



# Social enterprises focused on youth employment in NSW and Qld

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# Introduction

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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

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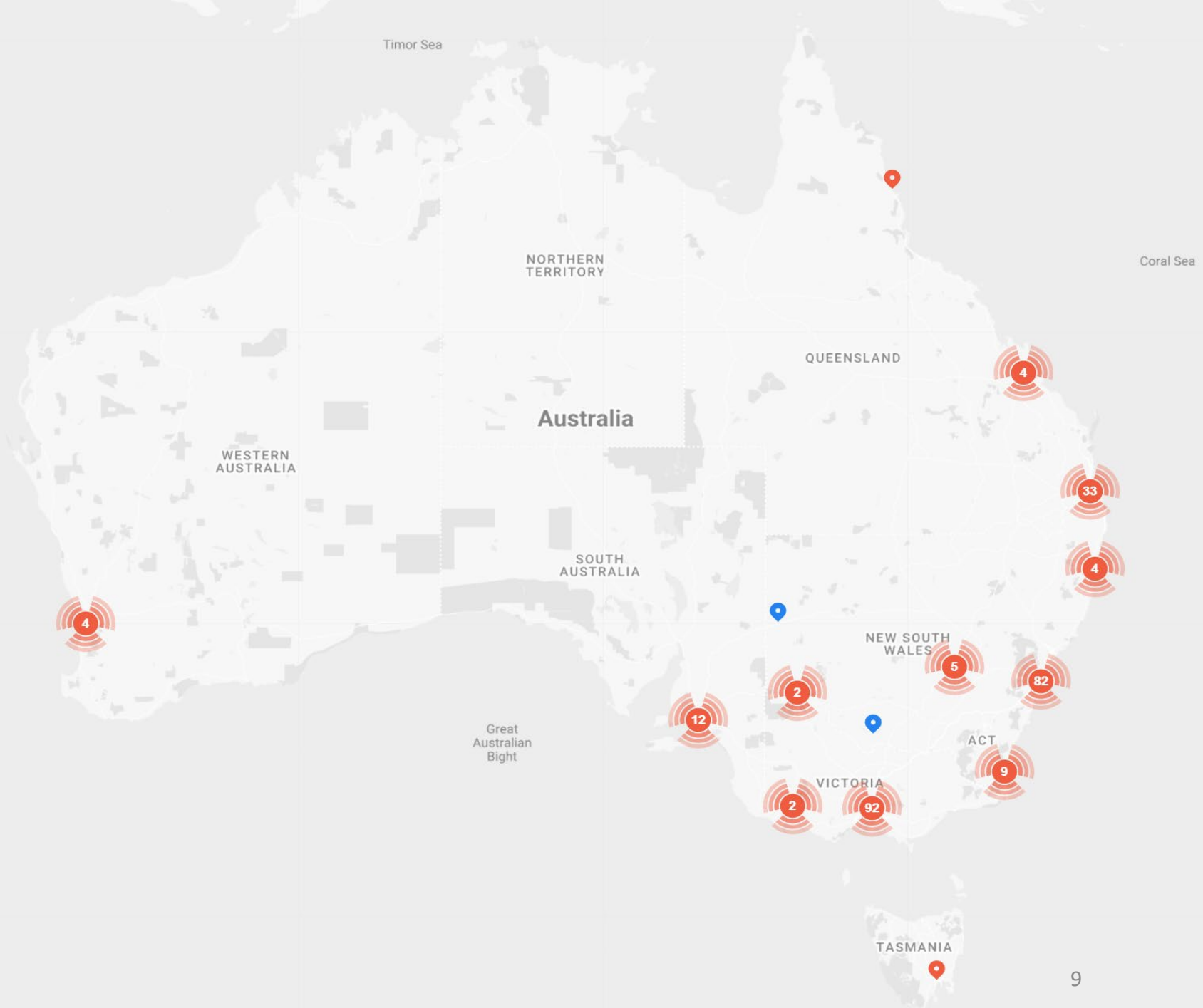
To inform options for funding support through the VFFF Decent Work focus area, our challenge is to identify and learn about social enterprises that:

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

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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

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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

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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.

# Conclusions

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**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.