



WISE CONSULTATION SESSIONS RE: EMPLOYMENT SYSTEM REFORM

Session summary: [What jobs-focused social enterprises told us](#)

White Box hosted a series of small group consultation sessions with jobs-focused social enterprises and impact organisations from 15 – 19 June 2026. This document is an AI synthesis of those sessions – capturing high level themes and feedback from WISEs.

White Box will draw on this feedback, alongside existing evidence and experience, to help shape its submission in response to DEWR's discussion paper on employment system reform.

We acknowledge and thank the jobs-focused social enterprises and impact organisations who gave their time to share their views with us: Amplify Alliance, Bloom Cycle, Civik People, Connect Northern Rivers, Custodian Futures (formerly Potential First Foundation), Fighting Chance, Fruit2Work, GOGO Foundation, Good Cycles, Good Sammy Enterprises, Hamlet Inc., HoMie, Jigsaw Australia, Jooi Limited, LEAD Connect, Plate it Forward, SECNA, SevGen Indigenous Corporation, ShoreTrack, SisterWorks, Stepping Stone, The Beautiful Bunch, The Reconnect Project, Two Good Co and WomenCAN Australia.

1. High-level key themes across all sessions

Five consultation sessions were held with leaders and practitioners from Work Integrated Social Enterprises (WISEs) across Australia. Together they represent organisations working with young people, First Nations communities, refugees, people with disability, people with justice-system experience, women escaping domestic and family violence, and people experiencing homelessness. The following seven themes emerged consistently across every group.

Theme 1: The current system is fundamentally misaligned with the people it needs to reach

Participants were unanimous that Workforce Australia's compliance-heavy, process-driven model is structurally incapable of supporting people with complex, intersecting barriers. Case managers carry large caseloads, are under-trained for trauma-informed practice, and are incentivised to move people through the system rather than achieve sustainable outcomes. The result: people with the highest needs receive the least tailored support.

"What people get from us (in a social enterprise) is that they are actually heard. Other providers are just focusing on pushing them out of the system into a job that is not mentally or physically suitable. We look at all areas of their life." — Participant 4, Group 5

Theme 2: WISEs deliver something the current employment system cannot replicate

Across all sessions, participants described the same essential WISE value proposition: real paid employment, wraparound support built around the individual, and the time to let someone stabilise, grow confidence, and develop the relational skills that make employment sustainable. This was consistently contrasted with a system that assumes employability and then fails people when they can't meet that assumption.

"There is no job employment network in this country that can teach confidence and self-belief. The only thing that teaches that is experience and belief from the people around you. No government program can do that. We can." — Participant 1, Group 6

Theme 3: Post-placement and employer-side support are fundamental system gaps

According to the WISE discussions, Workforce Australia invests almost nothing in keeping someone in work once placed, and very little in preparing or supporting the employers who take them on. Participants across every group identified both of these as high-value functions WISEs perform — and both are currently unfunded by government programs. When placements fail in the mainstream system, it is usually in the first weeks, at exactly the moment no support is available.

Theme 4: A five-year duration threshold will exclude exactly the people most in need

The government's signalled criteria of five years in the employment system was contested by every group. Young people cannot meet it by definition. People leaving prison, returning to work after health challenges, or refugees have equivalent complexity but have not accumulated five years in the system. The threshold rewards endurance in a failing system rather than identifying genuine need and value of early invention.

"The other thing that's just sitting with me is you have to be in the system for five years... there's a place where that's a life-or-death statement for the cohort we work with. If we don't get to them in five years, then there's a good chance they won't be around." — Participant 2, Group 5

Theme 5: Many of the people WISEs serve are invisible to the formal system

A proportion of the people served by WISEs are not registered with Workforce Australia, not counted in cohort data, and may not be eligible for any current program stream. They arrive through community referrals, word of mouth, or direct outreach. A Stream 3 model that requires prior formal registration will exclude marginalised individuals before they reach any threshold.

Theme 6: The French WISE model is the sector's consensus aspirational benchmark

The French Insertion par l'Activité Économique (IAE) model was cited positively in every single session — the only model to receive unambiguous cross-group support. Participants valued it for individual-attached multi-year funding, explicit coverage of 'impact costs' rather than just wages, built-in transition expectations, and its demonstration that governments can fund social enterprises as genuine employment partners. Participants also noted it represents 30+ years of programme maturity and that Australia's first iteration will necessarily be partial — but argued for incorporating its core design principles regardless.

