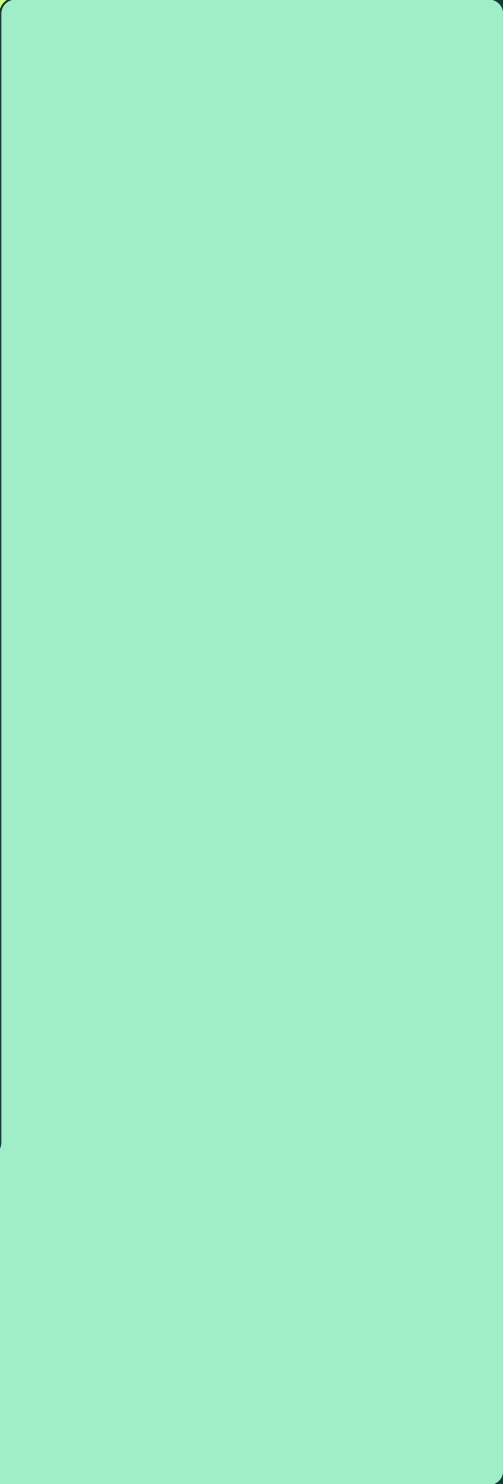
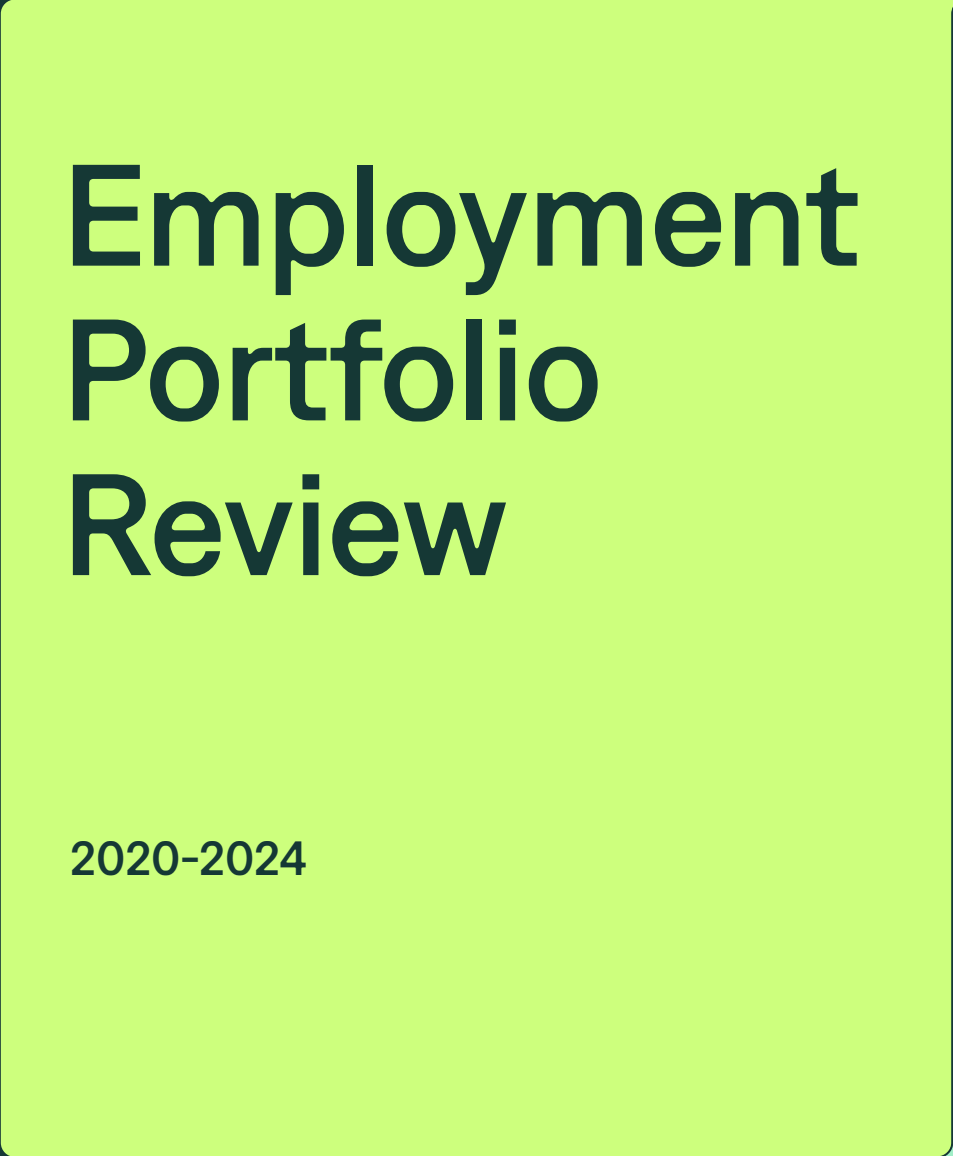
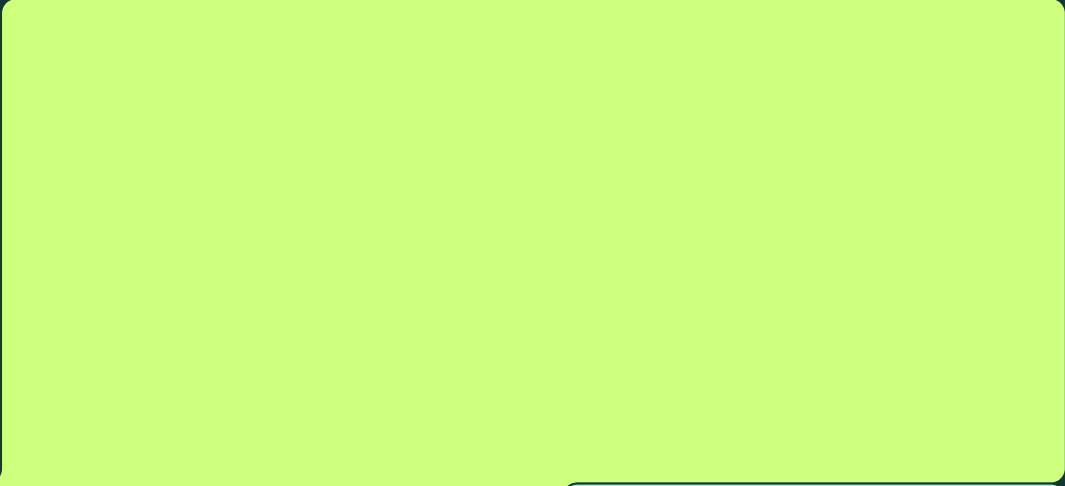
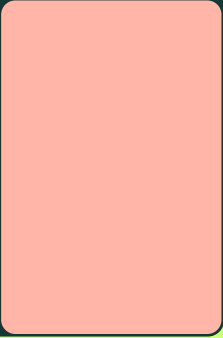




