



Final report

Evaluation of Good Cycles' Youth Employment Program



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Executive summary

This is the final report from Think Impact's two-year evaluation of Good Cycles' Youth Employment Program (YEP). The YEP is a flexible, strengths-based model that supports young people to overcome barriers to employment. At its core, the YEP meets young people 'where they are at' and provides them with opportunities to learn by doing in a supportive and inclusive work environment. Through the YEP, young people are given real work in one of Good Cycles' service offerings. Youth coaches play an important role in the YEP by providing feedback, support, and career development opportunities to the participants.

The YEP has gone through three different versions. In total, 40 young people have participated in the YEP in its current iteration, which is the focus of this evaluation.

First founded in 2013, Good Cycles is a work integration social enterprise (WISE) that works across several different areas: green spaces, asset maintenance, delivery, logistics, bike retail, bike repairs, micro-mobility, and labour hire.

The report has three sections: an outcomes evaluation, an economic benefit analysis, and an advisory component. As part of this, we explored several areas, including (but not limited to):

- outcomes achieved by YEP participants
- the post-completion experience of YEP participants
- impacts costs and social value of the YEP
- pathways into and out of Good Cycles
- the role of the coaching model
- the relationship between Good Cycles and mainstream employers.

As part of the advisory component, we provided advice on issues related to scaling, system change, and building relationships with social procurement customers. More specificity on the questions answered as part of these broad topic areas can be found in Table 2.

To support our findings, we completed 49 interviews with former and current participants of the YEP, sector leaders and experts, other WISEs, employment service agencies, government departments, commercial partners, and Good Cycles' employees. These were supplemented with analysis from Good Cycles' impact survey and a review of relevant literature.

Outcomes evaluation

Good Cycles has produced several important outcomes for YEP participants. These are:

- improved financial wellbeing
- improved employability
- improved mental health
- increased confidence
- improved physical health
- increased sense of belonging.

These outcomes were produced through the provision of real work, flexibility, coaching support, development opportunities, and an inclusive culture. Good Cycles staff have built and maintained rapport with the young people, provided tailored support that is attentive to need, and have been responsive to changing requirements and adaptive in work style. The coaching model was crucial to this in terms of providing support and flexibility for YEP participants.

This environment has led to longer tenure for YEP participants than their counterparts in other programs or WISEs. Indeed, several young people have been involved in the YEP for two years, often the longest period that young people had ever been employed by the same employer. One downside of the approach is that some young people expressed a wariness about moving into 'mainstream' employment as they were dubious that they would find such a supportive and inclusive employer elsewhere. While this represents a success story, it also places limits on the number of people that Good Cycles can support.

Such outcomes are also particularly important given the variety of needs of YEP participants. Indeed, we found that young people experienced several intersecting barriers. These include:

- lived experience of disability or serious health issues, including mental health issues
- lived experience of family violence
- lived experience of problematic drug or alcohol use
- limited access to transport
- insecure housing
- early school leaving/low literacy.

Typically, young people are referred to Good Cycles either from another service or support or an employment partner. The other typical pathway into Good Cycles is through a recommendation from a friend. Transition pathways out of the YEP include:

- moving into a more skilled role in Good Cycles
- commencing a course of study
- commencing unsupported employment with an existing commercial partner
- commencing unsupported employment within mainstream employment.

Each of these transitions represents a positive result or outcome.

Finally, we found that, for transitions to be successful, there needs to be a focus on both employee-related and employer-related factors. Employer-related factors are an understanding of the needs of young people, a willingness to 'go slowly' and effective recruitment and support practices. Employee-related factors are competence in current role, an interest in the new role and a demonstrated ability to keep up with a diversity of responsibilities. These factors might be considered as part of future transition planning for YEP participants.

Economic benefit analysis

Our economic benefit analysis consisted of two components – a social value model and an analysis of impact costs. A summary of the social value model is included in this document, with more detail provided in a supplementary report.

Overall, the YEP has produced \$3.9 million of social value across the 40 participants in this iteration. The most valuable outcomes for participants have been increased employability, followed by increased confidence and improved financial wellbeing. Indeed, through interviews young people often described these as 'threshold' outcomes. That is, these need to be in place first to enable a range of other outcomes found through the evaluation. This lends further credence to a 'job first' approach.

We also found that the YEP incurs \$12,684 of impact costs per participant per annum. This is in the mid-range of impact costs for the sector. We are aware that Good Cycles is now carrying out additional work to understand their impact costs; the business model that results from this; and the balance of commercial revenue and social impact revenue they need to be sustainable.

Advisory component

The focus of the advisory component of the project related to scaling Good Cycles to expand its impact. This aspect began with understanding the role of WISEs in the wider employment service system. We found that WISEs have an important role to play but that role is always going to be complementary to other employment service providers.

Direct comparison between WISEs and more ‘mainstream’ employment service providers is therefore misleading. Instead, the focus should be on how different models adopted by different organisations can work most effectively together and as part of a wider service system.

For instance, anecdotal insights suggest that both WISEs and ‘mainstream’ employment service providers achieve similar results for clients. These included improvements in confidence, financial wellbeing and mental health. At the same time, we were told that improved employability was more likely to be achieved by a WISE, though the reasons for this are unclear and are worth further exploration.

Building on these insights, relationships with mainstream employers is a key avenue through which Good Cycles could further scale its impact. However, these partnerships have, to date, not been a large factor in transitions for young people involved in the YEP. Strengthening these relationships, with a view to enhancing transition pathways, could be achieved through:

- development of formal, long-term partnerships
- engagement of ‘brokerage’ agencies
- Good Cycles providing direct and ongoing support both during and following any transition.

Likewise, formal social procurement has not been a large part of Good Cycles’ commercial revenue. However, Good Cycles’ model is appealing within a social procurement context, as it seeks to leverage the buying power of large organisations to assist people facing barriers to employment. Often, the relationship with Good Cycles helps these organisations deliver on their social impact commitments.

Philanthropic and government funders also have a key role in supporting scaling. To date, Paul Ramsay Foundation (PRF) has supported Good Cycles by enhancing its capacity and capabilities through the creation of specialist roles. This has made Good Cycles more competitive.

In the future, Good Cycles – like any social enterprise – needs to embed its impact costs into its revenue model and understand the balance of commercial revenue and impact revenue required for ongoing sustainability. And, like any WISE, Good Cycles is likely to continue to need philanthropic support until there is sufficient revenue from government to fund impact costs. This approach should be supported by communicating its impact widely.

Beyond funding impact costs, government can also support Good Cycles and the broader WISE sector in a range of ways, including:

- taking a knowledge brokerage role to communicate how WISEs work to tackle employment exclusion
- enhancing regulations and streamlining funding processes
- tackling funding ‘silos’ to create more of a collective funding (impact revenue) model across different departments and tiers of government
- acting as a system steward or regulator
- reducing barriers to entry for social enterprises.

At the same time, government is not the only entry point for system change and some work and advocacy from peak bodies like Social Enterprise Australia or Paul Ramsay Foundation would be of benefit. Likewise, future advocacy might focus on creating flexible and supportive workplaces that can meet the needs of marginalised employees.

Finally, the report argues that, for WISEs to thrive, there needs to be fundamental changes in how the system operates. This would inevitably include embedding impact costs into any funding model; consistency in the approach to impact costs; a wider definition of 'outcomes' that moves beyond outputs; more flexible payment and contracting arrangements; ways to take account of the complexities faced by the beneficiaries of WISEs; and a re-evaluation of the assumptions underpinning social procurement.

Ultimately, WISEs are delivering on government policy objectives and there is a strong case for additional support from government.

Glossary

The following terms and acronyms are used in this report:

Term	Definition
Activity	The action and effort undertaken to create change (that is, outcome).
Attribution	An assessment of how much of the outcome was caused by the contribution of other organisations or people.
Benefit pathway	An in-depth program logic that explores value flow through understanding early, intermediate and longer-term changes through exploration of cause and effect.
Benefit period	The period beyond the intervention that benefits last.
Case management	Case management is a collaborative process of assessment, planning, facilitation and advocacy for options and a variety of support services to meet an individual’s holistic needs. For the purposes of this project, it is contrasted with coaching (see definition below).
CMO	Context–mechanism–outcome. In realist evaluation, the CMO hypothesis about which mechanisms are likely to operate in different contexts and the outcomes that will be observed when they do.
Coaching	Coaching focuses specifically on a young person’s strengths to assist them to transition into the open labour market. For the purposes of this project, it is contrasted with case management (see definition above).
Deadweight	An assessment of what would have occurred anyway, in terms of achievement of outcomes, in the absence of the intervention/activity.
Discount rate	A rate of return used to calculate the present value of future value flows. Also used to describe the percentage by which a figure has been reduced.
Displacement	An assessment of how much of the change is a net benefit (i.e. a new change) or simply the movement of change from one place to another or the offsetting of one change for another.
Drop off	The rate at which outcomes deteriorate over time.
Financial proxy	Social value is calculated by placing a financial value on the quantified change commensurate with the degree of change experienced by stakeholders. These financial values are known as <i>financial proxies</i> .
General workforce	Good Cycles employees that aren’t part of the youth employment program.

Term	Definition
Impact	The total sum or effect of change caused by an organisation, program or activity.
Inclusive employment	All efforts that promote fair and equitable access to decent employment, ensuring satisfactory pay and conditions, career prospects and opportunities for social integration. In the current mainstream working environment, many groups are not fairly represented. Beyond simply having a diversity policy, 'inclusive employment' practice means proactively targeting those people facing barriers to work and adjusting workplace practice, policy and culture to better support their sustainable employment.
Indicators	Indicators are ways of knowing that change has happened. Indicators exist to provide evidence for whether and to what extent outcomes are occurring.
Intermediate labour market model	Intermediate labour market models provide temporary waged employment in a genuine work environment with continuous support to assist the transition to work. The focus of the employment support is on moving people into mainstream employment within a defined timeframe.
Materiality	Information is material if its omission has the potential to affect the readers' or stakeholders' decisions. Materiality requires a determination of what information and evidence must be included in the accounts to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact.
Mechanism	In realist evaluation, the mechanism is the series of actions, processes, or resources that generate the outcomes.
Modality	This is the way an activity is delivered to bring about intended change.
Output	The quantities or scale associated with an activity (e.g. number of people who took part in a program or got a job).
Outcome	Change(s) that people experience as a result of an activity. An outcome can be positive or negative, intended or unintended, direct or indirect, long-term or short-term, social, economic or environmental.
Pre-employment	A workplace training program that prepares new employees for their roles by teaching them the skills and knowledge they will need to enter the workplace. Pre-employment is often contrasted with a 'work-first' model.
Realist evaluation	A theory-based evaluation approach that seeks to answer the question, 'What works for whom, in what circumstances and why?'
Results	Results are the outputs, outcomes or impact of activities.
Social Return on Investment (SROI)	SROI is a framework for accounting for value.

Term	Definition
	It tells the story of how change is being created for the people and organisations that experience it, by identifying and measuring social outcomes. Monetary values are then used to represent those outcomes.
Social value model	A process through which financial proxies are used to model the value of impacts. This allows social impact to be communicated in financial terms.
Stakeholder	People, organisations or entities that either experience change as a result of the activity that is being analysed or contribute to the change taking place.
Theory of change	<p>This is the starting point for measuring impact. It outlines how you think the activities you run will lead to change. It tells the story of how stakeholders are impacted by an activity, program or initiative.</p> <p>There are three core parts to a theory of change: the development process which essentially helps to answer the questions ‘what is the change we are working for, and what needs to happen for the change to come about?’; the product which enables you to share your ideas and create a shared vision of the long-term change you want to see; and the plan which outlines the key strategic imperatives to be pursued to achieve your intended change.</p>
WISE	Work integration social enterprise, also known as a job-focused social enterprise.
Work-first	<p>A model in which eligible jobseekers are given a job straightaway and are then provided with the appropriate support to maintain that job and keep developing their skills and experience.</p> <p>It is often contrasted with a pre-employment model.</p>
YEP	Youth employment program

1. Introduction

1.1 Supporting young people

Youth is a time during which many people experience significant change in their life circumstances, whether it be in education, work or family. Many young people meet these challenges without significant disruption or issue. At the same time, young people experiencing disadvantage – such as homelessness or health issues – may face additional barriers to finding meaningful work.¹

Good Cycles' youth employment program (YEP) provides paid employment, on-the-job training and wrap-around support to young people (aged 18–28) who are experiencing (or have experienced) barriers to employment. The YEP draws on each young person's unique strengths, aspirations and circumstances to provide tailored support to assist improvement in employment transitions. The four main elements of the YEP are described below.

As part of the YEP, Good Cycles conducts an initial assessment that establishes a young person's eligibility for the program; identifies their barriers to employment; determines their goals and aspirations; and works with the young people to identify pathways to specific levels of skills attainment, wellbeing and resilience.

During their participation in the program, young people are initially included in 'phase 1'. As part of this, young people are provided with regular and intensive coaching and support. Once they feel that they have made sufficient progress towards their goals, they may choose to transition into a second phase of the program. During this second phase, specific, allocated time for coaching sessions becomes less frequent.

Since it was initially developed, the YEP has gone through several iterations. These are summarised in Appendix A. This evaluation relates primarily to the current version, unless otherwise specified. Underpinning all the approaches is the philosophy within Good Cycles where they believe young people can achieve success and that it is important to provide individual, tailored support to support them to identify their pathway.

Elements of the YEP



LEARNING BY DOING in a relevant context with real work, real relationships, real responsibilities and real rewards. Young people are employed on adult award wages as part of teams that are delivering scopes of work for Good Cycles' commercial partners.



STRENGTH-BASED COACHING delivered by youth employment coaches to enable young people to set career and life goals, and to develop a plan to work towards achieving them.



A SUPPORTIVE AND INCLUSIVE WORK ENVIRONMENT that includes on-the-job support from operational supervisors who recognise the barriers that young people may be facing and the impacts they have on young people's ability to participate in employment.



FACILITATED PATHWAYS to positive employment transitions that maintain coaching support as young people progress to other roles in Good Cycles, employment with Good Cycles' commercial partners, employment in the open market or education.

¹ Barraket, J. Campbell, P., Moussa, B., Suchowerska, R., Farmer, J. Carey, G., Joyce, A., Mason, C. & McNeill, J. (2020), *Improving the health equity among young people: The role of social enterprise*, Centre for Social Impact, Swinburne.

The YEP empowers young people to develop at a pace that suits them. This means there is no fixed time limit for progression. This flexibility allows Good Cycles to tailor their coaching support to the individual needs of the young people. It also means that young people are supported to transition into different options. This might mean they transition to a different division in the organisation; into further education; or into supported positions within commercial partners. They may also transition to ‘mainstream’ employment. This flexibility has led to an average time of two years in the YEP, with some staying even longer.

Coaches play an important role in the YEP. This includes:

- providing feedback and clarifying role and expectations
- investigating inclusion and support needs and building a picture of participant strengths
- building awareness of participants’ preferences, values, and strengths
- creating an understanding of relevant career paths
- supporting the development of important foundational skills like financial management and appropriate work etiquette
- increasing transition skills and resilience, including updates to resume, interview training, and strengthening professional training.

1.2 Good Cycles

Good Cycles is a work integration social enterprise (WISE) that started as a mobile bike mechanic service before becoming a retail bicycle store in 2013. Since then, Good Cycles has expanded its operations to provide a wide range of services to its clients and customers:

- Good Spaces: Large-scale green space and asset maintenance services.
- Good Deliveries: Specialist inner-city delivered, logistics and sustainability services delivered via e-bike.
- Good Bikes: Bike retail and tailored micro-mobility services.
- Good People: Specialist managed workforce partnerships (labour hire) with values-aligned partners.

Over the last three years, Good Cycles has experienced steady growth in terms of trading revenue. This is outlined in Table 1. As at time of writing, the organisation had 148 staff members (by headcount). The organisation’s focus is mainly on Victoria. However, they do work with Lime in Sydney, Brisbane, and the Gold Coast to deliver labour hire contracts. This is separate to the YEP.

