Truly understanding social enterprises so they can be effectively integrated into the employment services system.

Our response to the Department of Employment and Workplace Relations' Discussion Paper: Shaping the Future of Employment Services.

July 2026

white box
ENTERPRISES

Contents

Introduction: setting the context for this paper

Employment system reform presents a long-awaited opportunity to integrate Work Integration Social Enterprises (WISEs) into Australia's employment services system.

For over two decades social enterprises have been creating jobs and employment pathways for people with complex barriers to employment with no direct support from the government.

These organisations have been named in the Department of Employment and Workplace Relations (DEWR) Discussion Paper, and in four previous government reviews. Now is the time to shift the focus from recognising their contribution to designing a system that enables them to contribute at scale, so more people facing complex barriers can access meaningful employment.

Despite being named in the Discussion paper, the WISE model is still not deeply understood. Understanding how WISEs operate; their flexible support models; and the impact costs they incur to deliver outcomes, is critical to designing a system that integrates them effectively.

Based on this, this submission sets out to do four things:

- Respond to the questions raised in the Discussion Paper
- Build a deeper understanding of WISEs – how they operate, their key characteristics and their impact costs
- Provide evidence from existing government trials and international best practice to help guide reform design
- Recommend models for integration

White Box is uniquely placed to provide these insights. Through leading national employment trials, incubating and running WISEs, and working alongside many others across Australia, we have developed practical evidence about what works.

We welcome the opportunity to explore these recommendations further with the department and the reform design team.

1. About White Box Enterprises

White Box Enterprises is a national organisation focused on tackling long-term unemployment by building and backing WISEs. White Box works across three areas:

- It builds and runs social enterprises that employ people facing complex barriers to work
- It partners with government, philanthropy and WISEs to test new ideas and approaches to build the evidence needed to inform systems-change
- It advocates for the policy and funding changes to help the WISE sector progress.

See Appendix 1.1 For more detail on our work

2. Understanding Work Integration Social Enterprises (WISEs)

a) What is a WISE

WISEs are businesses that exist to create real jobs for people facing complex barriers to work.

There are two main models. The first combines paid employment with on-the-job training and wrap-around support, giving people the time, trust and opportunity they need to build confidence and thrive in employment.

The second focuses on pre-employment training, placing people into roles in mainstream workplaces, and then providing post-placement support to help them stay in the job and keep building on their progress.

Both models are purpose-built to support individuals with complex and intersecting barriers including, but not limited to:

- People who have experienced long-term unemployment
- People with disability
- People with mental health challenges
- People who've spent time in the criminal justice system
- People experiencing homelessness
- Refugees and humanitarian entrants
- New migrants and CALD communities
- First Nations people
- Neurodiverse people
- Youth at risk
- Women experiencing domestic violence

WISEs address a critical gap in the employment services system, providing a level of support currently not available to individuals with complex barriers.

b) How WISEs operate (key characteristics)

WISEs are real businesses, not charities. They operate like commercial businesses, selling goods and services across a range of industries and competing in the market like any other business. However, there are key characteristics that differentiate WISEs from other businesses.

1. The primary goal is to create jobs and employment pathways for people with barriers to work

WISEs are for-purpose businesses that exist to create jobs and employment pathways for people facing barriers to work, rather than maximising profits for shareholders.

2. A workplace designed for inclusion

WISEs deliberately design their workplaces to reduce the barriers some individuals face when it comes to employment.

This looks different from one social enterprise to another. Some create accessible, entry-level roles for people returning to work after long periods of unemployment, or build jobs around the strengths of particular cohorts. Others focus on pre-employment readiness and skills development before connecting people to mainstream employers.

There is no single WISE model. What they share is a commitment to designing jobs and workplaces around a person's potential, providing the supports, skills, and development to help them thrive.

3. Intensive support is built into the workplace

WISEs take a holistic approach to employment and consider all aspects of a person's situation. They embed practical yet tailored, day-to-day support into the workplace through flexible rostering, on-the-job training and coaching, skills development, transport assistance, and other bespoke support tailored to the needs of the individual. There is a genuine sense of recognition and understanding around the barriers people face.

Many WISEs also have dedicated People and Pathways teams who work alongside individuals to develop personal goals, identify challenges early and provide the additional support needed to help people stay in work and progress over time.

4. Connected to the broader support system

WISEs act as a connector, helping employees access the right support when it's needed. WISEs build strong relationships with local community organisations, health providers, housing services, government agencies and specialist support organisations.

This coordinated approach means people receive support both inside and outside the workplace, increasing the likelihood they can sustain employment and continue building their careers.

c) Different WISE models

While WISEs are not a one-size-fits-all model, most fit into one of the following types:

- **Transitional WISEs:** preparing people to transition into mainstream employment.
- **Destination WISEs**: providing ongoing paid employment for people who benefit from long-term workplace support.
- **Hybrid WISEs:** combining both approaches.

Beyond supporting individuals, WISEs also strengthen local labour markets. They create jobs where employment opportunities are limited and build relationships with mainstream employers to recruit and retain people from diverse backgrounds.

Social Traders (Australia's national certification body for social enterprise), provides a deeper analysis of the social enterprise models in *Understanding outcomes in employment-focused social enterprises Report.*

d) Why WISEs are effective

WISEs take a holistic, people-centred approach to employment. They meet people where they are at, and work to overcome the barriers that are holding them back from meaningful employment.

They don't expect individuals to have the required skills or be able to work every day. They consider the person's whole story including housing, health and wellbeing.

Below are examples of the variety of bespoke support that can be provided to address barriers to employment that are often hard to quantify through impact measurement:

- Helping someone find the right GP or specialist so they can get the medication or treatment they need, making it easier for them to turn up to work consistently.
- Sitting down with someone to sort through unpaid fines or growing debt, connecting them with the right services and helping them to better manage their finances.
- Working with an employee and their supervisor to adjust shifts around court dates, medical appointments, rehab sessions, or parole requirements, so they don't have to choose between meeting their obligations and keeping their job.
- Realising an employee is struggling to read, then connecting them with literacy support and making sure their manager understands how to provide the right support in the workplace.
- Helping someone navigate housing, transport or other challenges outside work by connecting them with trusted local services before those issues start affecting their employment.
- Providing flexibility and working with employees to develop work-related soft skills such as tolerance, adaptability, appropriate language, and to navigate relationships and conflict at work, where these interpersonal skills may not be sufficiently developed for a mainstream work environment.

Rather than separating support from employment, WISEs combine the two. From day one, people are employed in a real business, earning a wage, and developing workplace skills that will see them stay in work and be valued members of a team and their community.

e) Unseen impact costs of WISEs

To create the conditions needed in a workplace to deliver meaningful employment outcomes, WISEs incur costs that standard businesses don't. These are known as 'impact costs'.

Dr Libby Ward-Christie, Director at the Centre for Social Purpose Organisations (CSPO) at Melbourne Business School, and fellow researchers at the Centre for Social Impact at Swinburne University, have spent the better part of a decade working with WISEs to pin down where these costs actually show up.

Their research shows that for WISEs, there are three key types of material impact costs, namely:

- Employee costs
- Property costs
- External training costs

These are further broken down into 11 categories, including things like coaching and on-the-job supervision, accessible workspaces, external training and support, transport, insurance, and equipment.