Employment Portfolio Review

2020-2024

Contents

Introduction	2
Background and context	3
Key findings	4
1. Outcomes and benefits	4
2. Effective models of employment support	5
3. Work Integrated Social Enterprises (WISE)	7
4. Uncovering the true cost of employment outcomes	10
5. The critical role of mainstream employers	13
6. System and policy change	16
Conclusion	18
Appendix A: PRF's employment strategy	19
Appendix B: PRF's employment pilots	22
Endnotes	24

Introduction

Addressing key barriers to employment has been a central focus of the Paul Ramsay Foundation's work since its earliest days, recognising that employment is a significant lever for people to have economic dignity and social mobility, and for breaking cycles of disadvantage.

In 2024, PRF adopted a new strategy, focusing on changing the conditions to stop disadvantage in Australia with a greater systems thinking approach. A review of our employment portfolio, undertaken prior to this shift, has provided a solid foundation for continued learning and funding strategies.

The review aimed to understand the early performance of our investments, typically half way through their grant terms, while also uncovering key insights into what is needed to help people experiencing disadvantage to secure meaningful employment. This included understanding to what extent our investments are contributing to supporting people into work, what we have learned about the effectiveness of the models we invested in, what it costs to deliver good quality outcomes, and the value of social enterprise compared with alternatives (mainstream employment and workforce Australia providers).

We also reflected on the insights we've gained about what it takes to build sustainable and impactful enterprises, what we've learned about making mainstream employers more receptive and active in creating jobs for people excluded from the labour market, and what the challenges are for partners influencing the system/policy setting.

This review looks at \$111 million of investments across 67 partnerships from 2020 to 2023, targeting the creation of 7,200 jobs and offering a rich landscape of data and learning. The review draws from both primary and secondary data sources, including a mid-term assessment of outcomes and qualitative insights captured through reflective practices. By mapping data to key review questions, we explored critical themes such as the effectiveness of different support models, the challenges and opportunities of social enterprises, and strategies for driving system-wide change. In parallel, we worked with Deloitte Access Economics (DAE) to examine the costs, benefits, and funding flows of diverse employment support models, with key findings integrated throughout this summary report.¹

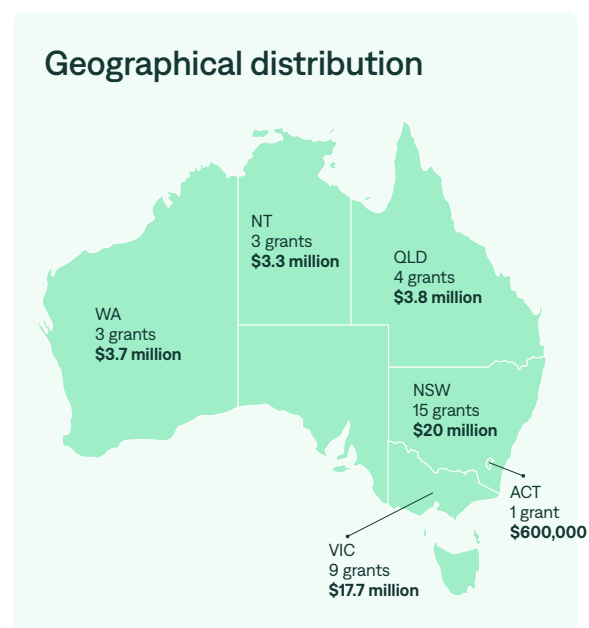


Figure 1: Distribution of PRF employment portfolio grants by location.

Background and context

PRF has invested significantly into employment because it enables social mobility and economic opportunity for individuals, their children, families and communities.²

We believe that effective employment support must take a holistic view of people's needs, not just a vocational focus, addressing the multiple and complex barriers individuals face – such as mental health challenges, domestic and family violence, and interactions with the justice system, in order to unlock significant benefits for people and communities across Australia.

In addition to access to jobs, the quality of those jobs matters. In today's economic landscape, low unemployment rates often obscure widespread underemployment and low paying, insecure jobs. We also recognise that to address economic inequality, access to jobs is essential, but not sufficient, we need to level the playing field of opportunity well before people are ready to enter the labour market.

That's why we focussed our employment investments on four key areas: supply (investing in initiatives that support jobseekers holistically and into pathways to good quality jobs), demand (investing in initiatives that focus on employers and creating jobs), bridging the gap between the two (people and job opportunities), and investing in initiatives that address the policy and structural barriers to employment, such as discrimination, lack of access to training, and geographic isolation (thin labour markets).

Key findings

1. Outcomes and benefits

Grant partners have created more than 1,900 jobs so far

These include people employed within a work integrated social enterprise (916), people placed into jobs with mainstream employers (705), people supported into self-employment (177) and subsequent jobs created for community from small businesses (108). 78 people have achieved an education and training outcome.

Employment brings a broad range of benefits in addition to a job

Sustainable employment is crucial in breaking cycles of disadvantage. PRF partners cite a range of outcomes for the people they support, beyond employment. Among these benefits, the most commonly reported are:

- Social benefits like inclusion, cohesion or connection, preventing cycles of incarceration (12% of partners);
- Personal benefits like confidence, self-esteem and health and wellbeing (10% of partners); and
- Financial benefits like financial independence or economic participation (9% of partners).

A recent report by [Deloitte Access Economics \(DAE\)](#), commissioned by PRF, found that there are broader benefits generated for individuals through employment, as well as the flow on impacts for individuals' families, communities and governments.³

- **Individuals** benefit through greater financial independence, reduced susceptibility to future unemployment, and health and wellbeing improvements.
- **Families** benefit because persistent unemployment has been showed to negatively impact the employability and health and wellbeing of children and families.
- **Broader society** benefits both financially, for instance, through greater economic participation, and non-financially, like through reduced crime.
- **Government** benefits from the engagement of long-term unemployed people through reduced service usage and increased tax receipts.

25% of PRF investments (17 grants) are targeted to supporting jobless families - households with children where no one is employed. We know sustainable employment positively benefits the wellbeing of children and families and enhances children's future employment and life outcomes. The flip side is that there is a clear intergenerational impact to unemployment - those who grow up in low-income households have a significantly higher probability of being out of the labour force as adults.

2. Effective models of employment support

We invested across different job-seeker support models, including work-integrated social enterprise, self-employment and entrepreneurship, skills and training, and place-based models, with the hypothesis that these deliver enhanced outcomes for job seekers experiencing multiple and complex barriers to work.

Our findings reaffirm that for those furthest from the labour market, barriers to employment extend beyond those relating to skills or job readiness. Challenges such as health, housing and social connection can play a significant role in determining employment outcomes.

Among our partners, there is a spectrum of support in addressing these broader barriers to work. Some partners embed non-vocational support in-house, for example specialist assessments, independent living support and primary healthcare. Others refer participants to external services, integrating wrap-around support into their approach. Some models do not provide non-vocational support at all. We observe that the comprehensiveness of these models tends to align with the complexity of challenges faced by different cohorts.

