Program delivery costs in employment-focused social enterprises

Prepared by Deloitte Access Economics and Social Traders with support from the Paul Ramsay Foundation

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Contents

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This report is a companion to the Paul Ramsay Foundation report: *Understanding the benefits, costs and funding flows to tailored jobseeker supports,* which provides more detailed information on the costing methodology and its development.

This report was made possible through the insights drawn from the Social Traders Certification dataset. Deloitte Access Economics would like to acknowledge the 300 social enterprises who have provided consent to Social Traders to use their data for research purposes, for public benefit.

We also wish to recognise the contributions of social enterprise leaders and specialists who provided advice about the costing and outcomes measures used in the sector. These contributors include the team at STREAT and at Vanguard Laundry, and Libby Ward-Christie and her team at Melbourne University Centre for Centre for Social Purpose Organisations.

Any opinions, findings, or conclusions expressed in this report are those of the author(s) and do not necessarily reflect the views of the Paul Ramsay Foundation.

Cover image: Wallara

Key terms used in this report

The **Australian Charities and Not-for-profits Commission (ACNC)** is the national regulator and register of charities. Data published by the ACNC - which compiles reporting organisations' financial statements - was used to populate cost information for around one third of organisations across the Social Traders database.

Beneficiary staff are employees in an employment-focused social enterprise who directly benefit from training, support, and work experience within the enterprise. This report uses the phrase 'participants in employment programs' to refer to both 'beneficiary employees' and other participants who might receive training or other support to access work, without being paid a wage (not employees).

Delivery costs are expenses incurred by an employment-focused social enterprise associated with delivering employment to beneficiary staff. The method in this report considers the total cost of operating the organisation (including training, wages, materials and other resources in the Income Statement). The Social Traders certification process includes assurance that any overhead costs borne by parent organisations are appropriately allocated to the social enterprise. Where possible, the cost impact of one-off capital investments is adjusted for, to highlight the costs in a 'typical year' (noting this is not possible for those observations which rely on linked ACNC data).

Employment-focused social enterprises have the primary purpose to create job opportunities for people facing barriers to employment. This support may be provided through direct employment, training, brokering pathways to open employment, or a combination of those supports. Employment-focused social enterprises can be positioned as:

- **Destination employers,** where participants are employed in the social enterprise on an ongoing basis
- **Transitional employers**, where the employment or traineeship term is fixed, and oriented toward supporting participants to move into external employment

An **employment program** is a specific initiative (in the case of this report, one run by an employment-focused social enterprise), to support individuals facing barriers to employment. It may include work-integrated training, support to access open employment, or a combination of both support types. Some programs operate as standalone entities (that is, the 'employment program' is the full scope of an enterprise, while others operate within a commercial parent organisation).

Full-time equivalent (FTE) is a measurement of the workload of an employee in terms of full-time hours. Most employment within social enterprises for beneficiary staff is not full time.

An **outcome** is defined in this report as an employment or study-related milestone achieved by participants in an employment-focused social enterprise. While many milestones relate to employment transitions (other organsiations), some occur within an enterprise (for example, an extended period of employment for a staff member within a 'destination' social enterprise).

Participants in an employment-focused social enterprise includes both any paid employees, and any other trainees or beneficiaries who may not be employed but engage with job supports.

Payments by outcome (PBO) are a funding mechanism whereby payments are made to providers based on the achievement of specific, measurable results for program participants (rather than in relation to the providers' upfront costs, inputs or activities).

Placement support is assistance provided by an employment program to help individuals secure suitable job opportunities. This may include job matching, interview preparation and ongoing mentoring to ensure successful integration into the workplace.

Social enterprises are businesses that exist to achieve a social mission, using commercial operations to create social, cultural, or environmental impact.

Social Traders is Australia's national certifier of social enterprises.

Trading revenue is the revenue that a social enterprise earns from selling goods or services as part of its commercial operations. For the purpose of this report, trading revenue *excludes* any revenue that organisations generate through participation in the NDIS marketplace.

Work-integrated training is an employment program or model that integrates work experience alongside structured learning for jobseekers. In the Social Traders data, the employment-focused social enterprises that offer work-integrated training are distinguished through the payment of wages to participants.

This report considers the **total delivery cost** associated with supporting enterprises to achieve outcomes. This means the estimates consider the total expenses incurred for an organisation to enable an individual's participation in a social enterprise employment program, including wages, training, and support services. This concept is distinct from (and intended as a complement to) the **impact cost** framework also used in the sector. Appendix B provides greater detail about the relative approaches and their intended applications.

Overview (1)

Employment focused social enterprises can provide a pathway to work for those furthest from the labour market. Across these programs, supports are highly tailored to the needs of participants, which can drive up operating cost.

Social enterprise exists to achieve a social mission, through a commercial operation.

For many of these organisations, that social mission includes to provide supported employment opportunities and pathways to individuals who face significant barriers to accessing or retaining employment.

Social enterprises can act as critical intermediaries in the employment system; (1) providing on-the-job experience in paid employment settings; or (2) directly brokering pathways to ongoing employment for participants, in partnership with other businesses in their supply chains; or (3) do both (see figure, right).

This report uses Social Traders data to scale the costing methodology established in Deloitte Access Economics' report for the Paul Ramsay Foundation: *Understanding the benefits, costs and funding flows to tailored jobseeker supports.* This extension of the costing analysis represents a substantial upscale; from 10 organisations to more than 300, including many with longitudinal cost data.

As with the original paper, the analysis in this report seeks to estimate the level of investment that is sufficient to support enterprises (social or commercial) to achieve lasting employment transitions for those furthest from the labour market. In scaling the cost methodology to a broader set of organisations, this research has also highlighted the variety of delivery models and the benefit of investment in more consistent classification of interventions and intended outcomes.

In employment-focused social enterprises, there can be substantial operating costs associated with the social mission to support those facing complex barriers to work.

The drivers of costs in employment-generating social enterprises include decisions to:

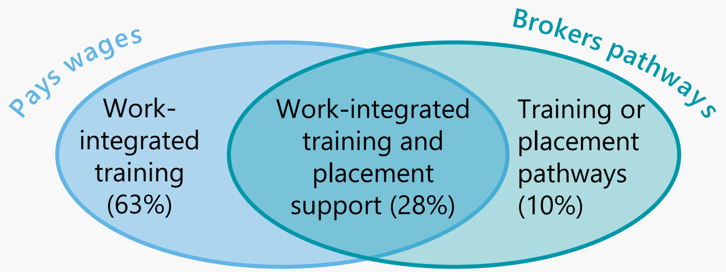
- Employ staff to provide 'wraparound support' to ensure participants can engage in and retain meaningful work – both in the form of oversight on-the-job, and/or embedded wellbeing or training support for employees.
- Design their operating model in a way that maximises opportunities for job-creation (e.g. limiting the use of automation, or positing businesses in more accessible locations)
- Limit the size of their workforce and target a specific cohort of supported employees, to ensure the experience is tailored to address underlying barriers to work.

These delivery approaches can mean that the costs associated with delivering employment through social enterprises are higher than other approaches to supporting jobseekers in other contexts (such as through apprenticeship or training programs) and may also be higher than running as a purely commercial venture. This may also reflect that employment-generating social enterprises' mission is targeted toward those in need of most intensive support (who may be underserved in a commercial or less specialised enterprise).

Job creation in social enterprises

Almost half (45%) of Social Traders certified social enterprises are focused on providing employment opportunities to people facing barriers to economic participation.

Social enterprises deliver three types of employment programs:



Employment-focused social enterprise models are often designed to provide employment and pathways to employment for people who are:

Living with disability

New migrants

Marginalised youth

Long-term unemployed

First Nations

Noting that most programs are designed to provide support for many groups, including with intersecting barriers to work

On average, people facing systematic barriers to work comprise 40% employees in a social enterprise.

The duration of supported employment varies (from targeted traineeships to ongoing supported employment).

Overview (2)

The results demonstrate the sector's substantial operating costs and thereby highlight the role of consistent and rigorous outcomes measurement, to ensure that these costs can be interpreted as the resourcing needed to achieve lasting outcomes for beneficiaries.

The interquartile range of costs associated with supporting employees in employment-focused social enterprises range from $25,400 to $104,000 per participant (per annum).

Similar to the original report, this analysis finds the median costs per participant can be substantial and cost ranges are wide. That said, this report presents tighter ranges due to an increased number of observations and the ability to remove outliers, resulting in greater confidence in the ranges.

The cost per participant provides a simple view of the (annual) program costs per person, highlighting variations in both the scope of support provided and operating scale of delivery organisations.

The cost per outcome approach allocates costs with reference to the number of participants who achieved an employment related milestone (noting that while the data informing this analysis is limited to external transitions, beneficiary employees' retention within the organisation may itself be considered an outcome).

Trading revenue helps offset the cost of delivering supported employment, though most organisations are unable to cover costs without external funding.

This report considers the extent to which trading revenue offsets the cost of delivery per participant and outcome.

