AUSTRALIA'S SOCIAL ECONOMY

Wave2 Insights Report

Prepared by the Centre for Social Impact
July 2026

Acknowledgement of Country

In the spirit of reconciliation, the Centre for Social Impact acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and/or Torres Strait Islander peoples today.

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Centre for Social Impact

The Centre for Social Impact ignites positive, lasting social change for people and communities through research education and engagement. It is a national collaboration of four leading Australian universities, working together to reduce social inequities and create a future where everyone can thrive.

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BACKGROUND

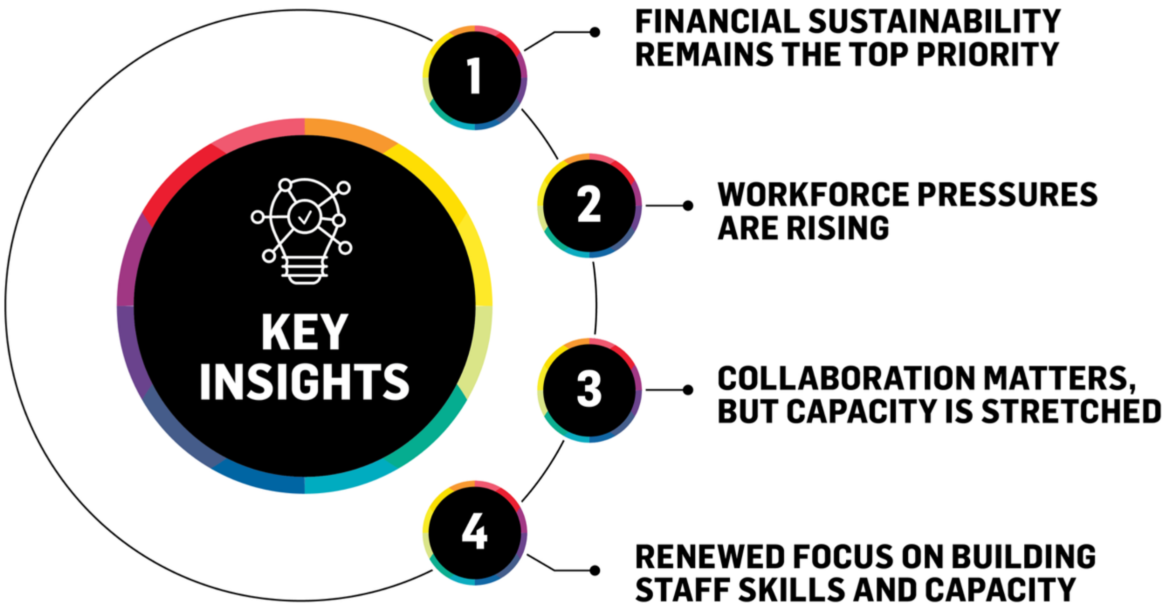
In 2025, the Centre for Social Impact released the first '*State of the Social Economy in Australia Report'* drawing on the generous insights provided by leaders in social economy organisations across nonprofits and charities, social enterprises, philanthropy, cooperatives and mutuals, and B Corps. It was a report that set the context for demonstrating the value and contribution of the social economy and Australia's progress in comparison with countries around the world.

CSI is committed to tracking the development of the Social Economy in Australia by conducting a longitudinal survey (over three years), and here we report a snapshot of the findings in the second wave of the survey. This report should be read alongside the full report available here: https://doi.org/10.26190/unsworks/31479

Support from leaders in the social economy has been generous, with Wave2 seeing a notable increase in participation, with 219 complete responses (from 580 attempts), compared with 140 complete responses (from 395 attempts in Wave1). Out of the 219 responses, approximately 30% were repeat respondents from Wave1.

After Wave1, we consulted with peak bodies to discover what they found most insightful about the first report and what other questions we might ask. We listened to concerns about wanting to understand skills and capabilities, and which social outcomes were being prioritised. So, in Wave2, new questions were introduced on organisational missions, social impact and outcomes sought, activities undertaken in pursuit of goals, and subjective assessments of performance against those goals.

The new questions provided fresh insight into what Australia's social economy organisations are prioritising, with key insights summarised below.



In terms of organisational priorities, it is noted: Funding, revenue and the diversification of income sources continue to be the highest priority for respondents. Notably, there has been a marked rise in the prioritisation of staff capability development and the recruitment and retention of staff and volunteers.

Collaboration remains a prominent feature of the sector, with 80% of respondents reporting collaborative activity in the past 12 months, though this represents a decline of five percentage points from Wave1. Most of the collaboration occurs with other charities and not-for-profit organisations (94%, up four percentage points from Wave1). However, there has been a notable decline in collaborations with for-profit organisations, falling from 49% in Wave1 to 32% in Wave2.

Engagement with impact measurement across all programs has slightly declined, with more SEOs reporting they conduct it for only some of their programs. Motivations for conducting impact measurement continue to be focused on strategic planning, program planning and communicating outcomes to stakeholders, although there was a slight decline across the board, except for its use as a condition for philanthropic grants, which rose by 0.7 percentage points.

Similarly, experience with newer financing types has decreased, particularly in relation to outcome-based contracts and community investment, though the use of blended capital has risen considerably, from 30% to 41%.

Third-party certification saw a small decline of 2.7 percentage points, with 67.3% of respondents reporting certification in Wave2.

In this insights report, we commence with a snapshot overview of key findings, summarising the main findings about characteristics of social economy organisations, giving attention to any changes from Wave1. The second section describes results from new modules on organisational missions, social impact/outcomes achieved, and main activities and discusses the capability development needs of the sector.

SECTION 1: THE STATE OF AUSTRALIA'S SOCIAL ECONOMY SURVEY - WAVE2

ORGANISATIONAL PRIORITIES AND RISKS

1.1 Organisational Priorities

Social Economy Organisations (SEO) top two immediate priorities remain consistently focused on maintaining funding/revenue and diversifying income sources (see Figure 1).

In Wave2, there's a notable rise in focus on human resource concerns, especially recruiting and retaining staff or volunteers, which became the third priority, up from fifth place in Wave1 (see Figure 2). Likewise, building staff capabilities also rose by four ranks, moving from the 10^{th} to the 6^{th} highest priority.

"As we stretch to cope with cuts in funding and increases in costs and demand, there is a risk that they will reduce investment in staff capability and wellbeing, and in innovation and growth. This is a dangerous recipe for exhaustion, low morale and flight from the sector (or the workforce entirely) and also for the collapse of the intermediary organisations that support sector development. In a sector that relies on its people to go above and beyond because they care about their work and the people it impacts, there has to be consistent investment in those people".

Meanwhile, managing partnerships and collaborations, improving service quality, improving impact measurement and management, innovating products and services, and improving productivity took lower priority compared to last year.

Figure 1: Organisational Priorities[1]