Our findings, drawn from PRF staff observations and supported by available evidence, highlight six characteristics of effective employment support models. The effectiveness of these models comes down to factors such as delivery context, the combination of interventions used, implementation and the specific needs of each target group.

1. **Support tailored to individual and specific cohort needs** – This includes aligning to cultural contexts, providing flexible delivery and timing for training and support, integrating non-vocational skills and ensuring support is relevant to job opportunities in the area. Ongoing support post-placement is also key to sustaining employment.
2. **Holistic, wrap-around non-vocational support** – Programs that embed or refer participants to practical support that can address non-vocational needs such as childcare, health, housing, mental wellbeing, financial planning and transport, and collaborate with other community organisations are more effective in supporting jobseekers. Our review also highlighted that non-vocational support, particularly social and emotional support, is a critical complement to vocational support especially for young people. This includes support to build:
 - Supportive and inclusive support systems within families, schools and communities;
 - Social capital by accessing safe spaces, and building community networks and social relationships;
 - Life skills such as leadership, decision making, and coping mechanisms;
 - Mental and emotional wellbeing through access to mental health services; and
 - Confidence through hands-on learning opportunities and real world experiences.

- 3. Engaging and educating employers** – Building the capacity of employers to create inclusive workplaces is crucial. Engaging senior leadership, providing tailored resources and training, fostering partnerships and enabling employers to test and innovate through pilot approaches allow employers to understand and implement inclusive practice changes. Elevating the lived experiences of excluded jobseekers also helps shape behaviour change.
- 4. Using place-based and community-led approaches** – Employment initiatives that are tailored to specific communities and involve local stakeholders play a critical bridging role between jobseekers and employers. Strong local leadership and governance, use of labour market data and aligning training and programs with local labour market demands, employer needs, and cultural contexts help ensure employment supports meet the needs of each unique community.
- 5. Focussing on relationships and trust** – Employment supports that offer participants a supportive environment and that create a culture of caring or networks among participants, as well as between participants and staff are more effective. This can also include mentor systems for participants with mentors that are culturally informed and/or have a shared lived experience, or that can provide mentorship to support self-employment and entrepreneurship.
- 6. Integrating work and learning** – This can be delivered in a variety of ways including on-the-job training, such as paid work experience, apprenticeships and traineeships, experiential training and work integrated social enterprises. Often on-the-job training includes employability skill development, alongside vocational training and linkages to employers to transition to open employment.

Case study

Sisters Inside, Toward Economic Dignity for Criminalised Women and Girls

Toward Economic Dignity for Criminalised Women and Girls works with First Nations young women exiting incarceration across Queensland. The program works intensively one to one addressing key aspects of their lives, including housing, access to social services, childcare, mental health support and addiction treatment.

Year one results have shown the power in this approach:

- 14 women have been supported
- 12 are now in education or employment (86%)
- Two have returned to custody – this is a 14% recidivism rate compared to the QLD average of 36% and Sisters Inside is working with the most disadvantaged women.

3. Work Integrated Social Enterprises (WISE)

PRF has invested over \$100 million in the social enterprise sector across its portfolios, including but not limited to our Employment Portfolio, including \$42 million in the Employment Portfolio.

This constitutes one of the largest overall philanthropic investments into WISEs in Australia. We funded WISEs to:

1. Deliver outcomes throughout the grant period, based on the hypothesis that they provide a more effective employment pathway for those furthest from the labour market compared to mainstream job markets and Workforce Australia Providers; and
2. Deliver outcomes over the long-term, as the WISEs continues to operate and deliver sustained impact.

Our investments have generally been successful in delivering outcomes over the life of the grant, but only a few are likely to have long-term impact (without continued subsidy). Some work-integrated social enterprises in our Employment Portfolio have achieved significant growth, with business revenue covering much of their overall costs. Others will continue to rely on philanthropic or government funding, and a small number, though not likely to remain viable in the long run, have created meaningful impact during their time in operation.

WISE partners are achieving employment outcomes and other outcomes for individuals, communities and governments

WISEs in our portfolio have achieved, and continue to achieve, meaningful outcomes for the people they support, including sustainable employment, increased confidence and self-esteem, improved health and financial benefits, as well as job creation and cost savings for government.

For example, in a previously commissioned evaluation, one partner reported:



64% of their participants had three or more sources of social support, compared to **54%** having two or fewer sources of social support prior to employment



Participants' median income **increased by \$360** to \$955 per fortnight. For those who transitioned into employment with a mainstream employer, it reached \$988 per fortnight.



46% of their participants reported better health after joining, particularly during their first year of employment.



Participants reported fewer hospital visits and stays in hospital, resulting in an estimated **cost reduction of \$394,700** for the Government.



Their Centrelink payments **decreased by 28%** compared to the previous year.

By giving people access to economic opportunities in the form of meaningful and quality jobs, WISEs enhance short range social mobility for some of Australia's most vulnerable cohorts.⁴ The value of WISEs is clear, providing sustainable employment and holistic outcomes for those furthest from the labour market.

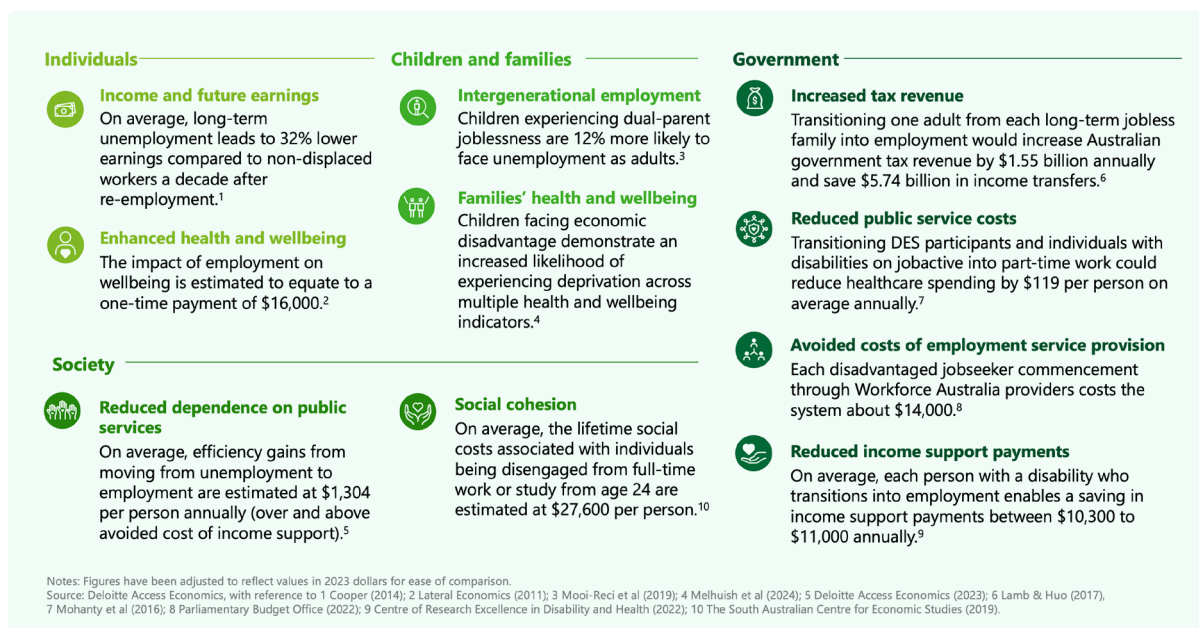


Figure 2: Benefits of sustainable employment for jobseekers facing multiple and complex barriers to work. Deloitte Access Economics (2024).