Table 1 Good Cycles’ trading revenue growth

Financial year	Revenue
FY22	\$4.3 million
FY23	\$7.2 million
FY24	\$10.9 million

Good Cycles is currently looking at ways to scale the impact of both the YEP and its commercial operations. To support this, it has partnered with the Paul Ramsay Foundation (PRF) over three years to end FY25 to build its operational capacity. The goal is for Good Cycles to become a more self-sustaining social enterprise. More specifically, Good Cycles seeks to:

- reduce dependence on philanthropic grants and donations
- increase readiness for impact investment and government outcomes funding
- generate insights useful to both Good Cycles and other WISEs
- improve both the employment outputs and outcomes for disadvantaged young people.

1.3 This evaluation

To support achievement of these goals, PRF commissioned Think Impact to:

- evaluate the impact of the YEP
- be a learning partner for Good Cycles and PRF
- support the goal of scaling.

This evaluation supports PRF's vision of a future where people and places have what they need to thrive. More specifically, PRF seeks to create the conditions that allow children and young people to live free from entrenched poverty and harm. Inclusive employment is one mechanism through which PRF seeks to achieve these outcomes.

The project has three components:

- **an evaluation**, which explored the outcomes the YEP achieves for young people, in what way and to what extent.
- **an analysis of economic benefits**, which looked at the social value created by the YEP and modelled impact costs
- **an advisory component**, which drew on interviews with sector leaders, experts and key stakeholders to provide additional advice on scaling Good Cycles to enhance impact.

These components were operationalised through a set of key evaluation questions. These are outlined in Table 2.

This report is the final deliverable from the project. It is divided into the following sections:

- 'Our approach' (section 2) describes our methodology and includes discussion about our approach.
- 'The experience of YEP participants' (section 3) is the outcomes evaluation. It outlines how young people transition into and out of the YEP, the outcomes achieved whilst there and how those outcomes are achieved.
- 'Economic benefits' (section 4) summarises the social value of these outcomes and the cost per employment outcome.
- 'Scaling the impact of Good Cycles' (section 5) provides advice on what actions Good Cycles might need to take to scale, how the organisation can leverage its relationships to do this, and how Good Cycles might work with government and philanthropic funders to create change. It also provides a broader systemic perspective to consider what works and for whom.

The full details of the social value model are contained in a separate report.

2. Our approach

As with any evaluation, our approach started with a set of key evaluation questions. These were initially developed by PRF and evolved during the life of the project. Initially, we also adopted a realist evaluation approach. However, over time this approach proved unsuitable given the nature of the YEP and, as such, the approach evolved to being focused more specifically on formative evaluation. This change is described in more detail below.

2.1 Key evaluation questions

The data collection, analysis and this report have been structured around key evaluation questions that formed the basis of the request for proposal developed by PRF in August 2022. These are described in Table 2 below.

Table 2 Key evaluation questions (August 2022)

EVALUATION QUESTIONS
<p>Outcomes and impact</p> <ul style="list-style-type: none">• What is the post-completion experience of program employees, including resilience and other wellbeing outcomes, and what are the factors for successful transitions to mainstream employment?• What is the social value/impact of the post-completion experiences of program employees?• What are the pathways through which program employees transition into and out of employment with Good Cycles?
<p>Implementation</p> <ul style="list-style-type: none">• To what extent did the coaching model support program outcomes?• What role did the relationship between Good Cycles and mainstream employers play in creating pathways for program employees?• Which aspects of the scaling process support the delivery of program outcomes?• What is the operational/business cost per employment outcome achieved?
<p>Influence</p> <ul style="list-style-type: none">• How can PRF use Good Cycles to demonstrate that a social enterprise can scale and become financially independent of philanthropic support?• What are the best practice insights in building long-term relationships with social procurement customers?• What role can government funding for employment outcomes play in supporting WISEs?• What other insights can be used to influence systems change, for example at government policy level?• What systemic/policy interventions will likely support Good Cycles to further scale their impact?

As indicated, as the project developed, these key evaluation questions evolved. The key driver of this evolution was the significant change in approach to the YEP that emerged within Good Cycles early in the evaluation process.

The ways in which each evaluation question has been answered is described in more detail in each sub-section of this report.

2.2 Mode of evaluation

Initially, realist evaluation represented the conceptual underpinning of the evaluation. Realist evaluation is a theory-based evaluation approach that seeks to answer the question, ‘What works for whom, in what circumstances and why?’ To do this, realist evaluation clarifies the mechanisms that are likely to produce specific outcomes, the context in which they might operate and the outcomes that will be observed if they operate as expected. This is referred to as the context–mechanism–outcome (CMO) hypothesis.

To support a realist approach, a high-level, organisation-wide CMO hypothesis was developed in the early stages of the project and was further refined and tested through the ongoing collection of data. This informed the design of the outcomes measurement survey for YEP participants and the evaluation framework.

As outlined in Appendix A, Good Cycles’ approach to the YEP changed between the initial evaluation design and interviews with current YEP participants. As a result, the evaluation approach needed to change as well. Aside from the high-level, organisation-wide CMO and the question, ‘what works for whom and why?’, no other aspects of realist evaluation were applied. Instead, our approach was more akin to formative evaluation. Figure 1 outlines our approach to formative evaluation and contextualises this with other modes.

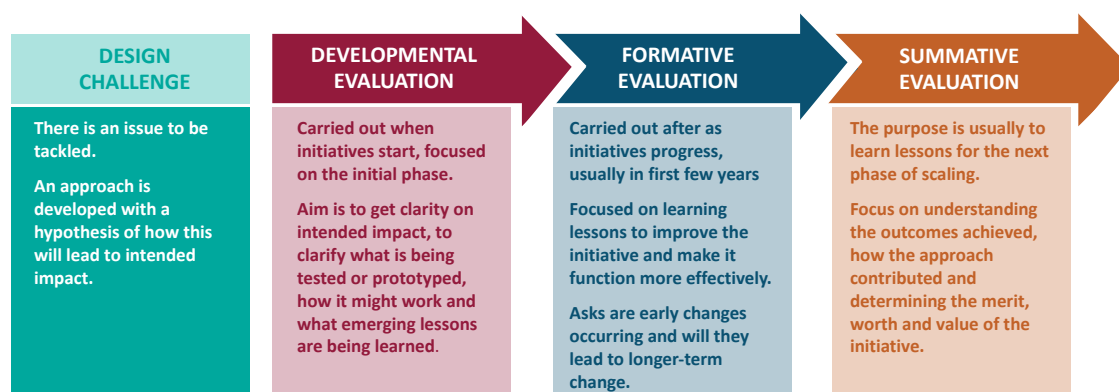


Figure 1 Different modes of evaluation

2.3 Evaluation methods

The evaluation methods involved the following:

- literature review
- surveys
- interviews.

Each of these is discussed in more detail below.

Literature review

An initial literature review was completed as part of developing the CMO. Over the course of the evaluation, this literature review was revisited to answer some of the key evaluation questions,

including good practice insights that can support systems change, how Good Cycles might scale its impact, and the factors for successful transitions to mainstream employment.

YEP participant surveys

Good Cycles administers surveys with YEP participants at various times:

- at entry into the YEP (the 'baseline' survey)
- after six months
- at exit.

A post-completion survey is also administered with former YEP participants six months after exit.

As part of this evaluation project, Think Impact reviewed Good Cycles' survey approach and provided updated surveys to support the evaluation and Good Cycles' ongoing impact measurement activities. This work streamlined and simplified Good Cycles' approach to data collection. Future work may include further refinement of the above instruments (or new instruments) designed to understand how people change their role at Good Cycles and/or start further education whilst still participating in the YEP.

Following this work, Good Cycles provided survey data to Think Impact quarterly. We analysed this data to understand the extent to which it revealed barriers to employment. It also provided useful information on the results achieved for YEP participants. Survey response rates are provided in Table 3. In total, 40 young people have participated in the current version of the YEP.

Overall response rates for the exit and post-completion survey are very low. This is likely due to challenges in maintaining contact with YEP participants post-completion. It is recommended that future monitoring and evaluation approaches would benefit from establishing targeted processes to remain in contact with YEP participants.

Table 3 Survey response rates

Survey	No. of responses
Entry	26
Six-month	17
Exit	1
Post-completion	0

Interviews

Over the course of the evaluation, we spoke with a wide variety of different stakeholders. These are summarised in Table 4. Interviews were divided into three phases:

- **Establishment phase (Feb–Mar 2023):** As part of this phase, we spoke to several leaders and experts in the WISE sector, as well as current Good Cycles (general) staff to support development of the CMO and provide initial insights into some of the key evaluation questions.
- **Phase 1 (Jul–Sep 2023):** We interviewed former YEP participants to understand their post-completion experience and the outcomes they have achieved since finishing at Good Cycles.
- **Phase 2 (Jun–Oct 2024):** We interviewed a wide variety of stakeholders (including current YEP participants) to support our understanding of the key evaluation questions.

Interviews with current YEP participants were generally considered a good representation of the wider cohort. Advice from key Good Cycles staff was that YEP participants are often facing challenges related to mental health issues or neurodivergence. These characteristics reflected several of the young people we interviewed. Moreover, interviewees amounted to 57% of total YEP participants.

Table 4 Interview summary

Stakeholder group	No.	Timing
Sector leaders and experts	5	Feb–Mar 23
Good Cycles employees (Group 1)	2	Feb–Mar 23
Former YEP participants	11	Jul–Sep 23
Current YEP participants	13	Jun–Sep 24
WISEs	6	Jun 24
Employment service agencies	4	Jun–Aug 24
Good Cycles employees (Group 2)	3	Aug–Sep 24
Government departments	3	Sep 24
Commercial partner organisations	2	Sep–Oct 24
TOTAL	49	

2.4 Analysis

Thematic analysis

We examined both the qualitative (interview) and quantitative (survey) data for themes and key insights to support discussion against the key evaluation questions.

Comparative analysis

We interviewed several WISEs and employment service organisations to understand the different models these organisations use to support young people, as well as the outcomes achieved. This helped support our overall analysis of ‘What works for whom, in what circumstances and why?’ It also helped us refine the CMO hypothesis and provided additional understanding of ‘deadweight’ for the social value model.

Economic benefit analysis

Our economic benefit analysis consisted of two components:

- a social value model to understand the social value realised by key stakeholders (YEP participants, government, etc.)
- an impact cost model to understand the cost of service provision.

These were both supported by data from interviews and surveys as well as the comparative analysis. The social value model is provided as a separate document, though we have included a summary in section 4.

2.5 Project governance

To support effective delivery of the project, two reference groups were established.

- **A group of current YEP participants:** This group was consulted to consider the suitability of research instruments, as well as draft findings of this report. Additional refinements of the research instruments were made following the first meeting.

- **A group of leaders and experts in evaluation and social enterprise:** This group met once early in the project to provide advice and feedback on the evaluation framework and once towards the end of the project to consider a draft of this report.

A project management team – consisting of representatives from Good Cycles, PRF and Think Impact – met regularly (at least monthly) to consider and address salient project issues. These meetings also involved discussions of emerging insights from the evaluation and deepening understanding of how Good Cycles was evolving their approach to meet the needs of the young people they were supporting.

3. The experience of YEP participants

This section explores the experience of YEP participants. To that end, it focuses on how young people transition into and out of the YEP, the outcomes achieved while there, and what ultimately is driving outcomes. The discussion therefore represents the evaluation component of the overall project.

3.1 Barriers to finding work

Initial key evaluation question

- What are the pathways through which program employees transition into and out of employment with Good Cycles?

How this was interpreted and addressed in this section

- What barriers or challenges do YEP participants experience in accessing mainstream employment?

Key findings

YEP participants most commonly reported a lack of skills and experience as the main barrier to finding employment. These were often compounded by mental health challenges and/or neurodivergence.² Other barriers included:

- lived experience of family violence
- lived experience of problematic drug or alcohol use
- limited access to transport
- insecure housing
- lived experience of disability or serious health issues
- early school leaving/low literacy.

Participants regularly reported experiencing several of these challenges, indicating that Good Cycles is supporting young people with intersecting and complex needs.

The young people who start the YEP are all unemployed or are experiencing significant under-employment. They have either been long-term unemployed (50%) for over a year or have had difficulty holding down a job, and have often cycled in and out of short-term, casual work. The YEP participants are usually either engaged in seeking employment via a Workforce Australia employment service provider or the Transitions to Work program. They are an entrenched part of the employment services system.

These young people report that their lack of skills or experience is the most significant barrier to them gaining or maintaining employment. Many feel stuck and unable to transition into mainstream employment because of this.

I was struggling [to find work] for quite a while. Not for lack of trying. – Young person

² Concurrent research completed between Good Cycles and the Melbourne Social Equity Institute produced similar findings.

Reinforcing this, surveys identified that 58% of the YEP participants have experienced mental health challenges that had been a barrier to accessing or maintaining employment. YEP participants also experienced a range of other issues that acted as barriers to them gaining or maintaining employment. It often takes Good Cycles staff a period of time to build rapport and more fully understand the range of issues that a young person may have. The range of issues that young people report is described in Figure 2 and Figure 3 below. This suggests that Good Cycles is supporting young people with intersecting and very complex needs. And it takes time to build rapport to gain a fuller understanding of the range of issues that young people are experiencing.

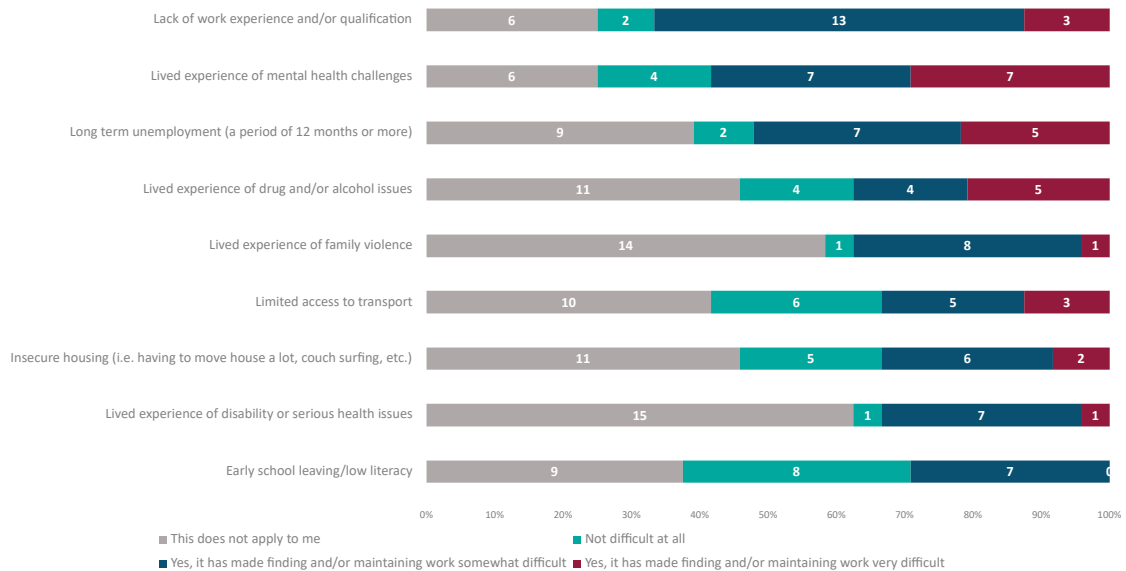


Figure 2 Common barriers to employment (overall)

'I had just finished my Certificate 4 in mental health course. Apart from that I was just looking for work. It took a while to find a job. It is hard with studying' – YEP participant

'I had come into Australia as a student but didn't have any work experience and it was difficult to get experience being a student from overseas' – YEP participant

'I was dealing with big mental problems with anxiety and stuff. I couldn't show up for interviews. I was that nervous' – YEP participant

'Mental health struggles was a big one. There was a lack of knowledge about where to go, what to do, how to apply for places. I wasn't aware or confident in my skills or what I was good at. Wasn't good at talking myself up on my resume' – YEP participant

'I had been working since I was 14. I had a gap in employment for about 6 months. Doing uni at the time. Struggling to find jobs and hear back from them. This was pretty much the only application I wound up getting' – YEP participant

67% of YEP participants
Found a **lack of work experience and/or qualifications** to be a barrier to finding and/or maintaining work in the last 12 months

58% of YEP participants
Found lived experience of **mental health challenges** to be a barrier to finding and/or maintaining work in the last 12 months

50% of YEP participants
Found **long term unemployment (a period of 12 months or more)** to be a barrier to finding and/or maintaining work in the last 12 months

38% of YEP participants
Found lived experience of **drug and/or alcohol issues** to create a barrier to finding and/or maintaining work in the last 12 months

38% of YEP participants
Found lived experience of **family violence** to create a barrier to finding and/or maintaining work in the last 12 months

Figure 3 Common barriers to employment (select)

The young people we interviewed expressed dissatisfaction with their work situation before arriving at Good Cycles. People often spoke about toxic work environments, or workplaces that were unable to accommodate their needs. This situation often led to long periods of unemployment, under-employment, or unstable employment.

