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# **Improving Health Equity of Young People? The Role of Social Enterprise**

## ***Case Study Report*** ***STREAT***

***February 2020***

Roksolana Suchowerska, Jo Barraket, Perri Campbell, Batool Moussa, and  
Joanne McNeill

# TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	3
1 BACKGROUND .....	5
1.1 ABOUT THE STUDY .....	5
1.2 ABOUT THE RESEARCH DESIGN .....	6
1.3 ABOUT STREAT .....	7
2 IMPACT ON THE SOCIAL DETERMINANTS OF HEALTH .....	8
2.1 Changes to education and employment prospects.....	8
2.2 Changes in access to stable housing .....	9
2.3 Changes to social participation (including new friendships and other relationships).....	9
3 THE IMPACT OF THE ORGANISATIONAL FEATURES.....	10
3.1 Organisational features that position STREAT in context.....	10
3.2 Organisational features that make STREAT distinct.....	11
3.3 HOW STREAT PROMOTES YOUNG PEOPLE’S ENGAGEMENT AND PERSONAL DEVELOPMENT.....	12
3.3.1 A designated Youth Programs team.....	13
3.3.2 STREAT is ‘not an institution’ .....	13
3.3.3 Goal setting and risk management.....	14
3.4 HOW STREAT SUPPORTS ENGAGEMENT IN LEARNING AND EDUCATION.....	15
3.4.1 Accepting, forgiving and professional culture .....	15
3.4.2 Multiple hospitality sites and integration of RTO onsite.....	16
3.4.3 Knowledge transfer between youth programs and hospitality teams (processes).....	17
3.5 HOW STREAT SUPPORTS TRANSITIONS TO NEW EMPLOYMENT.....	18
3.5.1 Culture of change-making through collective action .....	18
3.5.2 Chief Relationships Officer and Youth Transitions Officer .....	19
3.5.3 Building relationships with external organisations .....	19
3.6 HOW STREAT DEEPENS SOCIAL PARTICIPATION .....	21
3.6.1 Diversity of roles and professions at STREAT .....	21
3.6.2 Human-centred culture of care .....	22
3.6.3 Recruitment of positive and flexible staff, alongside adherence to clear boundaries .....	23
3.7 OPERATING CONTEXTS AND HOW STREAT ADDRESSES ISSUES OF HEALTH INEQUITY FOR YOUNG PEOPLE .....	24
3.7.1 Connecting with young people.....	24
3.7.2 Connecting with a social enterprise sector .....	25
3.7.3 Connecting with hospitality supply chains .....	25
3.7.4 Hospitality-based social enterprise .....	26
3.7.5 Origin.....	28
4 INSTITUTIONAL FACTORS AND THE EFFECTIVENESS OF SOCIAL ENTERPRISES.....	29
4.1 INSTITUTIONAL CONSTRAINTS AFFECTING STREAT’S OPERATIONS AND OUTCOMES .....	29
4.2 HOW STREAT SEEKS TO SHIFT INSTITUTIONAL CONSTRAINTS.....	29
APPENDIX A. REFERENCE LIST.....	30
APPENDIX B. ABOUT THE RESEARCH DESIGN.....	31
Focus groups .....	31
Participant observation .....	31
Interviews.....	31
Collation of archival documents.....	32

## **About this report**

This is one of four case study reports prepared for the Australian Research Council (ARC) Linkage project: *Improving Health Equity for Young People? The Role of Social Enterprise* (LP160101793). The report outlines key findings from a case study of STREAT—a hospitality social enterprise in inner Melbourne—that examines how STREAT’s everyday practices, structure and culture enable it to support the young people who participate in its youth programs. The report draws on data collected between August 2018 and June 2019.

## **Acknowledgements**

The research team acknowledges the invaluable contribution of STREAT, and particularly the young people, staff and external stakeholders who participated in this case study. The research team also acknowledges its industry partners—VicHealth, Social Traders and Foundation for Young Australians—for ongoing support and input into the study. This three-year study has received funding from the ARC as part of the Linkage Scheme (LP160101793).

## **About the authors**

This report has been prepared by Dr Roksolana Suchowerska, Prof Jo Barraket, Dr Perri Campbell, Batool Moussa, and Dr Joanne McNeill. Data collection was led by Dr Roksolana Suchowerska, and supported by Prof Jo Barraket, A/Prof Chris Mason and Dr Perri Campbell. The full research team includes Prof Jo Barraket, Prof Jane Farmer, A/Prof Gemma Carey, Dr Andrew Joyce, A/Prof Chris Mason, Dr Roksolana Suchowerska, Dr Perri Campbell, Dr Joanne McNeill, Aurora Elmes, and Batool Moussa.

## EXECUTIVE SUMMARY

This report presents the STREAT case study arising from a project that has worked with four social enterprises in Victoria and New South Wales to examine if and *how* social enterprises affect the social determinants of health equity for young people aged 16-24. This report illustrates the organisational features that enable STREAT to improve the wellbeing of young people. STREAT is a social enterprise, whose vision is for all young people aged between 16 and 24 years, and particularly disadvantaged young people, to belong and thrive with a healthy sense of self, work and home.

The focus of this study is the **Main Course**, STREAT's most intensive, 20-week program. The case study involved focus groups, participant observation, interviews with key stakeholders and analysis of organisational and media documents. STREAT's Main Course mitigates social determinants of health inequities for young people by:

- Promoting engagement and personal development of young people through a *with, not for* approach
- Engaging young people in education through the *integration of different types of learning*
- Supporting young people to *transition into new employment*
- Deepening social participation through young people's *diverse relationships* within and beyond STREAT

### These outcomes are enabled by the following organisational features:

#### An **organisational culture** that is:

- Accepting, forgiving and professional
- Caring and human-centred
- Focused on collaboration and collective action
- Purposefully 'non-institutional' in its interactions with young people

#### An **organisational structure** that includes:

- A standalone Youth Programs team
- Chief Relationships and Youth Transitions Officers
- Multiple hospitality sites and integration of a registered training organisation onsite
- Diverse roles and professions across STREAT

#### **Organisational policies and processes** that focus on:

- Recruiting aligned and flexible staff, while setting clear boundaries
- Frequent knowledge transfer between Youth Programs and Hospitality teams
- Ongoing relationship development with external stakeholders
- Ongoing goal setting and risk management

The communities within which STREAT is positioned—including its industry sector, geographic locations and the cohort of social enterprises with whom it identifies and collaborates—affect what is possible and meaningful for its organisational culture, structure and processes. In particular:

- STREAT's inner-metropolitan Melbourne location connects it with young people from around Victoria, a social enterprise sector that is relatively mature albeit still developing, and a growing and competitive hospitality sector.
- STREAT's hospitality orientation connects young people with entry-level employment opportunities in a growing hospitality sector. STREAT mitigates poor employment conditions, the challenges of obtaining work and the relatively low adult wage by supporting young people to transition into workplaces that are culturally aligned with STREAT and encouraging young people to explore their longer-term career aspirations.
- As a relatively young social enterprise, STREAT emphasises the *complexity* of contemporary social and environmental issues, and the *systems considerations and effects* that need to be addressed to improve plant health and the participation of young people. This calls on STREAT to connect with a range of stakeholders to coordinate efforts to address the 'world's intractable problems'. STREAT's origins and founder backgrounds also guide it towards evidence-based decision-making.

The main institutional factors that affect *how* STREAT mitigates the social determinants of health inequities are:

- (Weak) support for social enterprise development– research participants identified lack of appropriate financial products and services, lack of public and commercial understanding of social enterprise and related lack of market access as constraints on actual and potential impacts.
- Limits of current government policies in relation to young people and inadequacies of the current employment services system to create the space/demand for social enterprises like STREAT to exist, but also make it challenging to navigate practical interactions with such systems.

The main ways that STREAT seeks to respond to institutional constraints is by:

- Positively representing the capabilities and potential of young people; and
- Acting as ‘connective tissue’ within local employment and services systems, drawing new resources into the system through partnership, and modelling different approaches to the inclusion of young people.

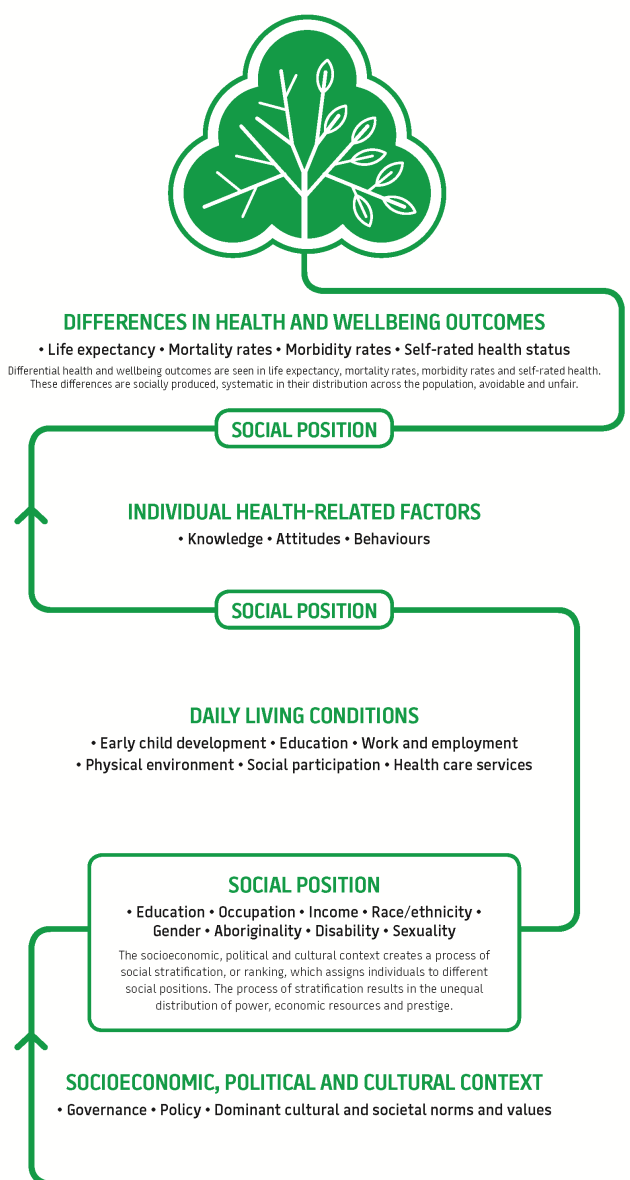
# 1 BACKGROUND

## 1.1 About the study

The wellbeing of young people critical to Australia's productivity and success. The social determinants of health (SDoH) are the social and economic conditions in which people are born, grow, work, live, and age, and the wider set of forces and systems shaping the conditions of daily life.<sup>1</sup> The SDoH include education, employment, income, housing and social networks. Health inequities stem from structural imbalances in the availability and accessibility of these determinants and are known to affect people's health and wellbeing.

