

# Applied Systemic Change

**An Implementation Guide for  
Building Capability in Human  
Service Systems**

**Shelley Mallett, Sally James, Joseph Borlagdan,  
Danielle Thornton and Diane Brown**

April 2022



**Brotherhood of St Laurence**  
Working for an Australia free of poverty

## **About the Brotherhood of St Laurence**

The Brotherhood of St Laurence (BSL) is a social justice organisation working to prevent and alleviate poverty across Australia. Our mission is to pursue lasting change, to create a more compassionate and just society where everyone can thrive. Our approach is informed directly by the people experiencing disadvantage and uses evidence drawn from our research, together with insights from our programs and services, to develop practical solutions that work. For more information visit [www.bsl.org.au](http://www.bsl.org.au).

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# Abbreviations

<b>ARC</b>	Ambition, Reality, Change
<b>BSL</b>	Brotherhood of St Laurence
<b>CEO</b>	Chief Executive Officer
<b>CoI</b>	Community of Interest
<b>CoP</b>	Community of Practice
<b>CoPP</b>	Communities of Policy and Practice
<b>CICs</b>	Community Investment Committees
<b>DESE</b>	Department of Education, Skills and Employment, Australian Government
<b>DoCT</b>	Department of Communities, Tasmanian Government
<b>EFY Foyer</b>	Education First Youth Foyer
<b>HC</b>	Housing Connect
<b>IFFS</b>	Integrated Family Support Services System
<b>KPIs</b>	Key performance indicators
<b>NDIS</b>	National Disability Insurance Scheme
<b>NYEB</b>	National Youth Employment Body
<b>TAFE</b>	Technical and Further Education
<b>ToR</b>	Terms of reference
<b>TtW</b>	Transition to Work
<b>TtW CoP</b>	Transition to Work Community of Practice
<b>UK</b>	United Kingdom
<b>VET</b>	Vocational education and training

# Acknowledgements

*The content for this Implementation Guide was developed by the multidisciplinary Youth Policy and Practice Lab at the Brotherhood of St Laurence (the BSL).*

It draws on the work of this team over the past decade to advance systemic change for young people experiencing disadvantage, and most recently in the housing and homelessness sector in Tasmania. The BSL's approach to systemic change has been applied across a number of service systems through government-funded programs and pilots and stepped out through practice frameworks for the Education First Youth (EFY) Foyers, the Transition to Work (TtW) Community of Practice (CoP) and the National Youth Employment Body (NYEB).

The writing team for this Guide includes:

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The team also drew heavily on the wider work of the BSL research, policy and service development teams, which include:

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Lastly, we would especially like to thank to the Department of Communities Tasmania (DoCT) – particularly Jessemy Stone, Director Housing Programs, and Peter White, Deputy Secretary Housing Disability and Community Services – and the Commonwealth Department of Education, Skills and Employment – particularly Derek Stiller, Assistant Secretary, Department of Education, Skills and Employment – for enabling this work through their investment in systemic change for their communities.

# About this Implementation Guide

*This Implementation Guide outlines the BSL's distinctive approach to applied systemic change for people who engage with human service systems, especially individuals, families, communities and populations experiencing disadvantage in Australia.*

We share our learnings to date – drawn from both successes and failures – to provide a practical, accessible guide to developing and implementing systemic change. It distils over a decade of practice learning from our research, frontline service delivery, training, teaching and policy reform work in employment, education and training and housing and homelessness systems. It also reflects our immersion in Capabilities Approach, place and systems change literatures.

Importantly, the Guide is our first attempt to fulsomely reflect our current learning and understanding. We hope it won't be our last. Systemic change work demands continuous learning and learning loops. It's a journey that continues to recalibrate the destination when the context changes or once you think you have arrived!

## Who is this Guide for?

The Guide is designed for people and organisations who are keen to create transformational policy and practice change, and address so called 'wicked problems', including:

- Public sector policy makers responsible for designing new policy or reforming existing systems.
- Public servants responsible for implementing policy and commissioning services.
- Research institutes delivering applied social research.
- Policy organisations, including think tanks and peak bodies, developing new policies or aiming to improve existing systems.
- Community service and advocacy organisations working on behalf of their communities.
- Service providers and practitioners working in human service systems of all kinds.
- Community groups and champions working at the local level.

## Using this Guide

This Implementation Guide is designed for flexible use, and is divided into three Sections. Sections 1 and 2 present the 'why' and 'what' of systemic change. They include two case studies: the first outlining the systemic changes required to support at-risk young people through their transition to adulthood; the second using Australia's vocational education and training (VET) sector as an example of how a complex human service system operates.

Section 3 presents the 'how' of actually doing systemic change work. To illustrate this, we use two practice examples: the National Youth Employment Body or NYEB, and Housing Connect 2.0 (HC 2.0). These case studies most clearly reflect the culmination of our learning to date from more than 10 years of trialling, refining and delivering projects and programs on the ground. For information on the other initiatives that have led us to this point, see Appendix C.



# 01

## **Section 1: Making the Case for Systemic Change Approaches**

Section 1 describes the problem(s) that systemic change approaches seek to solve, namely, limited human service systems outcomes. It outlines why systemic change approaches can achieve greater social impact for complex problems than more conventional policy making. It also examines the key guiding frameworks that can underpin systems that grow capability.

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- 1.1 Why systemic change?

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  - 1.2 Time for ambitious frameworks for action

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  - 1.3 Systems to grow capability

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  - 1.4 Growing capability through recognition

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  - 1.5 Growing capability in place
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# 02

## **Section 2: Understanding the Concepts that Guide Systemic Change**

Section 2 presents what we mean by 'systems' and 'human service systems', as well as introducing 'systems thinking'. It also unpacks our definition of systemic change and the key dimensions of our approach, describing how it overlaps and differs from other systemic change approaches.

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- 2.1 Defining 'systems' and 'human service systems'

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  - 2.2 Systems thinking

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  - 2.3 Systemic change vs innovation within a system

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  - 2.4 BSL's understanding and definition of systemic change
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# 03

## **Section 3: Putting the Concepts of Systemic Change into Action**

Section 3 provides a practical methodology for driving and delivering systemic change in practice, including our guiding ideas/theory of change, underpinning principles, components and key actions, and the role of the Enabling Organisation (EO).

- 
- 3.1 BSL's multi-dimensional systemic change approach

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  - 3.2 Our methodology: 4+4+4+1
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## **Appendices**

This Guide also includes extensive Appendices that cover the systems change literature on which we draw; a Toolkit of resources and tools developed by the BSL and others and how these can be used for various purposes across multiple components and key actions; and further information on the key initiatives we have developed and delivered over the past decade that have led us to this point.

## About this Implementation Guide **continued**

### Definitions

System:

*A configuration of interactive, interdependent parts that are connected through organisational structures creating a web of relationships, and forming a whole that is greater than the sum of its parts.<sup>1</sup>*

Human service systems:

*Government-funded programs, policies or facilities for meeting basic health, welfare, education, employment and other needs of a society or population group.<sup>2</sup>*

Systemic change (as defined by the BSL's Social Policy and Research Centre):

*A form of applied social policy work that intentionally disrupts and (re-)aligns the human service systems that hold inequality and disadvantage in place. This work aims to advance equity and wellbeing by transforming ways of thinking, institutional structures and practices so that persons, communities and populations can expand their capability to pursue lives they value.*

# 01

## **Making the Case for Systemic Change Approaches**

- 1.1** Why systemic change?
- 1.2** Time for ambitious frameworks for action
- 1.3** Systems to grow capability
- 1.4** Growing capability through recognition
- 1.5** Growing capability in place

# Section 1: Making the Case for Systemic Change Approaches

*In Australia, our human service systems have evolved to support us at every stage of life, from early childhood to old age. Yet the systems intended to help us often fail to address our real concerns.*

Barely a week passes without the announcement or release of a report, review or Royal Commission detailing the failings of yet another human service system. Either the policy settings are wrong, or they are poorly implemented or resourced. Gaps or duplication in policies and programs are exposed and people's difficulties in accessing and navigating systems are highlighted.

Many of these reviews have little discernible long-term effect. Governments publicly accept or reject recommendations; sometimes a taskforce is appointed, policy announcements are made and an implementation plan drawn up. But often the subsequent reform process misses the mark or stalls, and the institutional barriers driving the problem remain stubbornly in place. In short, the investment in reform is proven to be inadequate, poorly applied or, worse still, entirely misdirected.

With each cycle of reform, trust in our system of government diminishes. Public servants can feel constrained or even compromised. Service providers feel frustrated with the tension between their values and the programs they deliver. Frontline workers spend a disproportionate amount of time and effort 'working around' rules, papering over gaps to navigate needlessly complex service systems. And service users feel let down.

These failings come with a cost to individuals, communities and our economy; and they constrain our capacity to respond effectively to the most consequential policy challenges of our time.

Many understand that the problem actually lies with system design – that governments often manage social problems by fitting people to systems rather than systems to people – and argue instead for responses that can flex and adjust to people's needs and capabilities.

## 1.1 Why systemic change?

### Myriad explanations for the poor outcomes of our human service systems

Some attribute these failings in our human service systems to the political class, who ignore the best evidence to pursue ideological agendas or advance sectional interests, irrespective of the consequences for service users.<sup>3</sup> Others suggest these limited outcomes are due to inadequate investment<sup>4</sup> – regrettable, but necessary to contain public expenditure.<sup>5</sup> Many sheet home the blame to the inefficiencies created by Australia's three levels of government, combined with the progressive hollowing out of public sector capability.<sup>6</sup> And still others argue the fault does not rest with governments at all. Rather, the root of the problem is ineffective implementation by community sector organisations, and the solution is further marketisation to introduce competition and increase consumer choice.<sup>7</sup>

But none of these explanations satisfactorily accounts for why many well-intentioned and well-resourced governments and their delivery partners fail to translate their reform aspirations into better outcomes for people.

### A new way of thinking about human service systems is emerging

An alternative explanation, now gaining traction, is that as problems have become more complex, the conventional policy levers relied on by governments since the mid-twentieth century have become less effective. This complexity is evident especially where multiple policy problems intersect.

*For example, the need to protect low-income households from the public health implications of rising temperatures is complicated by sub-poverty line income support, low supply of affordable housing and inconsistent national regulation of the private rental market.<sup>8</sup>*

Consequently, the traditional linear approach to policy making is no longer fit for purpose, and the prescribed, technical 'fixes' are entirely unsuitable for grappling with this complexity.<sup>9</sup>

Proponents of this view suggest that policy makers would do better to think of human services differently; in other words, not as factory assembly lines or tech platforms for the mass production and delivery of services directed at a singular policy problem, opportunity or outcome. Rather, they should be viewed as complex systems, more akin to an ecosystem.

No single part of the (eco)system can survive or thrive without myriad interactions with other parts. They are entirely interdependent. And, importantly, the people navigating these systems manifest these interdependencies. This is where the disconnections are exposed.<sup>10</sup>

*For example, even the simple task of getting a passport may require people to engage with multiple service systems to secure and prove identification, prove citizenship, lodge the application and receive the passport. Disconnections between services at any point in the process could impede the outcome.*

Accordingly, linear approaches to policy reforms within singular human service systems are destined to fall short or fail. In contrast, systemic change approaches offer a different method that attends to, rather than wilfully ignores, the touch points between multiple systems and delivers solutions to people's intersecting challenges and needs.

### **Now is the time for novel approaches to policy reform**

The need for governments to reform their approaches to complex problems has become more urgent in the face of the current COVID-19 pandemic and the unfolding climate emergency. Both challenges are occurring against a backdrop of deepening inequality, rapid technological change and fraying democratic norms. The virus has also exposed the weaknesses in our body politic, notably the state of our residential aged-care industry, the social cost of flexible employment conditions, and the unequal and unjust distribution of unpaid child care and domestic labour. In short, it has revealed the real and present dangers that inequities in the design of our human services systems pose for the whole community.

### **Governance is critical, but governments cannot act alone**

The complex policy challenges before us have also exposed the profound limitations of government capability, particularly at the Commonwealth level.<sup>11</sup> While the public health sector itself has performed well under extraordinarily difficult conditions, the challenges presented by the pandemic have exposed the limited capability of our governing institutions. For example, we have seen the inability of governments to develop an effective quarantine system, to oversee a timely and comprehensive national vaccination program, and to get vaccines into the arms of those most vulnerable to infection.<sup>12</sup> This has been exposed as a failure of imagination, empathy and anticipation as

much as a failure of investment and implementation. It is also a direct consequence of the well-documented contraction and de-skilling of the public sector that has accompanied successive governments' 'outsourcing of policy capability to private management consultants'.<sup>13</sup>

Importantly, the crisis has also shown that governments need to harness the complementary support of citizens, business, not-for-profits, philanthropy and community.

*For example, caught out by a second wave of infections concentrated in culturally and linguistically diverse communities in July 2020, the Victorian Government subsequently invested in partnerships with multicultural and multi-faith community organisations to provide accurate health information and appropriate support.<sup>14</sup> This approach proved effective in rebuilding trust, thereby lifting testing and vaccination rates among these populations.<sup>15</sup> However, this success has relied heavily on local community effort.<sup>16</sup>*

Yet, paradoxically, COVID-19 has also underscored the vital role of government, its obligation to act decisively in the public interest and its unparalleled capacity to reorient systems to address urgent policy challenges. It has also revealed that everyone benefits when the relevant government policy responses are equitable and proportionate to need.

*For example, the Commonwealth Government slashed poverty rates overnight by introducing supplementary payments for families relying on the JobSeeker Payment. The impact on single parent households was particularly dramatic.<sup>17</sup> Meanwhile, the Victorian Government effectively ended street-based homelessness by working with the community service sector and community health providers to move rough sleepers into safe temporary accommodation.<sup>18</sup>*

Thus, governments can lead on ambitious policy reform. However, crisis-driven responses are typically temporary and cannot effect the deeper system-level changes required to sustain progress.

## Section 1: Making the Case for Systemic Change Approaches **continued**

### Good intentions are not enough

Our experience is that governments are increasingly aware of the limitations of conventional policy tools and are sometimes open to trying different approaches. The problem is that good intentions alone are not enough to shift the institutional conditions, the everyday practices, power dynamics and mental models that hold the problem in place.

What is missing is often not the will to make systems work better, or even the resources needed, but the 'know how' and 'know why' about initiating and sustaining change. In short, governments and their delivery partners are unsure of how to build key relationships and practices that will ensure the change process is genuinely transformative.

### 1.2 Time for ambitious frameworks for action

Ambitious big-picture thinking is having a moment across much of the world. Many have viewed the pandemic as an opportunity for governments to 'build back better'. Even before COVID-19, there was a growing appetite for bold new ideas, fuelled by a growing sense of urgency linked to global warming.

These big new ideas include Kate Raworth's model for a more sustainable and socially just global economy in *Doughnut Economics*;<sup>19</sup> Stephanie Kelton's proposal for how governments can sustainably finance a Green New Deal;<sup>20</sup> Mariana Mazzucato's reimagining of government as an 'entrepreneurial state', rallying business and civil society around big policy 'missions';<sup>21</sup> and Hillary Cottam's vision for the bottom-up redesign of human service systems in *Radical Help*.<sup>22</sup> Another noteworthy influence, though less well known in Australia, is the UK-based group Compass, of which Cottam is also a member.<sup>23</sup> Compass is explicitly interested in policy initiatives such as Every One Every Day<sup>24</sup> that work to redistribute power and build the capabilities of individuals and communities through a combination of 'top-down and bottom-up' governance, characterised by Neal Lawson as '45 degree change'.<sup>25</sup> Geoff Mulgan, former head of UK social innovation agency Nesta, makes a similar argument, recently asserting that governments must 'steer their societies by growing the capabilities of citizens, business and other tiers of government' rather than relying on coercion or incentives<sup>26</sup>

Each of these bodies of work details a 'call to action'. They ask how can we reconfigure our institutions and use existing resources more creatively, as well as sustainably, to meet the policy challenges of this century? Specifically, how can non-government actors be enabled to develop new ways of working and new forms of social infrastructure that facilitate participation. Government remains key in these proposals, but its role is radically reimagined. Some also challenge the view that this change is unaffordable, embracing the Keynesian maxim that 'what we can do we can afford'.<sup>27</sup>

### Governing through capability

#### ***We need to re-imagine the role of government in stewarding reform***

This signals a break with the understanding of the role of government in both the liberal and social democratic traditions. Whereas liberals viewed government as subservient to the needs of commerce, and social democrats saw the state as paramount over both markets and civil society, the emerging concept is of government as steward – invested with power by its citizenry but governing through its relationships. This is comparable in some ways to the older idea of the 'enabling state',<sup>28</sup> which applied private sector tools and approaches to public sector social investment. It also aligns with asset-based approaches to community development.<sup>29</sup> However, it differs fundamentally from these approaches in the way it draws on the concept of capabilities.

#### ***The Capabilities Approach lights the path***

The Capabilities Approach is a theoretical framework that focuses on the real freedoms people have to live a good life.<sup>30</sup> Originally developed as an alternative measure of human wellbeing, the Capabilities Approach has many theoretical as well as practical applications, particularly in community development. One is as a theory of change, which is how it is used in this Guide (see Section 2). By attending to the factors that enable or constrain people's real freedoms to be and do, the Capabilities Approach highlights the power dynamics that hold the present, unjust distribution of resources and opportunities in place. And because it asks what concrete resources people need, as well as what enabling conditions are required for them to convert these resources into real opportunities, it can be used to work out how to reconfigure systems to grow capability.

At its heart is the belief that our wellbeing depends on how free we are to pursue what matters to us. 'With adequate social opportunities', claims Amartya Sen, 'individuals can effectively shape their own destiny and help each other'.<sup>31</sup> But, as Sen points out, a person's ability to take up these opportunities is dependent on other conditions, among them equitable access to social goods and services. Viewed through a capability lens, the role of government is to empower citizens by removing or limiting the constraints and inequities structured into our services and systems. Government must also cultivate systems that expand the menu of real opportunities available to us. However, this should not be confused with making available limitless resources.

**Towards a new mode of governance that builds capability**

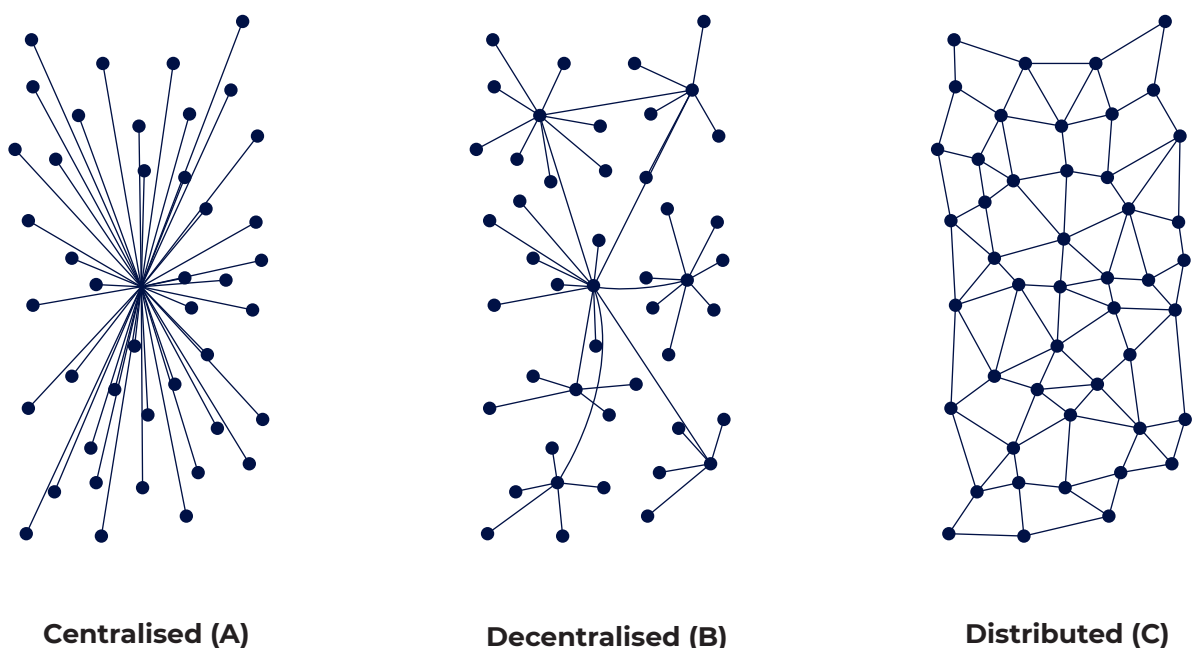
A state attuned to growing capability, rather than simply managing need, would take a quite different approach to the governance of our human service systems. Governance becomes not holding power, or holding onto power, but redistributing it, regulating its flow and guarding against its concentration in institutions, in bureaucracies and in managerial hierarchies. It becomes less concerned with procurement and contract management, and more focused on the active empowerment of civil society. The difference between centralised and distributed networks of power is depicted in Figure 1.