The categories are consistent across the sector, but where a WISE incurs impact costs depends on the business they operate and the support their employees need. The research indicated that impact costs equate to 15-30% of the cost base of WISEs.

These impact costs are directly linked to the employment outcomes WISEs achieve. Right now, they are covered almost entirely by WISEs themselves and their philanthropic supporters, not by the employment system. Consequently, most WISEs have limited financial resilience and an over-reliance on philanthropic support to cover operating costs.

f) WISE interaction with the current employment system

Through White Box's own experiences and programs, and through consultations with WISEs, we know that each WISE interacts differently with the current employment system. While some WISEs have long-term relationships with employment service providers, many don't, and choose to work with community organisations sitting outside the employment system for their referrals.

WISEs involved in government programs including Payment by Outcomes Trial (PBO3), Economic Pathways to Refugee Integration (EPRI) and the WorkFoundations Program are making every attempt to partner with employment services providers with mixed results.

Service quality varies significantly. Where a provider is genuinely focused on supporting individuals into meaningful work, the relationship deepens. Where service is poor, WISEs engage less and build alternative referral networks.

As an example, one WorkFoundations participating WISE received 60 referrals from multiple providers, yet despite a clear brief on the role requirements, including access to private transport, availability for night shifts and basic English, not one met the criteria, creating unnecessary work for the WISE.

WISEs mostly rely on referrals from community organisations who better understand a person's circumstances, suitability to work, and share in a WISE's goal to get the best outcome for the person.

Because WISEs operate real businesses while providing intensive, individualised support to employees – they will look for efficiencies, so the quality of the referral and fit of the candidate is critical.

For this reason, WISEs often build their strongest referral relationships with community organisations that specialise in their target cohorts. These organisations have established relationships with participants and a deep understanding of their circumstances, making them well placed to identify candidates who are both job ready and suited to a role. Depending on the cohort, this may include refugee and settlement services, neurodiversity organisations, homelessness services, youth organisations, domestic and family violence services, organisations supporting people exiting the justice system and more.

g) WISE case studies

The three examples below illustrate how different WISEs operate in practice. They work with different cohorts, in different industries, and have been designed around different employment opportunities. The case studies drill down on different approaches to recruitment, wrap-around support and transitions into mainstream employment. While each model is unique, they all share the defining characteristics of a WISE.

They also highlight that WISEs are businesses. They operate in competitive markets, responding to commercial realities and workforce needs. Those commercial settings influence the types of jobs they create, who they support, and how they design their employment model.

1. **Beacon Laundry:** a regional social enterprise commercial laundry that supports a diverse range of people facing complex barriers. It takes a unique approach to employment through open hiring.

2. **Australian Spatial Analytics**: a social enterprise and spatial analytics agency that harnesses the talents of neurodiverse young adults, with offices in Brisbane and Melbourne.

3. **Good Cycles**: a Melbourne based social enterprise with various employment pathway programs for young people experiencing disadvantage.

See Appendix 2.1 WISE Case studies

3. Practical evidence to guide reform design

Since its inception in 2019, White Box has worked hard to build practical evidence to increase the understanding of WISEs and their value, alongside other key players in the WISE sector.

Today White Box is involved in all three of the federal government-funded programs that are specifically designed with WISEs in mind:

- Payment by Outcomes Trial with 17 jobs-focused social enterprises (PBO3) – White Box is leading this trial in partnership with the Department of Social Services.
- WorkFoundations Program – White Box is the only national aggregator in this program, working with eight social enterprises and impact organisations.
- Economic Pathways to Refugee Integration (EPRI) – White Box social enterprise, Civik People, is one of the participating organisations.
- Beyond federal government programs and trials, White Box has spent extensive time investigating the French employment system, where WISEs are fully integrated.

Below we provide our learnings and insights that are most relevant to employment system reform in Australia.

a) Payment by Outcomes Trial (PBO3) Learnings

Responds to DEWR Discussion Paper: Q16, Q17

The Payment by Outcomes Trial (PBO3) was a landmark trial, demonstrating the effectiveness of WISEs in retaining and transitioning people facing complex barriers to work.

White Box led the trial in partnership with the Department of Social Services and 17 WISEs from July 2022 – March 2026 and was granted a continuation to utilise unspent funds until March 2027.

The first phase of the PBO3 Trial (July 2022 – March 2026) has provided significant insights and learnings. These were captured in annual independent evaluations carried out by the Centre for Social Impact, Swinburne University, in consultation with White Box, the Department of Social Services and the 17 participating WISEs.

Beyond these evaluations, White Box engaged actuarial firm Taylor Fry to compare data from the PBO3 with existing publicly available data on Disability Employment Services (DES) to further demonstrate the effectiveness of WISEs in creating employment outcomes. This was the first dataset to compare like-for-like data from WISEs with existing government employment services.

PBO3 snapshot:

3-year trial (July 2022 – March 2026)

17 WISEs

$3.8M outcome payment pool

132 people supported into real, paid employment

Participant criteria: People aged 16 to 59 who had been unemployed for at least nine of the previous 12 months, receiving government income support, and eligible for DES or the Community Development Program (CDP).

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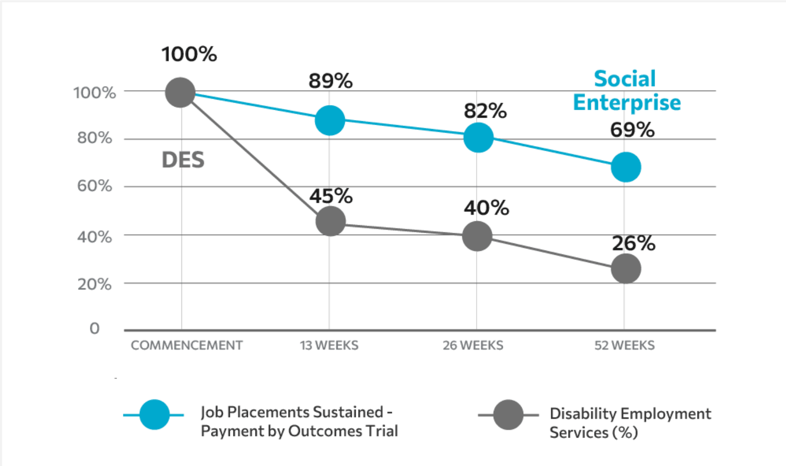
KEY LEARNINGS

a) WISEs deliver more effective outcomes for individuals than existing employment services

The most significant finding relates to employment retention.