In the most recent year of data, 16% of unique social enterprises were able to entirely offset delivery cost through trading revenue. This finding should be interpreted with caution, given that cost offsets do not necessarily represent consistent coverage of costs over time and given that the costs covered may not represent the adequate resourcing to deliver sustainable outcomes.

The median difference between the cost per participant before and after trading revenue is 70%; meaning that there is an average 30% shortfall for which social enterprises must seek external funding (before considering any return on capital or surplus for reinvestment).

There is more to research on how consistently trade revenue covers costs, and critically what quality of outcome is being produced at that cost.

Better understanding the nature and duration of employment outcomes achieved by the sector can ensure that the cost ranges are assessed with reference to a consistent quality standard.

In the absence of consistent definition or measurement of the outcomes sought and achieved through social enterprises, the costs in this analysis are compared with reference to like *inputs* (scope of the service delivery), as an initial step towards costing comparable *outcomes* (noting the sector seeks to generate many types of outcomes).

Alongside consistency in outcomes measurement, the rigour of future analysis should be focused on providing assurance that costs associated with each outcome represent the costs of quality, sustained employment transitions. This is critical to demonstrating the return on investment in employment-generating social enterprises.

Key results from the costing approach

Total cost per participant varies substantially, with an interquartile range from $25,400 to $104,000 per participant per annum (among the models which pay wages)

The **cost per outcome** estimates the annual investment required to support transitions to external employment or study via social enterprise employment programs.

The median **cost per outcome** is approximately 1.5 times larger than the **cost per participant** (post-revenue), reflecting attrition rates and varying program durations (within a year).

Emerging evidence on revenue

The median social enterprise reports a 30% shortfall between their cost of delivering tailored support and the revenue they generate. This indicates that most social enterprises require additional funding or support to bridge the gap and sustain their operations.

16% of employment-focused social enterprises fully offset delivery costs through trading revenue. These organisations are typically:

- More mature (operating for longer, at scale)
- Based in major cities
- Supporting people with higher levels of job-readiness

01 Introduction

1.1 Context to this costing analysis

This work builds on the initial study, with a focus on better estimating the costs associated with tailored models of employment support for people furthest from the labour market.

This research builds on an established cost methodology.

In 2024, Deloitte Access Economics delivered a report to the Paul Ramsay Foundation (PRF), titled *'Understanding the benefits, costs, and funding flows to tailored jobseeker supports'*. That report used cost and outcomes data from 10 PRF partner organisations, operating a mix of employment-focused social enterprises, business incubators, and other employment supports. The purpose of this research was to collate and strengthen the evidence on '*what works*' to generate lasting employment outcomes in which contexts, while establishing the evidence base for the type and level of resourcing needed to achieve more enduring outcomes for those facing complex barriers to work.

The analysis presented cost ranges for three different dimensions of cost, drawing on data from the 13 employment programs delivered by those 10 organisations. These ranges included:

- The **cost per participant** (varying from $3,100 to $59,000, noting variation in program duration from 12 months to 24 months) highlighted variations in the scope of support provided (including in terms of duration) and operating scale of delivery organisations.
- The **cost per participant accounting for trading revenue** (varying from $3,100 to $60,200 across program duration) recognised the higher cost bases some employment-focused social enterprises face and, for some (but not all) employment-focused social enterprises, the role of trading revenue in meeting or partially offsetting these costs.
- The **cost per outcome** (varying from $6,100 to $83,300 across program duration) demonstrated the cost associated with achieving employment outcomes, noting that outcomes are defined with reference to delivery context. This measure accounts for the costs associated with attrition (i.e., delivering support to those that do not achieve an outcome), increasing the cost per employment outcome achieved.

Although the original report included cost estimates, the analysis was primarily intended as a proof of concept for cost measurement at the participant and outcome level. Due to the small sample size (10 organisations), the cost ranges exhibit significant variability. This highlighted a clear opportunity to scale up the study to increase the confidence in results – both by identifying outliers and better understand drivers of cost across a larger number of organisations and employment support programs.

This report presents tighter ranges supported by a larger sample of observed costs.

In partnership, Social Traders and Deloitte Access Economics have expanded the research to cover 301 employment generating social enterprises. Those results are presented in this report, which has set out to:

- Establish more **reliable ranges,** through the process of identifying outliers and by understanding costs across different organisations and employment programs.
- Refine **the costing methodology**, to recognise differences in how data are collected in the Social Traders certification system, and to simplify calculations where possible.
- Progress conceptual analysis to align **the total cost and impact cost frameworks**, recognising shared objectives around the financial viability of the sector alongside differences in their intended audience and application in cost and funding models.

This work has achieved those objectives. It has also highlighted immediate and more prospective opportunities for Social Traders to increase the breadth and depth of data collection on the social enterprise sector, particularly in relation to program duration, the scope of supports, and the duration of outcomes achieved. As noted on page 7, this research included material manual data collection and a linkage of Social Traders data to organisations' entries in Australian Charities and Not-for-profits Commission (ACNC) reporting, to build a reliable evidence base on total cost. In other instances, described in the concluding chapter of this report, the research has identified opportunities to embed additional questions into ongoing data collection through the Social Traders certification framework, to continue to build the evidence base on social enterprise in Australia.

1.2 Overview of Social Traders certification data

The costing analysis uses Social Traders longitudinal certification data to develop estimates from a sample of 300 unique social enterprises.

Social Traders certification provides a basis for the costing dataset.

Since 2018, Social Traders have conducted over 2,500 certifications and re-certifications, building the largest validated dataset of social enterprises in Australia.
Certified social enterprises must meet five internationally recognised criteria:

1. **Purpose**: Their core mission is to address social or environmental challenges.
2. **Operations**: They prioritise purpose, people, and planet over profit in daily decision-making.
3. **Revenue**: They operate through a self-sustaining revenue model.
4. **Surplus Use**: The majority of surpluses are reinvested to advance their mission.
5. **Structure**: Their legal and financial frameworks safeguard their purpose for the long-term.

As Australia's national certifier of social enterprises, Social Traders apply these criteria through their certification framework, ensuring it is adaptable to various enterprise models and development stages.

There are three types of employment-focused social enterprise models.

Of the 750+ certified enterprises, approximately 45% are ‘employment generating’. These enterprises have a primary purpose to create job opportunities for people facing barriers to employment. Not all enterprises are employment-focused social enterprises, as not all employment is *integrated* . There are three types of supports employment-focused social enterprises supply, noting some enterprises work across more than one category:

1. **Direct employment**: enterprises that directly employ beneficiaries within their business
2. **Training**: enterprises that provide (unpaid) training opportunities for beneficiaries
3. **Pathways**: enterprises that assist beneficiaries into employment outside of the social enterprise with an external (host) employer – or assists beneficiaries to undertake further study.

The research leverages data from the Social Traders certification process to analyse total costs, revenue, participant numbers, within-program outcomes, and to differentiate outcomes across enterprises and beneficiary groups (see Table 1.1, right). As part of the research, data cleaning and validation of the Social Traders certification dataset was undertaken to identify and then exclude any observations with unexpected values for metrics such as weekly hours worked or hourly wages.[1]

Table 1.1: Social Traders certification data

Category	Data Collected
Costs	• Wages of beneficiary staff • Direct support costs
Revenue	• Trading revenue • Total revenue
Participants	• Headcount of beneficiary employees • Primary and secondary beneficiary cohorts
Impact Indicators	• Hours of employment provided to beneficiary employees • Hours of training provided to beneficiary employees
Outcomes	• Beneficiaries assisted into employment • Beneficiaries assisted to transition to further study • Beneficiaries remaining in employment after 3 months

Source: Deloitte Access Economics, based on Social Traders (2026)

[1] Observations for organisations supporting people with a disability that pay below minimum wages were included due to the sector-specific regulations.

Appendix A provides more detail on the characteristics of the sample used to develop the cost estimates in this report.

1.3 Classifying social enterprises

To enable more like-for-like comparisons, this report defines three groups of social enterprises: work integrated organisations, training providers, and those that deliver both.

9 in 10 employment-focused social enterprises are 'work integrated', offering paid work experience for people experiencing barriers to mainstream employment.

Within this category,

- 63% of social enterprises deliver work-integrated training only (category 1, left), with less focus on transitioning employees to employment beyond the organisation.
- 28% offer both work-integrated training placement support for individuals to transition to employment with other organisations (category 2).
- Taking a sample of the organisations certified in 2024, employment-focused social enterprises generated an average of 23 FTE roles for participants in their supported programs; which were shared by an average of 57 employees per social enterprise.

The remainder of organisations in the sample focus on providing generalist job-skills training, or placement support.

Among those organisations:

- Some enterprises run a training program or a 'customised employment' model where an employer pays fees to recruit individuals through the social enterprise.
- Other social enterprises run a marketplace where participants sell goods or services for commission.
- All models generate trading revenue which partially (and sometimes entirely) offsets delivery cost.