*An example of what it might look like for governments to govern systems designed to grow capability is the original design of the National Disability Insurance Scheme (NDIS) outlined by the Productivity Commission.<sup>33</sup> The architects of the NDIS originally imagined the National Disability Insurance Agency as an independent governing body empowered to help grow the capability of local communities and peer-to-peer networks to support people with disability, including those ineligible for individual funding packages.<sup>34</sup>*

Accordingly, a key role for government is the active fostering of opportunities to develop the capability of community-based agencies and civic organisations, enabling them to do what they do best: unlocking the power of cooperation and mutual help.

The emerging mode of governance explored in this Guide demands a different way of working. Because its power is relational, the state can no longer rely on coercion or incentives, but must meet civil society half-way, exercising power by enabling others to wield it. This is what Mulgan describes as 'steering through capability' and Lawson as '45 degree change'; it is the driving force behind both Mazzucato's 'mission economy' and Cottam's vision of human services that actively grows people's capabilities.<sup>35</sup> Instituting and exercising mutual accountability is key to this governance approach.

**Figure 1: From centralised to (re)distributed power<sup>32</sup>**



### 1.3 Systems to grow capability

This new way of working also has major implications for how governments commission and manage human services. Growing the capability, agency and accountability of non-government actors, effectively enabling them to, in turn, grow the capability of service-users, requires a new way of both thinking about and doing governance.

#### From managing need to growing capability

Cottam argues for a shift from a government designed to manage need to one designed to support human flourishing. Practically, this means a shift from systems centred on basic survival – meagre social security benefits, emergency relief, crisis accommodation – to systems designed to empower people and give them the support they actually need to be able to pursue their vision of the good life. These are systems that help people and communities to flourish and enable them to shift from surviving to thriving.

Cottam explains that the conventional model of human service provision was a product of the mid-twentieth century. It was revolutionary in its time, and successfully lifted millions of people out of abject poverty in the wake of World War II, providing universal access to housing, public education and health care. But over time its scope was rationed and its effectiveness constrained by the limits of contemporary technology, which necessitated a process modelled on mechanised production lines. The service systems that emerged followed a managerial logic that remains the template for many systems today: a person presents with a problem, is assessed to determine eligibility, is referred to a service, receives a rationed allocation of support to address the immediate issue, and is then reassessed and either discharged or referred again, and so on, sometimes indefinitely.

While this model of care is supposed to conserve limited resources, in practice it is often inefficient as well as ineffective. Because support is reserved for those in direct need, professional help is only made available once an issue has become entrenched, meaning more intensive support is needed for longer. Added to this, a disproportionate amount of time and effort is expended on what Cottam characterises as ‘gatekeeping’: ‘on managing the queue, on referring people from service to service, on recording every interaction to ensure that no one is responsible for those who inevitably fall through the gaps’<sup>36</sup>. This is resource intensive, and also largely ineffective, as a strategy for improving wellbeing.

But worse still, according to Cottam, is what this way of working does to human relationships. Not only does this approach reproduce the power imbalance between the provider acting on behalf of the state and the person seeking help, but by converting every interaction into measurable inputs and outputs, the managerial approach reduces the likelihood of reciprocity and misses an important opportunity to seed meaningful change. Services that do things ‘to’ and ‘for’ the people they aim to help risk undermining people’s sense of self-efficacy and, however well-intentioned, may be experienced as disempowering. By contrast, forms of help that foreground recognition offer genuine assistance but also demand active engagement and accountability. In working to increase people’s sense of self-efficacy, they expand the real opportunities open to them.

As Cottam observes, a capability cannot be done to or given to someone. Only by ceding control of the process, meeting the other as an equal and expecting accountability can you begin to shift the power dynamic and create enough space for the other person to feel valued and grow.

Working in this way necessitates a different role for government. For Cottam, this focuses on the radical possibilities of using person-centred design tools to reshape services.

However, this is only one half of what is needed. The other half is a government that can actively enable and empower providers to work in this way, while continuing to guide the direction of policy and hold stakeholders to account.

#### From mechanistic service systems to ecosystems

If the twentieth-century public service systems were conceived as machines engineered to deliver technical, linear solutions to simple policy problems, we need a new mental model to think about human service systems designed to grow capability.

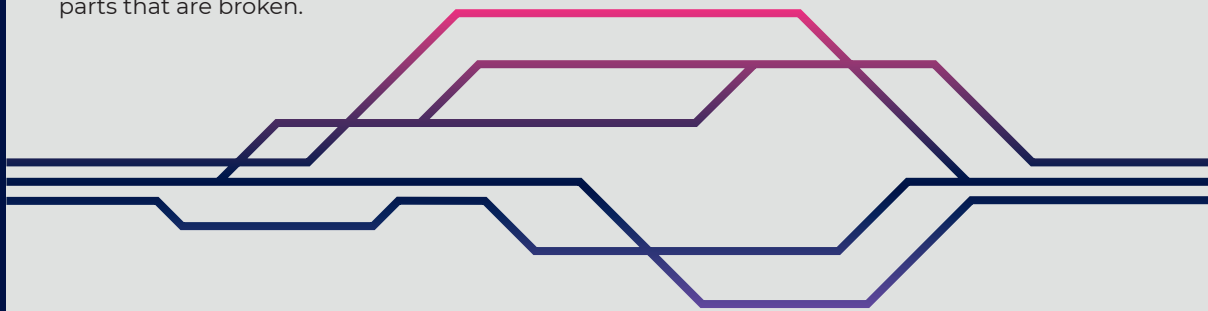
Systems thinkers often liken human-made social systems to ecosystems. Like biological ecosystems, complex service systems are to some extent self-organising, in that they rely on feedback loops that may occur independently of external monitoring or intervention. Also, as in organic ecosystems, relationships are everything. This is because the parts of a complex system are typically interconnected in ways that mean they cannot be disentangled or operated upon in isolation, as a change in one part of the system may trigger unintended effects in other areas. And, lastly, like biological ecosystems, complex service systems can evolve and adapt to changes in the world around them as depicted in Figure 2.



Figure 2: From mechanistic to systemic approaches

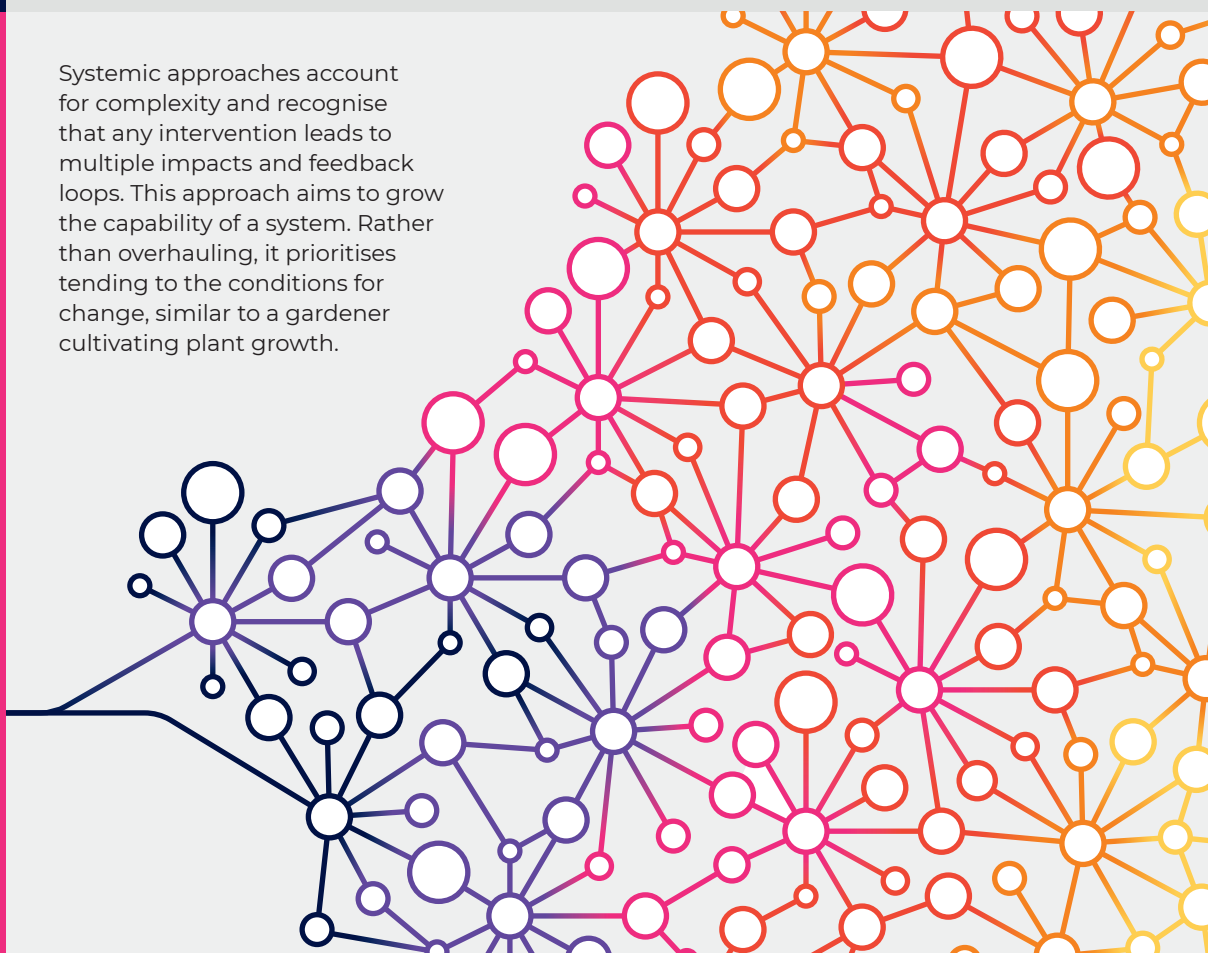
Mechanistic

In this traditional approach external interventions have a linear cause and effect on a system. It assumes that problems can be fixed similar to a machine – by diagnosing the problem and fixing the parts that are broken.



Systemic

Systemic approaches account for complexity and recognise that any intervention leads to multiple impacts and feedback loops. This approach aims to grow the capability of a system. Rather than overhauling, it prioritises tending to the conditions for change, similar to a gardener cultivating plant growth.



## Section 1: Making the Case for Systemic Change Approaches **continued**

How then ought we to understand the relationship of government to such systems? The twentieth-century metaphor of government as an engineer, using specialised technical expertise to build and then maintain service systems, no longer holds. The relationships between the different parts are constantly changing in ways that are unpredictable and not easily controlled. Managing complex systems of this kind, shepherding them in the direction of policy goals, requires a different approach and, hence, a different vocabulary to describe what government does.

### **Tending to systems, creating the conditions for growth**

In *Garden Mind*, Sue Goss writes that complex systems require a mental shift from ‘machine mind’ to ‘garden mind’, from managing to tending. Governments need to emulate gardeners: learning through observation, developing an appreciation of the relationships between different organisms, attending to climate and environment, and creating the right conditions for growth.

Goss underscores that gardening is not sitting back and letting nature take over; gardeners take action to preserve the diversity of a healthy ecosystem. Nor can they make plants grow; they can only cultivate a nourishing soil and ensure the plants have the light and water they need to thrive.

### **Growing the capability of accountable civil society actors**

*Garden Mind* provides a mental model for rethinking governance and, in turn, the role of government in leadership, commissioning and management. When the state routinely exercises power over systems it reduces the space for civil society actors and individual citizens to exercise their agency, to develop creative local solutions or to engage in genuine co-production. This happened during the mid-twentieth century: as the welfare state expanded it crowded out older forms of community-based service provision, such as cooperatives and mutual societies.

But, as Goss points out, it is not enough for government to simply devolve power to communities or individuals. Devolving power to those who do not yet have the capability to wield it is not empowerment, but a dereliction of stewardship.

On the other hand, when government leverages its power to provide access to resources and opportunities, and actively facilitates participation by creating new forms of social infrastructure, it creates the enabling conditions for thriving systems that are powered by the creativity and connectivity of communities.



**Just as access to resources in the absence of the necessary enabling conditions does not expand a person’s substantive freedoms, so redistribution without recognition will not shift the power dynamics that hold social injustice in place.**



## Redistributing power to grow capability

As noted earlier, this is governance conceived as ‘steering through capability’ – intentionally redistributing power to grow the capability of others. However, this cannot occur without significant disruption to the normal power dynamics that exist in any complex system, and that ordinarily work to preserve the status quo.

Disrupting these power dynamics requires a fundamental shift not only in the relationship between the state and civil society, but also in the relationships between non-government providers, their employees and the communities they serve, and between practitioners and individual program participants and their families. In each case, those who have traditionally been invested with power by the state are invited to devolve some of that power to the other party. In turn, they are themselves empowered by those above to provide the resources and opportunities needed by the other to grow their capability.

Between the state and civil society, as between providers and communities, this shift involves creating formal mechanisms for community participation in governance and real opportunities for citizens to participate in co-design and co-production.<sup>37</sup>

For policy makers this may mean simultaneously taking responsibility for building capability while giving up control of the outcome, which will require a recalibration of how governments approach risk.

For providers it might mean decentralising decision making, investing more in the capability of their employees, and having this investment properly resourced by government.

For individual managers and practitioners, it may mean giving up the privileges that typically accompany seniority or professional status or making a significant gesture that communicates recognition of the other’s value, talents or contribution.

## 1.4 Growing capability through recognition

At the heart of this way of working is the concept of recognition, which we have paraphrased as:

*our vital human need for reciprocity in our social interactions; the fundamental need to be seen and treated by others as a valued and valuable person deserving of respect.*

Axel Honneth maintains that the need for recognition in social relationships is as primal as our need for sustenance and safety, and a psychological precondition for the formation of a stable sense of self.<sup>38</sup> The idea of recognition is founded on the understanding that our wellbeing is always dependent on our relationships with others: that our ‘I am’ is inseparable from the ‘we are’.

### Redistribution of resources without recognition will not deliver inclusion

In an exchange with fellow philosopher Nancy Fraser, Honneth argued that the redistribution of resources – the traditional focus of social democratic politics – would not deliver social justice unless accompanied by a parallel shift towards social relations grounded in reciprocity and mutual respect.<sup>39</sup> In this sense, Honneth’s politics of recognition anticipates Cottam’s critique of the welfare state, and helps to account for the unparalleled power of positive relationships to unlock people’s capability to effect transformational change in their own lives.

### Synergies between the politics of recognition and the Capabilities Approach

Just as access to resources in the absence of the necessary enabling conditions does not expand a person’s substantive freedoms, so redistribution without recognition will not shift the power dynamics that hold social injustice in place. For example, it can raise populations out of income poverty but leave some deeply excluded.

This is what happened in many nations between 1945 and 1975 when some governments redistributed wealth and expanded access to services but did not address the unequal distribution of power. Women, First Nations and other people of colour continued to be excluded from the institutions that governed mainstream social, civic and economic life. Only when they formed social and political movements to demand recognition did the state belatedly acknowledge their right to inclusion and enshrine formal equality in law. Nonetheless, these groups’ capability to exercise these rights remains contingent on whether those who hold power over them deem them deserving of fair and equal treatment.

### Conversion factors

Literature on the Capabilities Approach distinguishes between the resources that must be present for a person to grow their capabilities, and *conversion factors*. These are the enabling conditions that make it possible to convert resources into real opportunities: the things people can actually be or do. Resources include material goods as well as in-kind support, both formal services and informal help.

The Capabilities Approach stresses that the mere provision of resources is not enough to build capability, but that certain enabling conditions must also be present. These enabling conditions may include policies or design features that smooth a person's pathway through a service system, built infrastructure and public amenities, and also the political and economic climate, cultural norms and everyday practices that facilitate participation. For example, a young woman may have a bike and even know how to ride it, but if there are no roads or paths, and/or governments legislate against young women engaging in bike riding, then the young woman is effectively unable to ride.

The line between resource and conversion factor or enabling condition is not always clear cut. Relationships, including those between policy actors as well as between individual people, may be understood as a resource but, insofar as relationships are a living back-and-forth exchange, they also play a deciding role in whether or not resources can be successfully converted into real opportunities.

### Relationships rooted in recognition are enabling

Relationships can be enabling but they can also be *disabling*. Whereas recognition has the power to unlock capability, relationships marked by *misrecognition*, where reciprocity is withheld and the dignity of the person dismissed or denied, can disempower or erode a person's sense of self, thereby limiting the real possibilities open to them. Misrecognition is often endemic in systems where power is concentrated in faceless bureaucracies and wielded in ways that are coercive: that is, where policies exploit the fact that one party holds 'power over' the other and treats them with contempt. Policies rooted in misrecognition tend to presume the irrationality or moral weakness of the other and, therefore, communicate contempt.

The difficulty for governments is that policies of this type do not work. Granted they may bring about some measurable short-term indication of progress, but they cannot, on their own, bring about the transformational change that is needed. The reason is simple: policies that hinge on people's powerlessness, which are experienced by them as a loss of agency, cannot at the same time be experienced as empowering. Although the stated aim may be to grow capability – for example, the capability to budget more effectively – a tool like compulsory income management which intentionally curtails agency cannot grow that capability.

In such systems, disregard is normalised in the policies and practices that govern interactions between staff and service users. The profound psychological effects of systemic misrecognition are well documented in qualitative research. For example, when social security recipients are submitted to stigmatising forms of welfare conditionality,<sup>40</sup> when institutionalised racism has a scarring effect on the wellbeing of First Nations people<sup>41</sup> and other people of colour,<sup>42</sup> and when marginalised groups with a relative lack of access to power are made vulnerable to systemic discrimination and abuse.

In other systems, misrecognition may be more subtle but still harmful in the way it undermines capability. Most of our human services do not set out to control, still less dominate, the people who rely on them but, because power remains concentrated at the top, resource flows, rules and everyday practices tend to privilege management over frontline staff, and staff over participants.

The power dynamic in these relationships discourages recognition, while system rules further diminish the likelihood of an authentic connection by reducing the scope for reciprocity on both sides. As a result, the process of recognition is ancillary to service delivery, whereas it needs to be at its core. Nor is it sufficient for people to be urged to treat one another kindly: kindness may be a good starting place, but it will not on its own shift the stubborn mental models that underpin misrecognition.<sup>43</sup>

## Recognition cannot be mandated

Genuine recognition cannot simply be mandated, either by managers or by commissioners, nor can it be easily quantified or made into a key performance indicator – and yet it must occur if the support offered is to be transformative. The role of government is to steward service systems in such a way as to create the conditions in which mutual trust and reciprocity can flourish. This can be achieved by commissioning for capability rather than compliance, and seeding forms of social infrastructure that actively enable mutual help and collaboration.<sup>44</sup> What this way of commissioning services might look like in practice, and the forms this new infrastructure might take, is explored further in the Section 3 of this Guide.

Empowering others, thereby actively enabling them to grow their capability, means creating a safe space for them to experience and test the bounds of their own agency – and this requires recognition. Only by meeting the other person as an equal, and unambiguously communicating to them that they are *seen* as a peer who is equally deserving of respect, does one establish the enabling conditions for that person to grow in self-esteem with a fuller sense of their own agency. In this way, bit by bit, they will come to feel in control of their own life. As much as misrecognition closes down possibility, there is abundant evidence that relational practice approaches grounded in recognition have the power to help dissolve the defences people sometimes build to shield themselves from stigma.<sup>45</sup>

Recognition, then, underpins capability both psychologically and practically: *psychologically* because recognition actively enables positive identity formation – the sense of oneself as deserving of love and entitled to live well – which is a prerequisite for human flourishing; and *practically* by creating the right social conditions for the development of trust, which is the basis of interpersonal reciprocity as well as cooperation and collaboration more broadly. In both respects, recognition enables the conversion of social interactions into relationships, and relationships into capabilities, thereby practically expanding the range of real possibilities a person might choose to pursue.

Any systemic change effort that seeks to grow capability, to unlock the transformational potential of relationships or to harness the power of human cooperation and collaboration must, therefore, be grounded in an ethics of recognition. Some examples of this in practice are included in Appendix B.

## 1.5 Growing capability in place

Because systemic change requires the redistribution of power to local communities, governments need to be active in growing capability from the grassroots up. This means thinking deeply about *place*, specifically the role that places play in creating the conditions that people, their families and communities need to thrive.

### Defining what we mean by ‘place’

There is a long history of Australian governments targeting particular locations to address disadvantage.<sup>46</sup> These places are often selected because they are identified as having a concentration of poverty and related social problems combined with a lack of access to economic opportunities and a high unmet need for services.<sup>47</sup> The goal of intervention is typically to improve the wellbeing of the local community by increasing the quantum of economic resources or making it easier for residents to access services.

However, the geographer Ruth Fincher invites policy makers to broaden their definition of what constitutes place.<sup>48</sup> Whereas many interventions define ‘places’ as geo-spatial locations fixed by postcodes or local government area boundaries, Fincher observes that real-world places are living systems constantly being made and remade through the interactions of people with one another and with their physical environment. Places are not the sum of their demographic profile or amenities, but are also ‘assemblages of contexts’ in which lived experience is embedded and made meaningful.