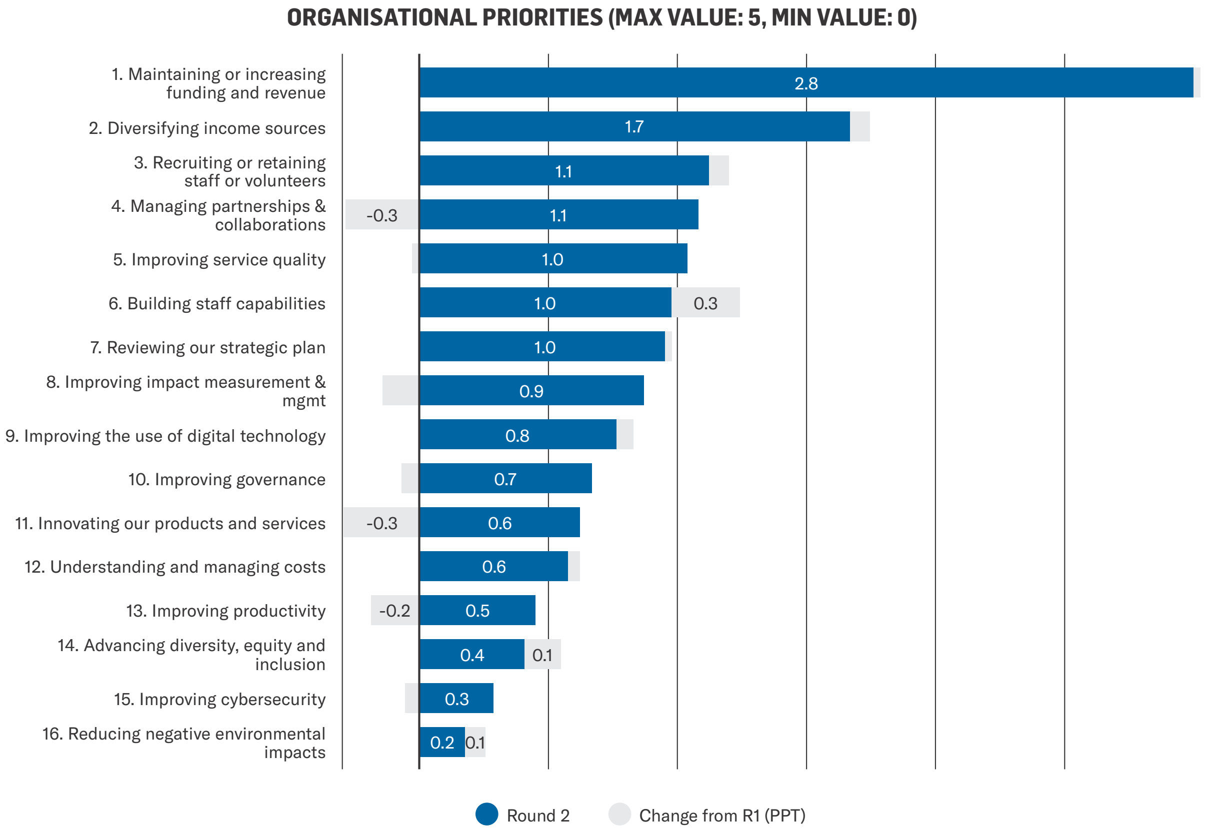
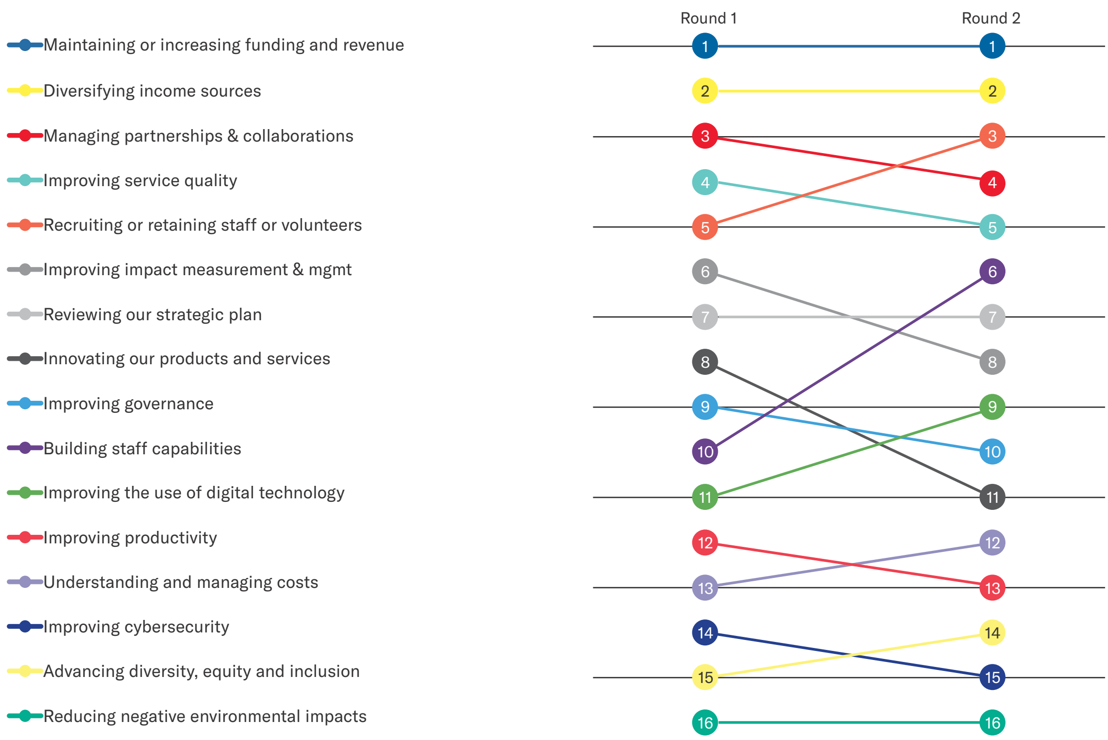


Figure 2: Ranking of organisational priorities



[1] This measure was calculated as weighted by respondents' ranking (1-5) and selection (0-1)

Other self-identified priorities thematics included:

- Innovation and sustainability tension*:* the need to constantly manage between the tensions of tight resourcing and margins balanced with the need to be agile, adaptive and responsive to clients/customers and to innovate: *"The real costs of doing business are unmet. We live precariously. We are lean, efficient, agile and outcomes driven but we struggle to remain sustainable" and "Balancing increasing expectations for impact, accountability, and innovation with limited and often short term resourcing. Workforce sustainability, including staff capacity, burnout, and the ability to attract and retain skilled people in regional contexts, remains a priority"*
- Hidden costs of adjusting to government reforms and funding: *""Hidden" cost of writing complex funding submissions and collecting data for reporting on small organisations", and "For us a challenge we are experiencing is the changing environment of workplace D&I and the backlash that is happening in some workplaces", and "The indirect impact of the mandatory climate reporting scheme on SMEs has thus far been remarkably absent from the discourse by govts or business. There is already a large and growing impact on SMEs having to report up the line to the supply chain they exist in, to the companies that have to report to govt. There is no knowledge sharing or resources or support from govt about this and this will heavily impact For-Purpose businesses*
- Place-based challenges and strategies driven by communities*: "Any efforts tend to be driven by funders and drive in drive out or fly in fly out, very brief, and stagnate progress" and "Our extreme remoteness impacts absolutely everything from cyclones to really expensive supplies to very expensive travel".*
- Barriers for micro-charities: most commonly reported were the barriers to collaborating with larger charities and government bureaucracies, and the large overheads associated with increased insurance costs.

Overall, these patterns indicate the increased focus on organisational resilience rather than innovation.

1.2 External Risks

The top 5 external risks identified by SEOs place rising emphasis on macroeconomic conditions, concerns and the erosion of social cohesion and polarisation (see Table A, below). The latter was also noted in additional feedback provided by participants, especially concerns related to increases in lateral violence. While concerns with natural catastrophes and extreme weather events are slightly lowered.

New in the top five are concerns with cybercrime and cybersecurity risks and shortages of skilled workforces – the latter again emphasising the rise in staffing and capability concerns.

Table A: Comparison Top 5 External Risks

Rank	Rd2 Survey	Rd 1 Survey
1.	(+1) Macroeconomic conditions (76%)	Changes in legislation and regulation (86%)
2.	(+2) Erosion of social cohesion and societal polarisation (68%)	Macroeconomic conditions (75%)
3.	(-) Widespread cybercrime and cyber insecurity (60%)	Natural catastrophes and extreme weather events (67%)
4.	(-1) Natural catastrophes and extreme weather events (56%)	Erosion of social cohesion and societal polarisation or shortage of skilled workforce (62%)
5.	(-) Shortages of skilled workforce (55%)	Public health issues (61%)

% represents those respondents who identified this risk “to some extent” or to “a great extent”
Green = Reduced concern of associated risks; Red = Increased concern of associated risks; Black = new top 5

Other self-identified external risks included: population trends - especially the impacts of the ‘baby boomer’ generation compounding staffing issues and succession planning, especially for volunteer-based organisations and those reliant on member participation; ongoing reforms in government funding and changes in the funding landscape; changes in prioritisation of DEI policies; and, sector consolidation.

ORGANISATIONAL TYPE, CERTIFICATION AND DECISION MAKING

As in Wave1, but to a greater extent, three types of organisational forms dominated the SEO sample: not-for-profit, charity, and social enterprise. Table B (below) shows the SEO types that survey respondents chose to represent their organisational identities (note respondents could select all that apply).

Legal forms of SEOs also show a distribution like that of Wave1 (shown in Table C, below), with a slightly greater representation of incorporated associations. In Wave2, half of the sample consists of incorporated associations (50.5%), followed by companies limited by guarantee (21%).