Appendix A provides more detail on the characteristics of the sample used to develop the cost estimates in this report.

Figure 1.1: Classification of social enterprises framework

Source: Deloitte Access Economics (2026)
Proportions relate to unique social enterprises (n=301) .

02 Total costs and the role of trading revenue

2.1 Overview of the costing framework

This research continues the method previously developed. The three measures provide different information about the nature of costs and are best understood in relation to one another.

A central objective of this extension is to support the social enterprise sector to build maturity in cost and impact measurement over time, and with reference to mainstream funding models. This includes considering how cost estimation can enable the design and sufficiency of funding models such as payments by outcome, rate cards, reverse tenders and impact revenue funding approaches. As highlighted in Figure 2.1, right, this report includes cost results across three different metrics:

- The **cost per participant** provides a simple view of program costs per person, highlighting variation in the scope of supports and operating scale of enterprises.
- The **cost per participant after trading revenue** highlights the contribution of trading revenue generated by social enterprises in offsetting total cost. However, it is important to note that generating revenue is a secondary goal for social enterprises, with their primary focus being on delivering sustainable outcomes.
- The **cost per outcome after trading revenue** takes the rate of transition into account – that is, the number of participants that achieve an employment outcome in the year of interest.

The three measures serve different purposes, and are best understood in relation to one another. While the results indicate that some social enterprises can offset a high share of cost, the implication is not necessarily that only the shortfall be funded. Government funding models in similar sectors are calibrated around the efficient costs of delivery plus a modest margin (to ensure providers have access to a surpluses to respond to changes in the business cycle).

Figure 2.1: Overview of costing framework and its application

Metric	Methodology	Cost drivers of interest
1. Cost per participant	$\dfrac{\text{Total cost of delivering program}}{\text{Program participants}}$	• Scale of program • Scope (i.e. extent of embedded supports) • Program duration is not observed in Social Traders data
2. Cost per participant, after revenue	$\dfrac{\text{Total cost - Trading revenue}}{\text{Number of program participants}}$	• Financial viability • Maturity of operating model • Revenue per participant
3. Cost per outcome, after revenue	$\dfrac{\text{Total cost - Trading revenue}}{\text{Job or study outcomes}}$	• Rates of transition to employment • Attrition rates from the program • Time in-journey and lagged effects

Source: Deloitte Access Economics (2026)

2.2 Annual cost per participant estimates

Delivery costs vary considerably across employing social enterprises, which may reflect differences in the scope and duration of the work-integrated component. Placement support introduces additional cost, as expected.

Figure 2.2 outlines the methodology applied to estimate the annual cost per participant and headline results.

Figure 2.2: Cost per participant methodology and headline results

Approach

$$\frac{\text{Total cost of delivering program}}{\text{Program participants}}$$

This calculation demonstrates variation in the scope of program (such as whether it includes wages), as well as the scale of the operations model.

Headline results

1 Work-integrated training only

$45,000 median cost per participant

50% of results (interquartile range) sit between **$27,100 - $100,700** per participant per year

n=283

2 Work-integrated training and placement support

$51,400 median cost per participant

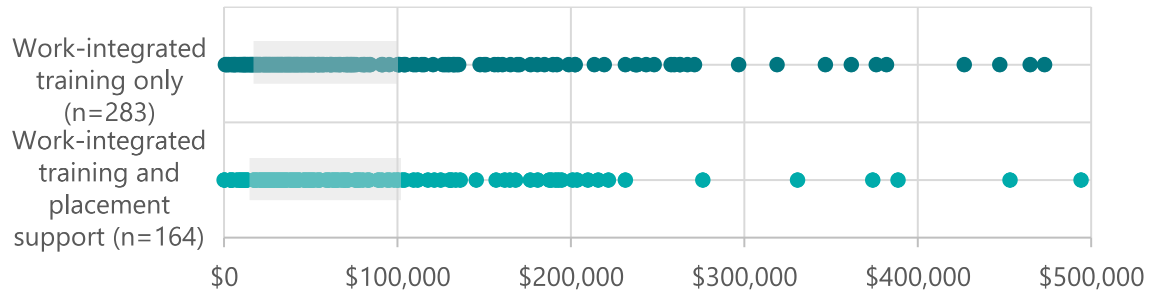
50% of results (interquartile range) sit between **$25,700 - $109,800** per participant per year

n =164

Source: Deloitte Access Economics based on Social Traders data (n=447).
Note: these results relate only to work-integrated programs because data are not available to estimate the number of 'participants' in training programs.

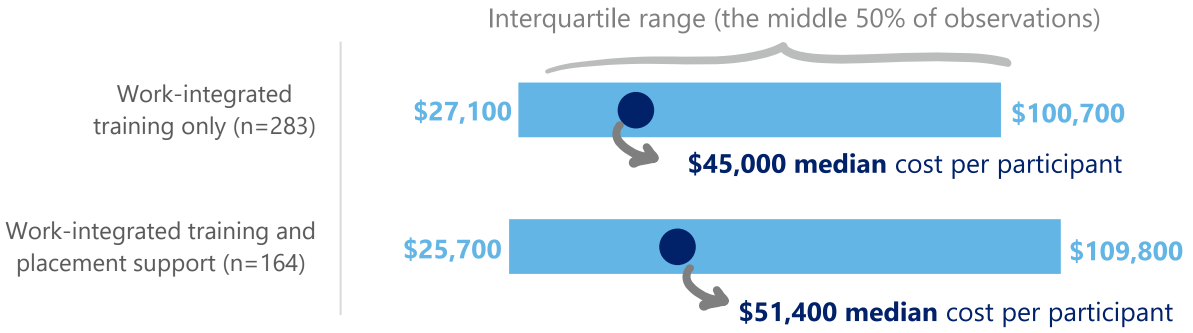
Delivery costs vary considerably across employing social enterprises, highlighting the extent to which tailoring services to the needs of different participants and contexts can significantly influence delivery costs (Chart 2.1). Focusing solely on the interquartile range reveals social enterprises delivering work-integrated training and placement support employment programs on average tend to incur higher costs – which is consistent with the broader scope of these programs relative to work-integrated training only models (Chart 2.2).

Chart 2.1: Cost per participant (middle 90% of observations)



Source: Deloitte Access Economics based on Social Traders data (n=447), includes middle 90% of observations.

Chart 2.2: Cost per participant (interquartile range only)



Source: Deloitte Access Economics based on Social Traders data (n=447), includes middle 50% of observations.

2.3 Annual total costs after revenue

The median organisations' trading revenue does not cover the total cost of participation in the employment program and does not generate a surplus.

Figure 2.3 outlines the methodology applied to estimate the annual cost per participant accounting for trading revenue and headline results.

Figure 2.3: Cost per participant accounting for trading revenue methodology and headline results

Approach

$$\frac{\text{Total cost - Trading revenue}}{\text{Program participants}}$$

This calculation demonstrates organisations that are operating at scale can offset some (and occasionally all) of their delivery costs through trading revenue.

Headline results

1 Work-integrated training only

$12,300 median cost per participant accounting for trading revenue

50% of results (interquartile range) sit between **$500 - $24,300** per participant per year

n=283

2 Work-integrated training and placement support

$14,200 median cost per participant accounting for trading revenue

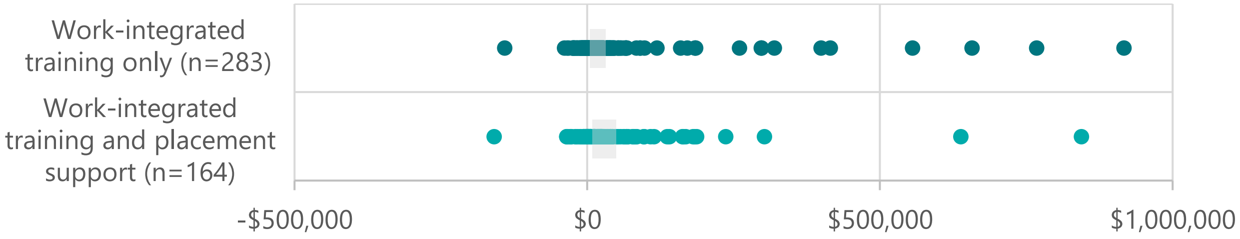
50% of results (interquartile range) sit between **$2,000 - $33,600** per participant per year

n=164

Source: Deloitte Access Economics based on Social Traders data (n=447).
Note: Trading revenue does not include NDIS funding.