When compared with DES, people first employed through a WISE were:

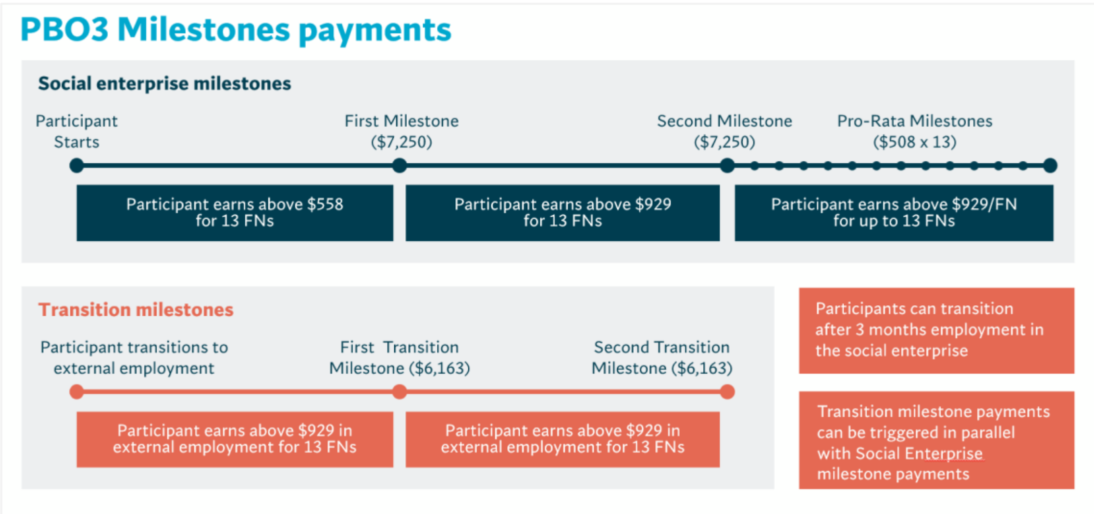
- **2.5x more likely to still be employed after 12 months**
- **4x more likely to still be employed after 3.5 years**



What makes these results so significant is that they were achieved on the first attempt by WISEs. For many of the participating enterprises, this was the first time delivering a program of this kind with government. In some cases, they were working with cohorts they had not previously supported. Yet they significantly outperformed Australia's mainstream disability employment system.

These findings suggest WISEs are not simply delivering incremental improvements to the existing employment system, but represent a fundamentally different employment model, one that produces significantly better outcomes for people facing complex barriers to work.

b) Payments varied across WISEs



WISEs were able to use PBO3 funding to help offset impact costs, including training, extra in-workplace support, and the lower productivity that comes with someone building new skills on the job.

The amount organisations received varied widely, partly due to how many participants each enrolled. White Box's own analysis of PBO3 payment data shows the strongest performing WISEs, generally those already working with a similar cohort and with a model more aligned to the milestones of PBO3, earned $15,000 to $23,000 per participant. At the lower end, some organisations earned $3,000 to $7,000 per participant. The average payment per enrolment across the trial was $12,000.

This falls significantly short of the estimated impact costs WISEs incur, according to recent data from Social Traders and Deloitte Access Economics. Getting the payment structure right, so that WISEs are better rewarded for the costs they incur, is critical to the success of any future model.

c) When milestones weren't met, social enterprises continued to employ and support participants

On average, participants in the trial remained employed for 42 fortnights, yet only 20 of those fortnights met the PBO3 milestone requirements for outcome payments. This was largely due to rostering requirements (social enterprises are real businesses operating in commercial markets) and participants being unable to increase their hours because of health issues or other life circumstances.

The number of non-compliant fortnights increased significantly when the wage threshold was raised for achievement of the second milestone, as many participants could not sustain the higher number of hours required to trigger payment.

Importantly, social enterprises continued to employ and support people even when no funding was available. Rather than exiting participants when milestone payments ceased, they absorbed the cost of ongoing employment and wrap-around support because keeping people in work remained the priority.

As a result, participants stayed in employment for much longer. Three or more years after entering the trial, 50% of participants were still employed, either within a social enterprise or after transitioning to another employer. These outcomes substantially exceed those achieved through Inclusive Employment Australia (formerly DES).

c) Employment provided more than a job

CSI Swinburne's independent evaluation found participants experienced positive outcomes across many aspects of their lives, including improved financial wellbeing, confidence, mental health, skills and sense of belonging.

The greatest gains occurred in the first two years before naturally stabilising. Employment circumstances improved for 98% of participants in years one and two, easing to 53% in year three. Financial wellbeing followed a similar pattern (90%, 89% and 18%), while improvements in skills (88% to 71%) and sense of belonging (73% to 59%) remained comparatively strong.

Consistent experiences reported by PBO participants in their interviews reflect the shortcomings of the existing system and the positive impact of WISE employment on the individual:

- Participants described the importance of income in supporting independence, skills acquisition and a sense of belonging.
- Participants identified health, skills and limited opportunities as the biggest barriers they faced before joining a WISE.
- Participants consistently reported ineffective experiences with employment service providers, and that 'luck' had led them to employment in a social enterprise.
- Participants described how supported employment reduced barriers they had previously considered insurmountable, including those arising from disability.
- Participants highlighted the important role of People Support Officers within the social enterprise in helping them progress in life and celebrate the wins.

- Participants attributed positive changes in their lives to the mentoring, remuneration, routine and sense of purpose provided through PBO3 employment.

b) Early learnings from WorkFoundations (as an Aggregator)

Responds to DEWR Discussion Paper: Q14, Q15, Q18

White Box is currently a national aggregator for the DEWR WorkFoundations program, supporting eight social enterprises and values-led employers to deliver paid employment pathways for people experiencing complex barriers to employment.

While the program is still in its early stages, several consistent themes have emerged across participating WISEs that should be considered. These early findings reinforce many of the lessons from the PBO3 Trial while providing practical insights into how WISEs can operate within a reformed employment system.

a) Referral quality matters more than referral volume

The strongest early lesson from WorkFoundations is that successful employment outcomes depend on the quality of referrals rather than the volume of referrals. Across the pilot, Workforce Australia referrals were often slower than anticipated or did not align with employer requirements, leading many WISEs to rely on trusted relationships with community organisations, justice services, settlement providers and other specialist agencies that understood both participant needs and local labour markets. This reinforces that future employment services should support multiple referral pathways into WISEs, recognising the value of trusted place-based and specialist community organisations alongside employment service providers. It also highlights the importance of educating employment service providers about the role of WISEs and matching participants to employment opportunities that genuinely fit their capabilities and circumstances.

b) People with complex barriers require longer, staged employment pathways

Participants entering WorkFoundations commonly presented with multiple intersecting barriers including mental health challenges, housing instability, justice-system involvement, transport disadvantage, limited literacy and numeracy, low confidence, and/or limited work history.

The pilot reinforces that employment pathways for the more complex cohort are rarely linear. Progress towards sustainable employment often requires longer timeframes, flexible sequencing of supports, and ongoing engagement before, during and after placement. A future employment model should provide greater flexibility in funding, performance expectations and outcomes and intervention timeframes, recognising that sustainable employment for people with multiple and complex barriers is achieved through progressive participation rather than short-term job placement targets.

c) Pre-employment capability building is an essential employment intervention

For a subset of the WorkFoundations consortium, interventions have involved substantial investment prior to participants commencing employment. They consistently delivered intensive one-to-one mentoring, confidence building, workplace preparation, employability coaching, interview preparation, employer engagement and practical assistance to address barriers affecting work readiness. For many participants, this support extended well beyond traditional job-search assistance, including mental health support, professional communication skills, financial literacy, transport planning, assistance to access stable housing, healthcare or transport, employer advocacy and ongoing case management. Early implementation demonstrated that many participants required substantially more individualised support than originally anticipated, often over an extended period, before they were ready to engage successfully with employers.

