



Shaping the Future of Employment Services:

Submission Guide for social enterprise advocates and supporters

Prepared by Social Enterprise Australia, July 2026

We're in a critical moment to shape the future of Australia's employment services. Big reforms have been announced, on a scale not seen in almost 30 years. And social enterprises have been named as part of what's needed.

The Australian Government is consulting on the design of the new employment services system.

In this context, Social Enterprise Australia has completed an evidence review to synthesise available research and evidence, undertaken drafting with and responding to direction from the WISE Hub¹, followed by a structured consultation process to help build an evidence-based, impact-led, collective sector response. This process informed:

- The development of key messages and recommendations that are evidence-based and have strong and broad support.
- This guide, which shares key messages and recommendations that you can draw on for your own submission.
- A submission from Social Enterprise Australia, as the national peak body for social enterprise.

We did this because sector alignment matters. When a sector can point to genuine, high-level alignment that is evidence-based, Government can move quickly and confidently. Three to five shared high-level recommendations will be more effective than divergent asks or long lists. Organisation-specific experiences, contributed through individual submissions, will strengthen the evidence base.

So this guide steps you through how to make a submission, and shares the **key messages** and plain-English **summaries of five recommendations** developed through this process. These recommendations will form the basis of Social Enterprise Australia's own submission.

¹ A group that exists to advocate for the customers, capital, policy and investment needed to unlock the distinct contribution of WISEs to grow access to decent work. Its members are: All Things Equal, Paul Ramsay Foundation, ShoreTrack, Social Enterprise Australia, Social Ventures Australia, STREAT, and White Box Enterprises.

Social enterprises operate across every industry and could play a role anywhere in the reformed system. Their defining feature is that they put people and planet first, making them well-suited to person-centred and outcomes-first delivery, more of which would benefit every part of the employment system.

Work integration social enterprises (WISEs) are a distinct sub-category of social enterprise and generate specific value in the employment system. They exist to create jobs and pathways to employment and self-employment for those most shut out of work.

The messages and recommendations in this paper focus on unlocking the specific contribution of WISEs - what the social enterprise sector can uniquely offer and what it needs to contribute.

The more social enterprises, sector advocates and supporters that make a submission - in their own words, with their own evidence - the stronger the sector's collective case becomes.

The consultation at a glance

What: Your response to the Australian Government's Discussion Paper Shaping the Future of Employment Services (27 May 2026)

Closes: 5pm AEST, 31 July 2026

How: Lodge through the DEWR Consultation Hub at consultations.dewr.gov.au. You can answer the paper's questions or write free-form, and you can ask for your submission to be published, published anonymously, or not published.

Length: There is no minimum. A focused one-to-three-page submission grounded in your own experience is genuinely valuable. Specific beats comprehensive.

How to use this guide

- Read the **key messages and recommendation** summaries below.
- Wherever you see an **add your own content box**, drop in information from your experience - stories, numbers or examples; your specifics can help make a submission land.
- You don't need to cover everything - pick the recommendations that ring true to your experience.
- Keep it in your own voice, and lead with the people you or the system should support.

Building your submission

1. Introduce your organisation

Set the scene in a short paragraph so the reader knows who is speaking and why it matters.

ADD YOUR OWN CONTENT

1) If you're a WISE: Describe who you are; the cohort(s) you support (e.g. young people, people with disability, refugees, people leaving the justice system); your model (transitional pathway to employment, employment, or hybrid); whether your focus is on early intervention or long-term unemployment, or both; how long you've operated; and your outcomes or one headline outcome you're proud of.

2) If you're a WISE advocate or supporter: who you are; why and how your organisation relates to social enterprise and/or employment services.

2. Key messages

Three short messages that carry the sector's case:

- **Better outcomes for those most shut out of work.** WISEs produce stronger, more durable employment, income and wellbeing outcomes than mainstream services acting alone.
- **The barrier is impact costs.** The extra cost of employing and supporting people facing barriers can't be covered by trade revenue and isn't yet paid for by Government. Because these costs grow as a WISE grows, scaling a WISE also scales the gap.
- **Recognition now needs to become design.** Social enterprises are named in this Discussion Paper and in four prior government reviews. This reform is the chance to design and resource that role, not just name it.