This definition of place underlines the complex interplay between place and agency: places shape people’s sense of self, their relationships and the resources they can access, just as places are themselves produced through the agency ‘exercised individually and collectively’<sup>49</sup> by the people who live and work there.

And in the real world, no place is an island: residents travel out of the area, and other people visit, so that places are also always in relationship with other places. Together these interactions shape the real opportunities that people have to be and do.

### Places can enable or frustrate capability development

Thinking about place in this way makes it easier to identify the interdependencies between where people live and work and their real opportunities. Place then plays an integral role in growing capability, both by providing access to resources – such as housing, infrastructure, services and amenities, employment – and shaping the conditions that enable people to take advantage of these resources.

Ingrid Robeyns distinguishes between personal, social and environmental conversion factors, with ‘environment’ corresponding to the conventional definition of place defined by geography and infrastructure.<sup>50</sup> However, if we broaden our definition of place to include the wider social context, it becomes possible to see personal and social conversion factors as equally interdependent with place. For example, personal health is shaped by access to green spaces, to decent housing and to employment, as well as by social conversion factors, such as cultural norms around mental health, diet and exercise, which form part of the local context.

Place then *grounds* agency, providing the conditions that either enable or frustrate people’s ability to pursue the life they have reason to value. Some places may provide fertile conditions for flourishing, while others, whether for want of resources or toxic social dynamics or both, tend to stifle agency and stunt capability.

However, the extent to which certain places enable or frustrate capability need not always follow the spatial distribution of power and wealth. Although an affluent enclave may be rich in some types of resource it may well be impoverished in others, or have a deficit of the critical conversion factors needed for residents to convert wealth into wellbeing. Alternatively, a neighbourhood might score poorly on measures of income but possess an abundance of social capital that translates into high levels of wellbeing.

### Framing places as disadvantaged undermines capability

The rationale for government intervention typically frames places in terms of their deficits. Within this mental model, places act as ‘containers for disadvantage’, as in the concept of ‘postcode poverty’, or as ‘locationally disadvantaged’ by a relative lack of services and infrastructure.<sup>51</sup>

Such framing lends itself to policies that target the symptoms rather than the drivers of disadvantage. This leads to poor scores on indicators such as unemployment, household income, educational attainment and health outcomes being treated as products of the local context and, therefore, the responsibility of local actors who are obliged to work with governments to develop local solutions.<sup>52</sup> Policy might then focus on changing individual behaviour and preferences, on the basis that people’s decision-making processes are flawed, rather than seeking to understand how the complex interaction of factors beyond their control may constrain the choices available to them.<sup>53</sup>

Approaches that presume people are unreasonable or incapable of ‘doing the right thing’ can be experienced as misrecognition.<sup>54</sup> Where poor choices are identified as the primary driver of disadvantage, the community itself may be seen as part of the problem. Thus, the social dynamics within particular groups of residents may be viewed as entrenching disadvantage by normalising problematic behaviours or mounting resistance to outside intervention.<sup>55</sup> Framing places in this way amounts to an act of collective misrecognition and, by stigmatising whole neighbourhoods, makes it harder to win community trust.

Similarly, governments that view local residents as responsible for their own disadvantage may be reluctant to share power with them, thereby shutting down the possibility of meaningful community engagement. Approaches that apply a deficit lens may also overlook assets already in place, and thus miss the opportunity to harness these resources and work with established networks.

On all counts, policies grounded in misrecognition and deficit thinking actively undermine the goal of growing capability in place.

## Place shapes the possibility of recognition, but also misrecognition

Place also sets the parameters of social encounter, shaping which interactions are possible and the power dynamics within them. Place can, therefore, be a site of recognition but also of misrecognition.

Some of the ways in which places shape social encounters will be apparent to an outsider when they first arrive in a community: a place may appear friendly and welcoming, ripe with opportunities for meaningful connection, or cold and impenetrable. Encounters may be overlaid with local norms that inculcate mistrust of strangers, and attitudes ingrained in built infrastructure – bars on every window, amenities in disrepair, and streetscapes designed to discourage public gatherings of any kind.

The use of space is inextricably bound up with power: spaces can open up possibilities for participation, be used to shut people out, or assert the power of one group over another.<sup>56</sup> For example, many human services are still delivered in centres that physically separate staff and clientele, reinforcing the relative powerlessness of the person seeking help. Security cameras, warning notices and drab furnishings signal to service users that they are neither trusted nor valued. Such spaces set the scene for misrecognition by increasing the likelihood of an exchange mired in fear and mutual distrust, while spaces that embody openness and invite trust can help to scaffold encounters grounded in mutual recognition.

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**The use of space is inextricably bound up with power: spaces can open up possibilities for participation, be used to shut people out, or assert the power of one group over another.**

”

## Growing capability by empowering communities

Most place-based interventions set out to grow the capability of the residents, but only a few attempt to address either the power imbalance between the local community and the state, or the power dynamics that exist within places.

Often the term ‘community’ is used to lump people together, a shorthand way of framing the problem and its solution, when in fact there is no singular ‘community’, only a set of associational networks each with their own complex relational dynamics.<sup>57</sup> Few initiatives attempt to disrupt the status quo – for example, by creating real opportunities for less powerful residents to shape how the regeneration of their neighbourhood ought to proceed – and those that attempt to do so walk a fine line between building capacity and substituting professional effort for ‘authentic’ community-led decision making.<sup>58</sup>

Part of the difficulty is lack of capability on both sides: community members need to grow their capability to navigate complex policy environments, while government agencies are hampered by existing system rules and practices that stymie engagement in the type of relational and collaborative work required to empower local residents as genuine partners in development.<sup>59</sup>

Growing capability in place necessitates attending to the power dynamics between governments, not-for-profit agencies and other local actors. This means identifying who holds power and who needs to be empowered, and then thinking practically about how to level out the influence of particular groups. It also includes designing governance structures that strengthen accountability upwards as well as downwards, along with mechanisms that actively redistribute power by growing the capability of those who need to be empowered. Examples include governance arrangements that ensure less powerful groups actually contribute to decision-making processes,<sup>60</sup> and ‘participation platforms’ that combat exclusion and atomisation by creating real opportunities for all residents to undertake enjoyable and purposeful everyday activities.<sup>61</sup>

### Shifting systemic disadvantage involves linking local and national efforts

Viewing disadvantage as rooted in local dynamics also distracts from understanding how the structural and systemic dimensions of the problem are shaped at the regional, state or national levels, as well as by global forces.<sup>62</sup>

Social problems that manifest at the local level, such as unemployment, homelessness, high rates of crime and family violence, or low school attendance, are typically interrelated and involve the interplay of personal and structural factors. The increased mobility of finance capital over the past 30 years has left some places highly vulnerable to the sudden withdrawal of investment and the subsequent evaporation of economic opportunities.<sup>63</sup> In fact, the concentration of disadvantage in former industrial suburbs, such as Broadmeadows and Doveton in Victoria, is largely due to changes in Commonwealth policy and in global trade, both of which have led to the collapse of local manufacturing<sup>64</sup>

Because localised disadvantage is reproduced through the complex interaction of local, national *and* global factors,<sup>65</sup> approaches to address it need to attend to the ways in which external policy settings contribute to local issues. These include policies set at both the federal and state levels, such as global trade commitments, as well as the rules that govern human service systems and the commissioning of services. Together these policies shape the resource flows, practices which in turn shape the power dynamics within systems, either constraining or enabling the growth of capability. Growing capability in place, therefore, requires mechanisms that can act as a conduit between local communities and national and/or state governments, such as the National Youth Employment Body (see Section 3). The NYEB functions as a conduit between local employers and employment services at sites across Australia and the Commonwealth Government, enabling real opportunities for young people while growing the capability of both government and local community actors.

### Tools for growing capability in place

Effective stewardship of human services requires governments to use their authority to create systems that actively enable these efforts to grow capability from the ground up. Fortunately, governments are uniquely placed both to authorise these efforts and to create the social and environmental conditions for their success: for example, by adjusting policy settings, redirecting resource flows and commissioning services and programs so as to encourage collaboration across service sectors and between providers, to facilitate practitioner networks and to enable capability-based practice grounded in recognition.

Governments already have access to many of the tools needed to govern in this way, but most challenges will require some innovation. The tendency for systems to revert stubbornly to long-established ways of doing things<sup>66</sup> means that translating piecemeal shifts into enduring systemic change requires the creation of mechanisms that will sustain momentum. These mechanisms include new forms of governance that hold all actors accountable for progress, as well as innovative social infrastructure that actively enables new ways of being and doing, so that practitioners and participants are supported and encouraged by their peers rather than feeling as though they are battling alone against a broken system.

There is no ready-made template for these new mechanisms; the complexity of systems and contexts necessitates that function takes precedence over form. The entities we discuss in Section 2 – Enabling Organisations, Community Investment Committees and Communities of Practice – are intended only as a guide for practice, not a blueprint. Each example referenced here evolved to fit a specific systemic context, and examples in other contexts might look quite different. Any scan of system-change initiatives in Australia and internationally will turn up novel organisational forms that serve a similar purpose to these entities.<sup>67</sup>

The following case study illustrates some of the systemic changes required to support young people experiencing disadvantage through their transition to adulthood.



# 1 Supporting youth transitions

**Every year across Australia, thousands of children and young people between the ages of 10 and 16 leave home or go missing from out-of-home care placements.**

Many will be able to 'couch surf' by staying temporarily with friends or relatives, others will eventually return to unsafe family homes, while some may seek the help of adult homelessness services. Others may engage in harmful behaviours, be abused by predatory adults or find their way into the youth justice system.

With their basic needs for love, safety and shelter unmet, many of these young people struggle to attend school, disengaging from education at a critical time when their peers are planning for the transition to further education or training. Without timely and effective support, the inability to sustain their participation in education is likely to compromise their future capacity to attain decent employment and secure housing once they enter adulthood.

This group of children and young people includes those who may be under a care and protection order, as well as those who have had limited contact with family services, and some with no prior contact at all. Family circumstances vary, but violence and conflict, abuse and neglect, intergenerational trauma, unmanaged mental illness or drug and alcohol misuse – set against a backdrop of poverty – are common contributing factors.

The issues are complex, yet the service systems that exist to look after these children and young people – education, health, child protection and statutory care, youth justice, specialist homelessness and other youth support services – tend to operate in policy siloes, with no one agency or department accountable for outcomes. Furthermore, those services targeted to young people labelled 'at risk' are geared to manage their immediate needs, not grow the capabilities they need to become healthy, economically secure and well-connected adults.

These systems struggle to grow capability because their tendency is to hold onto power: authority is concentrated in centralised departments and reinforced by funding rules that dictate how services and programs are delivered and to whom. This is done to hold providers to account, yet accountability only flows one way: providers may seek to influence departmental decision making, but they risk losing contracts. Thus, there are limited means for young people to hold either providers or government agencies accountable for the quality of the support on offer.

Each of these systems still follows the logic of the production line: a young person affected by trauma is referred to a mental health service; if they are experiencing family violence they are taken into statutory care; if they present at a homeless shelter they are offered temporary accommodation; or if they offend they are funnelled into a juvenile diversion program. No system has the capability to see the whole person, and each system is oriented to provide a short-term fix.

Systems designed around growing young people's capability, thereby enabling a successful transition from childhood to adult independence, need to work differently and to look as well as feel different.

## **Governance**

To begin with, systems need to be governed in ways that actively empower young people; this means tangible mechanisms for service-connected young people to hold agencies to account as well as real opportunities to contribute to system design. This might include representation on governance bodies, or the creation of youth councils like those established by Child Friendly Leeds.<sup>68</sup>

## Case study: Supporting youth transitions (cont.)

### **System design**

Creating real opportunities for young people to help shape services opens the door to systems structured around people's needs rather than the interests of governments or providers. A system designed around enabling the transition to adulthood would offer developmentally appropriate support across a range of domains essential for holistic wellbeing – being loved and safe, being healthy, learning, having material basics, etc.<sup>69</sup> Each offer of support could draw on the expertise of a different service sector, but with mechanisms in place to facilitate collaboration across departments. This would create clearly defined pathways to make it easier for young people to draw on multiple types of resource as they develop the capabilities they need to thrive.

### **Commissioning**

Commissioning processes need to help grow the capability of providers to work in this way. This means avoiding procurement arrangements that undermine trust between providers, as well as creating formal mechanisms that help build relationships across service sectors to improve outcomes for young people. This might involve cross-sectoral governance at the local or regional level that can reinforce the linkages between school-based social workers, child and adolescent mental health services, Reconnect providers,<sup>70</sup> and local housing options for young people temporarily unable to live at home.

Commissioning for capability also necessitates investment in workforce development. Enabling providers to recruit and retain qualified staff, ensuring that employees feel valued and respected, as well as providing real opportunities for professional development and mechanisms for peer learning such as communities of practice, would also serve to strengthen bottom-up accountability by creating a feedback loop between the sector and government.

### **Service delivery**

Whereas many interventions targeted at service-connected young people focus on resolving or averting imminent crises, services geared to grow capability are intrinsically future oriented. The goal of capability-based practice frameworks is to expand young people's sense of what futures are possible, and then enable the process of converting these aspirations into real opportunities: for example, by linking them to adult mentors who can act as role models and setting up experiences, like 'work tasters', that help to broaden their horizons and grow their confidence.

Relationships rooted in recognition are key. For example, Advantaged Thinking seeks to unlock young people's intrinsic motivation by recognising both their talents and the value of what they have learnt while grappling with challenging lived experiences. Services designed to grow capability create a line of sight to a future in which young people can see themselves thriving, and then provide the support to help them begin to work towards it.

# 02

## Understanding the Concepts that Guide Systemic Change

- 2.1 Defining 'systems' and 'human service systems'
- 2.2 Systems thinking
- 2.3 Systemic change vs innovation within a system
- 2.4 BSL's understanding and definition of systemic change

## Section 2: Understanding the Concepts that Guide Systemic Change

*Systems, ecosystems, system(s) change, systemic change, systems thinking, design thinking; there is a range of terms used to describe a wide body of work that aims to address complex problems with 'systemic' solutions.*

Often these terms are used interchangeably with no real clarity about the meaning or scope of the term, their underpinning assumptions and the work that flows from them. Here we step out how we understand three key concepts of systemic change: systems; human service systems; and systems thinking.

### 2.1 Defining 'systems' and 'human service systems'

System definitions vary, but broadly a system can be understood as:

*A configuration of interactive, interdependent parts that are connected through organisational structures creating a web of relationships, and forming a whole that is greater than the sum of its parts.<sup>71</sup>*

There are many forms of system, each with particular size and scope, including corporations, communities, markets, cities and biological ecosystems. In BSL's applied systemic change work, we are concerned with one type of system: human service systems.

Human service systems are:

*Government-funded programs, policies or facilities for meeting basic health, welfare, education, employment and other needs of a society or population group.<sup>72</sup>*

“

The complexity and messiness of systems can make it difficult to reach or hold a shared understanding of the causes of any given problem or practical solutions.

”

## 2 Understanding human service systems in reality – Australian VET system

**Complex human service systems comprise systems nested within systems. Governance of these systems is often overlapping yet guided by different rules and regulations.**

Vocational education and training is one example of a complex human service system in Australia. For example, governance and funding of the system is spread between the Commonwealth and the states and territories. Complexity is compounded by the inclusion of statutory and non-statutory agencies, a plethora of public (TAFEs) and private training providers, schools, and dual sector higher education institutions (universities). The VET system

is sometimes also used as a lever to address multiple economic and social problems, further complicating the flows of resources and accountabilities.

The involvement of multiple agencies, institutions and jurisdictions ensures that any intervention will reverberate throughout the VET system, sometimes in unanticipated ways. Disentangling these parts can only happen as an abstract exercise. Therefore, to drive reform within this system it is essential to work with, rather than against, this complexity.

Some of these interconnections are demonstrated in Figure 3 (see overleaf), with the arrows representing flows of resources, responsibilities and accountabilities – all of which are often unclear and/or fail to speak to each other effectively.

In Australia, responsibility for human service systems (e.g. education), and the human services (e.g. schools, careers guidance) they fund, rests with one or more levels of government (local, state or Commonwealth). Within these systems, human service commissioning is overseen by government departments, but often delivered in communities by a mixture of private for-profit and non-profit providers.

These systems are generally large, multi-faceted, messy and, by their very nature, complex. This messiness and complexity derive from:

- The political drivers and policy imperatives that can shape their remit, form and boundaries.
- Differing perspectives on purpose (what the system is trying to achieve, why it exists) and boundaries (where the remit of the system begins and ends).
- Duplication of roles and functions (multiple policies, programs or other actors doing the same thing).
- Service and systemic gaps, both within and between systems (areas of need which no one is doing).
- Diverse actors, organisations and institutions with varied perspectives, and guided by different (sometimes conflicting) interests, norms, processes and practices.

- Opaque rules about access and resource allocation.
- Interdependence but also fragmentation: actors or policies are often dependent on each other to achieve outcomes but are at the same time disconnected in day-to-day operation.

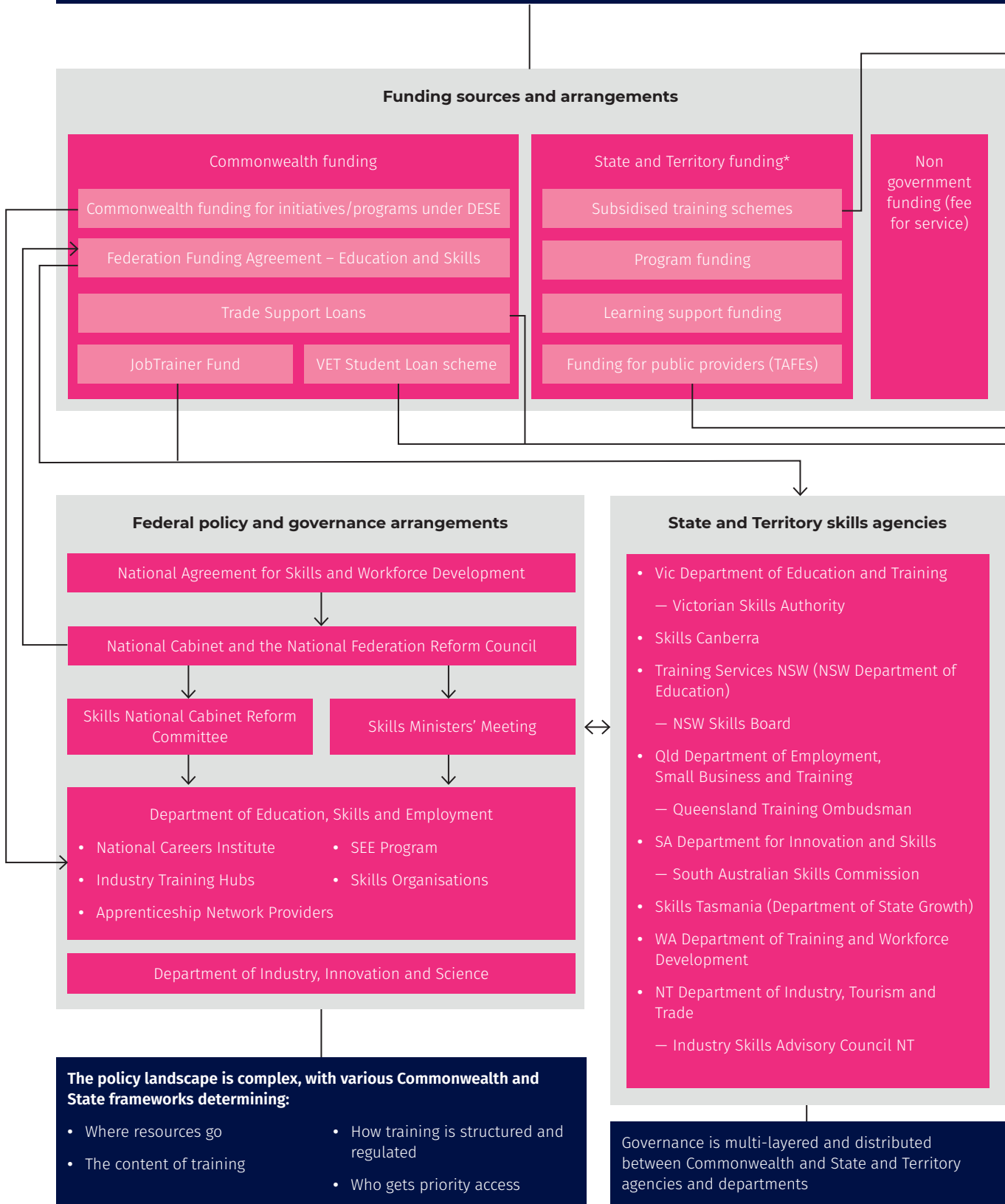
The complexity and messiness of systems can make it difficult to reach or hold a shared understanding of the causes of any given problem or practical solutions. People or teams working within complex systems often pick off and work on the part of the problem and solution that they can control. However, traditional 'command and control' approaches to managing problems often exacerbate attempts to address these complex scenarios, leading to system fragmentation, compromised effectiveness and inefficiencies.<sup>73</sup>

