



# Vanguard

LAUNDRY SERVICES



# 2019

THREE YEARS OF BUSINESS

# Changing lives one wash at a time

Vanguard Laundry Services is a social enterprise commercial laundry service based in Toowoomba, Queensland, which provides jobs and employment pathways for people with a lived experience of mental illness who have a history of unemployment. In 2019, the third year of business, Vanguard grew rapidly and increased laundry revenues. While it did not make an operating profit in FY2019, this was achieved early in 2020.<sup>1</sup>

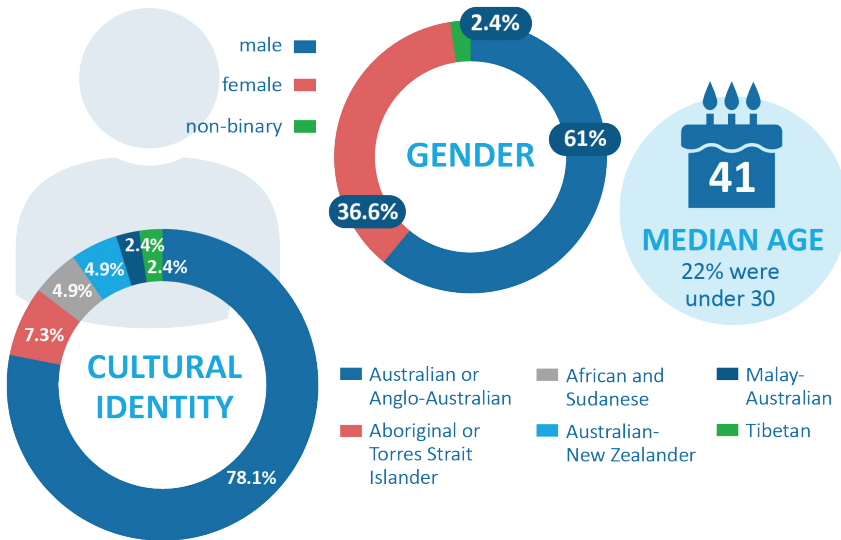
**Around 65 target staff with lived experience of mental illness worked at Vanguard in FY2019 with a total of 111 people on its payroll.**

## The 2019 evaluation had 70 participants:



<sup>1</sup> Financial analysis is based on management accounts rather than audited statements.

## Who is the Vanguard employee




### EDUCATION

- 56.1%** TAFE qualification (compared to 39.4% in 2018)
- 16.7%** completed new training since last evaluation
- 29.3%** educated to Year 11 or below (compared to 39.4% in 2018)

### EMPLOYMENT

- Prior to working at Vanguard
- 62.9%** unemployed for more than one year
  - 25.7%** unemployed for five or more years

 During employment at Vanguard, the median total income rose by \$360 to \$955 per fortnight. For those who moved on from their employment with Vanguard as of June 2019 (14 participants) the overall median income was \$988 a fortnight.

**80/100**  Staff valued the flexibility, understanding and support they received at work and median job satisfaction remained high.

## Services Australia - Centrelink data

Data from Services Australia – Centrelink<sup>2</sup> showed reduced payments since Vanguard (22 participants), with a

### 27.8% reduction in total gross Centrelink payments

in participants' first year of employment with Vanguard, compared with total gross payments received the year before.



While individual participants' payment amounts varied differently over time, the average reduction in gross Centrelink payments was equivalent to

**\$4,733**  
per participant per year.

Given the small sample of Centrelink data, these findings should be interpreted with caution.



<sup>2</sup> Formerly the Department of Human Services – Centrelink.

## Highlights

Laundry revenue rose by **46.1%** in FY2019 to **\$2,275,696.**

2018

46.1%

2019

All of the target staff participating in the evaluation reached **26 weeks in employment.**

**77.1%** reached one year of employment, with another **14.6%** still employed at last contact.

There was a **significant increase in total net income** (median +\$360 a fortnight) since working at Vanguard, and a significant decrease in Centrelink income (average -\$270 f/n) since starting at Vanguard.

The proportion of participants receiving Centrelink decreased from **82.5% to 57.5%.**



Queensland Health data on 25 participants shows **6 more visits** to the ED in the year since employment with Vanguard, but **3 fewer hospital admissions**, and **241 fewer days** in hospital.



## Reducing reliance on...

### WELFARE SERVICES



The majority (**69.2%**) of participants had some reduction in Centrelink payments since working at Vanguard.

