

# Value - Based Market Economics

## A Challenge for Politics



**Nic Frances**

IT WOULD BE DIFFICULT TO FIND PEOPLE in the arenas of social and economic policy or politics itself, who would now disagree that the major way to impact poverty is through work. Work, and its availability to a larger percentage of the population, has become the major domestic issue in America, and for that reason, one of the critical factors for the US electorate. Why is it that the large numbers of unemployed and underemployed in Australia are not driving work as the major, or even minor, domestic battle ground in our coming election? Not only is there an lack of significant commitment at a federal level there is almost a complete avoidance at state levels with the easy disclaimer that it's a federal issue. Yes they tinker at the edges but where is the work across states and with either federal

*Illustration: Kerry Leishman*

govt., surely this is bigger than party politics. I am actually not that naive!

The answer is that whilst there is universal agreement about the importance of work, there is little agreement about what to do about it. Battle lines tend to get drawn along old ideological boundaries of social versus economic, left versus right. For this reason no Labor party will risk its economic competence in an election by being burdened with the accusation, as 'giving' jobs to its friends, and the Liberal party will not risk its free market image on such matters.

It is however possible to redraw this argument along very different lines and it is essential we do so if we are to see an Australia relatively free from poverty and taking up its leadership role in the world.

We need to make a shift to a new paradigm of social and economic policy. What is interesting is that we already have the language, we have only tentatively started to practise the words and concepts behind them.

'Joined up government' and 'whole of government approaches', 'social enterprise' and 'corporate social responsibility', 'triple bottom line' and 'sustainability', are some of the phrases synonymous with this new agenda. All sectors have their names and all are using the new-speak, some are changing practice or experimenting.

Council of Australian Governments (COAG) is a great example of how government is experimenting in this area. 15 areas throughout Australia each led by a Minister, senior bureaucrat, and senior state Minister, work together with staff across all government and sector boundaries to overcome the difficult circumstances which obstruct the shift from poverty and unacceptable levels of exclusion.

There are increasing numbers of corporate names that are becoming linked with this thinking and this way of doing business: the Body Shop, Bendigo Bank, BP, Rio Tinto, Westpac, ANZ, Cisco, Boston Consulting Group, Freehills, are some examples.

In welfare organisations like Mission, Smith's and The Benevolent Society there has been significant work and thinking in the area

of social enterprise and corporate partnership; new ways of working with the 'market' and its industry players for more sustainable answers to reducing poverty and creating jobs. Patrick McClure, CEO of Mission Australia in the 'McClure report' into welfare reform named social enterprise as a key way to create jobs and reduce poverty. During 5 years at Brotherhood of St. Laurence, I started with others, the Social Entrepreneur's Network and within BSL started a number of initiatives to help us as

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an organisation leave the safety of the welfare sector to engage with these new models of working.

Of course there are many who say these are not new models of working but rehashed or re-badged best practice from the good old 60's, 70's or 80's. Well they are wrong. It is different, not because it doesn't call on best practice from the past or different places, but because it is being worked out in a new century with new technologies, new insights, new problems and different people. So of course there will be bits we have done before, but all in all the process will work differently. So it is time, for the sake of the  $\frac{3}{4}$  of a million children growing up in families with no work, or the millions that are in families with not enough work, that we suspend our cynicism and at least contemplate a different way of operating. Rather than saying "but", or "it won't work", or "we tried that once before" (but probably not in this century!), let us use all of our combined skills and experience to end this blight on our society. Let us create better and lasting solutions to this seemingly intractable and persistent poverty that surrounds us and that is driven by the lack of opportunity and work.

For 15 years now I have been pleased to be called a social entrepreneur. The term reflects my experience of growing up as part of a successful family business, my economic qualifications and my early years in the corporate sector including some time as a stockbroker.

The term social entrepreneur also reflects my later commitment to caring about people and the planet; to working in the not-for-profit sector as founder of several organizations; to becoming an Anglican priest and more recently leading one of Australia's most significant welfare agencies.

As a social entrepreneur I moved from the realm of business and 'charity', poverty

and philanthropy, to a new space occupied by new language and ways of working. On this journey working in those different sectors; finance, industry, government, charity and the media, I have decided there are a few things that are at the heart of us all being happy and creating a world that is safe for us to pass on to others.

Firstly I am confident that **unemployment** is at the root of poverty, exclusion and unrest in our communities and countries. This poverty and unrest impacts enormously on us all. Crime, drug abuse, suicide, child abuse, etc, are its domestic manifestation. Our inability to more evenly share our national and international wealth, resources and opportunities fuel groups who are alienated and disengaged with little hope of health, wealth or happiness and therefore prone to fundamentalist inventives to take action. There can be no doubt that we are all suffering the fear of this new world, either directly or indirectly.