Many social enterprises are established to support the social and economic participation of young people (in this study, aged 16-25) around Australia, but to date there is limited evidence that shows *how* they create wellbeing outcomes. Social enterprises are organisations that are led by an economic, social, cultural, and/or environmental mission consistent with a public or community benefit; derive some substantial portion of their income from trade; and reinvest the majority of their profit/surplus in the fulfilment of their mission.<sup>2</sup>

In its 'Fair Foundations' document (**Figure 1**), VicHealth identifies seven strategies through which the fairness of social conditions can be improved. Amongst these, social innovation and initiatives designed around specific 'healthy settings' contexts are identified as central to promoting health equity. Social enterprises often employ both these strategies in day-to-day operations. They engage in social innovation by developing new programs, new types of workplaces, and designing other bespoke initiatives with the aim of formulating novel solutions to address persistent social problems. Social enterprises create healthy settings by targeting specific geographic or organisational factors with the aim of making them fairer and more equal.



**Figure 1.** Fair Foundations: The VicHealth framework for health equity

<sup>1</sup> World Health Organisation (n.d.) *Social determinants of health*.

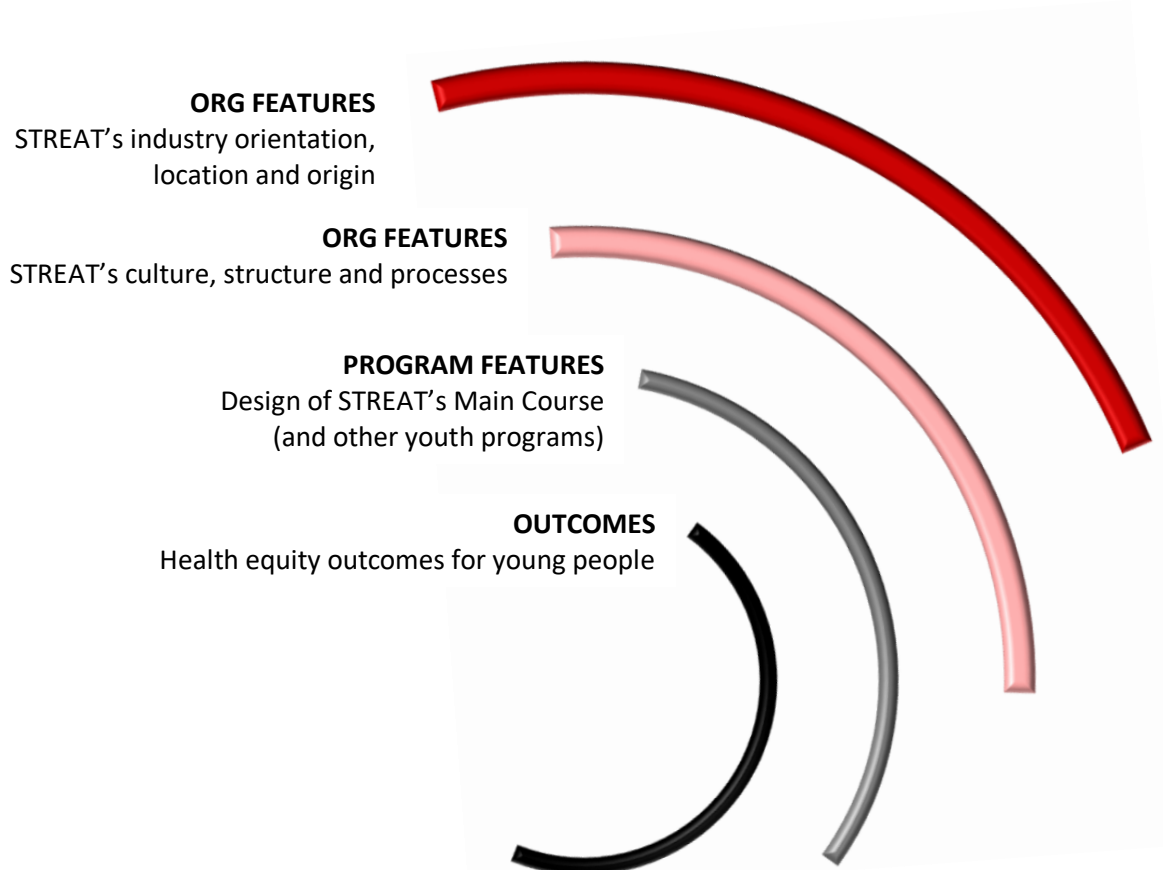
<sup>2</sup> Barraket, J., Collyer, N., O'Connor, M. & Anderson, H. (2010). *Finding Australia's Social Enterprise Sector: Final Report*. Melbourne: Social Traders.

## 1.2 About the Research Design

This study worked with four social enterprises to improve our understanding of these issues and opportunities. We addressed the following research questions:

1. Do social enterprises affect the outcomes of social determinants of health for young people? If yes, how?
2. How do organisational features, such as industry orientation and governance structure, affect the impacts of social enterprise on social determinants of health for young people?
3. How do institutional factors, such as industry structures and public policy frameworks inform the effectiveness of social enterprises concerned with improving social and economic participation of disadvantaged young people?

The research questions recognise social enterprises as complex organisations with diverse stakeholder relationships. As a result, they acknowledge the role of and seek to explore the effect of various **organisational features**, which are the characteristics of an organisation that affect how it operates. Some of these organisational features—such as the geographic location, market positioning, and origins—position the organisation within particular communities. These features—including industry sector, location and origin—tend to steer organisations to adhere to shared rules, regulations and cultures, address common issues, and compete or collaborate to access particular resources. Other organisational features—such as culture, structure, and the policies, processes, and practices—characterise the ‘personality’ of the organisation. The communities within which organisations are positioned also affect what’s possible and meaningful for organisational culture, structure and processes. **Figure 2** shows the nested relationship between these features.



**Figure 2.** Nested relationships between organisational features, program features and program outcomes

Taken together and considering their inter-relationships, these organisational features provide a framework for understanding how social enterprises are helping to improve the health equity outcomes of young people. As with any social enterprise, each element is constantly shifting and program improvements are often made on an ongoing basis. This report should therefore be read as a snapshot at a point-in-time.

### **1.2.1 Data collection**

This case study was developed via ethnographic data collection methods including two focus groups, three weeks of participant observation, 24 interviews and analysis of documents. Data were collected between August 2018 and June 2019. In line with a participatory approach, the study included STREAT, its stakeholders and other practitioners of health promotion and social enterprise in the analytic processes of meaning-making and knowledge creation. More information about the research design is provided in **Appendix B**.

## **1.3 About STREAT**

STREAT was founded in 2009. Its vision is for all young people aged between 16 and 24 years, and particularly disadvantaged young people, to belong and thrive with a healthy sense of self, work and home. Located in inner Melbourne, STREAT runs nine hospitality businesses including a large café, multiple kiosks, a bakery, roastery and catering business. For STREAT, social disadvantage happens when people face multiple barriers to social and economic participation. Barriers may include unemployment, mental health issues, addiction, social isolation, homelessness or law infringements.

The Main Course is STREAT's most intensive program and is the focus of this study. Over a 20-week period, the Main Course offers on-the-job training and mentoring, a Life Skills program, creative and social activities, individual case support, and a Certificate II in Kitchen Operations through an external Education Partner. STREAT offers three other youth programs, including the *Taster* (half-day workshop for young people interested in the Entree or Main Course programs), *Entrée* (offering 8 weeks of supported individual work experience in hospitality), and *STREATs Ahead* (providing a further six months of intensive post-placement employment support transitioning graduates into open employment). In the 2017/18 financial year, STREAT worked with 662 young people across its programs.<sup>3</sup>

STREAT also works with consumers, corporations, community and government service providers to create communities that take responsibility for improving the world for all Victorians, especially disadvantaged young people, and creating growth in the social enterprise sector.

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<sup>3</sup> STREAT (2018). *Annual Report: 2017/2018*.



## 2 IMPACT ON THE SOCIAL DETERMINANTS OF HEALTH

STREAT reports that, in the 2017/18 financial year, 91% of young people who participated in the Main Course improved their sense of wellbeing. In the words of one young person who participated in this study:

*[STREAT] makes me happier. It makes me feel useful. It gives me purpose. It prepares me for the future.*  
**(Young person)**

From a social determinants of health perspective, improved wellbeing among young people stems from improvements in social and economic participation, which are discussed in detail below. Personal development enabled young people to engage with the new opportunities that STREAT created in each of these areas.

