



Insights Report

Current Policy Debates and Their Implications for
Inclusive Employment Through Social Enterprise:
Key Insights From a Rapid Scoping Review



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Front Cover Credit: Beacon Laundry

*Mel, an employee of Beacon Laundry,
one of four jobs-focused social enterprises
incubated by White Box Enterprises*

Acknowledgement of Country

The authors acknowledge the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to their Cultures, Country and Elders past and present.

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Funding acknowledgement | This insights report is part of a three-year research project, 'Activating Employment Futures Through Work Integration Social Enterprise'. The project is funded by the Australian Research Council (LP220100323) and collaborating partners: White Box Enterprises, Westpac Foundation, Outlook Australia, and STREAT.

Suggested citation | Khan, C. and Barraket, J. (2024). Current Policy Debates and Their Implications for Inclusive Employment Through Social Enterprise: Key Insights From a Rapid Scoping Review. University of Melbourne, Australia.

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More information | More information about the project can be found here: 'Activating Employment Futures Through Work Integration Social Enterprise'.



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Introduction

How can Australia improve the inclusivity of its workforce, the fairness of its economic distribution, and the nation's capacity to innovate?

Work integration social enterprises (WISEs) are for-purpose businesses driven by creating employment and pathways to the open labour market for people and places experiencing barriers. This is the first in a series of insights reports arising from the research project and learning partnership '*Activating Employment Futures Through Work Integration Social Enterprise*', which seeks to share knowledge to scale the employment outcomes of WISE in Australia. The project is funded by the Australian Research Council Linkage Program (LP220100323) in partnership with *White Box Enterprises*, *Westpac Foundation*, *Outlook Australia*, and *STREAT*. Academics from the University of Melbourne and the University of Queensland are undertaking the research.

Insights Report 1 summarises insights from a rapid scoping review of key policy reform inquiries underway from 2023-present under the Australian Government. It examines the positioning of WISE and implications for scaling their employment outcomes in: the *Select Committee on Workforce Australia Employment Services* (Workforce Australia Review)¹; the *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability* (the Royal Commission)²; the *National Disability Insurance Scheme (NDIS) Review* (NDIS Review)³; and the *Inquiry into promoting economic dynamism, competition and business formation* (Better Competition, Better Prices Inquiry).⁴

1 *Workforce Australia Review* (2023). *Rebuilding Employment Services: Final report on Workforce Australia Employment services*. Select Committee on Workforce Australia Employment Services, Commonwealth of Australia, Canberra.

2 *Royal Commission* (2023). *Inclusive Education, Employment and Housing: Summary and Recommendations* (Volume 7), Royal Commission into Violence, Abuse, and Neglect and Exploitation of People with Disability, Commonwealth of Australia, Canberra.

3 *NDIS Review* (2023). *Working Together to Deliver the NDIS: Final Report*, Commonwealth of Australia, Canberra.

4 *Better Competition, Better Prices Inquiry* (2024). *Better Competition, Better Prices: Report into promoting economic dynamism, competition and business formation*. Standing Committee on Economics, Commonwealth of Australia, Canberra.

Key insights from the rapid scoping review

- » Social enterprises are acknowledged in each of the inquiries, receiving substantive attention in the Workforce Australia Review and the Royal Commission.
- » While the Workforce Australia Review acknowledges the diversity of social enterprise, the focus is on WISE.
- » The Workforce Australia Review suggests that greater inclusion of WISEs in the employment services system could improve the integration of demand- and supply-side approaches to activating the labour market. This is because of WISEs' roles in supporting workers and engaging other employers in creating inclusive work and workplaces.
- » Attention is given to how WISEs design, implement, and use place-based innovations that match disadvantaged jobseekers with local/regional employers.
- » The Workforce Australia Review suggests that a novel contribution of WISEs is their ability to reduce "actual and perceived risks" for employers associated with engaging people disadvantaged in seeking work from the employment services system caseload.⁵
- » The Better Competition, Better Prices Inquiry recognises social enterprises as "blending diversity, dynamism, and commitment to social good" that differs from "traditional businesses".⁶
- » The Better Competition, Better Prices Inquiry highlights the long-term existence and endurance of social enterprises but recognises the "cyclical and uncertain" nature of cashflow that can impact the expansion of operations.⁷
- » The Royal Commission report frames the benefits of WISE as offering decent work and employment pathways for people with disability, distinguishing social enterprise from past and current practices of subminimum wages and segregation that can restrict workers' social participation and access to mainstream employment.
- » The NDIS Review recognises the importance of a lived and living experience workforce, recommending that the NDIS learn from the mental health sector and mental health-focused social enterprises to better support peer work.

⁵ Workforce Australia Review (2023), *op. cit.*, p. xlii.

⁶ Better Competition, Better Prices Inquiry (2024), *op. cit.*, p. 89.

⁷ *ibid.*, p. 91 & 348.



