



## Victoria's approach to economic participation: The Housing & Community Building Context

### AHI Master Class People and Places

Dr Harald Klein – Director CB&EP

7 December 2011

# Contents

Part 1 – The problem – Economic Exclusion

Part 2 – The opportunity – Economic Inclusion

Part 3 – System Limitations

Part 4 – Service Reform – Bridging the gaps

Part 5 – Examples of DHS projects and programs

Part 6 – Summary of outcomes

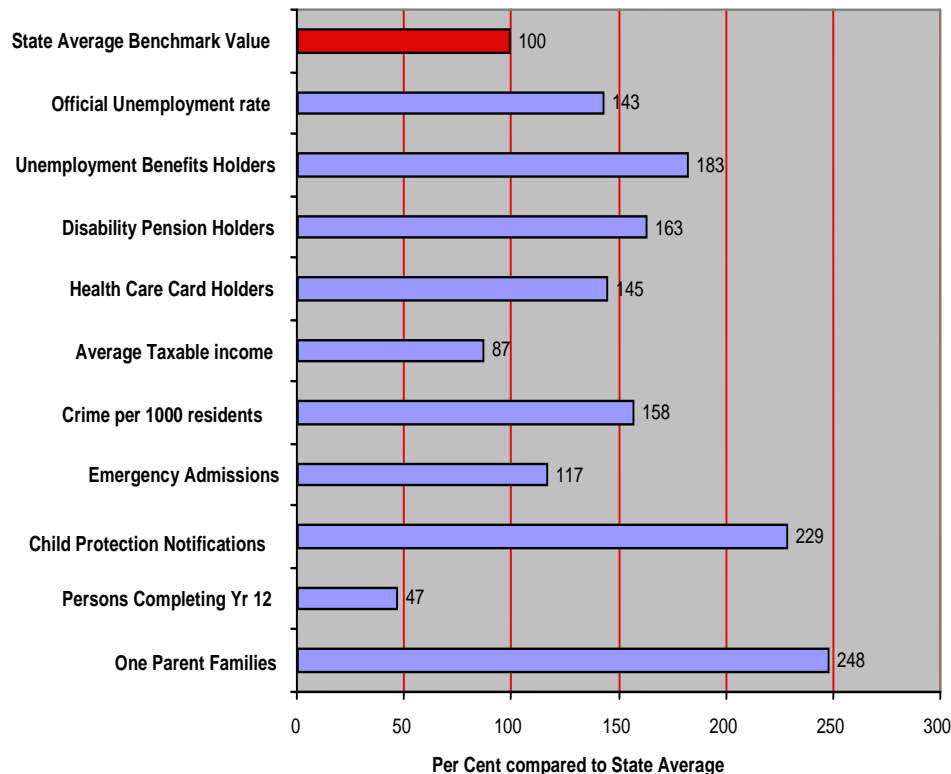
Part 7 – Future directions

# The Problem: Economic Exclusion

Disadvantaged communities: complex and multiple disadvantage.

**Locational disadvantage: a geographical manifestation of social exclusion**

Indicators of disadvantage in areas selected for Neighbourhood Renewal compared to State averages (by area postcode)



- Poor housing
- Complex tenancy management
- Neighbourhood stigma
- Declining local economy
- Unemployment
- Poor education
- High crime
- Bad health
- Family breakdown
- Disengaged from civil society and government



**Tower blocks that reek with despair**

# The problem: Economic Exclusion

## Worklessness and labour shortages

Only 13% of public housing tenants receive wages or are self employed as their primary source of income [\[1\]](#).

Only 9.1% of all homelessness support service clients were employed either full time or part time [\[2\]](#).

In some cases, chronic unemployment occurs in close proximity to industries that are experiencing difficulties in recruiting staff.

Three-hundred thousand workers are expected to retire in 2012 and 90% of businesses identify a shortage of skilled labour as a moderate to extreme risk by 2015 [\[3\]](#).