Table B: Organisational Types of SEOs

	Wave2		Wave1	
Organisation type	N	%	N	%
NFP	176	82%	101	72%
Charity	143	67%	76	54%
Social enterprise	76	36%	31	22%
Philanthropy	16	7%	10	7%
For profit	15	7%	8	6%
Cooperative	10	5%	9	6%
Mutual	5	2%	4	3%
Total respondents[2]	**214**	**206%**	**140**	**171%**

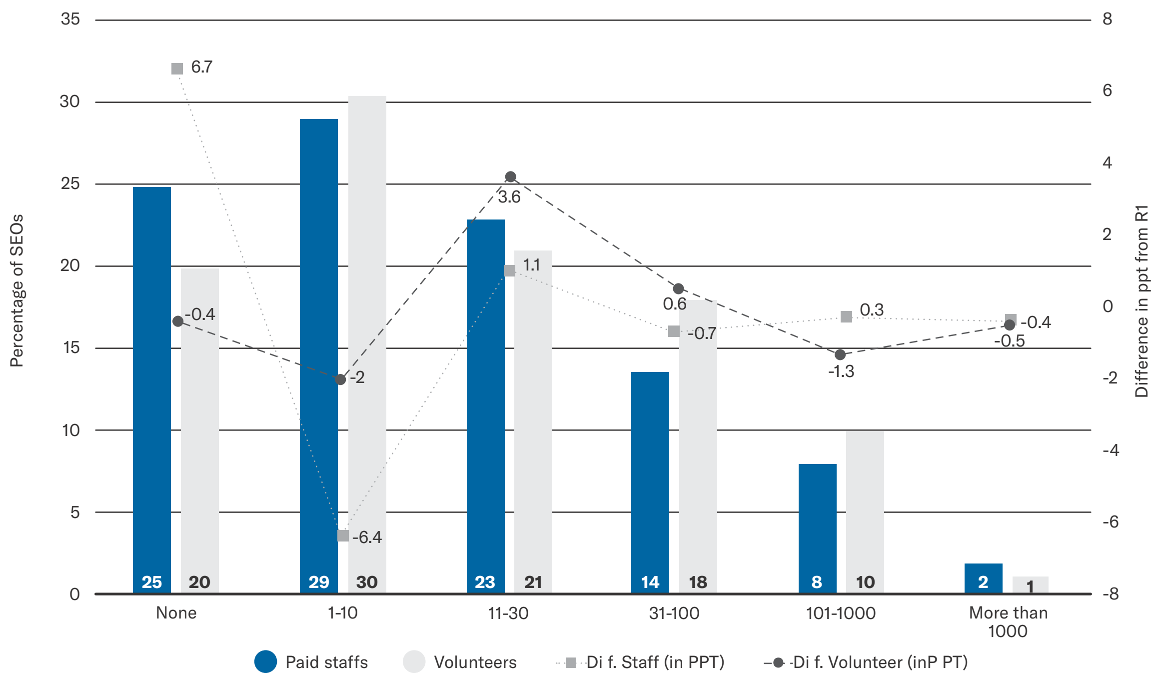
Table C: Legal forms of SEOs

Legal structure	Freq.	Percent	Change from R1 (ppt)
Incorporated association	108	50.5	7.6
Company limited by guarantee	45	21.0	-6.8
Proprietary limited company	19	8.9	-0.4
Public company	12	5.6	-0.1
Trust	8	3.7	0.9
Co-operative	7	3.3	-2.4
Unincorporated association	6	2.8	1.4
Indigenous corporation	6	2.8	2.1
Sole trader	3	1.4	-0.7
Other	0	0.0	-1.4
Total	**214**	**100**	**0**

[2] Note totals add to more than 100% as respondents could select multiple types

Consistent with Wave1, we find that SEOs are highly skewed to small-sized organisations, with more representation from organisations with zero paid staff (6.7% increase), while organisations hiring 1-10 staff decreased by 6.4% (see Figure 3, below). Volunteer numbers were more stable. The over- representation of small SEOs is also found when we measure the organisation scale by annual expenditure.

Figure 3: Number of paid staffs and volunteers



Note: Dif. refers percentage point difference from Wave 1

Most respondents (80%) reported that their current legal form allowed them to meet the needs of their organisation. For those who opted for no or unsure, many reasons were cited, and these are summarised in Table D (next page).

Table D: Legal Structures and Organisational forms

Theme	Description	Interpretation	Example quotes from responses
1. No Major Issues with Current Legal Structures	SEOs report that existing legal structures are adequate	Some organisations are well-served	"we don't have any problems with the structure or legal framework" "The current structure is good and meets all requirements" "We find the legal structures and requirements to be fit for purpose."
2. Barriers to Recognition of Social Enterprise and Hybrid Models	Lack of formal recognition and rigid distinctions between for-profit and not-for-profit models	Legal frameworks lag behind modern, hybrid "for-purpose" approaches	"we were told that one of the organisations would have to be a for-profit organisation for our arrangement to be qualified as a Social Enterprise." "Dedicated legal structure for social enterprise, to support access to finance/investment" "Social enterprise become a recognised legal structure."
3. DGR Status and Tax/Philanthropy Constraints	Restrictions around Deductible Gift Recipient (DGR) status limit access to funding, donations, and incentives	DGR acts as a gatekeeper for financial sustainability and sector equity	"it would be great to have that changed to any organisation that meets our own criteria, not necessarily a DGR1." "Neighbourhood and Community Resource Centres are not eligible for DGR status… limits their ability to attract philanthropic gifts" "Gender Equality seems to be a social cause that it is difficult to get DGR status for"
4. Regulatory Burden, Duplication, and Lack of Harmonisation	Multiple regulators and inconsistent requirements create duplication and inefficiency	Fragmentation increases administrative burden, particularly for smaller organisations	"We are subject to in depth reporting… whilst also being an incorporated association creates duplication and additional work" "I regularly have to remind ASIC that we don't have to report to them changes… given we report via ACNC" "Privacy Policy requirements vary by agency… there is conflict across these organisations"
5. Lack of Flexibility and Proportionality in Regulation	One-size-fits-all rules and rigid legislation limit operational flexibility	Regulation does not adapt well to organisation size, context, or real-world constraints	"Current legislation often applies a one size fits all approach" "its rigidity often prevents practical and sustainable operational outcomes" "Less onerous Inc Assoc compliances would be beneficial"
6. Lack of Recognition for Cultural, Community, and Alternative Governance Models	Legal frameworks do not adequately support Indigenous governance or culturally embedded decision-making	Existing systems privilege Western governance models over community-led approaches	"Legal recognition of cultural governance models… allowing Elders, community leaders… to hold formal decision-making authority" "Update the Association Act to reflect non colonial values and imperatives." "Current corporate forms… do not always accommodate Indigenous governance practices"

Most of Wave1 respondents (70%) did not have any third-party certification, and in Wave2, this proportion was reduced to 67% (see Table E, below). Many SEOs operating as Charities receive registration through the ACNC and do not pursue other forms of certification.

For those SEO's who held at least one third-party certification (33%) the most selected certifications were:

- 'Other' certifications than those listed (42%) with people commonly citing accreditations such as the Community Legal Centres accreditation scheme, or stets based co-operative registrars, or registration with government agencies such as Home Care or the National Disability Insurance Scheme, membership of state-based Social Enterprise Councils, ASES (Australian Services Excellence Standards) accreditation, Human Services Quality Framework (HSQF) certified, or benchmarking with the Global Ecolabel Network
- Social Traders (41%, up by 15.6% from Wave1)
- People and Planet First (22% a new certification for social enterprises)

Table E: Types of third-party certification

Third Party certification	n	%	N	%	Change from R1 (ppt)
Any certification			64	32.7	2.7
Social Traders	*26*	*40.6*			*15.6*
People and Planet First	*14*	*21.9*			*(not listed)*
ORIC	*6*	*9.4*			*7.4*
BCorp	*4*	*6.3*			*2.3*
Supply Nation	*4*	*6.3*			*-8.8*
Business Council of Co-operatives and Mutuals	*3*	*4.7*			*-5.3*
NACCHO (National Aboriginal Community Controlled Health Organisation)	*1*	*1.6*			*-0.4*
Other certifications	*27*	*42.2*			*0.2*
Any certification total	*64*	*100.0*			
Not certified by any third-party organisation			132	67.3	-2.7
Total			**196**	**100.0**	

Note: a) percentages are calculated based on the number of valid organisations with any type of certification (N=64)

As purpose-oriented enterprises, SEOs typically develop governance and management structures and processes that allow participation in decision-making. In this wave, there is continued focus on the importance and influence of stakeholder participation in decision-making (see Table F, below), although the proportion of respondents indicating that it is significant declined slightly ("very significant": 23% vs 28% in Wave1, and significant 36% vs 42%).

Among specific stakeholder participation methods:

- the inclusion of member-directors again ranked first, with 73.8% of SEOs reporting its use, (although this proportion decreased by 4.1 ppt from Wave1)
- The largest decline is found with the inclusion of employee-directors (by 9.2 ppt)
- Beneficiary-directors inclusion are increased by 5 ppt.

On average, SEOs use 2.5 different methods to engage stakeholders in decision-making.