Secondly, we will only ever overcome poverty and fear by ensuring that all people get a chance to play in the 'free market', to have a job and the hope of some prosperity and meaning. What I now realize is that to create those opportunities in a global, market-driven economy, we will have to work together. We will have to let go of our old safe, comfortable, and well-rehearsed boundaries in order to work together. We will need new **partnerships, friendships and relationships** to ensure we get closer to the aspiration and rhetoric of our new ways of working.

We should undertake these new partnerships, we must create jobs and opportunities that will undermine poverty and its consequences. We know it will mean us challenging long held personal beliefs, but the conflict being created in our world is so frightening and terrifying, it warrants something radically different.

Before I get caught up in an old argument about job creation and its merits, I

want to make a case for thinking about job creation differently, as a way of stimulating wealth for the whole country. To do this you need to see into the problem from many different perspectives, like looking into a house through all its windows and doors not just one of them.

Sometimes it seems that the picture from one perspective must deny the possibility of the other but I think

that is what stops us finding the really creative answer. So here are a few perspectives:

\* There are over 300,000 single mothers registered as unemployed. The numbers rarely change and have proven difficult to find employment opportunities.

There are good reasons for this: lack of affordable child care, low-paid and casual or part-time work with little prospects or safeguards.

\* Long-term unemployment is entrenched for some individuals and particularly some groupings, young, indigenous people, single mothers, people with a disability, older men. The consequences of this unemployment are financial and personal; children in homes with no one in employment, families feeling hopeless and excluded. There are welfare payments of approximately \$25,000 to an average household and that does not include the increased transport, education, health, policing and detention costs that are increased in areas or groups of high and entrenched unemployment.

\* There are few full-time 'entry level' jobs, jobs that do not require significant training, skills or experience.

\* In this country there are some clearly identified issues the need resourcing: better education for our children, better management of our water resources, quality care for our older people, reduction of the salination and deforestation of the country. We are not getting the results that we know are essential for our country's development, yet we have uncommitted human resources.

\* We are becoming cynical as a people about our government's ability or willingness to tackle these big problems and to take the required leadership needed within our short electoral cycle.

In this paper I want to suggest ways in which by grouping issues like these we can build stronger shared values in our society, reduce the numbers of people

currently excluded from the main stream, tackle some of the great issues of our time, do this in a way that has little or no increased cost to Government but increases our GDP and gives us hope and the experience to play our part in leading the world in tackling these problems.

We are close to being ready to do this kind of work. We have all been moving separately in our different sectors to this point. We are using the language and have started the practice, but we are still bound by our allegiances to our past ways of operating. I have recently been using the phrase *spirited sustainability*, for these ways of working are clearly looking towards a sustainable future, and to achieve a sustainable future we will have to make a leap of faith. We need faith in ourselves, and faith in each other, and faith in others who we do not

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know and who seem very different. We will have to behave like warriors, spiritual warriors standing for big things, for each other, we will have to be **spirited**.

I thought it would be useful here to outline an example of this kind of solution, in this case one that I have been exploring for almost two years, the goal is a classroom aide in every classroom.

## **I. A Classroom Aide in every schoolroom**

THAT THERE WOULD BE AN EDUCATIONAL BENEFIT to the engagement of an additional classroom aide in all 350,000 primary and secondary school classrooms in Australia could hardly be doubted.

That there would be a social and economic benefit to Australia if 350,000 long-term unemployed (or otherwise marginalized) Australians were given employment could also hardly be doubted.

This program provides an opportunity to achieve both outcomes, at virtually no additional cost to either State or Federal Governments.

The ultimate aim of this program is as a demonstration that unemployment (and poverty) can be greatly reduced in Australia while at the same time adding considerable value (both economic and social) to those directly involved in the project and to society in general.

This particular program has been chosen because of the importance of education in creating Australia's future. It is clear that more resources need to be intelligently applied, particularly at public primary and secondary schools around the country for the education of Australia's future citizens.

The idea is: A school could receive the salary through a state government grant financed by the federal government to

employ a local unemployed person as a classroom aide. The school would be eligible to receive the funding for one position for every class.

The Federal Government will agree to pay to relevant State Governments funds equivalent to both the welfare payments which the classroom aides would otherwise have been entitled together with the income tax which the Government would then receive on this income. On average this totals approximately \$27,800 which is slightly more than the current wage for a level one teacher's aide in Victoria.

State Governments will pass this money on to participating schools to fund the employment of new classroom aides.

