

Submission
No 19

**INQUIRY INTO PROCUREMENT PRACTICES OF
GOVERNMENT AGENCIES IN NEW SOUTH WALES AND
ITS IMPACT ON THE SOCIAL DEVELOPMENT OF THE
PEOPLE OF NEW SOUTH WALES**

Organisation: CareerSeekers
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RE: Submission to Inquiry into Procurement practices of government agencies in NSW

Introduction to CareerSeekers

CareerSeekers is a non-profit social enterprise supporting people who have come to Australia as refugees and asylum seekers to start their professional careers through paid internships. We partner with over 70 of the largest and most respected employers in Australia, including companies delivering significant infrastructure and construction projects such as the Victorian Major Transport Infrastructure Authority, John Holland, CPB, Lendlease, Laing O'Rourke, Ventia, GHD among others.

Our programs break down barriers to employment for mid-career professionals from refugee backgrounds seeking to reignite their careers in Australia, provide employment pathways for refugee university students, and support employers to build a diverse workforce.

Since we started operating in 2016, we have delivered more than 1,800 internships, which equates to over \$80 million in wages earned by our participants. We are proud that over 90 percent of our participants convert to full-time professional employment after their internship. Our [website](#) provides more details about our programs and highlights the benefits to both participants and employment partners.

CareerSeekers receives no Government funding

CareerSeekers is a social enterprise. We generate 80% of our funding through the fees we charge employers, which is supplemented by philanthropic support. Importantly, we receive no government funding, highlighting the value that social enterprises, coupled with a well-designed social procurement scheme, can deliver to disadvantaged job seekers, and to the community.

The contribution CareerSeekers plays has been acknowledged by Government. In particular, *The Review of the Migration System* (March, 2023) (the [Review Report](#)) commissioned by the Hon. Clare O'Neil MP identifies the powerful role social enterprises like CareerSeekers play in breaking down barriers for humanitarian entrants to enter the labour market. We were proud to

see CareerSeekers included as a case study in the Review Report (see Box 38, p 160 of the Review Report). The review recognises employment and economic integration is fundamental to unlocking the potential of migrants.

Employment barriers faced by refugees

Unemployment and underemployment of refugees is a major issue in Australia and around the world. A recent academic literature review on refugee employment summarises the challenges, concluding that:

- Without post-employment training and development opportunities, refugees find sustaining employment especially difficult
- Employment terms and conditions for refugees in receiving countries are conspicuously poor compared to other migrants
- Refugees often experience a general climate of exclusion or isolation in the workplace.

The report concluded: “These insights paint a rather negative image of the refugee employment experience. They also underscore the importance of employer engagement with the workforce integration of refugees. Facilitating refugee integration into the labour market of the receiving country can also facilitate social inclusion more generally.”

This is underscored by a 2017 report¹ which found that only 17 percent of humanitarian migrants are in paid work after being in Australia for 18 months.

There is significant benefit to supporting better employment outcomes for refugees. It clearly benefits the individuals who are connected with employment, together with their families, supporting their smooth settlement in Australia. It also benefits employers, especially at a time of skills shortages, which get access to this often hidden pool of resilient, skilled and determined people. And wider society benefits from the economic and social contribution made by people who might otherwise be drawing on the resources of society.

CareerSeekers’ experience of the Victorian social procurement regime

The Victorian social procurement regime has underpinned CareerSeekers success and helped us deliver more than 1,800 paid professional internships.

This has been driven both directly by the social procurement regime with our employment partners disproportionately based in Victoria. In addition, Government departments overseeing significant government infrastructure spend have driven and role modeled social procurement behaviour.

¹ *Settling Better*, Centre for Policy Development and Boston Consulting Group, February 2017

For example, since 2018 we have placed 65 interns from refugee backgrounds with Victoria's Major Transport Infrastructure Authority and the projects that the MTIA oversees. Most of those interns have gone on to obtain ongoing professional work - typically as engineers - with Victorian employers. In contrast, in the same period we have placed 6 interns with NSW Government Departments.

Successful elements of the Victorian procurement system

1. Mandatory participation in social procurement for projects of a certain size

Mandatory participation is vital if NSW is to develop a vibrant and impactful social procurement system. Having a recommended or opt-in system will not drive different behaviour.

Our experience is that, in the early days of the Victorian regime, organisations' chief motivation in engaging CareerSeekers to support recruitment of priority job seekers was to comply with their social procurement obligations. However, after several years, those same organisations came to see the business benefits of recruiting refugees such as accessing talented individuals, building the diversity of their teams, and staff feeling positive about their contribution to an important social issue.

This is borne out by our discussions with some of our employment partners such as CPB and John Holland Group in preparation for this submission. They have indicated that, despite the increased compliance burden of an expanded NSW scheme, they are supporting the introduction of a regime in NSW that is similar to the Vic regime.

2. A broad definition of Priority Job Seekers

An aspect of the Victorian regime that has worked well is the inclusion of "Priority jobseekers" as a category of job seeker covered by the social procurement regime.

Under the Victorian regime a priority job seeker is a local resident, who is eligible for work and is at risk of long-term unemployment because they face barriers to employment.

This broad definition supports a genuine social procurement outcome - increased employment opportunities for those at risk of long term unemployment.

It also makes it possible for companies seeking to comply with those requirements to genuinely deliver on those commitments by having a wider pool of disadvantaged job seekers to work with.

And finally, it avoids some of the unintended and perverse side-effects that a well-intentioned but narrow definition of priority job seeker can result in - for example, companies struggling to

meet their social procurement employment targets because they cannot “find” enough disadvantaged job seekers.

3. Not just spend with Social Enterprises

CareerSeekers is a social enterprise registered with Social Traders and whole-heartedly supports steps that encourage procurement from social enterprises.

However, effective social procurement is not limited to spend with social enterprises. For example, CareerSeekers is a social enterprise who connects people from refugee backgrounds to employers for professional employment. The employer pays the refugee directly. This salary spend, although undoubtedly having a positive social impact, does not meet the definition of social enterprise spend.

Accordingly, an effective social procurement regime should also include other elements.

A feature of the Victorian Social procurement regime that has worked well is the Major Projects Skills Guarantee. This is a mandatory requirement, for publicly funded projects above a certain threshold, for organisations to use local apprentices, trainees, or cadets for at least 10 per cent of the total estimated labour hours on the project.

This both supports local young people and supports investment in skills training which benefits those individuals and the broader community.

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