Unfunded outcomes pose a challenge to the sustainability of WISEs

Unlike Workforce Australia providers who are funded for supporting people into work, most WISEs in our portfolio receive no or very limited funding for the employment outcomes they deliver.

The WISEs in our portfolio *can* incur high costs to generate meaningful employment outcomes, particularly for individuals facing complex barriers and for more comprehensive models of support. While these costs present sustainability challenges, they are essential for delivering long-term impact.

For example, WISEs in the PRF portfolio demonstrate strong employment retention rates – far exceeding those in Commonwealth Services (27%). Among two partners this is as high as 72% and 95% of participants retaining employment for six months, making them significantly more likely to remain employed in the long-term.

Without adequate investment, including government outcomes funding, there is a risk that WISEs will be unable to continue filling a critical gap in the employment services system.

Insights on what ‘best practice’ looks like for WISEs seeking sustainability

While sustainability remains a challenge for many WISEs, both internal capabilities and external factors play a critical role in their financial resilience and long-term viability. These include:

- **Outcomes funding** – Where this is provided by governments, such as the current Payment By Outcome Trials currently underway at Commonwealth and State levels, this revenue stream is critical to unlocking sustainability.
- **Niche market focus** – Some WISEs have found success by successfully operating in specialised, less competitive industries, allowing them to establish a strong market presence, minimise competition and enhance both impact and financial sustainability.
- **Diverse revenue streams and access to capital** – High performing WISEs leverage multiple funding sources, including social procurement, government outcomes funding, anchor contracts with corporate customers and access to different forms of capital including impact investment, commercial investment, and grant funding.
- **Supportive policy and regulatory environments** – WISEs operating in jurisdictions with favourable policies, such as the Social Procurement Framework and Social Enterprise Strategy in Victoria, are better positioned for success. Additionally, complex legal structures can create barriers to securing funding and operating efficiently.
- **Strong business capability and planning** – The most impactful WISEs are those that balance social impact with commercial success by ensuring they have a team that possess strong business capability. Adequate business planning, especially the ability to accurately forecast and plan for contingencies is critical to sustainability.
- **Effective impact measurement** – Some WISEs have been able to scale successfully due to their strong business capabilities, which includes impact measurement, cost analysis and the use of data-driven storytelling to engage business and government.

4. Uncovering the true cost of employment outcomes

One of the key questions we wanted to better understand in this review was how to uncover the true cost of supporting individuals – particularly those facing complex barriers – into employment. This has significant practical implications. Each year, the Commonwealth and States and Territories collectively invest about \$5 billion in employment services using both fee-for-service and outcome-based payments. But does this system work for everyone, in particular those further from the labour market, or does it only serve those that are easier to place in jobs?

The current system prioritises efficiency over effectiveness, often failing to support those who need it most. To create a job market that works for everyone, funding must go beyond quick job placements and focus on long-term sustainable employment that transforms lives. This requires a holistic approach that considers the full range of people's needs – not just vocational skills – unlocking broader benefits for individuals and communities across Australia.

This is not just about increasing funding – it's about using it more effectively. By leveraging better data, smarter funding models, and stronger partnerships, we can create a system that ensures everyone who wants a job can access decent, dignified, and sustainable employment.

The cost of achieving an employment outcome varies and is driven by a range of cost drivers

PRF engaged Deloitte Access Economics (DAE) to develop a cost framework and undertake a cost collection exercise with 10 PRF partners, so that we could better understand the true cost of employment outcomes.⁵ The research found that the cost per successful outcome in a subset of our portfolio ranged from \$6,100 to \$83,300 per outcome. The participating partners included a mix of social enterprise, self-employment and not-for-profit organisations with different organisation sizes, program types, cohort focus and durations.

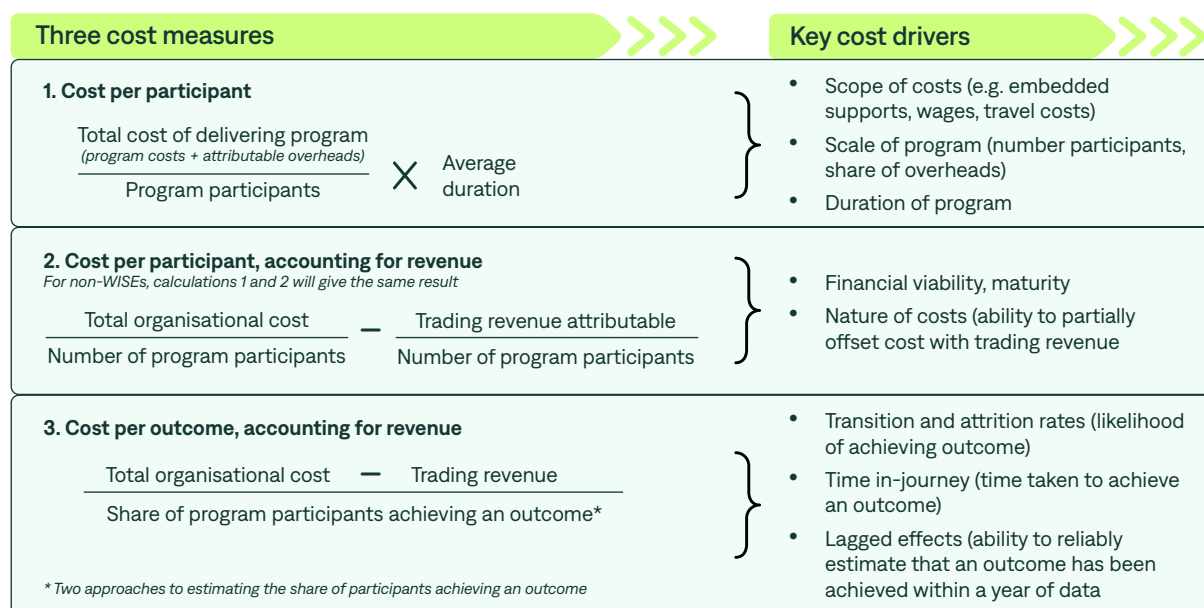


Figure 3: Cost measures and key cost drivers. Source: Deloitte Access Economics (2024).

This huge variation is not a surprise; humans are complex and the issues many people face are complex. However, it means the system needs to be able to respond to such diverse needs.

This work can help to build understanding of the true costs of delivering employment programs and outcomes, and to inform policy, practice, and funding decisions. There are limitations to the data in that both cost per participant and cost per outcome measures are point in time. Despite this, the variation (and the qualitative insights from providers on drivers of this variation) remain valuable indicators for organisations and funders and can inform a better understanding of cost drivers.

This research reiterates there is no one size fits all and there is greater value in understanding the range of costs and drivers of cost and outcome, and their evolution over time. We also note the other critical side to this that isn't talked about enough – the benefits. Consider the ripple effects if everyone who wanted a decent, quality job could actually get one – individuals would gain economic dignity, communities would thrive, governments would see better outcomes, and society as a whole would benefit. While this brief report provides some high-level insights into these benefits, there is room for further research to quantify the extent of these significant direct and indirect benefits. You can read more about the cost framework in the [DAE report here](#).

Government programs tend to underpay for outcomes for the most disadvantaged cohorts

As outlined in the Workforce Australia Inquiry, mainstream employment services (Workforce Australia) focus on short-term employment outcomes, vocational barriers alone (rather than both vocational and non-vocational), and operate at scale. For these reasons, cost per job for jobseekers with complex barriers is lower in these services (\$10,000-\$20,000) than in the range identified by Deloitte – of the eight PRF partners for whom we know a cost per outcome, only one has a cost per outcome that falls in this range, and even then, Government is underpaying.