3. Respond to the recommendations

Below is a plain-English summary of the recommendations. They've been designed to work together, and provide:

- A rapidly actionable way to pay WISEs for the value and savings they create.
- A test-and-learn approach to support longer-term strengthening of the system.
- A focus on participant wellbeing and progress as the basis for collaboration, and co-design with the sector as the reform is built.

The Australian Government's Discussion Paper includes specific questions, and how the recommendations relate to these questions is detailed below. You may also wish to review the full list of 19 questions to see if there are any other specific matters you are in a position to respond to as part of your submission.

Recommendations

Recommendation 1: Pay WISEs for the public value and savings they create

This recommendation directly responds to the following Discussion Paper questions:

- *Q8. How do we change the way that providers and participants engage with mutual obligations to focus on positive engagement that helps people move towards employment?*
- *Q12. What supports do employers need to recruit and retain people?*
- *Q14. How could the future service accommodate the needs of diverse cohorts, including better linkages to other services?*
- *Q15. How can a nationally consistent service respond to local circumstances?*
- *Q16. How should providers be incentivised to support participants into suitable, sustainable jobs, not just any job across both provider-led service streams?*
- *Q18. What commissioning approaches will best support increased provider diversity?*

The system should reward moving people towards or into suitable, lasting jobs. WISEs already deliver this - they just aren't paid for the extra cost of doing so, constraining the value they are able to contribute. Paying for that value directly is the fastest way to get more of it.

WISEs exist to create jobs and pathways to employment and self-employment for those most shut out of work. And they are diverse - they can offer pathways to employment and/or employment that can be transitional or permanent. WISEs produce better employment outcomes than mainstream employment services acting alone for people most shut out of work because:

- They combine real work settings with structured development pathways and wrap-around support.
- They create practical ways for people and communities to meet their own needs and priorities, including in relation to place.
- In communities with too few jobs, they create new ones.
- They prevent and address long-term unemployment.
- They influence and support mainstream employers to be more inclusive, build employer capability, demonstrate inclusive employment practices, and create pathways into mainstream work.

We recommend two payment mechanisms, designed to support WISEs in how they actually work: **an employer-side payment** recognising the impact costs of directly employing someone facing barriers, and **a service-provider-side payment** for supporting a person's progression toward work. Both should be designed to reflect the following principles:

- Do not transfer employment-support risk to WISEs - and therefore closer to participants.

- Accessible through small, repeatable, straightforward contracts available to WISEs of all sizes - with minimum viable compliance requirements.
- Flexible to person-centred arrangements.
- Multi-year, with staged reviews - so WISEs can plan and sustain the longer development pathways participants need.
- Based on clear, consistent criteria - rather than at the discretion of an employment services provider or administering body.
- Paid early and reliably - as support costs are highest at the start, funding should flow from commencement.
- Enable early intervention - for any participant experiencing multiple and complex barriers, regardless of Stream.
- When a person is engaged with a WISE they are considered to have satisfied their mutual obligations.
- Provide funding for post-placement support to improve retention - including to support building employer capability.

ADD YOUR OWN CONTENT

1) For example - what does supporting one person actually cost you, and where does the current system leave a gap? A concrete example works well: a role you created, the wrap-around support behind it, and the outcome for the person. If you have a figure for what that support costs, include it.

2) For example - in support of the recommendation above, what have you learnt from working with, supporting and/or through research with social enterprises and WISEs?

Recommendation 2: Establish a social enterprise innovation fund

WISEs are diverse - spanning job-readiness, transition and longer-term employment models, and working with different cohorts and in different locations. Recommendation 1, while actionable and needed, may not work for all and will need to evolve over time. No single payment model will fit every cohort or context, and some of the most promising approaches don't fit with existing mechanisms at all.

This recommendation directly responds to the following Discussion Paper questions:

- *Q14. How could the future service accommodate the needs of diverse cohorts, including better linkages with other services?*
- *Q18. What commissioning approaches will best support increased provider diversity?*
- *Q19. How can employment services foster continuous improvement? For example, what strategies would improve the sharing of best practice?*

Recommendation 2 focuses on establishing a dedicated fund that would give Government a lever to test, learn and build the sector's capacity as reform elements are developed and implemented. We recommend such a fund be dedicated to testing new payment methods, and commissioning and delivery models that don't fit existing mechanisms. For example, pathways for specific cohorts, place-based or industry partnerships, thin and regional markets, or a proportionate and relevant version of France's *Aide au Poste* model that funds impact costs directly.