Once the money has been made available to the State, school principals from a wide diversity of school environments will be invited to nominate their schools as participants. Participating schools will agree to hire suitably trained local unemployed people into new positions of classroom aides in each classroom.

A classroom aide would help in non teaching duties that would allow the teacher to focus on their primary role. Children who are unwell or causing a disturbance, supporting parent involvement, organizing classroom equipment and work, playground supervision, the list is considerable, and research into the impact of teachers aides and other ancillary workers in the UK attests to improved pupil performance.

A significant number of schools in regional, rural and remote schools will be sought since there is clear evidence of lower educational outcomes in these areas as well as limited workforce participation by indigenous Australians. Urban schools in areas of high unemployment will also be targeted.

Most schools have children with single parents and parents in receipt of pension or other payments. Many schools are comprised of students from diverse cultures

which are not well represented in the teacher cohort. The benefit for the school is that it allows them to recruit culturally appropriate people into the classroom. In many schools the teaching staff does not at all reflect the ethnic and cultural diversity in the class. Children seeing positive role models from their own background will inspire and generate hope for their own future. The importance of these role models for indigenous children and from recent immigrant groups in the classrooms should not be underestimated.

Creating these opportunities in schools for a more diverse representation of our society is not only good for the parent and children but also in the building of social capital in their local communities. Having local advocates in side the 'system' to encourage greater parental knowledge and involvement would be a significant by product.

An unemployed person would undergo an interview and then a short course to prepare them for the role. Training would be provided by a partnership between the union, state Government and training organizations. They would receive a salary that would be set with the Unions and Government, close to the teachers aide scale.

The fundamental criteria used to select the classroom aides would be:

- \* that they want the role;
- \* that the school wants to employ them and have them as part of their classrooms;
- \* that they have undertaken appropriate training;
- \* that they are invited to join the relevant union;
- \* that they are in receipt of full benefits and have children of school age

The success of the project would be determined on, the increase in educational outcomes at participating schools, the direct and indirect economic benefit to Australia of this reduction in welfare payments, increase in income and consequent addi-

tional economic activity, any impact on the overall cost of labour and the effect on inflation if the project were to go to scale.

In addition, the benefits to long term unemployed people who become classroom aides will be identified as will the longer term career options available to those who enter the workforce as classroom aides.

The increased connectedness between the school and its local community will be examined as a practical example of the creation of social capital, and the enthusiasm with which schools and long term unemployed Australians embrace the concept will be examined.

This is one example and I have purposely avoided detailed description. Because if you are looking through your window of specialist knowledge you can already either see, all of the problems, or why it failed last time. The question is whether it is time to do it again differently, in a way that does overcome those problems – and that will mean a big vision and willingness to be part of the solution.

The concept can be adapted, easily to areas like hospitals and aged care, but also to the environment and industry.

One example is the National need for reforestation of land, most of which is owned privately. Combine this with high rural and remote unemployment and the diminishing returns on marginal land for farmers, may create a recipe for success not the current doom that we envisage. In return for a farmer making land available for reforestation the federal government would in return pay the salary of a certain number of workers over time. These workers must be youths leaving school or people who have been long term unemployed. The corporate sector would be challenged under its corporate responsibility to the land, and safe guard its industry to supply at cost some of the resources.



The benefits are clear: farmers get a cash crop, revitalize their land and create local jobs in their community. The Government get to reforest land without having to buy it at nearly no cost (welfare costs offset salaries) and safe guard our water resources for the future and we safe guard businesses and jobs in the country.

Our job as a country is to identify areas of national need and look to see the potential for significantly impacting on that need by people currently excluded from the workforce.

There will be significant issues to consider and overcome. We can do this without it being inflationary by driving up the cost of labour because these people are not included or considered by employers as in the labour market pool. It is not and does not have to be a long term solution. The government has predicted huge shortages in the labour pool within 5 – 10 years. This will train and prepare a group currently unemployed and prepare them for this need. There is a strong argument that in Australia our jobs should be created by expanding our ability to export. I would agree with this argument but it takes time and the kinds of jobs and technologies we are exploring in this paper are some of the exportable solutions and technologies of the future.

The questions that surround this initiative are not only economic, but are complex and varied. I have included an appendix that raises some of these questions. There are many reasons why this hasn't or won't work, however the time is different, this is a new century in a new world, the costs of lack of opportunity for people are great for them and us all, the economic costs when viewed against are huge welfare maybe negligible if any, and undertaking these nationally important initiatives not only safeguards our own future but adds to how we can contribute internationally. And there are millions of reasons why we should take seriously this exploration a-fresh, not least

the 750,000 Australian children living in a home with no-one in work.