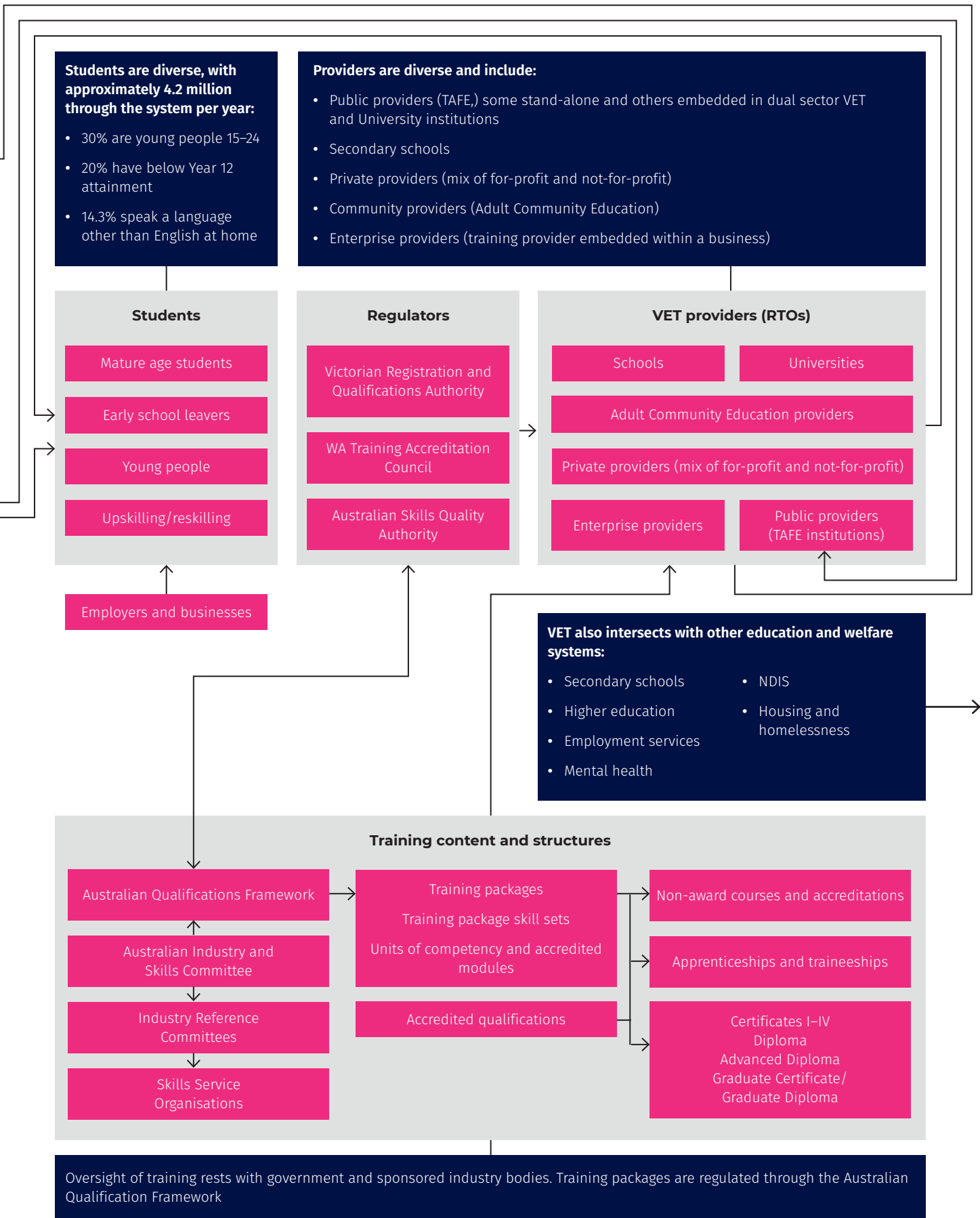
The following case study, which maps out Australia's vocational education and training sector, is a useful example of the high degree of complexity possible within a human service system.

**Figure 3: The Australian VET system<sup>74</sup>**

**Funding arrangements are complex with resources flowing from the:**

- Commonwealth to the States and Territories
- Commonwealth to students and some programs
- States and Territories to various providers
- Employers and students to some providers





### 2.2 Systems thinking

Systemic change work is underpinned by systems thinking, which focuses our attention on the intersections and interdependencies within a system.

*Systems thinking is a way to make sense of a complex system that gives attention to exploring the relationships, boundaries and perspectives in a system.*

*It is a mental framework that helps us to become better problem solvers. As system thinkers we can find ways to shift or recombine the parts in the system to offer an improved outcome.<sup>75</sup>*

Systems thinking offers a different way of thinking about the nature of problem(s) and solution(s). As noted in Section 1, traditional problem solving attempts to solve systemic issues by breaking down a problem into its individual parts, focusing on the components that are not working and attempting to improve how they function.<sup>76</sup> Often, they advance singular causes both to the problem and to its solution.

In contrast, systems thinking seeks to understand how structures, processes and practices (dis)connect with each other within a larger whole, thereby identifying the dynamics of a complex issue or problem. For example, systems thinking explores how people actually navigate a system, noting the policy and practice rules and conditions in and across the system that impact on their outcomes. System thinking moves seamlessly from a person-centred to a system-oriented lens.

Supported by a range of tools and resources, system thinkers also examine the underlying structure and the beliefs of the people and organisations responsible for reproducing the problem. They can then provide 'new opportunities to understand and continuously test and revise our understanding of the nature of things', and the systems that uphold them.<sup>77</sup>

Systems thinking:

- Values parts of a system as an interconnected whole, not as discrete components.
- Views the problem and the solution from different individual, disciplinary and sectoral perspectives.
- Takes the long view of the problem by examining how sets of relations have kept a problem in place over time.
- Points to dynamic rather than static solutions – human service systems are often messy and cannot be controlled, so emphasis is placed on facilitating improvements rather than definitive solutions to problems.
- Distributes accountabilities for both the problem and the solution by looking at everyone's contribution. Traditional mechanistic, linear problem solving driven by a command-and-control approach is the antithesis of systems thinking.
- Often proceeds from a person-centred lens.

In the case of the VET system and its dense interconnections, systems thinking is essential. Simple policy solutions that fail to account for the dynamics between the moving parts, people and places will only serve to add to the complexity, and likely further entrench issues limiting access to, and the effectiveness of, VET's education and training offerings.

### 2.3 Systemic change vs innovation within a system

Like the terms systems, system change and system thinking, there are multiple definitions of the term systemic change. Some define it as innovation within a single service system (e.g. education), whereas others define it as change within and across multiple systems (e.g. education *and* employment services *and* welfare). This distinction is important to understand as it has significant implications for the scope, design and implementation of the work undertaken in its name.

For theorists like Mariana Mazzucato, change is 'systemic' when it strives to solve a grand challenge through multiple mission projects that draw together key people across different sectors and policy areas.<sup>78</sup> This understanding of systemic change seeks to deal with complex problems, challenges or needs that typically necessitate change within and between multiple human service systems, stakeholders and communities to achieve the desired outcomes.



In contrast, ‘innovation’ within systems seeks to ‘fix’ system functioning by improving the quality and interaction between the parts in order to transform the whole. This work seeks to address diverse types of problems, or aspects of a problem, issue or challenge – typically, simple or complicated rather than complex problems. Sometimes proponents of this approach conceive the work as catalytic for a more whole-of-system reform.

As noted in Table 1 (below), there are significant differences between implementing systemic change and innovation within a system – in the scale of the ambition, the target of the intervention, the governance structure driving change, the time horizons and the role of government.

However, it important to note that there can be overlap between the two. A single innovation can be the starting point for systemic change when it exposes more fundamental systemic flaws. Typically, these flaws are found at the intersection of adjacent systems.

For instance, housing and homelessness systems often intersect in a disjointed way, rather than as a smooth continuum of service. Thus, an intervention in the homelessness system, the success of which is dependent on housing stock, may prompt more wide-ranging reform involving multiple systems and stakeholders across different communities and sectors. When underpinned with a deep ambition for systemic change (and the opportunity to bring people together to realise this ambition), singular innovations and interventions can be an entry point for furthering a systemic change agenda.

**Table 1: Systemic change contrasted with change within a system**

	<i>Systemic change between and within systems</i>	<i>Innovation within a system</i>
<b>Ambition</b>	Fundamental shift in the assumptions that underpin multiple systems to benefit people using them	Improvement of parts of the system so that the whole can function
<b>Intervention domains</b>	Horizontal and vertical, across and within systems	Vertical, within systems
<b>Governance</b>	Shifting hierarchical and top-down authority to more networked governance	Centralised within existing hierarchies
<b>Horizons</b>	Longer term, durable systemic solutions	Short-term, subject to funding and political cycles
<b>Links to government</b>	Collaborative commissioning and co-design with scope for mutual influence	Transactional and contract-based

## 2.4 BSL’s understanding and definition of systemic change

At the BSL we understand that systemic change work will drive policy and practice **change within and across multiple systems**. Although we differentiate this from our innovation work within a single system, we understand that this more limited innovation work can be an entry point for advancing a more fulsome systemic change agenda.

Our understanding of systemic change has been shaped through praxis – by implementing ideas, initiatives and approaches on the ground in communities – and realising the learnings from this practice in the way we think about and do systemic change. We have also taken inspiration from many sources including several frameworks, authors and organisations working in the systemic change space.

Three key sources have informed our approach to systemic change (see Appendix A for a map of the systemic change literature):

- **Nancy Latham** – whose work in the evaluation space targets intervention efforts in human services at the level of institutional structures and pathways through systems.<sup>79</sup>
- **Mariana Mazzucato** – whose economic work on mission-oriented policy identifies who needs to be involved in systemic change work (e.g. government, industry, civil society and universities) and how they can work together in pursuing a shared ambition.<sup>80</sup>
- **FSG** – the ‘Water for Systems Change’ work done by this organisation provides a metaphor for thinking about the types of effort required to drive differing levels of systems change by identifying six conditions that help to ‘hold a problem in place’.<sup>81</sup>

The Social Policy and Research Centre at the BSL defines systemic change as:

*... a form of applied social policy work that intentionally disrupts and (re-)aligns the human service systems that hold inequality and disadvantage in place. This work aims to advance equity and wellbeing by transforming ways of thinking, institutional structures and practices so that persons, communities and populations can expand their capability to pursue lives they value.*

Our definition is positioned in relation to three broad fields that have engaged with systemic design over the past decade: design process, postgrowth economics; and social policy making (see Table 2). Although they differ in emphasis and focus, they share a general understanding of the need to apply systemic thinking to twenty-first century problems.

The BSL’s systemic change approach sits alongside policy labs and civil society groups seeking to influence policy design and implementation.<sup>82</sup> Located at the nexus of research, policy and practice, the BSL also engages in ‘applied’ social policy as we co-design policy innovations and then test their design through implementation and learning loops involving multiple key actors.

**Table 2: Situating our approach within the field**

<b>Systemic design as:</b>			
	<b>Design process</b>	<b>Postgrowth economics</b>	<b>Social policy making</b>
<b>Key ideas</b>	Applying cybernetics, engineering (IDEO, dark matter labs), and user-centred design principles and processes (e.g. Stanford d.school) to human system design	Exponential economic growth is unsustainable (systems thinking)  New economic models of growth that serve people, and are socially just (mission economy) and sustainable (doughnut economics), are required	Social policy can be radically transformative when systems thinking is used to design and implement innovative systems (growing the good society, reimagining government, public sector innovation)

# 03

## Putting the Concepts of Systemic Change into Action

- 3.1** BSL's multi-dimensional systemic change approach
- 3.2** Methodology: 4+4+4+1

## Section 3: Putting the Concepts of Systemic Change into Action

*New models for working towards social change are evolving and developing as systems thinking and systemic change approaches gain currency within the sector as a way of addressing complex social problems.*

The BSL's unique position at the nexus of research, policy and practice allows us to practise and implement systemic change in a way that few others have done.

In this Section, we step out the BSL's broad approach and specific methodology for driving systemic change in practice. We draw on two key examples: Housing Connect 2.0 and the National Youth Employment Body.

### CASE STUDY

## 3 Housing Connect 2.0

Housing Connect is the Tasmanian state-wide homelessness service system funded and overseen by the Department of Communities, Tasmania. After implementing Phase 1 of the Housing Connect service system model in 2013, DoCT identified that the homelessness and housing support system required further development if it was to address Tasmanian housing and homelessness needs effectively and efficiently.

### Creating opportunities for change

In 2018, BSL presented on the Education First Youth Foyer model's Capabilities Approach to addressing youth homelessness at a national conference. In the audience were senior leaders from DoCT who expressed interest in exploring the relevance of the model and implementing the approach in Tasmania. BSL subsequently met with them to discuss the application of the Capabilities Approach across all levels of Tasmania's homelessness and broader human service system: from practice to programs and policy to provide the resources, opportunities and networks to individuals and households experiencing homelessness so they can have a good life. The DoCT leaders recognised that diverse effort across multiple and specialised support sectors – not simply service providers and government – is essential in developing and expanding the capabilities of people experiencing homelessness. They were poised to drive reform.

Following these strategic conversations, the DoCT commissioned the BSL Research and Policy Centre in 2018/19 to undertake an independent review of Housing Connect. BSL was supported in this by the five not-for-profit organisations represented on the Housing Connect Steering Committee. This review provided BSL with a key

opportunity to scope existing challenges and problems in Housing Connect and, together with DoCT and the five partner agencies, articulate a broad change ambition. It also leveraged and assembled diverse expertise through the analysis of data and key stakeholder consultations, further establishing the BSL's legitimacy to work alongside government and sector leaders to identify and advance reform. Strengthening the existing authorising environment provided by the Housing Connect Steering Committee was key to this agenda.

Following the review, DoCT and the Housing Connect Reform Steering Committee agreed to work together with the BSL as the Enabling Organisation to drive a whole-of-system reform, shifting from a 'system-centred' approach to homelessness towards a 'system centred on people' – Housing Connect 2.0.

### Specifying a change agenda

With inspired leadership from DoCT and a commitment from the partner agencies, Housing Connect 2.0 is advancing a systemic change agenda that will enable a whole-of-community response to homelessness by aligning service responses and converting system and community networks into opportunities and resources that benefit service users.

The three-year staged horizon for the work underscores a deep commitment both by government and the partner agencies to pursuing a shared bold ambition. The Housing Connect 2.0 system design and practice is evolving and refining over time through a process of co-design and co-production with all key stakeholders. The BSL, as the EO, is driving this through mobilising and aligning policy, practice and program efforts across wider service systems.

## Developing better systems for people experiencing homelessness

The key features of the Housing Connect 2.0 systemic change initiative have been developed through a process of designing, reflecting and iterating. These features are:

### 1 Collaborative governance structures aimed at redistributing power

Evolving top-down, bottom-up governance structures so they are fit for purpose to deliver the Housing Connect reform agenda. This includes outlining the specific roles of key stakeholders to maximise the effectiveness of their contribution, and working iteratively with government and community stakeholders to leverage their input in system design. All governance groups report to one another to ensure that bottom-up is informing top-down and vice versa:

- The Housing Connect Reform Steering Committee – top-down (CEO/Director level). Strategic decision making, endorsement and leadership of the reform agenda.
- State-wide Community of Practice – bottom-up (Manager/Team Leader level). Problem solving, solutions, service system model practice development and refinement.
- Community of Practice Working Group – bottom-up. Engine room, driving the developmental activity with on-ground teams and feeding back into the Community of Practice.

### 2 The Housing Connect 2.0 System design blueprint – Visualising the system

The framework that articulates the key components underpinning the design of the new Housing Connect service system, which comprises 3 pillars that structure the design from conceptual ideas to practice changes (1. Design concepts, 2. Design structures, 3. Design practices).

### 3 Practice that builds capabilities

Evolving practice in Housing Connect 2.0 to an Advantaged Thinking/Capabilities Approach. This is achieved through a program of workforce development as part of the CoP, co-designing tools and resources, developing new core practitioner roles (oriented to community-facing practice), and the development of expanded networks and social capital.

### 4 An adaptive evidence-making agenda

An evaluation framework to ensure data collection and evidence making are aligned to each level of the reform – service users, practice, program policy and systems change – and to drive the action learning approach to the reform project.

## 4 National Youth Employment Body

The National Youth Employment Body brings together leaders from the key sectors needed to address youth unemployment – industry, education and training, employment and community – both nationally to drive change, and locally to own and develop solutions. NYEB is fostering collaboration that enables young people, employers, employment specialists, communities and policy makers to respond effectively to youth unemployment.

### Creating opportunities for change

The NYEB was established on the back of four years of testing and refining a systemic change approach through the Transition to Work Community of Practice. The TtW CoP was established in 2016 following the commissioning of the national Transition to Work service by the Commonwealth Government.

A senior public servant from the Commonwealth Department of Employment (now Department of Education, Skills and Employment) recognised the value of the TtW CoP, and the BSL's role as an EO that can bring together expertise in service development, research, policy and practice in a collaborative manner. Acting as both a champion for the work and a key influencer, this public servant saw the potential for the approach to be scaled up across Australia to link local community solutions to a national youth employment agenda, and achieve good employment outcomes for young people, business and community.

The learnings generated from the TtW CoP, as well as the existing authorising environment, and the strategic relationships and systemic change ambition seeded by the TtW CoP presented an opportunity window to further drive systemic change in the youth employment space. Following a proposal from the BSL, co-developed with the public servant, the Department of Employment provided seed funding for the establishment of the NYEB. The Paul Ramsay Foundation is continuing to fund the scale-up of the body to 10 regions across Australia by 2023.

### Developing better systems for young people seeking employment

The National Youth Employment Body model – based both on evidence and on the BSL's practice and research expertise in what works – not only builds the skills and capabilities of young people, but also the capability of the community and the broader structural system to support youth employment.

NYEB achieves its approach of harnessing community effort and government investments to address youth unemployment through three key components:

#### 1 Multi-level governance to redistribute power

Top-down, bottom-up governance that connects learnings and expertise from local communities to a national authorising environment. The NYEB is led by an Advisory Board with representatives from business, education and training, unions, entrepreneurship, the Aboriginal and Torres Strait Islander sector and government. The Advisory Group provides guidance, expertise and access to networks and opportunities that support the Community Investment Committees (CICs) to find community solutions. It marshals evidence and develops consistent strategies and practices that in turn are used to inform policy at a national level. A cross-government Community of Interest (CoI) also brings together relevant government departments with local community stakeholders.

#### 2 Community capacity-building activities designed to facilitate co-production of youth employment solutions

Local Community Investment Committees are the mechanism for key sectors in a community to develop local solutions to address youth unemployment. Employers drive investment in the skills and capabilities of young people by co-designing work-entry pathways that align the aspirations and interests of young people with business needs. Young people also share their experiences of navigating employment systems and contribute to decision making locally and nationally to ensure actions and strategies are fit for purpose.

#### 3 Adaptive evidence making

An ongoing evaluation that provides youth employment data to enable the work of CICs, and is establishing an evidence-based national youth employment knowledge platform.

### 3.1 BSL's multi-dimensional systemic change approach

Our way of doing systemic change work requires concurrent or sequential action across many dimensions within and across systems. Our approach is:

- **Multi-layered** – working across multiple systems and dimensions of practice at the same time (e.g. policy change, front-line practice reform, service sector reform, social change).
- **Multi-level** – redistributing power to individuals and communities by working from the 'third space' in between high-level authority and the local community.
- **Multi-focal** – driven by a long-term ambition while keeping short- and medium-term opportunities and outcomes in sight.