Theme 7: Compliance burden is the existential risk to WISE participation

Participant 1, Group 5 articulated what several others implied: They have never sought government funding specifically because the KPI and funding-cycle model creates instability for organisations trying to be consistently present for the people they support. Multiple organisations signalled that if Stream 3 replicates Workforce Australia's compliance architecture, many WISEs will not have capacity to utilise this. The design of accountability mechanisms matters as much as the funding.

2. Summaries of key questions asked

Q1: What factors should place a person in Stream 3 intensive services?

This was the most contentious question across all sessions, and the one where participants pushed back hardest on government's implied criteria in its reference to 5+ years in the current system. The emerging consensus was not a list of approved cohorts or a duration threshold — it was a multi-factor, needs-based assessment built around functional barriers and life circumstances.

What participants rejected

- A five-year minimum time-in-system threshold — structurally excludes youth, people leaving custody, refugees, and disengaged First Nations communities.
- Single-variable categorical definitions (e.g. 'First Nations' or 'person with disability') — participants universally stressed the diversity within cohorts and the importance of intersecting barriers, not single category alone. Criteria must consider multiple barriers.
- Definitions limited to registered Workforce Australia participants — excludes those who are most marginalised and have never engaged with the formal system.

What participants proposed instead

- A multi-factor point system, similar to identity verification models, where a combination of characteristics — without needing to meet all — qualifies someone for Stream 3
- Participant 1, Group 1: the best test is 'people who are not going to get into work without positive intervention' — functional, forward-looking, and agnostic to duration
- Participant 2, Group 5: a 'stabilisers' framework — assess what stabilisers a person has (housing safety, community connection, mentors, connection to elders) rather than administrative duration
- Intergenerational disadvantage as a 'trump card' criterion — families where no-one has worked for generations, with no role model for employment, represent deep structural disadvantage not captured by any current measure

Specific cohorts and criteria proposed across sessions

- No prior paid employment history (Participant 1, Group 2) — especially relevant for newly arrived migrant and refugee women
- Secure housing absent or unstable: Participant 1, Group 5 argued anyone without safe housing should automatically qualify — noting the circularity that you need an address to prove homelessness in the census
- Justice-system contact: Participant 1, Group 3 argued anyone with a criminal record should qualify given how directly it blocks employment and housing access
- State/care leaver status at or approaching 18: Participant 4, Group 3 and Participant 6, Group 3 — intervention should begin at 16 years of age, not wait until 18 when support cuts off
- Carer responsibilities (Participant 5, Group 2) — the definition of 'limited capacity to work' does not explicitly name those without childcare access as a structurally disadvantaged group
- Digital divide and basic literacy/numeracy: participants noted significant proportions of clients who lack the tools to look for work online, write a CV, or navigate registration
- Isolation — from community, from relationships — named by Participant 4, Group 5 as a root cause connected to mental health and suicide risk that appears nowhere in current criteria frameworks
- Women underrepresented in Workforce Australia (60/40 or 70/30 male/female split), partly due to parenting payment structures — the submission should name this structural exclusion explicitly

Q2 & Q3: What are people not getting from the employment system? What does a successful model look like?

These two questions were asked together and generated rich and consistent responses across all five sessions. The following gaps were identified across multiple groups independently.

What the current system fails to provide

- Post-placement / in-work support: once someone is placed in a job, mainstream providers largely disengage — no support through the first weeks when most placements fail (Participant 2, Group 2; Participant 2, Group 1,)
- Employer-side preparation and ongoing support: the system invests in the jobseeker but does nothing to prepare or support the employer — Participant 3, Group 1 described this as one of the most valuable, least-funded functions WISEs perform.
- Strengths-based practice: Participant 3, Group 6 summarised the cross-group view — the system focuses on barriers; WISEs focus on strengths, confidence, and belonging
- Genuine paid work: Participant 1, Group 5 noted there are abundant unpaid 'work experience' opportunities for young people — simply paying someone is both a signal of respect and a practical stability enabler that the formal system largely withholds from the highest-need cohorts
- Trauma-informed, culturally appropriate casework: workers are often under-qualified for the mental health and trauma presentations they face, hold very large caseloads, and have no time for individualised planning (Participant 3, Group 2; Participant 4, Group 2)
- Navigation support: clients often don't know what they are entitled to, and registration itself is so complex that even organisations trying to help have struggled — the navigation burden is currently absorbed by WISEs for free
- Centrelink transition support: Participant 3, Group 5 raised the 'Centrelink cliff' — when participants move into part-time work, they can lose benefits almost immediately, creating a financial and psychological shock at exactly the moment stability is most needed
- Job customisation / job carving: Participant 4, Group 1 gave a concrete example of a public-sector employer refusing to remove one aspect of a role (answering the phone) that would have enabled a capable candidate with a speech impediment — no incentive for mainstream employers to adapt roles to the person
- Referral from community vs formal system: Participant 2, Group 5 found young people referred through community had significantly higher success rates than those referred through workforce providers — community trust is a mechanism the employment system cannot replicate or replace