This was particularly true for young people who were experiencing mental health issues or identified as neurodivergent. As one young person explained:

After school, I had worked two different industries as an apprentice. The first was a bakery ... I had had it with the culture and people. I was feeling quite burnt out working full time straight out of high school. The other was a hairdressing apprenticeship. Very toxic group of people. It was hard to be neurodivergent in that scenario. – Young person

As indicated, mental health issues often prevented some young people from getting jobs in the first place:

I was dealing with big mental problems with anxiety and stuff. I couldn't show up for interviews. I was that nervous. – Young person

For others, study commitments or a lack of work experience meant that they spent several months unemployed:

I had been working since I was 14. I had a gap in employment for about 6 months. Doing uni at the time. Struggling to find jobs and hear back from them. This was pretty much the only application I wound up getting. – Young person

I was already in education. Looking for employment. My IPS [Individual Placement and Support] worker helped me work on resumes. One of them knew about Good Cycles. – Young person

I had just finished my Certificate 4 in mental health course. Apart from that I was just looking for work. It took a while to find a job. It is hard with studying. – Young person

Or as another described their situation before coming to Good Cycles:

It was a contract job. Landscaping. The contract ended. Because I was part-time casual they got rid of me. This was a blessing in disguise as it was a horrible company. – Young person

Other challenges that were also, less commonly, reported included poor physical health, migrant/refugee status, drug and alcohol issues, or housing insecurity.

Good Cycles staff identified that it often took time to build rapport with the young people and ensure they felt safe and trusting before there was fuller disclosure of the complexity of issues that they faced in their lives. Quite often the lack of skills or experience was presented as the key issue as it was easier to express but this masked deeper, more complex issues.

It is recognised as evaluators that this may also have been the case, with young people unwilling or unable to disclose fully to us the nature of complexity within their lives.

3.2 Pathways into the YEP

Initial key evaluation question

- What are the pathways through which program employees transition into and out of employment with Good Cycles?

How this was interpreted and addressed in this section

- What are the pathways through which young people transition into Good Cycles?

Key finding

Good Cycles is a key component of both the youth unemployment system and the youth social services system in Victoria, with pathways into the YEP often coming via a referral from another not-for-profit organisation.

Young people often found out about Good Cycles through a referral from another service or support (e.g. headspace, Orygen, Youth Projects, etc.). These young people were seen as involved in the youth services system in Victoria. Occasionally referrals came via a friend who was already engaged at Good Cycles:

Program with headspace ... Youth employment and study. Had a few sessions. With last session put me in contact with Good Cycles with a role. – Young person

I was involved with Uniting ... I was in a peer group and the facilitator told me to meet with [general Good Cycles staff]. My friend was already involved in Good Cycles. So I saw she was doing pretty well and I thought I should get into that. – Young person

Pathways in

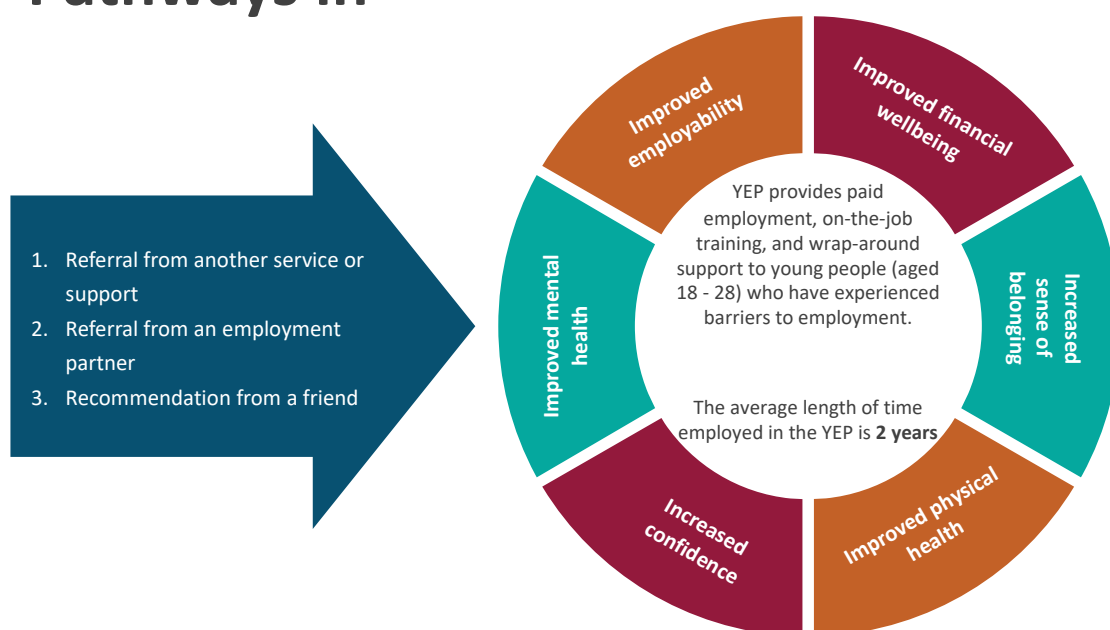


Figure 4 Pathways into the YEP

More recently, Good Cycles has built relationships with employment service providers to support referrals. Some YEP participants are recruited through open employment processes as well. Seven young people have been recruited into the YEP from Transition To Work. However, Good Cycles generally receives three times more referrals from Transition To Work providers than it has capacity to support.

Once a person has contacted Good Cycles, they are interviewed and assessed for suitability. If they are deemed suitable, then they are provided with induction and training before starting in the role.

Good Cycles generally has many more referrals than positions available in the YEP. This is because positions are based on the available jobs and the capacity of referees to complete those jobs. This suggests there is significant scope to find ways to scale so that it meets demand. The other reported challenge is explaining to potential referrers the flexible model of the YEP. As a result, more awareness-raising and advocacy might be another avenue to support scaling.

3.3 Outcomes achieved and why

Key evaluation questions addressed in this section

- What is the post-completion experience of program employees, including resilience and other wellbeing outcomes, and what are the factors for successful transitions to mainstream employment?
- To what extent did the coaching model support program outcomes?

How this was interpreted and addressed in this section

- What outcomes are the young people experiencing through participation in the YEP?
- What are the components of the Good Cycles approach that support achievement of these outcomes (i.e. what is the mechanism)?
- How did the coaching model support program outcomes?

Key findings

- YEP participants reported the following as the key outcomes they experienced:
 - improved financial wellbeing
 - improved employability
 - improved mental health
 - increased confidence
 - improved physical health
 - increased sense of belonging.
- While all of these outcomes are key outcomes, three are threshold outcomes that need to occur for the others to be experienced. These outcomes are increased employability, followed by increased confidence and improved financial wellbeing.
- YEP has been designed to achieve enduring impact.
- YEP outcomes were produced through the following mechanism: provision of real work, flexibility, coaching support, development opportunities, and an inclusive culture.
- To deliver the outcomes Good Cycles staff have to build and maintain rapport with the young people, providing tailored support that is attentive to need, responsive to changing requirements and adaptive in work style.

- The coaching model was crucial to this in terms of providing support and flexibility for YEP participants.
- Factors for successful transition can broadly be categorised into employee-related and employer-related:
 - employee-related include competence in current role, an interest in the new role and keeping up with a diversity of responsibilities
 - employer-related include an understanding of the needs of young people, a willingness to ‘go slowly’, and effective recruitment and support practices.

As indicated earlier, initially a realist evaluation approach was applied to the evaluation. The first step of this involved developing a CMO hypothesis that was then refined with the staff team at Good Cycles. This built on the existing theory of change (see Appendix B) and sought to more fully understand the ‘mechanism’ through which Good Cycles aimed to support young people.

As indicated, Good Cycles describe the core elements of their approach as being learning by doing, strengths-based coaching, a supportive and inclusive work environment, and facilitated pathways.

Through the stakeholder engagement, YEP participants provided insight into the outcomes they experienced because of these activities. These were commonly described as:

- improved employability
- improved financial wellbeing
- improved mental health
- increased confidence
- improved physical health
- increased sense of belonging.

The CMO hypothesis that emerged is represented in Figure 5.



Figure 5 CMO hypothesis

The CMO hypothesis was disaggregated into two benefit pathways – one for YEP participants and another for government. These were developed to further assist in understanding cause-and-effect and allow for tracking whether early changes are occurring. The benefit pathways supported the economic benefit analysis and are included in Figure 14 and Figure 15 for reference.

Outcomes achieved

The following outcomes were identified as being the key changes that they experienced. See Figure 6 below.

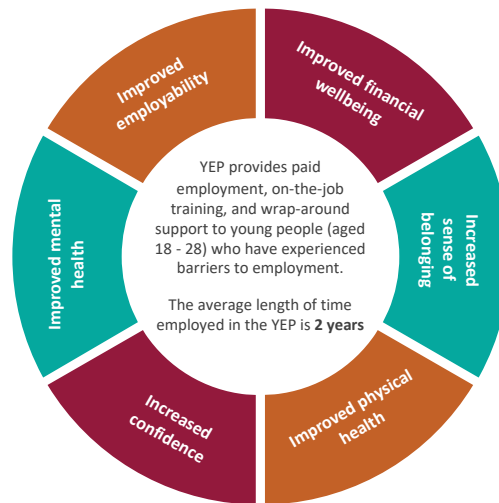


Figure 6 Summary of outcomes

Improved employability

For YEP participants, the attainment of transferable skills generally was considered an important outcome of their time in the YEP and key to improving their employability.

Job skills are transferable. The more experienced a mechanic you are then you are very employable. – Young person

I have developed so many transferable skills in financial maths and that kind of thing. That is pretty much manager material and any retail job. Great on the resume. – Young person

Their experience in the YEP has also contributed to leadership skills, industry knowledge and communication skills.

Most of my confidence in enjoying a leadership role has come from this job. – Young person

Skills wise, I think absolutely everything related to the industry. I did not know much about recycling and food waste, stuff like that, until now. – Young person

I think I've gotten a lot better at communicating in the workplace about things. – Young person

Finally, respondents to Good Cycles' six-month survey reported improvements in:

- teamwork skills
- technical skills
- problem-solving skills
- communication skills.

Have you gained or strengthened any of the following skills during your time at Good Cycles?

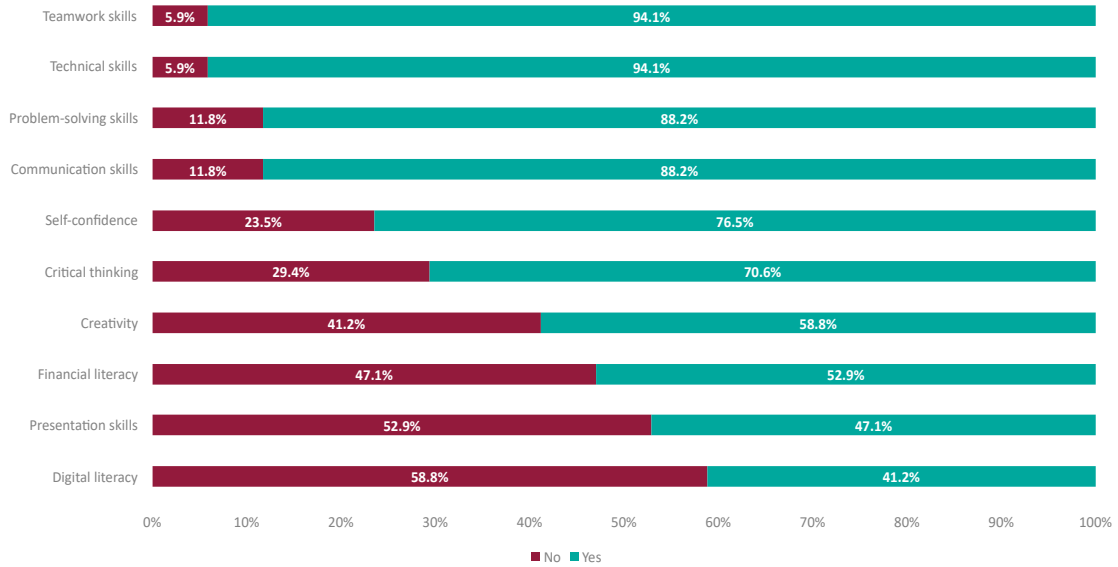


Figure 7 Skills development

Lower results were recorded in a few key areas, including presentation skills, financial literacy, creativity, and critical thinking. These types of skills are not directly relevant to the nature of the work that YEP participants undertake. As a result, it is to be expected there would be lower results recorded.

Improved financial wellbeing

About half (47%) of the young people that responded to the six-month survey reported improvements in their financial wellbeing because of their participation in the YEP. The remainder reported that their financial wellbeing remained the same.

Improved financial wellbeing

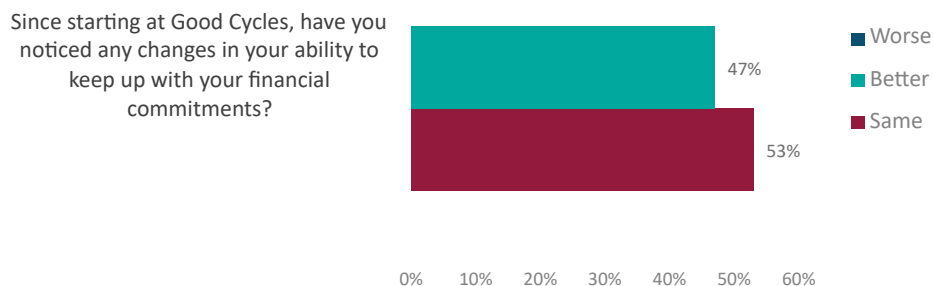


Figure 8 Financial commitments

About half of survey respondents (53%) reported that their ability to keep up with their financial commitments had remained about the same. This may be due to increases in cost-of-living pressures, some YEP participants working part-time, and changes in spending habits due to increased income.

A major thread through several conversations with young people was the stability provided by a steady income and the fact that they didn't have to worry about losing their job due to mental health issues or neurodivergence.

My financial situation has improved infinitely. – Young person

Even though it is a casual job there is a sense of financial security because I know I won't get let go because of my mental health. – Young person

For these young people, having income was considered vitally important to being able to address many other challenges in their lives, particularly mental health issues.

*Without [a steady income] I would have missed some rent payment or bills. That would have had an impact. When it comes to mental health, that income contributes.
– Young person*

Just financial stability is good. It is far reaching. When you are not worried about money you can plan ahead and take care of other stuff. When you are worried about money everything is stressful. You can't enjoy yourself. – Young person

The financial security provided by Good Cycles didn't just come from a steady income but also the ways in which Good Cycles provides support for other financial needs (e.g. transport, uniforms, etc.).

... when I started, they paid for my shoes. They gave me a uniform. I wouldn't have been able to do that myself. – Young person

Riding a bike has been more of a big thing for me. Being able to not have to pay large amounts of money to have a nice bike has been quite helpful. Cars and transport are very expensive. – Young person

*Good Cycles also provide stuff like if I was struggling for food or bus fares ...
– Young person*

Improved mental health

As demonstrated in Figure 9, several YEP participants experienced some improvement in mental health during their time in the program. About two-thirds of participants reported that their ability to look after their mental health had remained about the same, while the remainder said it had improved. Fewer improvements were reported in young peoples' ability to work through negative emotions.

Addressing mental health challenges is complex and, for many young people, these issues may be long-standing. This may mean that benefits to mental health for some YEP participants may only emerge over longer timeframes and with additional supports in place.