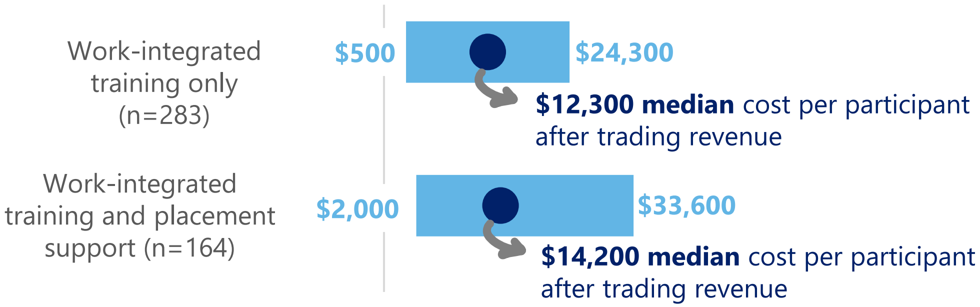
While delivery costs continue to vary significantly across employment-focused social enterprises, the total cost of participation in employment programs is partially offset by social enterprises trading revenue (Chart 2.3). Consistent with the cost per participant results, work-integrated training and placement support models continue to have a higher median cost than work-integrated only, reflecting the broader range of supports provided (Chart 2.4).

Chart 2.3: Cost per participant after trading revenue (middle 90% of observations)



Source: Deloitte Access Economics based on Social Traders data (n=447), includes middle 90% of observations.

Chart 2.4: Cost per participant (interquartile range only)



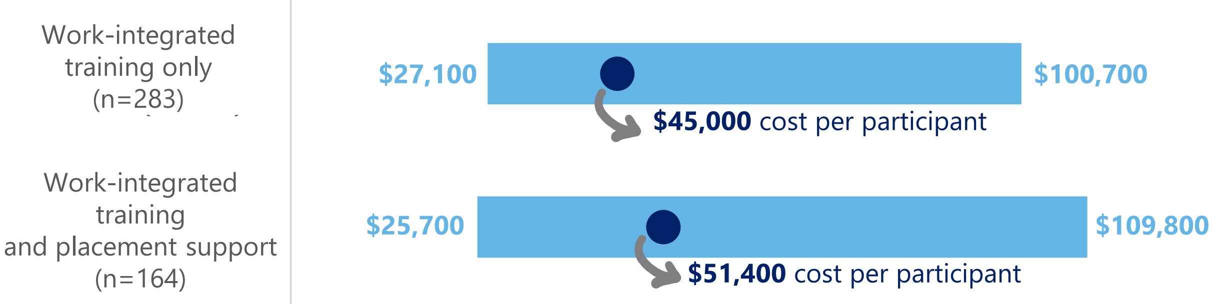
Source: Deloitte Access Economics based on Social Traders data (n=447), includes middle 50% of observations.

2.3 Annual total costs after revenue

Although 16% of organisations can entirely offset costs, the median employment-focused social enterprise has a 30% shortfall between their total operating costs and the revenue they generate.

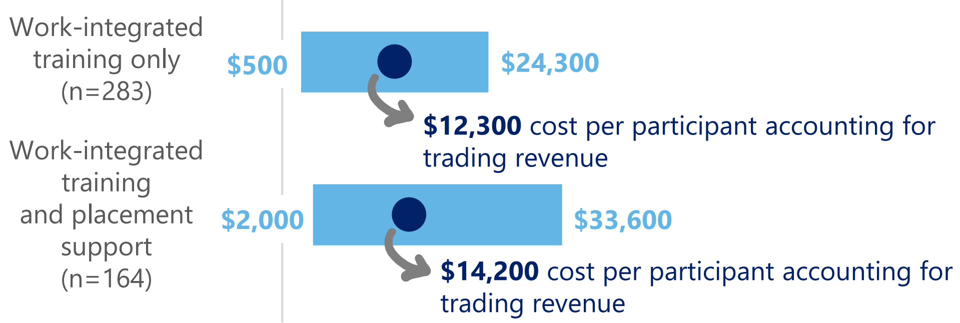
Across 447 observations with data available on both measures, the median difference of costs is 70%, meaning that more than two-thirds of delivery costs are effectively covered by trading revenue (Chart 2.5, Chart 2.6). This also means the median shortfall between their total operating costs and the revenue they generate is 30%, indicating that social enterprises require additional funding or support to bridge the gap and sustain their operations.

Chart 2.5: Cost per participant (interquartile range only)



Source: Deloitte Access Economics based on Social Traders data (n=447), includes middle 50% of observations.

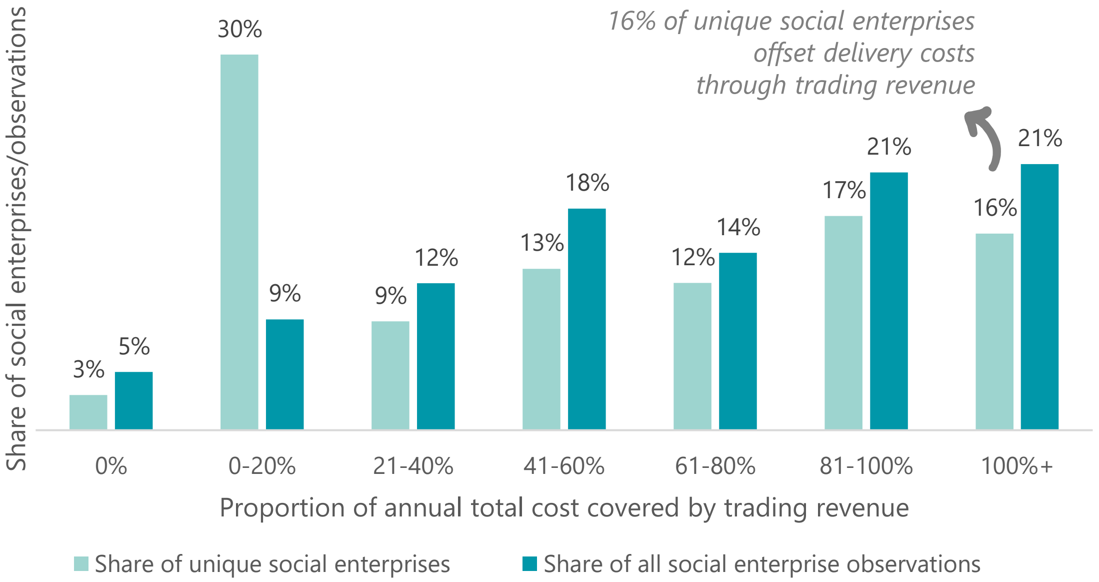
Chart 2.6: Cost per participant accounting trading revenue (interquartile range only)



Source: Deloitte Access Economics based on Social Traders data (n=447), includes middle 50% of observations.

Taking a subset of unique social enterprises' most recent data (301 organisations) results in a more conservative estimate – that 16% of organisations entirely offset costs according to their most recent certification data (Chart 2.7). This suggests volatility in incomes each year and potentially, that social enterprises certified more than once are more likely to be financially mature, and offsetting costs.

Chart 2.7: Proportion of total cost offset by trading revenue, shown for all social enterprise observations (n=447) and unique social enterprises (n=301)



Source: Deloitte Access Economics based on Social Traders data. The data includes unique social enterprises' most recent certification year (n=301) and all available observations (n=447),. This means that includes all observations.
Note: 'Trading Revenue' excludes any NDIS-related income.

2.5 Variation in cost by delivery context and beneficiary cohort

The initial research highlighted how different features of the delivery model can drive total cost. This research reaffirms that, with a focus on medians across the sector rather than dynamics within individual enterprises.

The initial research highlighted how different features of the delivery model can drive total cost (and reflect the role of impact costs). Each different cost measure developed as part of the original study draws attention to different aspects of delivery cost (and operating models). For example, cost per participant provides insight into the scope of program costs, while cost per participant accounting for trading revenue highlights financial viability. Figure 2.4 illustrates the key characteristics of employment programs at the lower and upper bounds of the cost ranges for each measure.

In extending the original study, this work has, where the sample allows (Chart 2.8), compared cost ranges by the employment program's regionality and primary beneficiary cohort (over page). This approach provides insight into the resources required to support different cohorts of jobseekers.

Cohort-based comparisons are based on organisations that identified a particular group as their primary beneficiary cohort. Across these observations, the intensity of targeting may vary, and organisations that support these cohorts as a secondary beneficiary group are not captured. Additionally, in a few instances, organisations supporting people with a disability are paying below minimum wage due to the Supported Wage System, which may result in lower cost estimates than the true cost of delivery.

