



# Jobs through social enterprise

Submission to the inquiry into Workforce Australia employment services

August 2023

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## **Executive summary**

Work integration social enterprises (WISEs) exist to provide employment opportunities for people shut out of work. They unlock better outcomes than mainstream employment services for people experiencing significant disadvantage, particularly long-term employment outcomes.

Collectively, WISEs work towards access to decent work.

However, while the federal government pays employment service providers and employers for their role in tackling unemployment, as it involves costs, this funding has largely not been available to WISEs. Not being able to recoup their impact costs has hampered their ability to sustain, scale, and to maximise the role they play.

Further, WISEs do not fit well within the current employment services system because the design features of WISEs do not align with it. The most effective WISEs are people-centred, combine work and support, offer work that's meaningful, are collaborative, are adaptive, and value lived-experience. Counter to this, Workforce Australia services are designed around a work-first goal, are structured to encourage the cheapest path to this short-term goal, and use via a benefit compliance function.

In addition, while work is put forward as the way out of poverty, poverty itself is often a barrier to work. Yet unemployment benefits are below the poverty line.

We recommend that future employment services be designed towards the goal of access to decent work for all, and be supported by unemployment payments that sit above the poverty line.

Further, we recommend that payments to deliver employment outcomes be made available to social enterprises. We see these payments being co-designed, and underpinned by innovation zones, data, and social enterprise certification.

## **About us**

Social Enterprise Australia is the peak body for social enterprise in Australia. We connect the sector to plan, act, and learn together. We do this to have a shared national strategy and voice, and to develop new ways to build social and environmental wellbeing.

Our work is supported by the Griffith Centre for Systems Innovation. We are resourced by the English Family Foundation, the Snow Foundation, Lord Mayor's Charitable Foundation, Paul Ramsay Foundation, Westpac Foundation, MinterEllison, and Day Four Projects. We are governed by an independent board who have experience and credibility within and across the sector.

## How this submission relates to the Submission Guide

We welcome this inquiry and the opportunity to contribute. We bring specific knowledge about:

- WISEs and their design features that support access to decent work
- Where Workforce Australia and federal initiatives help and get in the way

We make recommendations that speak to these things.

What we don't bring is holistic recommendations about changes to Workforce Australia; not because they are not needed, but because we focus on what the social enterprise sector can offer and needs.

This submission has implications for all areas in the Submission Guide, but focuses particularly on the following:

1. Policy objectives that underpin employment services
3. Integration and support for local responses
5. Enabling choice in the types of assistance
11. Research, evaluation and adaption

## The opportunity

### What is a WISE?

A social enterprise is a business, for good. They trade like any other business but exist specifically to make the world a better place. Those that exist to create employment opportunities for people shut out of the labour market are known as work integration social enterprises (WISEs).

WISEs exist “to provide employment, or pathways to employment, for people who are highly disadvantaged in the labour market”<sup>1</sup>. They often focus on systemic disadvantage and discrimination, providing work and support to specific groups such as refugees and asylum seekers, First Nations Australians and people with a disability.

Like most innovations, WISEs emerged to address a gap or failure in the market. The current employment service model has limited impact on the most disadvantaged job seekers<sup>2</sup>. Employers seek to employ the most skilled and experienced people they can attract, and employment service providers compete to place people in employment<sup>3</sup>.

<sup>1</sup> Barraket, J., Douglas, H., Eversole, R., Mason, C., McNeill, J., & Morgan, B. (2017). Classifying social enterprise models in Australia. *Social Enterprise Journal*, 13(4), 345–361.

<sup>2</sup> Thomas, M., & Vandenbroek, P. (n.d.). *Employment—Measuring and improving outcomes for young Australians*. Parliament of Australia. Retrieved November 30, 2022, from [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/BriefingBook45p/EmploymentYoungAustralians](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BriefingBook45p/EmploymentYoungAustralians)

<sup>3</sup> Social Traders (2013). *Employment services beyond 2015: the role of social enterprise*. Retrieved June 29, 2021, from <https://10pso92wbk40rqcl1jc5p3-wpengine.netdna-ssl.com/wp-content/uploads/2016/05/Employment-Services-Beyond-2015-The-Role-of-Social-Enterprise-.pdf>

These conditions do not well serve the most disadvantaged job seekers<sup>4</sup>, nor communities with high unemployment. This comes at a great cost to individuals, governments, and communities.