These lower costs per outcome mask the associated churn in Workforce Australia, which can perpetuate long-term harm for people experiencing significant disadvantage and imposes significant costs on employment services and social security over the long-term. In contrast, tailored employment supports which offer flexible and holistic support, post-placement support and that integrate work and learning, can cost more in the short-term but achieve better and longer-term outcomes for individuals and families, and savings to government.

Payments received from government do not always reflect the real expenses partners incur to deliver complex, high-quality outcomes, especially in challenging environments or with vulnerable cohorts, and do not account for the broader value that is delivered alongside employment (e.g. indirect and second round effects of employment).

We see this most clearly among the PRF partners that we fund alongside a payment-by-outcomes trial. In several cases, PRF funding is being used to subsidise the cost per outcome because outcomes are being undervalued by Government. In one case, a PRF partner is receiving \$12,000 per outcome, despite the Deloitte research finding that the actual cost per outcome for this partner is over \$15,000. This shortfall reflects a lack of understanding of the true costs of delivering interventions that drive deep and lasting change.

Case study

The broader benefits of economic participation – Many Rivers PBO

PRF is providing complementary funding around Many Rivers' PBO1 Trial, currently underway with the Federal Department of Social Services (DSS). PRF funding will incentivise improvements in wellbeing measures associated with employment, as a supplement to the outcomes payments being paid by DSS for upskilling, business development, and jobs for participants. The objective of the trial is to pilot a mechanism for future PBO schemes that recognises the broader benefits of economic participation.

Many Rivers has created a 'Wellbeing Framework' to measure improvements, and test how economic participation impacts wellbeing, self-determination, and relationship reconciliation. The framework measures build on a number of existing frameworks, including the Federal Government's 'Measuring What Matters' framework, to test along three domains:

- Human wellbeing (community and belonging, living situation and capability);
- Environment wellbeing (environment, utilisation, consumption, waste, and access to amenities); and
- Economic wellbeing (individual income and wealth, structures and institutions, and the economy in which participants and their small businesses operate).

Thirteen PRF Employment partners are or have participated in payment-by-outcomes trials with various State and Commonwealth funders. PRF's role in these investments has been two-fold. In some cases, PRF has provided upfront grant funding as risk capital, enabling partners to begin operations without waiting for government payments and protecting them from financial vulnerability if they don't meet milestone or outcome targets. In other cases, PRF funding is being used to strengthen and extend the impact of a payment-by-outcomes trial by funding wrap-around services that improve the likelihood of a partner achieving outcomes and/or by funding additional complimentary outcomes (such as improvements to wellbeing) to the ones being paid for by Government.

The DAE work is a starting point for building the evidence base on the true breadth of costs associated with employment outcomes across different employment support models and cohorts. There is now an opportunity to continue to build further evidence of these costs, as well as further refinement for efficiency, reliability and flexibility, as the cost framework and collection tool is applied across different organisations and programs over time.

5. The critical role of mainstream employers

Our strategy put a focus on partners that work with individual mainstream employers to shift their practice, recognising that to unlock employment opportunities for people furthest from the labour market, we need to disrupt the practices that exclude these people.

The learnings from this work are critical to informing broader action across the social purpose sector. They highlight the need to not only focus on employer initiatives, but also address the structural changes that can enable employer practice change at scale. This includes employer and societal attitudes towards fair and inclusive employment, reform to mainstream employment services to ensure better alignment with employers and industry needs, policy and regulation around social procurement and contracting to influence employer recruitment practices, and financial incentives such as wage subsidies.

At least 50% of PRF partners in the portfolio actively collaborate with mainstream employers, demonstrating the broad relevance of employer engagement. Many of these partners are social enterprises, which rely on strong relationships with mainstream employers to create meaningful pathways for the people they support. While a significant portion of partners working with employers focus on young people and people with disability, their work more broadly supports individuals facing various forms of disadvantage. This includes First Nations people, individuals with experience in the justice system, women, and migrants, refugees, and asylum seekers. This diversity highlights the universal importance of employer partnerships in fostering inclusive employment opportunities across different communities and circumstances.

The motivations for engaging employers and the ways in which organisations interact with employers is diverse. Some have made good strides in engaging with employers and supporting them to change their practices to be more inclusive. This has taken a significant investment of time, resources and persistent effort. Other partners lack connections and networks with employers, struggling to build these, and do not have the resources and capabilities to invest in more strategic organisational change beyond a complex process of matching their participants to job opportunities through ad hoc interactions.

Each PRF partner working with mainstream employers focusses on a different occupation or industry sector. This is because the most receptive employers are the ones experiencing skills shortages or in growth industries, and/or who are engaged in place to co-design employment and training pathways based on the local labour market context. These include employers in the retail, manufacturing, health and aged care, technology, construction, and circular economy industries.

Most PRF partners collaborate with large employers, such as state governments and companies like Woolworths, Microsoft, and Accor (due to their broader range of available roles), HR support, and Diversity, Equity, and Inclusion initiatives. One partner for example has successfully worked with the Western Australian Government to better meet their disability employment targets. While in this example DEI targets have successfully enabled employment pathways for the people they support, in another case, despite successfully co-designing the program alongside employers, a PRF partner was unable to secure placements for the people they support due to worsening economic conditions and the shrinking DEI budgets of their corporate partners.

Some partners prefer working with small to medium enterprises (SMEs) for easier negotiation, but these businesses can present challenges, such as fewer roles, underemployment risks, misalignment with participants' career goals, and disengagement from employers due to negative experiences with other program providers (especially in small communities where the same pool of SME's is being drawn on) or a perception that candidates should arrive fully trained and work ready, rather than seeing it as part of the employer's role to provide on-the-job development. For PRF partners with limited resources or capabilities to invest in employer practice change, it is difficult to tailor a program to the specific needs of every employer.

PRF partner organisations use co-design, training, and work with trusted brokers, to shift employer hearts and minds, and support employers to adopt inclusive hiring practices

In most cases, co-design is done to ensure that employment programs and training pathways align with local job demands from the beginning. By ensuring that programs and training pathways align to specific skills needed within a particular industry, PRF partners increase the likelihood of participants moving into employment with partner employers. When partners work with employers to co-design, employers are more likely to see that the program or participants have value for their business. This kind of engagement with employers also has benefits for participants of a program, including closer industry engagement and opportunities for hands-on training and paid work experience.

Case Study

Case Study: Social Ventures Australia, Rebuilding the Career Ladder

Rebuilding the Career Ladder's vision is for employers to create more high-quality jobs for young people at risk of exclusion. To work towards this vision, Social Ventures Australia:

- **Build employer support**, mobilising employers to create better jobs for young people by raising awareness through sector convening and media so that youth employment gets on the agenda of employers and policymakers.
- **Help employers** through their Employment Innovation Lab to empower employers to improve things like recruitment and retention. See [Employer case study](#) and [video](#).
- **Amplify youth voices**. See [Young people in Western Melbourne's voices on work](#).
- **Build Australian Evidence**. See [recent research](#) on the employer practice change eco-system in Australia.

Training can be used to improve employer understanding of the systemic barriers people face in the labour market, as well as the benefits of employing people from vulnerable groups. Training can shift employer perceptions about people experiencing disadvantage and represents a tool to build employer capability around inclusive hiring and ongoing support strategies for new staff. Training may also include building employer awareness and capacity to access financial incentives, such as tax breaks, subsidies, or funded training programs, which can reduce perceived financial risks for employers.