Figure 2.4: Key costs drivers of each cost measure

Measure	Characteristics of employment support in the:	
	Lower bound of cost	*Upper bound of cost*
Cost per participant	• High-scale program/enterprise • Few embedded supports • *Shorter duration of support (not observed in Social Traders data)*	• Large input costs, including participant wages • Remote transport costs
Cost per participant, accounting for revenue	• Mature operating model • High revenue per participant	• High share of costs which do not generate revenue
Cost per outcome, accounting for revenue	• High transition rate, defined duration of support • Low cost per participant	• Higher cost per participant (tailored support, in person delivery) • Lower outcomes rates • *Higher time taken to achieve an outcome (not observed in Social Traders data)*

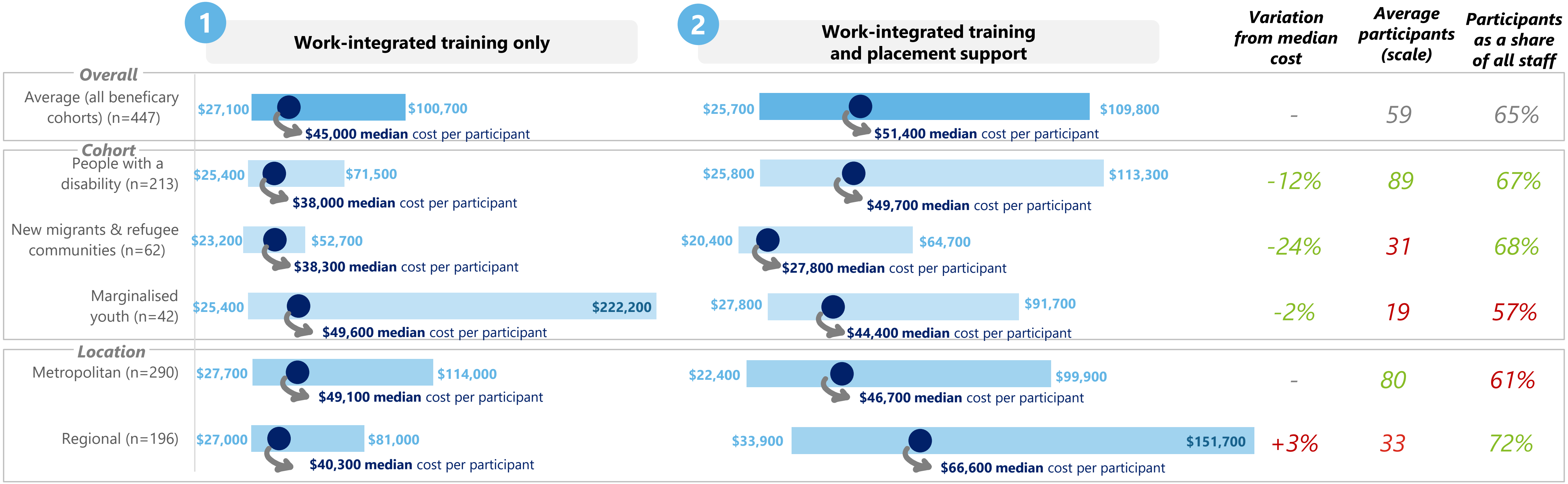
Source: Deloitte Access Economics (2024)

2.5 Variation in cost by delivery context and beneficiary cohort

Variation in total cost is driven largely by program scale, and the ratio of support to beneficiary staff

While the analysis is exploratory, the variation emerging in Chart 2.8 reinforces existing hypotheses that costs systematically vary across context. Across and within cohorts and location, delivery costs can vary considerably from the average. The costs for organisations focused on some cohorts (such as new migrants and refugees) exhibit a relatively low median cost and a relatively narrow range of variation, while others demonstrate more variation in cost. Part of this variation appears to be driven by scale: the average number of participants varies broadly across cohort. This variation in cost may partly reflect differences in the underlying barriers to entering and retaining employment – noting that cohorts characterised are at best a *proxy* measure of the intensity or nature of support provided. For instance, new migrants and refugees typically face relatively temporary barriers such as English proficiency or skill recognition, whereas other cohorts such as people with a disability or marginalised youth tend to experience intersecting disadvantage, where higher-intensity interventions drive cost. It is critical to note that these estimates are *annualised*, suggesting that there would be even greater variation once differences in program duration are considered.

Chart 2.8: Annual cost per participant, by select cohort and regionality



Source: Deloitte Access Economics based on Social Traders data (n=447).

Drives cost up, relative to median

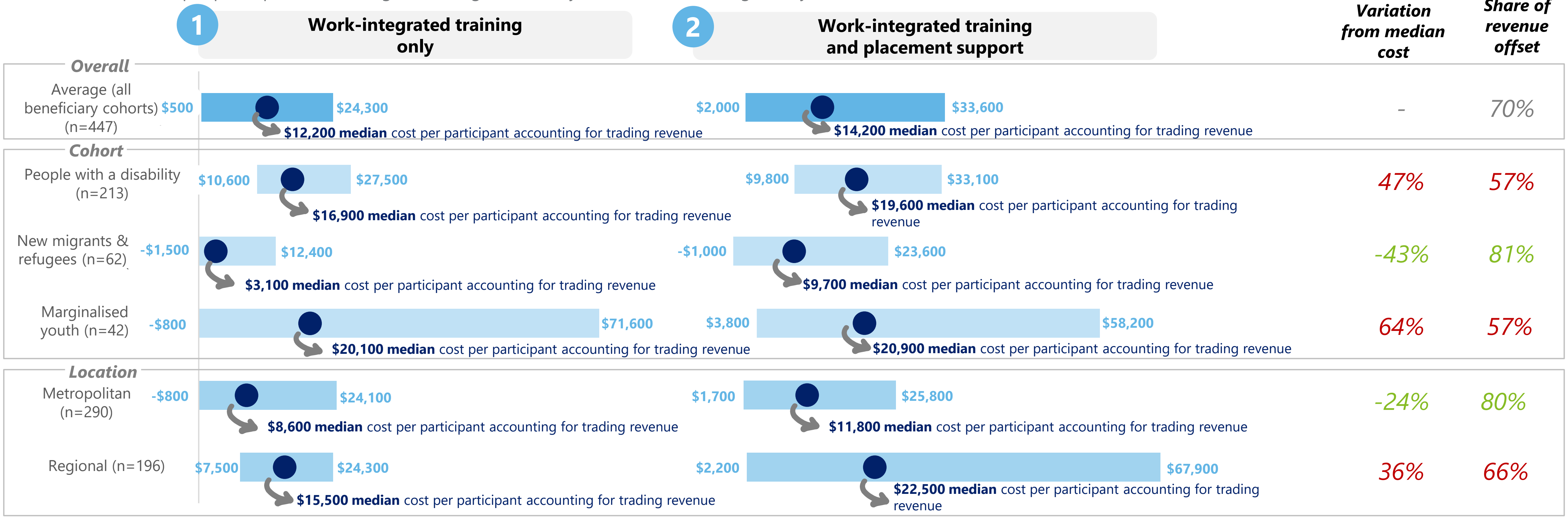
Drives cost down, relative to median

2.5 Variation in cost by delivery context and beneficiary cohort

Variation in total cost reflects the difference in employment programs, the beneficiary cohort and program maturity.

Chart 2.9 displays the annual cost per participant, accounting for trading revenue, by selected cohort and regionality. Compared with the previous results, the variation observed across social enterprise models within a given cohort or region is less pronounced, suggesting some emerging consistency in the financial viability of employment programs tailored to specific cohorts or locations. Changes in relative position to the median (relative to previous results) reflect differences in revenue-generation capacity of different employment programs. For example, employment programs based in regional areas tend to have a lower trading revenue generating capacity relative programs based in metropolitan areas. However, trading revenue is not the primary goal, as services should be funded to ensure financial sustainability, enabling either reinvestment or a return on capital; without this, long-term viability may be at risk.

Chart 2.9: Annual cost per participant accounting for trading revenue, by select cohort and regionality



Source: Deloitte Access Economics based on Social Traders data (n=447).

Drives cost down, relative to median
Drives cost up, relative to median

03 Annual cost per outcome

3.1 Outcome measurement framework

Outcomes measurement is challenging and leads to more volatile cost ranges. Data collection approaches vary in terms of attributing outcomes and are infrequent.

Figure 3.1 outlines the participation and outcome data captured in the Social Traders certification dataset and further highlights gaps in participation data that limited previous cost results to work-integrated employment generating social enterprises only. While there are gaps in coverage of outcome measurement, it is important to note that the Social Traders certification dataset was not designed for this costing exercise. As such, the presence of data gaps is expected and instead highlights opportunities for future data collection.

A sustainable employment outcome would ideally be defined as a transition to open employment or progression within an enabling business, measured at different milestones post-program completion. Where possible, the data measured would reflect outcomes achieved in the year following program completion in isolation, so that one year of program costs (for a given cohort) could be matched to the relevant year of outcomes. However, given the data limitations, an outcome has been defined in this work as a transition to external study or open employment and may not fully reflect the costs associated with cohorts achieving these outcomes. In addition, because outcome measurement was only recently introduced to the Social Traders certification framework, the dataset has relatively small outcome sample sizes, which contributes to greater volatility in cost per outcome results.

Figure 3.1: Outcome measurement framework

	Participating		Achieving an outcome			
	Supported employment within a social enterprise	**Receiving training** through an employment or training program	**Still employed within employment-focused social enterprise over time**	Transitioning to external **study**	**Open employment**	**Ongoing open employment**
1 **Work-integrated training only**	✓	N/A	*Not currently measured (Cannot assess the duration of employment)*	✓	✓	✓
2 **Work-integrated training and placement support**	✓	*Partial (Employees, but not trainees only)*	*Not currently measured (Cannot assess the duration of employment)*	✓	✓	✓
3 **Placement or training to transition to external employment**	N/A	*Not currently measured (No data on trainees)*	N/A	✓	✓	✓

These are the outcomes included in the preliminary results

Source: Deloitte Access Economics (2026).

