

Reducing youth unemployment and under-employment through social procurement: a case study of Multiplex's Connectivity Centres ©

This is the twentieth factsheet about recent international peer-reviewed social procurement research.

This factsheet summarises the results of a recent three-year federally funded Australian Research Council research project lead by UTS into the potential of social procurement to reduce Australia's unacceptably high rate of youth unemployment and under-employment.

The fact sheet presents a case study of Multiplex's Connectivity Centres © as an innovative exemplar of cross sector collaboration in the international construction industry.

Reference to the internationally peer-reviewed research publications which form the basis of this fact sheet are listed at the end of this fact sheet.

Please feel free to distribute this factsheet to anyone who may be interested.

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Why the study

- ❑ Young people are our future. Yet about 60% of all under employed people in Australia are aged 15-24.
- ❑ It is estimated that over 30% of our young people are either unemployed or under-employed. In some parts of Australia and in some population groups it can be more than double this rate.
- ❑ Youth un/under employment has a long-term scarring impact on people's life chances and is associated with numerous negative mental and physical health outcomes such as depression, poor career prospects, low self-confidence, feelings of hopelessness and crime and drug and alcohol abuse.
- ❑ Sustained un/under employment also puts young people at risk of homelessness and welfare-dependency, damaging future life chances and economic independence with negative spill-over effects into families and wider communities.
- ❑ These generational inequities have significant economic, social and health costs for society. In 2016 it was estimated that youth un/under-employment costs over 11.3 billion in lost productivity every year.
- ❑ Since a large proportion of young unemployed people are Aboriginal or Torres Strait Islanders, reducing youth un/underemployment can also contribute to 'Closing the Gap'.
- ❑ It is especially important to invest in our young people as our population and construction workforce ages.
- ❑ The construction industry can make a big difference.
- ❑ It is Australia's third largest employer (about 1.17m people) and the world's largest employer.
- ❑ The construction industry is Australia's third largest youth employer (Around 15 per cent of construction workers are aged between 15 and 24, while a further 26 per cent are aged between 25 and 34).
- ❑ The construction industry faces a major skills shortage (about 50% of all construction occupations will be in shortage over the next 5 years. The construction industry needs an extra 13,000 to 15,000 new apprentices per year and an additional 300,000 skilled workers nationally over the next decade, a 30% increase on the current workforce).
- ❑ We have reached 'peak state' and that many of the social problems we face in our communities are too complex to be solved by governments working alone and every \$ spent seems to produce less returns.
- ❑ This has led to the emergence of 'New Public Governance' which involves governments working in partnership with private business and the 'third' and community sectors.
- ❑ Social procurement is one manifestation of New Public Governance;
- ❑ However, there is a lack of rigorous empirical data to inform evidence-based social procurement policy development and implementation beyond good news stories and anecdotes.
- ❑ We identified Multiplex Connectivity Centres as a case study because they are a unique exemplar of industry-led social procurement where a construction business takes the lead in contributing positively to the communities in which it builds.

Aim

The research was funded by the Australian Research Council's Linkage grants scheme which is designed to support and fund industry, government and university collaboration.

In this scheme government matches industry, government and university funding by up to 4:1 see: <https://www.arc.gov.au/sites/default/files/2023-06/Linkage%20Projects.pdf>

The project aims were to:

- ❑ Identify the untapped potential for social procurement in the construction industry to provide meaningful and sustainable employment opportunities for young job-seekers from a range of disadvantaged backgrounds;
- ❑ Provide insights for Australian practitioners into social procurement risks and opportunities;
- ❑ Identify a best practice model for maximizing social procurement opportunity and implementing such a model into the construction industry;

Industry partners were: Multiplex Construction Pty Ltd; Heyday Group; Blacktown City Council; yourtown.

Academic partners were: University of Technology Sydney (lead university); University of New South Wales; Swinburne University of Technology; Monash University; and Southern Queensland University.

What we did

- ❑ Data was collected using a range of qualitative and quantitative methods by a diverse and highly qualified research team of 9 leading academics from 5 leading universities and a range of disciplinary backgrounds (Construction, social sciences, government policy, public administration and social impact);
- ❑ Data was collected using focus groups, interviews, surveys and documentary analysis;
- ❑ The research team studied hundreds of documents and policies and talked to over 200 people/organisations from the construction supply chain, government employment system, third sector (charities and not-for-profits) including 100 young people from a wide range of backgrounds who were seeking work and/or working in the construction industry;
- ❑ All this data was analyzed using a range of descriptive statistics, social network analysis and content and thematic analysis, tried and tested by the research team on many previous studies.