### 2.1 Changes to education and employment prospects

As a work-integration social enterprise, STREAT supports young people to be more capable and competitive for hospitality jobs by providing access to vocational education and work experience. For young people, the primary and most common reason for enrolling in Main Course was to improve their employment prospects:

*I wanted to get a job, or experience to go to jobs and be like 'hey, I've got this now', as what I found was due to my age and lack of work experience, no one wanted to hire me. STREAT was a way to do that.* **(Young person)**

*I just told [my housing provider] I had no job prospects and they suggested STREAT, and I said, 'Yeah, I will go with it.'* **(Young person)**

By the final week of the Main Course, one young person had secured a new position in a catering business. This young person was appreciative but was hoping to have more than the one shift per week that he had been assigned. Other young people felt uncertain about their job prospects:

**Q:** *Do you know what's going to be next?* **A:** *I don't know. I honestly don't know.* **(Young person)**

*My resume's not so bad. I think the only thing that's missing is X amount of experience most employees would want to look at, a potential employee.* **(Young person)**

Young people tended to reconcile this uncertainty by saying that they hoped STREAT would link them to employment opportunities with STREAT's partners in the hospitality industry: *'a Mexican chain in the city or the catering company'* **(Young person)**. In 2017/18, STREAT reported that six months after completion, 45% of graduates were in employment, education or volunteer work, 5% were parenting or carers, and 11% were in appropriate treatment programs. As most young people who participated in this study had not yet secured new work, they still felt uncertain about future employment.

In relation to their work-readiness, young people spoke about the new insights they had developed about the types of hospitality work that they preferred, what they found stressful in the hospitality workplace, and how the industry would challenge and fulfil them:

*I knew a bit, but not exactly what was required in cafes... I've [now] done work experience ... so customer service, waiting tables, making coffees, interacting, clean downs of cafes and all that sort of stuff... I like working at Cromwell, because it's floor work, so more interacting with customers, getting my hospitality skills up, this is how I carry a plate, this is how I greet customers. It's different to the kiosk that you have at the other two sites, because you greet the customer, you get their coffee order, sometimes they order food.* **(Young person)**

Young people rarely spoke directly about how their new qualification (Certificate II in Hospitality) might affect future job prospects, but it was clear that vocational education helped them understand hospitality and the requirements of workers within the industry.



## 2.2 Changes in access to stable housing



STREAT's mission to support young people to belong and thrive via a focus on work-integration was originally targeted at addressing youth homelessness. STREAT reports that, in 2017/18, 100% of young people maintained or improved their housing situation during their course.<sup>4</sup>

The young people interviewed for this study experienced periods of homelessness prior to participating in the Main Course, including: having moved out of their parents' homes and not knowing what to do next, couch surfed after eviction from their home, or sought out new housing when foster parents stopped receiving government support.

At the time of interview, many young people were lodged in concessional housing and did not report this to have changed during the Main Course. This is not the norm at STREAT, with a member of the executive explaining:

*A couple of years ago I did a bit of an audit... we were finding something like 2.4 housing solutions for every young person in the program across the six months... there were some people who were falling out of accommodation so frequently that they needed three, four, five, six solutions to be brokered. (Executive)*

## 2.3 Changes to social participation (including new friendships and other relationships)

Young people varied in the relationships that they had outside of STREAT. Some had friends who had supported them through past homelessness, were part of friendship groups that organised around shared interests or had family who supported them by paying bills and providing a place to live. Others had cut all ties with family, had never had an engaged family, and/or were living with people they did not personally know. Those who had reliable relationships and friendships also valued them.

Young people's experiences of prior relationships seemed to affect their perceptions of the new relationships they developed with their peers at STREAT. A young person whose friends had previously given him a couch to sleep on said:

*I consider everyone in the course my friend to one degree or another. Q: Do you reckon you guys will stay in touch? A: Yeah, I think so. One of the trainees... I think she dropped out recently. I do [message or Facebook her]. (Young person)*



Another young person who hadn't connected with her peers at school said that her relationships with her peers at STREAT were 'pretty good', but that she did not use social media and probably would not stay in touch after the Main Course.

For Main Course participants, new relationships with STREAT's staff offered support to develop new skills, referees for future employment, expansion of one's personal or professional horizons (regarding what's possible for one's future) and more. Relationships with an emotional connection enabled young people to feel that someone understood and believed in them. Young people often singled out particular employees who they had connected with and looked up to:

*Yeah, it's really good to work and learn under these guys as well: guys like [Hospo team member] and [Hospo team member]. You become friends with them by the end of your placements. It's really nice. (Young person)*

<sup>4</sup> STREAT (2018). Annual Report: 2017/2018.

### 3 THE IMPACT OF THE ORGANISATIONAL FEATURES

#### 3.1 Organisational features that position STREAT in context



##### Industry sector

STREAT is positioned in the hospitality industry. Commercially, this requires STREAT to adhere to specific regulations, which affects the value and duration of sales and opportunities and expectations for profit margins. For youth programs, STREAT's hospitality orientation affects how it prepares young people for future employment—in terms of relevant skillsets, availability of work, structure of work, and opportunities for progression.

##### Location

STREAT is located in inner-Melbourne, which is often recognised as a socially progressive area with a strong café culture. While the café culture creates consumer demand, it also positions STREAT in competition with specialty roasters. Socially progressive consumers create demand for STREAT's work as a social enterprise. Both aspects of STREAT's location create opportunities for STREAT to strategically select the organisations and networks it collaborates with to achieve organisational goals. This involves strategic and proactive engagement of partners.

STREAT's café business has multiple satellite sites across Melbourne's CBD—including a shopping centre, corporate office block and university campus. The different types of locations put STREAT in touch with different demographic groups and consumers.

STREAT's nine businesses are run out of STREAT's flagship site in Collingwood. Despite recent gentrification to Melbourne's inner-north, the area has relatively high rates of social disadvantage. While many young people who participate do not live locally, there are social services in close proximity.

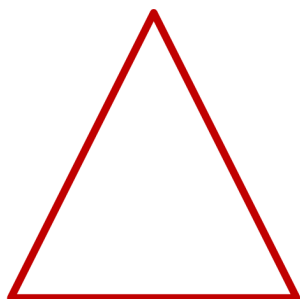
##### Origins

STREAT started-up in 2009 with the mission of addressing youth homelessness through the provision of work integration opportunities. It is part of a generation of social enterprises that aims to promote ethical consumption through ethical production and supply.

STREAT's leadership has steered the organisation towards addressing local issues via innovative use of existing resources, challenging social structures that underpin large-scale social issues, and developing scalable solutions that can be applied to new situations. From the perspectives of the research participants, STREAT's leadership is passionate, committed, ambitious, inspirational, visionary, optimistic, high functioning, honest, transparent, and engaging. STREAT's leadership is attuned to the importance of relationship building, enabling the organisation to strategically access financial and in-kind resources, and encouraging external partners to commit to STREAT's work and mission.



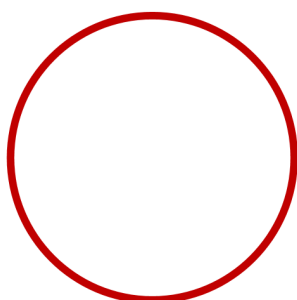
### 3.2 Organisational features that make STREAT distinct



#### STREAT's structure

An organisation's structure is how its functions and people are arranged to allow implementation of the organisation's mission and strategy. The key features of STREAT's structure are:

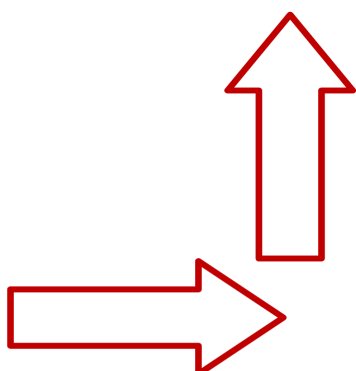
- A standalone Youth Programs team
- Chief Relationships and Youth Transitions Officers
- Multiple hospitality sites and integration of a registered training organisation (RTO) onsite
- Diverse roles and professions across STREAT



#### STREAT's culture

An organisation's culture can be understood as the collection of stated and unstated rules that are enduring and guide how people engage in their work and with each other. Organisational culture is shaped by shared values and principles, and tends to stem from organisational history, especially the values and customs of founders. The key features of STREAT's culture are that it is:

- Accepting, forgiving and professional
- Caring and human-centred
- Focused on collaboration and collective action
- Purposefully 'non-institutional' in its interactions with young people



#### STREAT's policies and processes

An organisation's policies and processes are the mechanisms through which work gets done—how information is managed and shared, how staff are recognised and rewarded, how resources are allocated, and goals articulated. Policies and processes that enable STREAT's impact on youth health equity outcomes include:

- Recruitment of aligned and flexible staff, alongside adherence to clear boundaries
- Frequent knowledge transfer between Youth Programs and hospitality teams
- Ongoing relationship development with external stakeholders
- Ongoing goal setting and risk management

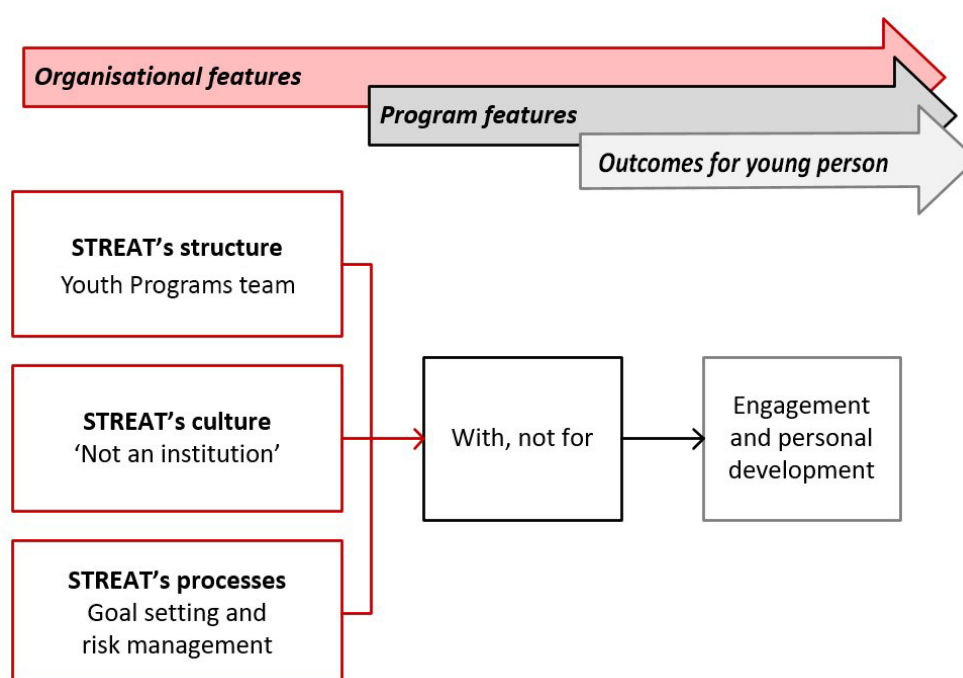
The organisational features listed here help create a Main Course that mitigates social determinants of health inequities for young people by:

- Promoting young people's engagement and personal development through a *with, not for* approach
- Engaging young people in learning and education through *integration of different types of learning*
- Supporting young people to *transition into new employment*
- Enhancing social participation through young people's *diverse relationships* within and beyond STREAT

### 3.3 How STREAT promotes young people's engagement and personal development

Work-integration social enterprises aim to engage people who have not received adequate opportunities or support through their life circumstances and/or from other providers of social services. At STREAT, engaging young people is vital. When a young person is engaged, they are more likely to attend and participate in their program, feel connected to STREAT's people and place, and feel more positive about their own personal development and future. This enables them to take advantage of the opportunities that STREAT offers for improving key determinants of wellbeing—including education and employment prospects, housing and social participation.

