

# PAYMENT BY OUTCOMES TRIAL FOR JOBS-FOCUSED SOCIAL ENTERPRISE



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# What is the Payment By Outcomes Trial

Internally named by government as “PBO 3”, the PBO Trial is a cross-sector collaboration between The Department of Social Services, White Box Enterprises, impact investors and jobs-focused social enterprise\* to create enhance employment experiences for people living with a disability.

- A three-year trial in partnership with Department of Social Services
- 16 participating jobs-focused social enterprises
- Up to 135 people living with a disability to participate in the trial
- Measuring the effectiveness of jobs-focused social enterprises in achieving long term employment outcomes for people living with a disability

This is the first-time social enterprises are paid directly for the job outcomes they create.



# Trial timeline and progress



- The Trial commenced on the 1<sup>st</sup> of July 2022
- The enrolment window closes on 30<sup>th</sup> of September 2023
- The Trial measurement window closes on the 31<sup>st</sup> of March 2026

## Participant eligibility

- ✓ not active in the labour market for 19 out of the last 26 fortnights (unemployed for 9 out of the last 12 months); or has an income that has not reduced Income Support payments for the last 12 months
- ✓ aged 16-59
- ✓ Receiving either:  
Jobseeker Payment + DES eligible; or  
CDP eligible  
Disability Support Payment; or  
Youth Allowance (Jobseeker) + DES eligible; or  
Special Benefit payment (Jobseeker) + DES eligible
- ✓ willingness to work (income threshold of \$513 per fortnight at commencement for reference)
- ✓ comfortable to provide informed consent regarding monitoring of income for the purpose of evaluation under the Trial



# Outcome Payments (Rate Card)

	Milestone	Gross payment for achievement of milestone	Portion of milestone payment paid to WISE	Portion of milestone payment retained by the White Box Future Jobs Fund
WISE employment outcome	13 fortnights qualifying employment	\$10,000	\$7,250	\$2,750
	26 fortnights qualifying employment	\$10,000	\$7,250	\$2,750
	39 fortnights qualifying employment	\$9,100	\$6,598	\$2,503
Transitional employment outcome	13 fortnights qualifying employment	\$8,500	\$6,163	\$2,338
	26 fortnights qualifying employment	\$8,500	\$6,163	\$2,338
	Total payments possible per participant	\$46,100	\$33,423	\$12,678

## PBO3 TRIAL LATEST NUMBERS, JUNE 2023\*

89

enrolments

15

jobs-focused social enterprises, including Jigsaw, ASA and ReBuild

87%

retention

75%

of participants are under 30

\$849

average fortnightly income earned (18-20 hours per week)



participants eligible for DES or CDP

27%

of participants are under 21



targeting long-term unemployed jobseekers with a disability, out of work for last 9-12 months

\*Data supplied by social enterprises to White Box. To be verified by DSS.



Harrison, a data analyst at Australian Spatial Analytics, a data analytics social enterprise with over 110 employees, 80% of whom are neurodiverse.



# HOW SOCIAL ENTERPRISE COMPARES



## HOW SOCIAL ENTERPRISE COMPARES

Taylor Fry was engaged to compare preliminary PBO3 Trial results with existing publicly available data on DES, to determine how jobs-focused social enterprise performs against the current employment support model for people living with a disability.

### 1. People start work sooner

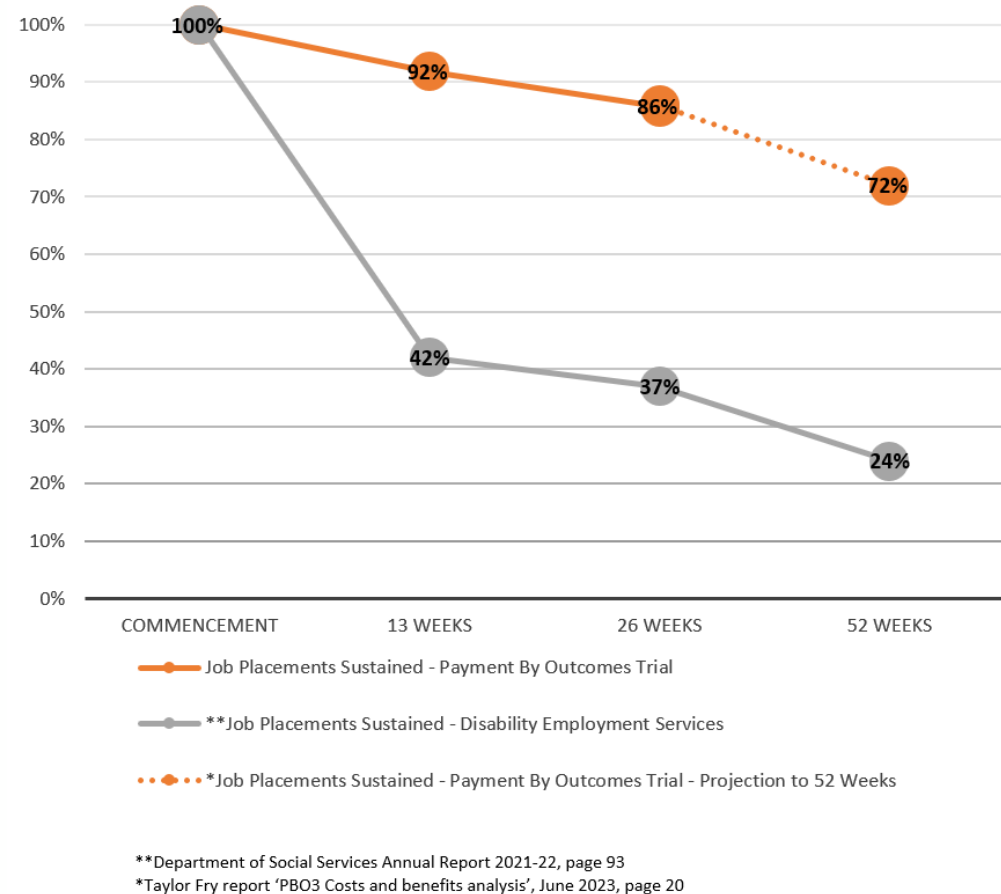
When an individual is introduced to a social enterprise, they can start work immediately. Their training and development opportunities are part of their employment.

