

Vanguard Laundry Services

April 2019

Our Story

Vanguard Laundry Services is a social enterprise commercial laundry based in Toowoomba, Queensland. Vanguard exists to provide transitional jobs and employment pathways for people with a lived experience of mental illness, who have a history of unemployment. The Vanguard employment model aims to enable staff from the target group to build their skills, work capabilities and confidence, with the goal of transitioning into mainstream employment. More broadly, Vanguard believes in a Theory of Change which will achieve an inclusive community built on robust internal policy frameworks for social and economic participation of people with mental illness, leading to a stronger regional economy.

The creation of Vanguard began with Luke Terry, then CEO of Toowoomba Clubhouse, a community focused support centre for people recovering from mental illness. Luke identified that many Clubhouse participants were expressing a desire to work, but were experiencing barriers in gaining employment. Luke canvassed local community organisations and businesses asking what product or services the community needed, with an eye to building a large-scale, employment-focused enterprise to help people with a lived experience get back to work. St Vincent's Private Hospital in Toowoomba identified the need for a local commercial laundry service with a barrier wall system, to provide the hygiene standard required for laundering hospital linens. St Vincent's agreed to provide Vanguard Laundry with a nine-year anchor contract if start-up funding could be secured to build a large commercial laundry. The federal government invested one million dollars, with additional funds and support provided by several corporate and private philanthropic funds and other entities including: Impact Investing Australia; The Paul Ramsay Foundation, AMP, Westpac, The Ian Potter Foundation; and Social Ventures Australia, to name a few. Total capital raised from donations was over 7 million from more than 70 funders. Luke experienced huge challenges securing funding and the process took an extraordinary amount of time and effort. Despite this, Vanguard Laundry Services officially began trading in December 2016 processing approximately 8 tonnes of laundry from our sole customer, St Vincent's Hospital.

Today, Vanguard Laundry is fully operational, state-of-the-art, full-scale commercial laundry. From humble beginnings, we now process in excess of 30 tonnes of laundry a week, and service more than 100 customers from the accommodation, hospitality, mining and agriculture sectors. We also have a fully-integrated in-house Careers Centre staffed by a team of two people, who provide ongoing personal and professional development and support to our target cohort. We are committed to running as a sustainable business and receive no ongoing government support.

What makes us different and how does it impact our business?

As an employment-focused social enterprise, we face a number of unique challenges. There is the initial challenge of securing seed-funding and impact investment based on a not-for-profit model which limits large scale funding options. We also face challenges in sustaining profitability on two fronts: In the form of our transitional employment model; and in the ongoing funding of our social mission through our own business activities.

We employ on a transitional basis so that we can give opportunities to as many vulnerable people as possible. This means we will always have structural disadvantages when it comes to productivity.

When we hire staff, they have been out of the workforce for many years. Over the course of the 6-12 months they spend with us, we develop them into professional, dedicated staff, and gradually build them up to 100% capacity. We then identify our very best staff, and rather than hold on to them, we look to transition them into work in the open jobs market. For staff who take longer to develop to their optimal ability, we continue to work with them and put further resources into their development and training. In this way, we are the complete opposite employment model of a 'normal' business, who retain their most productive staff and look to move on staff who do not perform. This means we are inherently less productive, and always will be.

Furthermore, the staff Vanguard employs have very specific needs around their mental wellbeing that mean the laundry must make concessions in order to fully support each individual staff member's vulnerabilities. For example, staff may need to leave early from a shift or miss shifts entirely due to episodes of poor mental health. Vanguard always places staff member's mental health as our primary priority, above the operational demands of the production environment, meaning the laundry makes sacrifices in relation to its productivity. The work environment created by the employment of people with a lived experience places additional emotional demands on colleagues and management, which must be monitored closely to ensure burnout or breakdown are avoided, adding to general support costs.

Our staff are supported by a two-person Careers Team and have access to a fully integrated in-house Careers Centre. In this space, our Careers Team work with our target staff to develop them personally and professionally. They meet one on one to conduct regular career conversations, link them with personal and professional development resources and are available to travel with them to participate in volunteer and training opportunities out in the community. Every fortnight, the Careers Centre conducts workshops and seminars around building professional skills, meeting with prospective employers or developing physical and mental wellbeing.

Vanguard Laundry is committed to running a sustainable business that additionally funds social impact activities through the washing of dirty linen. This constitutes a financial burden on Vanguard Laundry that most businesses, who do not have a primary social mission, do not have to contend with.

Impact and Successes

Vanguard has been able to positively impact the lives of our staff and build connections in our community that have helped to wash away stigmas attached to employment of people with a lived experience of mental illness. Since we opened, we have employed over 100 people and facilitated 27 transitions into open employment or full-time education. Vanguard has far exceeded sustained employment rates currently being achieved the Disability Employment Services system where less than a third of those who are employed sustain this for 26 weeks or more (Labour Market Information Portal 2017)

A longitudinal study on our operations by Swinburne's Centre for Social Impact found that, within the first 18 months of operation, we have saved Centrelink over \$150,000 in welfare payments by employing long-term unemployed people in the Darling Downs. Similarly, the study found a reduction of more than \$230,000 in direct hospital costs due to a decrease in visits to the emergency ward and mental health units among Vanguard staff.

Findings of the longitudinal study continue to indicate that many staff experience physical and mental health improvements, and increased levels of social engagement and financial independence. An empathetic and supportive approach, sustained over the long term, has seen our transitional staff flourish, despite a range of barriers they may have faced.