The key organisational features of STREAT that enable it to promote engagement and personal development of young people are: a designated Youth Programs team, inviting spaces that were not set up as 'institutions' and a focus on setting and achieving goals, whilst mitigating risks. Together, these organisational features enable STREAT to work *with* young people, rather than *for* them. They invite young people to feel connected to STREAT, motivating and supporting them to engage in their own personal development and feel more positive about their own futures (see **Figure 3**).



**Figure 3.** Organisational features that promote engagement and personal development of young people, through youth programs that are delivered 'with, not for' young people



### **3.3.1 A designated Youth Programs team**

STREAT includes a Youth Programs team that focuses on facilitating young people's engagement in youth programs, including the Main Course. The Youth Programs team consists of professional social workers with extensive service delivery experience in government and not-for-profit organisations in Australia and overseas. Their primary responsibilities include:

- Monitoring and encouraging young people's attendance of all components of the Main Course
- Supporting young people to identify and work towards personal goals
- Supporting young people to address barriers to either of the two above, including brokering new housing, accessing income support, health services, etc.

*"I truly believe that putting the onus on a young person, even on the day you meet them in that first hour and having a real strong robust conversation about expectations and motivation and all those things that a young person needs to stay here, it sets the standard of what I'm going to expect from them and what they can expect from themselves."*

**Youth Programs Team Member**

The Youth Programs team gives significant, daily attention to ensuring young people's attendance of the Main Course, such as calling and following up with young people who were absent. STREAT's other engagement strategies (including cultural and procedural strategies illustrated below) rely on young people consistently being present on STREAT premises.

### **3.3.2 STREAT is 'not an institution'**

STREAT creates warm and inviting environments through the design of its youth, administrative, meeting and hospitality spaces.

- STREAT's youth, administrative and meeting rooms carry visual representations of inclusion, including: signs of welcome and celebration of diversity, images of team members at room entrance-ways, and the absence of reception desks or security checkpoints that restrict access.
- STREAT's cafés have been styled to appeal to the contemporary tastes of inner-Melbourne customers.

The Main Course takes place in all of these spaces; communicating that young people are not receiving 'treatment' in an 'institution' that is removed from mainstream society. STREAT engages young people by supporting their integration into a high-functioning, well-respected and inclusive business. The retail functions and nature of hospitality supports a flow of people and different types of interaction throughout the STREAT experience.

*"You don't feel as though you're entering an institution. You feel as though the service is very personalised and you're at the centre of that, and everyone's pulling for you, trying to help as much as possible to get you through and get you where you need to go."*

**Service provider**

### **3.3.3 Goal setting and risk management**

Whether in its commercial operations or delivery of youth programs, STREAT's processes are orientated around setting and achieving goals, and mitigating risks that may undermine the fulfilment of these goals. At the organisational level, STREAT has an unwavering commitment to its social mission. STREAT's annual reports state its target outcomes for commercial and social operations and reports on the progress made.

This process of goal-setting and risk management also underpins the interactions between young people and the Youth Programs team.

- Goal setting with young people commences during STREAT's intake process, with Youth Programs staff help young people to 'dig out' why they want to be at STREAT, what they want to achieve, and to 'back themselves' towards that goal. Daily and weekly engagement of young people involves setting and working towards the shorter-term goals that contribute to the young person's longer-term goal. While young people make decisions about their own goals, the Youth Programs team is persistent in challenging and supporting them to engage in their own personal development.
- In the background, the Youth Programs team also gives considerable attention to mitigating risks that may 'sabotage' a young person's efforts to achieve personal goals. For example, during the intake process, this involves referring young people to external services (such as counselling) that they may need and grouping together young people who are likely to get along and support each other.

By challenging and supporting young people to set goals, holding them accountable to those goals, and mitigating risks that may distract from the fulfilment of these goals, Youth Programs create the conditions for young people to engage in their own personal development and succeed. In this context, young people develop momentum and a track record of achievement that enables them to have a more positive outlook on their ability to direct their own futures. While at STREAT, this enables young people to take advantage of the opportunities that STREAT offers for improving key determinants of health—including education and employment prospects, housing and social participation.

**Q.** *"Do you feel that the Board is able to keep a lid on things like mission drift?"*

**A.** *"For STREAT, I'm very happy to say I think that is a smaller risk for us led largely by the fact that the CEO is so frigging focused on the core mission of the organisation."*

**Board member**

*"If someone has a severe mental health disorder that's not being treated, that is a risk for us... What are the consequences for us and what is the impact on the group? If they have a drug use problem and they're not working on that. What impact does that have on the group if others have become clean from a drug and they're trying to stay abstinent?"*

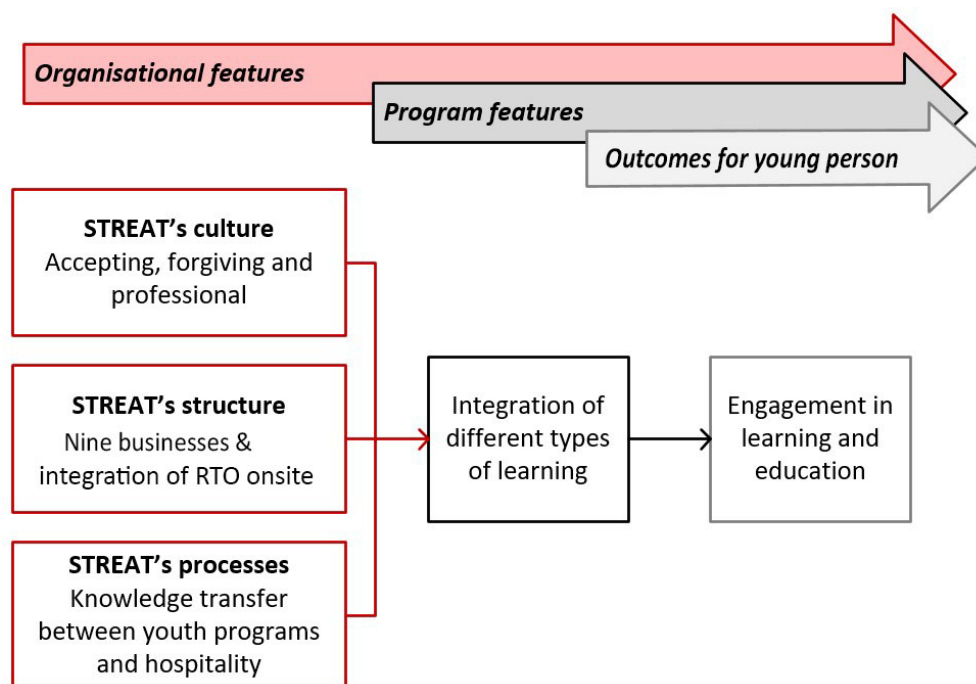
**Youth Programs member**

### 3.4 How STREAT supports engagement in learning and education

STREAT's structure, processes and culture enable an education program that integrates theoretical, practical and reflexive learning into the weekly schedule of the Main Course. The integrated approach to learning supports young people to:

- Develop tacit knowledge
- Feel confident in their understanding of how the hospitality industry works in practice
- Identify what roles in the hospitality industry they would like to pursue

**Figure 4** identifies STREAT's accepting, forgiving and professional culture, multi-business and integrated RTO structure, and processes of knowledge transfer between youth programs and hospitality as the key organisational features that enable outcomes in these learning and education.



**Figure 4.** Organisational features that support improved engagement in education, through integration of different types of learning

#### 3.4.1 Accepting, forgiving and professional culture

Hospitality staff described the culture of STREAT's businesses as one that balances acceptance with forgiveness and professionalism. This culture makes STREAT's workplaces challenging yet supportive places for young people to apply their theoretical understandings of hospitality (picked up in the classroom) to practical contexts.

A professional culture in a work environment requires young people to accept responsibility for the implications of their actions on others. This contrasts with simulated learning environments, in which young people rehearse new skills without the feeling that they will affect colleagues, customers and the business more broadly.

*"When you are out in the real world, working with other professionals...they're not going to accept you being rough and inappropriately using language. When you're at school... having a bad day... you start to throw your weight around. Whereas, when you're in a work environment where... you're recognised for your skills, you need to behave appropriately and professionally."*

**Referring school**



*"If you've got piercings and tattoos or what you dress like or anything, none of that matters. As long as you're obviously professional, none of that matters."*

**Hospitality Team member**

For some hospitality staff members, professionalism in the hospitality industry can be paired with expectations to conform, without room for self-expression, learning, or mistakes. They justified STREAT's focus on professionalism by balancing it with STREAT's forgiveness of mistakes and acceptance of personal characteristics. This lets young people experiment with how to apply new knowledge gained in the life skills, TAFE, or other components of the Main Course to professional hospitality.