What WISEs provide that the system doesn't

- Time: the ability to work with someone for as long as they need — not a fixed 22-week or six-month program, but responsive to the person's real trajectory (Participant 3, Group 5: 'We're not magicians. What are we going to solve in 22 weeks?')
- Whole-person view: considering housing, transport, parental responsibilities, cultural identity, and transferable skills alongside employment readiness
- Employability skills (often labelled 'soft skills'): how to show up, manage workplace relationships, handle conflict, and believe in your own capability — skills the system assumes are present and that WISEs specifically build (Participant 5, Group 6)
- Trust: deep institutional distrust is what drives many people to WISEs — they arrive because the formal system has failed them, not because they were referred to it correctly

Q4: Reactions to the seven funding and program models

White Box presented seven existing or international models: Work for the Dole, Payment by Outcomes (PBO), Grant Funding, Wage Subsidies, Work Foundations, Workforce Australia service provider, and the French IAE model. The following summarises the cross-group response.

French IAE Model — Strong consensus preference across all five groups	
Why it works	Individual-attached funding that follows the person (not the program); multi-year duration (up to 2 years); explicit payment for 'impact costs' not just wages; built-in transition expectation; 70% of participants transition to open employment or further study; 4500 social enterprises involved with allocated annual quotas; funding scales with the distance of the person from the labour market.
Caveats	France's model is 30+ years mature. Participant 8, Group 2 and others cautioned against expecting equivalent results from a standing start. Australia's first version will be partial — the submission should identify non-negotiable design principles rather than advocating for wholesale adoption.
Who said it	Participant 1, Group 5: 'Every head in the room was exploding (at the Jobs Summit listening to Fred from Groupe SOS) — how is this not something we've considered more meaningfully in Australia?' Participant 2, Group 1: the French model pays for impact costs, which is exactly the language the sector needs. Participant 3, Group 5: duration and stability are what make it work. Participant 7, Group 6: most consistent for long-term financial planning.
Work Foundations — Positive where experienced, with key caveats	
Why it works	Participant 1, Group 6 reported 75% outcomes for young people with significant barriers — placements at universities and area health services for 'young people who had no hope of getting anything'. Participant 2, Group 6 is commencing and supports the concept. The model covers wages AND wraparound support, not just wages alone.
Key critique	The six-month duration is too short for people with compounded trauma and complex barriers. Strong consensus across Groups 3, 5, and 6 that duration needs to be extended.
Payment by Outcomes (PBO) — Positive in principle, cash-flow concerns in practice	
Why it works	Pays for outcomes, not process — aligns incentives with what WISEs actually do. Supports smaller WISEs by reducing administrative burden. White Box's own PBO trial achieved 82% six-month retention versus 11.7% for mainstream Workforce Australia. Participant 2, Group 2 and others valued the 'intentional buy-in' conversation at programme entry.
Key critique	Funding-in-arrears is a genuine cash-flow risk for smaller organisations. An upfront first payment could prevent this.
Wage Subsidies — Potential if redesigned; significant concerns with current model	
Current problems	Participants cited: Funding too low for high-complexity cohorts; employer churn (hiring for the subsidy period, disengaging when it ends); stigma for participants; hours/week thresholds too rigid for people ramping up from complex situations - most Stream 3 participants aren't ready for 20 hours