Some PRF partners have found that employers are more likely to employ someone from a vulnerable group if they have come via a trusted agency, such as a recruiter or through labour hire. We've seen this with partners that are social enterprises and organisations working with people with disability, victim-survivors of domestic family violence and refugees and asylum seekers.

PRF partners have found value in engaging with labour hire models, particularly in cases where they offer a viable pathway into open employment for individuals facing barriers to traditional hiring processes. For some individuals, especially people with disability, our partners have found that labour hire provides the flexibility they need, as not everyone wants or is ready for full-time work. Another PRF partner has found that employers are more open to hiring 'untested' staff when a labour hire arrangement is in place, as it reassures them that wrap-around support and HR responsibilities are managed externally. This model also benefits workers, easing the transition from the security of a social enterprise to mainstream employment, reducing anxiety around the shift.

However, while labour hire can be a workable stepping stone, it does not address the deeper structural barriers that make it difficult for many to secure good quality jobs with mainstream employers – things like discrimination, a lack of employer knowledge about creating inclusive workplaces, and roles that demand higher levels of formal education.

The critical challenge now is how to turn these insights into meaningful action that influences employers at scale. Achieving this requires a coordinated approach – one that not only equips employers with the right tools and incentives, but also fosters systemic change to create equitable employment opportunities for traditionally marginalised and underrepresented groups. Addressing this challenge is essential to ensuring that all individuals have access to economic dignity and social mobility.

6. System and policy change

Government and the social purpose sector widely agree that there is a need for significant reform of the employment services system.⁶ This need for policy level change within the employment services system was acknowledged by the Commonwealth government recently in their response to the recommendations made by the House Select Committee on Workforce Australia.⁷

The committee found a system overwhelmed by “red tape, compliance requirements and pointless mandatory activities.”⁸ The system is unnecessarily complex, disconnected from local communities and employers, and overly focussed on mutual obligations and compliance, rather than building the skills and confidence needed for meaningful, long-term employment.

We think about impact across three horizons, which together represent our contribution to systemic change in the employment system:

- Horizon 1 – Direct support for job seekers.**
 The portfolio aims to create more than 7,200 jobs for people furthest from the labour market. This includes both vocational and non-vocational support, at an average cost of about \$15,000 per job seeker across the portfolio as a whole (note this is an average across a diverse portfolio over a number of years).
- Horizon 2 – Enduring impact beyond our grants.** Social enterprises, which are a sizeable part of the portfolio, continue to deliver further jobs beyond our grant period (i.e. they have enduring impact). We are testing and learning how we can further support the sector’s sustainability (particularly the critical role of government to pay for the outcomes), as well as building evidence on the efficacy and longevity of those outcomes delivered compared with employment service providers and mainstream employers.
- Horizon 3 – Shifting conditions and systems.** We have invested in a number of trials and pilots which aim to test alternative models within and alongside the employment system, such as in Workforce Australia, Transition to Work, Remote Employment Services and Disability Employment Services. These trials will build further evidence to advocate for policies that deliver better outcomes for people furthest from the labour market and contribute to much needed reform of Commonwealth employment services and the social security system. While it is too soon to assess systemic impact, we have and continue to share insights from these and other grants as part of our policy and advocacy work, for example through submissions to the Hill Inquiry and Economic Inclusion Advisory Committee. For more information on the trials we have invested in, please see [Appendix B](#).

We have identified seven common enablers of influencing systems and policy level change so highly disadvantaged jobseekers can have economic opportunity and social mobility

Five of these seven factors are consistent with the Strong House Framework developed by PRF in November 2023. Two additional factors (points three and seven) were identified as part of this portfolio review.

Both our findings, and the findings in the Strong House report underscore the importance of collaboration (ongoing support including senior inside champions, coalitions of allies, and a skilled internal team) as well as an evidence base. What our review also highlights is the critical role that people with lived experience play in leading advocacy, government engagement, program design and shifting hearts and minds.

The seven factors we identified are:

1. Collaboration with the sector, philanthropy and Government (ongoing support)
2. A clear evidence base
3. Incorporation of lived experience
4. Strong organisational reputation and visibility in the system (strong leadership)
5. Direct dialogue and co-creation with Government (an open policy window)
6. Clear ambitious goals aligned to government policy and agenda (a dynamic master plan)
7. Shining a light on the less visible systemic barriers

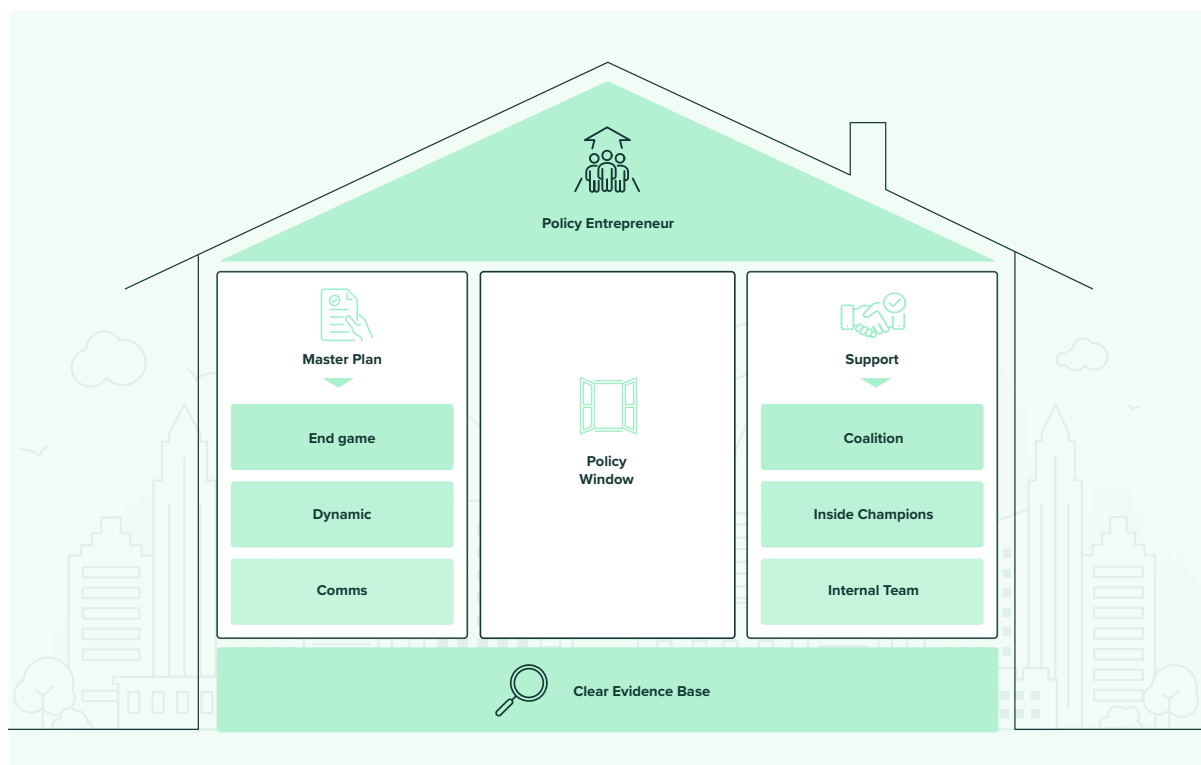


Figure 4: The 'Strong House' model – a framework for foundational support. Paul Ramsay Foundation (2023).

Conclusion

While the current employment portfolio has laid a strong foundation, the insights gained from this review will help support PRF's new strategic intent. It emphasises the need to broaden our focus to the complex and intersecting systemic conditions that affect the lives of young people, families and communities; this will drive meaningful, long-term change that extends far beyond employment alone.