### **3.4.2 Multiple hospitality sites and integration of RTO onsite**

STREAT has multiple hospitality businesses and sites at which young people complete eight-week blocks of work experience. Across the multiple businesses and sites, there are similarities in core menu items, the Point of Sale interface, standards of service, occupational health and safety procedures, etc. Yet, each business is unique in its location, lay-out, pace, customer-base, and logistics. As young people transition between these work placements, they experience continuity in the overarching similarities between STREAT's businesses, whilst also being challenged to adjust to contextual differences.

The multiple business and site structure of STREAT supports young people to apply 'theory' to different practical contexts. Young people engage in this process independently (i.e. whilst on work placement) and with support during weekly life skills and TAFE lessons, when facilitators prompt reflection and discussion.

The Youth Programs team coordinates the embedding of an external Registered Training Organisation (RTO) trainer into its businesses and sites. Most of the course is administered on site at STREAT, with theoretical components taking place in the Youth Room and practical components taking place in STREAT's commercial kitchen. Most assessment tasks (e.g. preparing coffee, carrying multiple plates, and serving customers) are integrated into day-to-day practice and assessed by STREAT's hospitality staff.

This approach frames the purpose of education in terms of enabling young people to contribute to their place of work.

*"We're just a big family, [so] these young people are just going from one person's house to their cousin's house to their aunty's house... Learning pretty much the same way to do everything, but in different environments and spaces with the different customer base is really important."*

**Hospitality Team member**



### **3.4.3 Knowledge transfer between youth programs and hospitality teams (processes)**

STREAT has formal and informal processes for transferring information between Youth Programs and hospitality staff. This organisational process enables the respective teams to support young people to draw links between 'classroom' learning and practical learning.

Youth Programs run staff induction and quarterly 'professional development' sessions with the aim of providing guidance to hospitality staff about strategies and boundaries that can help engage young people in the workplace. Youth Programs also provide hospitality staff with written briefs that outline the key challenges that individual young people may experience in their work placement. Less formally, Youth Programs support hospitality staff during scheduled and ad hoc 'catch ups'. Hospitality staff feed information back to Youth Programs via formal checklists that record the young person's attendance and progress and during face-to-face site visits. These processes aim to engage young people in their learning during work placement.

To engage young people in life skills and vocational education sessions, Youth Programs arranged 'guest speakers' from the hospitality team. Bringing the hospitality staff into the Youth Room reminded young people that what they were learning in the classroom was relevant to future work in hospitality. In one instance, a café supervisor contributed to a session on preparing for job interviews. He outlined the types of attributes that he looked for when hiring prospective café staff and then helped interview each young person and provide feedback.

Youth Programs and the RTO trainer often prompted young people to complete worksheets or contribute to discussion by reflecting on what they had noticed or what they thought might be appropriate in STREAT's workplaces. Later that week, young people's work experience shifts would be opportunities for young people to draw on these conversations to make decisions about how to prepare and participate in the workplace. Youth Programs framed hospitality staff as 'role models' that the young people could learn from in the professional context.

The formal and informal processes via which Youth Programs, the RTO educator and hospitality staff transferred and shared information to jointly deliver the Main Course helped to draw connections between the theoretical learning in the classroom and practical learning in the workplace. By drawing these connections for and with young people, it encouraged them to think critically and engage in their learning as something that would support their transition into the workplace.

*"They observe all the students on a daily basis and record by supervising and managing... then they provide us that information. Saying, well yes, they have made coffee and have served six people every Monday for a few weeks."*

**RTO educator**

*After the break, we discussed one's presentation...the importance of a morning shower, moisturising your face, shaving, covering tattoos, not wearing strong deodorant or aftershave... Hospitality staff were referenced as the benchmark re: appropriate presentation.*

*We also discussed what constitutes appropriate small talk... your weekend and the weather are appropriate. What's not appropriate? Young people suggested drugs and alcohol, sexual things, judgements about customers, people's weight, stuff that you're not meant to be doing, anything in huge detail.*

**Researcher's fieldnotes**

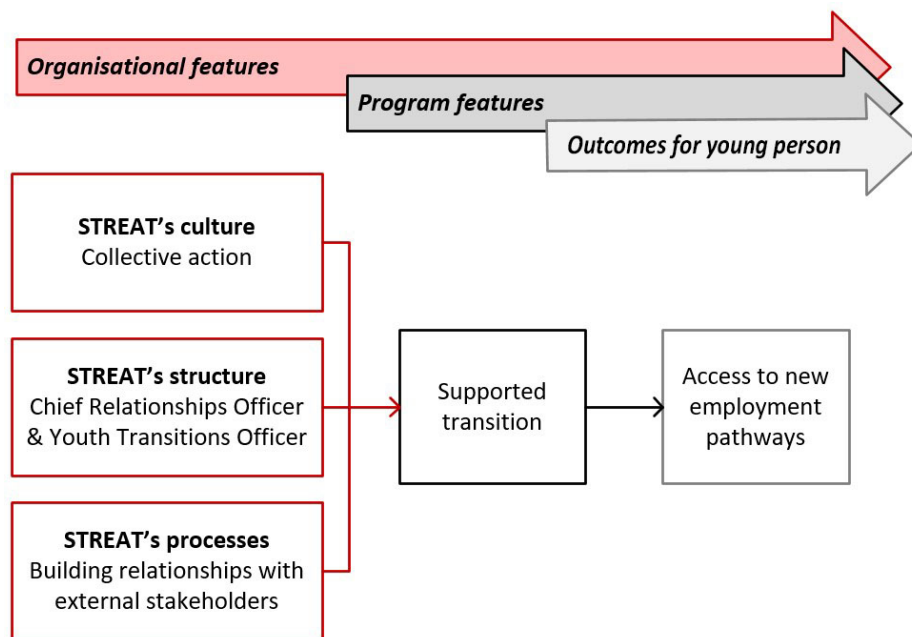
### 3.5 How STREAT supports transitions to new employment

STREAT helps young people to access new employment pathways by supporting them to transition from their current situations, through the Main Course, to the 'next soft-landing points'. While in the Main Course, young people work towards improving employability by engaging in education and training, developing work experience, and becoming more confident in contributing to professional settings. To then support a transition to the 'next soft-landing point', STREAT draws on its relational culture, structure and processes to position young people in meaningful, paid, and supportive positions of employment in external hospitality organisations (see **Figure 5**).

*"If we can not only get a person a good job but help them keep it for six months, even better 12, then their job prospects and everything else for the future skyrockets."*

**Executive team member**

Engagement of external organisations to create new employment pathways is led by executive-level activities. The Youth Programs team subsequently leverages STREAT's relationships and reputation to match individuals with prospective employers.



**Figure 5.** Organisational features that support young people to transition to new employment

#### 3.5.1 Culture of change-making through collective action

STREAT's interactions with external organisations are guided by its mission to improve opportunities for young people in the broader community. STREAT does this by developing relationships with external organisations, particularly customers and suppliers; encouraging them to create opportunities that would improve the world for disadvantaged young people. This mission has instilled a culture of 'change-making' at STREAT, where every transaction with external organisations and individuals is geared towards initiating or contributing to change.

*"We feel really proud about what we're doing, you should replicate that and do that in your own businesses... It's become a very broad message... I think everything that we do internally, we try and then make it external and I think that creates a really lovely community."*

**Executive team member**

STREAT's culture of change-making through collective action stems from the CEO, who describes her approach as a 'highly collaborative' process in which stakeholders contribute different knowledge and experience to co-create new markets or innovations. She estimates that half of her time is spent on 'outward facing' work, such as: helping people to build or understand social

enterprises, developing key stakeholder relationships and tending to media and speaking requests. This approach echoes through STREAT's structure and processes.

### **3.5.2 Chief Relationships Officer and Youth Transitions Officer**

To support young people to transition onto the 'next soft landing', STREAT resources two key, outward-facing positions—a Chief Relationships Officer in the executive team and a Youth Transitions Officer in the Youth Programs team.

The Chief Relationships Officer is responsible for developing STREAT's relationships with all external stakeholders. These relationships tend to focus on commercial exchange; however, as illustrated above, STREAT sees these relationships as opportunities for creating social change through collaboration.

The Transitions Officer develops partnerships with specific hospitality organisations that can offer employment to young people who have completed the Main Course. This involves partnering with organisations that have similar values to STREAT and will treat young people with kindness, acceptance and professionalism. While STREAT continues to provide young people with support when they transition into their new role in the external organisation, having cultural alignment (between the two organisations) enables the transition to be smoother, and reduces the mediation that STREAT needs to provide. The role of the Transitions Officer is to understand the needs of the external organisation—including the skillsets and personalities that best suit their workforce—and to match these needs with graduates of the Main Course.

STREAT also employs an in-house, part-time graphic designer. This enables quick turnaround and continuity in story-telling, which the Chief Relationships Officer and Youth Transitions Officer can leverage in their engagement of external stakeholders.

*"It's relationship building. The whole key is relationships... you take them around to the roastery and the bakery and the kitchen and you sort of tell them what we're doing and that, 'there's young people being trained as we speak here', it's really meaningful for them and you tend to then, obviously talk about what they can do to support us, longer term."*

**Executive team member**

*"A youth program transition person... someone who can help us get [young people] into jobs and stay in their jobs... to really strengthen the second six months of the program for our trainees."*

**Executive team member**

### **3.5.3 Building relationships with external organisations**

STREAT builds relationships with external organisations by framing every commercial transaction as an opportunity to create change; whether through transactions with STREAT or through the changes that the organisation makes to its operations. When engaging external organisations, STREAT first focuses on communicating that *'every purchase that you're doing [from STREAT], is doing good'*. STREAT aims to engage by:

- Offering a tour of STREAT's businesses when the organisation is onsite (e.g. during room hire);
- Recognising that the external organisation is creating opportunities for young people by purchasing from STREAT; that there are young people being trained 'as we speak';
- Quantifying the number of training hours the organisation has funded by purchasing from STREAT; and

*"It's not just about doing business with us, we need to be teaching them to be good as well... 'Whilst we love you supporting us, you guys need to be supporting the planet as well'. Our messages to our stakeholders are becoming more broad."*

**Executive team member**

- Talking about what the organisation can do to support STREAT longer term.