Rather than viewing these activities as ancillary supports, the pilot demonstrates that intensive pre-employment capability building *is* the employment intervention that enables sustainable workforce participation and should be explicitly recognised and funded within future employment service models. The WorkFoundations pilot demonstrates that this higher-touch, specialist support significantly improves participants' readiness for mainstream employment and creates stronger foundations for long-term job retention.

d) Sustainable employment depends heavily on inclusive employers

WorkFoundations has demonstrated that creating sustainable employment opportunities extends well beyond sourcing vacancies. Across the pilot, WISEs either directly employed participants within their own social enterprises or partnered with inclusive employers to create supported employment pathways. Regardless of the delivery model, WorkFoundations WISES invested significantly in creating or selecting supportive workplaces, matching participants to suitable roles, supporting supervisors, addressing workplace issues early and maintaining ongoing engagement throughout placements to maximise retention. The WorkFoundations experience suggests that appropriate employment settings are a critical component of successful employment outcomes and should be recognised within future service design.

e) Aggregation enables smaller WISEs to participate effectively

As a national aggregator, White Box has observed that many smaller WISEs possess deep expertise in supporting particular cohorts but lack the scale or administrative capacity to contract directly with government. The aggregation model has reduced administrative burden, provided shared governance and reporting, facilitated communities of practice and enabled organisations to focus on what they do best - creating jobs and supporting people.

These early findings suggest aggregation as a potential option to enable the integration of a larger number of WISEs into Australia's future employment services system while maintaining quality assurance and reducing compliance costs.

c) French employment model with WISE integration

Responds to DEWR Discussion Paper: Q16, Q18

France provides the most compelling international model for what a mature, government-supported WISE system can achieve. The French Insertion par l'Activité Économique (IAE) program demonstrates what is possible when government commits to genuine, long-term partnership with the social enterprise sector.

At any one time, 160,000 people with complex barriers are transitioning through WISEs in France, supported by a network of 4,500 WISEs.

More than 60% of participants transition into mainstream employment or further education within two years. This is achieved through an impact payment system that funds the impact cost of employment – not just the productivity deficit and training, but the wrap-around support, time, and specialist expertise that makes employment sustainable for people who have been failed everywhere else.

The French model took 30 years to reach this scale. Australia's starting point will be necessarily more modest – but the design principles are replicable now.

White Box has developed a comprehensive white paper on the integration of WISEs in the French employment system. The paper covers key components including:

- WISE integration structure (4 categories of WISEs eligible for subsidy)
- Participants eligibility and referral pathways
- WISE eligibility and access to subsidies
- Transition model and success rates

Read White Box's white paper: LESSONS FROM FRANCE: Embedding Work Integration Social Enterprises in the national employment system

4. Recommendations for WISE integration into Employment Services

The following considerations are based on existing evidence from the PBO trial, Work Foundations, and White Box programs; White Box's own experience building and operating WISEs; and consultation with WISE across Australia.

a) Defining the cohort WISEs can support

Responds to DEWR Discussion Paper: Q1

WISEs support a broad range of people facing complex barriers to employment, including disability, mental health challenges, justice system involvement, homelessness, family violence, refugee and migrant backgrounds, and young people at risk. In many instances people face multiple barriers and WISEs are designed to support this complexity.

For this reason, WISE support should not be limited to people who have spent long periods of time in the employment system, as earlier intervention can prevent barriers from becoming entrenched. Accordingly, the people WISEs can support may not be limited to Stream 3. Who a WISE works with should be based on the complexity of a person's circumstances, rather than the length of time they have been unemployed.

Consideration for individuals in Stream 2

Many WISEs would be well suited to supporting Stream 2 participants. Developing a model that allows referrals from Stream 2, with an appropriate adjustment to impact payments, could be a practical approach. Restricting WISE support to only those who have been in the employment system for an extended period, misses the opportunity to intervene earlier with many potential participants, particularly disengaged youth, refugees and new migrants.

WISEs have the capacity to support people with the following barriers to work
• No prior paid employment history • Unemployed with current or recent justice-system involvement • Long-term disengagement from work (24+ months) • Unemployed intergenerational disadvantage (no working role model) • State/care leaver status (referral from age 16+) • Refugee with low/no prior formal schooling • Mental health condition (diagnosed or sub-clinical) • Neurodivergence • Domestic and family violence history • Carer responsibility without childcare access • Low literacy or numeracy • Absence of secure housing

b) Design considerations

Responds to DEWR Discussion Paper: Q12, Q17

Below is a series of considerations to help inform the reform design process.

1. Impact cost coverage

Payments should recognise and cover the additional impact costs associated with the WISE model, including wrap-around support, case coordination, employer-side support, training, transport assistance and specialised employment interventions. These costs represent the primary source of additional value delivered by WISEs and cannot be sustainably funded through trading revenue alone

2. Individual-attached funding
Funding should follow 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.

3. Staged hours and graduated engagement
Individuals should not be expected to reach minimum hours immediately. The funding model should recognise gradual progression, allowing people to build from around 10 hours per week (if that is what they are capable of) and increase their hours over time as their confidence, health and capacity improve.

4. Transition as expectation, with post-placement support
The model should include a clear transition expectation - that individuals will ultimately move into open employment - but not a mandatory time-limited transition. The model must include funded milestones for post-placement retention support. The most critical period is the first 4–12 weeks in a role after transitioning to open employment, which is when many placements fail.

5. Rewarding longevity
For some individuals, maintaining stable employment at around 10 hours per week over an extended period, followed by a transition to mainstream employment where appropriate, is a significant achievement. Ideally, the funding model should also recognise sustained employment outcomes, even where individuals do not reach higher hourly thresholds.

6. Outcomes-based accountability
Government accountability requirements should focus on employment retention rates, transition rates, and individual 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.

7. Keep compliance proportionate
Many WISEs are small businesses focused on creating jobs and providing intensive support to people facing barriers to employment. The model should avoid placing Workforce Australia-style compliance requirements on the organisation, as excessive administration would divert limited staff time and wrap-around support funding away from the people the funding is intended to support.

8. Community referral pathways, not just system registration
WISEs already receive referrals through trusted community networks. In both the PBO3 and WorkFoundations program, many participants were referred by community organisations before entering the employment services system. The future model should build on these existing pathways, allowing referrals from both community organisations and Workforce Australia providers rather than relying on a single referral source.

9. WISEs are businesses, not government programs
WISEs create real jobs. This means they can't simply place anyone into a role. People need to be motivated to work, able to meet the core requirements of the job, and be a good fit for the WISE's target cohort. With the right training and support, many people can succeed, but the role still needs to work for both the individual and the business.

10. Cohort and geographic coverage
Australia has a limited pool of WISEs, and they are not evenly distributed across the country. To maximise the benefits of the WISE model, DEWR should include the cohorts that the majority of WISEs currently support. The model should also reflect the geographic distribution of WISEs, recognising that both the availability of WISEs and the cohorts they are equipped to support will determine the employment opportunities available.

c) Proposed models

Responds to DEWR Discussion Paper: Q12, Q14, Q15, Q18

WISEs vary in size, industry, cohort and operating model, and any future approach should preserve the flexibility and strengths that make them effective. At the same time, our experience, and the evidence from overseas, suggests there are common features that underpin successful WISE models: sustainable funding that recognises impact costs, flexibility to respond to participants' needs, and genuine integration within the broader employment system.

The following three models illustrate different ways this could be achieved. They are not mutually exclusive and could operate in parallel. Models A and B build on approaches already tested in Australia, while Model C draws on the more mature French system, which represents a more comprehensive and ambitious model of integrating WISEs into national employment services.

i. MODEL A: Impact payment (Modified wage subsidy)

Whilst we appreciate the wage subsidy model needs to be redesigned for all employers, we would like to see a specific impact payment (modified wage subsidy) for certified/ verified WISEs that covers the true costs of creating employment for Stream 3 (and potentially selected Stream 2) participants, including mentoring, training and workplace support, rather than wages alone.

