

# EVALUATION OF THE PAYMENT BY OUTCOMES TRIAL FOR SOCIAL ENTERPRISE

Second year report summary



JULY 2023 – JUNE 2024

Original report produced by:



Original report supported by:



The Payment By Outcomes Trial for social enterprise is the first federal government-funded trial of its kind in Australia, where jobs-focused social enterprises are paid for job outcomes they create.

Delivered through a partnership between the Department of Social Services (DSS), White Box Enterprises (WBE) and 17 jobs-focused social enterprises, the trial is measuring the effectiveness of jobs-focused social enterprises in creating long-term meaningful employment for people who face complex barriers to work.

The trial specifically focuses on individuals with a disability or those eligible for the Community Development Program, who have been out of work for at least nine of the last 12 months. Social enterprises are being paid for job outcomes they

create at six, 12 and 18 months. These payments are designed to cover the costs of wrap-around supports.

White Box, with the support of Macquarie Group Foundation, has engaged the Centre for Social Impact Swinburne University (CSI Swinburne) to independently evaluate the trial over its three-year duration.

This is a summary of the second year evaluation undertaken by CSI Swinburne.

## Individual outcomes for Year 2.

### The trial eligibility criteria

The trial aims to create employment for people with a disability or those eligible for the Community Development Program, who are:

- Out of work for at least nine of the last 12 months
- Eligible for DES (but may have exited)
- Receiving Jobseeker or Disability Support Pension payments (DSP)
- Capacity to earn a minimum of \$588/fortnight

*"For some trial participants who had cycled in and out of work and between employment service providers, working with a social enterprise was the first time they had found stability."*

- Evaluation Report, page 3.

## 1. The PBO Trial continues to deliver compelling results

**88** of the trial's 132 participants (67%) are still in award wage employment.

OF THESE

**64** are employed in a social enterprise.

**24** have transitioned to mainstream employment.

**88** of the trial's 132 participants (67%) sustained employment for at least 12 months.

**JUST 26%** of the same cohort reach the 12-month employment milestone when accessing Disability Employment Services, separate analysis shows (Taylor Fry, 2024).

## 2. Social enterprise employment has a positive ripple effect in individuals' lives



**80%** said their employment circumstances have improved over the last 12 months.



**76%** said their sense of belonging has improved over the last 12 months, enabled by new friends at work and feeling a sense of community with like-minded people at work.



**64%** said their financial circumstances have improved over the last 12 months.



Almost two-thirds (64%) reported their mental health had improved over the last 12 months, and more than half (56%) said their physical health had improved.

*"Employment allows me to be part of the community. It's helped me grow and it's given me confidence. It's good for my mental health. It's part of my identity now, this job."*

- PBO Trial participant, Evaluation report, page 24.

*"This role has created structure and purpose in my life. The routine I've gotten into is good for me, mentally and physically."*

- PBO Trial participant, Evaluation report, page 11.

## 3. Life changes were the most common factors that caused people to exit the trial

**44** individuals have left the trial.

According to program data the most common factor that caused people to exit the trial (and be out of work) was a change of personal circumstances triggered by life events such as a health crisis, medical procedure, change of housing, moving away from the social enterprise employer, or change of child-care commitments.

## 5. Experiences of prior employment were consistent amongst individuals



**Seven participants were interviewed** as part of the evaluation. They shared their experiences of employment prior to and during the trial.

Despite the diversity of the case studies, common themes emerged amongst these individuals (and participants interviewed in the Year 1 Evaluation of the trial):

READ MORE:

[PBO Trial participant case studies](#)

- The ineffectiveness of Employment Service Providers (ESP), which often pushed them into full-time employment which they knew would be unsustainable for them.
- The intersections between disrupted housing and disrupted employment.
- Low-quality work or fragmented work in prior employment, with little opportunity for skills development and progression.
- Relapses in mental health, affecting continuity of employment.
- Challenges in accessing affordable health services, affecting continuity of employment.
- That 'luck' opened the door to employment in a social enterprise.

## Outcomes for jobs-focused social enterprises.

### Financial returns to support wrap-around support and transition costs

Outcome payments are made to social enterprises when participants reach employment milestones at six, 12 and 18 months, as well as when participants transition to an external employer.