3.2 Annual cost per outcome accounting for trading revenue estimates

Median costs per outcome sit within the cost ranges estimated in the initial research. The relative costs across the three types of model are also as expected: the lowest-cost models do not involve wage payments.

Figure 3.2 outlines the methodology applied to estimate the annual cost per outcome accounting for trading revenue and headline results.

Figure 3.2: Cost per outcome accounting for trading revenue methodology and headline results

Approach

$$\frac{\text{Total costs - Trading revenue}}{\text{Job or study outcomes}}$$

This calculation demonstrates the cost associated with achieving an employment outcome.

This measure accounts for the costs associated with attrition (i.e., delivering support to those that do not achieve an outcome), increasing the cost per employment outcome achieved.

When comparing the same enterprises, the median **cost per outcome** is approximately **1.5 times larger** than the **cost per participant** (post revenue). This reflects attrition rates and varying program durations within a year.

Headline results

1 Work-integrated training only

$17,000 median cost per outcome after trading revenue

50% of results (interquartile range) sit between **$0 - $156,700** per outcome per year

n=27

2 Work-integrated training and placement support

$22,000 median cost per outcome after trading revenue

50% of results (interquartile range) sit between **$1,500 - $58,400** per outcome per year

n=20

3 Placement or training to transition to external employers

$3,000 median cost per outcome after trading revenue

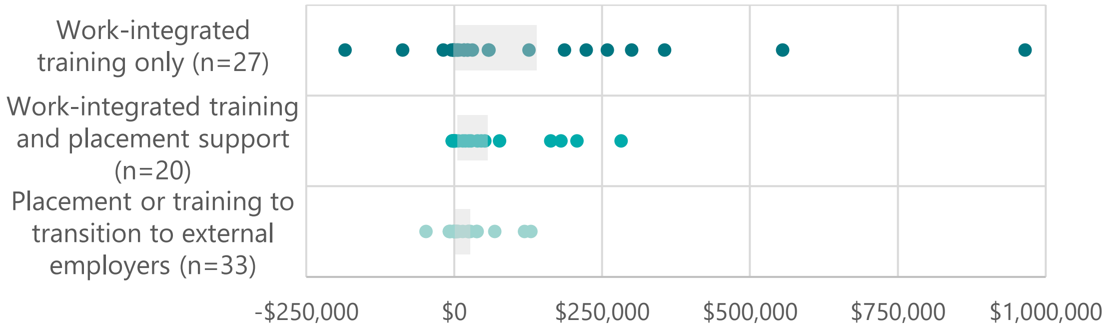
50% of results (interquartile range) sit between **$400 - $24,800** per outcome per year

n=33

Source: Deloitte Access Economics based on Social Traders data (n=80).
Note: Trading revenue does not include NDIS funding.

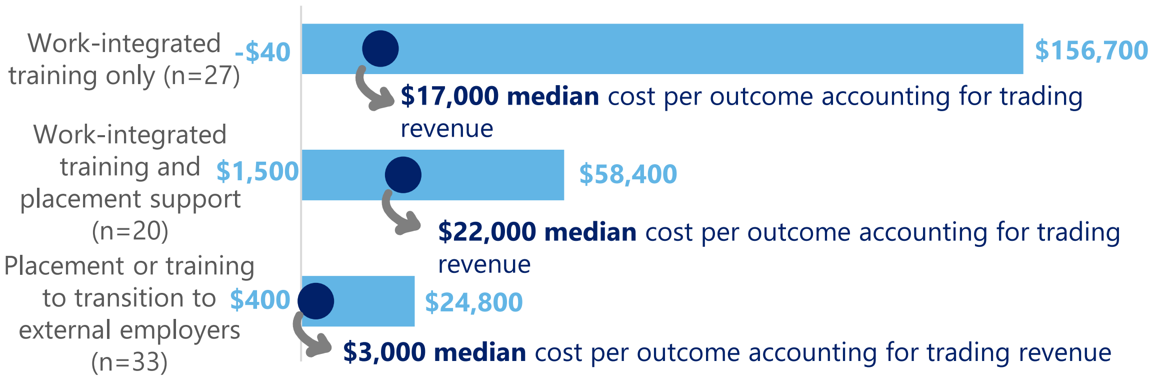
Cost per outcome results are most variable for work-integrated training models, though a higher median in the combined training and placement support model is as expected, given the broader scope (Chart 3.1, Chart 3.2).

Chart 3.1: Annual cost per outcome after trading revenue (all observations)



Source: Deloitte Access Economics based on Social Traders data (n=80), includes all observations.

Chart 3.2: Annual cost per outcome after trading revenue (interquartile range only)



Source: Deloitte Access Economics based on Social Traders data (n=80), includes middle 50% of observations. Note: The duration of support received from social enterprises is unknown. Therefore, the results may underestimate the costs associated with achieving an outcome, as individuals may have been receiving support for multiple years before achieving an outcome.

04 Implications

4.1 Summarising the findings of this cost analysis

The concept of costing social enterprise activity at scale has been proven, and in the first instance identifies opportunities to broaden the Social Traders data infrastructure and certification framework.

Social Traders longitudinal data has enabled large scale, rigorous analysis of costs in the social enterprise sector.

The Social Traders certification database includes 519 observations from 301 unique social enterprises, providing a foundation to test and refine the costing methodology. The database captures information about organisations' costs, revenues, program participants, employees and in some cases, outcomes. These variables closely align with the data fields originally developed by Deloitte Access Economics for the PRF costing tool. Additionally, many of these organisations contribute multiple years of certification data, further strengthening the reliability of analysis by smoothing the effects of once-off capital investments or other financial shocks.

By demonstrating proof-of-concept at scale, this report highlights the credibility of the findings. Narrowing performance ranges further strengthens the foundation for evidence-based policy.

This work has demonstrated the scalability of the costing method, delivering value by providing more reliable evidence on the sector's costs. In addition, it introduces an updated analytical approach that can be integrated into Social Traders' certification process through the inclusion of additional data collection fields. By embedding this cost analysis within the certification framework, Social Traders can enhance analytic capability across the sector by facilitating data collection and providing clear guidance on its use. This integration will also support ongoing monitoring, evaluation, and learning around costs and outcomes. Over time, as data collection becomes more consistent and comprehensive, there is potential to enable benchmarking of costs against organisations delivering similar supports in similar contexts.

The report has reiterated that the median costs per participant can be substantial and cost ranges remain wide. That said, this report presents tighter ranges due to an increased number of observations and the ability to remove outliers, resulting in greater confidence in the ranges.

While this report presents evidence that many organisations can offset part of their costs, this data should be interpreted cautiously, as these offsets do not necessarily represent consistently adequate resourcing to deliver sustainable outcomes and may simply represent the lowest-cost providers (rather than the most efficient).

This research has also identified opportunities to enhance the Social Traders certification data infrastructure to better support decision-making by government, funders and social enterprises.

Completing the analysis in this report has included work to improve the Social Traders dataset through the introduction of additional variables (manually, and via linkage to data available through the ACNC Register), and quality assurance of data collected through analysis of outliers and relationships between variables. The longevity of these improvements is assured, given that the analysis can be re-uploaded to the Social Traders database for ongoing use.

This research has also provided a foundation to extend and enhance the sophistication of the Social Traders certification framework, in response to the limitations identified (see Appendix A).

4.2 Implications and opportunities

The next stage of work focuses on strengthening evidence on the employment outcomes achieved through social enterprises. This can then inform a costing that is reflective of funding intent.

The analysis in this report has highlighted the different types of employment focused social enterprise models: some organisations deliver placements and pay wages, while others primarily act as intermediaries with mainstream employers. Many deliver both types of services.

Distinguishing and classifying the services offered across the social enterprise marketplace - **the inputs** - is important to ensure fair comparisons across organisations (costing the same scope and duration of support). This classification is also valuable for organisations to articulate the **outcomes** they are seeking to achieve for participants and funders, especially where those outcomes are a focus of employment support programs beyond the social enterprise sector (e.g., the apprenticeship and training system, employment services and job readiness programs). Ideally, the costing would complete the cost for similar or like outcomes, though in the absence of this information, it must cost similar inputs (requiring assumptions about the outcomes which they generate).

Understanding the outcomes being sought by different funders is critical to strengthen the application of any costing measure. This research has highlighted that:

- One employment-generating social enterprise can support many outcomes for a participant, including transitions to employment, social integration, health and wellbeing, educational attainment.
- The outcomes which are being measured most often tend to relate to employment (partially reflecting the priorities of organisations' funders)
- Some organisations are positioned in the market as employers (a 'destination' enterprise) while others are positioned as intermediaries (or 'transitional' employers in a path to other work), meaning the outcomes they are achieving create value in different ways and might be funded differently in other settings.
- The extent to which the intended outcomes are defined and measured across the sector is generally limited, reflecting differences in organisational maturity *(whether a theory of change and priority outcomes have been established),* data maturity (*knowing what to measure and investing in measurement*) and logistics (*difficulty tracking graduates over time*).