Key elements:

- **An impact payment** – covers the gap cost of employing someone with significant barriers, compensating for additional training, support, productivity loss and other impact costs, beyond wages alone.
- **A minimum of $20,000 per participant for Stream 3** – including part-timers, with higher rates for the highest-complexity cohorts (distance-weighted, consistent with the French IAE model, which pays up to $40K PA per FTE for those furthest from employment).
- **A staged approach to hours and compliant-period milestones** – remove rigid minimum weekly hours as a condition of payment and replace with compliant-period milestones. A participant managing mental health, housing instability, or care responsibilities cannot be expected to consistently achieve 20 hours per week from week one. We propose a staged model (10, 15, then 20 hours/week), with payment triggered by 7 compliant fortnights within an 11-fortnight window – so missed weeks don't reset prior progress.

Rationale for impact payment:

There are several barriers in the current wage subsidy system that make it difficult for many WISEs to access it. Requiring most people to average 20 hours per week over 13 and 26 weeks doesn't recognise that people with significant barriers may take longer than others to reach that average.

Through the PBO3, White Box and DSS trialled a flexible model where social enterprises received payments when participants completed 13, 26 and 39 compliant fortnights (wages above $600 per week for milestone 1, and above $1,000 per fortnight for milestones 2 and 3). This meant people could take as long as required to reach each milestone.

A similar model could be adopted for Stream 3 candidates, whose pathway to sustainable employment is particularly complex and non-linear - shaped by health, housing, family, transport and work-readiness issues that limit their ability to average 20 hours per week over 13 and 26 weeks.

Given the limited asset bases of most WISEs, up-front payments are critical, and payments in arrears must be prompt. Below is an example of how an impact payment model for WISEs might operate.

Stage	Hours/week target	Compliant fortnights required	Allowed counting window	Outcome Payment
Sign on	--	--	--	$3000 (15%)
Stage 1	**10 hours/week**	7 compliant fortnights	Up to 11 fortnights – missed fortnights do not reset the count	$4000 (20%)
Stage 2	**15 hours/week**	7 compliant fortnights	Up to 11 fortnights from Stage 2 commencement – builds on Stage 1 progress	$4000 (20%)
Stage 3	**20 hours/week**	7 compliant fortnights	Up to 11 fortnights – not a mandatory progression for all Stream 3 participants	$4000 (20%)
Transition Payment	**20 hours/week**	7 compliant fortnights in private employer	Up to 11 fortnights	$5000 (25%)

ii. MODEL B: WISE Aggregator model

To leverage the full extent of the WISE sector and the value it creates, an aggregator model could be considered to sit alongside direct impact payments to social enterprises, to enable a role for small enterprises.

Aggregation offers several advantages to government

These include:

- **Scale**: An aggregator model allows smaller organisations to participate. Depending on the complexity of an impact payment structure (if adopted), some social enterprises employing fewer than 10 jobseekers per year would struggle to meet administrative or contractual requirements of engaging with government directly.
- **Flexibility**: participant positions can be reallocated as circumstances change, and new organisations can be brought in as they establish operations, without renegotiating the underlying government contract each time. Under PBO3, the program grew from 5 to 17 participating social enterprises over its course, with outcomes varying considerably. For example, one organisation that committed to employing 20 jobseekers ultimately employed none, while another that committed to 5 went on to employ 15. This variability reinforces the value of an aggregator absorbing risk and administrative load on behalf of smaller, less predictable WISEs.
- **Shared learning** — an aggregator can support a community of practice, allowing organisations to share what's working in a space where many are engaging with new cohorts and learning on the job.
- **Reduced administrative burden** — a single point of contact with government means individual organisations can concentrate on what they do best: supporting staff and winning commercial work. This is particularly relevant, as many WISEs find the current wage subsidy system too administratively complex to engage with, with some forgoing payments of up to $10,000 rather than navigating the associated processes.

White Box's experience running PBO3 and WorkFoundations

White Box is currently running two aggregator models, through PBO3 and WorkFoundations.

As the sole point of contact with government, the role of an aggregator has included:

- Co-designing the program with government
- Contracting directly with government, so individual social enterprises didn't need to
- Modelling recruitment requirements across participating organisations
- Supporting social enterprises to enrol participants
- Sourcing additional WISEs where needed
- Meeting with government fortnightly or monthly to refine the operating model
- Raising eligibility issues with government as they arose
- Collecting wage slips from participating WISEs
- Monitoring the performance of participating WISEs
- Intervening where necessary to improve outcomes
- Capturing collective learnings to inform future system reform

Participating organisations (in PBO3), by contrast, were required to employ people from the target cohort and provide their fortnightly wage slips, with White Box absorbing the administrative and government-facing load on their behalf.

WorkFoundations is testing a similar model, though with a higher reporting burden placed on participating social enterprises. Together, the two programs show that the aggregator role holds up across different program designs - but that the administrative load on participating organisations needs to be deliberately kept low if the model is to remain accessible to smaller social enterprises.

Implications for Stream 3

A future model could consider an equivalent to the PBO aggregator, with all the same features. At scale, an aggregator model can run at 10–15% of the cost of the placement, depending on the level of administration required.

One option is for a WISE aggregator to take on the role of a Stream 3 service provider, with one or more organisations appointed in a state or region to aggregate a substantial number of social enterprises. This could work as follows:

- Stream 2 participants nearing the transition to Stream 3, who have the desire and capacity to work, are directed into the WISE aggregator and allocated to WISEs.
- Each WISE has the option to employ the person or pass.
- If a jobseeker is unsuccessful in securing a role with the available WISEs in their region, they are passed on to a Stream 3 community provider, along with a clear assessment of why they weren't deemed suitable — giving the community provider a basis to develop a tailored program of support.

iii. MODEL C: Leveraging the best practice of France

The French employment system has been intentionally designed and built over the last 30 years to recognise, fund and integrate WISEs to help solve long-term unemployment. Australia's employment services reform is an opportunity to look closely at the model to consider how we set ourselves up for the same level of success.

Below is a summary of the key features of the French model.

Formal integration, not marginal status

WISEs in France operate through a dedicated framework (IAE) as approved delivery partners, with a defined role and clear position alongside France Travail and social services, and a policy basis for funding, referrals, eligibility and performance.

Funding reflects the real cost of the work

The *aide au poste* (WISE impact payment) isn't a wage subsidy, it's a structural contribution to the work integration function itself, recognising costs like closer supervision, lower initial productivity and coordination with social services, and varying by pathway and participant need.

Assessment and referral built for complexity

Eligibility is based on the full range of barriers to work - not just unemployment status - and referrals come from authorised employment and social services who understand the person's circumstances.

Governance built around social outcomes

Approved WISEs are expected to deliver both economic activity and social outcomes, with public funding tied to their role supporting disadvantaged workers - not to service activity or placement counts.

Multiple pathways, not one model

France runs several work integration models, matched to different levels of labour market distance and support need, some highly supported, others closer to mainstream or temporary work. This reflects a simple reality that entrenched disadvantage needs a staged pathway, not one-size-fits-all placement.

The recommendation

We encourage DEWR to consider the French model as a blueprint for the structural, system-level reform needed to make work integration a lasting part of Australia's employment services architecture.