Spirited sustainability is not a light phrase, it represents a movement, a movement towards a recognition that to change the entrenched issues in our societies that exclude and separate people we will have to work differently. We can no longer sit within our sectors, departments or organizations blaming others, we have to realize we are a part of the problem and can be part of the solution if we are willing to let go of OUR position to work with others.

But there is a problem. Many who have not changed their behaviours or goals are using this new language, and those that are more seriously engaged still find themselves limited by the structures. We are not seeing the drastically different solutions that are making the radical changes that many of us hope for in our communities and the environment.

I have recently left a leadership position that promised the potential of creating such change, it was however not possible in my 5 years and I believed ever under my leadership. Partly I am sure that is about my skills but it also had much to do with structures and practices that were entrenched, risk averse and self protecting. I left because I wanted to explore what is possible outside of the restriction of "what was" and what is" to think and work with what could be.

What could be is a very different paradigm, it is beyond ideology and belief and is committed to the process needed to create new and even unimaginable realities. It is because it is a new paradigm that it will require new thinking, new structures, new skills, and new processes. It will require more than us being intelligent (for you can not work out what you don't know is coming) it will require emotional intelligence, and spirited or warrior like leadership – we have little of either in the ivory towers of our world currently.

We will feel this place is right not know it is right, we will share the work with those we have not worked with before and we will share the outcomes. To borrow a phrase from Jed Emerson of Stanford *we will blend our values for new goals and outcomes. This is an emotional journey, spiritual.*

But although in this emerging environment we are not bound by our ideologies, faiths or cultures we are of course inspired and informed by them. Tony Blair when creating new Labour in the UK talked about the necessary willingness to let go of old commitments to ways of working and recommit to outcomes and what ever is necessary to achieve them.

Emerson states – “Value is what gets created when investors invest and organizations act to pursue their mission. Traditionally, we have thought of value as being either economic (and created by for-profit companies) or social (and created by nonprofit or non-governmental organizations). What the Blended Value Proposition states is that all organizations, whether for-profit or not, create value that consists of economic, social and environmental value components—and that investors (whether market-rate, charitable or some mix of the two) simultaneously generate all three forms of value through providing capital to organizations.

The outcome of all this activity is value creation and that value is itself non-divisible and, therefore, a blend of these three elements.”

Organisations and individuals that are working in this space of blended values are committed to a ‘spirited sustainability’. Sustainability being that social, environmental and capital mix, spirited as I have already said, to take great risks outside the bounds of our old structures and abilities to create new opportunities and solutions.

Over the last few months I have been working on a range of initiatives that require this blended value partnerships or a commitment to spirited sustainability, they are fascinating, exciting, fun and challenging.

As we have seen in the ideas within this paper some can be done with in current market frameworks, others require government intervention, leadership and in some cases delivery. This is of course not unusual for gov-

ernments; subsidies for pharmaceuticals or farming products make and break businesses, and Government continually sets policy to influence what will make economic sense. There are no pure markets. What is less clear is about the value base that drives these government interventions. The Medicare levy is clear, but why for example do we still subsidise the import of 4 wheel drive vehicles to the tune of \$500 million when it undermines our own car industry, when they are the most fuel inefficient, the most dangerous to others in an accident and are driven predominately by our richest citizens in the inner cities. ( and it is true as reported by *The Age* I do drive a 4-wheel drive ute! – but I still think it should not be subsidized)

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When considering what values might be part of driving government policy and market intervention I want to make the case for what is agreed by all commentators as the single most significant contributor to getting someone and their family out of 'poverty'. A JOB. Full time employment adds meaning, self esteem and self determination to an individual and thus their family and therefore should be considered as one of the most important outcomes of our sustainability mix.

I have tried to write this paper a hundred times, it is either too light, too technical, or too complex. However this time I decided I would finish with a hypothetical that would allow the reader to leave their rational critics for a moment to consider the project a year after it had been piloted. It is meant to be light and slightly tongue in cheek. I hope it helps in considering how we might stand differently, as warriors of a spirited sustainability.

## **II. Mary They - North Melbourne, Victoria 2003 - A detailed perspective of one participating school.**

MARY IS A VIETNAMESE MOTHER of 2 children, one aged 6 and one aged 9 She's married to John They live on a North Melbourne inner city estate and both are unemployed They receive in benefits Centrelink payments of \$24 000 a year and also rent assistance of \$2,800. Both of them had worked in Vietnam before fleeing, and arrived here as refugees 25 years ago. She had worked in a children's kindergarten and he as an engineer in a manufacturing company. Both of their children go to one of the two local primary schools where currently amongst all the staff there is only one Vietnamese member of staff who works in

administration and where all of the teachers are of an Anglo-European background.