Table F: Stakeholder Participation Methods

Stakeholder Participation	N	%	Change from R1 (ppt)
Inclusion of member-directors	158	73.8	-4.1
Voice via surveys or feedback forms	84	39.3	0.7
Engagement in strategic planning and decisions	83	38.8	-5.5
Vote in general meetings	70	32.7	-5.9
Voice via councils, committees or advisory bodies	61	28.5	4.2
Engagement via deliberative decision-making	49	22.9	-2.1
Inclusion of beneficiary-directors	17	7.9	5.0*
Inclusion of employee-directors	17	7.9	-9.2*
None of above	19	8.9	5.3*

Note: * represents statistically significant change at p<.05

PARTNERSHIP AND COLLABORATION

SEOs' collaboration with other organisations also exhibits a similar pattern to Wave1 findings (see Figure 4, below).

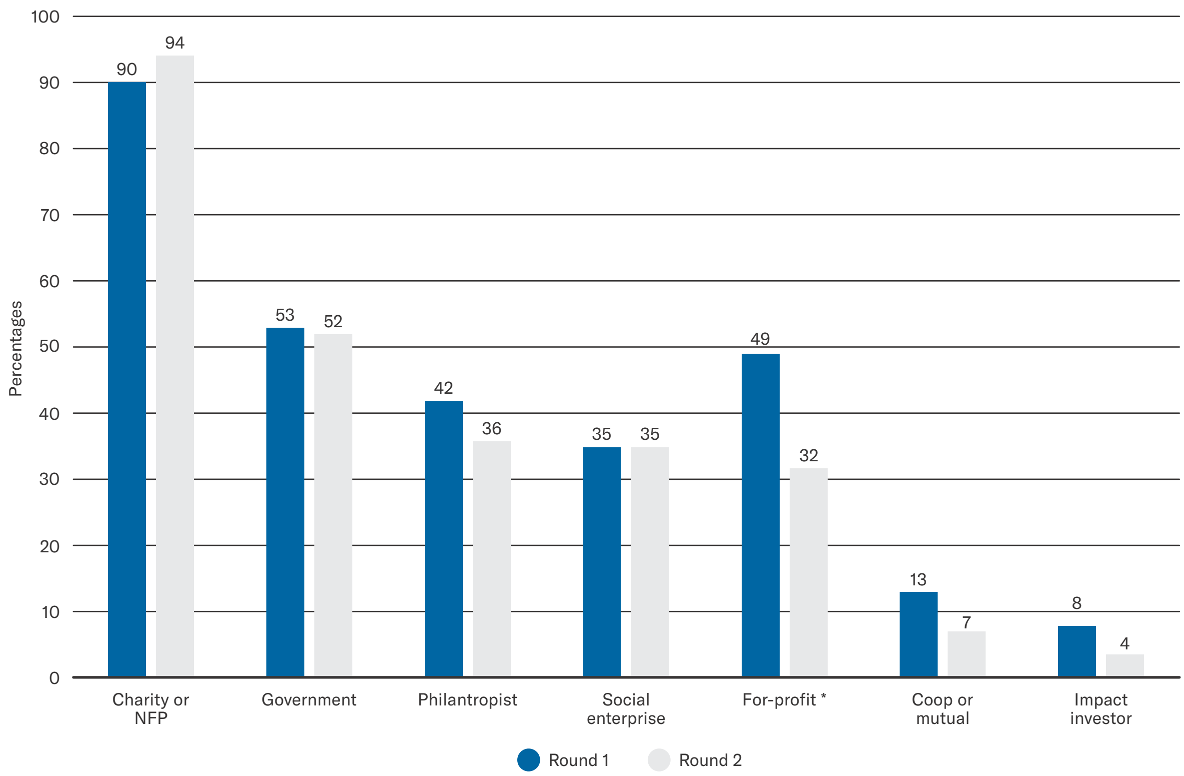
Most SEOs (80% of respondents) collaborated in the last 12 months, a decline of 5 ppt from Wave1. When collaborating:

- charities or NFPs remained the most common partner type (94%, up by 4 ppt from Wave1), followed by governments (52%).
- For-profit organisations, which ranked third in Wave1, have the most dramatic decline, being selected as a collaboration partner by only 32% of respondents in Wave2, compared to 49% in Wave1.
- Collaboration with co-ops or mutuals, as well as impact investors, declined across the board.

Organisations that reduced the number of partners identified the following as their top three challenges:

1. Identifying complementary organisational competencies and/or cultures;
2. Resourcing and managing the coordination; and
3. Establishing or managing shared purpose.

Figure 4: Types of collaboration partner



Note: * represents statistically significant change at p <.05

DIVERSIFICATION AND INNOVATION IN FUNDING AND FINANCE

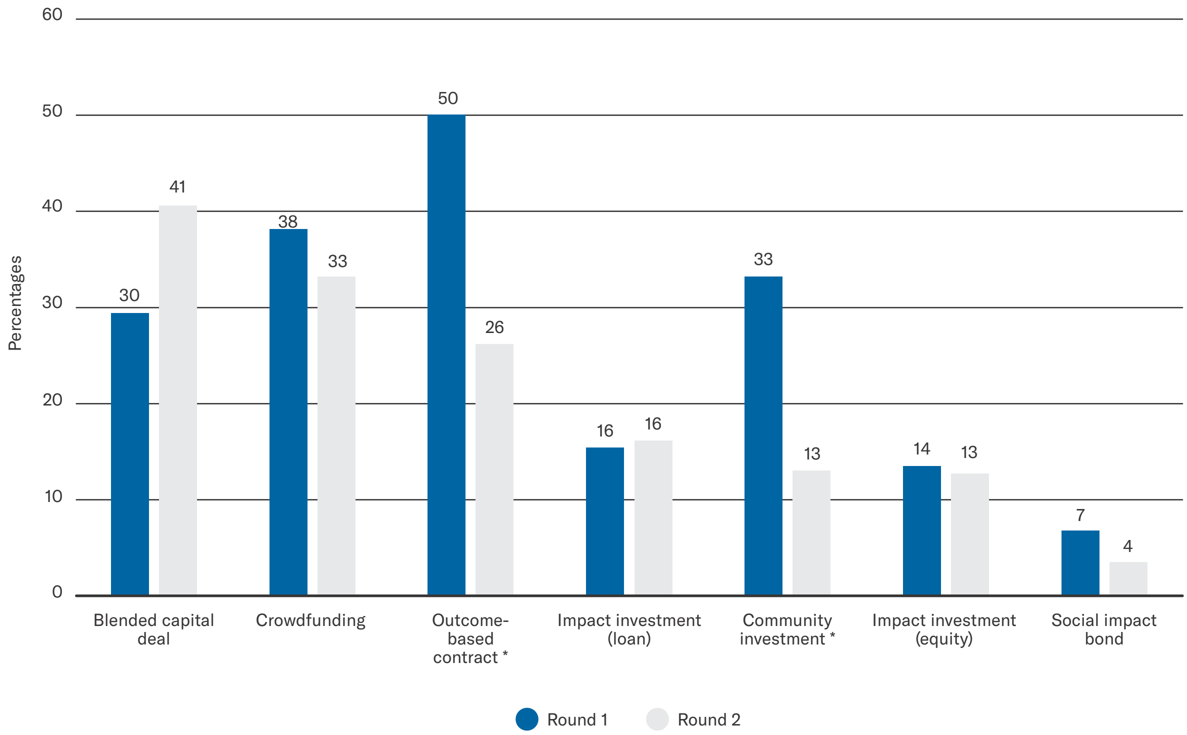
While the key theme of financial paradox from Wave1 remains, new to wave2 is that SEOs view financial management and income diversification as the top two priorities for professional development.

The financial paradox remains, that is SEO's consistently identified funding and income diversification as top organisational priorities, but when asked to estimate the spread of their main income sources they remain focused on traditional sources such as goods and services (21%), government grants (20%), fundraising (17%) and government contracts (16%).

SEOs reported that financial management and sustainability, and fundraising and donor management are the two highest priorities for professional development (see Part 2, section 6), yet the majority (68%) are unsure or have not considered new types of funding or finance mechanisms.

While this consideration of new forms of financing was about the same as last round, for those who have experienced new forms of financing, there was considerable variation in the types they had experienced (See Figure 5, below). In summary, there is a general decline in experience across most new types of financing, especially outcome-based contracts and community investment, while more SEOs reported recent experience with blended capital deals.