[\[1\]](#)Office of Housing data November 2010

[\[2\]](#) Australian Institute of Health and Welfare (2010) Government-funded specialist homelessness services, SAAP National Data Collection Annual Report 2008-09, Victoria (AIHW, Canberra)

[\[3\]](#)Skills Victoria

## **The problem: Economic Exclusion**

Barriers preventing DHS clients from accessing training and employment

**The complex barriers client may experience:**

### **Vocational barriers:**

- Poor educational attainment, employability skills and employment history;
- Labour market conditions requiring new skills;
- Lack of local employment, training advice and advocacy.

### **Non-vocational barriers:**

- Welfare dependency
- Work disincentives
- Access to childcare
- Single parent households
- Health, disability and personal problems
- Access to transport
- Language barriers
- Housing stress / homelessness
- Family violence
- Employment discrimination

## The opportunity: Economic Inclusion

### Benefits that flow from increased economic participation

- Individual benefits: reduced worklessness, improved education and health outcomes, increased lifetime earnings, and greater social participation
- Government benefits: reduced spending on social security and other benefits, increased earning from tax and public housing rents, and reduced demand on government health and welfare systems
- Business and Industry benefits: work ready and skilled workforce to support industry and business growth and competitiveness
- Social and community benefits: community regeneration and the benefits associated with a healthier and better educated society.

## The opportunity: Economic Inclusion

Potential value to Government in reducing economic disadvantage

Potential savings and gains of moving 10% of Housing clients (8,330 clients) and 40% of Youth Justice clients aged 17 and older (594 clients) in to full time employment.		
	State Government	Commonwealth Government
Service delivery savings - State savings likely absorbed by other, new clients - Commonwealth benefits represent real savings	\$83,184,682*	\$121,903,152*
Taxation revenue from full time labour force participation - Income Tax, Payroll Tax and GST	\$59,710,680**	\$88,642,092**
<b>Total</b>	<b>\$142,895,362</b>	<b>\$210,545,244</b>
Potential 'spill over' cost reductions (attributed to YJ clients' reduction in crime only)	\$28,844,512 Benefits accrue to both state and commonwealth governments	

\*Slide adapted from *Opportunities for service system reform presentation*; IWS, 2011 Figure taken from IWS sum of total client cohort figures on slide 19. \*\*Figures derived by allocating income tax revenue from both cohorts to commonwealth government, and payroll and GST revenue from both cohorts to the state government from the source figures behind the table on slide 20.

# Service system limitations

## Gaps in Service Delivery



### Gap 1: Disconnection between human services and vocational services

### Gap 2: Disconnection between vocational training (supply) and employment (demand)

- Some disadvantaged Victorians are not connecting with the extensive, excellent vocational services available to them.
- Narrow, uncoordinated & fragmented client screening, intake and assessment processes are unable to respond to the breadth of client needs.
- Unintegrated service system means *services do not match up with the complex and interconnected problems faced by clients.*
- The DHS workforce does not link clients effectively with the training & employment service system.
- There is an absence of pathways to link DHS clients to areas of skill and labour shortage.

## Service reform: Bridging the gaps

The human service system can become a bridge that connects people to education, training and employment services & provides the social support people need to sustain this connection.

### *Bridge 1: Connecting clients to services they need to become work ready by:*

- Actively seeking out and engaging with a client
- Building an understanding of their needs
- Linking them into a range of vocational and non-vocational support services
- Providing prevocational training that will assist them to become work ready
- Providing employment experience through intermediate labour market models and other supported employment programs
- Transition into mainstream employment with post placement support.