Employment continues to be a key part and remains a fundamental driver of economic opportunity for individuals and communities. At the same time, we are increasingly concerned about the potential impacts of artificial intelligence on job displacement for the cohort we care about, the climate transition, and growing and rising wealth inequality.

Additionally, the disproportionate taxation of work income compared to wealth and assets, along with significant intergenerational wealth transfers, may further entrench existing economic divides. These factors risk diminishing the power of employment in supporting social mobility and economic dignity, making it essential we also consider these broader systemic conditions to support fair and inclusive opportunities for all.

We can see clear opportunity in embracing holistic, integrated approaches to funding that combine services such as mental health, employment, housing, and family support. PRF's work with employment initiatives also underscores the value of integrating economic development into place-based solutions, particularly in marginalised communities, such as remote communities, where culturally relevant, local business initiatives can drive economic self-determination.

We will continue to advocate for better data, better funding models, and stronger partnerships and pursue policy reforms that remove barriers to economic participation. PRF seeks to work with others to influence broader systems and shine a light on what is and is not working, and ensure systems work as they should for the people who need it most.

Appendix A: PRF's employment strategy

PRF's Employment Strategy in this review period focussed on initiatives seeking *both* to support Australia's most disadvantaged jobseekers into good jobs with fair pay, *and* shift employment systems and conditions towards inclusiveness and equity.

Our investments targeted one or more of the following four key levers to improve job outcomes for our target cohorts.

Across the landscape and these four levers, we invested in 'clusters of organisations' ('packages') aimed at collectively disrupting the current system. The aim was to **build an evidence base of what works** to best support different job seekers and demonstrate how mainstream employers and governments could improve support to people furthest from the labour market. We also invested in supporting partners to learn together and collaborate around their shared challenges.

Lever	Description
Supply	Jobseeker focussed. Working with individuals to give them the best chance to gain and remain in employment
Demand	Employer focussed. Creating and increasing the number of jobs for people experiencing barriers to employment
Linking supply and demand	Jobseeker-employer bridging. Strengthening connections between people and the workforce
System and policy settings	Contribute to reimagining the employment service system, reform of government policy and shift systemic barriers to employment

Table 1: PRF Employment strategy levers and proportion of investments.

Within this landscape, our strategy had five areas of focus:

1. Cluster investments across the supply, demand and linking levers, using various

sourcing mechanisms, including peer funding, an in-house run open grant round and co-establishing an early-stage WISE fund with peer funders:

a. Self-employment and entrepreneurship

– To support economic dignity and self-agency for cohorts who need the flexibility that self-employment provides;

b. Jobs and justice – Reducing recidivism through employment; and

c. People with a disability – Closing the employment gap, supporting in open employment and supporting employers to provide receptive workplaces.

2. Innovation in the employment support system

– Reimagining the Government employment support system to deliver more effectively for people furthest from the labour market.

3. Outcomes fund – Demonstrating outcomes funding as a better way to grant and make positive and negative externalities transparent.

4. Place-linking/pathways – Supporting locally-led employment solutions in place, including a remote jobs investment fund and supporting jobs and training on Country.

5. Mainstream employers – Supporting employers to unlock opportunities for people furthest from the labour market.

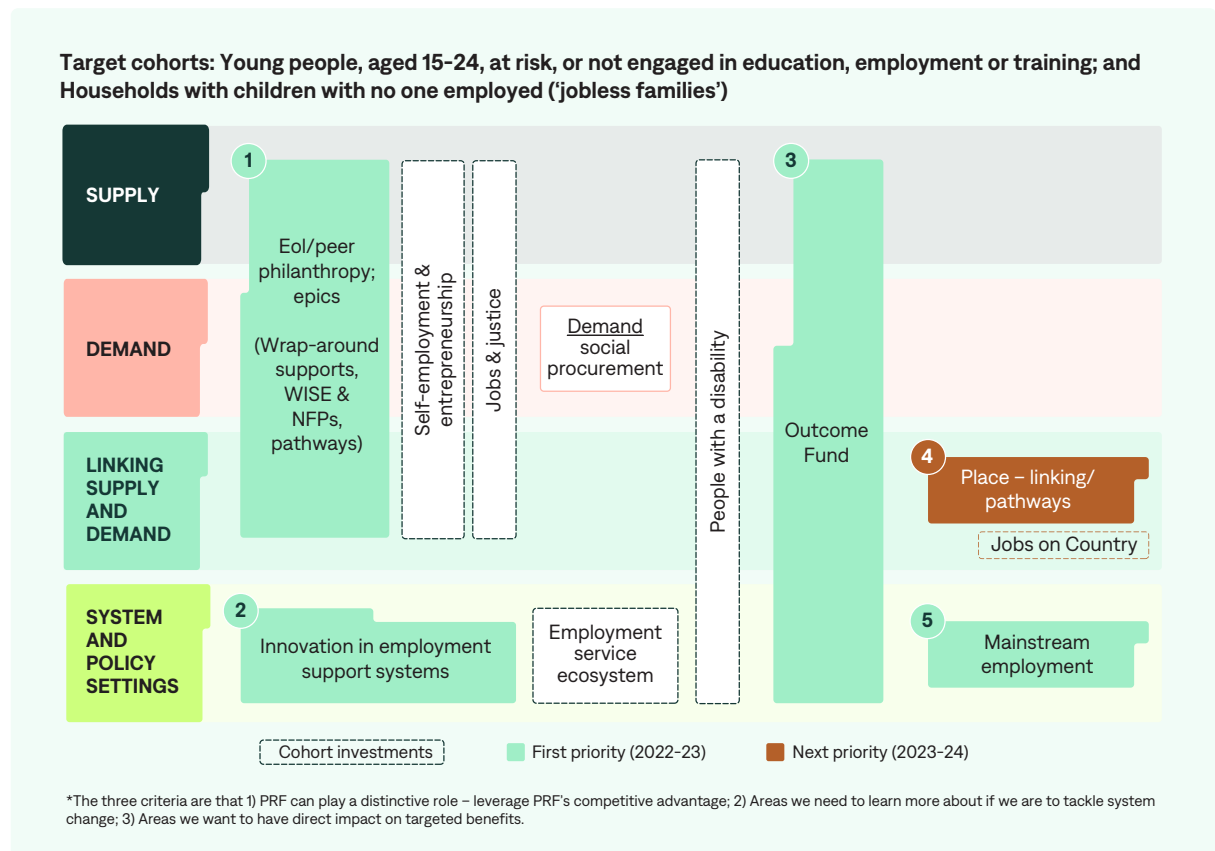


Figure 5: Strategy on a page: Four levers and five strategic initiatives for PRF.

Our analysis identified two key cohorts that are currently underserved by Government and other funding, and for whom targeted investment can positively shift trajectories for themselves and their children:

- 1. Young people who are not in employment, education or training (NEET youth); and
- 2. Families with children under 15 and no person employed.

Within and alongside these, we prioritised people who are underrepresented in the labour market: First Nations people, single parents, survivors of domestic and family violence, people exiting the justice system, people with disability and refugees and people seeking asylum.

Who we funded

The majority of grants were distributed to partners **working across Australia** (55% of total investment). Within geographies, funding reached beneficiaries living in various levels of remoteness – 23% of funding flowed towards people in **regional** Australia (26.1% of the population) and 7% reached those in **remote**, or **very remote** Australia (2% of the population).