Read White Box's full report on France's employment system: LESSONS FROM FRANCE: Embedding Work Integration Social Enterprises in the national employment system

d) Eligibility criteria for WISEs

A clear definition of a Work Integration Social Enterprise (WISE) is required. The following criteria is a starting point to work from.

Criteria	What this means in practice
Primary purpose: employment and pathways	WISEs exist to create jobs and pathways to employment for those most shut out of work. They can offer: • Pathways to employment and/or • Employment that can be transitional or permanent.
Commercial sustainability	The enterprise has a genuine revenue-generating trading activity – not primarily grant-funded. It must demonstrate financial viability beyond government support.
Employment-barrier specialisation	Demonstrated experience and expertise in supporting people with complex intersecting barriers to work.
Workforce development focus with pathways	The enterprise actively develops skills, confidence, and employment readiness of participants – not merely employing them in a static role indefinitely. Clear pathways within and beyond the WISE are articulated.
Trauma-informed / culturally safe practice	Frontline staff are trained in trauma-informed, strengths-based, and culturally appropriate employment support.
Proportionate governance and reporting capacity	The enterprise can meet outcome reporting, financial acquittal, and participant record requirements without compliance consuming the majority of its management time.
People and Planet verification or Social Traders certification	The enterprise has People and Planet verification or is certified through Social Traders.

5. Other considerations

Managing the transition

Responds to DEWR Discussion Paper: Q19

Getting the majority of WISEs to work with DEWR will require a period of transition. Adopting new program parameters including adapting their cohort focus and developing stronger transitional models, will present challenges and opportunities for WISEs.

This change is a sensitive issue, WISEs have operated outside the employment system and have had considerable freedom in the way that they operate, some of that freedom is likely to be curtailed through the integration with the employment system. Just as White Box experienced with PBO3, it is important that DEWR recognises that WISEs working with/contracting with government will be a journey, there may be a need for additional supports and advice provided to WISEs over the first 18 months of the process to ensure that the WISEs are properly supported to participate. During the PBO3, there were adjustments made to the model in the early stages to make it more effective for government and for WISEs. Factoring this into design and planning is strongly recommended.

Building a WISE ecosystem to grow capacity

Responds to DEWR Discussion Paper: Q19

This submission has focused on the integration of WISEs into the employment system. This will have a significantly beneficial impact on employment outcomes for the most disadvantaged in Australia. The WISE field has been constrained for many years by the lack of payment for impact costs and the recommendations in this proposal would make a significant contribution to addressing this gap.

This will enable some growth in WISEs. However, if we are to scale WISE and make it a bigger part of the employment system, we need a holistic system of support including access to affordable finance and social procurement opportunities from the Federal Government.

We would like to see a package of support across government that provides an environment where WISEs thrive and become a key pillar in bringing more people into the labour market.

Establish a social enterprise innovation fund

Responds to DEWR Discussion Paper: Q14, Q19

Integrating WISEs into the employment system would be a significant policy shift. As implementation progresses, the model is likely to require adjustments and refinements. We recommend that DEWR allocate dedicated funding for ongoing experimentation and innovation. If government adopts a preferred pathway, continued testing will be essential. PBO3, Work Foundations, wage subsidies, the Home Affairs EPRI program and the French model all offer valuable ideas that should continue to be tested, alongside other approaches that may emerge over time and targeted cohorts. An innovation fund would enable this.

Appendix 1.1: About White Box Enterprises

White Box Enterprises is a national organisation focused on tackling long-term unemployment by building and backing WISEs. It works across three areas: building and running social enterprises that employ people facing barriers to work; partnering with government and philanthropy to test new approaches and build evidence for what works; and advocating for the policy and funding changes needed to help the sector thrive. Through this work, White Box is uniquely positioned to support the reform process to ensure WISEs are effectively embedded into Australia's employment system.

BUILD: Incubating WISEs

Over the past six years, White Box has incubated three successful WISEs: Australian Spatial Analytics (ASA), Beacon Laundry and Civik People. Together, these organisations have created 600+ paid jobs for people facing significant barriers to employment, while operating sustainable businesses in competitive markets.

This firsthand experience means White Box approaches policy reform from a position of practice, not theory. Having built and operated WISEs itself, White Box brings direct knowledge of what works, what it costs, and what system settings are needed to enable these models to succeed at scale.

This experience is reinforced by the organisation's senior leadership team - Luke Terry, Mark Daniels and Jacqui Gilligan – who are experienced WISE practitioners, each with 15+ years of experience in building, running and working with WISEs in Australia before their time with White Box.

INNOVATE: Testing and building the evidence

White Box works with government, philanthropy and the sector to test new models and build the evidence needed for system reform.

Key initiatives underway include:

- **Payment by Outcomes (PBO3) and Social Enterprise Loan Fund (SELF)**
  White Box currently leads two national initiatives with the Department of Social Services (DSS). Through PBO3, it is working with 17 WISEs to test outcomes-based funding. Through the SELF, it is testing how flexible finance can unlock growth and job creation through social enterprises.
- **WorkFoundations Aggregator**
  White Box is the only aggregator in the DEWR WorkFoundations program, bringing together eight social enterprises and values-led employers to build evidence on what it takes to support people experiencing long-term unemployment into sustainable work.
- **Disability Employment Transformation (Evolve)**
  White Box is working with DSS to develop a roadmap for disability employment transformation, leveraging the learnings of its Evolve program.

Together, these initiatives are generating practical evidence on what works, what it costs, and the outcomes WISEs can deliver. This evidence can help inform the future design of Australia's employment system.

AMPLIFY: Sector advocacy and leadership

White Box is deeply engaged in building the WISE sector's visibility, evidence base, and collective voice.

Key activities include:

- Hosting the first national Jobs Summit dedicated to WISEs in 2025 in partnership with Social Enterprise Australia – sold out event with 380 WISE practitioners and sector peers in attendance.
- Leading an international study tour in France (May 2026), meeting with social enterprise leaders, policymakers, intermediaries and investors to better understand the French employment system.
- Hosting the Social Enterprise World Forum (SEWF) in 2022, leaving a lasting legacy for the broader social enterprise sector in Australia.

- Commissioning numerous independent evaluations and research in partnership with the Centre for Social Impact (CSI) and the University of Melbourne.
- Leading a series of Employment Reform consultation sessions with 30+ WISES in relation to employment system reform (June 2026).
- Working with 50+ WISEs across all White Box trials, programs and professional services.

Appendix 2.1: WISE case studies

Beacon Laundry | Case Study

About Beacon
Beacon Laundry is a jobs-focused social enterprise established by White Box in 2024. Based in Bangalow, NSW, it provides commercial laundry services to the accommodation, hospitality, and healthcare sectors while creating paid employment for people facing complex barriers to work.

In its first 18 months of operation, the business created 182 jobs, including 144 for people facing barriers to employment, serviced 81 commercial customers, and paid $4.4M in wages, including $2.28M to employees facing barriers to work.

Business model
Beacon operates as a fully commercial laundry, generating revenue through customer contracts while creating jobs for people facing complex barriers to employment. Like any other commercial laundry, Beacon competes for customers on price, quality and service.

The workforce model consists of a permanent team alongside individuals with complex barriers who are building the skills, confidence and experience to transition into mainstream employment. This enables Beacon to maintain productivity while continually creating new employment opportunities.