<p>How to fix it</p>	<p>per week x 6 months which is why WISEs can almost never access that funding; training pool being consumed by irrelevant RTOs.</p> <p>Participant 2, Group 1: reframe as a 'support subsidy' or 'impact subsidy', not a wage subsidy — the money should cover the wraparound cost gap, not just the wage. Participant 1, Group 3: introduce a staged hours model (8 hours → 15 hours → full-time) to accommodate people leaving custody or beginning their first job. Participant 2, Group 5: Organisation 2, Group 5 had ~\$1M in unclaimed wage subsidies because the system is so inaccessible — accessibility reform is as important as funding.</p>
<p>Grant Funding — Accessible but structurally limited</p>	
<p>Concerns</p>	<p>Creates competition and scarcity culture among WISEs (Participant 3, Group 1). Grant cycles are unpredictable and vulnerable to budget cuts. Participant 3, Group 6: credentialing means grants effectively cut off after two years. Favours already-known players over capable but smaller or newer WISEs. Participant 1, Group 2 raised equity of access directly.</p>
<p>Limited use case</p>	<p>Appropriate for startup or capacity-building phases. Participant 4, Group 5 prefers PBO over grants precisely because grants disappear with changes of government. EPRI has been valuable for refugee employment but is not a sustainable long-term model.</p>
<p>Work for the Dole — Rejected across all sessions</p>	
<p>Why not</p>	<p>Participant 3, Group 1: 'We got people with no interest in working with us — they just wanted their welfare payments. We couldn't have any outcomes and it was bad for other employers too.' Participant 1, Group 1: most young people haven't entered the welfare system at all, so this model is structurally irrelevant. Participant 4, Group 5: the only context where it was not a complete waste was near-retirement workers in culturally appropriate placements. This is a narrow exception, not a justification for the model.</p>
<p>The risk</p>	<p>Any Stream 3 model that resembles Work for the Dole — mandatory activity, compliance-first, participant-as-obligation — will be perceived as such by WISEs and by participants. Design language and intent matter, not just funding.</p>

Q5: Organisational and sector barriers to WISEs entering the employment system

The following summarises the cross-group responses.

Identity and autonomy risk

The most consistent concern across Groups 1, 5, and 6. Being outside the formal system is precisely what enables WISEs to mould themselves around the individual rather than forcing the individual to fit a standardised process. Participant 1, Group 1: 'The system doesn't suit these kids. They are asked to mould into the system. With a social enterprise, we mould ourselves around the needs of that young person — and our whole strategy would have to change if we had to align with that system.'

Getting stuck — the cream-skimming and retention risk

Participant 2, Group 1 gave the most sophisticated analysis of unintended consequences. Organisation 3, Group 1 received an external evaluation finding that young people were getting stuck with them, not transitioning. They redesigned their model as a result. She warned explicitly that Stream 3 risks creating another space where complex people accumulate rather than progress — especially if funding mechanisms over-incentivise retention. 'We need to be careful of not creating another space where people go and get stuck... Government just puts complex people in social enterprise and it doesn't actually ask any other part of the system to behave differently.' She also named cream-skimming as an inherent risk of outcomes-based funding that must be addressed in mechanism design.

Scale, contracting, and the aggregator problem

Participant 2, Group 1 noted that even when working for a \$150M mental health organisation she still had to partner with others to win government contracts. Individual WISEs — especially smaller, community-based ones — will not be competitive for direct government contracts. Aggregator or consortium models are likely necessary. The design of contract structures should explicitly enable small and mid-sized WISEs to participate without requiring them to scale to a size that changes what they are.

The innovation-and-evidence-base paradox

Participant 2, Group 1: 'Government contracting always wants innovation and an evidence base at the same time — that's a tension I haven't found the answer to.' WISEs are being asked to be novel enough to solve problems mainstream providers can't, while simultaneously demonstrating the kind of longitudinal evidence base that only comes from years of operation at scale. The submission should name this tension and propose a staged evidence framework.

Funding sustainability over short-term grant cycles

Participant 3, Group 6: 'If there is a continued commitment from government, not a start-and-stop approach, I don't see many barriers.' Participant 6, Group 6: 'The main barrier is that it's not just short grant-based programs that start and stop quickly.' The need for multi-year, predictable, performance-linked (not process-linked) funding was the practical design ask beneath almost every sector barrier discussion.

Compliance burden and administrative load

Multiple sessions. Participant 6, Group 2 and Participant 1, Group 2 raised the grant-reporting burden. Participant 4, Group 6 and Participant 3, Group 6 noted the complexity of even registering clients into Workforce Australia. The submission should include a specific ask around proportionate, outcomes-focused accountability and a WISE-specific compliance framework distinct from mainstream Workforce Australia provider requirements.

WISE sector visibility

Participant 4, Group 5/6: 'Before joining social enterprises, I never heard about what great job they do. I reckon they don't have enough budget for marketing and advertising.' The sector's invisibility to policymakers, philanthropists, and the broader public is a barrier to both funding and advocacy.

3. Considerations for an employment model for Stream 3 via social enterprise

Drawing on the discussions across all five consultation sessions, the following outlines considerations towards what a best-practice Stream 3 employment model could look like.