WISEs can create transitional employment opportunities or permanent employment opportunities<sup>5</sup>.

In job-poor communities, they often establish not only to provide employment opportunities for individuals but to increase the availability of jobs in the community.

### **What do they offer?**

WISEs “produce higher and better employment outcomes than mainstream employment services for people experiencing significant disadvantage”<sup>6</sup>, particularly long-term employment outcomes<sup>7</sup>.

Recent research by Taylor Fry compares public data on Disability Employment Services (DES) with data from a federal government-funded trial that pays social enterprises to deliver employment outcomes. The trial is led by White Box Enterprises and delivered by 16 social enterprises. Taylor Fry found<sup>8</sup> that:

- Employee retention after 26 weeks with a social enterprise is at 86%, compared to DES at 37%.
- Individuals earn 28% more with a social enterprise than the average DES participant.
- Overall net fiscal costs to are 17% lower over five years with a social enterprise compared to DES participation.

WISEs that demonstrate outcomes for people experiencing significant disadvantage include:

### **Vanguard Laundry Services**

Vanguard Laundry Services is a social enterprise in Toowoomba that operates a commercial laundry and provides transitional employment for people experiencing disadvantage<sup>9</sup>. Their impact evaluation for the 2021 financial year, by the Centre for

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<sup>4</sup> Department of Jobs and Small Businesses (2018). *I want to work: employment services 2020 report*. Retrieved June 29, 2021 from [https://docs.employment.gov.au/system/files/doc/other/final\\_-\\_i\\_want\\_to\\_work.pdf](https://docs.employment.gov.au/system/files/doc/other/final_-_i_want_to_work.pdf)

<sup>5</sup> Barraket, J., Douglas, H., Eversole, R., Mason, C., McNeill, J., & Morgan, B. (2017). Classifying social enterprise models in Australia. *Social Enterprise Journal*, 13(4), 345–361.

<sup>6</sup> Barraket, J., Qian, J., & Riseley, E. (2019). *Social enterprise: a people-centred approach to employment services* [Report for Westpac Foundation]. Westpac Foundation and the Centre for Social Impact Swinburne. Retrieved November 27, 2022, from [https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation\\_CSI\\_report\\_Aug2019.pdf](https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation_CSI_report_Aug2019.pdf)

<sup>7</sup> Mestan, K., Scutella, R., & Allen Consulting Group. (2007). *Investing in people: Intermediate Labour Markets as pathways to employment*. Brotherhood of St Laurence. Retrieved July 6, 2021, from [http://library.bsl.org.au/jspui/bitstream/1/6208/1/investing\\_in\\_people\\_ILMs\\_print.pdf](http://library.bsl.org.au/jspui/bitstream/1/6208/1/investing_in_people_ILMs_print.pdf)

<sup>8</sup> Taylor Fry. (2023, June 21). *Costs and benefits comparison social enterprise employment and Disability Employment Services*. White Box Enterprises. Retrieved August 4, 2023, from <https://whiteboxenterprises.com.au/wp-content/uploads/2023/08/PBO3-Costs-and-benefits-analysis-final.pdf>

<sup>9</sup> Vanguard Laundry Services. (n.d.). Vanguard Laundry | Commercial Laundry Services | Toowoomba QLD. Retrieved November 28, 2022, from <https://www.vanguardlaundry.com.au>

Social Impact Swinburne, found<sup>10</sup> that for target group staff employed between December 2016 and December 2021:

- 40.2% successfully gained other paid work outside Vanguard Laundry Services. This is a higher proportion than Disability Employment Services (DES) participants at 29.5% and similar to employment services.
- 74.4% of those who transitioned remained employed externally at their last contact up to six months post-transition. This is a higher proportion than employment services participants at 45.5% employment three months post-transition.

Further, unlike employment services participants, Vanguard Laundry Services directly employs staff pre-transition, “meaning some staff who have not yet gained other paid work remain employed... and this is also a positive employment outcome”<sup>11</sup>.

### **Green Connect**

Green Connect is a social enterprise in the Illawarra that operates a portfolio of environmental care businesses and employs young people and former refugees<sup>12</sup>. It is a place-based WISE set up to combat high unemployment locally, for groups most disadvantaged<sup>13</sup>.