To date, \$1M+ in outcome payments have been distributed to 17 social enterprises:

- Six social enterprises received > \$75K.
- Six social enterprises received < \$75K.
- Five social enterprises received no outcome payments.

Some social enterprises are likely to continue earning significant outcome payments in the next 18 months.

Social enterprises have used outcome payments to strengthen the wrap-around supports within their social enterprise and to develop their capabilities around employment transitions (common among those who aim to create new pathways into actively inclusive employment).

### Benefits of an aggregated approach to PBO model

The involvement of an aggregator (White Box), who sits between DSS and the 17 social enterprises, has allowed for more social enterprises to participate in the trial. When some social enterprises were unable to recruit eligible participants, White Box engaged more social enterprises. This flexibility ensured the trial had the number of participants required to be successful.

For social enterprises, White Box has reduced the administrative burden and costs that are often involved in new payment by outcome transactions.

*"The main reason open employment transitions fail is typically not on the participant's side, it's on the open employment side and their lack of support internally. What we've learnt through PBO is we actually need a single person helping to support all people with open employment. And we need to add a second resource to build relationships [with employers]."*

- Participating Social Enterprise, Evaluation report, page 39.

# Unique employment transition models of social enterprises defined.

For the first time, the evaluation articulates three distinct employment transition models through which social enterprises are supporting people into meaningful, sustained employment.

- **Fresh start transitions** – Where social enterprises work intensively with their employees to improve their ‘employability’, providing them with current work experience, developing their transferable skills, and strengthening job application skills and documents.
- **Supported transitions** – Where social enterprises leverage existing business relationships to find suitable employment opportunities and work with both the employee and new employer to customise roles, procedures, and support in the new workplace, as needed.
- **Secondment-first transitions** – Where social enterprises facilitate supported transitions (as above) that include a secondment style agreement during which employees can adjust to a new team and workplace at a client organisation before formally transitioning to the new employer with a new work contract.

Through these models, social enterprises take a people-centred approach in their workplaces and collaborate with mainstream employers to facilitate smooth employment transitions for individuals.

*“I really do still feel like I owe ASA, because they have been so good to me. They hired me when I was unemployed and they got me a Cert III in IT. ASA puts a lot of emphasis on the outboarding process, to make sure that people can get employment outside of ASA. Because the point of ASA isn’t ‘this is your forever home’; it’s ‘this is the first stepping stone!’”*

- PBO Trial participant (Ethan\*),  
Evaluation report, page 20.

READ MORE:

[Social enterprise transition models](#)

# The role of social enterprise in a reformed national employment services system.

Jobs-focused social enterprises offer an effective employment pathway for 10-20% of people who use employment services but need more person-centered support to re-enter the workforce.

The House Select Committee on Workforce Australia Employment Services found that programs delivered ‘outside of the Commonwealth system...appeared to be of benefit to jobseekers’ who ‘need assistance on their pathway to suitable employment’ (The Committee 2023: 144).

The Committee identified the PBO Trial for social enterprise as one such program (2023: 402), where people who are not currently served by the employment services system ‘benefit from referrals’ to social enterprises instead of employment services (2023: 154). The Committee estimates the size of the cohorts that ‘would be better assisted through alternative services’ at 10-20% of caseload.

*The report findings provide broad but clear evidence, that jobs-focused social enterprises are actively inclusive workplaces that offer alternative pathways for people experiencing complex barriers to employment.*

- Evaluation report, page 3.

The positive life changes that social enterprises are enabling within the lives of PBO participants present a strong case for further investigation and trials from government to determine the more permanent role social enterprises can play in the national employment services system.

Below are some final considerations outlined in the conclusion of the report.

### 1. Social enterprises work directly with individuals and mainstream employers to achieve success.

PBO has enabled social enterprises to invest in wrap-around supports within the social enterprise workplace and innovate employment transition supports. Three employment transition models – Fresh start transitions, Supported transitions and Secondment-first transitions – provide a detailed account of how social enterprises tailor transition strategies to the needs of employees and future employers.

Not all social enterprises offer transition support. In some cases, the social enterprise is the preferred destination for employees. It is crucial that policymaking (on how to include social enterprises in the employment services system) is steered by a thorough, evidence-based understanding of the diversity of complex barriers and goals of the 10-20% of employment services caseload that job-focused social enterprises are well placed to support.