Figure 5: Current or prior use of new types of financing



Note: * represents statistically significant change at p <.05

When asked that optional question of what would make it easier for their organisations to access or participate in new forms of finance, there was once again many responses (approximately 89) which were summarised in eleven key themes (see Table A2.1 in Appendix 2) with the top findings being:

1. **Lack of Knowledge, Awareness & Information:** the dominant theme by a wide margin. Most organisations simply don't know what these models are or where to find them.
2. **Education, Training & Board-Level Upskilling:** a need for structured learning, particularly for governance bodies making strategic finance decisions.
3. **Insufficient Staff, Time & Organisational Capacity:** lean organisations are too stretched by service delivery to explore, apply for, or manage complex finance models.
4. **Funded Capacity-Building & Readiness Support:** organisations need seed funding and technical assistance to build the data systems, evidence frameworks, and legal structures required *before* they can participate.
5. **Scale Mismatch:** a concern that these models are designed for large charities, not small community organisations.

Other themes (summarised in the Appendix 2) cover culturally appropriate frameworks for Indigenous organisations, financial risk and flexible structures, access to expert intermediaries, simplified reporting, peer networking/funder matching, and regulatory/eligibility barriers.

IMPACT MEASUREMENT AND MANAGEMENT (IMM)

Whether and how SEOs can make visible the difference they make is largely subject to effective IMM. While Wave1 revealed underdeveloped capabilities and resourcing in IMM, sector consultation resulted in heightened discussion over how and why organisations engage in their social purpose missions.

Despite this, the extent to which SEOs apply impact measurement across their programs declined slightly in Wave2, with more SEOs reporting they only measure impact for a small proportion of their activities (See Table G, below).

Nonetheless, this is still higher than prior CSI research in the Bankwest Survey where 70.6% of organisations measured their outcomes to some extent in 2019[3] vs 85% in the Wave2 survey in 2025.

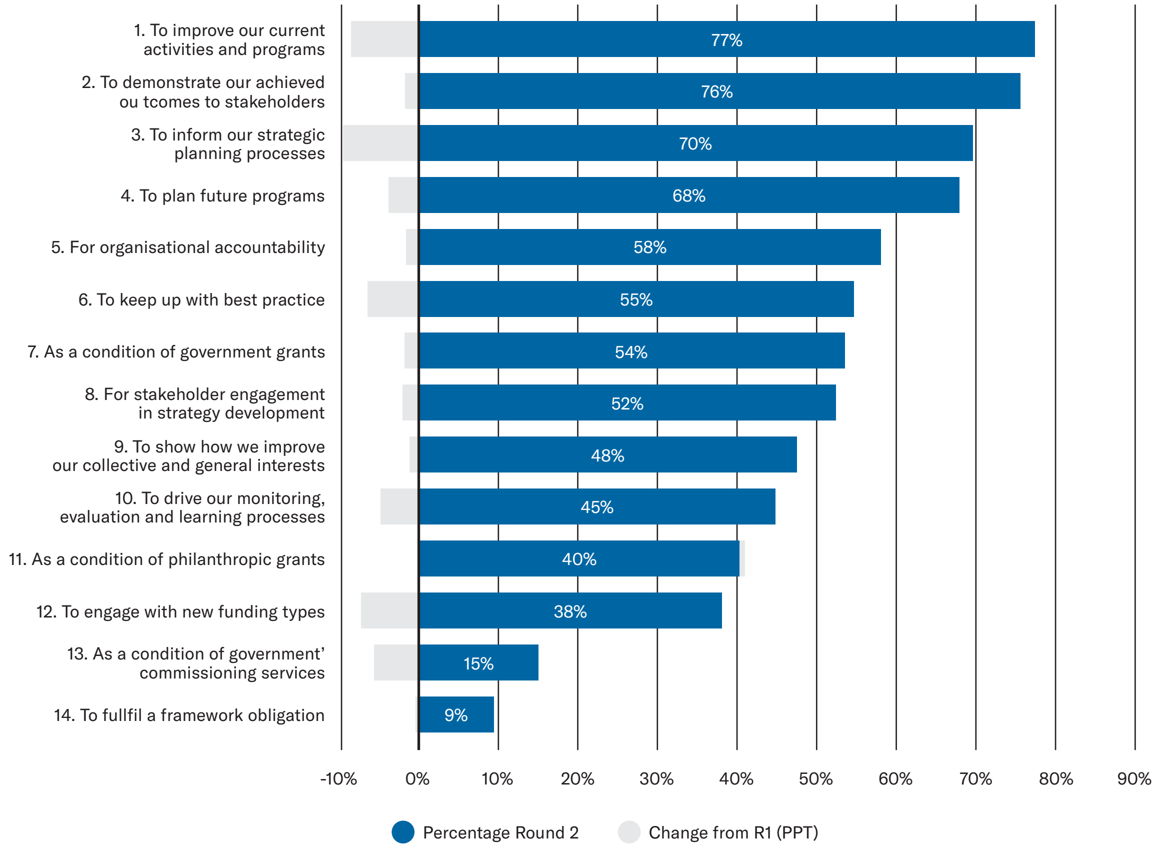
Table G: Level of Impact Measurement

	N	%	Change from R1 (ppt)
We measure impact for all of our activities	46	21.5	-2.8
We measure impact for most of our activities	75	35.1	0.0
We measure impact for about half of our activities	26	12.2	-1.4
We measure impact for a small proportion of our activities	35	16.4	2.8
We do not measure our impact	32	15.0	1.4
Total	**214**	**100.0**	

While there was also a small drop off across the range of motivations for measuring impact, except for its use as a condition for philanthropic grants (see Figure 6), SEOs continue to use impact measurement to inform program and service improvements, demonstrate outcomes to stakeholders, and for strategic planning purposes. Other reported reasons for IMM that SEOs self-reported were for the purposes of opening opportunities for social procurement.

[3] See bottom of p10: Bankwest-Foundation-Social-Impact-Research-Series-Issue-10-Outcomes-Measurement-in-the-Australian-Community-Sector-Report.pdf

Figure 6: Motivations for Impact Measurement



For SEOs that engage in IMM, there is some evidence of shifts toward more sophisticated techniques such as economic value added estimations, or the use of standardised measures or established outcomes frameworks, while also seeing a decline in use of methods more closely associated with measuring outputs (such as activity counts and immediate achievements) (see Table H, next page).

Table H: Method of IMM used and change between waves

Method of Impact Measurement	Rd 2 N	Rd 2 %	Rd 1 %	% Change (+/-+
Activity counts	151	82.97	88.3	-5.33
Immediate achievements (e.g. effective delivery of our programs and services)	137	75.27	86.7	-11.43
Own targets for the delivery of services or programs and assess our achievements against these	123	67.58	63.7	3.88
Surveys	123	67.58	70	-2.42
Qualitative assessment with beneficiaries (e.g. interviews)	110	60.44	60.8	-0.36
Program Logic or Theory of Change model	75	41.21	40	1.21
Longer term achievements (e.g. changes in people's livelihoods)	75	41.21	46.7	-5.49
Standardised measures or validated outcome indicators	68	37.36	33	4.36
Economic value of our social impact	49	26.92	22.5	4.42
Public data (e.g. Census data, public health statistics) to assess counterfactual	39	21.43	26.7	-5.27

When asked what would make it easier for SEOs to assess their impact, there was an abundance of responses (115 responses) and at least ten key themes were identified in the responses (see table A2.2 in the Appendix 2).

The Top 5 most frequently reported themes for improving impact assessment and reporting were:

1. **Dedicated Funding for Impact Measurement:** the overwhelming top barrier. Organisations are stuck in a cycle where funders demand evidence but won't pay for the evaluation work.
2. **Standardised Frameworks & Tools:** a strong desire to stop reinventing the wheel and adopt shared, sector-wide measurement approaches.
3. **Skilled Staff & Dedicated Roles:** even with funding, frameworks and tools, there are very few people with the time or expertise to lead the work.
4. **Training & Capacity Building:** accessible, affordable upskilling for staff and volunteers on evaluation methodology.
5. **Better Data Systems & Infrastructure:** purpose-built databases and digital tools rather than paper-based or fragmented systems.

Key findings:

- **Resourcing and value dominate:** Nearly half of all responses cited lack of dedicated funding as the primary barrier. Organisations are caught in a cycle where funders demand evidence of impact but do not adequately or ongoingly resource the work of producing it. Where they do, they often do not 'close the loop' to provide feedback showing how they value or appreciate the impact reports that are produced, or where they would anticipate further improvements in program design, assessment and measurement of outcomes, or reporting.
- **Standardisation is in high demand:** The second strongest theme was a desire for shared, validated frameworks, not more bespoke approaches. Organisations want to stop "reinventing the wheel" and start benchmarking against peers.
- **The capability gap is acute:** Even with funding and frameworks, organisations lack skilled personnel.
- **Funder misalignment creates waste:** Organisations described running parallel reporting systems (one meaningful for their constituents or to improve their services and one bureaucratic), because government requirements don't align with what captures impact.
- **Cultural safety matters:** This was a new theme in the 2026 survey. A distinct cluster of responses called for Indigenous-led, culturally governed evaluation that centres self-determination and locally meaningful indicators, challenging the assumed universality of standard measurement approaches.

