



Tackling unemployment through *local* employer engagement & workforce development systems

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Outline

- What's **wrong** with the current Employment Services contract?
- Why is greater **employer engagement** an improvement?
- Why focus on **local** workforce development systems?



JSA outcomes for Stream 3 & 4

- Despite improvements, **< 40%** into jobs.
- Of these, **1 in 3** get permanent work, **~60% get part time work** and a lot want more.
- **7% employers use JSA**, express concern about skill mismatch of long term unemployed, people with disabilities.



JSA 2009-15 Contract

- Little incentive for providers to invest in **deep engagement** with local employers.
- **Discourages collaboration** between JSAs on the ground.
- **Multiple providers** (>10 JSA-DES-Youth) contacting the same employers locally.



Australian training system

- VET completion rate is **less than one third**.
- PPP job seekers in 2008: ~ 10% of starters obtained work in their area of skills training, ~ 25% obtained employment at all.
- **PPP** data for 2009-12? – \$ to States assumed **65% attrition**.
- OECD says **~20% JSA recipients in training** but we don't know if they complete or get jobs.



What is demand-led?

- Starts with **employer** and ***works backwards*** to prepare and match job seekers to the job.
- Engages employers in the **design** of training and work experience and uses their hiring requirements to define training content and job readiness.
- Better preparation which meets employer and jobseeker needs = **better match**, higher productivity, retention and progression.



Employer Engagement principles

- Research opportunities attainable for job seekers.
- Build the business case – the ‘offer’ tailored to meet employer’s needs.
- Develop fair and effective recruitment, retention and promotion practices
- Develop a mutually beneficial deal with specific commitments.



Improving skills for disadvantaged job seekers

- Needs link to **real employer** - the promise of a real job presented by a local employer is a powerful motivator for many job seekers.
- Integrates **work experience, experiential learning,** individual paced learning.
- **Individual case management** and support to overcome other barriers to work.
- May also include **mentors** from the same cultural background or community as the job seekers.

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“Experiential learning with a purpose, outside a classroom setting is a powerful alternative for many people who have not succeeded in traditional training or work.” Colin Kerr, Bridging the Gap, WA



Photo courtesy Great Lakes Community Resources, NSW



Engaging local employers - learnings from UK

- UK Employer Coalitions in major urban settings including London – Met Police
- Local Employment Partnerships (sometimes based on national deals but always delivered locally)



Engaging local employers - learnings from OECD

- Integrate human resource and training policies into wider economic development strategies.
- Look beyond immediate skills shortages and understand how investment in human resources can help capitalise on local comparative advantage.
- The public sector can help support **‘skills ecosystems’**, self-sustaining concentrations of workforce skills and knowledge in an industry or a region through public-funded training and knowledge transfer.



Engaging local employers - Learnings from FCEP

- **Local Councils** can create workforce development structures which bring employers and employment and training providers together.
- **New infrastructure/employers** are important – engage employers early via Council – stress dividend for disadvantage/local jobs for local people.



Key components of the Craigieburn JobLink project

Employers and developers are equal partners with government and local community-based organisations.

Employers make commitments to employ local residents and interview job seekers who have completed pre-vocational training.

Employers involved in design of pre-vocational training, selecting modules from Certificate III.

Intermediary pre-screens candidates using criteria set by employers and disseminates this criteria to local employment and training providers.

The selected training provider (local TAFE) has the confidence of the employer.

The intermediary (Hume City Council) is neutral and has credibility with employers and JSA providers, ensuring maximum engagement.

Success with one employer can be documented and communicated to other employers.



Demand-led principles - start with employer and work backwards

NATIONAL

Large employer with attainable jobs/ occupations - multiple sites (i.e. large retailer, financial institution)

Need local points of delivery – to identify and up-skill supply

LOCAL - ongoing

Workforce Development Board working by location across industries & occupations

Industry specialist - maybe one occupation - works across employers

LOCAL - one-off local infrastructure projects – can stipulate disadvantaged employment in contracts

Mechanism to service ongoing jobs



Key messages

- **Reform JSA/VET** to better meet needs of job seekers and employers.
- Work collaboratively through **local Councils**.
- Develop the **business case** for local employers.
- Understand the **skill mismatch** – low literacy and numeracy.
- Commit to **quality local training** to overcome it.

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