A Joint Federal-State Government Initiative was launched consisting of a collaboration and commitment to creating opportunities for current unemployed to take up a role as a classroom aide in the schools. Mary applied for this position at the school Supported by a local welfare training organization, she attended a 6 week intensive training scheme and now has been at the school working in a Year 3 classroom for 12 months.

More than 60% of the children at the school are Vietnamese and for cultural reasons when Mary started there was almost no parent involvement in the classroom at all, Mary herself had considered it but felt embarrassed about the quality of her English. Culturally even back in Vietnam, it was not something that would have been encouraged and she felt embarrassed about getting involved here in this country. 80% of the children's families live at one of the two nearby housing estates in North Melbourne.

Initially there were concerns from the school, particularly the teachers and some union representatives about having people who had formerly been long term unemployed in the classroom. Would they have the necessary skills and would it be of any asset at all in the classroom. Criteria for getting this position was that the recipient could only come from a household where that household was reliant on welfare payments, this had been partly driving the teachers concerns. There were 12 classroom aide positions in the local school available yet there were over 250 applications all meeting the relevant criteria. After evaluation of all the applications teachers and principal involved in the selection process were confident they could start the training. There were more than enough appropriately skilled applicants with their own unique life skills to draw upon and

supplement and enhance the teaching programme at the school.

Mary's role in the classroom was to help by picking up all of those duties and issues that would otherwise take the teacher away from the main task of focusing on the bulk of the children at the bulk of the – time. To that end teacher's aides would prepare materials, books, crayons, pencils etc hang up paintings, get clean sheets the paper out would prepare readers for the children if a parents wasn't involved and at the start of the programme there were few parents involved. They would facilitate parents' involvement in the classroom in school, would spend time with the child who was moving faster than the rest of the group or slower, and also for dealing with children who were being removed from the class for disciplinary reasons or for ill health.

Since starting some extraordinary things have happened. As Mary lives on the estate where the majority of the parents of the children do, along with 7 other of the origi-

nal 12 classroom aide's many parents have then been speaking to them on the estate or in their homes and asking about the school

and the job. It has really encouraged some other parents to think about the opportunities in the future and that they in fact may have appropriate skills. Most importantly, the percentage of parent involvement has now increased to nearly half of the parents in her class. On a daily basis in Mary's class there are one or two parents coming in to help with a range of reading, maths and art lessons. Parent participation has also increased in the delivery of some other peripheral activities like outings and trips. The teachers anecdotally have suggested that this involvement has generated an increase in the quality of many of those children from a Vietnamese background since their parents' involvement. While this is pronounced in those children whose parents had been employed it has also been more

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general across the whole group.

For Mary herself, her standing in the community has changed considerably. Whereas before many of the parents did not feel that their English was good enough to inquire as to how their children were doing

at school and how they could to be involved this has changed. In the evenings they pop around and ask about their children's involvement and progress. They have also asked about how they can help with homework and maybe getting involved in the school. Mary feels that she is now somebody in the community who is looked up to, she belongs and has a contribution to make in society. She also, as a parent of two children in the school tells that her support of her own children and their abilities have been greatly enhanced by her involvement. Of the twelve parents nine of the parents are from a Vietnamese background which actually mirrors quite closely the percentage of Vietnamese children in the school. To Mary's delight after having a fireman, a nurse and a bank manager into the school to talk about their work, two of the Vietnamese children had written in their project that they wanted to be a teacher like Miss Mary. The teacher herself acknowledges this is the first time that she had seen that being chosen as an education path by any of the children in the classroom. Mary suddenly sees herself as somebody the people and particularly children looking up to and respect. This is the first time she's experienced this since arriving in Australia!

The economics of this project have been interesting. The welfare benefits for the family totalled \$26,800. On top of that Mary gets concessions for transport, some events, health and other issues. The award that Mary receives for her role amounts to \$30,000 a year. Mary pays in tax \$6,500 which means her net income into the family from her employment in the school is \$23,500. She is still eligible for some concession, some rent allowance and a small family top up. The net cost to the Federal Government of employing her was less than \$1,000 a year. The net cost to the State Government was the cost of her training, \$2,500. The net cost to the school was a commitment to increasing the size of staff

facilities to cope with the new 12 members of the school team. John her partner had been unemployed for 4 years and between them, neither of them expected to gain employment. Mary works from 9am until 3.30pm which has meant there are no child minding costs as her children are both school age.