One such example is Toni*(name changed to protect anonymity). Toni came to Vanguard after a decade of unemployment, stemming from a lifelong battle with anxiety that had severely impacted her work history. Prior to her long stretch of unemployment, she had struggled to hold down steady employment, having worked in more than ten workplaces in as many years. Her career had been built in business administration, and this was the field she was passionate about. Toni's work ethic and dedication impressed straight away. After spending around eight months at Vanguard, her confidence had built to a point where she was applying for a number of fulltime roles in the open jobs market, with the close support of our Career's Team. She found full time roles at both a meat processing factory and a commercial bakery, but physical and mental health barriers meant she did not sustain employment at either business. Vanguard supported her during recruitment and subsequent termination at both businesses and offered her work and support whenever she needed it, without judgement. After around 12 months, we shifted focus to concentrate on finding business admin opportunities, so that she might find a role she was passionate about and reduce the risk of her not being able to sustain employment. We eventually found an opportunity in the office of a local mechanic workshop, and she has been working there for around 6 months. She is successfully managing her anxiety and reports high levels of satisfaction in her new work place.

Not all the required support and positive impacts delivered at Vanguard revolve exclusively around employment. An example is Julia*(name changed to protect anonymity). Her story highlights the holistic and collaborative approach employed at Vanguard to tackle mental health barriers. At 20 years-old Julia came to us with crippling social anxiety. Her recruitment process was difficult as she struggled to overcome her fears of human interaction. We persevered and offered her work, and after an adjustment period, she started to come out of her shell and displayed a keen work ethic. Unfortunately, contact with the youth justice system saw her ejected from her accommodation and going through the court system. Because of this, she was forced to move 20 kilometres West of Toowoomba, with no transport options and a tenuous living situation. This jeopardised her placement at Vanguard, as she couldn't get to work.

We supported Julia in attaining a work licence and worked closely with her JobActive provider to access funds to purchase her a car. Once this problem was solved, we liaised with Julia, housing support organisations and local real estate agencies to find accommodation for her, her partner and their two cats. Once these housing and transport barriers were overcome, Julia was again able to attend work consistently, albeit with an acute need for ongoing mental health support. We also continue to provide sympathetic rostering that works around mental health appointments and youth justice group commitments. Julia is still with Vanguard today and has built her confidence to a level where she is beginning to look for work in the open jobs market.

Both Toni and Julia were referred to Vanguard by not-for-profit organisations. Toni was referred from our foundation partner, the Toowoomba Clubhouse (TCH). TCH is a not-for-profit mental health support organisation in Toowoomba that, among other things, gets people with a lived experience ready for work again. Since the laundry opened, TCH has referred over 50 of their members into paid work at the laundry. At the same time, TCH continues to provide clinical and social supports to members after they are placed at the laundry, creating a holistic ecosystem of different support systems that best produce positive outcomes for people with a lived experience. Every month, TCH brings tours through of participants who are engaged in their 'Work Readiness Program,' to give them exposure to a real-world work environment. Likewise, staff in Vanguard's management team spend time at the Clubhouse every month, providing expertise and support to TCH group programs like their newsletter and gardening clubs. Engagement with the Toowoomba Clubhouse is just one example of Vanguard partnering with community organisations in Toowoomba. These partnerships are vital for

us, as a community, to be able to improve the lives of people with a lived experience throughout the region by working together.

Support that would help Vanguard Laundry succeed

Vanguard Laundry's ability to engage with and develop vulnerable people in the Darling Downs is closely linked to and could be enhanced further through additional support of government, our community and local business, in a number of key areas.

The primary ways that business can support us is by engaging with the products and services we provide, and by building employment pathways and having an openness when it comes to taking on transitional staff from us. We must continue to build trust among local employment providers that staff referred to them by us have been developed and supported sufficiently enough that they are ready to participate in open employment. It is important that local businesses know that taking a Vanguard employee means you are taking on a fully developed professional, as well as knowing that your business and your new employee will continue to be supported by us, if need be, on an ongoing basis.

For our community, it is important that they feel a sense of ownership of the laundry, as it belongs to all of us, rather than to an individual owner or set of shareholders. We wish to instil a sense of civic pride in our community that such an organisation exists and build trust among the people of the Darling Downs that we will continue to advance the cause of those with a lived experience, to the benefit of everyone who lives here. We hope that we will enhance not just our own reputation, but that of all social enterprise, as a positive force in our community, that works with business and government to make our community better. We hope that by gaining exposure on a national level and making a positive difference locally, we can work with our community to wash away stigmas associated with employment for people who have experienced mental illness. We hope that our positive example helps build support among the political class too, at all levels of government, which contribute towards policy goals and helps create a wave of structural change.

Government can support our capacity to help vulnerable people by creating conditions that serve to overcome structural disadvantages experienced by social enterprises. It is important to note that Vanguard is already providing relief to government programs, in the form of reduced reliance on the health and welfare systems among Vanguard employees.

Government support of Vanguard Laundry, and of the social enterprise sector more broadly, could take a number of forms. It could involve a more comprehensive social procurement policy, where large-scale government contracts are offered to social enterprises with the capacity to deliver accordingly. It could mean concessions or tax relief to help overcome inherent productivity disadvantages experienced by employment-focused social enterprises, or competitive seed-funding and development grants targeted specifically at social enterprises to help build up the fledgling sector.

With wider support, engagement and recognition of all stakeholders, we believe that social enterprise can help to achieve an inclusive community that provides greater support for social and economic participation of people with mental illness, leading to a stronger overall economy.