



## STICKING TOGETHER PROJECT

Providing proven, sustained attachment to the labour market for young Australians who have experienced long-term unemployment.

A model that translates easily to people of all ages who are long-term unemployed, across Australia.

### **DISCUSSION PAPER**

Proposal to implement the Sticking Together Project as the specialised approach within the Australian Government's 2020 employment services contract.

# INTRODUCTION

**SYC has developed an employment model that has proven to be highly effective in shifting people who have experienced long-term unemployment into sustained employment, and no longer requiring welfare benefits.**

The Sticking Together Project, piloted in South Australia, Victoria and Queensland in 2017 and 2018 respectively, and beginning operations in New South Wales for four years from 2019, offers young people the opportunities for a life of self-determination and prosperity, rather than long-term welfare dependence.



This Discussion Paper seeks to build support and gain commitment to having the Sticking Together Project practice and methodology included in the future Australian employment services contract replacing jobactive in 2020.

The Sticking Together Project was always designed to be included in the Federal employment services model post jobactive in 2020. It has been supported by a range of investors and stakeholders throughout its development, including the Federal Government (DJSB), the Queensland Government, New South Wales Government, Melbourne Lord Mayor's Charitable Foundation, Wyatt Trust and SYC.

Investors in the Sticking Together Project had, from the outset, the vision and intention to scale this service to a national level as part of a coordinated youth employment strategy.



Integral to the design of the service was **external evaluation** to validate the results, methodology and measurement systems to demonstrate its efficacy to government and taxpayers and to enhance the ability for the Australian Government to integrate service delivery as a component of the employment services system design for tender in 2020.

Whilst the pilots to date have worked with young people below the age of 25 years, the Sticking Together Project model extends easily to people of all ages 25 and over who have experienced long-term unemployment and under-employment, helping them enter and remain in the labour market.

The program is designed for **scalability** characterised by a lightweight service delivery model, use of interactive digital technology, and tested performance metrics that enable outcomes-based contracting.



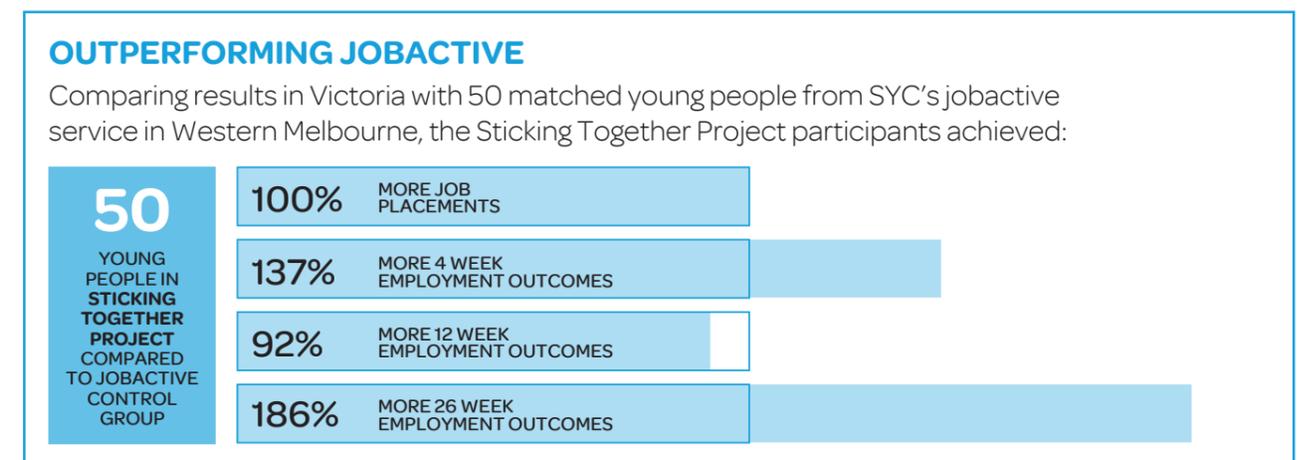
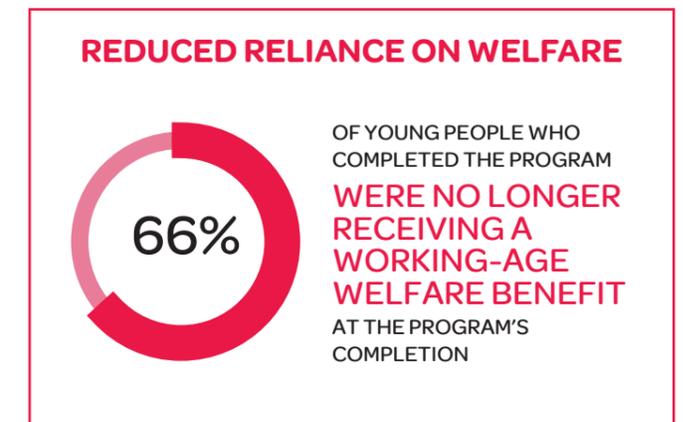
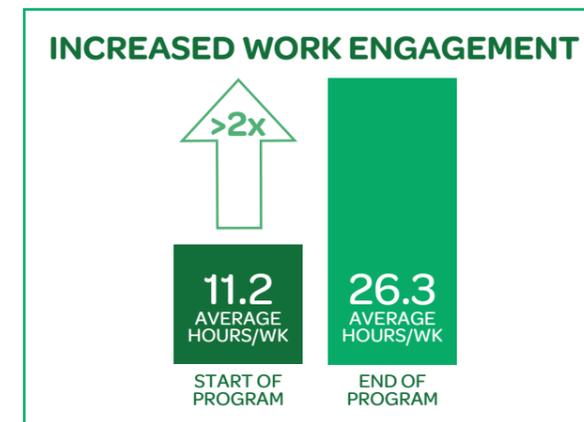
See our blog from the South Australian and Victorian pilots at [stickingtogetherproject.com](http://stickingtogetherproject.com)