The next step in engagement is kickstarting discussions and workshops that prompt the partner to examine how they can ‘do good’ through their broader supply chains. These processes of engagement aim to *embed* STREAT in various areas of decision-making in the external organisation, enabling ‘multi-pronged’ engagement: from ‘top-down and middle and everywhere’. The challenge is to keep the messaging consistent.

An important area of STREAT’s engagement focuses on developing relationships with hospitality businesses that are keen to employ graduates of the Main Course. For STREAT, the first step in engaging these organisations is to ensure compatibility of organisational values and motivations, so that STREAT feels confident that the external organisation will ‘*hold the young person lightly*’: with kindness, forgiveness and professionalism. STREAT puts significant time into managing expectations and preparing key personnel in the external organisations.

The Youth Transitions Officer then matches young people with STREAT’s partners and facilitates the young person’s ‘supported transition’ into the mainstream workforce. STREAT’s CEO describes this ‘scary’ process via the analogy of gently transferring an egg from one nest to the next.

*“We’ll partner with [employer], spend a lot of time with their managers at the branch level, put forward young people for interviews, they’ll get the job and then for six months we stay on as training wheels, in contact with the young person and the employer: moderating, negotiating, supporting, whatever needs to happens when it gets wobbly or tense.”*

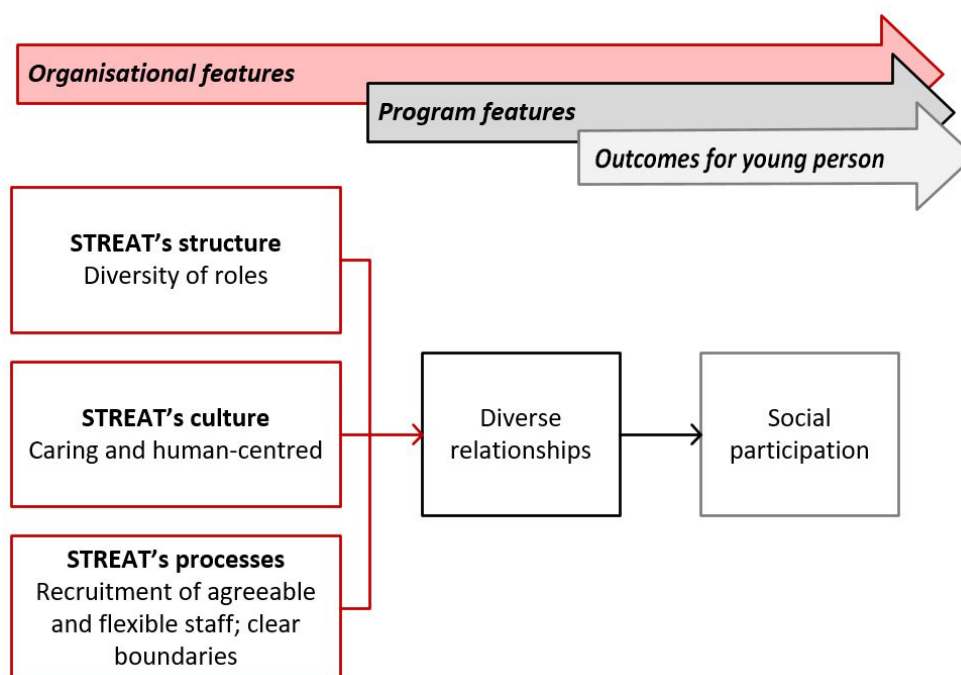
**Executive team member**





### 3.6 How STREAT deepens social participation

Social participation can mitigate health inequities and improve wellbeing by enabling a young person to feel emotionally connected to people and place, and to access needed resources. The hybrid structure of STREAT—bringing together Main Course participants, Youth Programs, hospitality and executive teams—enables young people to develop diverse types of relationships with people from different walks of life. The organisational culture and processes at STREAT help create continuity in the values and boundaries that underpin each transaction and relationship.



**Figure 6.** Organisational features that support young people to transition to new employment

#### 3.6.1 Diversity of roles and professions at STREAT

Young people enrolled in Main Course develop different types of relationships with each other, Youth Programs staff, hospitality colleagues and the executive. Each team within STREAT is professionally and socially diverse, with different levels of involvement in the Main Course. This diversity enables young people to access different forms of support and allows them to learn how to interact with various people within the organisation.

Young people spent two days a week with their Main Course cohort to attend life skills and vocational sessions. These relationships were akin to friendships, in that there was a sense of comradery and of being on a journey together. Throughout the program, young people seemed to recognise each other's individual strengths and challenges, and that they too needed to address personal challenges in their own lives alongside their peers. Relationships with Youth Programs team focused on challenging, mentoring and coaching young people, while providing a safety net in times of need. Although there was a lot of light 'banter' between young people and Youth Programs (e.g. about sport, pop culture, grading of jokes), this remained a professional relationship between social worker and client. As 'coaches', Youth Programs

*"We are more like the coach than we are a team mate... consistently helping them make small to medium improvements; reminding them of how well they're doing, but at the same time keeping expectations and boundaries up."*

**Youth Programs**

challenged young people to set goals and take responsibility for working towards them. However, if individuals fell into crisis (e.g. loss of housing or income), young people knew that they could depend on staff to help resolve the issue.

The Youth Programs team also included Magic, the therapy dog. Magic provided emotional support to young people, particularly if they suffered from anxiety or a sense of isolation. Magic always welcomed people who approached her and made you feel like you were giving her something that she valued deeply—pats and attention.

During work placement, young people developed professional, collegial relationships with hospitality staff. Young people looked up to hospitality staff as role models who had secured employment in a reputable café. Hospitality staff provided insight into how STREAT cafés and broader hospitality industry operate in practice. Hospitality staff respected young people (recognising that they were working through personal challenges) and had a desire to support them through teaching, or by protecting them from stressful or overwhelming situations in the workplace.

Young people were familiar with individuals who held executive roles at STREAT, stating that they ‘poke their heads in’ to the Youth Room when time permitted or often greeted young people with a ‘hi and a wave’. Young people explained that members of the executive were not more involved in the day-to-day activities of the Main Course because ‘they’ve got work to do’, and that their ‘time is the key’.

### **3.6.2 Human-centred culture of care**

Although young people developed different types of relationships with people at STREAT, relationships were underpinned by a consistent organisational culture based on a human-centred concern for caring about one another.

For example, a hospitality staff member explained that if a colleague was late for a shift, hospitality staff would worry whether everything was OK, rather than react with anger or annoyance. Hospitality staff also worried that they were letting young people down if they hadn’t been able to engage them effectively or connect with them in the workplace. In line with this organisational culture, Youth Programs spent as much time as is required to support young people, particularly when in crisis.

*“I’m a fan of dogs... In times when I do kind of feel overwhelmed, I will go to her... You know when sometimes you feel like you just need to pat a dog?”*

**Trainee**

*“We rely heavily upon those hospitality staff members to provide that really supportive, nurturing one-on-one guidance and role modelling... You can just feel an energy of support and presence. Young people can feel that and they haven’t had that before.”*

**Youth Programs**

*“The culture here is very much to watch out for each other... we are all here for the same reason...it’s just looking out for each other... particularly from an exec level, making sure that down the line that we aren’t burning people out.”*

**Executive team member**

### **3.6.3 Recruitment of positive and flexible staff, alongside adherence to clear boundaries**

STREAT relies on two key processes to enable young people to develop diverse, caring relationships:

- a) its selection of positive and flexible staff; and
- b) regular professional development sessions that set guidelines and boundaries for what is appropriate in staff interactions with young people.

STREAT aims to recruit staff who are positive and flexible because these traits are helpful for navigating the complexities of social enterprise. These traits make staff approachable, which helps to build internal, collegial relationships. When recruiting staff, STREAT also looks for candidates who are motivated to contribute to its social mission of supporting young people. Selection of staff who have these traits creates teams that are eager to respect and engage young people and think creatively about how to respond to individuals' unique traits or circumstances.

STREAT also has explicit policies that outline how staff should respond if young people are in sensitive situations. Staff are informed of these boundaries and procedures during induction, and during regular professional development sessions. For example, staff are not to provide young people with transportation, money or personal contact details. If young people are faced with a confronting situation in the workplace, hospitality staff are encouraged to de-escalate the situation by giving the young person space and support to recover, and then suggesting that the young person seek further support from Youth Programs team. This approach reinforces the distinct roles and relationships that Youth Programs and hospitality staff play in the engagement of young people.



*"[During induction and professional development, we] sit down for an afternoon to learn about boundaries or de-escalation or mental health or drugs and alcohol or youth justice or whatever the – anxiety, depression – whatever the prevailing topic is."*

**Executive team member**



### 3.7 Operating contexts and how STREAT addresses issues of health inequity for young people

STREAT's key operating contexts can be defined in terms of its geographic location (inner-metropolitan Melbourne, Victoria), its industry orientation (hospitality) and the cohort of social enterprises with whom it identifies and collaborates. As illustrated here, these communities are bound by shared values and cultures, issues and interests, and use of shared resources—all of which affect *how* STREAT addresses issues of health inequity for young people.