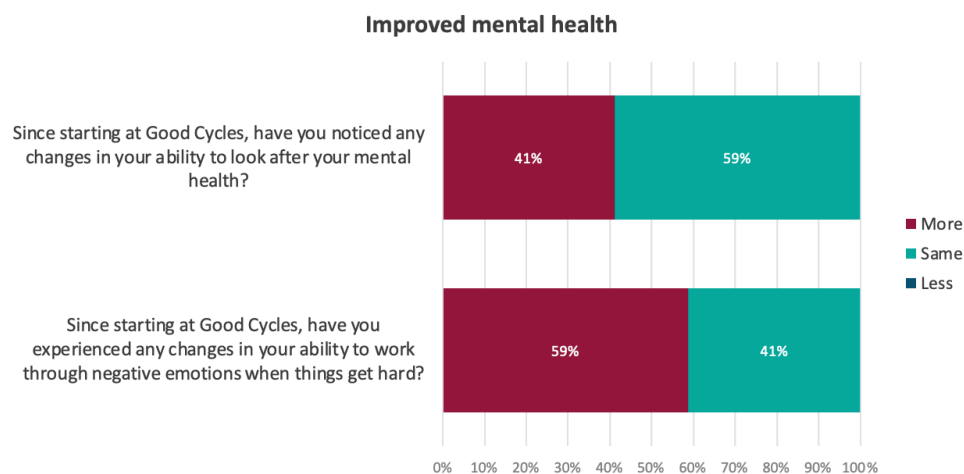


Figure 9 Improved mental health

For those that experienced improvements, these were generally described in terms of reductions in fear, anxiety or depression.

It is hard to get a job without experience and having anxiety is a big barrier. It was just scary really. I don't think I would have been able to get a job without Good Cycles. It is so inclusive and they understand the troubles that youth go through. It made me feel less scared. – Young person

One big thing that Good Cycles helped me with is ... exploring on a bike. That boosted my mental state a lot and I got to experience other things in life. – Young person

Young people also pointed out that their work at Good Cycles had provided them with a sense of purpose or a more positive outlook on life.

Good Cycles gave me a shot and gave me purpose. Even just the bike riding has now given me purpose. – Young person

I think emotionally working here has been really good for me. Before working here I was not a very happy person, I didn't have a very positive outlook on work. – Young person

Part of this effect related to Good Cycles providing a sense of routine and structure:

They give people an opportunity to manage a schedule. – Young person

I learned what it's like maintaining a job, scheduling and management plans. – Young person

Increased confidence

About three-quarters (76%) of surveyed participants reported increases in their confidence because of their participation in the YEP. These were reported to us as being produced through a range of factors. First was the support provided by Good Cycles:

The coaching, the support, the environment. Things like that help to build that confidence and make the work easier. – Young person

I feel a bit more confident because I've had support. – Young person

Having exposure to different work situations, particularly those requiring strong leadership, skills development or maturity, was also a factor that led to improvements in confidence:

I've gained a lot more confidence in leading people. – Young person

It has given me confidence in my ability to do a job well. – Young person

My maturity with the responsibilities that I've been given at the Purpose Precinct, I've definitely had to grow into those responsibilities. – Young person

For others, the safe and welcoming space provided by Good Cycles was also a contributor to enhancements in confidence.

Previous jobs I had I was not confident in my gender identity. That is different here. – Young person

Finally, several young people pointed out that they are feeling more motivated because of working for Good Cycles:

[I'm] more motivated. – Young person

Now I have motivation to do things. – Young person

Improved physical health

Physical activity is embedded within several aspects of Good Cycles' services. For instance, Good Deliveries requires YEP participants to ride eCargo bikes around Melbourne delivering various packages to customers. Likewise, YEP participants involved in Good Spaces are regularly outside completing physical labour in parks, gardens, and nature strips.

Several YEP participants reported that this regular physical activity has improved their overall physical health.

My physical health, given that I was unemployed and not moving much and now I am riding bikes. So that has definitely improved. – Young person

The physical aspect of the work ... [If it wasn't for this job] I wouldn't be as physically healthy. – Young person

I explored a lot of bike paths in Melbourne with electric bikes ... I became physically fit and lost a lot of weight riding the bikes so that impacted my personal health. – Young person

For some, the physical aspect of their role also provided a sense of empowerment or freedom:

I feel empowered in myself that I can go and do a physical, manual labour job that I wouldn't have thought I would be able to do. – Young person

... the ride back at the end of a shift is real nice. There is cold air on your face. Music. It is a peaceful way to end the day. – Young person

This, however, wasn't true for all YEP participants. Most likely, this is because not all YEP roles require physical exertion. Given this, benefits to physical health were less significant than some of the other outcomes described to this point. See Figure 10.

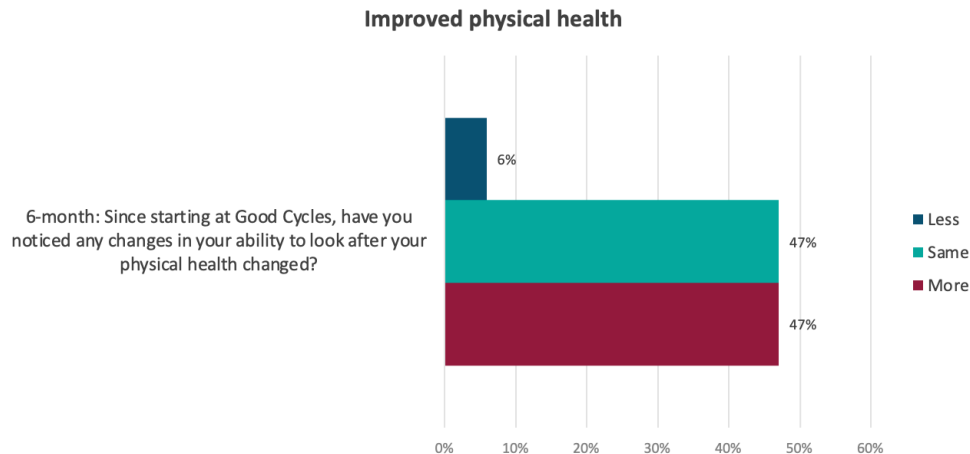


Figure 10 Physical health

Increased sense of belonging

YEP participants also reported an increased sense of belonging. As demonstrated in Figure 11, this occurred through building of both professional and personal relationships. Likewise, 76% of survey respondents reported feeling a stronger connection to their community.

Stronger relationships

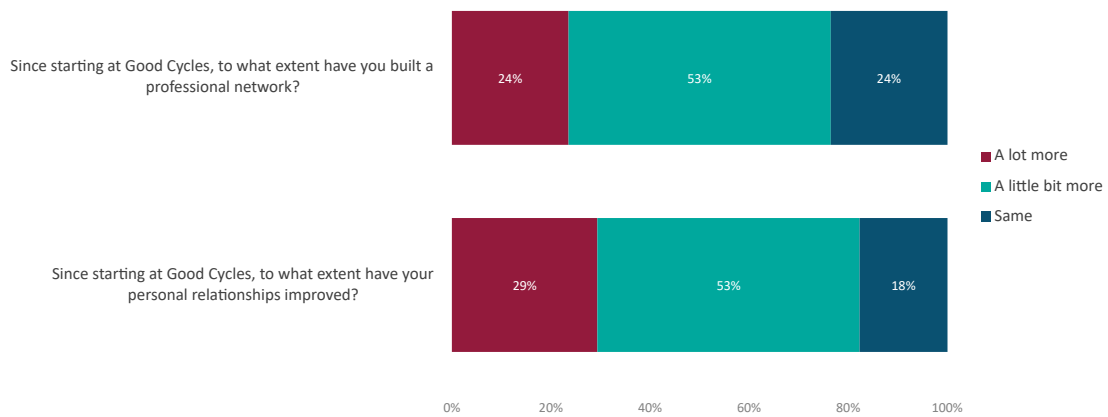


Figure 11 Sense of belonging

Other young people have expanded their networks or felt part of a community:

With the amount of people I see daily it has helped me realise that I don't have to stick to that small group I was always around I can handle more than I think I can especially with people. – Young person

... there is more of a support service than what I have had in previous jobs. And there are people here that I can reach out to help as opposed to a more mainstream employer. – Young person

I'm a lot more open in my relationships, whether it is in work relationships or personal relationships. – Young person

For some young people, having a job with Good Cycles meant they could spend more time with friends and family:

I also have more time to spend with my family and friends. I was working full-time which sucked and it the job was so exhausting that I didn't have time to see people – this is a more manageable job. – Young person

People also suggested that connecting with other, like-minded people was one of their most valuable experiences of the YEP.

I did have friends at my other job. We were friends because we were outsiders. Here I feel I get along with most people. – Young person

Enduring impact

Think Impact has developed the 'enduring impact' model (see Figure 12 below). The basis for developing the model was partners seeking to understand whether initiatives contributed to long-term change for participants and if so, what factors assisted in this long-term change.

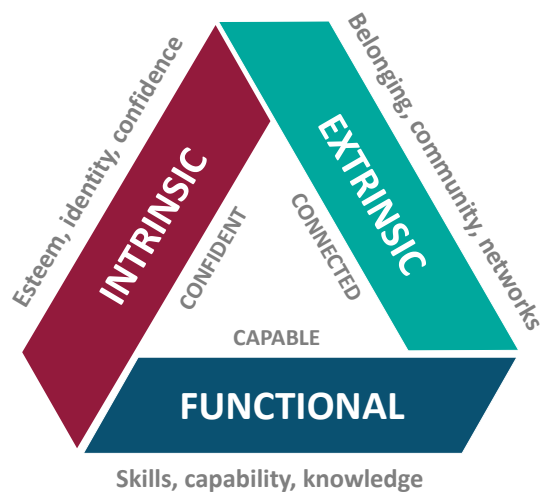


Figure 12 Think Impact's enduring impact model

Outcomes were then analysed for the extent to which they aligned with Think Impact's enduring impact model. This model puts forward the hypothesis that, for programs like the YEP, long-term impact for primary beneficiaries can be achieved by focusing on three domains:

- **extrinsic outcomes**, which relate to relationships, human connection, and social networks
- **intrinsic outcomes**, which relate to a person's internal state (e.g. feelings of self-confidence, stronger identity, etc.)
- **functional outcomes**, which relate to skills, knowledge, and expertise.

The suite of outcomes achieved by the YEP for the young people covers each dimension of the model:

- extrinsic outcomes were demonstrated through an increased sense of belonging
- intrinsic outcomes were demonstrated through improvements in confidence and mental health
- functional outcomes were demonstrated through improvements in employability, financial wellbeing and physical health.

This would indicate that the YEP is supporting the young people to achieve longer-term change in their lives. At the same time, our previous experience suggests that although people need the functional outcomes, the intrinsic outcomes are often most highly valued by program participants. As a result, the YEP might benefit from additional supports and procedures to support the enhancement of intrinsic outcomes. Additionally, one development the YEP might consider in terms of extrinsic outcomes is how they can support the young people to develop stronger professional networks as this might enhance impact in the longer term.

Driving outcomes

The outcomes reported above were attributed to the following factors:

- opportunities to experience real work whilst experiencing good pay and conditions
- the opportunity to learn and develop skills and experience
- flexibility, including the opportunity of engaging in different roles
- the support of coaches and other colleagues
- an inclusive culture.

In addition, it was acknowledged that the core components of the flexibility offered by Good Cycles related to the skills and attributes of the youth employment coaches. There was strong commentary around their ability to offer individualised, tailored support that was at the pace required by the young people. It was recognised that this required the staff to be attuned to needs, responsive to changes in the young people's situations and adaptive in their working styles.

Research shows that the ability for young people to experience ‘real’ work can assist in supporting their transition into the open labour market. At the same time, not all jobs or work environments are suitable for all young people. While a ‘work first’ model has been shown as beneficial, critics have also argued that there still needs to be an alignment between the job and organisation (on one hand) and the needs, attributes, and relative skillset of the jobseeker (on the other).³

Given this, researchers have argued that the most effective and appropriate approach to support young people accessing the labour market should acknowledge that young people experience significant and multiple barriers to employment and that these barriers need to be addressed to break cycles of disadvantage. In addition to a job, how young people are treated is of vital importance in ensuring ongoing success of any intervention.⁴

In line with this thinking, Good Cycles’ model provides young people with the opportunity for real work in a variety of different settings. At the same time, the findings from this project indicate that it is not just a job that counts but also the ways in which young people are treated through the YEP.

More specifically, Good Cycles’ model meets young people ‘where they are at’ in an environment that is flexible, inclusive and supportive. For instance, if someone is having significant mental health challenges, coaches will support young people to access support services and plan with their supervisor. This means they can maintain their employment whilst looking after their health and wellbeing. Young people noted that this provided them with a sense of safety and security that they wouldn’t lose their job due to their circumstances:

The flexibility means I am able to focus on other things in my life. If there are times that I am struggling for whatever reason I know I won't get in trouble here if I am late or cancel a shift. In other jobs I worked casual they would get quite annoyed if you cancelled. Flexibility allows me to think about other things as well. – Young person

They are relatively flexible so long as the work does get done and is done well then they are happy. – Young person

This was coupled with the support provided by the coaches:

I get a bit more support here from [my coach]. There is definitely more flexibility around my university schedule. That's been pretty good. – Young person

In terms of the coaching, the last coach I had was very nice. Having a good chat before work made the rest of the day slightly less stressful. – Young person

Lots of minor things come together that make me feel more supported. The coaching, the support, the environment. Things like that help to build that confidence and make the work easier. – Young person

The coaching support was seen as a significant influence on the achievement of outcomes. Coaches also supported YEP participants by linking them to external services for specialist support with non-work-related challenges:

³ Peijen, R. & Muffels, R. (2024), Bridging gaps, building futures: Evaluating a multinational’s employment programme vs. work-first for youth with diverse education levels, *Journal of Youth Studies*, DOI: 10.1080/13676261.2024.2370255

⁴ Goodwin-Smith, I. & Hutchinson, C. (2014), Beyond supply and demand: Addressing the complexities of workforce exclusion in Australia, Anglicare Australia, Adelaide.

There's also been support around finding other services that can help me day-to-day. This would link in with connections. I'm just learning a lot about things that I didn't know I could access and programs that aren't even related to work. – Young person

In addition to the coaching and flexibility, young people pointed to Good Cycles' culture. Generally, the way in which Good Cycles treats people in the YEP was another major factor that produced the outcomes described above.

They promote that culture. So that is tick! A lot of workplaces really don't. The coaching, I don't think my coach and I were a great fit but that doesn't mean she didn't help me. It was good to have someone who cared enough about my goals and who cared enough to check in. – Young person

They aren't shitty people. I feel like that should be normal but isn't for working. Most of the places I work there's been a fair bit of shitty people. Good Cycles nipped that in the bud. They are pretty good with keeping things civil. Everyone who works here is relatively chill. They have asked if there is anything they can provide to make the job easier for me. – Young person

Several young people attributed these changes entirely to Good Cycles. At the same time, a few pointed out that it wasn't just Good Cycles that helped them achieve these outcomes. Other factors included strong relationships with family and friends, counselling, medication (e.g. for ADHD), or hobbies.

3.4 Pathways out of the YEP

Initial key evaluation questions

- What are the pathways through which program employees transition out of employment with Good Cycles?
- What is the post-completion experience of program employees, including resilience and other wellbeing outcomes, and what are the factors for successful transitions to mainstream employment?

How this was interpreted and addressed in this section

- Where are the young people transitioning to when they complete the YEP?
- What works in supporting young people to transition out of the YEP?

Key findings

- There are a variety of transition pathways out of the YEP. These include:
 - moving into a more skilled role in Good Cycles
 - commencing a course of study
 - commencing unsupported employment with an existing commercial partner
 - commencing unsupported employment within mainstream employment.
- Due to the limited number of young people completing transitions, further work (funding and support) is required to enable Good Cycles to better understand how to maximise transition pathways.

In total, 40 young people have participated in the YEP in its current iteration. As at time of writing, 23 are still currently participating in the program, while a further 17 have transitioned out as described in

Table 5. Of the 40, half have also been with the organisation for more than two years.

Table 5 Transition pathways

	No.
Still part of YEP	23
Transitioned into other role at Good Cycles	6
Transition into mainstream employment	2
Transition into employment with commercial partner*	1
Transition into study*	2
Other exit destination**	7
Exit destination unknown***	7

* Some YEP participants will maintain their position in the YEP whilst also working for another employer or commencing a course of study. As a result, the total number in Table 5 adds up to more than 40.

** These exit circumstances are related to: deterioration of health, death, vaccination compliance, going travelling, workplace conflict and shift availability.

*** These YEP participants left without notice and no details of destination has been provided.

From the perspective of social impact, outcomes come in a wide variety of different shapes and forms. As mentioned in the glossary, an ‘outcome’ really is any form of change, no matter how big or small, or whether it is positive or negative. It moves beyond the counting of outputs (i.e. the number of people who got jobs).