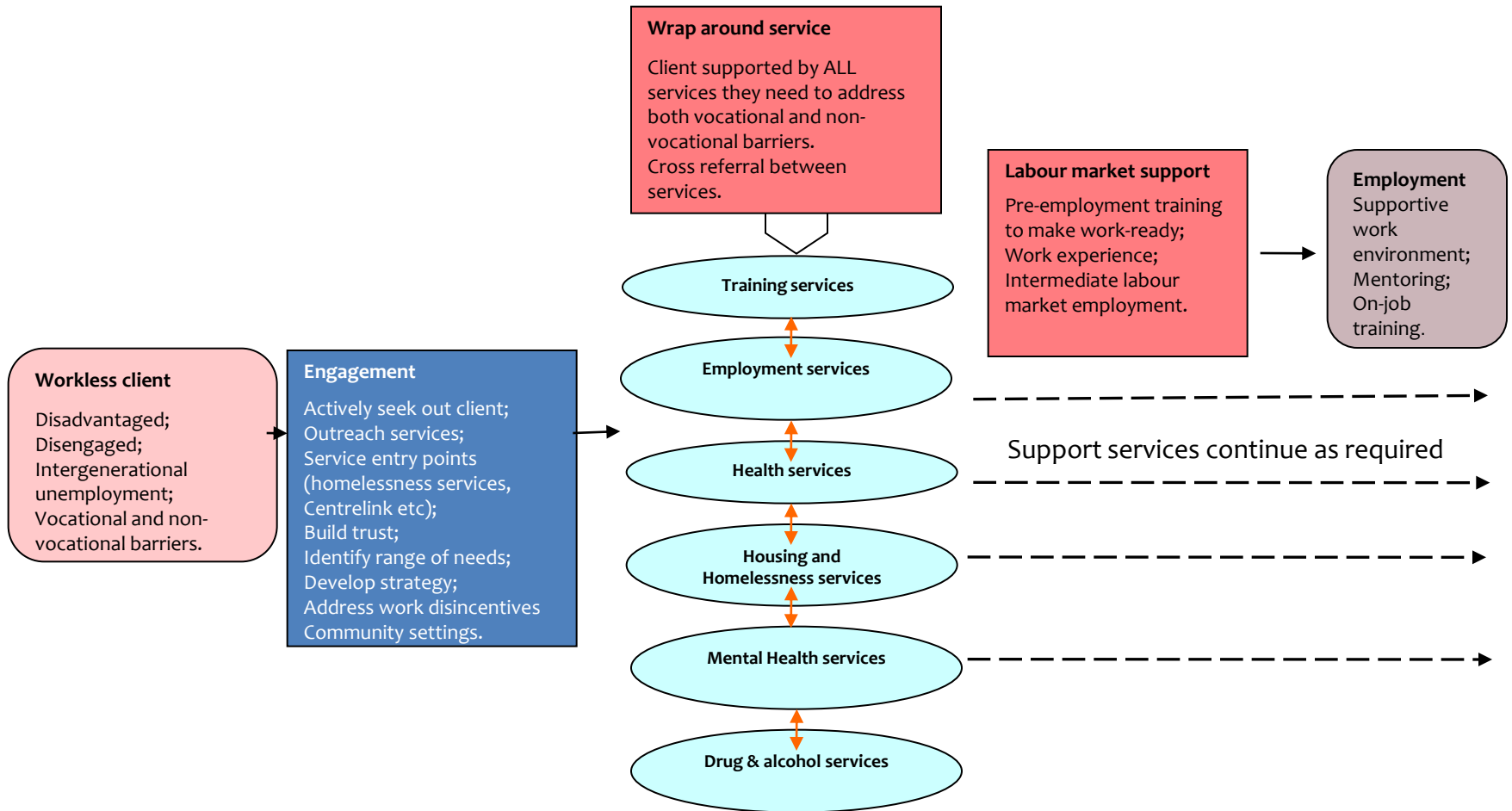
### *Bridge 2: Connecting work ready clients to jobs through:*

- Business engagement strategies
- Social procurement
- Social enterprise
- Making the most of major projects



# Service reform: Bridging the gaps

## Bridge 1 : Connecting clients to the services they need



## Service reform: Bridging the gaps

### Bridge 2: Connecting clients to the economy.

Targeted initiatives include:

- Business engagement strategies
- Social procurement
- Social enterprise
- Making the most of major projects



Specific DHS *economic participation* programs include:

- Work & Learning Centres
- Expand Public Tenant Employment Service
- Workpays Estimator
- Targeted Employment and Training
- Social Enterprise & Development
- Getting Ahead
- Work & Learning Brokers

# Examples of DHS-funded projects and programs

## Crossing both bridges

The Department has developed a number of economic participation initiatives that are designed to both **prepare clients for work** and to **connect them with real employment opportunities**. Economic participation initiatives include:

- Work Pays Estimator
- Social procurement
- Social enterprise
- Public Tenant Employment Program
- Employment Support Initiative
- Work and Learning Brokers

### Place based projects:

redevelopments  
neighbourhood renewal

### Population based programs:

Public tenant  
employment program



## Examples of DHS-funded projects and programs

### WorkPays Estimator

Addresses disincentive to work: A client's perception they may be worse off if they accept an offer of employment.