As a result of Mary's job and their changed financial position, John is now considering taking up a part time job 2 days a week. He had been offered this job before from a cousin in the catering industry. However at that point financially it made no sense financially. Although now they are in a position to take up this work. This would mean a net gain overall for the family and to Treasury. The State Government agreed to monitor a whole range of variables between the participating school and the school next door with a similar make up. Parent participation in only the first 12 months had gone from 5% to 60%. Children's aptitude test scores had increased. Participation of those involved in their community had all increased three fold. All of them expressed their increased self esteem and leadership role within the community. The two housing estates where the majority of the teacher's aides have come from is one with significant issues both for young children and more broadly. The involvement of the teacher's aides has also led some of them to be involved in neighbourhood councils and the range of initiatives under the banner of the State's neighbourhood renewal in tackling some of the problems of the estate. None of the people were involved in any of these issues before the programme started.

### **III. Interview between Peter Saunders, Centre for Independent Studies**

## **and Geraldine Doogue on Life Matters.**

**GERALDINE:** PETER YOU HAVE BEEN A FIERCE critic of Government intervention in job creation over many years. I recall some of your comments on this program just eighteen months ago. I know you have just been on a week's tour around the country at the invitation of the Federal Government looking at some of the schools which have recently employed additional classroom aides under a new program, and have with only a few provisos given the program a glowing report. What is it about this program which has turned around the opinions you have expressed about similar programs?

**Peter:** Thank you for your question, and of course the Centre for Independent Studies is still very much opposed to Governments creating jobs for the sake of bringing down unemployment. But this particular program targets the long term unemployed who are not normally in the job pool yet are adding extraordinary value inside classrooms. It seems to me that this value mix that they create is at the heart of why this program is different. Bringing people, particularly long term unemployed people, who are parents themselves and who have school age children into schools, is unprecedented not only in Australia but around the world. It means we have seen a whole new wave of cultural diversity inside school rooms. For example, I was in Queensland

looking at two projects where some indigenous classroom aides have been employed under this program. These people have brought a whole new range of activities and people into the school which have revitalized the connection between the school and its local community. This will have some really interesting consequences, including tourism, into this area."

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However, to go back to why this value mix is working. We have seen the extraordinary impact of new people and perspectives into schools by using people who were previously seen as unemployable, including people who were not formally unemployed but nonetheless in receipt of Government income assistance of some other kind.

This has been a zero cost equation because previously paid Government benefits have been redirected to schools to provide the salaries paid to these classroom aides. We believe an extension of this pilot scheme to the all of the perhaps two to three hundred thousand classrooms in Australia will not only directly benefit those involved – the aides themselves, the schools and the students with whom they interact – but also benefit Australia's economic performance as measured by an increase in GDP.

**Geraldine:** Well Peter, that's quite a turnaround in your thinking, I always admire that, Thank you. Next week we will be speaking to Nic Frances, on of the people behind this idea about hoe the program is going to be piloted to reforest our outback and save our water.

#### **IV. Press Release from the Minister for Family and Community Services**

THE MINISTER IS PROUD to announce an extension of the pilot program to employ additional classroom aides in Australian schools. The pilot program was commenced just over eighteen months ago and has seen the employment of an additional 1,200 classroom aides into 45 of primary and secondary schools across Australia.

Evaluation of the pilot project has identified the unprecedented value which has been added not only to those who have gained jobs in classroom but also to the schools and students with whom they have interacted as well as the broader community.

Careful planning on behalf of Family and Community Services has meant the employment of these 1,200 classroom aides has been at no additional cost.

Not only has the pilot project clearly increased educational outcomes for the students in the schools where additional aides were employed, but the connections which these new classroom aides have to their local community have brought a diversity of new experiences to schools and students.

This Government has long been committed to increasing social capital, and the extension of this pilot project is clearly a practical demonstration of this commitment.

The Minister will be launching the extension of the pilot project to employ and additional 250,000 classroom aides throughout Australia at a primary school in Perth next week.

Local radio interview with a headmaster of a Secondary School in Northern Queensland- one of the pilot schools involved in the program

"There was considerable resistance within the school to us taking on the pro-

gram. I had visited other schools which were contemplating becoming part of the pilot program, and was convinced that this was a way for us to bring additional indigenous people into our school, something we had been talking about for some time.

Teachers were reluctant to become involved largely because they feared that far from getting extra help from these classroom aides, bringing these long term unemployed people into classroom would add to their workload, and might even be a vehicle for the Government to increase class sizes. They were also concerned about the logistical difficulties associated with the fifteen additional staff into our school.

There was also some resistance from parents, although 50% of our students are indigenous. Previously only one indigenous parent has participated in our "parents in class" program and there was a fear that we would be bringing a whole series of problems which were perceived to exist in the indigenous community into our school.