Given this, we consider any transition to be an outcome – whether that is to another role at Good Cycles, to an employer, or to study. To provide further insights into the nature of experience of internal transitions at Good Cycles, we have compiled six short case study vignettes. These are included in Appendix C.

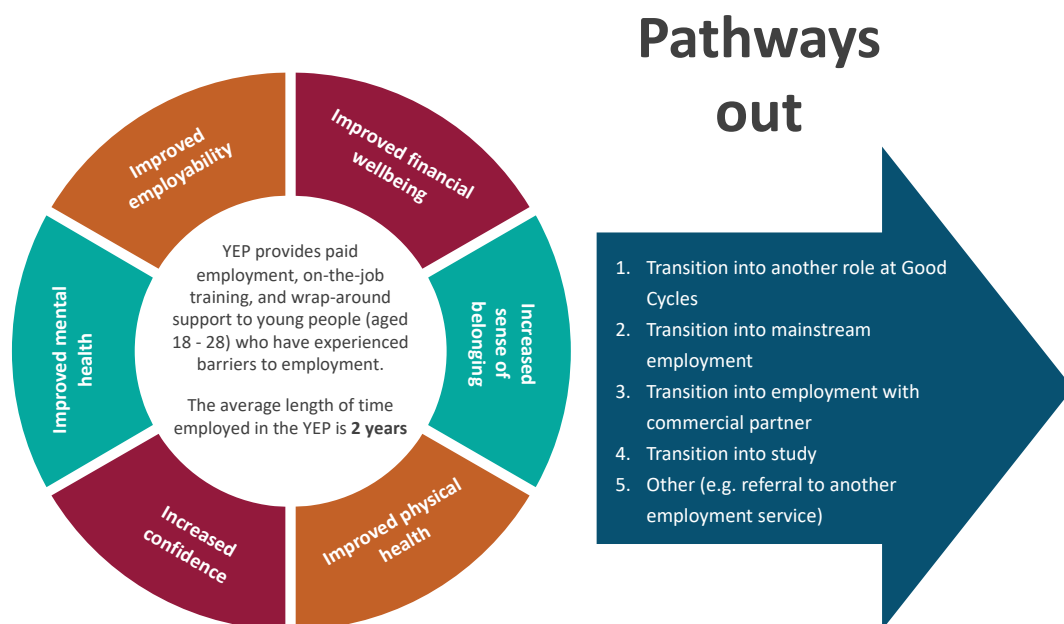


Figure 13 Transition pathways out of the YEP

Figure 13 above illustrates the potential transitional pathways out of Good Cycles. As discussed earlier, ongoing monitoring and evaluation should aim to improve the process for maintaining contact with participants once they move on.

Comments from Good Cycles staff also suggested there are a variety of other pathways out of the YEP, including leaving and then returning, or referral to another support service or employment opportunity.

There's not a typical [pathway], although I would say that a number of people would graduate out of the youth employment program and then fall back into it ... Some continue working with Good Cycles until they decide to move on to something else ... We do have situations where a person comes in and it becomes apparent that they are not ready to take a role so they have to be referred back out to a partner ... We certainly support people moving on from Good Cycles to other opportunities and help with that transition.
– Good Cycles staff member

Successful transitions

Interviews, internally with Good Cycles staff and externally with sector experts, suggested several factors were most relevant for a successful transition, particularly to mainstream employment. These related both to the young person, as well as the employer. First, young people need to have a demonstrated interest in a role:

They've shown interest in a role. – Good Cycles staff member

They also need to be able to keep up with a diversity of responsibilities and produce quality work.

Do the work to a standard ... The main success factor is would they be able to do all the things you need to do to keep a job. – Good Cycles staff member

Goal setting with coaches was also considered valuable, as well as feedback on performance relative to these goals. They also need to be emotionally ready for the tasks they will undertake at the new employer.

It's more challenging to understand if they're ready emotionally. They can be a bit up and down, need to take time off and then they are improved. – Good Cycles staff member

Exposure to different roles and work situations – particularly in mainstream employment – was also considered to be a factor for successful transition.

Programs where young people can work directly with commercial partners are really beneficial. – Good Cycles staff member

[Former Good Cycles department of] City Services like to expose people to different roles and areas to see where their strengths lie. – Good Cycles staff member

On the other hand, the selection of employer was also considered particularly important in ensuring successful transitions. Employers need to demonstrate the patience to go slowly.

Patience to go slowly, understanding, make sure things are working. – Sector expert

They need to be willing to discuss and meet the needs of the employee. This includes a strong understanding of the different barriers facing young people, coupled with both a willingness and ability to address those barriers.

Barriers [for young people] identified were things like transport [i.e. getting to work], family violence, trauma. The barriers were identified at macro, meso and micro levels. It is going to be important to really understand those barriers. – Sector expert

Pathways in the existing ecosystem, people who understand the cohort and have structures in place to be able to support them. – Good Cycles staff member

Where possible, roles that were co-designed with the young person in mind was also suggested as something that might be valuable.

Co-designing any solutions with the young people. – Sector expert

Employers may also need support to successfully recruit and retain young people.

The relationship with Good Cycles was also considered important:

Having a partnership with employers makes the transition easier. – Good Cycles staff member

Given the low level of transitions out of Good Cycles further work is required to evolve the ‘transitions out’ aspect of Good Cycles’ model. This will require funding support over the next few years to enable Good Cycles to shape their approach for the young people they support.

3.5 What works?

Key evaluation question addressed in this section

- What works for whom, in what circumstances and why?

Key findings

- Good Cycles is producing strong outcomes for YEP participants.
- These outcomes are being achieved through Good Cycles offering real work in a conducive environment.
- Good Cycles has evolved a hybrid model that is testing an innovative response to tackling long-term employment exclusion.
- While Good Cycles has produced strong outcomes for YEP participants, their reliance on philanthropic funding creates an upper limit on the number of YEP participants the social enterprise can support.

Good Cycles – like other WISEs – represents an innovative response to a perennial social challenge: how to facilitate fuller access to the employment market for those people who experience entrenched employment exclusion. Through development of the YEP, Good Cycles is at the cutting edge of working through how to engage, support, and transition a group of young people with complex support needs.

As an innovative response to employment exclusion, WISEs generally have several strengths, including an understanding of the specific needs of their target cohorts, the opportunity to develop place-based approaches and the provision of a working environment that allows their employees to experience several outcomes (e.g. financial security, improvements in wellbeing, increased confidence and improved employability). Good Cycles is delivering these types of outcomes for the young people they support.

In addition, the YEP has demonstrated that it produces outcomes for young people who are experiencing several inter-related, complex barriers to employment. Most commonly, these relate to long-term unemployment, mental health challenges and/or neurodivergence. This group is typically hard to engage for mainstream employment. If they remain inactive in the labour market, people in these groups can drift into very long-term, entrenched unemployment. This often leads to ongoing reliance on welfare as well as ongoing need for other longer-term forms of social services intervention.⁵

To address this, Good Cycles is shifting the dial for the young people. To do this, they have developed a model that provides support over a longer duration and with an intensity of engagement. Outcomes for these young people are being achieved through a combination of two factors. First, giving someone a job, but also providing an environment that is supportive, flexible and inclusive. This was best exemplified by the coaching model, which has been identified as a key driver of outcomes.

Rather than requiring young people to fit into a pre-defined program, Good Cycles' model is designed flexibly to meet the variety of needs of participants. As part of this, YEP participants are provided with opportunities for genuine work experience but are also provided with wrap-around supports to help them meet the challenges of working life.

Good Cycles is therefore promoting a culture of support and flexibility that young people really need and value – particularly at this juncture in their life. This is well demonstrated by the length of time young people stay at Good Cycles. Several young people have been involved in the YEP for two years, often the longest period that young people had ever been employed by the same employer. One downside of the approach is that some young people expressed a wariness about moving into 'mainstream' employment as they were dubious that they would find such a supportive and inclusive employer elsewhere.

One of the significant limitations is Good Cycles' current philanthropic funding model. Whilst the social value created through the approach is significant, there is an 'impact cost' that is required to deliver this (see section 4). The money to fund this cost needs to come from somewhere. Philanthropic funding represents an appropriate 'interim' funding source, but it is not a sustainable solution in the long-term, nor does it facilitate growth. Payment-by-outcomes is one potential option to fund impact costs whilst also supporting ongoing growth of the organisation.

⁵ Davies, J., Heasman, B., Livesey, A., Walker, A., Pellicano, E., Remington, A. (2023), Access to employment: A comparison of autistic, neurodivergent and neurotypical adults' experiences of hiring processes in the United Kingdom, *Autism*, Vol. 27, No. 6, pp. 1746 – 1763; Branicki, L. et. al. (2024), Factors shaping the employment outcomes of neurodivergent and neurotypical people: Exploring the role of flexible and homeworking practices, *Human Resource Management*, Vol. 63, No. 6, pp. 1001 – 1023.

4. Economic benefit

4.1 The social value created by the YEP

Key evaluation questions addressed in this section

- What is the social value/impact of the post-completion experiences of program employees?

Key findings

- The YEP is creating significant social value for young people participating in the program and for government.
- It is highly likely that the total value created by YEP is understated as this valuation did not include the value created for all outcomes (including reduction in criminal activity/policing costs) and all stakeholders, including families and corporate partners.
- When young people benefit, there is significant value created for government (19% of total value) through reduced income support payments and increased tax revenue.
- The outcomes generating the most value for young people are 'increased employability' (\$1.2M) and 'increased confidence' (\$665,000).

As part of the overall evaluation, Think Impact carried out economic modelling of the YEP to understand the social value that was being created for the 40 young people that participated in the YEP and any flow-on effect into government. The social value achieved and accompanying report were presented separately to Good Cycles and the project steering group. This is a summary of the approach and key findings.

Social valuation is an approach for understanding the impact of an initiative or program by assigning a financial proxy to each outcome. Proxies enable social outcomes to be expressed in monetary terms, making it easier to compare the relative importance and scale of different outcomes.

Members of the Good Cycles team worked with Think Impact to develop the benefit pathways for YEP participants and government, and the validation of the social value model.

YEP benefit pathways

To support the social value model, Think Impact worked with Good Cycles to develop benefit pathways for YEP participants and government. They articulate the cause-and-effect relationships that lead to outcomes. See Figure 14 and Figure 15.

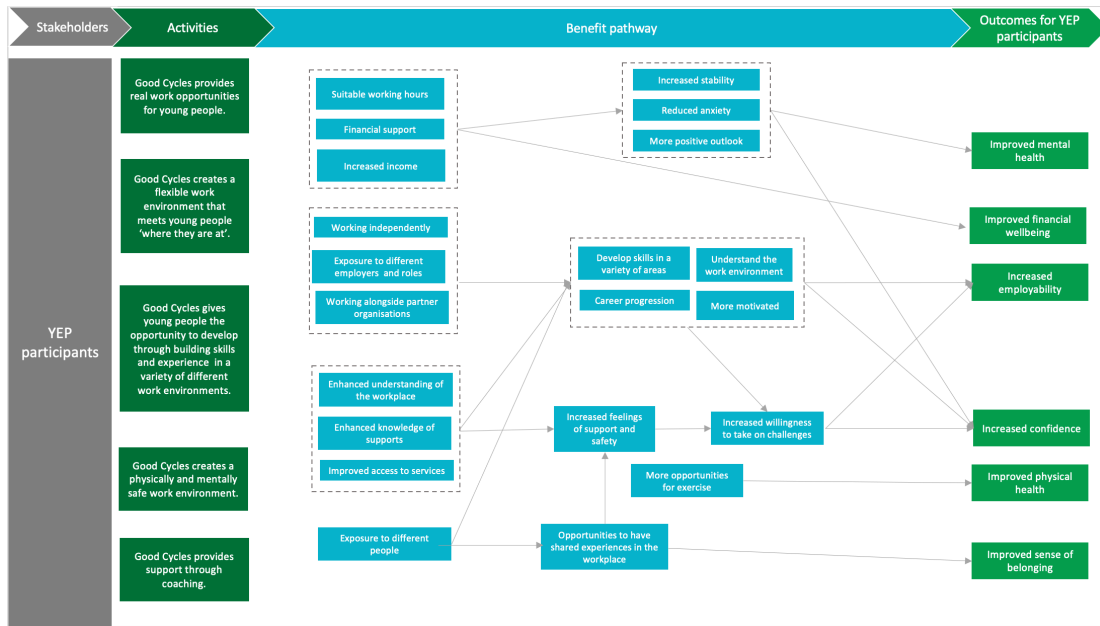


Figure 14 Benefit pathway (YEP participants)

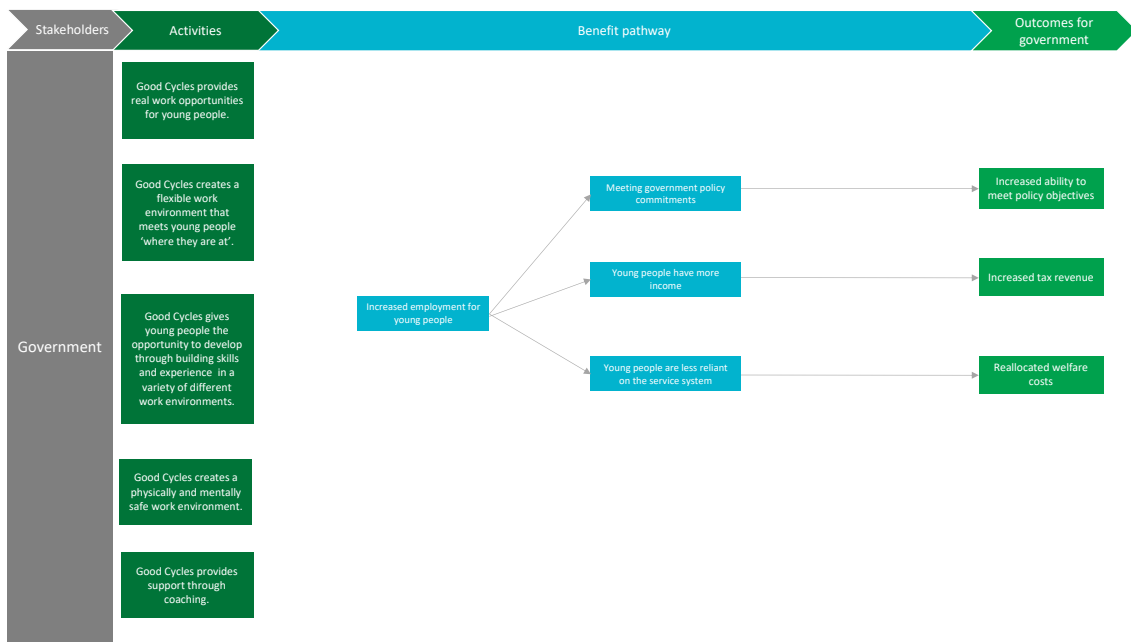


Figure 15 Benefit pathway (Government)

4.2 Outcomes by stakeholder group

Outcomes for YEP participants

As indicated, YEP participants reported experiencing a range of outcomes because of their employment with Good Cycles, including:

- **Improved mental health** – 41% of YEP participants surveyed reported feeling more confident in looking after their mental health because of their employment with Good Cycles.
- **Improved financial wellbeing** – 47% of young people reported that since starting at Good Cycles their ability to keep up with financial commitments improved.

- **Increased employability** – 71% of YEP participants surveyed reported gaining or strengthening skills that would increase their future employment prospects.
- **Increased confidence** – 76% of survey respondents agreed that their self-confidence has improved since starting work at Good Cycles.
- **Improved physical health** – 47% of YEP participants surveyed reported increased confidence in managing their physical health because of their employment.
- **Improved sense of belonging/inclusion** – 82% of YEP participants surveyed agreed that their personal relationships had improved either a little bit or a lot because of their involvement in the program.

Outcomes for government

The Australian Government provides social services and welfare to people with barriers to employment. When people are employed, the income and other benefits they obtain (such as the outcomes identified for the YEP participants) often have flow-on benefits for government.

The direct costs to government of unemployment include decreased tax revenue, employment services costs and income support payments. The indirect costs of unemployment extend into the social services that are disproportionately accessed by those who are unemployed and also fall into vulnerable groups.

