2020 *National Youth Commission of Inquiry into Unemployment and Youth Transitions* concluded that while young people do want and expect to work, what they value about working can vary considerably.

There are three sets of factors involved in aspirations, motivation, decision-making, and future success in a chosen pathway. Understanding those kinds of factors is an important key to employer and industry workforce strategies.

Financial value and job factors				Future perceived value		Personal values, needs, concerns
Pay per hour	Enough hours	Stable hours	Working conditions	Staged study and quals pathway	Promotion Progression Prospects	Cultural or environmental values, perceived or actual racism, mental health, identity/image, employer respect for workers, preference for flexibility, balance of work/life/study
Costs of housing and transport How much is left after Centrelink tapers off from working						

Decent Work Exploration Grants – *these are by invitation only*

How exploration grants create or add value



Decent Work grant criteria

ESSENTIAL

AS MANY AS POSSIBLE OF THESE

In NSW or Queensland

In rural or remote areas

Supporting skills and job pathways

Focused on young people experiencing disadvantage

Paying relevant Award rates

Learning and work young people need and value

Evidence base of need and proposed solution

Leading to qualifications and/or progress

Innovation features in business/service model

VALUE FOR MONEY CONSIDERATIONS

Contribution to evaluation/learning for the sector

Sustainability / self-funding potential

Policy or systems change potential

Utilising and leveraging partners/others' resources

Relevant to workforce skills in demand

Scaling / replication potential

Linked to employers and next jobs

Potential involvement of other funders