There was also concern within the indigenous community itself that these were not 'real' jobs and that participants would be treated as second class citizens.

In actual fact, the impact of the program over the whole school has been extraordinary. Perhaps the most visible impact has been that one of our classroom aides, George Franklin, was voted by the staff as 'staff member of the year' last year.

George taught virtually our entire school how to make incredibly strong rope by plaiting the native grass which grows in abundance around our school. We have, in fact, begun to sell this rope into the broader community in order to generate additional funds for the school.

This was the beginning of our "What We Know" program through which many indigenous people have introduced their native skills in areas as diverse as cooking, artistry and animal husbandry to students and teachers alike."

After twelve months the entire school community, including the school council believes that this has been the most exciting thing to happen to our school in its entire history.

**V. Conversation between the former Treasurer and his wife in the car on the way to a long weekend's holiday after listening to the Geraldine Doogue interview with Peter Saunders**

**EX-TREASURER'S WIFE:** Is that the project that you were so excited about a year ago, darling.

**Treasurer:** Yes, and it has been extraordinarily well received in schools. I went and visited some of them and was really surprised at the difference these classroom aides have had. But you know, the most difficult thing and I think the most far reaching thing has not been the impact on schools. In order to support the program Treasury needed to think quite differently about the cross-program benefits of projects such as this. The only way to make the necessary case in Cabinet that this pilot project allowed people to be employed at no net cost to the Government was to create a separate budget line for this project in our financial accounts. This project was the first real practical demonstration of "Joined-Up-Government".

"In fact, as Geraldine said at the end of her program, the new environmental restoration project we have just commenced with the Pratt Foundation is an example of the same type of thinking."

Treasurer's wife: You are so clever darling."

**VI. A conversation at the launch of the Victorian State Education Department's extension of the pilot "A Classroom Aide in every Schoolroom" project between the head of the State Branch of the Australian Education Union and The Director General of Education**

**UNIONIST:** I'm really surprised that this project ever got off the ground."

**Director General:** Well we did and there is no doubt that it was your leadership within the union which made it possible. Given the dispute at the time about classroom sizes and teacher salaries it took a brave decision on your part to support the pilot project.

**Unionist:** It was the State's commitment to guarantee no reduction in staffing numbers or increase in class sizes which was the telling decision.

**Director General:** How have teachers responded to the pilot? Particularly those who haven't been involved in the program?

**Unionist:** That's interesting. Because of the publicity about the pilot and the universally positive reports from schools which have been involved many teachers are actively lobbying to have their schools participate.

**Director General:** What's been fascinating for us is to have this much flexibility



in a program which is supported by Federal funding. Our ability to control the training of classroom aides and their induction into schools has been critical to its success.”

**Unionist:** And of course my membership supports the extension of the pilot since it could mean as many as 250,000 additional members.

**Director General:** That won't hurt your re-election.

## **VII. Interview with the father of three children who has just completed his first year as a classroom aide in inner city Sydney**

“I HEARD THE PILOT PROGRAM being advertised on local radio and decided to apply through my local Centrelink Office. My Case Manager hadn't heard of the project, but she rang me back later that day to tell me that I was eligible to apply, since I hadn't worked for nearly two years.

After being made redundant by one of Sydney's biggest transport companies 26 months ago and being unable to find work since, I was excited by the prospect, and I applied.

Thirty five people were short-listed for training for a potential twenty eight positions in two different schools – one my children attended and the other about a kilometer away. I was hopeful I would be appointed to the other school as my children told me it would be embarrassing if I was appointed to their school.

The training took six weeks through the summer holidays last year, I started the day after Boxing Day. The program was run by Mission Australia and was very good, and it was a shock to find out that the long term unemployed with whom I was training were

so smart and so much fun to be with. I don't think I have laughed as much in years as I did during those six weeks. But I also learned a lot about how schools operated and what actually went on in classrooms nowadays.

I ended up being appointed to the school my children attended, which I was a bit nervous about at first. But it has been just fantastic and I have really felt like I am making a real difference. I have learned first hand just how hard teachers work nowadays, and it is great to be able to help them out.

My mum was a school teacher and now I understand the pleasure she got from her work.

The school has nominated me to attend the next accreditation program for higher levels of Teachers Aide and I am thinking not only of taking that program, but also going back to school to possibly become a fully qualified teacher.

Most importantly my eldest on the way home a few weeks ago told me he was proud of me. I cried that night.”