Green Connect was engaged by the NSW Government under a payment-by-outcome contract to support employment outcomes for the most disengaged and disadvantaged young people in the Illawarra. Under the program, less than two years since it started, 105 young people had engaged in work experience, and of those, 63 commenced paid work, 40 transitioned to long-term employment, and 28 completed six months in employment<sup>14</sup>.

### **The Bread & Butter Project**

The Bread & Butter Project is an artisan bakery and social enterprise in Sydney that provides training and employment pathways for refugees and asylum seekers who aspire to become bakers (a job category with chronic labour shortages across Australia)<sup>15</sup>. The Bread & Butter Project offers a 6-8 month full-time paid baker training program that includes completion of a qualification, hands-on baking training, English-language tutoring, paid work placements, and employment after graduation at either The Bread & Butter Project or partner employers<sup>16</sup>.

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<sup>10</sup> Elmes, A., Pickering, M., & Ward-Christie, L. (2022). *Vanguard Laundry evaluation report 2021*. Centre for Social Impact Swinburne. Retrieved November 30, 2022, from [https://researchbank.swinburne.edu.au/file/14aee459-7030-48e5-a995-89deb3f72da4/1/2021\\_Vanguard\\_Laundry\\_Evaluation\\_Report.pdf](https://researchbank.swinburne.edu.au/file/14aee459-7030-48e5-a995-89deb3f72da4/1/2021_Vanguard_Laundry_Evaluation_Report.pdf)

<sup>11</sup> Elmes, A., Pickering, M., & Ward-Christie, L. (2022). *Vanguard Laundry evaluation report 2021*. Centre for Social Impact Swinburne. Retrieved November 30, 2022, from [https://researchbank.swinburne.edu.au/file/14aee459-7030-48e5-a995-89deb3f72da4/1/2021\\_Vanguard\\_Laundry\\_Evaluation\\_Report.pdf](https://researchbank.swinburne.edu.au/file/14aee459-7030-48e5-a995-89deb3f72da4/1/2021_Vanguard_Laundry_Evaluation_Report.pdf)

<sup>12</sup> Green Connect. (2022, November 2). *Who we are*. Green Connect. Retrieved November 30, 2022, from <https://green-connect.com.au/who-we-are/>

<sup>13</sup> Green Connect. (2022, November 2). *Who we are*. Green Connect. Retrieved November 30, 2022, from <https://green-connect.com.au/who-we-are/>

<sup>14</sup> Moore, J. and Flament, K. (2020). *Funding employment support for those who need it most*. Community Resources. Retrieved June 30, 2021, from [https://treasury.gov.au/sites/default/files/2020-09/115786\\_COMMUNITY\\_RESOURCES\\_-\\_SUPPORTING\\_DOCUMENTS\\_2.pdf](https://treasury.gov.au/sites/default/files/2020-09/115786_COMMUNITY_RESOURCES_-_SUPPORTING_DOCUMENTS_2.pdf)

<sup>15</sup> The Bread & Butter Project. (n.d.). *About*. The Bread & Butter Project. Retrieved November 30, 2022, from <https://thebreadandbutterproject.com/about/>

<sup>16</sup> The Bread & Butter Project. (n.d.). *About*. The Bread & Butter Project. Retrieved November 30, 2022, from <https://thebreadandbutterproject.com/about/>

Research conducted by the Social Impact Hub in 2018 found that, since launch in 2013, almost all baker graduates secured sustainable employment and were no longer accessing welfare support<sup>17</sup>.

## STREAT

STREAT is a social enterprise in Melbourne that operates a portfolio of food businesses. It provides supported training and employment pathways into hospitality and horticulture for marginalised young people<sup>18</sup>. They offer an intensive 6-month intervention that costs STREAT \$18,196 per young person, which saves an average of \$32,495 in government costs per young person, spread across the Victorian and federal governments<sup>19</sup>.

## Current barriers

Public funds are used to tackle unemployment. However, while the federal government pays employment service providers and employers for their role in this, as it involves costs, this funding has largely not been available to WISEs. Not being able to recoup their impact costs has hampered their ability to sustain, scale, and to maximise the role they play.

This is despite the fact that their work directly reduces government costs and increases tax revenue<sup>20</sup> and improves people's lives and livelihoods<sup>21</sup>.

There are recent Commonwealth Government initiatives that start to change this that could be learned from, further developed, or scaled up.

The first is a trial co-designed by the Department of Social Services and White Box Enterprises, being delivered by 16 social enterprises, noted previously.

