Back social enterprise for a wellbeing economy

Economic Reform Roundtable submission - July 2025

A strong economy is important but is a means not an end. The economy provides a way to fulfil purpose. This submission highlights the need for the purpose of the Australian economy to be social and environmental, one that puts people and planet first. Efforts to improve productivity, enhance economic resilience and strengthen budget sustainability should centre wellbeing.

The social enterprise sector can help. Social enterprises are businesses that put people and planet first. They trade like any other business, but exist specifically to make the world a better place. They combine the power of business to test and scale new ideas with a compass of public good. This makes them a critical tool for social and environmental innovation and a wellbeing economy.

However, because social enterprise sits between traditional business and charity, many fall through the gaps in the support infrastructures that exist for the two sectors. It does the job of both without the enablers of either.

The Federal Government is already investing in parts of what's needed to change this. To build on this investment, we recommended that it now partner on a national strategy, measure impact and invest in impact.

About us

Social Enterprise Australia is the national peak body for social enterprise. We advocate for and connect the sector to unlock the impact of social enterprise. We work with the sector to lead its national strategy and are member-based.

We provide a conduit for the sector to partner with the Federal Government for a better Australia.

Partner on a national strategy

Genuine partnership and co-design are critical to the success of social enterprise strategies. Their design, implementation, and evolution require the knowledge, skills, and perspectives of both government and the sector. The Federal Government partners with peak bodies across various sectors given their essential role as conduits. This partnership has been modelled in social enterprise in other jurisdictions.

We recommend the Federal Government bring together relevant government departments and fund and work with Social Enterprise Australia to lead a sector-wide engagement to design, roll out and evolve a national strategy for social enterprise. The strategy would:

- **Be powered by a partnership between the sector, the Government, and others**
- **Be underpinned by vetting and evidence**
- **Include capability building, social procurement, payment for outcomes, and impact investment**

We see this being challenge-led, focusing on national priorities where social enterprise can make a big contribution to Government policy objectives - specifically access to decent work for people most shut out of employment, environmental care, people-centred services and place-based and community-led innovation. The Government, philanthropy, and the sector itself are already investing in these things. A national strategy will catalyse this and result in improved outcomes for Australians and a significant multiplier on investment.

Measure impact

Access to reliable data is key to understanding the social enterprise sector and opportunities to grow its contribution to Australia. Impact measurement and communication are key foundations to engage in payments for outcomes, social procurement and impact investment. However, current data is inconsistent, outdated and fragmented, and there are big gaps in data on the size, characteristics and impacts of social enterprise.

We recommend the Federal Government:

- **Support data capability and fund a national impact map to identify Australian social enterprises and their locations, and to baseline sector size, characteristics and impacts.**
- **Invest in a free online tool for social enterprises to measure and track their impact and impact costs. This will strengthen their ability to engage in payments for outcomes, social procurement and impact investment, and can provide aggregated data to produce insights and track change in the sector.**

Invest in impact

Investment in innovation and impact is needed across a range of social and environmental challenges. The social enterprise sector can help. But social and environmental innovation is underinvested in; the Federal Government does not have a social procurement framework, and some existing and promising payments for outcomes initiatives are ending. Further, access to appropriate capital remains limited. Like any business, social enterprises need capital. However, social enterprises often struggle to access the capital they need in the form that they need it. This has to be solved for social enterprises to unlock more impact.

We recommend the Federal Government:

- **Launch a Social Enterprise Innovation Fund to support projects led by social enterprises that develop innovative, scalable solutions that tackle social and environmental challenges.**
- **Name and set national targets to buy from social enterprises, and make them visible in the procurement platforms used by the government.**
- **Pilot low-interest, flexible loans that enable social enterprises to sustain and grow their impact.**