

Opening Slide

Using Business Community Partnerships to Address Systemic Disadvantage- The Case for it and the Case Study

The Case for Social inclusion:

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American author Cormac McCarthy's latest novel "The Road"¹ published last year is a grim story set in post-apocalyptic times. A father and his young son walk alone through burned America. Nothing moves in the ravaged landscape save the ash on the wind. It is cold enough to crack stones, and when the snow falls it is gray. The sky is dark. Their destination is the coast, they hope it will be warmer there, although they don't know what, if anything, awaits them. They have nothing; just a pistol to defend themselves against the lawless bands that stalk the road, the clothes they are wearing, a cart of scavenged food--and each other.

"The Road" is a moving story of a future in which nearly no hope remains. Frightening in its vision of that future "The Road" presents a scenario of where we might be headed if we ignore the world of community and allow the world of the individual to reign free and unrestrained.

It is an alarming story. And surely we are nowhere near that in Australia however we do need to be attentive to where we are heading.

On the occasion of his tenth anniversary in office, the Prime Minister of Australia, Mr John Howard, identified a challenge when he said:

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A future challenge for our nation is to maintain national unity, social cohesion and above all our egalitarian spirit. The challenge is to find innovative ways to break the vicious

¹ Cormack McCarthy; *The Road*, Picador 2006

cycles of poor parenting, low levels of education, unemployment and health problems that can afflict some individuals and communities.

He went on - We must reinforce the virtuous cycles of caring families, strong learning environments, good jobs and healthy lifestyles that allow others to succeed in a competitive world. Australia must find ways of restoring order to zones of chaos in some homes and communities, which has the potential of destroying young Australian lives.

Societies as characterized by the American author and as described by Mr Howard's zones of chaos are not good places to live and to thrive. They are not good places to do business in or to raise children.

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In a recent study sponsored by Jesuit Social Services and Catholic Social Services Australia entitled *Dropping off the Edge: the distribution of disadvantage in Australia*, the researcher Professor Tony Vinson was able to demonstrate that there do indeed exist zones of chaos in Australia.

In looking at every local area and postcode nationally the study found for example that the three per cent of the most disadvantaged communities in Australia (68 in all) have double the rate of unemployment and two and a half times the rate of long term unemployment in comparison to the average of other communities; they have double the rate of disability support and psychiatric admissions; these poorest neighbourhoods have more than double the rate of criminal convictions; three times the rate of imprisonment; and 3.5 times the proportion of confirmed child maltreatment.

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Taking a very broad range of 25 indicators measuring, social distress, health, community safety, economic security and education in every local area nationally Professor Vinson's study paints a bleak picture of just what a life of deprivation or disadvantage is really like. The concentration of such undesirable realities as unemployment, high

imprisonment rates, confirmed child maltreatment, low computer and low internet access, early school leaving, low income and so on in certain areas demonstrates that in some Australian communities the toll of disadvantage increases many times over when infant misfortune is followed by a succession of later set-backs. The piling of disadvantage upon disadvantage has harmful consequences for the individuals and families affected. Consequences that can spill over to the next generation. It can also cultivate a local social climate of resignation to poor circumstances. The result can be very costly to the society as a whole. (Vinson speech at launch 28/02/07)

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The study however is not all bleak and there is cause for hope. The study demonstrates that where there is the political will and where the right interventions are made over a sufficiently extended period, of say eight years then many of the ill effects of disadvantage can be overcome. It's not enough just to find the right program it needs to be embedded over time.

However the notions of eight years and political will do not always go together. It is sometimes difficult for governments elected on a three or four year cycle to take actions, allocate funds and make interventions the results of which may only be seen ten years down the track. But when policy makers do make such interventions the outcomes are often embedded and sustained.

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Of course it is never enough just to put responsibility onto governments. Governments in fact are only an expression of the will of the people. Good government and good society is a responsibility of the people and the whole society. A society is made up by individual citizens, and the collected efforts of people as represented in business organisations and community institutions responsible for health, education, social welfare, justice, sport and recreation, environment and so on.

Where society fails some individuals and groups, they begin to fall behind or drop off the edge and it becomes necessary to make effective interventions to ensure that the society remains fair and inclusive. It is into spaces such as these that the value of community and community and business partnerships really come in to their own.