The second is the \$24.6 million Economic Pathways to Refugee Integration program at the Department of Home Affairs, being delivered by 20 WISEs. It includes grants to social enterprises which demonstrate "the ability to achieve economic participation outcomes for refugees and humanitarian entrants"<sup>22</sup>. We note a concern with the application process for this trial in that it mimicked reverse tendering, with risks including:

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<sup>17</sup> The Bread & Butter Project. (n.d.). *About*. The Bread & Butter Project. Retrieved November 30, 2022, from <https://thebreadandbutterproject.com/about/>

<sup>18</sup> STREAT. (n.d.). *About our social enterprise, youth programs & 2040 vision*. STREAT. Retrieved November 30, 2022, from <https://streat.com.au/about/>

<sup>19</sup> Scott, R., Edelmaier, G. and Barrelle, K. (2019). *Social enterprise: a case study for government*. STREAT. Retrieved November 27, 2022, from [https://streat.com.au/wp-content/uploads/2022/06/streat\\_a\\_case\\_study\\_in\\_creating\\_value\\_for\\_government\\_a3\\_3.pdf](https://streat.com.au/wp-content/uploads/2022/06/streat_a_case_study_in_creating_value_for_government_a3_3.pdf)

<sup>20</sup> Lamb, S., & Huo, S. (2017). *Counting the costs of lost opportunity in Australian education* (No. 02/2017). Mitchell Institute. <https://www.vu.edu.au/sites/default/files/counting-the-costs-of-lost-opportunity-in-Aus-education-mitchell-institute.pdf>

<sup>21</sup> Barraket, J., Qian, J., & Riseley, E. (2019). *Social enterprise: a people-centred approach to employment services* [Report for Westpac Foundation]. Westpac Foundation and the Centre for Social Impact Swinburne. Retrieved November 27, 2022, from [https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation\\_CSI\\_report\\_Aug2019.pdf](https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation_CSI_report_Aug2019.pdf)

<sup>22</sup> Department of Home Affairs. (2022, May 5). *Employment pathways for refugees*. Immigration and citizenship. Retrieved November 28, 2022, from <https://immi.homeaffairs.gov.au/settling-in-australia/coordinator-general-for-migrant-services/employment-pathways-for-refugees>

- A race to the bottom on price.
- Incentivising social enterprises to work with the easiest job seekers to place in employment.
- WISEs using philanthropic funds to subsidise price, masking the true cost of impactful work, and capping potential growth.

Finally, the Department of Social Services Transition Funding for Successful Try, Test and Learn Projects includes projects led by social enterprises Community Corporate and Two Good Co<sup>23</sup>, delivering employment outcomes.

However, WISEs do not fit well within the current employment services system because the design features of most effective WISEs run counter to it.

The most effective WISEs share the following features:

1. **Are people-centred** – WISEs are typically closely engaged, aware of the structural barriers and life situations that make employment difficult for the people they support<sup>24</sup>. They understand the needs and ambitions of the individual over time<sup>25</sup>.
2. **Combine work and support** – WISEs usually integrate real-world work settings with personalised development support, skills, training or education, and access to external support services<sup>26</sup> that can reduce barriers and disincentives to work.
3. **Offer work that's meaningful** - WISEs provide work that is not only doable but challenging, unlocking development<sup>27</sup>, unlike sheltered workshops that limit activities to simple tasks<sup>28</sup>. Evidencing this, WISEs labour productivity is the same or higher than that of small and medium businesses<sup>29</sup>.
4. **Are collaborative** – WISEs typically develop strong community relationships and partnerships that enable them to link their staff and trainees to different

<sup>23</sup> Department of Social Services. (2022, May 17). *Transition Funding for Successful Try, Test and Learn Projects* | Department of Social Services, Australian Government. Australian Government Department of Social Services. Retrieved November 28, 2022, from <https://www.dss.gov.au/review-of-australias-welfare-system-australian-priority-investment-approach-to-welfare-ttl-fund-tranche-two/transition-funding-for-successful-try-test-and-learn-projects>

<sup>24</sup> Barraket, J., Qian, J., & Riseley, E. (2019). *Social enterprise: a people-centred approach to employment services* [Report for Westpac Foundation]. Westpac Foundation and the Centre for Social Impact Swinburne. Retrieved November 27, 2022, from [https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation\\_CSI\\_report\\_Aug2019.pdf](https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation_CSI_report_Aug2019.pdf)