Provides clients with accurate and timely information about how employment or changes in employment will affect their financial situation (taking into consideration both rental and Centrelink social income payments and benefits).

- Developed in partnership with Centrelink
- Currently being piloted in four locations:
  - Broadmeadows
  - Fitzroy
  - Prahran
  - Frankston

**Rudie (public Housing Tenant)** *"I can do this"*. WorkPays helped Rudie understand he would not be financially disadvantaged if he got a job. He still continues to access his disability support pension and his rent is adjusted accordingly.

Rudie now has a job.



# Examples of DHS-funded projects and programs

## Social Procurement

### Integrating social policy considerations into economic procurement decisions

Social procurement is the process of an organisation choosing to purchase goods or a service in a way that will also provide a social outcome or benefit.

The social benefit DHS seeks is to create employment by:

- Purchasing services from social enterprises (Immediate Improvements, catering etc.)
- Inclusion of public tenant employment clauses in contracts: construction, landscaping, security etc.
- Finding alternative ways to deliver a service: Community Contact Service instead of a security service



## Examples of DHS-funded projects and programs

### Social Enterprise - Immediate Improvements

Purchasing services from social enterprises creates employment opportunities through the use of existing funding.

Immediate improvements are low cost works such as landscaping, fencing and painting that have an immediate impact on the streetscape and appearance of an area.

- **Works provided by social enterprises employing local residents**  
(enterprises include: Urban Renewal, Create at Work, Asteria),
- **Over 4,000 Immediate Improvement works completed**



Delacombe (Ballarat)  
Front Yard Blitz – before & after



# Examples of DHS-funded projects and programs

## Social Enterprise - Community Contact Service



**Concierge Service:** Funded by DHS, public tenants are employed to provide concierge service at Collingwood, Fitzroy and Richmond high rise estates.

In addition to concierge services that would otherwise be provided by a security firm:

- Providing a welcome / reception to visitors and tenants, and informing them about the building and its facilities
- Providing information to residents on behalf of the department
- Developing information packages for residents and visitors in consultation with the department
- Acting as a 'good neighbour': checking in on tenants who are elderly, isolated or unwell, and maintaining a general awareness of the wellbeing of tenants
- Generates 18 jobs per annum, **88** public tenants have been employed, and 87% have transitioned into mainstream employment



## Examples of DHS-funded projects and programs

### Public Tenant Employment Program (PTEP)



Since 2005 PTEP has been providing employment support and access to accredited training for public and transitional housing tenants.

Has enabled:

- over 700 tenants to make the transition to work
- over 1500 tenants to take up vocational training in skill shortage areas
- over 80 people to access further English language training

Further opportunities are being explored with major Victorian development projects (e.g. Central Activity Districts).

## Examples of DHS-funded projects and programs

### Work and Learning Brokers



Work and Learning Brokers – part of a place management team employed to implement major redevelopments.

- Supported by Place Manager and Community Development Worker
- Develop partnerships and strategies to improve employment and learning
- Actively engage tenants and support them to access vocational and non-vocational services
- Develop local labour market programs to create pathways to employment



## Examples of DHS-funded projects and programs

### Employment Support Initiative

The Employment Support Initiative (ESI) provides funds to develop tailored projects that prepare clients to meet identified local skills gaps.

These projects are delivered in partnership with local employers to enhance the likelihood of a participant successfully gaining employment.

#### Darebin City Council

Darebin City Council experiences difficulty in sourcing employees to work in:

- Garbage collection
- Administration
- Home and Community Care (HACC)

54 clients have gained employment through this partnership with Darebin.

**Total ESI investment:** \$2.45m since 2005

**Total employment outcomes:** 686



## Examples of DHS-funded projects and programs

### Work and Learning Centres

The Victorian Government, in partnership with the Brotherhood of St Laurence is delivering five Work and Learning Centres, co-located with housing and other DHS services.