# OUTCOMES AND IMPACT

Outcome measures and cohort inclusion was intentionally targeted at Stream B and C jobseekers under 25 years of age following international research of the avoided cost value of intervention at this point.

The Sticking Together Project has proven to significantly outperform comparable Stream B and C outcomes delivered by jobactive alone.

**The results speak for themselves:**



The Sticking Together Project demonstrates that targeted, sustained support for disadvantaged young people experiencing unemployment is feasible, fits within the existing funding envelope and delivers superior outcomes and economic value.



# STICKING TOGETHER PROJECT MODEL

The methodology consists of 60 weeks of one-to-one coaching for each young person and a focus on persistent employment engagement and individual skill building and personal development. This is proven to be a key component in achieving employment outcomes, building employability skills and raising levels of personal wellbeing.

Coaches also work very closely with employers as the third crucial partner in this process. Providing guidance and mediation support, this helps to maximise outcomes for both the young people and their employers, ensuring they 'stick together' in the employment experience.

The target group for the trial was young jobseekers with high barriers to gaining and sustaining work. Jobactive Stream B and C clients aged 18-24 years have been the target of service delivery.

The service model was designed, constructed and tested with the primary objective of much stronger employment outcomes evidenced by job placements, job longevity, hours worked per week, and discontinuation of working-age welfare benefits.



The results of Sticking Together Project have been definitive. As outlined in this discussion paper, they show strong attachment to the labour market, increased hours of employment and higher rates of participants no longer receiving a working-age welfare benefit, as a comparison with the control trial.

SYC's evaluation report of the Adelaide pilot programs and QUT's evaluation report of the Victorian programs<sup>1</sup> are available. A further QUT evaluation report of the Queensland program outcomes will be ready for release in February 2019.



Highly positive stories from young people participating in the Victorian programs are available in the five video episodes filmed over the 60-week duration that track their progress and demonstrate how much they valued the benefits of coaching.

These films can be found at:  
<http://bit.ly/STPseries>

<sup>1</sup> Sticking Together Project Evaluation Report, Queensland University of Technology Business School, May 2018.

## The Sticking Together Project has several design strengths, that make it suitable for Australia-wide deployment.

Sticking Together Project successes are a strong indicator of the project's value to the redesign of employment services for 2020. The project's design aligns with key components of the I Want to Work Report, specifically:

- a deeper enhanced service for a group of young jobseekers with high needs;
- a personalised service that assesses individual needs broadly and responds with tailored actions based on a researched and tested service model;
- a one-to-one coaching approach to maximise behaviour change;
- supporting employers to better understand and work with new young employees unfamiliar with workplace norms;
- use of digital technology to increase engagement and to promote self-direction and taking personal responsibility.