What we found

- ❑ Connectivity Centres are a unique 'place-based' and 'community-driven' response to social procurement. Community needs define the objectives and intended social impacts of a Connectivity Centre and the standards by which success is ultimately measured.
- ❑ Connectivity Centres help the construction industry 'take responsibility' for creating social value rather than outsourcing it. Connectivity Centres do this by providing a unique 'backbone' support structure to support cross-sector collaboration between government, social-sector and Multiplex's supply chain thereby mitigating the risks and maximising the opportunities of social procurement for all involved – including job-seekers.
- ❑ Connectivity Centres work through a unique 'cross-sector collaboration' model. At the core of the Connectivity Centres' success is a unique core collaborative group of trusted and effective partners which have worked together over many projects, coordinated and collaboratively managed by two key people who have deep knowledge and connections into the construction and employment industries.
- ❑ Connectivity Centres give disempowered people a voice and treat them like individuals not commodities. Connectivity Centres treat each job-seeker like an individual person by providing 'tailored' workplace training, employment opportunities 'and wrap-around support services to keep them in work. They create a safe 'space' and a trusted, understanding and supportive environment which many disadvantaged job-seekers have never had. They help job seekers build new social networks in the construction industry, which the government job system cannot do, helping them overcome generational structural disadvantage in the labour market. They help re-build disadvantaged job seekers' trust in the governmental, business and social sector institutions that are critical in securing meaningful employment;

- ❑ As an industry-led initiative which sits outside the Australia's national employment services system, the Connectivity Centre model is more flexible and responsive and less compliance-driven than other programs. They are not adversely influenced by competitive tensions and revenue generation which can produce a 'work-first' model of support which can further disadvantage job-seekers. They therefore have more industry connections, leeway, creativity, time and collaborative capacity (than other employment interventions) to assist job-seekers to develop specialist knowledge and skills, which are directly connected to a pipeline of jobs in the construction industry.
- ❑ Connectivity Centres are based on a rigorously researched 'Theory of Change' which focusses on Australia's most challenging and disadvantaged job seekers;
- ❑ Connectivity Centres help build community resilience by providing employment and training opportunities for young people and other disadvantaged groups with all its associated benefits such as: improved health and well-being, reduced crime, reduced substance abuse, reduced family violence; improved housing security and reduced homelessness etc. Centres also support and incubate local businesses, help build stronger community networks, foster increased cross sector collaboration between government, private, social and community-based organisations.

What this means

- ❑ The research has confirmed the potential value of industry-led intermediaries like the Connectivity Centre in facilitating the types of cross-sector collaboration, which are needed to respond effectively to intransigent social challenges like youth unemployment and under-employment which traditional government only interventions have failed to resolve alone.
- ❑ The research has also demonstrated the significant challenges and long-term dedication, relationships, knowledge and investment which is required to build effective intermediaries like Connectivity Centres.

Internationally peer-reviewed published research about Connectivity Centres:

- ❑ [Loosemore, M.](#), [Higgon, D.](#) and [Osborne, J.](#) (2020), "Managing new social procurement imperatives in the Australian construction industry", *Engineering, Construction and Architectural Management*, Vol. 27 No. 10, pp. 3075-3093. <https://doi.org/10.1108/ECAM-11-2019-0643>
- ❑ [Loosemore, M.](#), [Denny-Smith, G.](#), [Barraket, J.](#), [Keast, R.](#), [Chamberlain, D.](#), [Muir, K.](#), [Powell, A.](#), [Higgon, D.](#) and [Osborne, J.](#) (2020), "Optimising social procurement policy outcomes through cross-sector collaboration in the Australian construction industry", *Engineering, Construction and Architectural Management*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/ECAM-04-2020-0221>
- ❑ Loosemore, M; Osborne, J; Higgon, D (2021) Affective, cognitive, behavioural and situational outcomes of social procurement: a case study of social value creation in a major facilities management firm, *Construction Management and Economics*, 39 (3), 227-244 <https://doi.org/10.1080/01446193.2020.1851035>
- ❑ Woolcott G, Loosemore M, Keast R and Chamberlain D (2023) Addressing youth un/underemployment through construction social procurement: an ecological systems theory perspective, *Construction Management and Economics*, DOI: 10.1080/01446193.2023.2219351
- ❑ Woolcott, G., Loosemore, M., Keast, R., Metzger, A. and Alkilani, S., 2024. Transitioning young people into employment in the Australian construction industry: the trust-building role of project-based intermediaries. *Engineering, Construction and Architectural Management* <https://doi.org/10.1108/ECAM-04-2023-0421>.
- ❑ Suchowerska R, Loosemore M, Barraket J (2024) How employment-focused social procurement tackles health inequities: An investigation of Australia's construction industry using determinants of health theory, *Construction Management and Economics*, In Press-<https://www.tandfonline.com/doi/full/10.1080/01446193.2024.2364219>
- ❑ Meltzer A, Loosemore M, Barraket Jo, Keast R, Powell A, Muir K, Denny-Smith G (2024) The role of social procurement policies and cross-sector partnerships in addressing youth unemployment: A construction industry case study from Australia, *Australian Journal of Public Administration*, In Press <https://onlinelibrary.wiley.com/doi/full/10.1111/1467-8500.12635>