The targeted change dimensions include:

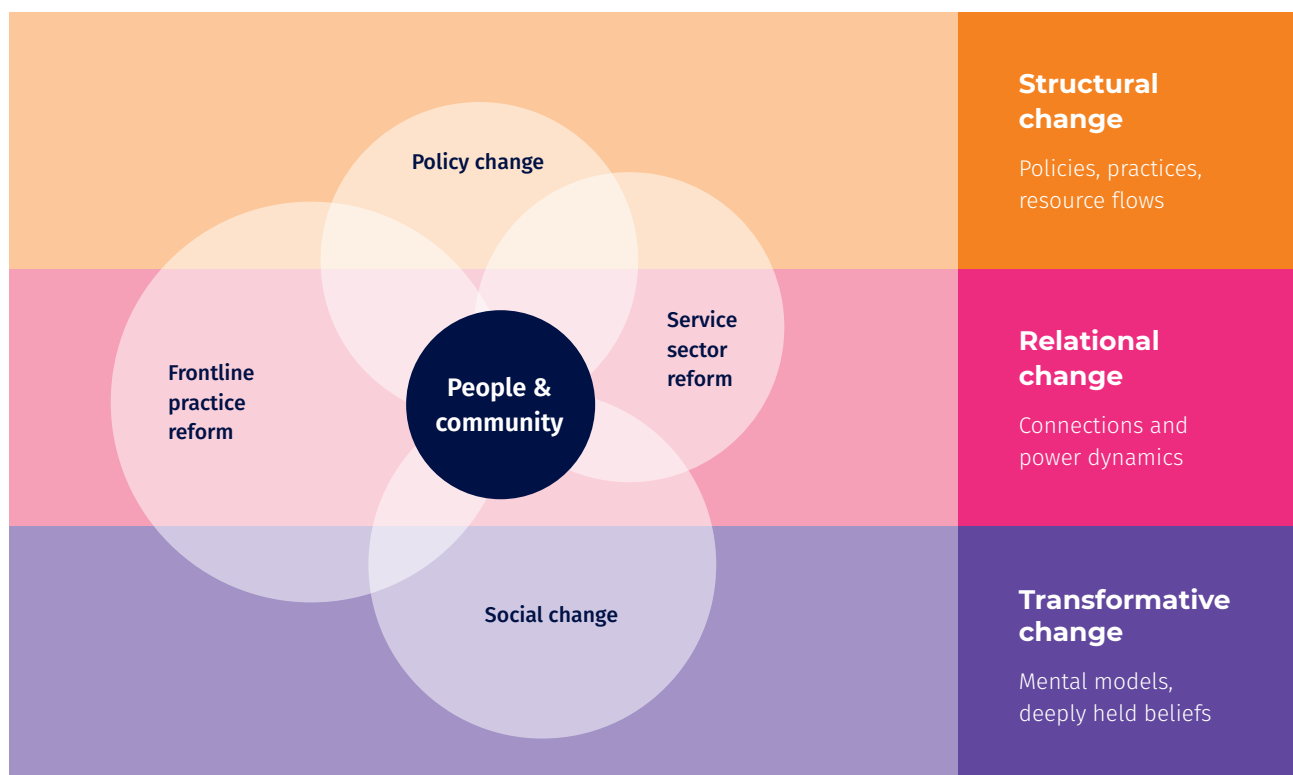
- Frontline practice reform – of human service provision, and in community programs and services.
- Service sector reform – for more inclusive, quality programs and services that build the capacity of individuals and communities.

- Policy change – in legislation, regulation, investment and commissioning that shapes people's lives.
- Social change – in attitudes, behaviours, values, relationships, power, social interactions, culture, aspirations.

People and communities are at the centre of the change effort. Following FSG's Water for Systems Change<sup>83</sup> framework, we understand that the most transformative change occurs within and across systems when deeply held attitudes, beliefs and guiding ideas/frameworks are disrupted and replaced. Other effort is also important at the level of relations and power dynamics as well as structural change.

The BSL's dimensions of change are brought together with FSG's Water for Systems Change model in Figure 4 to illustrate the multi-layered aspect to our applied systemic change methodology. We step out this methodology in practical detail in Section 3.2 (overleaf).

Figure 4: BSL approach to systemic change



## Section 3: Putting the Concepts of Systemic Change into Action **continued**

### 3.2 Our methodology: 4+4+4+1

The BSL operationalises our applied systemic change approach through implementation of the following four core elements of our methodology:

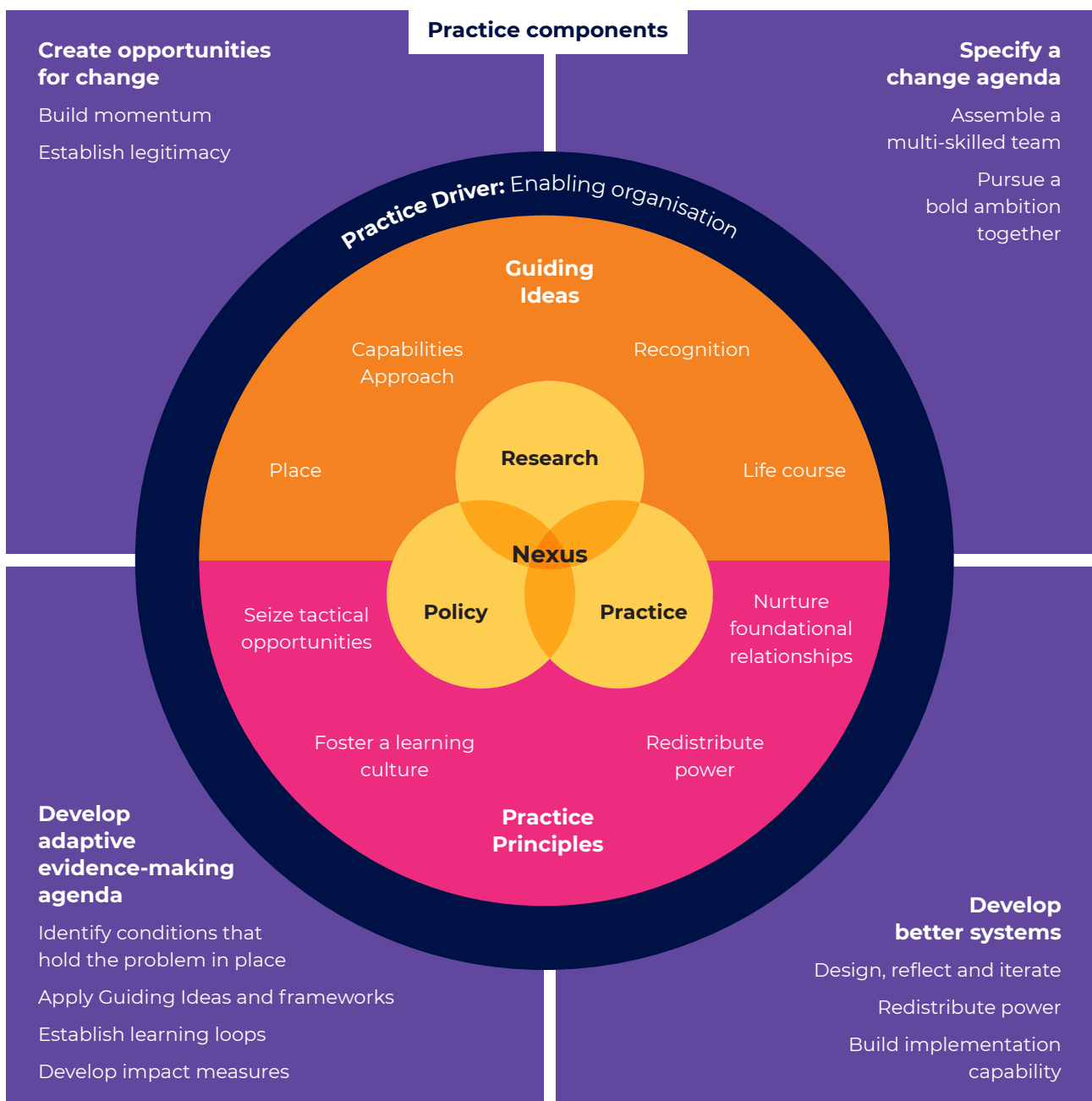
- 1 **Four Guiding Ideas** underpinning our theory of change – Capabilities Approach, Recognition, Place and Life course.
- 2 **Four Practice Principles** – which serve as the foundational pillars of the work in practice.

3 **Four Practice Components** – through which we have grouped 11 key actions for developing and implementing systemic change initiatives.

4 **One Practice Driver** – the Enabling Organisation that integrates these components, advancing the ambition, driving the change making, and delivering on key actions.

Our systemic change methodology is further outlined in Figure 5 below.

**Figure 5: BSL's systemic change methodology**





## Guiding Ideas

Underpinning how we ‘do’ systemic change in practice are our guiding ideas:

- Capabilities Approach
- Place
- Recognition
- Life course

These four Guiding Ideas (as introduced in Section 1.3) underline the importance of expanding people’s real opportunities, rather than solely attending to the resources they can mobilise, to do and to be what they value.

Collectively, they inform:

- the principles and values driving our change ambition
- how we recognise patterns in the way systems behave
- where and how we might intervene
- how we evaluate the outcomes and impacts of collective change making efforts.

In Table 3 we describe how each of our four Guiding Ideas is applied in our work.

**Table 3: Applying our Guiding Ideas in practice**

<i>Guiding Idea</i>	<i>How we put it into practice</i>
<b>Capabilities Approach</b>	<p>The Capabilities Approach prompts us to consider how we might equip people to convert opportunities into valued outcomes through the redesign of services and systems in ways that promote agency and generate more equitable opportunities. In applied systemic change, this approach, along with recognition theory, takes the practical form of Advantaged Thinking to put aspiration and relationship development at the heart of any service or system journey. This approach:</p> <ul style="list-style-type: none"> <li>• is based on a mutual commitment at the outset to enable service participants to build their capability</li> <li>• involves people with lived experience in the identification of system constraints and the development of system innovations through our top-down/bottom-up governance model</li> <li>• focuses our monitoring and evaluation efforts on identifying and tracking valued outcomes, how opportunities are distributed through networks, and conversion factors situated in place and time.</li> </ul>
<b>Place</b>	<p>A focus on place recognises that capabilities – the real opportunities people have to be and do – are always shaped by where they live and work. We understand place as the setting for everyday activities and social interactions, and the context in which lived experience is made meaningful. Places are not sites of disadvantage as defined by postcodes or local government area boundaries, but complex living systems made up of interactions of people with one another and with the local environment.</p> <p>Redistributing power means growing capability from the ground up. Place literally grounds capability by shaping the real opportunities people have to be and do, both by providing access to resources – such as housing, infrastructure, public services, and employment – and in deciding the presence or absence of the conditions, or conversion factors, that enable people to convert resources into capabilities.</p> <p>This insight underlines the need to ensure the devolution of power in place and the redistribution of resources, so that the opportunities, networks and services provided to a community are grounded in, tailored to and co-designed with local communities. With this understanding we look to design responses with place in view.</p>

## Section 3: Putting the Concepts of Systemic Change into Action **continued**

<b>Guiding Idea</b>	<b>How we put it into practice</b>
<b>Recognition</b>	<p>Recognition is the vital human need for reciprocity in our social interactions; the fundamental need that all of us possess to be seen and treated by others as a valued and valuable person deserving of respect.</p> <p>We see recognition as an essential component of growing capability and the most important ingredient in unleashing the transformational power of relationships. Empowering others – by actively enabling them to grow their capability and creating a safe space for them to experience and test the bounds of their own agency – requires recognition. Only by meeting the other person as an equal, and demonstrating to them that they are seen as a peer who is equally deserving of respect, does one establish the enabling conditions for the other person to grow in self-esteem. Then, bit by bit, they will develop a fuller sense of their own agency, and come to experience themselves as in control of their own life.</p> <p>Recognition is thus fundamental to our theory of change and, together with the Capabilities Approach, underpins every aspect of our practice as it is embodied in Advantaged Thinking.</p>
<b>Life course</b>	<p>A life course lens brings an age and stage focus to understanding human development and capability. It recognises that people are shaped by their cultural and historical context as well as their life stage and key life transition points. This lens ensures solutions are shaped to attend to people's particular developmental needs at a given stage of life or transition point. Solutions leverage the relevant opportunities, resources and networks necessary to enhance wellbeing.</p>

### Practice Principles

Our four Practice Principles are based on critical learnings over the past 10 years, coupled with our conceptual and theoretical guiding frameworks and the work of others.

#### **Practice Principle 1: Seize tactical opportunities**

Don't wait for the 'perfect' opportunity to progress systemic change. Be tactical, nimble and discerning, and seize the smaller, imperfect opportunities on offer (from government, funders, community partners) to leverage bigger change. Opportunity often comes from the least expected people and places. Staff need to be trained in this way of thinking and acting, so they are equipped to take up opportunities as they arise.

#### **Practice Principle 2: Nurture foundational relationships**

Relationships make or break systemic change. The mechanisms that realise impact are founded on networks, partnerships and relationships operating at all different levels. All relationships take work: you can't just 'set and forget them'. Continuously invest in networking, and in building and deepening key relationships. Champions, influencers and partners change over time and, as people move on, so the work of relationship building never ends.

#### **Practice Principle 3: Foster a learning culture**

Our understanding of systems is always partial, meaning there are many unknowns. Different perspectives will bring distinct insights, forming a fuller picture, even as systems shift over time. Working out a course forward is a developmental process, and the approach taken must be able to adapt to conditions as they unfold. In order to navigate this complexity, systemic change initiatives must foster an adaptive learning culture, drawing on the collaborative interpretation of strategic research, monitoring and evaluation.

#### **Practice Principle 4: Redistribute power**

To create change, we need to understand how power dynamics operate within systems. Through this understanding, it is possible to work together to shift the distribution of power, altering where power is concentrated, and enabling more agency and accountability.

## Practice Components

Ambition is the heartbeat of systemic change work. It underpins all components in our methodology, and can connect these components to advance systemic change work. For instance, reviews commissioned to understand how marginalised groups fare in a system can be leveraged to build momentum for wider systemic reform. Importantly, a systemic change ambition evolves and deepens over time. Thus, while the work and change take place in the short and medium term, the ambition is long-term and keeps an eye on the horizon.

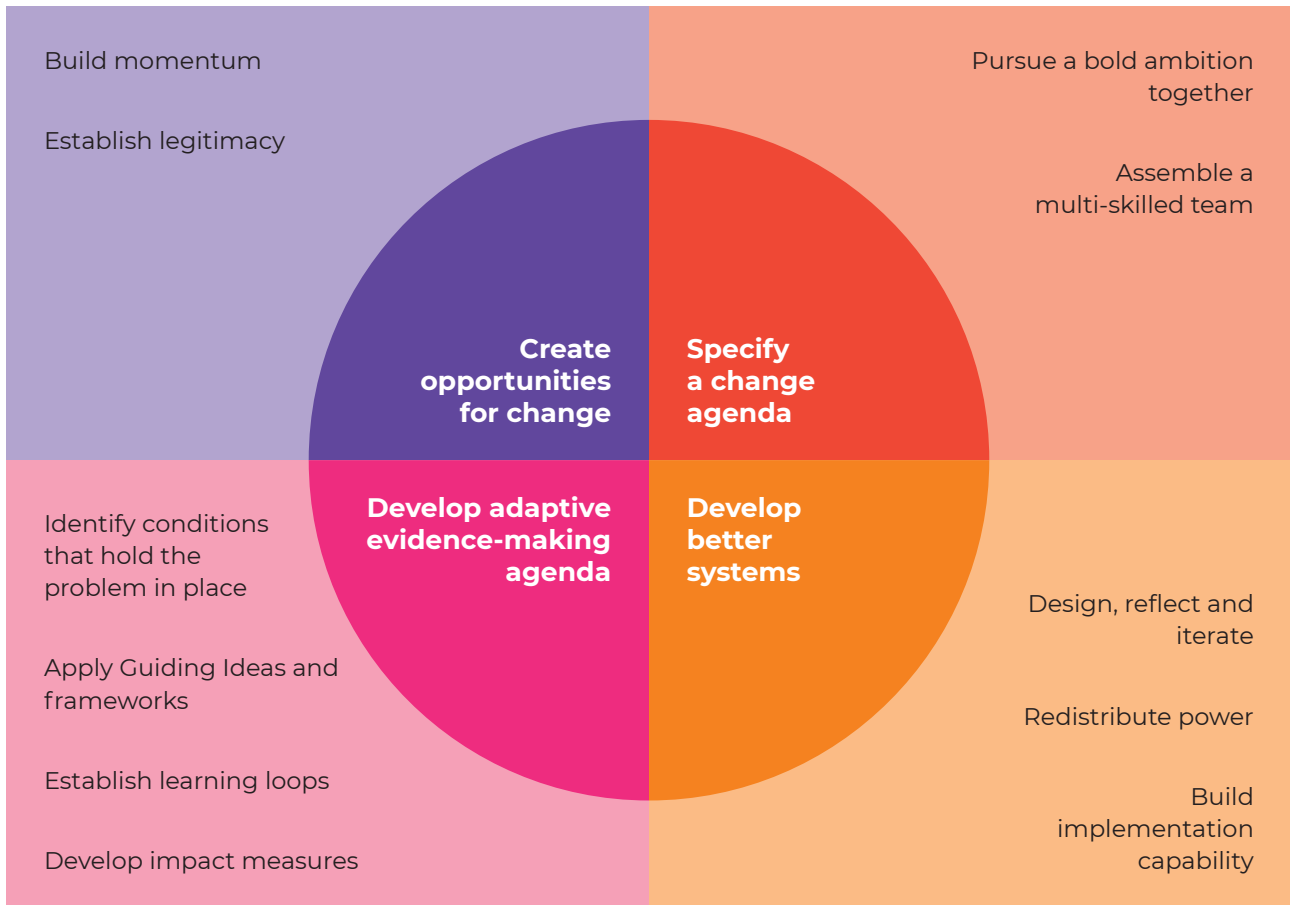
We have identified four essential Practice Components of the work, each with its own key actions (see Figure 6). As systemic change work is not linear, the entry point for seeding systemic change may be any of these components. Regardless of where this work begins, all four Practice Components eventually need to be covered.

“

Empowering others – by actively enabling them to grow their capability and creating a safe space for them to experience and test the bounds of their own agency – requires recognition.

”

Figure 6: Practice Components and key actions



## Section 3: Putting the Concepts of Systemic Change into Action **continued**

In Table 4, we unpack the key actions of each Practice Component, and illustrate what they can look like in practice through examples from our own work in the Housing Connect 2.0 and NYEB systemic change initiatives.

**Table 4: Practice Components and key actions unpacked**

<i>Practice Component: Create opportunities for change</i>		
<i>Key actions</i>	<i>Key actions unpacked</i>	<i>Examples in practice</i>
<b>Build momentum</b>	<p><b>Scope the problem and broad change ambition by:</b></p> <ul style="list-style-type: none"> <li>• Outlining the problem noting ‘why’ a systemic change agenda is needed.</li> <li>• Defining the high-level change ambition.</li> <li>• Creating a compelling change narrative.</li> </ul>	<p><b>Housing Connect Review</b></p> <p>DoCT commissioned the BSL to review the Housing Connect service system. The Review scoped existing challenges and problems and articulated a broad change ambition together with DoCT and the five partner agencies delivering Housing Connect. The Review leveraged and assembled diverse expertise through analysis of data and key stakeholder consultations, further establishing the BSL’s legitimacy to work alongside government and sector leaders to identify and advance reform.</p> <p><i>Toolkit link: see Housing Connect Review report</i></p>
	<p><b>Build key relationships to drive change agenda across systems and sectors by:</b></p> <ul style="list-style-type: none"> <li>• Identifying all stakeholders who need to engage with the change agenda.</li> <li>• Harnessing stakeholders’ collective wisdom and expertise about how systems impact on people and place.</li> <li>• Targeting system ‘influencers’ and ‘champions’ willing and able to advance the change agenda. (Influencers hold power to make change, e.g. government department secretary, directors, sector CEOs; and ‘champions’ are deeply committed to the ambition and are networked/respected at multiple levels in and/or across system.)</li> <li>• Inspiring system influencers and champions to shift from deficit to capabilities thinking and practice.</li> </ul>	<p><b>NYEB National Advisory Group and Working Groups</b></p> <p>The NYEB established the National Advisory Group and expert Working Groups to provide expertise and collaborative governance at the national level. The Advisory Group includes multisector representatives from industry, research, employment, education and training, Aboriginal and Torres Strait Islander partnerships, unions and government. The Advisory Group’s oversight of the strategic direction of the NYEB is assisted by a series of expert Working Groups that focus on specific areas in youth employment to provide advice on the work at demonstration sites; and provide a national response to regional themes and issues identified through local collaboration. These are: the National Employers Reference Group, the Skills and Training Working Group, the Youth Alliance Working Group and the Research, Evaluation and Design Working Group.</p> <p><i>Toolkit link: see NYEB Governance Map</i></p>

