Reviewing PRF's Employment Investments: A Snapshot

Shortly before our new strategy was announced in 2024, we undertook a review of what was then our employment portfolio – 67 partnerships, totalling $111 million of investments made from 2020-2023, including $42 million invested in work integrated social enterprise (WISE). The size and scope of this investment, strategically targeted across the breadth of the employment system (supply, demand and system and policy settings) provides us with a unique vantage point to draw insights and learnings.

Why we conducted this review

We sought to capture a holistic view of our portfolio and to understand early insights about:

- The number of people our investments are targeting and supporting into work.
- The effectiveness of the models we invested in.
- The value of social enterprise and what it takes to build sustainable, impactful work integrated social enterprises.
- How to make mainstream employers more receptive and active in creating jobs for people excluded from the labour market.
- The challenges for partners in influencing the system/policy setting.

At the time of the review, our partnerships were typically half way through their grant terms, so the review was intended to act as a baseline for future analysis and learning, and to help inform future investments under the new PRF strategy.

How we gathered insights

Conducted from April to October 2024, the review was guided by 13 key questions covering the themes mentioned in the left column on this page. Our approach included:

Data collection and analysis:
We developed a data collection tool mapping our available data to each review question and analysing for trends and insights.

Reflective practice and sense-making:
We used a reflective practice tool to capture qualitative insights, holding a series of internal workshops to interpret the findings.

External research:
We commissioned Deloitte Access Economics (DAE) to lead a research project examining the costs, benefits, and funding flows of different employment support models (read more here).

Findings reinforce the importance of **collaboration, evidence, and lived experience** in driving meaningful change.

Key findings as of June 2024

Our investments have created 1,900 jobs and other benefits for people furthest from the labour market.

- Grant partners have created more than 1,900 jobs so far with a target of over 7,200 jobs over the life of the portfolio. These include people employed within a work integrated social enterprise (916), people placed into jobs with mainstream employers (705), people supported into self-employment (177) and subsequent jobs created for community from small businesses (108). 78 people have achieved an education and training outcome. Year one of any new program generally produces fewer outcomes, as partners tend to be focussed on establishment, building networks and training for participants, with outcomes likely to increase from year two onwards.
- Employment brings a broad range of benefits beyond just a job. The most commonly reported for individuals are social benefits like inclusion, cohesion or connection, personal benefits like confidence, self-esteem and health and wellbeing, and economic benefits like financial independence or economic participation.
- The value of WISEs is clear, providing sustainable employment and holistic outcomes for those furthest from the labour market. We know from published data (funded by PRF) that people employed by a WISE are more likely to stick in employment at 6 months, compared to those involved in Commonwealth employment services. Participants in WISE programs also report improved self-esteem, better health, and stronger social connections.

There are six common characteristics of effective models of employment support.

Our findings reaffirm that for those furthest from the labour market, barriers to employment extend beyond those relating to skills or job readiness. These factors are common for effective employment support models across supply and demand in the PRF portfolio:

- Support tailored to individual and specific cohort needs.
- Holistic, wrap-around non-vocational support.
- Capacity building for employers, acknowledging that it can take years to achieve change.
- Using place-based and community-led approaches.
- Focussing on relationships and building trust.
- Integrating work and learning.

We learned five lessons about 'best practice' when it comes to bolstering the financial health of impactful WISEs.

These included:

- A clear market need/niche market focus (e.g. by targeting untapped talent in the labour market).
- Diverse revenue from contract opportunities (social procurement, Government outcomes funding, and anchor contracts with corporate customers) and access to different forms of capital (impact investment, commercial investment, and grant funding).
- Favourable policy environments (legislation and regulation that advance the role of WISEs).
- Strong business capability and business planning (especially the ability to accurately forecast and plan for contingencies).
- Effective impact measurement (the ability to capture impact data and calculate the cost of impact, and to craft compelling narratives with data that engage business and government).

Co-design, training and coaching, and partnering with trusted brokers works to shift employer practices around inclusive hiring.

50% of partners work with mainstream employers. The common strategies that work to shift employer practices around inclusive hiring are: co-design, training and coaching, and working with trusted brokers such as recruiters and labour hire companies. While our strategy recognised the critical role of employers, some partners lack connections with employers, struggle to build these, and do not have the resources and capabilities to invest in more strategic organisational change beyond a complex process of matching their participants to job opportunities through ad hoc interactions.

There are seven key enablers for influencing systems and policy change.

Our review of 20 partners driving systems and policy change identified seven key enablers, aligning with PRF's Strong House Framework:

1. Collaboration with sector/government
2. Building an evidence base
3. Incorporating lived experience
4. Strong organisational leadership
5. Direct government engagement
6. Aligning goals with policy
7. Highlighting systemic barriers