SECTION 2: NEW TO WAVE2

After consultation with peak sector bodies, in Wave2 we added new modules on organisational missions, social impact or outcomes they aim to achieve, activities for their goals, and subjective assessment of their performance against those goals.

This section outlines key findings.

MISSIONS, OUTCOMES AND ACTIVITIES

SEOs are aligned with the pursuit of multiple missions and engaged in a diverse array of activities to fulfill their purpose-oriented outcomes.

Reported outcomes reflect a strong concentration on direct, people-centred results rather than economic or member-related benefits. The most cited outcomes were improved wellbeing or health (57%), community cohesion and trust (46.7%), generating social benefits for customers (35.5%), policy or systems change (30.4%), improved skills and employability (24.8%), and improved incomes or poverty reduction (21.5%).

6.1 Missions and Impacts of Social Economy Organisations

Table I (next page) presents the range of organisational missions reported by SEOs. On average, our respondents chose 2.8 missions including others than listed. The results highlight a strong emphasis on social and community-oriented missions. The most frequently cited mission was creating social outcomes for a particular group, selected by two thirds of respondents, followed by community empowerment/participation (54.7%) and inclusion/equity (39.3%).

Economic and organisational stability goals were also evident, though less prominent. Financial stability was identified by 30% of respondents, while member value or benefits were reported by 15.4%. Environmental objectives featured among a smaller portion of SEOs, with 15% indicating environmental outcomes as part of their missions.

Strategic and systemic aims such as policy change (14.5%), growth or scaling (10.8%), customer satisfaction (10.3%) and innovation or demonstration (9.8%) were cited less frequently. Missions related to job creation were the least common (6.5%).

Table I: Organisation's most important missions

	N	%
Create social outcomes for a particular group	142	66.4
Community empowerment/participation	117	54.7
Inclusion/equity	84	39.3
Financial stability	64	29.9
Member value/benefits	33	15.4
Create environmental outcomes	32	15.0
Policy change	31	14.5
Growth/scale	23	10.8
Customer satisfaction	22	10.3
Innovation/demonstration	21	9.8
Other	15	7.0
Job creation	14	6.5
Total	**598**	**279.4**

Table J (next page) outlines the types of intermediate social outcomes SEOs aim to achieve, revealing a strong concentration on direct, people-centred outcomes. The most common outcome was improved wellbeing or health, reported by 57% of respondents, followed by community cohesion and trust (46.7%). These findings reinforce previous results that SEOs primarily focus on immediate and relational forms of social impact, particularly at the community level.

Over one-third of respondents (35.5%) reported generating social benefits for customers, suggesting that SEOs integrate social value into their service or market interactions rather than treating impact as a separate activity. Meanwhile, policy or systems change was reported by 30.4%, indicating a substantial number of SEOs engage beyond direct service provision to influence broader institutional or structural conditions.
Economic and labour-market outcomes were less prominent. Improved skills/employability (24.8%) and improved incomes or poverty reduction (21.5%) goals were each reported by around one-quarter of respondents. Member economic benefit was the least common goal. All together, these suggest that while economic impacts are present, they are generally secondary to social or wellbeing outcomes.

Table J: Primary outcomes to achieve in the next 12 months

	N	%
Improved wellbeing/health	122	57.0
Community cohesion/trust	100	46.7
Customer social benefit	76	35.5
Policy or systems change	65	30.4
Improved skills/employability	53	24.8
Improved incomes/poverty reduction	46	21.5
Environmental improvement	31	14.5
Member economic benefit (e.g. patronage, surplus sharing)	17	7.9
Other	8	3.7
Total	**518**	**242.1**

Table K (next page) presents the main activities undertaken by SEOs, further illustrating the sector's strong orientation toward direct engagement and multi-modal impact creation. On average, SEOs undertook 4.6 different types of activities in the last 12 months. Direct service delivery was the most prevalent activity (73%), underscoring the central role of hands-on service provision in achieving social outcomes.

A substantial proportion of SEOs also engage in education and training (58.4%), advocacy and public policy (56.5%), and research and knowledge sharing (53.3%). Together, these suggest that many organisations combine service delivery with capacity building, evidence generation, and efforts to influence broader systems.

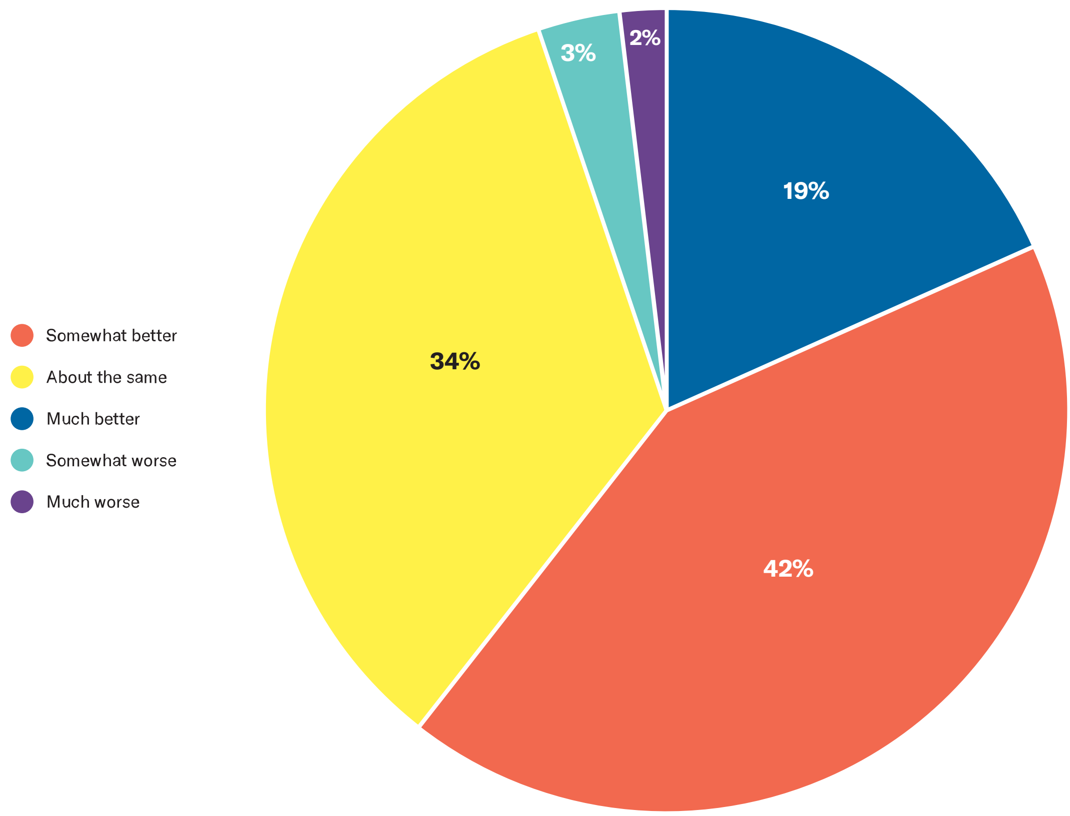
Nearly half of respondents reported involvement in fundraising (48%), community organising (45.8%), and volunteer mobilisation (45%), reflecting the continued importance of resource mobilisation and collective action. More strategic and market-oriented activities such as coalition/network leadership, social enterprise trading or financing activities were less common.

Table K: Main activities undertaken in the last 12 months

	N	%
Direct service delivery	156	72.9
Education and training	125	58.4
Advocacy and public policy	121	56.5
Research and knowledge sharing	114	53.3
Fundraising and donor engagement	103	48.1
Community organising	98	45.8
Volunteer mobilisation	96	44.9
Coalition/network leadership	76	35.5
Social enterprise trading	53	24.8
Financing/loans/grants	37	17.3
Other	0	0.0
Total	**979**	**457.5**

Lastly, respondents self-evaluated their performance against their goals and desired outcomes. Sixty percent reported that they performed better than in the previous year (much better: 18%; somewhat better: 42%), 34% reported performing about the same, and 5% indicated that they performed worse.

Figure 7: Subjective performance evaluation of organisational missions and goals



6.2 Professional Development and Capability Needs

The areas of greatest demand for professional development were financial management and sustainability (36.6%), fundraising and donor management (29.9%), human resources, staff wellbeing and resilience (26.8%), community engagement and relationship building (26.3%), planning and succession (24.2%), and impact measurement (22.2%). Preferred modes of development were mentoring or coaching programs (51.3%), professional networks or communities of practice (41.3%), and workshops and training sessions (40.7%).