Based on participant income reports, the total accrued savings in Centrelink payments since Vanguard's launch (Dec 2016) up to the end of September 2019 was \$349,207.

### HOSPITAL AND HEALTH SERVICES

The difference in self-reported hospital presentations equates to an estimated saving of **\$433,687** in hospital costs since Vanguard's launch (Dec 2016) up to the end of June 2019.



The Queensland Health data (**25 participants**) supports an estimated cost reduction of **\$394,702** in participants' first year of involvement with Vanguard.

### JUSTICE SERVICES

The proportion of target staff who had been charged with an offence dropped from **12.2%** (before) to **4.9%** (since involvement with Vanguard)..

Target staff who have been detained by police has dropped from 7.3% (before involvement with Vanguard) to 2.4% (since involvement with Vanguard).



### SMOKING



There was a significant difference in median number of daily cigarettes smoked before and since working at Vanguard.

An additional **7.3%** of target staff had quit smoking.

## Improving and increasing...

### FRIENDSHIPS AND SUPPORT NETWORKS

Before Vanguard, **53.7%** of target staff reported having two or fewer sources of support, including 4.9% who listed zero support.

Since working at Vanguard, this has shifted to **63.5%** reporting three or more sources of support and no-one reporting zero support.



### HEALTH AND WELLBEING

**75.6%** of participants rated their health as better (46.3%) or about the same (29.3%).

Improvements in health are most pronounced in participants' first year of involvement with Vanguard (this likely reflects the shift from unemployment to employment)



### EMPLOYMENT AND TRANSITIONS

Of all **33** target staff who had transitioned by December 2019, the majority were employed casually in roles such as cleaning (10), maintenance (5), laundry production (4) and support work (4).

### HOUSING SECURITY



Six months before Vanguard, **70%** of participants had housing costs of more than 30% of total income. Since Vanguard, this fell to only 33% of participants.

Participants who said their housing situation was stable rose from **65%** to **77.5%** since being involved in Vanguard.



# A snapshot of Vanguard for FY2019

- ★ Employed approximately **111 staff** in total.
- ★ Employed around **65 staff** who experienced mental illness.
- ★ Generated over **\$2.2 million** in laundry income.
- ★ Paid over **\$1.5 million** in employee wages.
- ★ The majority of Vanguard's total income of **\$3,261,421** for FY2019 came from business operations (71.9%), while 28% came from grants and donations to assist with new equipment for Vanguard's Stage 2 growth.
- ★ In FY2019 Vanguard experienced **further growth** and laundry income was 46.1% higher than the previous financial year.
- ★ **Additional business** came from Brisbane as anchor volume for Vanguard Two (a proposed second laundry) and a small amount from surrounding regions.



*"I never had much of a social life in the last couple of years because of my diagnosis, and it's been nice just to walk in and say good morning to people and have a bit of a laugh about the weekend or share something."*

- Target staff member

## Learning that contributes to policy and program reforms

In 2019, CSI Swinburne and Vanguard Laundry Services made submissions to the Productivity Commission Inquiry on mental health regarding the potential of employment focused social enterprise to support economic participation and wellbeing for people with mental illness.

CSI Swinburne appeared before the Inquiry panel on 18 November to present further evidence, and was invited to make a supplementary submission by 23 January 2020.



*"...the world we are living today everything is just fast. Everyone wants to make money... so they want just people who are elite, not people who they can take the time to teach, to help - no... so in the market the competition between me and these people is really hard. I can't compete with them."*

- Transitioned staff member

# A model that can be replicated or expanded

Evaluation findings to date indicate that Vanguard's provision of award-waged, flexible paid employment in an inclusive environment is generating positive outcomes overall.

For target staff, improved financial circumstances were the most frequently reported benefit of working at Vanguard.

Flexibility and supportive colleagues/supervisors were highly valued by all staff.

There are some challenges with achieving sustainable transitions to work outside Vanguard – e.g. high competition for entry level work, and finding inclusive employers.

Operating models of social enterprise such as Vanguard Laundry hiring some of our communities' most disadvantaged do provide cost challenges to the business around decreased efficiency for commencing staff, and additional staff support and training costs.

Funded by the AMP Foundation, a proud Vanguard supporter.

AMP  foundation

Funded by the Australian Government  
Department of Social Services.  
Go to [www.dss.gov.au](http://www.dss.gov.au) for more information.



Australian Government  
Department of Social Services



Research provided by



CENTRE  
for SOCIAL  
IMPACT