## **VIII. The first step**

I'VE ENVISIONED A "WHAT - IF" future in which there is an educational aide in every classroom and 350,000 fewer unemployed in Australia. With hypothetical conversations and case studies, I've looked back to see what obstacles were overcome, through different points of view, in order to achieve the goal. You can gross up the numbers to do the economics, but in the end it's about families and kids and the impact of work on their lives.

The Brotherhood of St. Laurence funded me for six months to develop these ideas and to start the conversation. I thought about establishing a Centre for Enterprise and Employment to look at this issue, but there are already sufficient players in the

field. The social will is imperative to realize the possibilities and overcome the obstacles. It could be any leveraged group....

Let's put in one room four heads of Melbourne University Departments to grapple with the complexity of different perspectives. Melbourne Business School's Dean Harper, Peter Dawkins from the Melbourne Institute of Social and Applied Economics, Mark Considine from the Centre for Public Polity and Bill Mitchell, head of the Department of Economics – all highly respected in their fields. From their conversation we must generate and define a first step into a new field.

## **IX. Appendix : Enterprise for Employment**

**HYPOTHESIS:** That Australia's future can be enhanced significantly in a way that harnesses the energy of those people who receive welfare (because they have no, or not enough, work to move them above currently set poverty lines.) to establish a cultural, social, environmental, and economic base that will support this country to be one of inspiration and leadership to the rest of the world.

The purpose of this document is:

- a). To articulate this hypothesis.
- b) To identify activities that would support this hypothesis.
- c) To outline a range of research activities that would have to be undertaken to support this hypothesis. To understand who is involved in some or all of the work associated with this hypothesis and what opportunities there are to work collaboratively.
- d) To establish a range of pilot projects that demonstrate the relevance and potential of the hypothesis.

e) To outline public policy issues and solutions for the support of such a hypothesis.

f) To work with all sectors of Australian society to generate an environment that is conducive to the implementation of such a thesis.

g) To explore the appropriate organisation, structure and timelines for the achievement of this overall activity.

To identify activities that would support this hypothesis.

### **A. Teachers Aides**

Do they add value to student experience?

In general are parents on welfare able to undertake this role?

will the public accept welfare recipients as teachers aides?

will they add to diversity in the school?

will they increase parent participation from a broader cultural group?

will it encourage and enable indigenous people into schools?

would there be pathways to increase skills for personal and job development?

would a more culturally diverse group believe that teaching may be a career for them?

Would teachers and their unions embrace or hate the idea?

### **B. Environmental activities**

Land reclamation, reforestation, water management and conservation, recycling, waste management, environmental home improvement; what are the activities?

Where are the jobs located?

Are there people who want to do them?

Are these jobs labour intensive?

Are there high skill, operational, and capital, support needs for these jobs?

What is the structure for delivery – private, NFP, government?

Is Green Corp a model for this proposal?

**C. Personal Care Assistants (PCA) in Hospital**

Would extra PCAs help?  
Would they improve cultural mix?  
Would they improve local cultural mix?  
How do you avoid substitution by hospitals?

**D. PCA's in Aged Care**

Is this home and residential care?  
What about current home carers in receipt of benefits?  
How do you avoid substitution?  
Where are the jobs?  
Will the public accept welfare recipients as PCAs?

**X. What are the other areas of work we should be considering for this proposal?**

To outline a range of research activities that are generic to the areas of unemployment that would have to be undertaken to support this hypothesis.

**A. JOBS (in principle and with each activity)**

What are the actual jobs for each activity?  
What percentage are level entry?  
Are they in places of unemployment?  
Will people take them – what incentives are relevant?  
Can you target the jobs to those currently in receipt of benefits?  
What if someone in the family is employed but they still receive benefit? (how much before cut off?)  
Can we target local employment in cities? (Atherton)  
What training would be needed?

**B. ECONOMICS (in principle and with each activity)**

What are the macro costs and savings?  
In which layers of government are the costs and savings?  
What are the other economic influences; inflation, multiplier effect, cost of labour?

**C. To understand which individuals, groups and organisations, are involved in some or all of the work associated with this hypothesis and what opportunities there are to work collaboratively.**

Who does research?  
Who will undertake pilots?  
How do we do the lobbying?  
Public awareness?

**D. To establish a range of pilot projects that demonstrate the relevance and potential of the hypothesis.**

In every state  
Types of schools, range of environmental issues, different health and aged care models  
Will federal government support projects as an exploration?  
Will they work with state Governments?  
Will we have to fund some pilots to prove contentious points?  
Is Green Corp the basis for this model?

**E. To outline public policy issues and solutions for**

**the support of such a hypothesis.**

How difficult would the model of transfers from FACS to bodies employing people under the scheme be? Are there models world wide that give examples of good practice?