The cohort that attracted most funding was **young people**, with \$35 million invested across 12 grants (35% of total portfolio investment). Grants targeting **people living with disability** and **Aboriginal and Torres Strait Islander people** were also well funded, constituting 23% and 19% of the total portfolio investment, respectively. The rest of the investment was distributed evenly across the following cohorts: **incarcerated people or their families**; **welfare and employment services recipients**; **women and girls**; **immigrants and migrants**; with the remainder spread across the not-for-profit and social enterprise sectors.

Most partners work across levers rather than on any one lever in isolation.

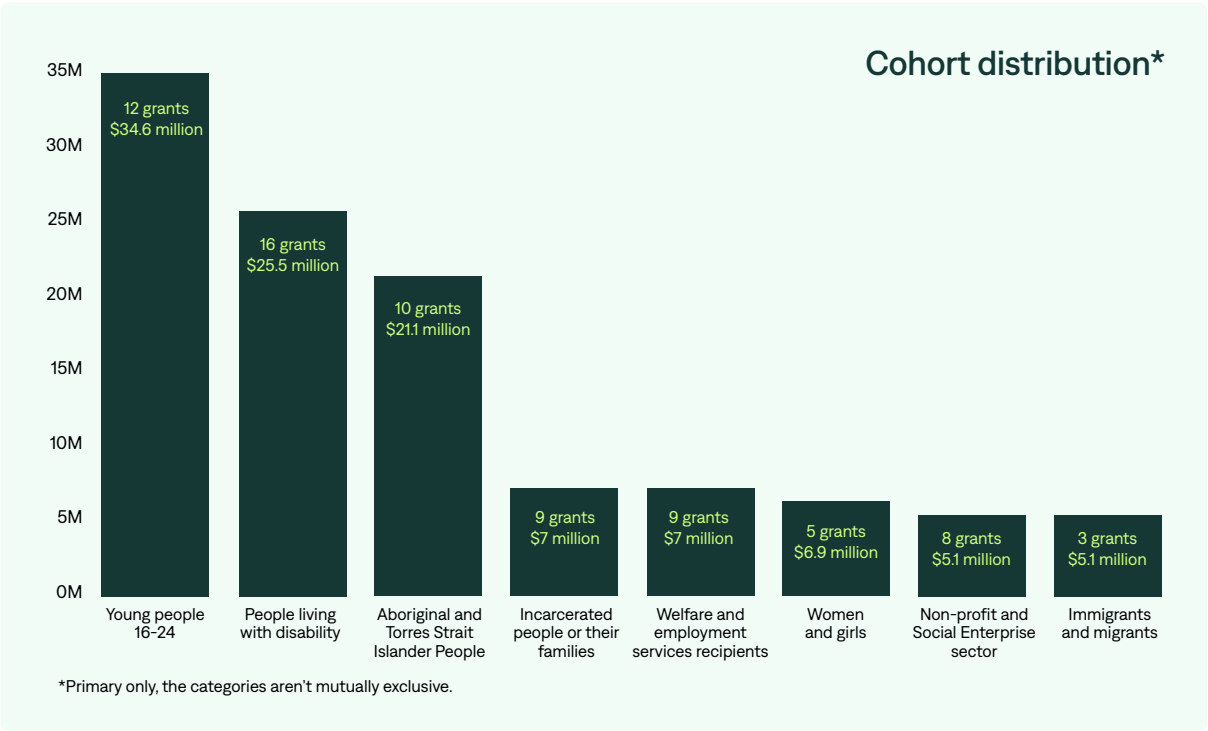


Figure 6: Distribution of PRF employment portfolio grants by targeted cohort.

Appendix B: PRF's employment pilots

PRF is funding trials across different employment supports that seek to test alternative models and build evidence to influence system reform.

Pilot	What we are trying to test and learn
Workforce Australia Employment Services Trial	This pilot tests whether radically reducing mutual obligations, reducing compliance, and enhancing trust and agency improve outcomes. It aims to provide evidence for deeper reform beyond the Workforce Australia Inquiry's current scope.
Remote Employment Trial	A place-based trial that aims to improve employment outcomes and create a stronger future for the whole community. The trial fills a critical gap in the current remote employment services landscape, building the evidence for community-led employment pathways and job creation for young people in remote Australia.
Place-Based Youth Employment Trial	Testing a scalable national place-based approach to youth employment that addresses both the needs of young people seeking meaningful work and industries requiring a diverse and adaptable workforce. This initiative aims to support communities to create flexible, integrated, and sustainable employment solutions that benefit young people, employers, and communities.
Pathways to Employment for Young People with Disabilities in Transition to Work	The pilot tests embedding disability-inclusive practices in Transition to Work, ensuring young people with disabilities receive tailored support in the mainstream system. It assesses feasibility, scalability, and long-term impact while exploring how local community assets and partnerships create sustainable employment pathways.
Career Progression for Young People Trial	To understand what works to mobilise employers to implement and champion evidence-informed, sustainable practice change that provides young people at risk of exclusion with opportunities for good quality jobs and careers.

Pilot	What we are trying to test and learn
Disability Employment Lived Experience Pilot	The pilot explores how large human services providers, especially DES providers, can integrate people with disabilities into their workforce. It tests staff targets, necessary structural changes, and barriers like trust. It also identifies role redesign needs and provides evidence of best practices for disability-inclusive employment in the sector.
Employment Integration Pilot for People with a Disability	To test a demand side model to address the low workforce participation rate of people with disability.
Person-Centred Employment Pilot for People with a Disability	This pilot tests the feasibility and scalability of customised employment models in Australia's disability sector. It explores person-centred approaches, strong employer relationships, and integrated mental health and community support. Outcomes are compared to traditional DES to assess impact on job retention, satisfaction, and overall employment success.
Australian Disability Enterprise/ Mainstream Employment Hybrid Trial	This pilot tests whether a hybrid ADE-open employment model can create meaningful jobs for people with disabilities. It examines systemic barriers, welfare disincentives, and employer readiness while assessing the impact of tailored support like job carving and mentorship. It also explores how collaboration improves transitions to open employment.
Aggregated Social Enterprise Pathways Outcomes Fund	This pilot tests whether integrating employment models through a single entry point improves experiences and outcomes for vulnerable jobseekers by offering choice and tailored pathways. It also explores how social enterprises can triage candidates effectively and whether sector-wide aggregation can drive systemic reform, enhance sustainability, and secure large-scale opportunities.
Complementary Outcomes PBO Trial	This PBO trial tests the efficacy of incentivising wellbeing outcomes, alongside an existing government payment-by-outcomes approach. It explores the role of meaningful work in wellbeing, economic participation, and relationship reconciliation. It also assesses the impact of small business support and broader applicability of the Wellbeing Framework.

Table 2: PRF employment pilots.

Endnotes

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- 3 Deloitte Access Economics (2024), Understanding the benefits, costs, and funding flows of tailored jobseeker supports, Deloitte Access Economics, p. 9-10
- 4 Barraket, Jo; Qian, Joanne and Riseley, Emma. (2019). Social Enterprise: A people-centred approach to employment services. Report for Westpac Foundation: Westpac Foundation and the Centre for Social Impact Swinburne, p. 6
- 5 Deloitte Access Economics (2024), Understanding the benefits, costs, and funding flows of tailored jobseeker supports, Deloitte Access Economics, chapter 4.
- 6 House of Representatives Standing Committee on Employment, Education and Training (2023) Rebuilding employment services, Available at: https://parlinfo.aph.gov.au/parlInfo/download/committees/reportrep/RB000017/toc_pdf/RebuildingEmploymentServices.pdf (Accessed: 6 September 2024).
- 7 Australian Government (2024), Australian Government response to the House Select Committee on Workforce Australia Employment Services reports, Australian Government.
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