3.1 Who should be considered

Stream 3 via social enterprise should be available to anyone whose circumstances make sustained open employment unlikely without significant, multi-layered, ongoing support. Eligibility should be determined through a multi-factor assessment — not a single threshold. Indicative criteria include:

Primary qualifying factors	Contributing factors
<ul style="list-style-type: none"> No prior paid employment history Absence of secure housing Current or recent justice-system involvement Intergenerational disadvantage (no working role model) State/care leaver status (referral from age 16+) Recently resettled refugee with low prior formal schooling 	<ul style="list-style-type: none"> Long-term disengagement from work (12+ months, not requiring 5 years) Mental health condition (diagnosed or sub-clinical) Undiagnosed neurodivergence Domestic and family violence history Carer responsibility without childcare access Digital exclusion / low literacy or numeracy Social isolation from community and support networks

Eligibility must also be accessible to people not yet registered with Workforce Australia, via trusted community organisations and WISE referrals. Requiring prior formal registration will exclude those most in need.

3.2 Core design principles

Individual-attached funding

Funding follows the person, not the program. A WISE receives an allocation for each eligible individual they take on, based on that individual's assessed distance from the labour market. This creates sustainable, scalable revenue for WISEs without requiring them to compete for fixed-pool grants that reward existing relationships rather than actual capability.

Multi-year duration

Support for a minimum of 12 months and up to two years, with flexibility to extend where the person's circumstances require it. Fixed six-month durations are incompatible with the depth of support required for the most complex cohorts. The model should include a staged review (e.g. at 6 and 12 months) rather than a hard exit date.

Staged hours and graduated engagement

Minimum hours thresholds for payment eligibility must accommodate people ramping up gradually — starting at 8 hours per week and increasing over time, particularly for people leaving custody, beginning their first job, or managing health or carer responsibilities. Payment milestones should be calculated against cumulative compliant periods, not fixed weekly hours from day one.

Impact cost coverage, not just wages

Funding must cover the full cost of what WISEs do — not just the employment wage. This includes wraparound support staff, case coordination, employer-side support, counselling access, training, transport, and the management overhead of individualised employment. The French government explicitly describes this as paying for 'impact costs'; Australian program design should adopt the same framing.

Post-placement support, funded and mandatory

Any outcome payment model must include funded milestones for post-placement retention support — not just placement itself. The most critical period is the first 4–12 weeks in a new role, which is when the majority of placements fail and when no current funding supports WISE involvement. Outcome milestones at 3, 6, 12, and 18 months should all include a support component, not just an employment confirmation.

Employer-side support as a funded activity

Funding should explicitly cover the WISE's work in preparing, supporting, and upskilling employers who take on transition participants. This is currently an unfunded cost absorbed by WISEs and is one of the highest-value, most under-recognised functions in the pathway model.

Transition as expectation, not mandate

The model should include a clear transition expectation — that participants will ultimately move into open employment or further education — but not a mandatory time-limited transition that removes support regardless of readiness. Some WISEs are destination employers, not pathway employers. Both models are valid and should be accommodated, with different funding mechanisms for each.

Outcomes-based accountability, not process compliance

Government accountability requirements should focus on employment retention rates, transition rates, and participant wellbeing outcomes — not on how the WISE structures its program, how many hours of case management were logged, or whether specific activities were delivered in a specified sequence. WISEs must retain the flexibility to respond to the individual.

Community referral pathways, not just system registration

The model could include a mechanism for WISEs to receive and support people who are referred through community channels and who are not currently registered with Workforce Australia. A trusted community referral should be considered as a legitimate pathway into Stream 3, with a streamlined registration process that does not require the person to navigate the full system before they can access support.

3.3 What government could to do differently

Suggestions from participating WISEs:

- Replace 'time in system' criteria threshold with a multi-factor, needs-based eligibility assessment developed in consultation with the WISE sector
- Fund impact costs, not just wages — set per-person funding rates that reflect the actual cost of intensive support for different cohorts
- Allow flexible hours and duration — remove rigid unrealistic minimum-hours thresholds for payment eligibility and replace with cumulative compliant-period models
- Extend WorkFoundations duration from six months to at least twelve, with option to extend to twenty-four for highest-complexity participants
- Design outcome milestones that include a post-placement support component at 6, 12, and 18 months — not just placement confirmation
- Enable community referral pathways into Stream 3 — not requiring prior Workforce Australia registration
- Create aggregator or consortium contracting mechanisms that allow small and mid-sized WISEs to participate without scaling to a size that changes what they are
- Apply a WISE-specific accountability framework focused on retention and transition outcomes, not process compliance
- Commit to multi-year program certainty — not annual grant cycles that make workforce planning and business model sustainability impossible

- END OF SUMMARY -