All employees are paid full award wages and work in a real business with real customer expectations. The workplace is designed to prepare people for mainstream employment, reflecting the standards and responsibilities they will encounter beyond Beacon.

Beacon relies on philanthropic support to help cover impact costs. Its biggest cost is labour (to account for the varying degrees of productivity), and wrap-around support costs that enables people with complex barriers to succeed at work. This support often extends well beyond six months, reflecting the reality that reintegrating people with barriers back into employment takes time.

Target cohort
The Northern Rivers region in NSW has higher than average rates of disadvantage. Beacon's workforce is diverse and open to anyone experiencing barriers to work. The workforce consists of people experiencing long-term unemployment, many of whom face multiple and intersecting barriers, including disability, mental health challenges, justice involvement, homelessness and those with First Nations backgrounds.

Recruitment model
Beacon uses an open hiring model that removes many of the barriers associated with traditional recruitment. There are no resumes or background checks required for entry-level laundry operator roles. Instead, anyone who has a willingness to work, and a willingness to transition to a commercial employer one day is welcome.

Community organisations (26) and five employment providers across the Northern Rivers actively refer people to Beacon. Community organisations consist of rehab centres, homeless shelters, psychologists and church groups. Today Beacon has a waiting list of more than 100 people seeking employment. As positions become available, people are offered employment in the order they joined the list, provided they can safely perform the requirements of the role.

Leadership and team capabilities
Beacon combines commercial leadership with dedicated employment support.

The General Manager is responsible for operational performance, customer delivery and workforce productivity, ensuring the business remains commercially competitive.

The Community Engagement and Pathways Manager works with employees to identify and address barriers that may affect their ability to obtain or sustain employment. The role also develops relationships with local employers to create pathways into mainstream employment, supporting employees before, during and after their transition into a new role.

What wrap-around supports look like
Support is embedded into everyday work rather than delivered as a separate program.
Employees receive tailored support based on their individual circumstances, including access to transport, flexible rostering, financial wellbeing support, connections to external services and regular workplace coaching. It is all about problem solving the barriers so that they don't derail the work opportunity.

Employees remain at Beacon until they, together with the Community Engagement and Pathways Manager, determine they are ready to transition into mainstream employment. This could take anywhere from 3 months to 2 years depending on the person's needs.

This approach has contributed to strong employment outcomes, with 72% of employees facing barriers to employment remaining in work beyond 12 weeks.

Transition model
Around 40% of roles in Beacon are designed to be transitional roles. Employees in these roles remain with Beacon for between three and 24 months depending on their individual goals and readiness.

The Community Engagement and Pathways Manager builds relationships with employers across the Northern Rivers and supports transition-ready employees to apply for vacancies through Beacon's employer network.

Once placed, Beacon continues to support both the employee and employer, gradually reducing assistance as the employee settles into their new role.

To date, 58 employees have transitioned internally into a new role or externally into mainstream employment, demonstrating that combining open hiring, tailored workplace support and employer engagement creates sustainable pathways into work for people facing complex barriers.

Australian Spatial Analytics | Case Study

About ASA
Australian Spatial Analytics (ASA) was created as a not-for-profit WISE in 2020 to provide employment opportunities to young autistic Australians facing significant barriers to entering the workforce.

Since 2020, ASA has provided over 270 Australians with careers in high-demand 'big data' fields.

ASA helps solve three critical issues for Australia:

1. **Creating social impact:** bringing young neurodivergent Australians out of long-term unemployment to learn real-world skills and earn full award wages from on-the-job training
2. **Economic growth:** embracing neurodiversity creates economic impact. Australia could add over $43 billion to the economy every year if the autistic unemployment rate were reduced by just one-third.
3. **New industry professionals:** the geospatial and engineering professions are experiencing severe talent shortages, adversely impacting Australia's ability to deliver critical infrastructure. We're creating the professional workforce of the future

ASA is a strengths-based social enterprise that employs young autistic adults (mainly Level 1 or 2) to do high-quality data analysis for businesses and governments. The team uses their unique cognitive talents (attention to detail, pattern recognition, and memory retention) to deliver professional data services that have traditionally been offshored. They address a significant business need while creating work for young autistic adults–new, future-driven, skilled jobs for Australia's economy.

This empowers young autistic Australians by offering a pathway out of long-term unemployment and into meaningful, sustainable careers. After transitioning their employment to other inclusive organisations, ASA backfills that position with someone else experiencing long-term unemployment, creating more social impact.

ASA's social performance is a result of commercial success. Since 2020, ASA has delivered $30 million in projects, paid $20 million in full award wages to autistic Australians, invested $5 million in training, and delivered $200,000 in neurodiversity in the workplace corporate training to over 40 organisations and 3,000 people.

Business model
ASA has demonstrated that social enterprises can be viable and sustainable businesses. Over 80% of ASA's revenue is sourced from professional fees alone, with non-trade revenue (~20%) coming from both government and philanthropy.

ASA pays the team full-award wages. ASA can do this because data analytics is in demand and a growth industry, and clients pay for onshore, mission-led quality of service.

ASA's workforce comprises of a stable team, often with staff who began as part of a targeted autistic cohort, alongside supported employees who are building the skills and experience to transition into mainstream employment. These employment transitions then enable ASA to backfill positions with new employees facing significant employment barriers.

Target cohort
ASA's target cohort is young autistic adults (~18-30 years old) who are long-term unemployed (>2 years). Autistic Australians face a very high 34% unemployment rate, which is three times that of the overall disability rate.

Over 40% of Australia's National Disability Insurance Scheme (NDIS) participants – almost 300,000 people - name autism as their primary disability: 90% of them are under 25. In the year ending 30 June 2025, the NDIS paid $9.4 billion for autism participants, up 15%. This has required budget reform, so many of ASA's target cohort will be losing NDIS support by 2027.

Autism is the fastest-growing 'disability' in the Western world, yet few alternative pathways are available to access well-paid jobs in the data economy.

Recruitment model
ASA's recruitment process runs through deliberate stages to eliminate traditional barriers to employment and focuses on a candidate's interests and strengths, not how they perform in a job interview. ASA assesses autistic people who show an interest in 'big data' work and who are willing to transition to other employers. Transferable skills for geospatial and digital engineering work include an interest in computer games, IT, role-playing and other strategic interests (even Dungeons and Dragons).

Most candidates are referred to ASA by Inclusive Employment Australia (IEA) and other providers with expertise in neurodiversity, alongside referrals from organisations such as Autism Queensland, word-of-mouth and direct enquiries via the ASA website.

Recruitment at ASA is designed to identify capability while creating an inclusive experience for neurodivergent candidates. Applicants complete a standard application followed by assessments of spatial reasoning, concentration and motivation before progressing to an in-person interview.

The interview process is adapted to reduce anxiety, with questions shared in advance, clear visual directions to the office, a small interview panel that includes a neurodivergent employee, and the option to bring a support person.

Leadership and team capabilities

ASA's leadership team combines commercial leadership with dedicated employment support. Led by CEO Geoffrey Smith (the 2025 Queensland Australian of the Year) who has a data analyst background, the team has demonstrated that technology-driven work and the WISE model can build income and opportunities for the autistic community.

The Data Services Manager is responsible for operational performance, service delivery and workforce productivity, ensuring ASA provides high-quality geospatial and digital engineering services at a competitive price.