**Practice Component: Create opportunities for change**

Key actions	Key actions unpacked	Examples in practice
<p><b>Build momentum cont.</b></p>	<p><b>Seek and create opportunity windows by:</b></p> <ul style="list-style-type: none"> <li>Looking for opportunities to seed change with stakeholders, knowing that these can progress from varying entry points in a system or sector at any time (e.g. from a program or service, a policy review, a system reform agenda and/or a research project).</li> <li>Attending to stakeholders' language and narratives so the change agenda speaks to their contexts, constraints and imperatives.</li> <li>Marshalling resources to respond effectively to the immediate or prospective opportunity (e.g. funding round, tender, political/policy/program problem or initiative).</li> <li>Recognising when it is time to shift or amplify approaches to advance the ambition.</li> </ul>	<p><b>Tasmanian EFY Foyer Inter Agency Group</b></p> <p>The Tasmanian Government, in conjunction with the BSL and Anglicare Tasmania, is leading a strategy to guide the transition of youth-supported accommodation facilities in Tasmania to the Education First Youth Foyer model of service delivery over the next five years. The EFY Foyer Inter Agency Group has been established to engage other parts of government and non-government sectors to implement the transition to the EFY Foyer model. This opportunity window for driving systemic change in the Tasmanian housing and homelessness system arose from the other Housing Connect efforts. It is a key demonstration project for the wider reforms to Tasmania's Housing Connect system.</p>
<p><b>Establish legitimacy</b></p>	<p><b>Begin building an authorising environment to disrupt systems by:</b></p> <ul style="list-style-type: none"> <li>Engaging government as a partner and steward not just a funder/contract manager.</li> <li>Inviting and activating influencers and champions across systems and sectors, at multiple levels, to align around a shared case for change.</li> <li>Shaping a shared understanding of the problem and solutions using diverse expertise and evidence.</li> </ul>	<p><b>NYEB Cross-Government Community of Interest Group</b></p> <p>The Community of Interest forms part of the national governance structure of the NYEB. It brings together representatives from Commonwealth Government departments involved in youth employment pathways, such as Education and Training, Infrastructure, Social Services, and Indigenous and other policy areas of the Prime Minister and Cabinet. It provides the authorising environment for the work of the NYEB and aims to maximise outcomes and align existing programs and investments in youth employment to achieve a more coordinated policy approach. The NYEB supports the CoI Group, which is led by the Department of Education, Skills and Employment. Information and findings from the NYEB's demonstration sites is shared with the CoI, deepening understanding and representation of local issues in relevant national policy. Linking national to local also provides insight into how to address blockages and establish flexible funding and incentives for collaboration in youth employment pathways.</p> <p><i>Toolkit link: see NYEB CoI Terms of Reference (ToR)</i></p>

## Section 3: Putting the Concepts of Systemic Change into Action **continued**

<b>Practice Component: Create opportunities for change</b>		
<b>Key actions</b>	<b>Key actions unpacked</b>	<b>Examples in practice</b>
<b>Establish legitimacy cont.</b>	<p><b>Leverage and assemble diverse expertise by:</b></p> <ul style="list-style-type: none"> <li>• Deepening understanding of the system(s) operating environment, including politics, culture and competing priorities.</li> <li>• Inviting diverse experts to inform the change agenda (e.g. experts by experience, in policy, research, data, program design).</li> <li>• Developing impactful communications to present this ‘evidence’ in visually appealing and accessible formats tailored to different audiences.</li> </ul>	<p><b>NYEB System Design Workshops</b></p> <p>The NYEB convened a series of systems design workshops centred around the intersection and alignment of career development, skills and training, industry need, employment opportunities and young people’s aspirations. Workshops were organised by three industry sectors identified as having potential for entry-level opportunities and career pathways for young people: agriculture and horticulture; transport and logistics; and care services.</p> <p>The workshops brought together experts and leaders in sectors across the youth employment, training and career systems to co-design solutions and enablers to structural barriers. A plan for translating the System Design Workshop into action through a system reform roadmap was subsequently developed. This has informed grant applications to trial reform efforts.</p> <p><i>Toolkit link: see NYEB System Design Workshop materials; and NYEB System Design Post-workshop Placement.</i></p>

<b>Practice Component: Specify a change agenda</b>		
<b>Key actions</b>	<b>Key actions unpacked</b>	<b>Tools, resources, examples</b>
<b>Pursue a bold ambition together</b>	<p><b>Sign others up to pursue a higher good by:</b></p> <ul style="list-style-type: none"> <li>• Identifying the specific expertise and contribution of key stakeholders to achieving the ambition.</li> <li>• Inviting people of influence to sign onto an aspirational vision for their community/ state/sector grounded in the Capabilities Approach (e.g. policy makers, practitioners, champions).</li> <li>• Activating system-wide champions to shape the ambition narrative so it resonates in their contexts.</li> </ul>	<p><b>Housing Connect Reform Steering Committee</b></p> <p>This committee brings together the Director of Housing Programs from the Department of Communities with the CEOs of the five Housing Connect delivery partners and key invited guests. The Steering Committee is responsible for the strategic decision making, endorsement and leadership of the Housing Connect reform agenda, and has signed on to drive the systemic change ambition through the Advantaged Thinking / Capabilities Approach across all levels of the Housing Connect service system.</p> <p><i>Toolkit link: see Housing Connect 2.0 Revised Governance Structure</i></p>
		<p><b>Plot the ambition over stages:</b></p> <ul style="list-style-type: none"> <li>• Developing a strategic plan/roadmap for system reform: outlining the short-, medium- and longer-term actions, projects and goals/ outcome measures that build impact towards the ambition.</li> </ul>

**Practice Component: Specify a change agenda**

Key actions	Key actions unpacked	Tools, resources, examples
<b>Assemble a multi-skilled team</b>	<p><b>Establish implementation team to drive the work by:</b></p> <ul style="list-style-type: none"> <li>Identifying key functions in the team to drive the work (e.g. research and evaluation functions, practice and service development positions, and policy and advocacy expertise). Where these functions are not located entirely in-house, identify partner organisations to provide key functions.</li> <li>Establishing a ‘team of teams’ that integrates these roles and functions effectively.</li> <li>Identifying who holds relationships with influencers and champions.</li> <li>Setting up internal reporting mechanisms.</li> </ul>	<p><b>BSL Youth Policy and Practice Lab</b></p> <p>The BSL uses Policy and Practice Labs to bring together key roles across research, policy and service delivery as part of a ‘team of teams’ approach. The Labs meet monthly and function as the ‘engine room’ of the BSL’s systemic change work, operating to an agreed workplan developed under a systemic change lens.</p> <p><i>Toolkit link: BSL internal Policy and Practice Lab ToR and sample agenda</i></p>
	<p><b>Maintain momentum for change by:</b></p> <ul style="list-style-type: none"> <li>Instituting process and practices that ensure strategic relationships with influencers and champions are developed and maintained.</li> <li>Practically assisting key ‘influencers’ to achieve their system/departmental KPIs/objectives through the systemic change agenda.</li> <li>Identifying, achieving and communicating short-term wins.</li> </ul>	<p><b>Government as key members of Communities of Policy and Practice (CoPPs)</b></p> <p>The BSL establishes and maintains CoPPs as a core mechanism in each of our systemic change initiatives. In convening CoPPs, the BSL intentionally includes government as a member of the group, with a standing invitation for key ‘influencers’ from the relevant Department to attend. This builds and maintains strategic relationships, as well as embedding government as a partner, not just a funder, in the systemic change agenda.</p> <p><i>Toolkit link: see HC 2.0 CoPP sample workshop agenda and materials</i></p>

## Section 3: Putting the Concepts of Systemic Change into Action **continued**

Practice Component: Develop better systems		
Key actions	Key actions unpacked	Tools, resources, examples
<b>Design, reflect and iterate</b>	<p><b>Develop solutions together by:</b></p> <ul style="list-style-type: none"> <li>• Specifying how each system/department contributes to achieving the ambition.</li> <li>• Mapping system actors, elements, and interdependencies.</li> <li>• Outlining the specific roles of all the key stakeholders to maximise the effectiveness of their contributions.</li> <li>• Working iteratively with stakeholders to leverage their input in system design.</li> <li>• Implementing processes in governance groups for routinely using community insights to shape agenda and adapt strategy and practices.</li> <li>• Highlighting and demonstrating progress to key partners, champions and influencers to maintain momentum.</li> </ul>	<p><b>Housing Connect 2.0 Community of Policy and Practice</b></p> <p>The HC 2.0 CoPP brings together key government stakeholders with Housing Connect providers. The CoPP is in its nascent stages, with the ambition that it will lead, authorise and shape the ongoing development and refinement of the Housing Connect service system model to ensure it is achieving good outcomes for people experiencing homelessness. This includes providing an interface between service users, evaluation, strategy and service development functions for the reform.</p> <p><i>Toolkit link: see Housing Connect 2.0 Revised Governance Structure; HC 2.0 CoPP sample workshop agenda and materials</i></p>
<b>Redistribute power</b>	<p><b>Build coalitions for change in the community to drive the change agenda by:</b></p> <ul style="list-style-type: none"> <li>• Developing community-level meetings to canvas people’s opinions and aspirations for change.</li> <li>• Documenting people’s views and aspirations in their own words.</li> </ul>	<p><b>NYEB Community Investment Committees</b></p> <p>CICs are a core part of the work of the NYEB. Supported by the NYEB, the CICs are coordinated by the local Lead Partner organisation and led by local champion employers to bring together critical actors from employment services, education and training, employers, government, young people and community organisations in place. The CICs work to share diverse local knowledge; leverage community support and partnerships to understand barriers to youth employment; and identify and co-develop opportunities and action-based plans that add value to work already taking place in the community.</p> <p><i>Toolkit link: see NYEB CIC Toolkit; NYEB CIC Deal; NYEB CIC ToR, Meeting Agendas and Action Logs; NYEB CIC Youth Employment Action Plans</i></p>



Practice Component: Develop better systems

Key actions	Key actions unpacked	Tools, resources, examples
<p><b>Redistribute power cont.</b></p>	<p><b>Implement multi-level, multi-system, top-down, bottom-up governance by:</b></p> <ul style="list-style-type: none"> <li>• Implementing processes and feedback loops that enable grounded insights and expertise from individuals, services and communities to inform key government decision makers.</li> <li>• Developing and supporting governance mechanisms and processes for community decision making and action.</li> <li>• Establishing mechanisms and processes to ensure all governance groups effectively convert ideas into actions, e.g. Terms of Reference.</li> <li>• Evolving the multi-level governance structure so that it's fit for purpose to deliver on each stage of the systemic change agenda.</li> </ul>	<p><b>NYEB multi-level governance structure</b></p> <p>The NYEB operates through a multi-level local to national governance structure, which connects knowledge and innovative ideas to improve youth employment pathways. At the national level, governance includes the Advisory Group and Working Groups and the Cross-government Community of Interest, which aim to maximise the investment of expertise, funding and alignment of activities in place to avoid duplicated effort, and to inform national policy and practice across the sectors that impact employment. At the local level, governance consists of CICs in each demonstration site, which bring together local stakeholders to codesign community-led solutions.</p> <p>The BSL, as the Enabling Organisation, mediates between these structures, communicating learnings from the ground about barriers and enablers into the national governance groups, and translating and communicating recommendations, connections and investments from the national level back into local CICs.</p> <p><i>Toolkit link: see NYEB Governance Map; NYEB National Advisory Group and Working Groups ToRs; NYEB Col ToR; NYEB CIC ToR, Meeting Agendas and Action Logs; NYEB CIC Youth Employment Action Plans</i></p>
<p><b>Build implementation capability</b></p>	<p><b>Shift mindsets among policy makers and practitioners by:</b></p> <ul style="list-style-type: none"> <li>• Identifying key assumptions and ways of thinking that hold the problem in place.</li> <li>• Identifying the constraints in each of the systems that hinder progress.</li> <li>• Building an understanding with influencers that their existing KPIs and budgets can be achieved through the systemic change agenda.</li> <li>• Enlisting diverse and authentic champions and influencers to communicate the change agenda.</li> </ul>	<p><b>Housing Connect 2.0 Community of Policy and Practice and Working Group</b></p> <p>The state-wide Community of Practice Working Group provides a collaborative learning forum for developing the Housing Connect model in practice by sharing and developing specialist expertise on the life course cohorts and the key elements of the service system model; using action research learning to further inform and develop the Housing Connect service system model and practice; and developing and testing the core resources and tools.</p> <p><i>Toolkit link: see Housing Connect 2.0 Revised Governance Structure; HC 2.0 CoPP sample workshop agenda and materials</i></p>

## Section 3: Putting the Concepts of Systemic Change into Action **continued**

Practice Component: Develop better systems		
Key actions	Key actions unpacked	Tools, resources, examples
<b>Build implementation capability cont.</b>	<p><b>Resource and actively support policy makers, practitioners and communities to implement change by:</b></p> <ul style="list-style-type: none"> <li>Informing and training stakeholders at all levels across systems about systems thinking and practices.</li> <li>Informing key stakeholders about system-wide policies, investments and jurisdictional efforts and responsibilities that impact people and place.</li> <li>Training stakeholders to use and translate evidence and data to drive practice and policy reform in real time.</li> <li>Investing in co-development of practice and service designs and documentation with practitioners and service users to ensure effective and consistent implementation.</li> <li>Developing authentic engagement through ongoing training, CoPP meetings and workshops.</li> </ul>	<p><b>NYEB CIC site visits</b></p> <p>To establish strong relationships with local Lead Partner organisations and their communities, the BSL regularly travels to demonstration sites around Australia to meet with the local team, present and discuss the NYEB's vision, build an understanding of each other's way of working and explore what an NYEB partnership would involve, including the establishment of a local CIC. Throughout the establishment and evolution of the CICs, the BSL walks alongside local Lead Partners and other community stakeholders, delivering training in the CIC approach and developing action plans; working with CIC members to explore how they can leverage support from their own sector and higher level government or institutions to address systemic barriers; and providing ongoing feedback and advice to Lead Partner organisations on action plans and on driving the CICs towards outcomes.</p> <p><i>Toolkit link: see NYEB CIC Toolkit; NYEB CIC set-up workshop materials; NYEB CIC Deal; NYEB CIC ToR, Meeting Agendas and Action Logs; NYEB CIC Youth Employment Action Plans</i></p>

Practice Component: Develop adaptive evidence-making agenda		
Key actions	Key actions unpacked	Tools, resources, examples
<b>Identify conditions that hold the problem in place</b>	<p><b>Draw on different forms of evidence and knowledge to understand the problem by:</b></p> <ul style="list-style-type: none"> <li>Capturing varying perspectives of the problem(s) from multiple sources (data, research, voices of lived experience).</li> <li>Using data as a tool to connect varying problem understandings with underlying and structural causes.</li> <li>Mapping and analysing current system(s), noting policy and program intersections, interdependencies, gaps, duplications and blockages that impact people and places.</li> <li>Documenting people's journeys in and across systems that reveal institutional problem(s) and opportunities.</li> <li>Reviewing and synthesising relevant literature and evidence about the problem, the opportunities to solve it, and 'what works' in a field.</li> </ul>	<p><b>Integrated Family Support Services (IFSS) Review</b></p> <p>Following the BSL's Housing Connect Review, DoCT commissioned the BSL to review the Tasmanian Integrated Family Support Services system. Like the Housing Connect Review, the IFSS Review was undertaken collaboratively and designed to form the foundation for systems change. Using a core set of Guiding Ideas, the Review developed a set of recommendations to address the structural and system-level barriers that hold the family problems in place. It also identified key domains to focus the reform effort in the non-statutory family support, Housing Connect and youth services.</p> <p><i>Toolkit link: see IFSS Review; IFSS Review Governance Map; IFSS Review Service Mapping</i></p>

**Practice Component: Develop adaptive evidence-making agenda**

Key actions	Key actions unpacked	Tools, resources, examples
<p><b>Apply Guiding Ideas and frameworks</b></p>	<p><b>Integrate guiding ideas and frameworks into the vision of a transformed system by:</b></p> <ul style="list-style-type: none"> <li>Stepping out a logic chain that the systemic change effort will follow over time.</li> <li>Applying the Capabilities Approach to articulate how existing and proposed resources and networks will be converted into real opportunities for people and communities.</li> <li>Explaining how systemic change will benefit those experiencing disadvantage and advance socially just and equitable systems.</li> </ul>	<p><b>Housing Connect 2.0 Service System Design</b></p> <p>This document is a key outcome of the first phase of the development of the HC 2.0 service system. The design is informed and guided by the core Guiding Ideas for the reform, the recommendations arising from the Housing Connect Review, subsequent consultation with the providers and peaks involved in the delivery of HC services, as well as analysis of homelessness system design in a range of jurisdictions. The HC 2.0 design is consistent with, and underpinned by, the Capabilities Approach and articulates the key evidence-informed elements of the design including key concepts, assumptions, terms and roles.</p> <p><i>Toolkit link: see HC 2.0 Service System Design; HC 2.0 System Flowchart; HC 2.0 Families Pathway; HC 2.0 Older People Pathway; HC 2.0 Single Adults Pathway; HC 2.0 Youth Pathway</i></p>
<p><b>Establish learning loops</b></p>	<p><b>Use emerging data to drive design and practice reflection in real time:</b></p> <ul style="list-style-type: none"> <li>Developing shared practice reflection and feedback loops in key governance groups to drive continuous improvement and help to refine models and approaches.</li> <li>Focusing not only on what works but on understanding how things work by using developmental evidence as a basis for scaling up systemic change.</li> <li>Leveraging the expertise of key thought and/or practice and experience leaders to shape and or test findings.</li> <li>Capturing real-time changes in partnerships, networks, relationships and beliefs noting how they effect, and impact on, systemic change.</li> </ul>	<p><b>Adaptive ARC methodology</b></p> <p>The BSL's adaptive, developmental evaluation approach, with ARC (Ambition, Reality, Change) methodology, refers to how we take innovative models through iterative stages of defining an Ambition, to testing in Reality and onto influencing system Change. The Adaptive ARC works through shared practice reflection, which creates feedback loops to drive continuous improvement and refinement of the innovative model. Researchers interact with services primarily through a Community of Practice, where researchers, service development officers and practitioners meet to share emerging insights and workshop solutions.</p> <p><i>Toolkit link: see Adaptive ARC Methodology; BSL adaptive evaluation presentations; David Scott School Evaluation Reflection Workshop Template; TtW CoP Interim data reports</i></p>

## Section 3: Putting the Concepts of Systemic Change into Action **continued**

Practice Component: Develop adaptive evidence-making agenda		
Key actions	Key actions unpacked	Tools, resources, examples
Develop impact measures	<p><b>Develop meaningful systemic change indicators by:</b></p> <ul style="list-style-type: none"> <li>• Mapping logic with outcomes over time.</li> <li>• Identifying indicators that reflect different types of change required.</li> <li>• Supporting local communities to articulate, define, track and adapt systemic change indicators.</li> <li>• Developing indicators that monitor the impact of systemic change methodology (including the EO functions) on transforming relationships, seeding innovations and shifting ways of working.</li> </ul>	<p><b>NYEB Theory of Change</b></p> <p>The NYEB Theory of Change applies our key Guiding Ideas to the development of systemic change indicators, articulating the relationship between activities, outputs and stakeholders and the NYEB mechanisms that produce long-term systemic outcomes and impacts.</p> <p><i>Toolkit link: see NYEB Theory of Change; NYEB Outcomes Framework</i></p>

### Practice Driver – The Enabling Organisation

*The Enabling Organisation or EO is an independent, multidisciplinary team or unit that brings together research, policy and practice expertise to seed and cultivate systemic change. The EO works in the third space between community and government, inspiring, motivating and activating relationships and networks to drive reform in communities as well as in social policy at the state and national levels. Building on capabilities thinking and the capabilities theory of change, the EO implements the four systemic change Practice Components, consistent with the systemic change Guiding Ideas and Practice Principles.*

The EO shares features in common with other networked governance models, such as a Prime Provider<sup>84</sup>, the Backbone Organisation used in Collective Impact<sup>85</sup> or Service Delivery Units in governments.<sup>86</sup> Similarities include an emphasis on facilitative leadership, research and data development, training and collaborative approaches. However, it differs from these models in several key ways: its purpose, reach and scope; its emphasis on conceptual foundations through Guiding Ideas; its focus on top-down, bottom-up governance; and its local to state and national geographies.