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Relieved of political baggage the other social institutions (ie business and various community groups) can firstly give permission and apply pressure to public policy makers to take the longer view and secondly they can develop initiatives of their own that sit outside government run agendas.

Into these spaces come the great opportunities for business and community ventures.

It was observed through the Tony Vinson study that the effects of deprivation on individuals and neighbourhoods are cumulative and are magnified in disadvantaged communities. It follows then that solutions to deprivation will need to be sustained and integrated.

The answers will lie in the provision of a range of services, circumstances and opportunities that restore order to the zones of chaos. As the prime minister expressed it, *the challenge is to find innovative ways to break the vicious cycles of poor parenting, low levels of education, unemployment and health problems that can afflict some individuals and communities. To reinforce the virtuous cycles of caring families, strong learning environments, good jobs and healthy lifestyles that allow others to succeed in a competitive world.*

The case studies:

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So what are some opportunities that business might take to work with community to address disadvantage? There are many existing initiatives and others that could help.

One of the insights of the Dropping off the Edge study is the spatial nature of disadvantage: it effects certain postcodes and localities and they have been identified.

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A response to this that businesses may wish to take is to adopt a particular postcode or postcodes that are in disadvantaged areas. Say for example we pick the imaginary postcode 3999:

- A business might set targets for employment. How many employees does our organisation have from postcode 3999? How many could we pick up in the next twelve months? Why not convert traditional corporate volunteering programs into mentoring a person from one of the postcode areas or the targeted disadvantaged areas into a job – help them with the application, help with a mock interview, help them survive the cultural difficulties in the first few months of work.
- What community groups exist in postcode 3999? What new groups might be encouraged? Sporting groups which connect young people and provide healthy outlets, a toy library to encourage early learning, community access to computers and internet, homework clubs, neighbourhood houses and resource centres. Play groups where mothers can gather with their young children and where information around health and nutrition, early learning and mutual support could be provided in a non threatening non stigmatised setting.
- How could our business support and encourage local community groups?
 - Backroom support for business activity
 - Direct giving and donations
 - Establishing partnerships
 - Staff expertise and volunteering

- What students in high schools in postcode 3999 would benefit from mentors from across your organisation building personal relationships with them. To accompany them through their education and maybe into the workplace? Clearly it is not only the young people who would grow and benefit from those sort of arrangements and relationships.

These are all possibilities that exist that would help to build order and hope in zones of chaos.

Following are some examples of partnerships that are currently helping to address disadvantage and improve social inclusion:

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1. Many low income families are very vulnerable to credit traps. With a need for emergency funds they can easily get caught up with unscrupulous pay day lenders who charge excessive rates of interest. Good Shepherd youth and family services together with the National Australia Bank developed a low interest personal loan product called a stepUP Loan. This is a National Australia Bank product, where a Good Shepherd micro credit worker assists the applicant with the process. stepUP is available to people living on low incomes who reside in and around Collingwood, St. Albans, and the Mornington Peninsula. Loans to date have been for the purchase of household furniture, computers, and second hand motor vehicles.

These loans are between \$800 and \$3,000 at 6.99% per annum fixed for the term of the loan, repayments are flexible, and there are no fees or charges with this loan.

2 Centacare has attracted some loan funds for a small interest free loan program for refugees who can demonstrate that the loan will help them into employment. Mostly the funds have been used to purchase driving lessons and get driving licences. About twenty loans averaging about \$700 are currently on our books. Over the two years we have been

running this program there have been no defaults on payment. We are currently looking for a partnership with a financial institution to assist us fund a financial counsellor to help manage an expansion to the interest free loans and to educate families in matters of budgeting and credit. There is something neat about a bank or financial institution helping to fund a social program aimed at financial literacy.

3 There is also something neat about this example. The Brotherhood of St Laurence runs a literacy program to help disadvantaged communities prepare their three to five year olds for school. The program HIPPY (Home Instruction for Parents of Pre School Youngsters) is supported by Readings bookstores which runs special events and provides some funds.