Table L (next page) summarises key areas of capability development identified by SEOs. Overall, the results point to a strong emphasis on core organisational sustainability and operational capacity. Financial management and sustainability emerged as the most frequently selected area (36.6%), followed by fundraising and donor management (29.9%). Together, these findings reinforce earlier survey evidence that SEOs are prioritising financial resilience and resource security in response to a challenging operating environment.

Capabilities related to people and relationships also feature prominently. Over one-quarter of respondents identified human resources, staff wellbeing and resilience (26.8%) and community engagement and relationship building (26.3%) as key development areas.

Mid-ranked needs include planning and succession and impact measurement, indicating that while longer-term organisational continuity and accountability remain important, they are somewhat secondary to immediate financial and people-management concerns. Similarly, communications, marketing and advocacy, digital tools and technology use reflect a pragmatic focus on improving organisational effectiveness rather than transformational change. Leadership, strategy, partnership, cultural competency, futures and foresight capabilities, social innovation received less attention at present. The least selected areas such as legal and compliance and climate risk and opportunity assessment indicate that regulatory and environmental considerations are not widely perceived as immediate capability gaps.

Taken together, these results reflect a sector that is focused on stabilisation and consolidation, with development efforts concentrated on financial, human, and relational capabilities whereas innovation, climate, and future-oriented capabilities remain lower priorities in the current context.

Table L: Professional Development Needs

	%
1. Financial management and sustainability	36.6
2. Fundraising and donor management	29.9
3. Human resources, staff wellbeing, and resilience	26.8
4. Community engagement and relationship	26.3
5. Planning and succession	24.2
6. Impact measurement	22.2
7. Communications, marketing, and advocacy	19.6
8. Digital tools and technology use	17.5
9. Program design and delivery	16.5
10. Leadership and governance	15.5
11. Strategy and risk management	14.4
12. Partnership strategies	10.8
13. Cultural competency and inclusion	8.8
14. Futures and foresight capabilities	6.2
15. Social innovation	5.2
16. Legal and compliance	2.1
17. Climate risk and opportunity assessment	2.1
Total	**284.5**

Finally, Figure 8 provides insight into SEOs' professional development provision and unmet demand, highlighting both areas of strength and gaps in current support mechanisms.

Overall, the results indicate strong demand for more structured and relational learning opportunities. Mentoring or coaching programs show the highest unmet need, with 51.3% of respondents indicating a need of more of this support, while 32.8% report already providing it. This suggests a clear gap in individualised capability-building. Similarly, substantial proportions of respondents expressed a need for more access to professional networks or communities of practice (41.3%) and workshops and training sessions (40.7%), indicating ongoing demand for collective learning and skill development.

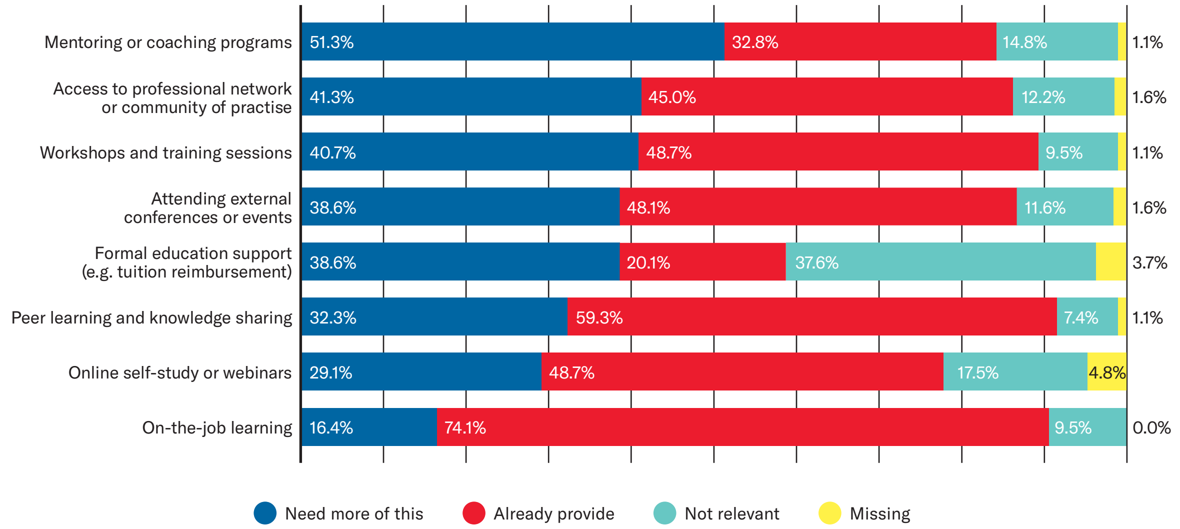
Conference participation and external engagement also appear constrained as 38.6% of respondents need more support in this area, while nearly half (48.1%) already provide such opportunities.

Formal education support presents a more polarised picture, because 38.6% indicated a need for more support but a similarly large proportion (37.6%) viewed it as not relevant. This suggests that formal education pathways are highly context-dependent, valued by some SEOs but not considered appropriate or feasible by others.

In contrast, several learning modes appear relatively well embedded. Peer learning and knowledge sharing (59.3%) and on-the-job learning (74.1%) are already widely provided, with comparatively low unmet need. This indicates that SEOs rely heavily on informal, practice-based learning, likely as a cost-effective and flexible approach in resource-constrained environments.

Finally, online self-study or webinars occupy a middle ground, with moderate levels of both provision (48.7%) and unmet need (29.1%), suggesting room for expansion, but not an urgent shortfall.

Figure 8: Methods of Capability Development



CONCLUSION

Australia's social economy continues to catalyse significant social benefits during times of heightened geopolitical instability, threats to social cohesion and climate-related and other environmental disasters.

These ongoing contributions are largely implemented through the concerted efforts of not-for-profit, charity, and social enterprise social economy organisations (SEOs). This reflected a similar sector composition as in Wave1, with a slightly greater representation of incorporated organisations and a more highly skewed emphasis on small-sized organisations, with more representation from organisations with zero paid staff.

Our research reveals a sector characterised by the same breadth of challenges and under increasing strain. SEOs' top two immediate priorities remain focused on maintaining funding/revenue and diversifying income sources, with a notable rise in human resource concerns, especially recruiting and retaining staff or volunteers and building staff capabilities. The top external risks place rising emphasis on macroeconomic conditions, erosion of social cohesion and polarisation, cybercrime and cybersecurity risks, and shortages of skilled workforces.

Organisational priorities are shifting towards resilience, with SEOs focused on stabilisation and consolidation. Most SEOs collaborated in the last 12 months, although this declined from Wave1. The financial paradox remains: SEOs consistently identified funding and income diversification as top organisational priorities, but remain focused on traditional sources. SEOs are aligned with the pursuit of multiple missions and direct, people-centred results. SEOs continue to use impact measurement to inform program and service improvements, demonstrate outcomes to stakeholders, and for strategic planning purposes, but Wave2 shows underdeveloped capabilities and resourcing in IMM.

SEOs need time and resources for social impact strategy development, to reframe and refresh their own policies and services in preparedness for resilience against macroeconomic conditions, erosion of social cohesion and societal polarisation, widespread cybercrime and cyber insecurity, natural catastrophes and extreme weather events, and shortages of skilled workforce, while also ensuring continuation, recruiting and retaining staff or volunteers, building staff capabilities, and being responsive to other SEOs.

The findings indicate several priority areas for sector development:

- Consistent investment in people, staff capability and wellbeing, recruiting and retaining staff or volunteers, and building staff capabilities, as SEOs stretch to cope with cuts in funding and increases in costs and demand.
- There is an opportunity for investment in capability building, including knowledge, awareness and information about new financing mechanisms; education, training and board-level upskilling; funded capacity-building and readiness support; and sufficient staff, time and organisational capacity, to support SEOs to access or participate in new forms of finance and build on their direct engagement and multi-modal impact creation.

- There is strong demand for more structured and relational learning opportunities, especially mentoring or coaching programs, professional networks or communities of practice, and workshops and training sessions.
- Hidden costs of adjusting to government reforms and funding, complex funding submissions, collecting data for reporting, mandatory climate reporting, barriers for micro-charities, place-based challenges and strategies driven by communities.
- Legal frameworks lag modern, hybrid “for-purpose” approaches, with barriers to recognition of social enterprise and hybrid models; DGR status and tax/philanthropy constraints were again noted[4], and lack of recognition for cultural, community, and alternative governance models.
- Greater aggregation of outcomes or contribution across the sector, standardised frameworks and tools, and shared, sector-wide measurement approaches would alleviate overburdened and under resourced IMM, reduce bespoke approaches and support benchmarking against peers.