Geographically, STREAT is located in the inner-north and CBD of Melbourne, Victoria. Its location influences the stakeholders with whom it connects, including:

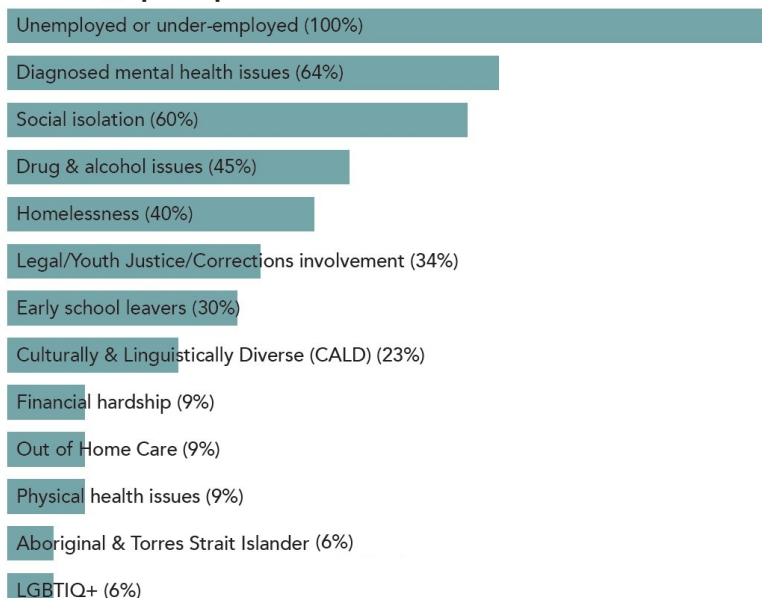
- Young people and the specific barriers to social and economic participation that they face.
- A social enterprise sector, with implications for access to skilled social enterprise practitioners (for executive staff and governance personnel), social enterprises with whom to collaborate, financiers to enable growth, and government policy that impacts the social enterprise sector.
- Hospitality supply chains, with implications for access to skilled hospitality workers, suppliers, customers and competitors.

#### 3.7.1 Connecting with young people

STREAT reports that all young people who participate in its youth programs face barriers to full employment (see **Figure 7**). The Brotherhood of St Laurence (BSL) reports that in Australia, the rate of youth unemployment is almost three times that of people aged 25 and over, and this is felt most strongly in regional areas. Drawing on longitudinal data, the BSL reports that young people who are unemployed or underemployed account for about a quarter of 15 to 24 year olds in regional areas and about one-fifth of those in major cities.<sup>5</sup> Youth unemployment is not significantly worse in STREAT's local area relative to other areas of Victoria, and so STREAT connects with young people from across the state. Young people live within travelling distance of STREAT while participating in its youth programs; however, they have often lived in other regions of Victoria or Australia and have moved to improve their quality of life, or for other reasons.

STREAT's inner-north and CBD location puts it in geographic proximity to various youth outreach and other social services. Its flagship site is located in a historically 'working class' suburb of Collingwood. Connecting young people with the social services that have long existed in the area enables STREAT to support young people to work on barriers to social and economic participation, such as mental health issues, social isolation, drug and alcohol issues and homelessness.

#### Young people at STREAT



**Figure 7.** Youth employment at STREAT

<sup>5</sup> Brotherhood of St Laurence (2019). Smashing the avocado debate: Australia's youth unemployment hotspots.

### 3.7.2 Connecting with a social enterprise sector

Research indicates that there are more social enterprises in Victoria than other states of Australia, and that the field is relatively mature. Most of Victoria's social enterprises (57%) are located in metropolitan Melbourne, with the City of Melbourne having the highest number of per capita on-ground operations.<sup>6</sup>

Being located within a long-standing and active community of social enterprises enables STREAT to identify with a broader movement of like-minded enterprises that are working towards systemic change. Two key effects are:

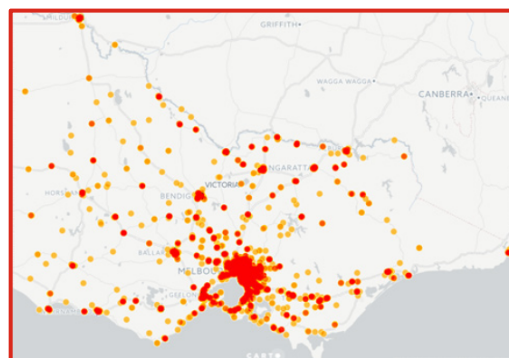
1. STREAT's passion for creating a 'proof point' on the viability of social enterprise—regarding how these hybrid organisations can create systemic change.
2. Engagement in broader social and environmental issues that are linked to youth unemployment, including environmental degradation and climate change.

Despite the relative concentration of social enterprises in its area, STREAT nevertheless encounters a shortage of social enterprise practitioners who *'can manage the complexity in these hybrid organisations'*.

### 3.7.3 Connecting with hospitality supply chains

Collingwood's areas of social disadvantage are mixed with pockets of relatively advantaged residents,<sup>7</sup> placing STREAT in close proximity to customers with relatively generous disposable incomes. Inner-Melbourne is also recognised as a socially progressive area, which enables STREAT to connect with customers who value its work with young people. STREAT emphasises its social mission in its marketing as a way of differentiating it from the 'hipster' hospitality entrepreneurs of Melbourne who *'eat, sleep and breathe purchasing from source'*.

Melbourne's strong café culture means there are many skilled hospitality workers, suppliers and customers within geographic proximity. As discussed below, this also creates competition for STREAT's commercial operations.



*Concentration of social enterprises in Victoria (3.2 social enterprise locations per 1,000 residents)*

*"So in my mind I'm just building an enterprise that is a proof point that these types of things can work."*

**Executive team member**

*"The elements that drive coffee consumption in Melbourne are very interesting. It's about young, passionate entrepreneurs who have gone out and started their own businesses, and they eat, sleep and breathe purchasing from source: it's uber nerdy, and it's very hipster. It is a very separate vibe from homeless kids. While I'd never suggest that what we do is detrimental to that particular sales path, there's a slight earnestness to our message that doesn't combine well with that specialty, super defined kind of market sales strategy."*

**Executive team member**

<sup>6</sup> Castellas, E., Barraket, J., Hiruy, K., and Suchowerska, R. (2017). *Map for Impact: The Victorian Social Enterprise Mapping Project*. Hawthorn: Centre for Social Impact Swinburne.

<sup>7</sup> This hybridity is illustrated by ABS data, which give the suburb a moderate (6th decile) score on the Index of Relative Socio-Economic Advantage and Disadvantage: Australian Bureau of Statistics (2016). *Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2016* (Cat. no. 2033.0.55.001).

### 3.7.4 Hospitality-based social enterprise

Operating in the hospitality industry enables STREAT to connect young people with the following opportunities for future employment, social participation and personal development:

- Australia's hospitality industry is projected to grow by 12.1% over the next 5 years, generating an additional 91,000 jobs. These employment opportunities are expected in specific roles, including: chef, café and restaurant manager and café worker. By providing young people with vocational education and work experience in hospitality, STREAT prepares young people to find work in this growing job market.<sup>8</sup>
- The average age of a café worker is 24 years, and half of all café workers are aged under 25 years. This may enhance opportunities for social participation in the workplace, as it creates opportunities for young people to develop professional relationships with people in similar life stages.
- Most café work involves interacting with customers. In the experience of young people at STREAT, talking with and providing a service to 'strangers' can quickly develop one's sense of confidence. Each positive transaction with customers demonstrates the young person's competence and contribution to the workplace.

*"One of the waiters suggested I sell a soda to one of the customers... to any customer, and just give it as a recommendation. I made a sale one day, and it was kind of a confidence booster."*

**Young person**

Despite these opportunities, the hospitality sector can also pose significant barriers to youth health equity:

- Many hospitality jobs have poor employment conditions that may compromise efforts to address health inequities. In a recent Fair Work Ombudsman audit, 72% of 243 hospitality-based businesses had breached workplace laws through underpayment of workers' base hourly rates (38%), or inadequate or non-existent employment records and pay slips (28%). Other common issues included non-provision of meal breaks, incorrectly classified workers and non-payment of overtime.<sup>9</sup>
- Although most café work is categorised as entry-level<sup>10</sup>, it can still be challenging to obtain work without work experience.
- Full-time café workers earn a relatively low adult wage of around \$1,030 per week (in comparison to the average adult wage of \$1,460 per week).<sup>11</sup>
- The casualisation of hospitality work can make it difficult to establish routine in daily life that involves social interaction with close friends.<sup>12</sup>

*"So they finish at midnight and they catch up with the other people in hospitality... That's probably been the biggest downside I've seen with some really good kids: they've fallen into their old habits."*

**RTO educator**

<sup>8</sup> The Australian Industry and Skills Committee reports that Australia's hospitality sector has grown steadily over the past five years, and is expected to keep growing at a rate of 12.1% over the next 5 years to generate an additional 91,000 jobs.

<https://nationalindustryinsights.aisc.net.au/industries/tourism-travel-and-hospitality/hospitality>

<sup>9</sup> FairWork Ombudsman (2018). *FWO's Food Precincts campaign returns \$471,904 in wages owed to hospitality workers*.

<sup>10</sup> Australian Government: Job Outlook (n.d.). *Café Workers*.

<sup>11</sup> Australian Government: Job Outlook (n.d.). *Café Workers*.

<sup>12</sup> Woodman, D. (2013). Young people's friendships in the context of non-standard work patterns. *The Economic and Labour Relations Review*, 24(3), 416-432.

STREAT aims to mitigate these barriers to youth health equity through its direct engagement of young people and external stakeholders. STREAT:

- Develops relationships with prospective employers that will support young people to transition into positions of employment that are culturally aligned with STREAT (regarding values, work conditions and pay).
- Immerses young people in a work environment that is caring, human-centred, accepting, forgiving and professional to give young people first-hand experience of the type of workplace to seek out for future employment. Young people were aware that this organisational culture is not common-place in the hospitality sector.
- Is structured around multiple businesses in multiple locations, which enables young people to develop hospitality experience in diverse café environments. STREAT also works closely with its vocational education provider to integrate its learning program with its work experience program.
- Acknowledges that young people may not wish to transition into hospitality work following the Main Course, or may not wish to work in hospitality for long. STREAT supports young people to explore their longer-term career aspirations.