### 2. They stay in work longer

Once an individual starts a job with a social enterprise, they are more likely to stay. Early-stage White Box data shows retention after 26 weeks with a social enterprise is at 85+%, compared to DES at 37%. Also noting the PBO3 Trial focuses on DES participants who been out of work for the last 9-12 months.

### 3. They are earning more

Under the PBO Trial, individuals are estimated to earn \$28K in their first 12 months, 28% more than the average DES participant.



## HOW SOCIAL ENTERPRISE COMPARES

### 4. The PBO model is 17% more cost effective than DES

The government will save an estimated \$18,300 per person under the PBO model (based on 150 participants), equating to a \$2.75M benefit over five years

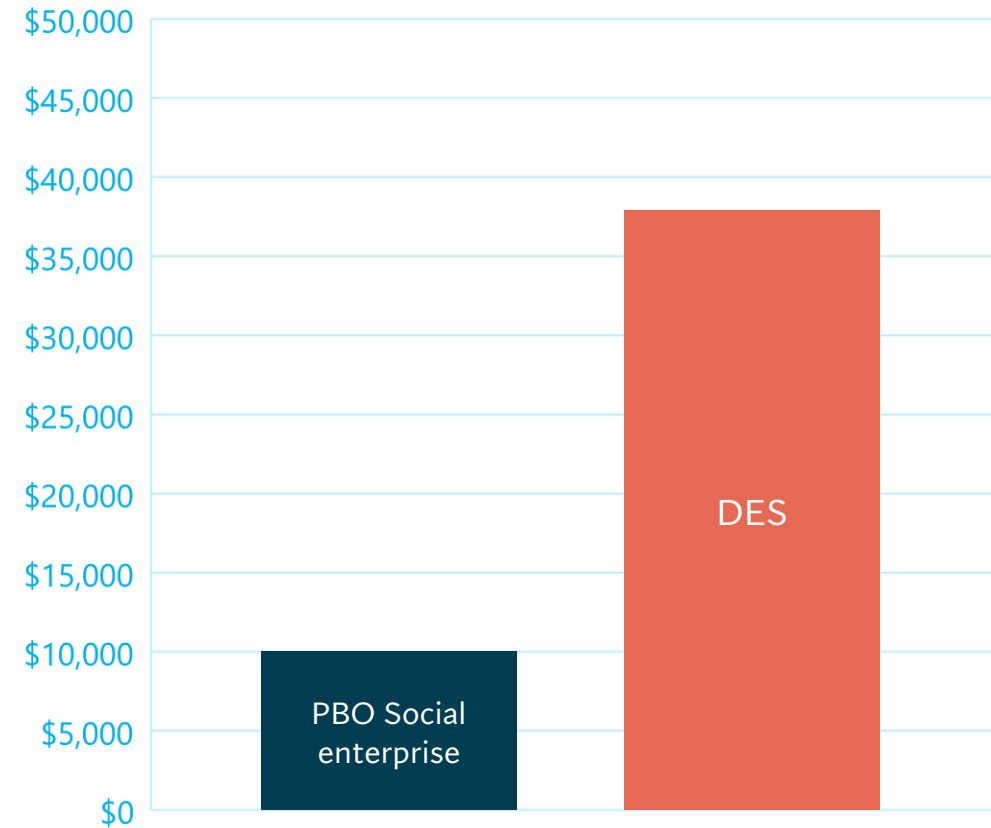
### 5. No job outcome = no payment

Unlike a DES provider, a social enterprise only receives its first payment once the individual has retained employment for at least 26 weeks and earned a minimum of \$513/fortnight.

If the program could be scaled (noting the potential challenges of rapidly growing the social enterprise market), fiscal benefits would likely scale similarly. For example, a program that placed 10,000 people (about 3.6% of the Dec-22 DES caseload size) would see **fiscal benefits of \$183m** over a five-year period.

- Taylor Fry, June 2023

### Cost to government - 26-week job outcome\*



\*Mid-term Review of the Disability Employment Services (DES) Program August 2020, page 56



AN ADE PBO

# ADE PBO

## Goal:

Substantially increase the wages of ADE employees and effectively support those seeking transitions into open employment

## Participant Eligibility

- 18-59 years old
- ability to undertake min. 8 hours per week

## ADE Eligibility

- Commitment to ADE best practice principles
- Social Traders/NDS certification
- Diversity geography/size/industry
- Existing commitment to employment pathways
- Rap around support
- Willingness to participate

## Milestones:

- Moving people to award wages
- Moving people through transitions to mainstream employment



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