Stakeholder engagement indicated strong potential for reduced costs of mental and physical health services and associated support services. Other outcomes were identified around potentially reduced criminal activity and policing costs given the background and profile of some of the young people. These outcomes have been grouped together as ‘increased ability to meet policy objectives’.

Hence, the outcomes valued for government in the social value model include:

- **Increased ability to meet policy objectives** – the flow-on effect of young people increasing employability and starting work.
- **Increased tax revenue** – Good Cycles provides employment opportunities and greater long-term job security for individuals who were previously unemployed. This creates tax (or increased tax) payable to the government.
- **Reallocated income support** – as people who would otherwise not have been employed gain employment, the income support they receive from the government is reduced. For the target demographic, these benefits are most commonly JobSeeker payments.

Social value created

The total social value created by Good Cycles for YEP participants and government is \$3.9 million, as shown Table 6 below. Figure 16 shows the value created by YEP per participant, for YEP participants (\$79,000) and for government (\$19,000).⁶ This demonstrates that Good Cycles is providing significant value to the employment service system.

⁶ Based on the 40 young people who have participated in the current iteration of the YEP.

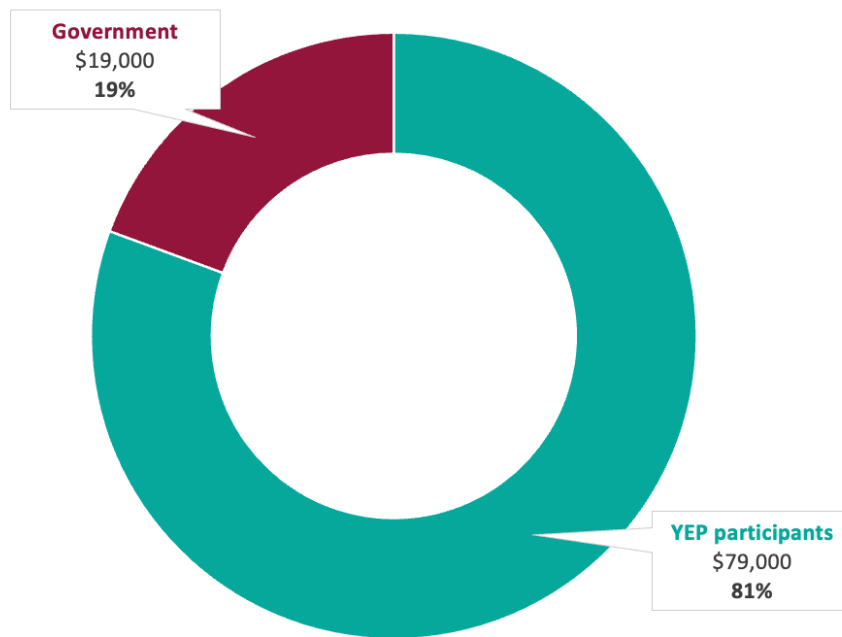


Figure 16 Value created by YEP by stakeholder (per participant)

Table 6 Value created by YEP organised by stakeholder and outcome

Stakeholder	Outcomes	Social value	% of value to stakeholder
YEP participants	Improved mental health	\$ 490,000	16%
	Improved financial wellbeing	\$ 525,000	17%
	Increased employability	\$ 1,227,000	39%
	Increased confidence	\$ 665,000	21%
	Improved physical health	\$ 112,000	4%
	Increased sense of belonging/connection	\$ 137,000	4%
Government	Increased ability to meet policy objectives (inclusive employment)	\$216,000	28%
	Increased tax revenue	\$ 251,000	33%
	Reallocated income support	\$ 297,000	39%
TOTAL		\$3,901,000	

4.3 Impact costs for participants

Key evaluation questions addressed in this section

- What is the operational/business cost per employment outcome achieved?

How this was interpreted and addressed in this section

- What were Good Cycles' impact costs per participant for the most recent iteration of the YEP?

Key findings

- The YEP incurs \$12,684 of impact costs per participant per year. This is in the mid-range of impact costs for the sector.

Summary

Part of the evaluation has been to model the costs involved in supporting people through the YEP – what we are referring to as ‘impact costs’. These are costs that a similar business would not need to incur as it is not running as a social enterprise.

For the purposes of the model, we have defined two types of cost as impact costs. The first category are costs involved in providing additional flexibility and support to YEP participants (‘program delivery costs’). The second type of impact cost are those related to Good Cycles’ efforts to bring about system change (‘strategic costs’). These costs have been summarised in Table 7.

The most recent iteration of the YEP has incurred \$507,358 of impact costs for 40 YEP participants. This amounts to **\$12,684 per participant per year**. This suggests that Good Cycles’ impact costs are in the mid-range of impact costs in the sector (see below).

Table 7 Impact costs summary (per annum)

Cost/saving type	Amount
YEP program delivery costs	
Direct staff costs	\$407,249
Indirect staff costs	\$96,530
Other costs	\$20,602
Total program delivery costs	\$524,381
Strategic costs	
Direct staff costs	\$312,061
Indirect staff costs	\$61,173
Other costs	\$1,000
Total strategic costs	\$374,234
Total costs	\$898,615
Savings	
Payroll tax	\$391,257
Total savings	\$391,257

Cost/saving type	Amount
Net impact	
Total net impact cost	\$507,358

Previous impact cost models

There have been several previous studies that have explored impact costs, either for Good Cycles specifically or WISEs generally:

- PRF engaged Deloitte Access Economics to analyse the benefits, costs and funding flows of different models of jobseeker support. This work produced a customisable model that estimated base costs, variation in base costs due to non-vocational supports, and the costs associated with delivering the service.
- In November 2024, Deloitte released ‘Understanding the benefits, costs and funding flows to tailored jobseeker supports’. This study looked at the level and targeting of investment required to unlock the benefits associated with sustained employment within the WISE sector. This study looked at both WISE approaches and non-WISE employment approaches. The study found that the range of costs per participant (impact costs) in a WISE was from \$3,100 through to \$60,200.
- In November 2023, the Centre for Social Impact (CSI) produced its report ‘Understanding the Impact Costs of Work Integration Social Enterprises’. Taking a more conceptual approach, this research defined impact costs in three categories: employee costs, property costs, and external training costs. Whilst this report did not produce an ‘impact cost’ range, the conclusion of the report was that WISEs had significant impact costs over-and-above mainstream businesses regarding the pursuit of their purpose.
- In 2019, Think Impact calculated the cost of supported employment for Good Cycles. This involved estimating the percentage of staff time dedicated to supported employment and applying this percentage to non-salary costs.

We have drawn on these previous models as a starting point. However, we have completed additional development and discussion with Good Cycles to ensure that our framework for this analysis is bespoke and directly applicable to Good Cycles’ current day-to-day work.

Cost descriptions

Table 8 provides more detail on the underlying expenditure that are driving impact costs for Good Cycles.

Table 8 Cost descriptions

Cost/saving type	Description
YEP program delivery costs	
Direct staff costs	<ul style="list-style-type: none"> • Wages and on-costs for YEP leaders and coaches • YEP wages for coaching sessions • Adult award wages for participants
Indirect staff costs	<ul style="list-style-type: none"> • 10% wages and on-costs for Operational Leaders’ time on YEP activities • 0.1FTE Head of People.
Other costs	<ul style="list-style-type: none"> • Coaching space • YEP team office space
Strategic costs	

Cost/saving type	Description
Direct staff costs	<ul style="list-style-type: none"> • Impact Evaluation Lead (1FTE) • Executive Lead People and Impact (0.4FTE) • Head of Impact Programs (0.3FTE) • CEO (0.2FTE) • Exec. Lead Commercial and Finance (0.1FTE) • Management Accountant (0.1FTE) • Head of People (0.1FTE)
Indirect staff costs	<ul style="list-style-type: none"> • Head of Marketing (0.2FTE) • Executive Lead Brand and Bikes (0.2FTE)
Other costs	<ul style="list-style-type: none"> • Impact report
Savings	
Payroll tax	<ul style="list-style-type: none"> • Savings on payroll tax due to operating as a social enterprise

Impact costs

As indicated, there have been several efforts to understand the impact costs of WISEs. This has included work completed by Think Impact with a range of individual social enterprises as part of the Victorian Government Social Enterprise Support Voucher Scheme in 2018–19. The impact cost models developed have all taken slightly different approaches. They have all concluded that there are additional impact costs that a WISE incurs which a mainstream business does not incur.

Broadly, within the limited research done, those costs are seen to sit in a range from approximately \$5,000 per participant up to \$27,000 per participant from the practical work done by Think Impact or in a range of \$3,100 to \$60,200 from deeper work done by Deloitte.

The YEP is providing employment support for an impact cost of \$12,684 per participant per annum. This sits in the mid-range of costs.

The wide range depends on the range of factors such as the complexity of the issues that participants have; the intersectionality of those issues; the intensity and nature of the supported employment offered; certified training opportunities; the duration of the employment opportunity; and post-placement support offered. Direct comparison between models is therefore difficult.

Likewise, it should be noted that there is no generally agreed standard for assessing impact costs. As a result, studies will use a variety of different cost categories and valuation methods. Any comparison between results from different studies of impact cost should be seen as indicative only. We are aware that further work is underway across the WISE sector to more fully understand the best way to understand impact costs.

Good Cycles is now participating in a further study that is being led by the Melbourne Business School (Centre for Social Purpose Organisations) and funded by Social Enterprise Australia. As part of this study, Good Cycles is seeking to get a deeper understanding of their impact costs. They will use the results of this impact cost analysis to understand the balance of commercial revenue and impact revenue that they need to be sustainable.

5. Scaling the impact of Good Cycles

In addition to exploring the outcomes of the YEP program, this project has also considered several strategic and advisory questions relating to Good Cycles' intention to scale its impact. These are considered in this section.

We start by contextualising Good Cycles in the wider employment service system. This is to understand and explore the different factors that might lead to a successful outcome for a disadvantaged jobseeker. From there we look at how Good Cycles might leverage its relationships to support scaling. The chapter then considers the support Good Cycles might need to scale – from both philanthropic and government organisations. Finally, it provides some concluding thoughts on how Good Cycles might scale strategically.

5.1 WISEs and the wider employment service system

Key evaluation question addressed in this section

- What works for whom?

Key findings

- WISEs have an important role to play but that role is always going to be complementary to other employment service providers.
- Direct comparison between WISEs and more mainstream employment service providers is therefore misleading. Instead, the focus should be on how different models can work most effectively together and as part of a wider service system.
- Anecdotally, WISEs and mainstream employment service providers have reported generating similar outcomes for jobseekers.

As part of our methodology, we explored outcomes achieved by, and the employment models of, other WISEs, as well as other employment service providers who are part of Workforce Australia or funded through the Department of Employment and Workplace Relations (DEWR). This was completed to understand the contribution of a work-first model to employment outcomes for young people with barriers to employment. As mentioned, it also supported the social value model.

A work-first model is based on the premise that 'any job is a good job and that the best way to succeed in the labor (sic.) market is to join it, developing work habits and skills on the job rather than in a classroom'⁷. While there is no single approach to work-first, they all have in common this shared philosophy. At Good Cycles – like many other WISEs – young people are given a job straight away. The additional benefit of Good Cycles model – beyond a traditional approach – is that young people are provided with the appropriate support to maintain that job and keep developing their skills and experience.

A work-first approach is often compared with pre-employment models. These models provide candidates with the necessary skills in job searches, interviewing, resume writing, job matching, understanding workplace standards, workplace integration, etc. before assisting them to find work. This

⁷ Brown, A. (1997), 'Work First: How to implement an employment-focused approach to welfare reform', MDRC, New York, p.2.

is the core approach of employment service providers funded through Workforce Australia. Organisations providing pre-employment services generally do not offer employment themselves but instead refer candidates to jobs in the open labour market.

In addition, several employment service providers told us they take a case management approach to their service provision. This was contrasted in interviews with a coaching model. What was described to us was that case management is often 'doing for', while coaching is 'doing with'. In this sense, the differences are about approach and philosophy rather than models of service provision per se. Case management approaches existed within pre-employment models and occasionally in WISEs. Coaching approaches seemed to be limited to WISEs.

Transitional models – such as intermediate labour market (ILM) or labour hire firms – take a work-first approach but provide employment for a limited period (e.g. six months) before assisting people to find employment in the open market. Different transitional models provide different levels and intensity of support to the cohorts of people they are working with. One frequent comment from experts across the sector was that it was difficult to compare the models as it was not comparing 'apples with apples'.

Added to this, different organisations – whether they are WISEs or employment service providers – will often use a combination of work-first, transitional, case management, coaching, and pre-employment in supporting jobseekers. Combining models is seen as particularly appropriate for employment service providers wanting to tailor responses for individual jobseekers seeking employment within different contexts and locations. Because of this, we were told that any organisation working in the space that wanted to be effective needed to take a place-based approach as it was clear 'one size didn't fit all'.

Sector experts commented that one of the key challenges in understanding what was working for whom is that there is not a level playing field, particularly for WISEs. Most WISEs operate outside of the mainstream employment services and, hence, find it difficult or impossible to access government funding for the employment support they provide. This is further compounded by the fact there is a cohort of mainstream employment service providers who are 'within the tent' of government service provision. These providers have access to long-term funding streams, as long as they are delivering outputs to government outlined in their contracts

Anecdotally, however, both WISEs and employment service providers reported similar outcomes for their clients. Indeed, improvements in confidence, financial wellbeing and mental health were all reported to us through interviews. Where there was a difference was around increased employability, with this being seen as more able to be achieved within a WISE. It should be noted that whilst this view was expressed several times, further research is required to understand the extent to which this is occurring.

Given this, within the scope of this evaluation, it was difficult to compare different providers or models. The employment services sector is incredibly diverse and even between WISEs direct comparison is challenging. Some organisations – like Good Cycles – tailor their approach for individual jobseekers. However, others will apply the same model regardless of who they are serving.

A distinction between case management and work-first model could be an initial starting point but might not be helpful in all circumstances, particularly if an organisation adopts a coaching approach to case management; if it uses different models for different jobseekers; or if it uses a combination of models for individual jobseekers. To really tease apart this question, future research and evaluation might examine – at a very fine level of detail – the experience of individual jobseekers from different organisations. These experiences might be linked to specific service models to understand factors that might explain variation in outcome. In other words, comparison at the level of individual jobseekers – rather than at an organisational level or between different models – might be the most productive in terms of deeper understanding of effectiveness.

The key implication to draw from this relates to the role of WISEs in the wider employment service system. As alluded to in previous sections, WISEs have an important role to play. However, they are always going to be complementary to other organisations that can serve a wider variety of clients. As a

result, comparing WISEs with employment service providers is unlikely to provide a meaningful comparison. Rather, the focus should be on the strengths and limitations of the different approaches; how these strengths might be built on; what are the causal drivers of impact; and how different approaches might work most effectively together.

We have already included commentary above about the strengths and limitations of Good Cycles' model. The reverse can be said for employment service providers. That is, their model provides opportunities to support larger numbers of people. At the same time, they may not be entirely suitable for jobseekers who are seriously disadvantaged in the labour market and require more in-depth support to transition into mainstream employment. These are the people who meet the criteria for supported employment in organisations like Good Cycles.

5.2 Opportunities for Good Cycles to scale

Key evaluation question addressed in this section

- What role did the relationship between Good Cycles and mainstream employers play in creating pathways for program employees?

Key findings

- Partnerships with mainstream employers has not been a large factor in employment transitions.
- This could be addressed through:
 - development of formal, long-term partnerships
 - development of 'brokerage' agencies
 - Good Cycles providing direct and ongoing support both during and following any transition.

Partnership with mainstream employers

To date, relationships with commercial partners has played a small role in creating pathways for YEP participants to mainstream employment. Only one young person has taken up an opportunity (see

Table 5). Two other young people have accessed mainstream employment but this was not via relationships that Good Cycles had with the employers.

On occasion, the commercial partnership relationships have allowed young people to take advantage of ad hoc opportunities as they arise, and to form relationships with mainstream employers, with the potential for those relationships to turn into job opportunities.

Given this, conversations with sector stakeholders have – unsurprisingly – suggested that there are still opportunities to build stronger pathways for YEP participants into mainstream employment. Indeed, staff from both Good Cycles and their commercial partners noted the opportunity for mainstream employers to provide roles for employees of social enterprises who were ready to transition to mainstream employment. One commercial partner even described it as an 'obligation'.