Operating in the hospitality industry also affects the opportunities and challenges it faces to operate as a viable business. Growth in hospitality gives wealthy consumers and skilled employees greater choice in where they purchase or work, posing challenges for businesses such as STREAT to find and keep valued customers and to hire and retain the best staff. STREAT addresses these challenges by:

- Framing its value proposition in terms of its social mission and impacts whilst also maintaining a high standard of hospitality service.
- Offering hospitality work that aims to create social good, rather than generating income for business owners.
- Building relationships with consumer segments that value the 'social aspect' of what STREAT does, particularly organisations that are pivoting towards social procurement.
- Looking to develop and semi-automate its Customer Reference Management system to keep consumers engaged.

Operating in hospitality also presents the challenge of running a viable business on a low profit margin. In 2016-17, the ATO found that the value of total expenses in large coffee shops was 91% of total turnover.<sup>13</sup> Among other strategies, STREAT aims to reduce transaction costs by building relationships and the loyalty of employees and consumers.

Generating revenue from many low-value transactions can be costly and pose challenges to financial sustainability. Although costly (commercially), the volume and visibility of STREAT's hospitality-based transactions also presents opportunities for STREAT to encourage customers to create social change via consumer choice.

*"It's really nice to see when you've taught the trainee something and you just see how excited and happy they are that they've made a cup of coffee... you see how proud they are and they give it to the customer, I love to see that. It sounds so silly but it's just nice to see how excited and happy they get."*

**Hospitality team member**

*"Different businesses lend themselves to different sales strategies. The social aspect of what we do is so solid in terms of a unique selling point into corporates that strategically, we focus a lot of our energy on that, as opposed to the retail cafe environment, where you'll have a cafe operator who wants to use your coffee to serve to their customers. That's hugely competitive, and the social aspect of what we do is actually not a solid sales point into that market."*

**Executive team member**

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<sup>13</sup> Australian Taxation Office (2019). *Small business benchmarks: Coffee shops*.

### 3.7.5 Origin

STREAT's origins have affected how it conceptualises and works towards its social mission.

As a relatively young social enterprise, STREAT was founded at a time when researchers and practitioners emphasised the *complexity* of social issues. The causes of complex social issues can be difficult to define. They cannot be addressed by any single organisation but rather, require the collective action of a range of stakeholders.

Although STREAT's original social mission focused on addressing youth disadvantage and homelessness, STREAT conceived this as a complex social issue that affected and was affected by multiple dimensions of social and economic participation in individuals' lives. This conceptualisation of youth disadvantage and homelessness has steered STREAT to provide young people with holistic, wraparound support.

Acknowledging the complexity of contemporary social problems has also brought STREAT to engage a broad range of stakeholders—including individual consumers, corporations, suppliers, government policy makers, social enterprises, researchers, providers of social services, philanthropists and local communities. STREAT takes a long-term view, which prompts it to increasingly engage in initiatives that stop environmental degradation and climate change. STREAT's engagement strategy is partly informed by its goal to always 'generously share our knowledge'.

The professional backgrounds and personalities of STREAT's co-founders have guided *how* STREAT works towards its social mission—focusing on experimentation and evidence-based decision-making. Before starting-up STREAT, the co-founders conducted an overseas study tour of social enterprises, whilst also engaging in academic study and research. The process through which STREAT was subsequently set-up involved:

- conceptualising things
- securing money to build what you've conceptualised
- building what you've conceptualised
- testing and running what you've built.<sup>14</sup>

Since then, evidence-based decision-making, monitoring and evaluation has guided the growth of STREAT, particularly the design of youth programs. Managed by a Chief Impact Officer, the Youth Programs team relies on a 'systems way of thinking' that draws on external evidence as well as evidence that is generated through STREAT's track record. When Youth Programs staff compared their experiences of working at STREAT with experiences of working in NGOs and government departments, they said that when working for the latter, you "*feel like you're often just trying to meet your funding requirements*". Although decision-making at STREAT is informed by research and evidence, there is greater flexibility to try new things to find the best way of doing things and to grow.

*"I'm building a social enterprise to try and stop youth disadvantage and homelessness, but actually the goal in my head the whole time is build a proof point in social innovation that proves that these types of organisation are what we need more of, to be able to shift the world's intractable problems."*

**Executive team member**

*"I'll always dive really deep into research. So I always go, 'Wow, that's a really interesting idea, what's happening round the rest of the world?'... I want to know where it fits and then who's researched it and what have they found? ... But then I want to start doing it, I want to play in it."*

**Executive team member**

<sup>14</sup> STREAT (2012). *STREAT Annual Report 2011/2012*.



## 4 INSTITUTIONAL FACTORS AND THE EFFECTIVENESS OF SOCIAL ENTERPRISES

Institutional factors can be understood as the macro-conditions that shape systems and thus individual and community-level experiences. These include public policy, social norms, and media influence.

### 4.1 Institutional constraints affecting STREAT's operations and outcomes

STREAT's leadership are explicit in their recognition that STREAT is in the business of systems change. Executive staff and directors observe that there are major limitations to the current social services system when it comes to addressing the needs of young people experiencing disadvantage, and view STREAT's existence as a response to these limitations. With regard to STREAT's environmental goals, lack of political leadership and enabling of better practice was also identified by STREAT and its partners as a significant problem.

While STREAT exists to respond to systems failure, it is constrained in doing so by other institutional limitations. In particular, staff, directors, and STREAT partners identified lack of consistent government support for social enterprise, limited recognition of social enterprise within the employment services system, challenges in accessing markets, and limited access to appropriate forms of capital for social enterprise as ongoing challenges that affected its operating environment.

*"But we exist because [the social services] system is really broken, or it's really fragmented or it's not functioning in a holistic way for a young person. So part of the challenge is interfacing with something that you don't think's functioning very well... Interfacing with that system is really hard."*

**Executive team member**

### 4.2 How STREAT seeks to shift institutional constraints

STREAT seeks to improve the social services system by modelling a different approach and tracking its outcomes. The organisation is active in providing 'institutional connective tissue' by attracting new resources into the local services system and the local labour market through its supply chain and philanthropic partnerships, and partnerships with other service providers.<sup>15</sup>

STREAT also seeks to transform systems through innovating and sharing its learning. For example, STREAT has been active in pursuing and documenting its experiences of social impact investment. Through its high volume of media engagement and industry awards, STREAT also seeks to use its public platforms to reframe perceptions of young people and actively promote social enterprise as an effective model for creating change.

*"...a whole bunch of ministers that have traipsed through this organisation over the last decade...They've had lots of photo opportunities here, but ...not one dollar, not one single brick has been paid for by government."*

**Executive team member**

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<sup>15</sup> Park, C., & Wilding, M. (2014). An exploratory study on the potential of social enterprise to act as the institutional glue of network governance. *The Social Science Journal*, 51(1), 120–129.

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## APPENDIX B. ABOUT THE RESEARCH DESIGN

This case study of STREAT was developed via ethnographic data collection methods including two focus groups, three weeks of participant observation (over nine weeks), 24 interviews and collation of archival documents. Data were collected between August 2018 and June 2019. In line with a participatory approach, the study has included STREAT, its stakeholders and other practitioners of health promotion and social enterprise in the analytic processes of meaning making and knowledge creation.

### **Focus groups**

To kick-start data collection, CSI facilitated a 90-minute workshop at STREAT on 27 August 2018. The purpose of the workshop was to draft the recipe to STREAT's 'secret sauce'—that is, to outline how STREAT aims to support young people to belong and thrive with a healthy self, home and work. This insight helped researchers to refine and appropriate high-level research questions to the specific case of STREAT. The workshop was attended by 16 staff, which included the Youth Programs team, hospitality mentors/supervisors, and members of the executive.

CSI facilitated a second, 90-minute workshop at STREAT on 18 June 2019, once all data had been collected and preliminary data analysis had commenced. The purpose of this workshop was to provide STREAT with insight into early findings and seek feedback about how to direct future analysis. The workshop was attended by seven executive staff including two board members.

### **Participant observation**

One member of the research team conducted 12 days of participant observation in STREAT's Main Course. The 12 days of participant observation occurred in the second half of one cohort's program and included three days of vocational education and training, three days of life skills, two shifts in the café, and four observations of café shifts. The researcher also attended an induction session for new staff and the graduation ceremony for one cohort. The researcher recorded notes of her experiences and observations whilst immersed in STREAT's activities, and wrote up detailed fieldnotes at the conclusion of each day.

A second member of the research team observed two Board meetings on 4 December 2018 and 29 April 2019. The researcher wrote up detailed fieldnotes at the conclusion of each meeting.

### **Interviews**

Three members of the research team interviewed 24 of STREAT's stakeholders between 14 November 2018 and 3 April 2019, including:

Stakeholder	Number
Participants of Main Course (young people)	5 interviews
Youth Programs	2 interviews
Hospitality staff	4 interviews
Executive staff	4 interviews
Board members	2 interviews
Youth service providers (external)	3 interviews
Customers (external organisations)	2 interviews
Suppliers (external organisations)	2 interviews
<i>TOTAL</i>	<i>24 interviews</i>

The research team nominated the stakeholder groups that it invited for interview and STREAT introduced the research team to stakeholders. The research team was responsible for establishing research participants' informed consent to participate in the study.



All interviews were semi-structured and aimed to understand the impacts of STREAT's key organisational features on issues of health inequity and research participants' sense of wellbeing. Interviews with STREAT's internal stakeholders were carried out on STREAT premises. Interviews with external stakeholders were carried out by phone or in the offices of the external stakeholder. Interviews ranged between 20-90 minutes. External stakeholders and young people tended to provide shorter interviews and executive staff provided the longest interviews.

### **Collation of archival documents**

STREAT shared key archival data with the research team, including organisational newsletters and reports, meeting minutes, position descriptions and local media archives. Archival data were collated for contextual and longitudinal insight into STREAT's key organisational features and impacts on youth health equity.