Credit: Beacon Laundry

Prime Minister Anthony Albanese
at Beacon Laundry for its official
launch in April 2024.

Key recommendations to the Australian Government to scale employment impacts of WISE

- » Stimulating WISE markets through social procurement, with social enterprises prioritised as suppliers to government.
- » Developing a national Social Enterprise Strategy that: sets out funding processes; articulates the roles of social enterprise within the employment services system as both employers and training and support providers; links to an Australian Government Social Procurement Strategy; ensures data is shared between social enterprises and government systems; and supports certification of social enterprises.
- » Reducing or eliminating barriers to entry for WISE into the employment services system and outcome payments for supporting participants in employment services.
- » Implementing direct and flexible government funding arrangements for social enterprise, including regional funding trials and establishing a National Employment Grants Fund.
- » Improving access to capital for new and developing social enterprises through a grants-based approach and introducing outcome payments for more mature social enterprises.
- » Supporting a Work for Community program within the employment services system that incorporates social enterprises as providers.
- » Allowing direct referral from the employment services system to social enterprises.
- » Transitioning Australian Disability Enterprises (ADEs) to a social enterprise model.
- » “Unbundling” Australian Government project tasks to introduce greater opportunities for social enterprises and small to medium enterprises (SMEs) to participate in public procurement.⁸
- » Implementing “aggregated contracts” that support consortia of social enterprises that introduce greater economic diversity—in terms of included business models and innovation—and encourage competition that may drive costs down through economies of scale.⁹
- » Reducing bureaucratic complexity that has historically disadvantaged social enterprises’ engagement in government procurement processes.
- » Transitioning Australian Government procurement initiatives from a price-driven model to a value-based model that prioritises social and community benefits.
- » Introducing advisers that facilitate partnerships with and enable the participation of social enterprises in government procurement initiatives.

⁸ *ibid.*, p. xxix & 95.

⁹ *ibid.*, p. 93.

Implications for the research and learning agenda

The reform contexts and recommendations reviewed are in progress and are not formalised public policy. However, examining these contexts and recommendations is important in gaining insight into how the Australian Government understands the benefits of WISE and how social enterprise is presenting itself to government. Implications for further learning and research about scaling the employment outcomes of WISE include:

- » A need to better understand and explain the supply and demand side aggregation functions and effects of WISE.
- » A systems-led understanding that recognises the roles of intermediation and aggregation of WISE and WISE intermediaries in effecting change.
- » A multilevel and workplace-orientated understanding of how WISE supports and integrates diverse lived and living experiences of disability and disadvantage.¹⁰
- » A place-based systems change and innovation perspective that captures how WISEs conceptualise, design, and implement mechanisms for investment, support, partnership, communication, and capability building.¹¹
- » A gender-sensitive understanding of whether and how WISEs counteract experiences of social and place-based stigma by supporting reframing strategies and shared resilience.¹²
- » A diverse economy perspective that considers the role of WISEs among other businesses and civil society organisations in effecting systemic change.

Each of these areas for future research and learning, integrated with the Linkage project's original questions, requires the rapid dissemination of knowledge and a collaborative and critically informed understanding of WISE. Through such knowledge-sharing and collaboration activities, further opportunities can be identified and catalysed that support the goals of WISEs, governments, and partners in creating more diverse and inclusive employment, employment services, and communities.

¹⁰ Ferdman, B. M. (2014). *The practice of inclusion in diverse organizations: Toward a systemic and inclusive framework*. In B. M. Ferdman & B. R. Deane (eds.), *Diversity at work: The practice of inclusion*, Jossey-Bass/Wiley: 3–54.; Frøyland, K., Andreassen, T.A., and Innvær, S. (2019). 'Contrasting Supply-side, Demand-side and Combined Approaches to Labour Market Integration', *Journal of Social Policy*, 48(2): 311–328.; McVilly, K., Ainsworth, S., Graham, L., Harrison, M., Sojo, V., Spivakovsky, C., Gale, L., Genat, and A., Zirnsak, T. (2022). *Outcomes associated with 'inclusive', 'segregated' and 'integrated' settings: Accommodation and community living, employment and education*. A research report commissioned by the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. University of Melbourne, Australia.

¹¹ Geatches, L., Preston, C., and Putnis, A. (2023). *Where are we? Place-based approaches to tackling community challenges in Australia*. Prepared for the Paul Ramsay Foundation. *Equity Economics*.

¹² Kabare, M. and Bowman, D. (2022). *Flip it! Reframing issues affecting women's economic security in Seymour, Brotherhood of St. Laurence, Fitzroy, Vic.*; Campbell, P., Wilson, E., Howie, L.J., Joyce, A., Crosbie, J., and Eversole, R. (2024). 'The Role of Shared Resilience in Building Employment Pathways with People with a Disability', *Disabilities*, 4(1): 111–126.

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Credit: STREAT

Training at STREAT cafe, Collingwood.

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