The People and Programs Team works with employees to identify and address barriers that may affect their ability to obtain or sustain employment, as well as providing employment transition opportunities. The CEO also develops relationships with partner clients to create pathways into mainstream employment, supporting employees before, during and after their transition into a new role.

What wrap-around supports look like

ASA's wrap-around support is part of 'business as usual'. This approach has contributed to successful employment outcomes, with ASA's 26-week retention rate being over 80%.

Before commencing a position, each person is asked what minor accommodations and adjustments they require, e.g. set days and start times, lights turned down, wearing of noise-cancellation headphones. Communication is direct and explicit to minimise ambiguity. Every analyst receives tailored and structured in-house technical training and wrap-around support based on their needs, which includes mental health, life skills coaching and referrals to other services.

Employees remain at ASA until they are ready to be embedded in partner client offices or are ready to transition into mainstream employment, which can range from months to two years. Today ASA has 50+partners, who include the Queensland Government, Ventia, Acciona and more. Support is provided to both the candidate and the prospective employer. There have also been many cases where analysts have gained the confidence to secure external roles by themselves, with little or no assistance from ASA.

Transition model

As analysts grow and move to permanent roles with partner clients such as the Queensland Government, Ventia and Acciona (over 100 transitions to date), ASA recruits and trains new people who were previously unemployed to backfill these positions.

The People and Programs team largely facilitate employment transitions with support from the leadership team. Opportunities for employment transitions include applications for traditional jobs advertised on the open market as well as non-advertised client vacancies. Once placed into a new role, ASA continues to support both the employee and employer, gradually reducing assistance as the employee settles into their new role.

Good Cycles | Case Study

About Good Cycles

Good Cycles is a WISE dedicated to creating meaningful employment pathways for young people facing barriers to work. Operating across metropolitan Melbourne, Good Cycles combines commercial service delivery with scalable social impact.

Since 2013, Good Cycles has supported over 800 young people, delivering 16,430 hours of paid work in 2025/26 alone. The enterprise maintains a self-sustaining commercial model where over 90% of revenue is earned commercially through bike retail and servicing, urban logistics, and large-scale landscape and garden maintenance.

Additionally, every placement of a young person through the Youth Employment Program generates about $98,000 in social value by improving participant wellbeing, building financial independence, and reducing reliance on government support.

Business model

Good Cycles operates a commercial social enterprise model where business performance directly scales social purpose. The enterprise competes in open commercial markets on price, quality, and service across four distinct commercial divisions:

- **Good Spaces:** Large scale landscape & garden maintenance, and graffiti management.
- **Good Delivery:** Last-mile deliveries, urban distribution and organic waste collection.
- **Good Bikes:** Bicycle retail, repairs & servicing, and workplace onsite servicing.
- **Good People:** Workforce solutions & labour hire.

Because they operate across these four distinct divisions, they can offer roles that align with what actually matters to each individual, giving young people the agency to choose a path that fits their interests and aspirations.

The workforce structure intentionally maintains a 2:1 ratio of experienced industry professionals to program participants. They work side by side in high-performing teams to deliver quality commercial results safely, while developing the transferable skills that create lasting, positive change for the employees and the wider community. All participants receive full adult wages and operate in live business environments with genuine customer expectations.

Good Cycles operates a self-sustaining model where over 90% of revenue is commercially earned. The remaining balance is supported through philanthropic and grant funding to cover wrap-around support and productivity offsets required when supporting young people who face complex, intersecting barriers.

Target cohort
Young people are more than twice as likely as older demographics to experience unemployment, facing a range of complex barriers to entering the labour market. Good Cycles specifically supports young people aged 18 to 25 facing a range of intersecting challenges.

Approximately 87% of participants face three or more complex employment barriers, and 72% previously relied on Centrelink payments before employment. Key barriers faced by the cohort include:

- Long-term unemployment
- Social isolation and disengagement
- Pre-existing long-term physical and mental health challenges
- Experiencing discrimination and systemic exclusion

Recruitment model
The Youth Employment Program (YEP) tackles youth unemployment directly using a work-first approach. Good Cycles offer young people secure jobs with adult wages, backed by tailored coaching and personal support.

Good Cycles works in partnership with youth services, community organisations, and employment service providers to recruit participants. Recruitment prioritises a willingness to work and learn rather than formal qualifications or traditional resumes. By removing conventional hiring barriers, Good Cycles creates accessible entry points for young people excluded from the mainstream labour market. Intake is aligned with commercial demand across the divisions, ensuring participants are safely matched to roles suited to their personal goals. They currently maintain an active candidate pipeline of young people seeking roles.

Leadership and team capabilities
Good Cycles intentionally balances commercial rigor with practical wrap-around support tailored to each individual, embedding dedicated functions to drive both operational success and social outcomes:

- **Executive Team:** Led by CEO Kirra Johnson (Westpac Social Change Fellow) and CFO Lynn Crawford (CPA), the executive team brings decades of combined expertise in social innovation, financial governance, and purpose-driven scale.
- **Central Services Unit (CSU):** Serves as the operational engine of the organisation, driving shared services including finance, human resources, marketing, technology, safety, and strategic governance.

- **Impact Team:** Dedicated youth specialists and coaches who design and deliver wrap-around support services. The Impact team works directly alongside participants to navigate personal barriers, deliver workplace coaching, track social value outcomes, and facilitate sustainable transitions into mainstream employment.
- **Divisional General Managers (GMs):** Commercial leaders responsible for the operational and financial performance of each distinct division.

What wrap-around supports look like

Support is integrated directly into daily work routines across every layer of the organisation, creating a multi-tiered support system for both participants and frontline leaders.

In all the general workforce roles, experienced staff work side by side with the young people in the Youth Employment Program, helping to support and guide their professional development. At the same time, the Impact team works closely with Divisional Managers and Team Leaders. They equip frontline supervisors with practical tools, open communication strategies, and coaching techniques to effectively mentor young people in fast-paced commercial environments.

Participants receive tailored support based on their individual needs, including flexible scheduling, workplace coaching, and connections to external community services (delivering over 30 hours of 1-on-1 support annually per participant). This approach focuses on practical problem solving so personal challenges do not derail employment opportunities, helping participants build long-term stability and resilience. This model achieves a 93% employment retention rate beyond 12 weeks.

Transition model

Designated Youth Employment Program roles at Good Cycles are designed as transitional opportunities for 6-month terms structured to prepare young people for long-term career success. Each division establishes these roles, aiming for a minimum of 30% YEP participant roles across the organisation to ensure every individual receives the right level of wrap-around support.

The impact of this work is demonstrated by a recent external evaluation of our program:

- Approximately 90% of YEP participants reported an increase in core employability skills, including teamwork, problem-solving, communication and technical expertise.
- A Social value analysis based on our 2022-2024 cohort of 40 YEP participants demonstrated that the program produced $3.9 million in social value over that period, including $760,000 in direct savings to government.

As participants build technical skills and workplace confidence, Youth Coaches connect transition-ready individuals across several channels, with more than 60% of participants successfully achieving positive transitions directly from the program:

- External pathways: Including corporate partners, industry networks, mainstream employers seeking reliable staff, or supporting their return to continued education.
- Internal progression: Where commercial requirements align, participants can also transition into ongoing part-time or full-time roles within Good Cycles based on business needs. Several young people who have entered through the program have been promoted into Team Leader positions, continuing their own professional development while using their lived experience to guide and support incoming participants.

-- END OF PAPER --