The Social Traders data provides a strong evidence base to support analysis toward a more mature and mainstream funding model. The data collection through certification will continue to enable versatility in how data are applied as funding models diversify and mature.

To progress the sector's case to more prominently feature in the national employment and social services systems, it will be critical to:

1. understand the types of outcomes which funders are seeking (funding intent), and the extent to which they expect funding to cover total costs of delivery (funding sufficiency)
2. ensure those outcomes are measured by social enterprises with consistency and rigour
3. connect cost estimates to outcomes (and over time, to outcomes for different types of participants, to tighten the range of estimates, toward a 'rate card' approach across cohorts).

Against that context, the future work will consider the rate and characteristics of outcomes active through social enterprise (in line with objectives 1 and 2, above). It will involve a survey of social enterprises which uncovers different approaches to outcomes definition and measurement, seek to collect information on outcomes using a consistent set of parameters, and use secondary sources to estimate benchmark outcomes rates to which the sector might assess its efficacy over time.

Appendix A
Social Traders certification data

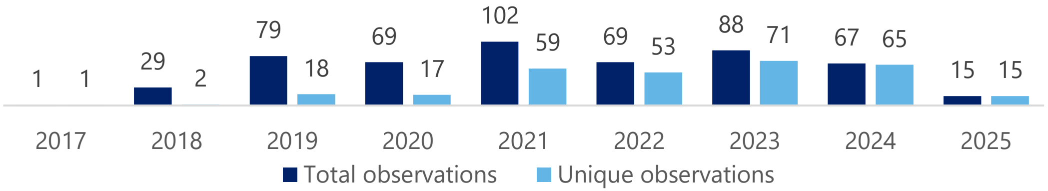
A.1 Overview of Social Traders certification data

The sample includes 519 observations from 301 unique social enterprises collected between 2017 to 2025.

The sample includes 519 observations from 301 unique social enterprises, with the difference reflecting social enterprises that have been certified multiple times. Chart A.1, A.2, A.3 and A.4 present the characteristics of the total and unique social enterprise samples, which are broadly consistent with each other.

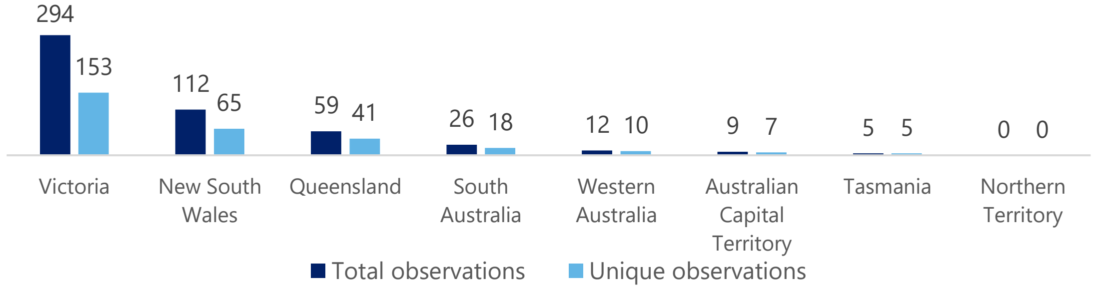
The results presented throughout this report are based on the 519 observations, unless otherwise specified. As more mature social enterprises in the Social Traders dataset have typically been certified multiple times, the results are therefore more heavily weighted toward these organisations.

Chart A.1: Total (n=519) and unique (n=301) social enterprise observations by year



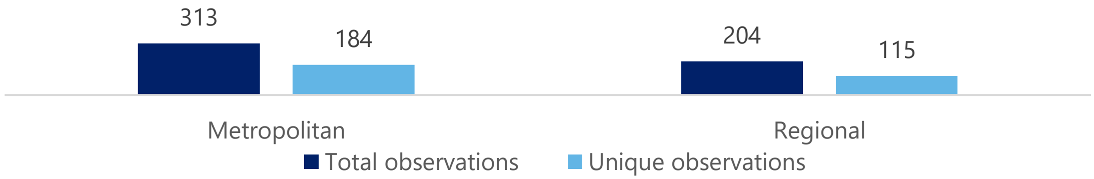
Source: Deloitte Access Economics, based on Social Traders (2026)

Chart A.2: Total (n=519) and unique (n=301) social enterprise observations by location



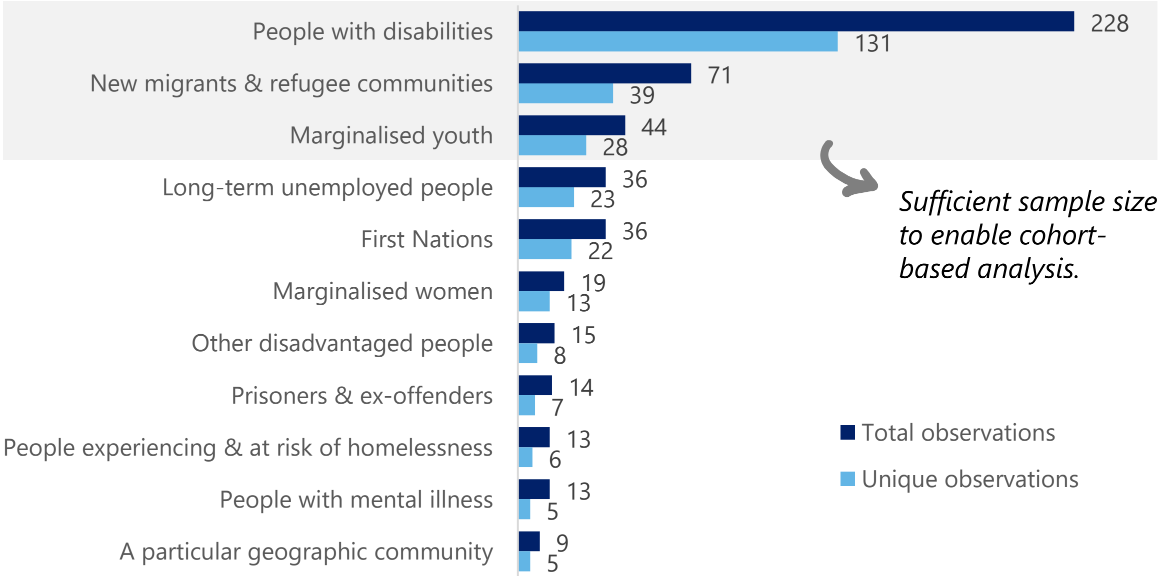
Source: Deloitte Access Economics, based on Social Traders (2026). Observations without a specified location have been excluded (n=2).

Chart A.3: Total (n=519) and unique (n=301) social enterprise observations by regionality



Source: Deloitte Access Economics, based on Social Traders (2026). Observations without a specified regionality have been excluded (n=2).

Chart A.4: Total (n=519) and unique (n=301) social enterprises by primary beneficiary cohort supported



Source: Deloitte Access Economics, based on Social Traders (2026).

A.1 Notes on interpreting the results in this report

While some of data gaps were addressed within this research, others led to changes in how the methodology was applied or influence how the findings should be interpreted.

As outlined in the implications chapter, this work presents an updated analytical approach that can be incorporated into Social Traders' certification process by adding new data collection fields. However, it is important to note that comparisons with the original PRF study may be inconsistent due to differences in the underlying data rather than limitations in the analysis itself. The following considerations should be kept in mind when interpreting the results of this report:

- Some missing variables could not be populated – in particular, the program duration and the number of trainees. The missing program durations data means that the results presented are *annualised*, and that employees' outcomes cannot be perfectly mapped to their time-in-program. Given that almost half of the organisations in the initial study ran 12-24 month programs, it is likely that the annualised cost per participant estimate is lower that the total cost per unique participant. The missing data on trainees motivated the exclusion of 'placement only' programs from the first two cost calculations.
- While the Social Traders dataset includes measures around employment outcomes, this was only recently introduced and remains relatively incomplete across the sample. Further, the high threshold for measuring outcomes (only those attributable to the social enterprises' brokerage or referral to mainstream employers) means that not all outcomes may be observed for those organisations that did report outcomes. This suggests that the annual cost per outcome is overstated, because the denominator is an underestimate.
- The Social Traders framework is focused on certifying for *social mission*. It is not currently in the scope of the framework to assess the quality of employment in social enterprises or the quality of outcomes achieved by beneficiaries (e.g., long-term or 'decent work'). As a result, it is challenging to assess which employment programs are generating the best outcomes (e.g., hours worked per week, type of employment). While this means that the results in this report do not estimate a 'total cost of an *enduring* employment outcome, it is reasonable to interpret that there is a more normal distribution of quality than in the original study, given a larger sample.
- Classification by social enterprise type, beneficiary cohort and delivery context remains stylised in nature due to variable data quality and the limited sophistication of social enterprise classification.