To achieve this, Good Cycles would ideally establish formal partnerships with commercial partners to support employment opportunities. These partnerships are more likely to be successful with organisations who have already developed an understanding of Good Cycles' business and its operating context and have demonstrated their capacity to deliver.

In addition, commercial partners expressed a preference for ongoing partnerships that transcend individual transactions, employees or social enterprises. Opportunistic, ad hoc or individualised

arrangements have limited scale and life, so solutions that have industry-wide application are likely to have the greatest potential.

One strong theme that emerged was that Good Cycles has a strong reputation with commercial partners for innovation and delivery and could therefore be an ideal test case to pilot industry-led solutions that can then be more widely adopted. This would likely require innovative funding models and support to allow Good Cycles to design and refine this model.

Another innovation that was suggested to us was an organisation playing a 'brokerage' role to align mainstream employers with WISEs. This solution would address a tension in the way social enterprises build relationships with mainstream employers. On one hand, it is helpful for WISEs to have relationships with several mainstream employers to maximise the number and variety of opportunities for employees. However, it is unrealistic for both the WISEs and the employers to maintain all of these relationships. It was suggested a brokerage organisation could act as an intermediary and create economies of scale by establishing long-term partnerships between WISEs and mainstream employers. This suggestion was less about Good Cycles per se, and more directed towards funders who are looking to create whole-of-system impact. This could also potentially support bulk contracting with Workforce Australia.

Finally, mainstream employers anticipate that some employees would require ongoing support to make the transition and maintain their employment, at least in the short term. There was a view that this support might be best coming from Good Cycles, given the existing knowledge of the young person, rather than transferring to a new employment service provider. Some stakeholders also thought there may be commercial opportunities for Good Cycles to provide employment support to former YEP participants in the early stages of their transition to mainstream employment. The market for this has not been tested by Good Cycles. These dynamics and approaches would further strengthen the relationship between mainstream employers and Good Cycles. It would also help lay the foundations for more effective transitions.

Social procurement

Key evaluation question addressed in this section

- What are the best practice insights in building long-term relationships with social procurement customers?

Key finding

- Formal social procurement has not been a large part of Good Cycles income. However, the underlying ethos of Good Cycles' model is one of social procurement, in which the buying power of large organisations is used to enhance access to the workplace for people experiencing barriers to employment. As part of this, large organisations are contracting with Good Cycles because it supports their social impact commitments, or delivers on their economic, social and governance objectives.

The focus of the project has been social procurement in Victoria, where there is now a well-established Social Procurement Framework (SPF) and a set of other associated policies to drive social and economic impact across the Victorian Government. The SPF was seen by experts in the sector as world-leading. There is now a significant social procurement market in Victoria for social enterprises and Aboriginal businesses. Other states and territories, plus the Federal Government, are also responding and developing their own social or sustainable procurement frameworks.

Good Cycles supports social procurement objectives through direct supply of services to commercial partners. While these may not be with government providers (i.e. 'Tier 1'), it still contributes to overall social procurement targets for Victoria, particularly for private sector organisations.

Stakeholders provided several insights as to how Good Cycles might establish or strengthen relationships with social procurement customers. First, trust is a crucial enabling factor. We were told that there are some negative views about the ability of social enterprises to deliver quality services. Given this, social enterprises need to demonstrate to key decision-makers within government procurement or commercial companies that they can deliver high quality services. While Good Cycles has already developed a track record of successful work, there was a view that these successes may need to be communicated more widely. One advantage that key stakeholders identified is that if a successful solution can be developed within one sphere of social procurement, then there is strong potential of replicability for other clients and/or other projects.

Being able to communicate impact was also seen by key industry experts as critical within social procurement. As part of this, good communication should provide a connection with the company's purpose and impact. It should also involve a combination of impact data and impact stories.

Social procurement targets were another topic of conversation with sector experts. These are generally considered to drive a focus on outcomes. Some noted that targets were limiting as they were seen as a compliance exercise (rather than something to generate impact). For others, there was a sense that this view was shifting and may create further opportunities.

To support this shift, there was the view that social enterprises should be focused on collecting outcomes data rather than input/output data. There was also the view that Good Cycles should be looking for other intermediaries (e.g. Social Traders, Social Enterprise Australia, etc.), or funders (e.g. PRF) to lead the way in advocating for this shift towards a greater focus on outcomes in purchasing decisions, particularly within government.

There was also the view that targets could be structured so they require continual improvement, rather than a set achievement, which, once achieved, can cause related effort to reduce or cease. For example, targets might be year-on-year, rather than one target for the entire project. This will encourage more consideration of social procurement throughout the life of the project.

Other barriers embedded in the market for social procurement is an unwillingness to pay for impact. We were told that value-for-money is the primary driver of purchasing decisions, and that this is purely based on competition with mainstream commercial providers for similar services. Additional incentives, funding models, and a stronger role for government may therefore be needed to develop a market for impact.

Interviews also noted the complexity in procurement, particularly on major construction projects. These include a 'web' of contracts as well as complex and volatile industrial relations between different parties (e.g. builders, unions, funders, regulators, etc.). Good Cycles would benefit from understanding and learning how to navigate these complex dynamics.

Finally, other insights regarding how to most effectively build relationships within the social procurement market included:

- understanding the data that social procurement customers might need
- meeting a commercial reality for customers while adding in a social and environmental component
- purpose alignment and a willingness to go on a journey together
- a commitment from both organisations to prioritise the relationship over any individual transaction.

Interviewees also suggested that peak bodies (e.g. Social Traders) could act as a facilitator between corporates and social enterprises.

5.3 The support needed to scale

How PRF funding supported scaling

Key evaluation question addressed in this section

- How can PRF use Good Cycles to demonstrate that a social enterprise can scale and become financially independent of philanthropic support?

How this was interpreted and addressed in this section

- How did the PRF funding support scaling?

Key findings

- Funding provided by PRF to Good Cycles has assisted the organisation to increase its capacity and capabilities by supporting the creation of specialised roles.
- PRF has been a true learning partner.
- The funding has also made Good Cycles more competitive in applying for other grants by giving them the ability to demonstrate an increase in their skills and capabilities.

PRF provided \$2.5 million over three years to support Good Cycles to become a more self-sustaining social enterprise by FY25 (recognising that some philanthropic funding may still be required beyond FY25 in some circumstances). The objectives of the funding were to:

- build organisational capacity so Good Cycles can realise its growth and impact potential
- increase the number of employment outcomes for young people, including young people obtaining employment with Good Cycles and transition to mainstream employment
- generate insights and evidence to share with the broader WISE sector and government.

Good Cycles reports that this funding has supported scaling in several ways. First, it has provided the organisation with the resources to create specialised roles and employ highly skilled and experienced people in these roles. This has enhanced organisational capability and maturity, both directly and indirectly. Good Cycles now has a high-calibre team to deliver its strategy and reports that this has produced a 'snowball' effect. In other words, the impact of the PRF grant has made Good Cycles far more competitive for other grants and philanthropic support. It has also allowed Good Cycles to demonstrate its capacity and capability to deliver. This has often challenged negative perceptions of the capability of social enterprises, leading to securing larger commercial contracts.

The large-scale and long-term nature of the funding has enhanced the innovation capacity of Good Cycles, both in relation to the YEP and commercial opportunities. A dedicated team has been in place to strengthen the YEP in response to the experience and feedback of participants. It has also provided the organisation with resources and expertise to invest in developing new service streams. Likewise, and as mentioned elsewhere, the funding has assisted Good Cycles to create four new divisions and thus build the foundations for scaling.

Good Cycles has cited the flexibility within the PRF funding contract as a key success factor. As an example, the contract envisaged YEP participants transitioning to mainstream employment at significant volumes, whereas the YEP has evolved to be a hybrid model with longer-term opportunities. PRF has been a true learning partner, acknowledging that the evolution of the YEP in this way will result in different types of employment outcomes than initially envisaged.

To illustrate further, the grant from PRF originally included several targets for achieving employment outcomes. However, the applicability of these targets waned as the YEP evolved. In the application for the PRF grant, Good Cycles had based their targets on the assumption that a job with Good Cycles would last six months (on average). With the evolution of the YEP, participants are often staying with Good Cycles for periods of two years or more. This provides participants with the intensity of support they require. However, it also means that Good Cycles does not operate a traditional approach in which participants' time in the program is subject to time limits. As a result, the targets were no longer applicable.

As at time of writing, Think Impact is also working with Good Cycles to develop a good practice guide to support WISEs that want to undertake evaluation of their programs and services. This work is also being funded by PRF and will help strengthen Good Cycles' expertise, as well as the WISE sector more broadly.

The role of philanthropic organisations

Key evaluation question addressed in this section

- How can PRF use Good Cycles to demonstrate that a social enterprise can scale and become financially independent of philanthropic support?

How this was interpreted and addressed in this section

- How can Good Cycles reduce their reliance on philanthropic funding for their impact costs?
- What are the potential revenue options for Good Cycles to cover their impact costs?
- What has Good Cycles learned that can support other social enterprises to scale?

Key findings

- Good Cycles has impact costs to be able to deliver the support to young people.
- These impact costs cannot be met by commercial revenue.
- The only feasible pathway for reduction of philanthropic funding of the impact costs is replacement of this funding by government to meet the impact costs of WISEs like Good Cycles.
- To support this, Good Cycles needs to meaningfully understand its impact costs, work that into its revenue model and clearly communicate the impact it is achieving.
- Ongoing support will be required by philanthropy until there is a sufficient revenue stream from government to fund the impact costs of Good Cycles.
- Other WISEs with a similar model to Good Cycles will also need to be clear about their impact costs and how these are going to be met, before they can scale their activities.

One of the objectives of the funding from PRF was for Good Cycles to be (mostly) financially independent of philanthropic support by 2025. One of the clearest findings from the evaluation is that the only way for this to occur is for government – rather than philanthropic – funders to cover Good Cycles' impact costs.

There currently aren't many social enterprises in Australia that are independent of philanthropic funding. Interviews with sector experts suggest that the majority of social enterprises don't have a strong understanding of their impact costs. The key reflection was that, as they grow, social enterprises piece together funding packages often with a short-term frame and with limited focus on understanding their impact costs (as distinct from their revenue and cost of sales). This is an impediment to scaling across the WISE sector.

There have been efforts by the Centre for Social Impact and Deloitte to generate tools and frameworks to support understanding of these costs. However, these are very generalised approaches and the direct applicability of these tools to individual social enterprises may require further operationalisation by social enterprises that want to use them.

In our view, defining impact cost is an important step towards targeted and strategic scaling of social enterprises, particularly WISEs. Once this is known, that cost can be worked into a funding model and scaling strategy. Social enterprises can then be far more informed about which sources of funding they require to meet their impact costs and what revenue is required from their commercial operations. This would assist in crafting a targeted and systematic funding strategy.

There is a view from some experts that impact costs could be funded from commercial revenue for their goods or services. At the same time, this risks making most social enterprises very uncompetitive in the commercial market. In addition, we were told that customers often aren't willing to pay a significant social premium to purchase goods or services from social enterprises. This means there will be an ongoing need for some form of funding support for impact costs.

One option might be to develop a purely commercial operation that has no impact costs and that has a sufficiently large profit margin to cross-subsidise the YEP. A new legal entity (e.g. a subsidiary) or separate commercial division might be the vehicle to drive this. Some social enterprises have explored this route but it carries the risk of mission drift, alongside the reality that if there is a highly profitable market to be accessed then it is likely it is very competitive.

The reality, however, is that WISEs can very rarely be fully self-sufficient. Experience from overseas – particularly the United Kingdom⁸ – indicates that some external funding will always be needed to support impact. The question then becomes what is the right mix of the two revenue streams. Philanthropic funding might be a useful starting point to support the start-up phase of the social enterprise and government might then take over once business cycles and operations are normalised. In Australia, more work is needed to make the case to government of the value and role of WISEs in the wider employment service system – as we discuss elsewhere in this report. At the very least, a crucial part of this work is understanding impact cost as the first part of developing a business case.

Finally, philanthropic support might also assist in running small-scale payment-by-outcomes (PBO) trials to test this approach for WISEs. As at time of writing, the Australian Government has committed \$15.7 million through to FY27 to co-develop, implement and evaluate three such trials in the social services sector. These are intended to understand the appropriateness, effectiveness, and efficiency of a PBO model for addressing key policy challenges. Philanthropic funders might be able to run their own PBO trials with WISEs both as a way of supporting employment outcomes but also investing in new innovations in the social services sector.

The role of Government funding

Key evaluation question addressed in this section

- What role can government funding for employment outcomes play in supporting WISEs?

Key findings

- Government could provide support to WISEs in several ways:

⁸ Barrett, H. (2011), *Grant funding: Do social enterprises need it?* The Guardian, 4 January, accessed 19 November 2024, available from <https://www.theguardian.com/social-enterprise-network/2011/jan/04/grant-funding-do-social-enterprises-need-it>

- taking an advisory or knowledge brokerage role
- enhancing regulations and streamlining funding processes
- tackling funding ‘silos’ to create more of a collective funding model across different departments and tiers of government.
- Government should also fund WISEs directly in recognition that they are contributing to policy objectives.
- WISEs could be a key intervention within place-based contexts.
- Good Cycles should be leveraging current government reforms in the employment services sector to influence change and enhance its impact.

The role of government funding in supporting WISEs was a major theme of our conversations. Several observations were made by sector experts. Firstly, as indicated above, government funding should be supporting WISEs further by recognising the ways WISEs contribute to employment outcomes. Indeed, research by several organisations suggest that WISEs have an important role to play in supporting disadvantaged people access the job market.⁹ This role should be seen as important in delivering on public policy objectives. Our own findings – particularly the social value modelling – further demonstrate this.

Stakeholders also suggested that Good Cycles (and WISEs in general) provide a unique value proposition to government, particularly within a place-based context. This includes an ability to reach and meet the needs of people experiencing disadvantage in the labour market, combined with an understanding of place-based approaches. Stakeholders indicated to us that government is getting better at place-based work, but there are still opportunities for improvement. The Australian Government – through its response to the *House Select Committee on Workforce Australia Employment Services reports* – has also demonstrated an increased desire to take more place-based approaches to supporting jobseekers.

In addition, sector experts explained to us that social enterprises are useful to government in supporting people who are further from the labour market and for whom the mainstream employment service system hasn’t worked. Following COVID-19, young people particularly have found it difficult to enter the labour market and the policy response has struggled to support them. WISEs like Good Cycles are well-placed to capitalise on this as they have a unique understanding of disadvantaged jobseekers, as well as community needs at the local level.

Logically, then, funding of WISEs would increase the scale of government intervention in this area and a business case for ongoing funding should be easy to make. However, for such shifts to meaningfully occur, there needs to be some additional consideration given to several matters.

The first of these is the precise nature of sustainable funding for WISEs. As discussed at several points in this report, WISEs are always going to have an impact cost, which is the additional costs incurred to support disadvantaged jobseekers in gaining and maintaining work. To date, WISEs – both in Australia and elsewhere – have struggled to develop revenue models that can fund both their commercial

⁹ Barraket, J., Qian, J., & Riseley, E. (2019), Social enterprise: a people-centred approach to employment services [Report for Westpac Foundation], Westpac Foundation and the Centre for Social Impact Swinburne, retrieved 13 May 2025 from <https://www.csi.edu.au/research/social-enterprise-a-people-centred-approach-to-employment-services/>; Mestan, K., Scutella, R. & Allen Consulting Group (2007), Investing in people: Intermediate labour markets as pathways to employment, Brotherhood of St Laurence, retrieved 13 May 2025 from https://library.bsl.org.au/jspui/bitstream/1/6208/1/investing_in_people_ILMs_print.pdf; Barraket, J., Campbell, P., Moussa, B., Suchowerska, R., Farmer, J., Caregy, G., Joyce, A., Mason, C., & McNeill, J. (2020), Improving health equity for young people? The role of social enterprise: Final report, Centre for Social Impact Swinburne, Melbourne, retrieved 13 May 2025 from <https://apo.org.au/node/308278>; Taylor Fry (2024), Costs and benefits comparison social enterprise employment and Disability Employment Services, White Box Enterprises, retrieved 13 May 2025 from <https://whiteboxenterprises.com.au/wp-content/uploads/2024/09/2024-Taylor-Fry-Social-Enterprise-Report.pdf>

operations as well as their impact costs. Philanthropy has been used to ‘fill the gap’, but this is obviously more limited as a funding stream compared with government.