- Each Work and Learning Centre funded for 3 years
- Two will commence in 2011-12 (Carlton and Geelong)

Services provided by these centres will include:

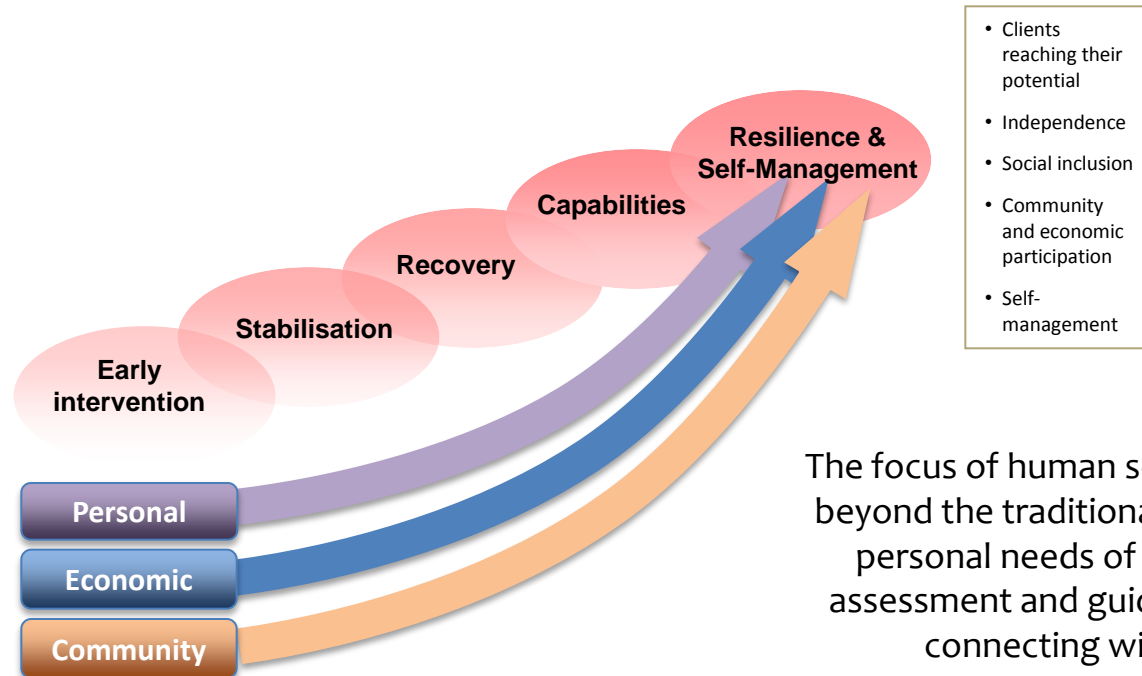
- Career guidance and job service training
- Vocational training with local providers
- Foundation skill courses to improve work readiness
- Local partnerships with employers to facilitate access to work ready recruits
- Linking individuals to services to tackle non-vocational barriers (health, mental health, drug and alcohol, housing and childcare)

## Summary of outcomes

- Over 7,400 **job opportunities** generated contributing to a 4% reduction in unemployment
- Over 9,500 **housing works** completed, contributing to 33% perceived improvement in housing
- 23% perceived improvement in the **physical environment**
- Over 120 **community infrastructure projects** including major IT projects, community hubs and gardens, revitalised parks and reserves
- Over 40 **social enterprises** created
- 16% reduction in **secondary school absenteeism**
- 15 **School Regeneration projects** and 4 **extended school hubs** underway
- 12% increase in number of residents with **further education qualifications**
- 27% reduction in reported **crimes against property**
- 14% perceived improvement in **government performance** in Neighbourhood Renewal areas
- 15 Neighbourhood Renewal projects **successfully mainstreamed**
- Application of NR approach to **major redevelopments and housing hotspots**



# Future Directions: A One DHS model of engagement and partnership



The focus of human services will extend beyond the traditional emphasis on the personal needs of clients towards an assessment and guidance for clients in connecting with community and economic opportunity.

Without addressing each of the personal, community and economic domains, an individual may not be able to build the capability to become independent or to self manage, or they may remain socially excluded.



The End