The EO is a new organisational form that works in the 'third' or in-between space, to advance innovative applied social policy implementation in and across complex human services systems and communities. As a vehicle for converting sound policy design into effective practice, it intervenes to build 'relational agency' by mediating three key relationships:

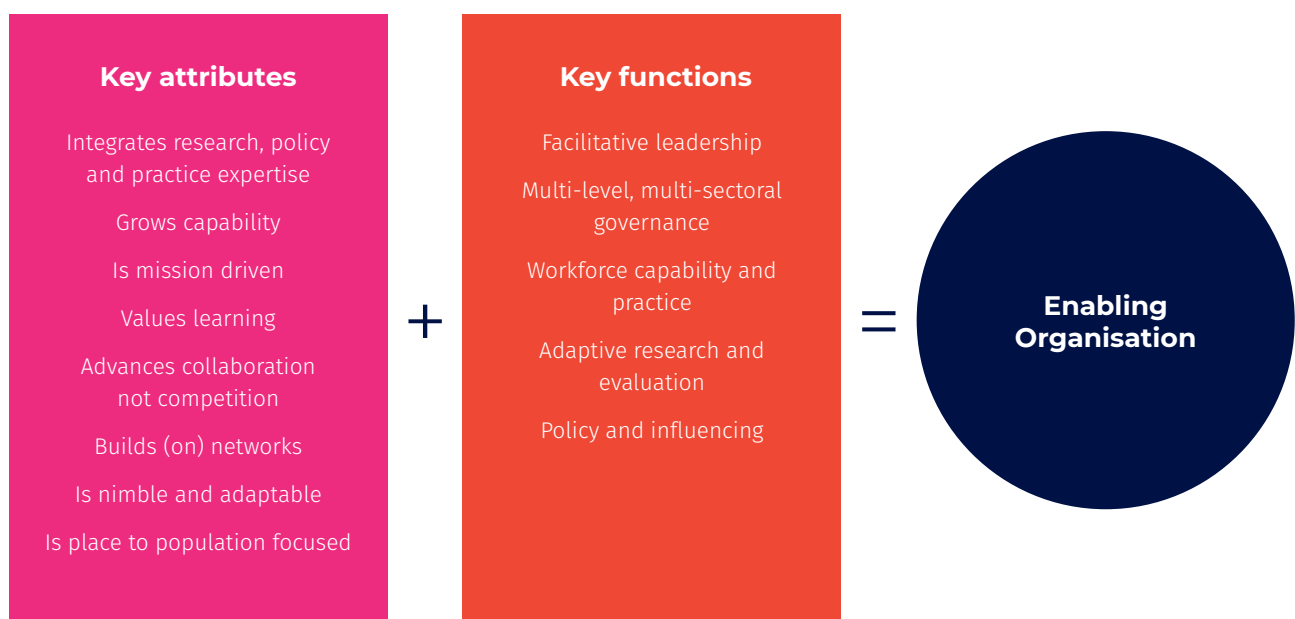
- 1 **At the policy level** – between social policy design and implementation.
- 2 **At the community level** – between community stakeholders and the three levels of government.
- 3 **At the practice level** – between people's capability sets and their functionings.

The EO is distinctive in its ability to convert resources into opportunities because it functions at the nexus of research, policy and practice.

Governments and their advisors are unable to do this work on their own as they are often bound by the structure of existing systems and assigned functions within them. By working in a 'relational third space', the EO creates the possibility for new types of relationships with a systemic view. It can traverse the intermediary spaces between community, government, business and citizens while holding to a systemic change ambition. From this relational third space, the EO can gradually shift power dynamics so that systems which typically marginalise people turn towards building their capabilities.

The Enabling Organisation is characterised by eight key attributes and five key functions, which are shown in Figure 7 below.

**Figure 7: The Enabling Organisation**



## Section 3: Putting the Concepts of Systemic Change into Action **continued**

### Key attributes of an EO

#### ***Integrates research, policy and practice expertise<sup>^</sup>***

The EO intentionally brings different forms of knowledge together, including theory; data monitoring and empirical evidence from research; critical social policy analysis; and a grounded understanding of the realities of people's lives and experiences, and what works and what doesn't in delivering services in local communities.

In practice, this integration involves a 'team of teams' approach to working as an EO, where research, policy and service development/delivery staff collaborate to advance systemic change initiatives. This way of working enables both a deep understanding of, and connection to, practice (how services, policies and solutions are delivered in reality), and of the dynamics of the lived experience of the problem – how people experience challenges in their lives, communities and, importantly, in service systems. Everyone's expertise and understanding is valued.

#### ***Grows capability***

The EO seeks to grow capability within human service systems, including that of government, service providers, practitioners, communities and citizens. This does not happen by accident. The EO employs a range of processes, practices and tools to align and evolve the ambition, effort and investments of governments and key stakeholders (service providers, employers, etc.). It does this by leveraging the resources, opportunities and networks essential to effect individual, community and population-level change.

#### ***Mission driven***

The EO is mission driven, rather than profit, organisation or ego driven. It is purposeful, intentional and underpinned by key values. It remains focused on the ambition for people and communities over the short-, medium- and long-term, using this as the anchor for decision making and engagement with other actors. The EO also drives others to be mission driven, asking policy makers as well as other system actors to put impacted people first, rather than politics, power, departmental turf wars or vested interests.

#### ***Values learning***

The EO is a committed and dynamic learning organisation. It cultivates change in systems and communities by implementing learning practices, processes and habits that continue to expand the understanding and knowledge necessary to shape reform. Rigorous practice reflection is critical to this approach – reflection on policy dynamics as well as on program development and implementation. This way of working asks people to be curious and flexible thinkers, to be open to other ideas and to be prepared to change course and modify interventions based on reflection and debate.

#### ***Advances collaboration not competition***

The EO is non-competitive. It works with others to co-design and co-produce policy, program and practice solutions. It ensures decision-making power is shared, and invests time and effort to nurture relationships across agencies and sectors.

#### ***Builds (on) networks***

The EO recognises that it is essential to develop, nurture and grow likely and unlikely networks within and across sectors, systems and community to effect change. All sorts of networks are needed to drive change, including bridging and bonding networks in all intervention domains – policy, frontline service delivery, programs and community.

#### ***Nimble and adaptable***

Systemic change work seizes opportunities to shape and advance a change agenda. The EO must maintain the capacity to be agile and responsive, always looking for funding, relationship, strategy and policy opportunities that can provide a mechanism for fostering systemic change. It must also remain open to change and disruption, and be able to pivot when circumstances alter, for example, political agendas, policy shifts, leadership changes.

#### ***Place to population focused***

The EO works alongside key influencers and champions in communities, enabling them to shape local innovation and learnings for key populations. At the same time, it intentionally develops governance and other mechanisms or opportunities to present the work in and across communities to state and national decision makers for the purpose of instigating systemic change at a population level.

<sup>^</sup> At the BSL, these functions are located within the one organisation. However, this is not essential – the EO may establish deep and enduring research, policy and practice collaborations across organisations. It is the depth of this relationship between the research, policy and practice partners that is most important.

## Key functions of an EO

There are five key functions of an EO which are tailored to the systems and contexts that are the focus of the work. Through these functions we operationalise the Capabilities Approach by intentionally enabling the conversion of resources, networks and other local community assets into real opportunities – for example, establishing multi-level governance structures that redistribute power. These five key functions are outlined in Table 5 below.

**Table 5: Key functions of an EO**

<b>Facilitative leadership</b>	<p>Using facilitative and distributed leadership practices simultaneously to resource change making and redistribute power, the EO:</p> <ul style="list-style-type: none"> <li>• Builds momentum, drives the work and holds to the larger ambition for systemic change using mission-oriented and collaborative approaches, often over a long-time horizon.</li> <li>• Establishes the implementation team and structures for systemic change initiatives, managing staff in a ‘team of teams’ model that brings together multidisciplinary expertise.</li> <li>• Establishes platforms and mechanisms that can regularly and responsively communicate about the work (learnings, progress and impacts) to diverse stakeholders.</li> </ul>
<b>Multi-level, multi-sectoral governance</b>	<p>By establishing, facilitating and sustaining diverse, multi-level and multi-sectoral governance mechanisms to achieve both vertical and horizontal integration and diffusion of policy and practice, the EO:</p> <ul style="list-style-type: none"> <li>• Connects local perspective and expertise with regional, state and national scale and authority.</li> <li>• Works at a place (local) to population (national) scale in local communities while simultaneously maintaining population-level reform effort.</li> <li>• Co-develops solutions with key stakeholders and converts ambition and planning to action and impact.</li> <li>• Actively facilitates bottom-up <i>and</i> top-down accountability.</li> <li>• Embeds enduring mechanisms in place that go beyond cycles of government.</li> </ul>
<b>Workforce capability and practice</b>	<p>Grounded in people’s experiences of the systems it is seeking to change, and using the multidisciplinary skills of the implementation teams and governance group members, the EO:</p> <ul style="list-style-type: none"> <li>• Establishes, facilitates and sustains Communities of Policy and Practice to drive practice reform and adaptive learning.</li> <li>• Leads service development and practice documentation, including developing resources, tools and frameworks.</li> <li>• Builds workforce capability of system actors, including training and upskilling frontline staff, managers and policy makers in systems approaches, capabilities-based practice and evidence-informed service models</li> </ul>

## Section 3: Putting the Concepts of Systemic Change into Action **continued**

<b>Adaptive research and evaluation</b>	<p>With a research and evaluative capacity attuned to the complex and messy practice of systemic change, the EO:</p> <ul style="list-style-type: none"><li>• Undertakes developmental evaluation using our Adaptive ARC methodology to understand the conditions and mechanisms that underpin systemic change, and feeding back these learnings into practice adaptation in a timely way.</li><li>• Brings together research/evaluation and service development teams in cycles of feedback loops for the interrelated purposes of continuous practice improvement and sustainable systems change.</li><li>• Strengthens evidence making for systems change by creating a conduit for evidence sharing between locally situated providers and government, with the scope to create a real-time feedback loop between local place-based and population-level policy interventions.</li><li>• Develops measures of systemic change that satisfy the requirements of 'evidence-based' policy while telling the impact story over time.</li><li>• Maps systems and their interconnections, identifies assets, viable points of intervention and key actors, and engage potential allies.</li></ul>
<b>Policy and influencing</b>	<p>The EO drives policy and influencing from a distinctive vantage point that integrates research, policy and practice. In contrast to top-down policy design, the EO can simultaneously hold sight of the factors that determine policy success such as emerging evidence, policy implementation in practice, and shifting power dynamics. Specifically, the EO:</p> <ul style="list-style-type: none"><li>• Delivers policy analysis and development.</li><li>• Attends to policy intersections.</li><li>• Influences and advocates to create the conditions required for systemic change, including through campaigns.</li></ul>

### Key learnings about systemic change to date

Over the past decade of our systemic work we have had some key learnings that underpin our work as an Enabling Organisation for systemic change.

**You never 'arrive'** at systemic change but there are some clear destination points along the way. The complexity of human service systems, and social problems, combined with dynamic political contexts, means there is no clear 'mission accomplished' moment in systemic change work. However, specific milestones in policies, programs or practices function as clear markers of change or destination points in the journey. These need to be noticed and celebrated to keep the journey on course.

**It's messy and uncertain work** that requires flexibility and agility. Complex social problems and human service systems overlap and intersect in often unclear ways and involve a variety of stakeholders with diverse agendas and constraints. It's important to be comfortable with uncertainty, take strategic risks and resist attempts to lock down the work with inflexible processes.

**It can't be 'owned'** but it must be led and enabled. Ego, individual, organisational or departmental agendas, and attempting to claim the work instead of keeping eyes on the mission or ambition will kill it. Maximise distributive leadership (delegation and autonomy) while holding to the vision.

**Communication keeps the work alive.** Tell the story often and well, using data and diverse voices. Be informed by, and ready to tell, the story that shapes the ambition.

**Humility is crucial.** Be humble – everyone has a stake in making change.

**Work together in an authentic way.**

**Leave nothing to chance.** Pay attention to all aspects of implementation.

**Be led by the ambition.** The ambition shapes the key objectives for systemic change and the plan to achieve them.



# Appendices

**Appendix A:** Systems thinking and systemic change literature

**Appendix B:** Toolkit

**Appendix C:** BSL's systemic change initiatives

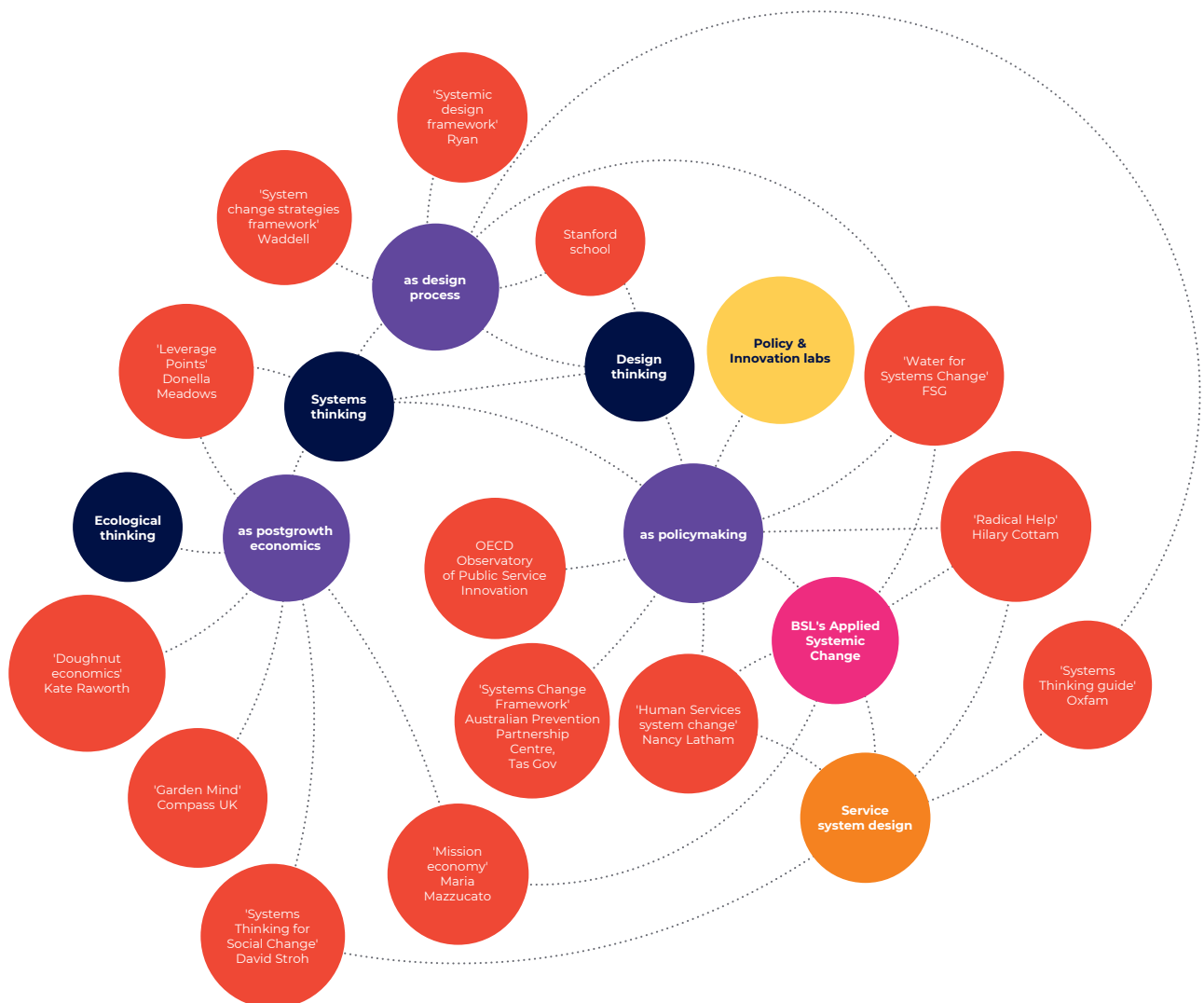
# Appendix A: Systems thinking and systemic change literature

Figure 8 maps the main approaches to systemic change and the key references in the literature that connect them together. It is a work in progress using the kumu platform, which can be accessed online. The online map provides brief descriptions of each component.

**Figure 8: Systems map of systemic change approaches**

## Legend

- Key reference
- Approach
- BSL
- Synthesised approach
- Guiding idea/metaphor
- Human service system



Note: A version of this map is available at: <https://www.kumu.io/josephb/systemic-change-wip>.

# Appendix B: Toolkit

This Toolkit contains a range of products and documents, some of which are tools in the stricter sense, while others are templates, samples or examples of our approach. Most of the tools and resources in this Toolkit have been developed by the BSL. (See Glossary p. 52 for descriptions)

We have also included a limited number of the external tools that we regularly use (denoted by a \*), which we have mapped on to the Four Components and key actions of our Systemic Change Methodology (see p. 30). Note that tools and resources can be used for various purposes across multiple components and key actions.

Components	Create opportunities for change		Specify a change agenda		Develop better systems			Develop adaptive evidence-making agenda			
	Build momentum	Establish legitimacy	Pursue a bold ambition together	Assemble a multi-skilled team	Design, reflect and iterate	Redistribute power	Build implementation capability	Identify conditions that hold the problem in place	Apply Guiding Ideas and frameworks	Establish learning loops	Develop impact measures
<b>1</b> Adaptive ARC methodology					●		●				
<b>2</b> Advantaged Thinking training package							●				
<b>3</b> Bacchi WPR 7 and 13 questions*	●				●			●			
<b>4</b> BSL adaptive evaluation presentations		●					●			●	
<b>5</b> BSL Coaching Guide							●				
<b>6</b> BSL Impact Framework									●		●
<b>7</b> BSL Position Descriptions				●							
<b>8</b> BSL internal Policy and Practice Lab ToR and sample agenda	●			●							
<b>9</b> Certificate I in Developing Independence							●				
<b>10</b> CoP ToR			●		●	●	●			●	
<b>11</b> David Scott School Evaluation Reflection Workshop Template					●					●	
<b>12</b> Disability Employment Services Environmental Scan					●						
<b>13</b> EFY Foyer 6 Service Offers Conceptual Frameworks								●	●		
<b>14</b> EFY Foyer Functional Design Brief					●		●				
<b>15</b> EFY Foyer CoPP sample workshop agenda and materials					●	●	●			●	
<b>16</b> EFY Foyer Practice Framework					●		●		●		

\*Non-BSL developed tool or resource

Components	Create opportunities for change		Specify a change agenda	Develop better systems			Develop adaptive evidence-making agenda				
	Build momentum	Establish legitimacy	Pursue a bold ambition together	Assemble a multi-skilled team	Design, reflect and iterate	Redistribute power	Build implementation capability	Identify conditions that hold the problem in place	Apply Guiding Ideas and frameworks	Establish learning loops	Develop impact measures
<b>Key actions</b>											
17	HC 2.0 Governance Deal		●			●	●				
18	HC 2.0 three-year ambition horizon		●								
19	HC 2.0 CoPP sample workshop agenda and materials				●	●	●			●	
20	HC 2.0 Service System Design				●		●		●		
21	HC 2.0 System Flowchart				●		●				
22	HC 2.0 Families Pathway				●		●				
23	HC 2.0 Older People Pathway				●		●				
24	HC 2.0 Single Adults Pathway				●		●				
25	HC 2.0 Youth Pathway				●		●				
26	HC 2.0 Revised Governance Structure				●	●					
27	HC 2.0 Theory of Change								●		●
28	Housing Connect Review		●		●			●	●		
29	IFSS Review	●	●		●			●	●		
30	IFSS Review Governance Map		●		●	●					
31	IFSS Review Service Mapping				●						
32	Master of Social Policy Systemic Change teaching slides		●				●		●		
33	Mazzucato's Mission Driven Policy Ambition Horizon*	●	●								
34	Minto Pyramid*	●			●						
35	NYEB 10-year ambition horizon		●								
36	NYEB CIC Toolkit				●	●	●			●	
37	NYEB CIC set-up workshop materials		●				●				
38	NYEB CIC innovations		●			●					
39	NYEB CIC Deal (sample)		●			●	●				
40	NYEB Terms of Reference, Meeting Agendas and Action Logs					●	●				
41	NYEB CIC Youth Employment Action Plans		●			●	●				

\*Non-BSL developed tool or resource

Components	Create opportunities for change		Specify a change agenda	Develop better systems			Develop adaptive evidence-making agenda				
	Build momentum	Establish legitimacy	Pursue a bold ambition together	Assemble a multi-skilled team	Design, reflect and iterate	Redistribute power	Build implementation capability	Identify conditions that hold the problem in place	Apply Guiding Ideas and frameworks	Establish learning loops	Develop impact measures
<b>Key actions</b>											
42 NYEB CoI Terms of Reference		●	●								
43 NYEB Factsheet		●									
44 NYEB Governance Map					●	●					
45 NYEB Labour Market Scan (sample)								●		●	
46 NYEB National Advisory Group and Working Groups ToRs		●			●						
47 NYEB Outcomes Framework					●					●	●
48 NYEB philanthropic funding pitch		●									
49 NYEB Practice Guide					●		●		●		
50 NYEB Progress Report		●			●						
51 NYEB Proposal	●		●								
52 NYEB System Design Workshop materials					●			●			
53 NYEB System Design Post-workshop Placement					●			●			
54 NYEB Theory of Change									●		●
55 National Skills Trial learning loop diagram										●	
56 National Skills Trial Pathway Steps					●						
57 TtW CoP Heads of Agreement			●								
58 TtW CoP Interim data reports					●		●			●	
59 TtW CoP Practice Guide					●		●		●		
60 TtW CoP sample workshop agenda and materials					●	●	●			●	
61 TtW CoP Five Point Plan to Recover Youth Employment	●	●	●								
62 Value creation stories*											●
63 Water for systems change as monitoring framework *								●			●
64 Work and Economic Security Framework		●							●		
65 The case for a new National Youth Employment Framework		●	●					●			

\*Non-BSL developed tool or resource

## Appendix B: Toolkit continued

### Glossary of tools and resources

#### 1 Adaptive ARC methodology

BSL's adaptive, developmental evaluation approach demonstrates how we take innovative models through iterative stages, from defining an Ambition, to testing in Reality and then influencing system Change. Using shared practice reflection, the Adaptive ARC creates feedback loops to drive continuous improvement and refinement of the innovative model.