### 2. Future PBO design – and outcomes funding generally – needs to be flexible so that it can respond to diverse unmet needs.

Research on disability employment finds that employment pathways of people with complex barriers to employment are not linear; i.e. not a simple 'one-way street' (Campbell et al 2024). For some people, the employment journey may end with a social enterprise employer, while others may cycle from social enterprise to 'mainstream' employment and back again.

*"They're super understanding - because they work with people with disabilities, so they can understand when I say, "Hey, I'm having a bad day today. I can't go to work." Ability Works is a very community kind of workplace and it is one of the better workplaces I've ever worked in."*

- Melody\*, PBO Trial participant, Ability Works, page 17.

PBO has one-track milestones that do not offer sufficient flexibility for some employees and employers. Factors that are beyond the control of employees and employers, such as a change of personal circumstances can also inhibit the achievement of milestones. Future PBO design could therefore adopt:

- Flexibility in milestones of participants' earnings recognising that for some people, capacity to work ebbs and flows and does not always align with standardised milestones.
- Flexibility in milestones that measure progress in employment, recognising that transitioning to a new employer is one of many types of progression in one's employment.

### 3. The unique aggregator model of this PBO Trial continues to offer efficiencies and potential for scalability.

White Box (as the aggregator) coordinates 17 social enterprises. Each social enterprise employs and supports a unique cohort via different employment models, and in different industry sectors and communities.

This unique PBO aggregator design is beneficial for:

- Government, because its outcomes-based funding reaches social enterprises that employ and support diverse cohorts, each facing complex barriers to employment.
- Social enterprises, because it reduces transaction costs of PBOs.
- The aggregator (White Box), because it has the flexibility to ensure the success of the PBO.

The aggregator model – which is unique in Australia and globally – presents a potential pathway for scaling and





## Year 2 PBO Trial snapshot

As at 30 June 2024, there were 132 participants who re/entered work and enrolled in the PBO Trial, across 17 participating social enterprises.

**64** participants are in award wage employment with a social enterprise.

**24** participants have transitioned to mainstream employment.

**44** participants have left the trial.

### Of the 132 participants:

**59%** are aged 18-29 years

**29/71%**  
ratio of females to males

**86%** live in a major city, 14% live in regional or rural areas.

**\$863** average fortnightly income earned by participants working with a social enterprise, and \$787/fortnight for those who have transitioned to competitive employment.

### For Social Enterprises:

**390** outcome payments have been earned\*

**\$1.069M** has been received

\*13-fortnights working with a social enterprises and earning at least \$558 per fortnight, and/or 13-fortnights working with a competitive employer and earning at least \$929 per fortnight).

## References

Campbell, P., Wilson, E., Howie, L.J., Joyce, A., Crosbie, J., Eversole, R. (2024). The Role of Shared Resilience in Building Employment Pathways with People with a Disability. *Disabilities*, 4, 111–126.

House of Representatives Select Committee on Workforce Australia Employment Services, Parliament of Australia (2023). *Rebuilding Employment Services: Final report on Workforce Australia Employment Services*. Parliament of Australia. November 2023. Canberra.

Taylor Fry. (2024). *Costs and benefits comparison social enterprise employment and Disability Employment Services*. White Box Enterprises. August 2024.

*“Work has given me a consistent schedule and a consistent financial base that has given me the foundation I need to help myself.”*

- PBO Trial participant, Evaluation report page 11.

# Participating social enterprises

**abilityworks**  
AUSTRALIA  
PURPOSE THROUGH EMPLOYMENT



**clean force**  
property services



CLEANABLE

**DISMANTLE**



**Good Sammy**  
a better future

**green collect**



**Joi**

**KALAN ENTERPRISES**  
COEN - CAPE YORK

**ReBuild**

**SevGen**  
CREATING WELLNESS THROUGH CONNECTION & RELATIONSHIPS

**STREAT**

**Vanguard**  
LAUNDRY

**VMGH yourtown**

**white box**  
ENTERPRISES

To download the full CSI Swinburne Year 2 Evaluation report and learn more about the Payment by Outcomes Trial visit:

[www.whiteboxenterprises.com.au](http://www.whiteboxenterprises.com.au)

# Social Impact Investors



MACQUARIE



HAND HEART POCKET  
THE CHARITY OF FREEMASONS QUEENSLAND