<sup>25</sup> Barraket, J., Qian, J., & Riseley, E. (2019). *Social enterprise: a people-centred approach to employment services* [Report for Westpac Foundation]. Westpac Foundation and the Centre for Social Impact Swinburne. Retrieved November 27, 2022, from [https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation\\_CSI\\_report\\_Aug2019.pdf](https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation_CSI_report_Aug2019.pdf)

<sup>26</sup> Barraket, J., Qian, J., & Riseley, E. (2019). *Social enterprise: a people-centred approach to employment services* [Report for Westpac Foundation]. Westpac Foundation and the Centre for Social Impact Swinburne. Retrieved November 27, 2022, from [https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation\\_CSI\\_report\\_Aug2019.pdf](https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation_CSI_report_Aug2019.pdf)

<sup>27</sup> Chui, C. H. K., Shum, M. H. Y., & Lum, T. Y. S. (2018). Work integration social enterprises as vessels of empowerment? Perspectives from employees. *Asia Pacific Journal of Social Work and Development*, 29(2), 133–148.

<sup>28</sup> May-Simera, C. (2018, February 5). Reconsidering sheltered workshops in light of the United Nations Convention on the Rights of Persons with Disabilities (2006). *Laws*, 7(6), 18. [https://www.researchgate.net/publication/322943659\\_Reconsidering\\_Sheltered\\_Workshops\\_in\\_Light\\_of\\_the\\_United\\_Nations\\_Convention\\_on\\_the\\_Rights\\_of\\_Persons\\_with\\_Disabilities\\_2006](https://www.researchgate.net/publication/322943659_Reconsidering_Sheltered_Workshops_in_Light_of_the_United_Nations_Convention_on_the_Rights_of_Persons_with_Disabilities_2006)

<sup>29</sup> Abbott, M., Barraket, J., Castellanos, E. I. P., Hiruy, K., Suchowerska, R., & Ward-Christie, L. (2019). Evaluating the labour productivity of social enterprises in comparison to SMEs in Australia. *Social Enterprise Journal*, 15(2), 179–194.



work, social, and personal development opportunities<sup>30</sup>. Many are place-based, and seek to “improve social and economic conditions for people in particular geographic communities”<sup>31</sup>.

5. **Are adaptive** - WISEs adapt with efficiency and speed to new opportunities and needs<sup>32</sup>.
6. **Value lived experience** - WISEs engage the people they seek to serve in the operations and governance of the enterprise<sup>33</sup>. This approach focuses on strengths rather than deficits.

Counter to this, Workforce Australia services are designed around a work-first goal, are structured to encourage the cheapest path to this short-term goal, and motivate via a benefit compliance function that is deficit focused.

Further, even when unemployment benefits are not compromised by non-compliance, they remain below the poverty line. While work is put forward as the way out of poverty, poverty itself is often a barrier to work. This has been recognised by both the the Senate Inquiry into the extent and nature of poverty in Australia<sup>34</sup>, and the Interim Economic Inclusion Advisory Committee<sup>35</sup>.

## Recommendations

### Make access to decent work for all the goal of employment services

We welcome the Commonwealth Government’s stated commitment to full employment<sup>36</sup>. The role of employment services should be to contribute to this and recommend a target apply that includes both unemployment and underemployment. It should not only be to full employment but to decent work, defined by the United Nations as “... employment that is productive and delivers a fair income. It also should ensure workplace security, social protection, better prospects for personal development and social integration. Businesses should also focus on

<sup>30</sup> Barraket, J., Qian, J., & Riseley, E. (2019). *Social enterprise: a people-centred approach to employment services* [Report for Westpac Foundation]. Westpac Foundation and the Centre for Social Impact Swinburne. Retrieved November 27, 2022, from [https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation\\_CSI\\_report\\_Aug2019.pdf](https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation_CSI_report_Aug2019.pdf)

<sup>31</sup> Barraket, J., Qian, J., & Riseley, E. (2019). *Social enterprise: a people-centred approach to employment services* [Report for Westpac Foundation]. Westpac Foundation and the Centre for Social Impact Swinburne. Retrieved November 27, 2022, from [https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation\\_CSI\\_report\\_Aug2019.pdf](https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation_CSI_report_Aug2019.pdf)