The Sticking Together Project can produce more effective results on a wider scale because its focus is:

- federal employment services as the base layer for building an additional (enhanced) service, leveraging participants' connection with employment services providers;
- a strengths-based approach to working with young people that lifts their personal motivation to achieve outcomes;
- a skills-based approach that identifies and builds employability skills tailored to the work aspirations of participants;
- a wellbeing-based approach where personal wellbeing and resilience is discussed openly and specific actions to develop wellbeing are undertaken in conjunction with employability skills;
- a realistic approach to setting work-aligned goals and actions to maximise hours in work each week or progress towards achieving work;
- developing rapport and progressing young people with multiple barriers to work and/or lengthy experience of unemployment;
- weekly data collection and performance tracking of job placements, work hours and hours in work-like activities (such as short training, work experience and volunteering) to focus participants;
- capitalising on the mobile coaching delivery format to achieve lightweight scaling with limited or no office footprint.

Most importantly, the Sticking Together Project's service model design is adaptable to locations and employment services providers (SYC has now worked with 10 external jobactive providers) for successful delivery in four different States.

The service model is codified and robust, meaning it is suitable to consider options to adapt it into the employment services framework, to extend the model for use with people of all ages, offer as a referral service, or to offer to providers on a licensed basis. This model would fully integrate coaching tools, coach training, data collection and performance monitoring system, and program management processes.

# DESIGN AND DEVELOPMENT

## BACKGROUND

The Sticking Together Project was borne out of SYC's My First Job White Paper, prepared by the My First Job Working Group, released in October 2014 and presented at the National Press Club to the then Federal Minister for Employment.

The My First Job Working Group comprised SYC, Randstad, the Department of Jobs and Small Business, Coles, Group Training Australia, Jobs Australia, McDonald's Australia, The Smith Family and Westpac. It reviewed the findings of the New Zealand Investment Approach<sup>2</sup>, where evidence showed that a high proportion (63%) of welfare recipients aged 30 to 39 years entered the benefit system under age 20. The Group also drew from findings from the UK's Work Programme (that young people cycled between seven and 11 jobs before they settled into sustainable employment) and its cumulative experience as employers of young people, advocates for young people and policy makers for young people.

The My First Job White Paper proposed a better approach for young people to transition into sustainable employment, recommending a reviewed system comprising five system design elements.

The Board of SYC supported the recommendations and set about creating a service that would produce significantly stronger employment outcomes. The Board committed to funding a three-year program of investment to prove the value of the service and explore the options for scaling it for national execution.

This target group is large and geographically spread considering that at June 2018 there were 188,339 unemployed young people in 48 SA4 level locations (seven states/territories) where the youth unemployment rate exceeded 10% and the number of unemployed young people exceeded 1,500<sup>3</sup>.

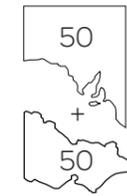
The Australian Centre for Social Innovation (TACSI) and Queensland University of Technology (QUT) were invited to participate in research, design and evaluation of a pilot project to test a new service model.

The Sticking Together Project service model aims to keep young people engaged in the labour market irrespective of the number of jobs they have. Indeed Australian results differed from those in the UK, with the average number of jobs required by young Australians to be three, rather than up to seven in the UK.

<sup>2</sup> Ministry of Social Development Valuation of the Benefit System for Working-age Adults As at 30 June 2014, Taylor Fry, page 45.

<sup>3</sup> Australia Bureau of Statistics, 6202.0 - Labour Force, Australia, Jun 2018

# SERVICE DELIVERY MILESTONES



## South Australian and Victorian Pilot Projects

In 2016, the Department of Jobs and Small Business committed to support the pilot programs at two locations in Adelaide involving 50 young people. At the same time, SYC had secured philanthropic funding support to undertake pilot programs at a further two locations in Western Melbourne with an additional 50 young people.