ADD YOUR OWN CONTENT

1 and 2) Is there something you would test or prove if there were funding to do so? Or a model of yours that current funding simply can't accommodate? Do you have experiences or other examples you could draw on that strengthens the case and/or demonstrates how such a Fund could work? Describe briefly.

Recommendation 3: Invest in collaboration infrastructure

Delivering a person-centred approach takes different parts of a system each doing what they're best at, and working well together. A widely acknowledged problem in the current system is excessive competition, which undermines best-practice sharing and innovation, and negatively impacts vulnerable job seekers.

This recommendation directly responds to the following Discussion Paper questions:

- *Q14. How could the future service accommodate the needs of diverse cohorts, including better linkages with other services?*
- *Q15. How can a nationally consistent service respond to local circumstances?*
- *Q18. What commissioning approaches will best support increased provider diversity?*
- *Q19. How can employment services foster continuous improvement? For example, what strategies would improve the sharing of best practice?*

To produce better outcomes for participants, we recommend funding collaboration directly, and commissioning the collaboration based on demonstrated value rather than price alone. Specifically, we recommend funding collaboration at three levels - **place-based, for specific cohorts and national**. Designed well, these interconnected tiers could provide the infrastructure needed to underpin best-practice sharing and innovation.

ADD YOUR OWN CONTENT

- 1) Where has collaboration - or its absence - shaped your outcomes? Name a partnership, local network or community of practice that works for you, or a gap you keep running into.
- 2) For example - do you have experience that demonstrates gaps in the current arrangements and/or provides insights into how collaboration infrastructure could be effectively designed?

Recommendation 4: Introduce proportionate wellbeing and progression measurement

A widely acknowledged limitation of the current system is that a person can meet an employment output without being in decent work or meaningfully better off in other ways. Further, employment readiness and wellbeing exist on a spectrum, and progress toward them are important outcomes in their own right.

This recommendation directly responds to the following Discussion Paper question:

- *Q17. How should employment outcomes and progress towards employment be measured? How should this differ between targeted provider services and intensive services?*

So we recommend a small set of wellbeing outcomes that are: participant-centred (such as increased confidence, skills, routine, social connection); sit alongside employment metrics; and do not impose a heavy measurement burden on small organisations. Further, we recommend progression measures that can accommodate the non-linear nature of many participant journeys.

ADD YOUR OWN CONTENT

- 1) What do you already see or measure that a '26 weeks employed' tick-box misses? Share an outcome - a person's progress, a wellbeing shift, a step forward - that the current system wouldn't count.
- 2) For example - do you have experience or other examples you can draw on that provide insights into how appropriate wellbeing outcomes and progression measures could be effectively designed?

Recommendation 5: Develop and implement employment services reforms with the social enterprise sector

Embedding lived experience and frontline practitioners in how the system is designed will generate better participant outcomes.

This recommendation directly responds to the following Discussion Paper question:

- *Q19. How can employment services foster continuous improvement? For example, what strategies would improve the sharing of best practice?*

Make co-design with the social enterprise sector an ongoing, explicit commitment - not a one-off - so payment mechanisms, innovation funding, outcome measures and commissioning approaches are designed with the people who deliver this work and the people who benefit from it. This is a low-cost way to de-risk reform elements and keep the design grounded in practice and lived experience.

ADD YOUR OWN CONTENT

1 and 2) Would your organisation be willing to help Government design or test part of the new system? Say so - and note the experience or evidence you could bring to the table.

Quick tips

- Lead with your organisation and experience, not with policy, unless it is your area of expertise.
- Use real numbers where you have them: retention, wages paid, cohort supported, social value, years operating.
- A submission is one channel - alongside it, consider writing to your local MP and to relevant ministers' and department contacts; a coordinated sector voice lands more strongly.
- Keep it concise - a specific, well-evidenced page or two beats a long general submission.

Social Enterprise Australia is the national peak body for social enterprise. We're for an economy that puts people and the planet first, and for unlocking the power of social enterprise to help get us there. Our direction is set by the sector, and we provide a bridge for it to partner with the Australian Government and others to grow impact.

For enquiries, visit socialenterpriseaustralia.org.au or email hello@socialenterpriseaustralia.org.au.

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