4 One key area through which business is able to and does address disadvantage is through the provision of jobs and fair conditions of employment. A job is probably one of the best ways to move out of poverty. For a person who is able to work a job gives a sense of dignity and independence. At Centacare we observed through our refugee and humanitarian entrants programs that too many refugees were unable to find their way to employment because they lacked knowledge and access to mainstream support systems such as the Job Network. Most of us realise that it is often “who you know” not “what you know” that lands you a job. Centacare has attempted to become the “who they know” for African refugees establishing relationships with employers who are prepared to give these new arrivals a go. It is not a big program but it has been highly successful with minimum resources in placing about forty refugees into sustained employment over the past eighteen months.

We know through this work of the danger of the “hospital hand pass” where a seriously disadvantaged job seeker with multiple and complex problems is dumped on an unsuspecting employer. The life of a refugee is frequently characterised by great trauma, and a history of war and violence. The refugee experience means that education has often been disrupted and literacy and numeracy in a first let alone a second language like English is highly compromised. Of course there are also multiple cultural challenges to

face such as gender roles, relationships between parents and children dealing with finances and so on. Notwithstanding these realities several employers have agreed to accept refugees into employment on the understanding that they may require a little extra effort. Over the past twelve months we have placed a number of refugees with one employer on a mushroom farm in Central Victoria. The key to this success has been to maintain a relationship with the employer to speak regularly and to sort out problems and misunderstandings as soon as they arise.

Centacare has discovered a number of employers who are ready to assist in employing disadvantaged jobseekers but there are always more options that are needed. While there are some refugees who are ready to take up employment with very little adjustment we are careful not to place people with high needs into a position where there is not likely to be sufficient support. We are currently seeking funding from a number of sources to put in the support structures that people with complex needs will require in the first months of employment if they are to maintain the job.

5 Mentoring provides another great opportunity which business could support. Last week I was speaking to Bernie Geary who is the Child Safety Commissioner in Victoria. We were speaking about the 300 or so young people in Victoria who are living in residential care units as part of the out of the Child Protection system in the state. For the most part they are very damaged and sad kids with awful histories - how tragic and unfair it would be if they were to have no chance or hope of redemption for their future.

The reality is though, that unless something happens, unless there is some effective intervention, we know already that many of these same young people will go on to live miserable lives with few opportunities. As is currently the case these young people will go on to be well over represented in homeless statistics, prisons and the mental health system. Unless something happens to turn around their fate they will commit a disproportionate amount of the future crime in our state. This need not happen and what an opportunity we have- we know where they are; we know their names and addresses;

why can't we ensure some sort of intervention – this is an opportunity for generational change – talk of addressing systemic disadvantage!

The office of the Child Safety Commissioner currently has a proposal before Government to establish a new scheme of community visitors to these young people in care. The role of the community visitor will not be to inspect conditions or to make reports but rather to encounter these young people, to become their supporter or mentor; to open a door or two to them.

You might be surprised to learn just how impoverished and lacking in warmth and affection is the life of these young people. The only people who care for them are workers who are paid to care for them. They have never been on a family holiday or known the stability of a home where they were safe. The community visitor may help to bring some of that experience into the lives of these young people. If this scheme gets up it would be wonderful thing for some businesses to adopt and promote through encouraging employees to get involved from all levels of the organisation. Even though it will not be easy I think I can guarantee that it will not only be the young people who benefit from the new relationships. Surely employees and businesses will also grow through the understanding and friendships that are forged and through the enrichment of the common good of society.

Conclusion:

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In the Dropping off the Edge report into disadvantage by locality, the research also demonstrated the importance of social cohesion. In communities with high social cohesion the negative consequences of such undesirable factors as unemployment and early school leaving were significantly dampened.

The development of strong partnerships between business and community and the strengthening of a sense of shared responsibility for society and the notion that we are

“all in this together” will bind us all closer together and improve the social cohesion on which the well being of individuals, communities and businesses all ultimately depend.

I urge every business to heed the call for a new type of corporate responsibility practice – and I urge community organisations to join in thinking in a new paradigm- that of addressing disadvantage in a systemic way thereby fundamentally changing the conditions that lead to disadvantage while creating new opportunities and possibilities for those who are most in need.