## Queensland Pilot Projects

The Queensland Government contracted SYC to deliver three pilot programs to 90 young people – 30 each in Cairns, Townsville and Logan. This program concluded in December 2018 and discussion is continuing for extension of this work. A QUT evaluation report is available in February 2019.



## Melbourne Service Delivery

SYC secured funding support from two Melbourne-based philanthropic organisations to operate a further program for 25 young people in Western Melbourne commencing September 2018.



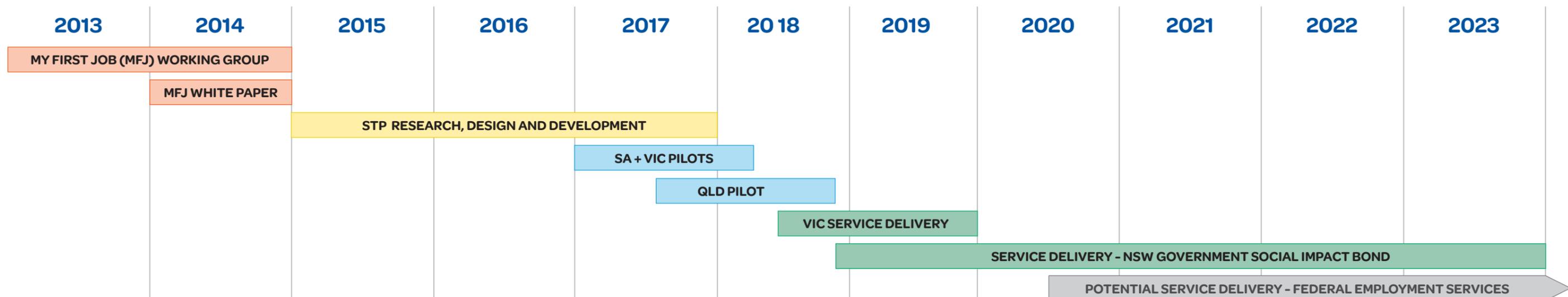
## New South Wales Social Impact Bond Service Delivery

In July 2018 SYC became the first human services organisation in Australia to enter into a contract with a state government to deliver a youth employment response when the New South Wales Government adopted Sticking Together Project in a combined outcomes-based contract and social impact bond funding mechanism. This transaction has commenced with the service to support near 900 young people (jobactive Stream B and C clients) over four years commencing in April 2019.



## App development

A digital applications agency is converting the coaching tools, data collection, data management and reporting processes into a digital, interactive application and data system for use by participants, coaches and program managers, replacing Excel spreadsheet-based processes. This sub-project will increase the richness of the client experience, save coach time and reduce administrative costs and shall be completed in March 2019.



# RETURN ON INVESTMENT

A positive return on investment is important to the viability of an enhanced service like Sticking Together Project with smaller client groups involving a higher delivery cost that in turn increases the probability of employment outcomes. The Government's Priority Investment Approach calculates an average lifetime welfare cost for a 20-25 year old today receiving future working-age benefit payments at \$268,000<sup>4</sup>.

In comparison, SYC assesses the project's delivery cost in the range of \$7,000-\$12,000 per participant for each 18 month delivery period. Results of the project to date suggest conservatively at least 30% of commencing participants are expected to secure sustainable employment and therefore lead to an avoided future working-age welfare cost.

Evidence shows that smaller caseloads, with greatly improved outcomes, delivers greater efficiency and return on investment.

In the simple example of a caseload of 25 participants per job coach, the Sticking Together Project methodology has a program delivery cost of \$300,000 and is likely to produce a welfare payment offset of \$2 million.



<sup>4</sup> The Department of Social Services 30 June 2017 Valuation Report: Final Report 2018, page 88.

## FOR FURTHER DISCUSSION

SYC is available to provide you with a detailed briefing and further proposal for the incorporation of Sticking Together Project into the core design of employment services from 2020.

SYC and its partners believe the Sticking Together Project has the capacity to achieve a step change in employment outcomes for young people in Australia.

### **Paul Edginton**

Chief Executive Officer

c/- Lucretia Overall, Executive Assistant

loverall@syc.net.au 08 8405 8500

### **Lauren Dimas**

Head of Strategic Partnerships

ldimas@syc.net.au 0478 404 457