<sup>32</sup> Barraket, J., Qian, J., & Riseley, E. (2019). *Social enterprise: a people-centred approach to employment services* [Report for Westpac Foundation]. Westpac Foundation and the Centre for Social Impact Swinburne. Retrieved November 27, 2022, from [https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation\\_CSI\\_report\\_Aug2019.pdf](https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation_CSI_report_Aug2019.pdf)

<sup>33</sup> Barraket, J., Qian, J., & Riseley, E. (2019). *Social enterprise: a people-centred approach to employment services* [Report for Westpac Foundation]. Westpac Foundation and the Centre for Social Impact Swinburne. Retrieved November 27, 2022, from [https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation\\_CSI\\_report\\_Aug2019.pdf](https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/westpac-foundation/WestpacFoundation_CSI_report_Aug2019.pdf)

<sup>34</sup> The Senate Community Affairs References Committee, Commonwealth of Australia. (2023, May). *The extent and nature of poverty in Australia (Interim report)*. Commonwealth of Australia. Retrieved August 4, 2023, from <https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/RB000081/toc.pdf/TheextentandnatureofpovertyinAustralia.pdf>

<sup>35</sup> Interim Economic Inclusion Advisory Committee. (2023). *2023-24 Report to the Australian Government*. Commonwealth of Australia. Retrieved August 4, 2023, from <https://ministers.treasury.gov.au/sites/ministers.treasury.gov.au/files/2023-04/eiac-report.pdf>

<sup>36</sup> The Treasury, Australian Government. (2022, September 29). *Terms of Reference*. Treasury. Retrieved July 24, 2023, from <https://treasury.gov.au/review/employment-whitepaper/tor>

non-discrimination, equal opportunities and treatment.., and freedom to express workplace concerns<sup>37</sup>.”

### **Lift the base rate of unemployment payments above the poverty line**

Poverty itself is a cause of unemployment. Employment services cannot deliver access to work for all when a key driver of unemployment remains.

### **Make payments to deliver employment outcomes available to social enterprises**

Public funds are used to tackle unemployment. However, this funding has largely not been available to WISEs. This must change for them to sustain, scale, and maximise the role they play.

These payments must protect, not erode, the design features that make WISEs effective. The Transition to Work program provides an example of how this can be done. It is part of Workforce Australia but offers an alternative framework for participants. It includes participants who do not have Mutual Obligation requirements.

### **Co-design payments to deliver employment outcomes with the social enterprise sector**

Social enterprises must be partners in design to ensure that new mechanisms and facilities match the demand side reality of the market.

This approach has been recognised as fundamental by the Scottish Government. Under its social enterprise action plan 2021-2024 it funds an “intermediary body with responsibility for representing the social enterprise sector across Scotland”<sup>38</sup>.

### **Include innovation zones in employment services**

Innovation zones enable the time-limited testing of new technologies, products, or approaches that do not fit within existing frameworks. The purpose is to learn about the opportunities and risks of a specific innovation and to develop the right regulatory environment for ones that work. The purpose is to improve a system.

<sup>37</sup> United Nations. (n.d.). *Labour and Decent Work*. UN Global Compact. Retrieved July 24, 2023, from <https://unglobalcompact.org/what-is-gc/our-work/social/labour>

<sup>38</sup> Scottish Government. (2021, March 24). *Key Actions from Across the Action Plan - Social enterprise: action plan - gov.scot*. Retrieved April 10, 2023, from <https://www.gov.scot/publications/social-enterprise-action-plan/pages/7/>

Innovation zones would allow for the testing of new approaches to tackle unemployment, and associated payment mechanisms and frameworks.

### **Invest in data sharing and social enterprise data initiatives and infrastructure**

There are significant gaps in overall data about social enterprise. There is limited standardisation in what is collected and the way that it is held, and measuring wellbeing and impact costs are complex.

Investment in data initiatives and infrastructures can help solve this. These need to surface data and to support social enterprises to collect, share, and analyse data. This would generate valuable insights and information that could contribute to the work of governments, as well as the sector itself and other actors.

In addition, the Australian sector lacks access to existing data held by the Commonwealth Government agencies on problems in need of a solution, and about the costs and impacts of existing interventions. Changing this can inform innovation.

### **Use social enterprise certification to verify and protect the integrity of social enterprises**

Social enterprises are diverse and take different legal forms. Certification can give the Commonwealth Government confidence that efforts to work with social enterprises can be genuinely realised.

Social Traders provides social enterprise certification in Australia. It is based on a rigorous and independent assessment.