Appendix B

Intended application of 'total cost' estimates

B.1 Intended application of ‘total cost’ estimates

The total cost and impact cost view share the purpose of improving the financial viability and effectiveness of the sector, though with different intended audiences and applications.

As described on page 11, this research is focused on understanding the total cost associated with outcomes, given the desire to strengthen the sector’s capability and evidence base in the context of payment by outcome (PBO) funding rounds. The total cost approach seeks to demonstrate:

- **The total resource or ‘true cost’ required** to deliver outcomes for cohorts facing complex barriers to employment. This is the common starting point to calibrate a funding model; where the total cost is shared by different beneficiaries.
- **The drivers of cost and variation in cost** across delivery models and settings, and implementation contexts.

Total cost less trading revenue demonstrates:

- The role of trading revenue in **reducing the net costs of delivering tailored support** to marginalised cohorts in employment-focused social enterprises, highlighting the competitiveness of social enterprises in funding rounds, relative to other support models which fully rely on funding to cover costs
- The **minimum viable funding needed to achieve an outcome** (valuable in a PBO context) after recognising that the full cost of delivery can be offset by trade.

In doing so, this research has demonstrated the breadth of total cost and the drivers of those ranges (as described in Chapters 3 and 4 of this report, respectively). It has also demonstrated that cost varies due to:

- **The scope of costs:** for instance, many social enterprises employ additional staff to ensure cohorts facing complex barriers to retaining work have access to wraparound support in workplace settings.
- **The allocation of labour:** for instance, some social enterprises change how they deliver their services and might avoid using machinery to maximise the opportunities to employ disadvantaged people in meaningful ways.
- **Scale:** including in the overall size of the organisation’s labour force and the ratio of supported employees to other staff, and the specialisation of support to target a specific cohort of jobseekers, to ensure support is tailored to need.

These drivers of total costs are sometimes understood within the framework of ‘impact costs’ in the social enterprise sector. An ‘impact cost’ estimate considers the extent to which the cost of doing businesses is higher in a social enterprise than in a commercially-focused enterprise, because of decisions which prioritise social impact over commercial return. Figure 2.2, over page, highlights this concept by comparing the cost calculation for a commercial enterprise and a social enterprise.

The total cost and impact cost frameworks exhibit complementarity. Acknowledging both can be applied across different organisational contexts, the two measures address different questions which may be asked more commonly at different stages of maturity. As highlighted in Table 2.1 (page 14), the approaches have different applications to internal and external audiences.

Total cost is most reliable as an external, comparative tool across sectors and models, to answer questions such as:

- *What resources are required to deliver a quality outcome?*
- *How are those costs offset by revenue?*
- *What level of funding is required to generate those employment outcomes, relative to other models?*

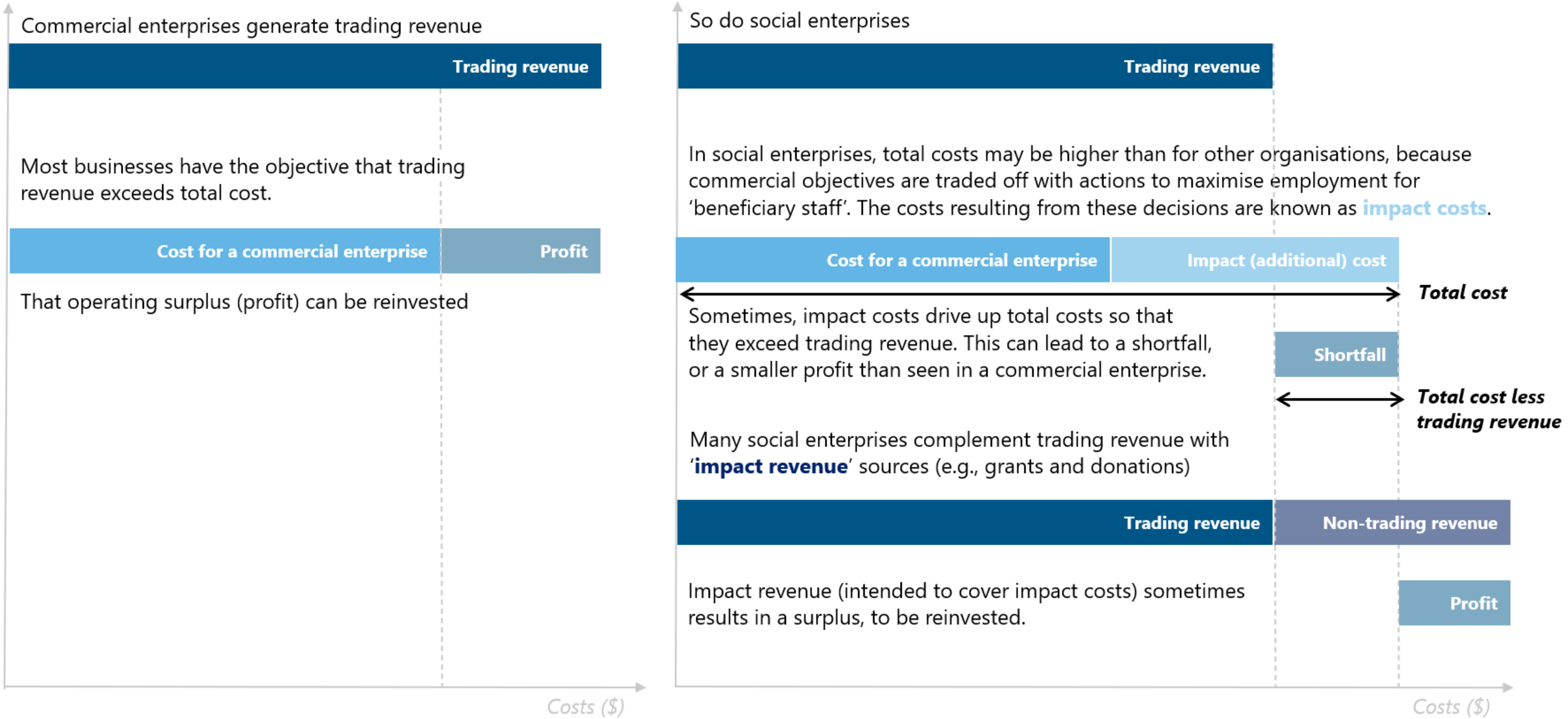
Impact cost is most reliable as an internal tool (at the organisation level, over time), to support decision making about the impact model, by answering questions such as:

- *What share of costs relate to our impact? Is this proportion constant as the organisation scales?*
- *Can impact costs be covered through funding sources?*
- *Are consumers ‘willing to pay’ the additional costs of social impact?*

B.2 Connecting impact cost and total cost

The total cost after revenue demonstrates the potential shortfall in covering the costs of operation for social enterprises. The impact cost framework is most focused on relative drivers of total cost.

Figure B.1: A stylised representation of total cost, impact cost and cost after revenue



Source: Deloitte Access Economics (2026)

B.2 Connecting impact cost and total cost

The total cost framework is most reliable when comparing models at a point in time, with more focus on outcomes. The impact cost approach is most reliable when applied within an organisation to map cost drivers as an operation scales or its context changes.

Table B.1: Comparison of total cost and impact cost approaches

	Total cost less trading revenue	Impact cost
Concept	• Demonstrates that the total cost of delivering an outcome is partially offset by organisations' trading revenue. • Identifies the shortfall which some organisations need to cover with other revenue sources, when trading revenue cannot fully offset total costs.	• Suggests that the total cost of delivering an outcome is higher in a social enterprise than in a commercially-focused enterprise.
Application within a social enterprise	• Identifies the minimum viable additional funding needed to offset costs of delivery. • A basis for external comparison to other enterprises	• An internal benchmark for the share of costs required for impact. • A basis to estimate the additional variable cost per job created within an organisations.
Application for funders	• This calculation is a basis for estimating cost per outcome (e.g. in a PBO funding round; or as a starting point to calibrate a funding model; where the total cost is shared by different beneficiaries)	• In a social procurement context this is the "premium" because you are buying social value.
Strengths	• Applicable across different types of outcomes, and delivery models (including non-social enterprises); and therefore applicable to a broader range of funders (including government). • A basis to understand the return-on-investment relative to other organisations, including non-social enterprises.	• Allows for the matching of 'impact cost' to 'impact revenue' and 'commercial cost' to 'commercial revenue', to highlight instances of cross subsidisation.
Risks	• To ensure sustainability of funding over time, a margin may need to be added to the 'cost less trading revenue' in order to ensure there is capacity for funds to be reinvested in innovation/process improvement.	• Requires a counterfactual commercial business comparison. In the absence of industry benchmarking data on costs, this sees individual social enterprises making hypothetical comparisons.

Source: Deloitte Access Economics and Social Traders (2026)