Fundamentally, then, a shift is needed in the way governments understand WISEs and their role in the employment service system. As part of this, WISEs should be seen as hybrid organisations that are there to complement Workforce Australia providers whilst also generating private benefit. Unlike Workforce Australia providers, their focus is on longer-term, sustained, and meaningful interaction with a smaller number of beneficiaries. This is a legitimate and important role, even if the overall scale of impact (in terms of numbers of beneficiaries) will be small. This will obviously work for some jobseekers, but not for all. Likewise, the approach of Workforce Australia providers won’t work for everyone. To further reduce barriers to the labour market, governments should be considering WISEs as a genuine, if limited, policy lever.

The other conceptual shift that is needed here is the nature of an ‘outcome’. Often, governments think of employment outcomes as someone obtaining employment with a mainstream employer. However, as this evaluation has shown, there are many more outcomes achieved within a WISE that do not fit neatly in this category. These outcomes should be recognised by government as meaningful steps towards mainstream employment, even if a beneficiary has not yet fully realised that goal. Working this into a funding model will help support wider reach and significance of the role of WISEs in the broader employment services ecosystem.

This thinking could be reflected in funding models that meet the impact costs of WISEs for the role they play in supporting people to access the labour market. Indeed, one of the threads in our conversations with sector experts was also the siloed nature of funding models. To maximise benefits from funding, interviewees suggested there should be more consideration for how different funding agencies can work outside of traditional institutional boundaries, which may include exploring collective funding models.

To make this more concrete, once the (per year) impact costs of a particular WISE is known, and once typical outcomes have been established, collaborative funding models between different government agencies might be explored to meet the impact cost ‘gap’, with the remaining funding coming from commercial operations.

For example, an evaluation might establish that a particular WISE’s impact costs are \$12,000 per beneficiary per year, and that the WISE’s model then also produces health, education, and employment outcomes for each individual beneficiary. The total impact cost could then be ‘split’ across multiple departments, relative to the ratio of benefit between different outcomes (see Table 6 for an example). Any remaining costs could then be funded through commercial revenue.

To create targeted and meaningful funding model for individual WISEs, the following steps could be followed:

1. Establish the impact costs through an accounting method that is generally accepted across the industry (including government and philanthropic stakeholders).
2. Establish outcomes and their relative contribution to overall impact (e.g. through a social value model).
3. Divide the funding of impact costs between different government departments, relative to proportionate contribution of outcomes (e.g. health outcomes are proportionately funded by the Department of Health, education outcomes are proportionately funded by Department of Education, etc.).
4. Any remaining operating costs are funded through commercial revenue, with philanthropic costs being sought for startup, short-term innovations, or scaling purposes only.

This might mean joint commissioning from different government departments or even joint commissioning across the tiers of government in recognition that many WISEs not only meet

employment objectives but, for example, are often contributing to health, social services, or criminal justice policy objectives.

Several system-level changes suggest that attitudes towards social enterprise in government are shifting. This might provide fertile ground to explore some of these changes. For instance, the Australian Government has – through its response to the select committee reports – has committed to supporting social enterprises in several ways, including:

- a greater role for social enterprises in the employment service system
- advocating for a rich ecosystem of employment services
- recognising the need for a diverse range of players delivering employment and complementary services
- creating \$11.6 million worth of funding through the Social Enterprise Development Initiative.

These all represent potential opportunities for Good Cycles. Another avenue that Good Cycles could leverage would be the WorkFoundations initiative. On 14 May 2024, the Prime Minister announced the Paid Employment Pathways Package will invest \$54 million to trial two new work programs:

- Real Jobs, Real Wages will support jobseekers experiencing long-term unemployment to build their capabilities by providing a tapered subsidy to employers who can provide secure and supportive job opportunities.
- WorkFoundations will support social enterprises and businesses who can provide tailored paid job placements for jobseekers facing high barriers to employment.¹⁰

Good Cycles and the broader WISE sector should be engaging with government to shape how these funding initiatives will be rolled out to maximise impact.

Systemic interventions to support scaling

Key evaluation questions addressed in this section

- What systemic/policy interventions will likely support Good Cycles to further scale their impact?
- What other insights can be used to influence systems change, for example at government policy level?

Key findings

- There is a wide variety of different systemic interventions that could assist Good Cycles to scale. These relate to the role of government as a system steward or regulator. It also involves government reducing barriers to entry for social enterprises.
- At the same time, government is not the only entry point for system change and some work and advocacy from peak bodies like Social Enterprise Australia would be of benefit.
- Advocacy efforts in the future might be towards creating flexible and supportive workplaces that can meet the needs of marginalised employees.

The stakeholders we interviewed made several suggestions as to the changes necessary for social enterprises to thrive. These include a set of design principles, as well as several practical measures that could be taken in the short-to-medium term. In terms of design principles:

¹⁰ Albanese, A. (2024), *Helping Australians earn more and keep more of what they earn*, media release, 14 May, available from <https://ministers.dewr.gov.au/burke/helping-australians-earn-more-and-keep-more-what-they-earn>.

- impact costs need to be ‘worked in’ as a fundamental component of any funding model
- a generally accepted definition of, and account for, impact costs should be created
- the definition and understanding of meaningful outcomes should be expanded beyond mainstream employment
- more flexibility is needed in payment and contracting arrangements
- the system needs to better account for the complexity of challenges facing disadvantaged jobseekers
- the assumptions that underscore social procurement need to be re-examined
- WISEs need to be seen as delivering public value and an important (if specific component) of the wider employment service ecosystem.

Some immediate actions that emerged from our consultations included:

- designing and implementing place-based programs that take advantage of the strengths of WISEs
- providing advice and information about the resources and funding available to WISEs
- embarking on major reform of employment services to further strengthen WISEs role
- developing a stronger WISE certification system
- reducing ‘red tape’ for funding opportunities
- incentivising the creation of social enterprises
- developing frameworks and guidelines to support good business practice for WISEs.

Conversations with experts also suggested that government could bolster social procurement efforts across all Australian jurisdictions to enhance requirements for larger companies to engage social enterprises as part of their supply chain. This might mean developing specific policy objectives for social enterprises with the supply chain in a similar manner to the Aboriginal business sector.

Each of these initiatives provides Good Cycles with an opportunity for increased advocacy and an ability to develop relationships with the Australian Government to support future scaling and impact. In other words, they represent leverage points for system intervention. Good Cycles could influence change by building relationships with key funders and policymakers involved in the reforms described above. This work would benefit from creating coalitions of like-minded organisations and building on Good Cycles’ thought leadership in establishing the benefits of WISEs.

This approach might include changing the conversation about WISEs. Anecdotally, the evaluation has suggested that negative (and misguided) perceptions of the effectiveness of WISEs still exist. Work to address these perceptions would likely contribute to strengthening the WISE sector overall, as well as Good Cycles’ position as a leader.

Of course, government is not the only intervention point in a system and there may be other opportunities for system change. As we have referred to elsewhere in the report, brokerage organisations between social enterprises and commercial partners might help strengthen relationships and ensure both parties are getting value-for-money. Social Enterprise Australia was also specifically mentioned in our interviews as having a role in leading advocacy efforts. This would necessarily include changing perceptions about the capacity of people with barriers to work in mainstream employment.

Finally, future system change efforts by PRF and Good Cycles could also focus on advocating for more workplaces that adopt Good Cycles’ model of flexibility, support and inclusivity, particularly within a place-based context.

Scaling strategically

Key evaluation question addressed in this section

- What other insights can be used to influence systems change, for example at government policy level?

How this was addressed and interpreted in this section

- What other insights were gathered re the challenges of scaling Good Cycles?

Key findings

- The Good Cycles YEP model is successful but this success may limit the impetus for some young people to transition into mainstream employment.
- Prior to scaling, Good Cycles should continue to refine its YEP model to maximise impact.

Overall, Good Cycles' model has demonstrated effectiveness in serving its target cohort.

At the same time, its model has been a victim of its own success. There are several young people we spoke to that didn't want to transition out of the YEP as they are unsure where else they would find such a supportive environment (including pay and conditions). This hesitation was particularly acute given their level of skill and experience. Thus, the model may have in-built limitations in its ability to support more young people. As a result, part of any scaling strategy should consider when it is most suitable for young people to transition; what processes or mechanisms are available to support transitions; and how that aligns with Good Cycles' vision for inclusive employment.

Good Cycles therefore faces a strategic choice. On one hand, the organisation could deliberately look for ways to transition longer-term employees into mainstream employment. This would allow for more people to experience the YEP, but it may undermine Good Cycles' ethos of meeting young people where they are at. On the other hand, Good Cycles can maintain its current model and approach. This would mean less people experience the YEP, but it would retain more fidelity to purpose. A compromise might be to create two streams of the YEP – one for people needing more targeted and intensive support (with no time limit), and a second stream that is designed for people who need less intensive assistance (with perhaps a 6-month time limit).

This choice may be influenced by the understanding that Good Cycles has of its role in the employment ecosystem. WISEs, and Good Cycles in particular, are highly regarded as an effective 'gateway' into mainstream employment for people who have experienced significant barriers to employment. Some sector experts viewed the ideal role of Good Cycles as focusing on readiness for mainstream employment, which would involve working alongside mainstream employers who can provide longer-term employment.

Good Cycles also needs to make a strategic decision as to the precise mode of scaling. In other words, what should be scaled and in what way? Scaling can take many forms. It can be rolling out a model or program to more beneficiaries, or a wider variety of different beneficiaries. It might be replicating the same model in different contexts. Or it could be designing new programs or services to support a different group of beneficiaries. Conversations with stakeholders about scaling carried cautionary tales as to the risk of spreading resources too 'thin'. Given this, any scaling effort should be predicated on a consideration of what needs to scale, why, and in what way.

Part of Good Cycles' recent scaling efforts have been to fortify the foundations for growth through establishing four distinct divisions. As this structure evolves, further work will be needed to understand the strengths and limitations of each of these divisions and how they might support the YEP.

Appendix A The evolution of the YEP

Good Cycles' YEP has had two previous versions:

- Transitional Employment Program, which ran from mid-2016 to October 2019
- Supported Employment Program, which ran from November 2019 to May 2022.

Each of these is described briefly below.

A.1 Transitional Employment Program

The Transitional Employment Program (TEP) involved an intermediate bicycle mechanic course and one-on-one support for resume, interview and budgeting. It functioned as a pathway from Good Cycles' Pedal Empowerment Program pre-employment program. Pathways out of TEP included employment within Good Cycles (including Bike Share, Car Share and City Services).

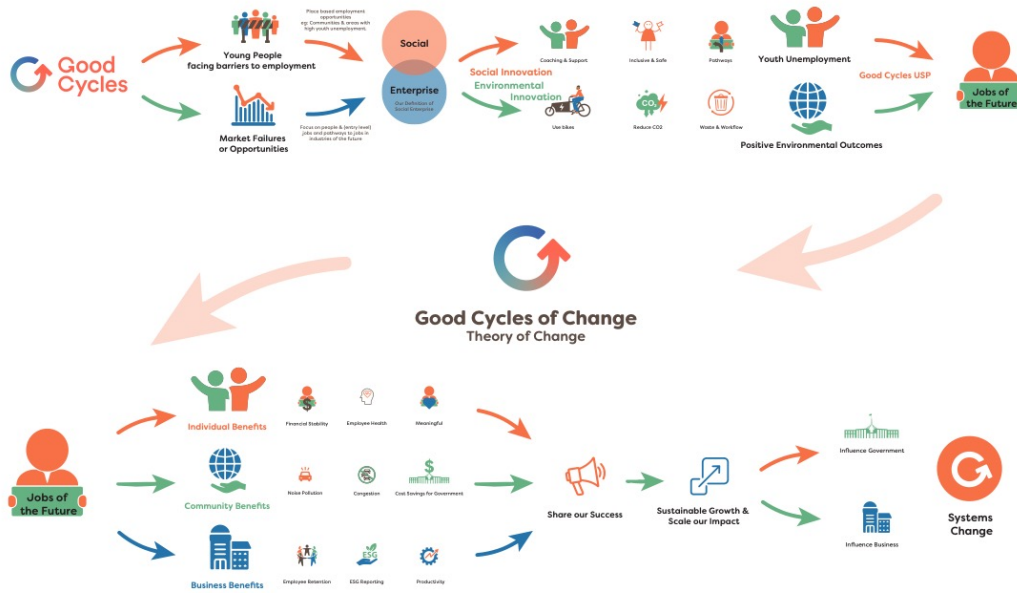
A.2 Supported Employment Program

The Supported Employment Program¹¹ adopted a self-efficacy model. This recognises personal agency and facilitates personal motivation through owning consequences rather than being compliant. It also acknowledges that there are environmental factors that are beyond personal control but that shape outcomes. The SEP involved a four-phase process:

- induction and job-readiness, coaching and training
- on-the-job exposure
- structured roles with progressive development
- job seeking support and advocacy to be completed in 6–12 months.

¹¹ The terms 'Transitional Employment Program' and 'Supported Employment Program' were used interchangeably from November 2019 to May 2022.

Appendix B Good Cycles' theory of change



Appendix C Transition case studies

The examples below are all based on real stories from Good Cycles YEP. They illustrate the different ways in which Good Cycles achieves outcomes for young people. As part of this, young people are provided opportunities to take on more responsibility once they have proven themselves. The case studies also show how such transitions can act as a 'springboard' either to study or work at a mainstream employer.

Young person A became involved with Good Cycles through the previous pre-employment program. Following this they were able to secure a casual role in the car services area, and after proving themselves to be a capable and reliable worker they then transitioned into a role in the health and safety team.

Young person B is another staff member who joined Good Cycles through the former car services division. Their strong consistency and performance was recognised by management. As a result, they were promoted to a leadership role overseeing day-to-day management of teams within the division.

Young person C also was first engaged with Good Cycles through the pre-employment program, then went to commence work in the car services area. Working with the organisation for several years, they gained experience in several different roles and were consistently noted as a high performing staff member. Ultimately this resulted in them being offered a full-time role by one of our commercial partners.

Young person D commenced working with Good Cycles through its labour-hire division. Relatively new to Australia, they had limited employment experience and struggled to secure work despite having qualifications and experience in their home country. After a year working diligently, their hard-working and supportive nature was recognised and they were successful in gaining a supervisory role in another division at Good Cycles. As part of this role, they worked for a year-and-a-half before leaving to return to study full time.

Young Person E commenced employment with Good Cycles after struggling to find suitable employment that was appropriate for them while managing serious health conditions. They showed not only a keen eye for detail and a can-do attitude but also that they possessed leadership qualities that were evidenced through training new employees and inducting them into systems and processes for the role. Eventually this led to them being offered additional work with a commercial partner that allowed them to stay connected with Good Cycles and the support provided through the YEP.

Young person F joined Good Cycles with limited previous job employment experience, they worked at Good Cycles whilst studying. They started out working in the car services division before taking up a part-time role within the marketing team. They have since moved on from Good Cycles to pursue roles related to their area of study.

Appendix D PRF impact summary

Table 9 provides an overall summary of the YEP outcomes, according to PRF's impact summary template. In the table outcomes are defined as:

- 'developing' where approximately half of survey respondents indicated an improvement (excluding responses that indicated 'no change')
- 'fully realised' when two-thirds or more of survey respondents indicated an improvement.

Table 10 describes what each 'outcome level' means, while discussion against each outcome is included in section 3.3 above.

Table 9 PRF impact summary (analysis)

Outcome	Outcome level				
	Nothing happened	Limited	Developing	Fully realised	Exceeded
Improved employability				X	
Improved financial wellbeing			X		
Improved mental health				X	
Increased confidence				X	
Improved physical health			X		
Increased sense of belonging				X	

Table 10 PRF impact summary (framework)

Outcome level	Descriptors
Nothing happened	No evidence that this outcome has yet to emerge; possible signs that there are barriers or opposition to this outcome emerging.
Limited	Outcome has started to emerge in a limited way; it has been observed in some of the relevant cases or to a limited extent across a wide range of cases.
Developing	Outcome is showing some signs of maturity; it is emerging across a wide range of relevant cases; and is becoming embedded/sustained.
Fully realized	Outcome is at the target level set out at the start of the grant; it is happening regularly/consistently and well, across all relevant cases.
Exceeded	Outcome has reached a level beyond expectations; it has reached a wider group than we intended or is at a very high level of quality/maturity.



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