#### 2 Advantaged Thinking training package

A flexible training package of materials on the BSL's Capabilities–Advantaged Thinking–based practice approach used to build practitioners' capability.

#### 3 Bacchi WPR 7 and 13 questions\*

Carol Bacchi's *What's the Problem Represented to Be?* (WPR) approach to social policy analysis.<sup>87</sup>

#### 4 BSL adaptive evaluation presentations

Key presentations outlining the BSL's approach to designing and delivering adaptive evaluation that will drive systemic change, engage stakeholders and upskill practitioners on working at the nexus of research and practice.

#### 5 BSL Coaching Guide

A manual outlining the BSL's coaching approach, which our partners use with young people as part of our Advantaged Thinking practice and our workforce capability building.

#### 6 BSL Impact Framework

The BSL's monitoring of our progress towards our vision of 'An Australia Free of Poverty' is based on the Capabilities Approach. It understands poverty as the deprivation of the real opportunity to do and be what one values, and articulates how the outcomes of our service delivery and systemic change efforts enable the expansion of core capabilities. Outcomes are understood within the context of life stage, life circumstances, and the efforts of our activities and partners, situated in place.

#### 7 BSL Position Descriptions

Sample Position Descriptions for key roles as part of a multidisciplinary team, demonstrative of the skills and capabilities required to drive systemic change.

#### 8 BSL internal Policy and Practice Lab ToR and sample agenda

Terms of Reference and sample agenda for BSL Policy and Practice Labs, which drive our systemic change methodology and approach to integrating research, policy and practice as an EO.

#### 9 Certificate I in Developing Independence

A purpose-built Certificate I accredited training package that helps young people experiencing disadvantage to build the capabilities, agency and goal development needed to engage in education and training.

#### 10 CoPP ToR

Sample Terms of Reference for the Communities of Policy and Practice, established and maintained by the BSL as part of our systemic change methodology, which articulate how to sign up a coalition to a shared ambition and the key roles of each party.

#### 11 David Scott School Evaluation Reflection Workshop Template

A tool used in the BSL evaluation of the David Scott School to establish an iterative learning loop with staff to leverage the expertise of practitioners to test the findings and shape the next phase of evaluation.

#### 12 Disability Employment Services Environmental Scan

An example of a service system mapping exercise that illustrates a systematic way to categorise models and approaches as well as the interconnections in a system.

#### 13 EFY Foyer 6 Service Offers Conceptual Frameworks

Conceptual frameworks for the 6 Service Offers, which form the core of the Education First Youth Foyer model, setting out the rationale for a different way of working, the evidence base and the core components of each Offer.

#### 14 EFY Foyer Functional Design Brief

This brief outlines the architectural design parameters and details to be incorporated into each EFY Foyer, and establishes a framework from which all design decisions are made (i.e. building design, internal and external elements, landscaping, associated services and infrastructure).

#### 15 EFY Foyer CoPP sample workshop agenda and materials

Sample agenda and materials (presentations, guest list, training materials, outcomes) from the EFY Foyer Community of Policy and Practice, demonstrative of how to leverage CoPPs for systemic change.

#### 16 EFY Foyer Practice Framework

This framework outlines the model and practice approach for the EFY Foyers. Designed for practitioners, educators and others working in this field, including government and non-government agencies, the Framework is both a workforce capability-building resource, and a stakeholder engagement and communication tool.

### **17 HC 2.0 Governance Deal**

A sample governance tool, the HC2.0 CoP Deal, replaces a standard ToR to signpost to members that a Community of Practice is more than a meeting that focuses on transactional activities. By signing on to the Deal, it asks members to commit to shared ownership and mutual accountability towards achieving the ambition of the Reform project.

### **18 HC 2.0 Three-year Ambition Horizon**

A document outlining the systemic change ambition for Housing Connect 2.0 over a three-year period.

### **19 HC 2.0 CoPP sample workshop agenda and materials**

Sample agenda and materials (presentations, guest list, training materials, outcomes) from the Housing Connect 2.0 Community of Policy and Practice to demonstrate how to leverage COPPs for systemic change.

### **20 HC 2.0 Service System Design**

Example of service system design, including the blueprint for a reformed homelessness and housing system in Tasmania, which describes the key evidence-informed elements that underpin the design including key concepts, assumptions, terms and roles.

### **21 HC 2.0 System Flowchart**

Example of whole-system pathway design.

### **22 HC 2.0 Families Pathway**

Example of service system design as a tailored life course pathway for families with and without children through Housing Connect 2.0.

### **23 HC 2.0 Older People Pathway**

Example of service system design as a tailored life course pathway for older adults through Housing Connect 2.0.

### **24 HC 2.0 Single Adults Pathway**

Example of service system design as a tailored life course pathway for single adults through Housing Connect 2.0.

### **25 HC 2.0 Youth Pathway**

Example of service system design as a tailored life course pathway for young people through Housing Connect 2.0.

### **26 HC 2.0 Revised Governance Structure**

Outlining the revised governance structures for Housing Connect 2.0, the document details the enabling mechanisms and structures to realise the systemic change ambition in Housing Connect 2.0, including the roles and responsibilities in a multi-level governance structure.

### **27 HC 2.0 Theory of Change**

The theory of change for Housing Connect 2.0 illustrates the application of key guiding ideas and the development of systemic change indicators.

### **28 Housing Connect Review**

The review of the Housing Connect service system in Tasmania, produced by the BSL for the Department of Communities Tasmania, was undertaken collaboratively and designed to form the foundation for systems change.

### **29 IFSS Review**

The review of the Tasmanian Integrated Family Support Services system, produced by the BSL for the Department of Communities Tasmania, was undertaken collaboratively and designed to form the foundation for systems change.

### **30 IFSS Review Governance Map**

Proposed top-down/bottom-up (multi-level) governance structure, for the reimagined Tasmanian Family Support System, to drive service alignment within and across the IFSS, and to identify for government where existing mechanisms can be enhanced/evolved and where new mechanisms need to be established.

### **31 IFSS Review Service Mapping**

Service system mapping undertaken as part of the IFSS review to identify the distribution of federally and State-funded family support services across Tasmania. These maps are key to understanding the range of resources that can be leveraged to enhance the offer for families requiring non-statutory support, and to help identify service gaps and duplication across the State and within the three main regions.

### **32 Master of Social Policy Systemic Change teaching slides**

BSL-developed teaching slides for the 'Social Justice: Policy and Practice' unit in the University of Melbourne's Master of Social Policy, which outline our systemic change approach, the key ideas, theories and concepts that inform it, and examples of applying guiding ideas and engaging stakeholders.

### **33 Mazzucato's Mission Driven Policy Ambition Horizon\***

Mariana Mazzucato's framework for developing mission-driven policy to address major social problems<sup>88</sup> details an approach and methodology that include setting a 'grand challenge' and ambition, articulating the required cross-sectoral collaboration, and a set of mission-oriented projects for delivering on the ambition.

### **34 Minto Pyramid\***

Barbara Minto's Mutually Exclusive, Collectively Exhaustive principle underpins a way of clearly and persuasively structuring and articulating key arguments to particular audiences.

### **35 NYEB 10-year Ambition Horizon**

A document outlining the systemic change ambition for the NYEB over a 10-year period.

## Appendix B: Toolkit continued

### 36 NYEB CIC Toolkit

A guide for establishing a Community Investment Committee, primarily aimed at youth employment service providers, employers, and local policy makers within a region experiencing high youth unemployment, that provides examples of workforce capability building and how to redistribute power through governance.

### 37 NYEB CIC set-up workshop materials

Engagement and workforce capability building materials presented to the initial meetings of a new CIC to support establishment and ambition setting.

### 38 NYEB CIC innovations

A communication and engagement product outlining case studies and innovations from the CICs established at NYEB demonstration sites.

### 39 NYEB CIC Deal

The Deal outlines the mutual commitments and accountabilities that form how CIC members work with each other to improve youth employment pathways and outcomes for young people and business in the community.

### 40 NYEB CIC ToR, Meeting Agendas and Action Logs

Sample documentation from a CIC demonstrating systemic change-oriented and action-focused ways of working in local governance groups.

### 41 NYEB CIC Youth Employment Action Plans

A community capacity building action plan that demonstrates how local communities are leading youth employment solutions 'in place' using working documents that set out the objectives, initiatives, actions and progress of each CIC against their key focus areas.

### 42 NYEB CoI ToR

The Terms of Reference for the NYEB Cross-Government Community of Interest Group were facilitated by the NYEB and coordinated by the Department of Education, Skills and Employment. The ToR brought together representatives from Federal Government departments involved in youth employment pathways, such as Education and Training, Infrastructure, Social Services, and Indigenous and other policy areas of the Prime Minister and Cabinet.

### 43 NYEB Factsheet

Communication and engagement product outlining the ambition and key components of the NYEB.

### 44 NYEB Governance Map

This illustrates the multi-level governance structure of the NYEB.

### 45 NYEB Labour Market Scans

Analysis of data on structural barriers to employment – including education and training, and demographic data specific to a specific region – used to aid and inform CIC employment action plans.

### 46 NYEB National Advisory Group and Working Groups ToRs

Terms of Reference for the NYEB National Advisory Group and associated Working Groups outlining the key roles and responsibilities of members as part of the NYEB multi-level governance structure.

### 47 NYEB Outcomes Framework

An outcomes chain showing progressive indicators towards staged structural solutions to youth unemployment.

### 48 NYEB philanthropic funding pitch

The NYEB ambition, model for scaling and core components used to create an authorising environment and opportunity window for progressing the next stage of the NYEB systemic change agenda.

### 49 NYEB Practice Guide

The guide, which outlines the model and practice approach for the National Youth Employment Body, was designed for practitioners, educators and others working in this field, including government and non-government agencies, to be both a workforce capability-building resource and a stakeholder engagement and communication tool.

### 50 NYEB Progress Report

A report to the Paul Ramsay Foundation that demonstrates initial progress towards our ambition of addressing youth unemployment mapped across a systemic change framework. It tests our systemic change methodology based on our unique working position at the intersection of practice, policy and research.

### 51 NYEB Proposal

Example of an initial scoping document outlining the high-level ambition and scope of the National Youth Employment Body.

### 52 NYEB System Design Workshop materials

Materials to deliver system design workshops that bring together multi-sectoral influencers and champions to focus on the intersection of careers, skills and entry-level employment in the sectors of agriculture and horticulture, transport and logistics and care. The workshops highlight system-level solutions to progress a longer-term ambition of systemic change.



**53 NYEB System Design Post-workshop Placemat**

This summary of outcomes from the NYEB System Design Workshop series outlines the key themes and issues raised, the structural conditions holding the issues in place, the key solutions proposed, and the plan for translating the workshops into action through a system reform roadmap.

**54 NYEB Theory of Change**

Theory of change for the National Youth Employment Body illustrates the application of key guiding ideas and the development of systemic change indicators.

**55 National Skills Trial learning loop diagram**

A diagram demonstrating the iterative learning loop established as part of the research and evaluation work of the National Skills Trial.

**56 National Skills Trial Pathway Steps**

A high-level map of the system pathway designed for the National Skills Trial.

**57 TtW CoP Heads of Agreement**

A high-level agreement between TtW CoP partners and the BSL, demonstrating the structure of partnership as an EO.

**58 TtW CoP Interim data reports**

Interim data reports from the TtW CoP evaluation, which was presented to the TtW CoP to establish and feed iterative learning loops and adaptive real-time practice improvement.

**59 TtW CoP Practice Guide**

Outlining the model and practice approach for the Transition to Work Community of Practice, the guide is designed for practitioners, educators and others working in this field, including government and non-government agencies, to use as an implementation tool.

**60 TtW CoP sample workshop agenda and materials**

Sample agenda and materials – presentations, guest list, training materials, outcomes – from the Transition to Work Community of Practice to demonstrate how to leverage COPPs for systemic change.

**61 TtW CoP Five Point Plan to Recover Youth Employment**

An advocacy product developed by the BSL and the TtW CoP, in the wake of the COVID-19 pandemic's impact on youth employment, demonstrating the work of a coalition in driving policy change under a systemic change ambition.

**62 Value creation stories\***

A qualitative technique for capturing structured narratives about how participants apply learnings in their daily practice and the results of these attempts. It is based on the Wenger-Traynor framework for evaluating learning networks such as communities of practice.<sup>89</sup>

**63 Water for Systems Change as monitoring framework\***

A monitoring framework based on FSG's 'six conditions for systems change' framework, which is used to assess reform and change at multiple levels.<sup>90</sup>

**64 Work and Economic Security Framework**

An example of system design that applies key guiding ideas and frameworks to the development of a targeted policy response to economic security.

**65 The case for a new National Youth Employment Framework**

An advocacy product that reframes the 'problem' of youth unemployment, and articulates a structural solution that leverages data, evidence and conceptual frameworks to create opportunity windows for systemic reform.

# Appendix C: BSL's systemic change initiatives

Figure 9: The evolution of the BSL's systemic change approach

## Ambition and experience

Discerning systemic change effort over 10 years



The BSL's systemic change approach has been developed over 10 years of trialling, refining and learning from different ways of working through a range of key initiatives, which are outlined in Figure 9.

Here we provide further details on these initiatives by the BSL, which represent a 10-year evolution of programs, concepts, tools, techniques and approaches. More on two of the initiatives, Housing Connect 2.0 and the National Youth Employment Body, can be found in Case studies 3 and 4 (see pp. 26–28).

## National Skills Trial

In response to the COVID-19 pandemic and the impact on young people's labour market pathways, the BSL (through the NYEB and the TtW CoP) established a National Skills Trial to design and implement a co-designed skilled training pathway using the Entry into Care Roles Skill Set for young people to gain employment in the aged-care and disability support sector across Australia.

The NYEB and TtW CoP provided support to CICs to harness key stakeholders' expertise in, and contributions to, the co-design and implementation of this coordinated training pathway, through the following process:

- 1 Bring together aged-care and disability support sector employers with key local stakeholders (TAFE, youth employment providers, government and other community organisations) to co-design the pathway using a CIC or similar local mechanism as the single point of contact for young people, employment providers and employers.
- 2 Identify and recruit local champion employers from the aged-care and disability sector to provide training and employment opportunities for young people while they complete their qualification/s.
- 3 Advocate for the participation of young people in the aged-care and disability sector through a career education campaign to raise their awareness of opportunities, and provide quality information on the diverse roles available. The campaign would also promote young people to the community, and encourage employers to recruit this ready and willing pool of young people into the streamlined pathway.
- 4 Provide pre-employment support to young people – including meaningful career exploration and the development of non-vocational skills – to ready them for work. Pre-employment training is tailored to meet employer needs, and is provided as non-accredited training through an employment service or training/VET provider (e.g. TtW). Young people are able to explore diverse roles and the world of work, and gain skills through work tasters and tours, work experience, or hearing career stories from sector staff.
- 5 Work-ready young people are recruited to the training pathway, which leads to employment in aged-care and disability support. The availability of roles requires a commitment from sector employers participating in the Trial, and the leveraging of government investments (e.g. Launch into Work). Ongoing support to employers also ensures that they are able to employ and retain young people.
- 6 Young people are supported to complete the Entry into Care Skill Set through TAFE, and to review and undertake the next step in their learning or employment pathway.
- 7 Young people are connected into employment in an entry-level role, and supported to continue on their chosen career pathway through ongoing training and skill development. The engagement of local aged-care and disability employers enables rapid entry into the labour market with opportunities to continue learning and to advance their career.

## Transition to Work Community of Practice

The NYEB was established on the back of four years of testing and refining a systemic change approach through the Transition to Work Community of Practice. The TtW CoP was established in 2016 following the commissioning of the national Transition to Work service by the Commonwealth Government. The TtW service, a youth-focused employment service with specialised support for 15–25 year olds at risk of long-term unemployment, provides intensive pre-employment support to improve the work readiness of young people experiencing disadvantage. TtW was developed in recognition that many disadvantaged young people transitioning from school require tailored supports to build work readiness, to develop aspirations and career plans, and to access quality education and training.

The TtW CoP is a collaborative approach bringing together 11 TtW providers and their partners across 13 employment regions in every state and territory. Its shared aim is to develop and document an effective response to addressing youth unemployment, one that is underpinned by collaborative, multi-sectoral effort. Through delivery of a structured model and practice approach, and shared resources, TtW CoP providers have, over the past five years, been able to exchange service-based expertise and situated knowledge across Australia. As a result, they have been able to develop their skills, improve their practice, collectively solve problems, and generate new and innovative ideas and solutions. They have also developed and cemented productive relationships within their local community.

Broadly speaking, the TtW CoP Model consists of:

- An innovative practice approach called Advantaged Thinking, which builds motivation and agency by a) working with young people according to their talents and aspirations; and b) being intentional in how we invest in providing or sourcing opportunities, resources and networks to build their capabilities.
- Evidence-informed Service Offers that incorporate: Vocational Guidance; Co-designed Planning; Skills and Capabilities Building; and Real-World Opportunities.
- A structured approach to service delivery through Four Phases, with a focus on exploration and inspiration to build motivation, and providing young people with a blueprint for their journey to work.
- The delivery of this service model is also supported by the establishment of Community Investment Committees – an employer-led mechanism for harnessing community effort to maximise local economic development for young job seekers.

## Appendix C: BSL's systemic change initiatives continued

Collectively, the TtW CoP represents almost one-quarter of all the TtW providers who deliver the service to approximately 5000 young people per year across Australia. To date, the TtW CoP has achieved more than 6500 employment and education outcomes, with nearly half of those young people still employed six months later.

Current evidence suggests that it is the combination of the model and the practice approach that is key to motivating (activating) and inspiring (incentivising) young job seekers to engage in education, training and work.

### Education First Youth Foyers

Developed by the Brotherhood of St Laurence and Hanover Welfare Services (now Launch Housing) in 2013 with funding from the Victorian Government, EFY Foyers expand upon the original concept of youth foyers by prioritising education as key to a sustainable livelihood. They are better understood as a form of supported student accommodation rather than a crisis housing response.

The EFY Foyer model is founded on a Capabilities Approach, which measures human development by people's substantive freedoms, or real opportunities, to pursue lives of value to them. EFY Foyers seek to expand young people's capabilities in two ways: by creating mainstream opportunities aligned with their goals and by developing the resources and skills needed to make the most of them. An Advantaged Thinking practice approach orients practitioners to working with young people in a way that recognises and invests in their aspirations and talents.

Three Victorian EFY Foyers – co-located with TAFEs in Glen Waverley and Broadmeadows in Melbourne and Shepparton in northern Victoria – each house 40 young people in studio-style accommodation with shared communal areas and support from trained staff. Three additional EFY Foyers are also currently being established in Tasmania. Participants and staff commit to a reciprocal 'Deal' where young people agree to participate in education and five other EFY Foyer Service Offers and, in return, Foyer staff agree to provide them with accommodation, opportunities and inclusion in a learning community for up to two years.

### Developing Independence

As part of the EFY Foyer model, the BSL produced Developing Independence, an accredited course aimed at increasing engagement in education, training and aspiration-building for young people in Victoria.

Developing Independence was delivered to all Foyer students as a key part of the model. It was also piloted separately in residential out-of-home care settings and in

community settings with young people who were on, or who had experienced, a child protection or youth justice order. The course supports young people to pursue personal goals, engage in education and prepare for independence.

### Better Futures

The Victorian Government's Department of Health and Human Services has worked in partnership with the BSL and partner organisations to develop Better Futures, a new practice model for working with young people transitioning from care in Victoria.

To meet this responsibility, the Victorian Government has funded a range of Leaving Care and Post Care services, all of which have historically experienced high demand and been difficult to navigate due to different referral and access points. As a result, many young people transitioning from care were unable to establish or sustain independence.

Better Futures draws together several pre-existing programs to strengthen and streamline support for these young people. It has a particular focus on improving access to Post Care supports and, in doing so, ensures that more young people engage in meaningful activities that will support them in establishing livelihoods in the broader community.

The Better Futures practice model is based on the Advantaged Thinking approach, which was originally developed by Colin Falconer of the UK Foyer Federation and adapted by the BSL. At the heart of Advantaged Thinking lies an understanding of people's rights to develop a good life, one which they have reason to value, and a focus on developing strengths and assets rather than problems and needs. This approach recognises that people's capability to choose different pathways in life must be matched with actual opportunities and the resources to realise them. Advantaged Thinking is the fulfilment of this philosophy in practice. By using processes and planning resources designed to develop young people's aspirations, skills and capabilities it supports them to build the foundations for a sustainable livelihood.

Better Futures uses this approach to equip young people with the appropriate supports, networks, skills, experience and vision they need to transition from Victoria's care services to independent living. It also provides them with assertive, flexible and tailored support to ensure their active involvement in setting goals for the future.

There are currently more than 30 providers across Victoria delivering Better Futures and coming together in a state-wide Community of Practice to share, refine and enhance Advantaged Thinking practice through collaboration, knowledge sharing, innovation and advocacy.

# Endnotes

# Endnotes

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