In the next and final round of the three-year survey, we’ll consolidate on the generous responses from the sector to further define the contributions and challenges for social purpose organising in Australia.

[4] Restrictions around Deductible Gift Recipient status limit access to funding, donations, and incentives; some stated DGR acts as a gatekeeper for financial sustainability and sector equity; some organisations want eligibility changed so support is available to broader social benefit criteria; several noted that neighbourhood and community resource centres are not eligible for DGR status, which “limits their ability to attract philanthropic gifts; Gender Equality was identified as “a social cause that it is difficult to get DGR status for.”

APPENDIX 1: TECHNICAL DETAILS ON SAMPLING, COMPARISON BETWEEN ROUNDS 1 AND 2, AND CROSS-SECTOR ANALYSIS

A1.1 WAVE2 SAMPLE

As for the 2024 survey wave, we use two data collection strategies to balance our twin goals of:

1. Achieving representativeness of the sample
2. Collecting data for broader types of organisations that are traditionally less studied.

In R1, these objectives were achieved through a) a random sample of 2000 organisations registered with ACNC and b) self-nomination of organisations via peaks' communication channels, referrals, and online advertisements. The collected final data was then checked against the geographical distribution of Australian populations as a representativeness check for a non-probability sample[5].

As one of the primary goals of this research is to construct a high-quality panel dataset of SEOs, we continued using the same recruitment strategies in Wave2. Table A1 below summarises the sample size and response rates. In R2, we have slightly more representation from the random sample (N=119) than the self-nominated sample (N=95), while they were more balanced in Wave1.

Table A 1: Sampling methods and response rates

	Random sample	Self-nominated sample	Total
Original Number	2,000	Unknown	
Invited in R1	1,683	Unknown	
Any responses in R1	311	84	395
Completion in R1	72	68	140
Invited in R2	1,643	84 + unknown	
Any responses in R2	304	276	580
Completion in R2	119	95	214
Completion in both R1&2	27	36	65

[5] We also conducted t-tests comparing the random sample and self-nominated sample in terms of organisational sizes – annual revenue (t-score: 0.941, p-value: 0.347), annual expenses (t score: 0.856, p-value: 0.393), and the number of paid staff (t-score: 0.595, p-value: 0.553). None of them show statistical differences between the two samples.

Table A 2: Comparison of characteristics between two samples (%)

	Random (N=119)	Self-nomination (N=95)	Total Sample (N=214)	Population Target
ACT	1.7	5.3	3.3	1.8
NSW	29.4	30.5	29.9	31.3
NT	1.7	2.1	1.9	1.0
QLD	16.8	13.7	15.4	20.5
SA	6.7	3.2	5.1	6.9
TAS	5.0	3.2	4.2	2.1
VIC	29.4	32.6	30.8	25.6
WA	9.2	9.5	9.4	10.8
Total	**100.0**	**100.0**	**100.0**	**100.0**

A1.2 DECOMPOSITION OF AGGREGATE CHANGE IN TWO-WAVE DATA WITH PARTIAL PANEL OVERLAP

The second wave of social economy survey data can be characterised as repeated cross-sectional data with partial panel overlap (37% of the combined sample are panel). Within this data, aggregated change between R1 and R2 reflects both:

1. Within-change among repeated respondents, and
2. Compositional change arising from turnover in the sample.

When there are only two waves available and a subset of respondents are observed at both time points, the observed change as the difference between two sample means can conflates these two mechanisms. This technical note presents an exact decomposition of the change in the sample mean into a) a within-change component, and b) a composition component.

Total observed change: $\Delta = \bar{Y}_2 - \bar{Y}_1$ (1)
where $\bar{Y}_1$ and $\bar{Y}_2$ are sample mean at t_1 and t_2, respectively.

Next, the sample can be partitioned into repeat respondents (R) and single-time respondents (S). Within each wave, these two groups constitute mutually exclusive and collectively exhaustive proportions of the total sample. Accordingly, the sample mean at time t can be expressed as:

$\bar{Y}_t = P_{Rt}\bar{Y}_{Rt} + P_{St}\bar{Y}_{St}$ (2)
where P_{Rt} and P_{St} denote the sample proportions of repeat respondents , and single-time respondents , respectively, and $\bar{Y}_{Rt}$ and $\bar{Y}_{St}$ denote the corresponding group-specific sample means at time t.

Then, the total observed change can be decomposed as:

$$\Delta = \underbrace{P_{R1}(\bar{Y}_{R2} - \bar{Y}_{R1})}_{\text{Within-change among repeaters}} + \underbrace{(P_{R2} - P_{R1})\bar{Y}_{R2}}_{\text{Change in repeater composition}} + \underbrace{(P_{S2}\bar{Y}_{S2} - P_{S1}\bar{Y}_{S1})}_{\text{Turnover}} \qquad (3)$$

Table A3 presents the decomposition results for the variables that exhibited statistically significant changes in the report. Overall, the composition component accounts for the majority of the aggregate change, ranging from 52% (collaboration with for-profit organisations) to 93% (usage of community investment financing). In all cases, the within-change and composition components move in the same direction and follow the overall trend. This consistency strengthens confidence in the interpretation of the observed time trends.

Table A 3: Decomposition of Overall Changes into Within-Change and Composition Change

Domains	Variables	Overall change (in ppt)	Within-change	Composition	Share of Within-change	Share of Composition
Stakeholder participation methods	Inclusion of beneficiary-directors	5.1	1.2	3.9	23%	77%
	Inclusion of employee-directors	-9.2	-1.2	-8.0	13%	87%
	None	5.3	1.2	4.1	22%	78%
Collaboration partner	Collaboration with for-profit	-17.4	-8.3	-9.1	48%	52%
New finance usage	Outcome-contract	-20.5	-7.8	-12.7	38%	62%
	Community investment	-20.2	-1.4	-18.8	7%	93%

A1.3 CROSS-SECTIONAL ANALYSIS

For those questions featured in this report, where we provide an overall comparison of SEO organisations, we tested further to see if there would be variations by organisational types. Of all questions, there were only two where there were notable variations in the patterns of responses by organisational type – organisational priorities and levels of engagement with IMM. The cross-sectional analysis for each is provided in the Tables A4 and A5 that follow, along with general reflections on the differing patterns that would require further testing. CSI is committed to tracing these variations for type across the entire data set after this survey in Wave3.

Table A 4: Organisational Priorities by Type

	Charity (N=83)	NFP (N=26)	Social Enterprise (N=26)	Hybrid (N=36)	CME (N=11)	Philanthropy (N=16)
Maintaining/increasing funding & revenue	2.7	2.7	2.8	3.4	2.9	2.5
Diversifying income sources	1.8	1.3	1.3	1.7	2.1	1.6
Managing partnerships & collaborations	1.4	1.4	0.4	0.9	0.8	1.3
Recruiting or retaining staff or volunteers	1.0	1.8	0.9	1.1	0.6	0.2
Improving service quality	1.0	1.0	0.9	1.2	1.6	1.4
Improving impact measurement & mgmt	1.0	1.1	0.6	1.1	1.3	0.9
Reviewing our strategic plan	0.9	1.0	1.0	0.7	0.5	2.0
Innovating our products and services	0.8	0.9	0.7	1.4	0.2	0.9
Improving governance	0.7	0.5	1.3	0.5	0.7	0.9
Improving cybersecurity	0.7	0.3	0.0	0.3	0.9	0.0
Building staff capabilities	0.6	1.2	0.6	0.4	1.0	0.7
Understanding and managing costs	0.5	0.4	0.8	0.4	0.5	0.0
Improving the use of digital technology	0.4	0.2	1.7	0.7	0.4	0.5
Improving productivity	0.4	0.7	0.8	0.6	1.1	0.4
Advancing diversity, equity and inclusion	0.3	0.1	0.5	0.2	0.0	0.4
Reducing negative environmental impacts	0.2	0.2	0.1	0.1	0.4	0.4

Table A4 shows a cross-sector analysis of organisational priorities that are broken down by SEO types. Across all SEO types, funding/revenue is placed as the top priority with the highest score in every column. It is particularly strong for Hybrid (3.4) and CME (2.9).

Income diversification is identified as the second highest priority by three out of six SEO types (Charity, Hybrid, and CME). While this cross-sector analysis confirms the general pattern of SEOs prioritising day-to-day operations over long-term strategic and transformative priorities shown in the aggregated analysis (Figure 2), there are some interesting variations across the sector:

- Charities, with the largest number of respondents among SEO types, have the most balanced responses across most areas but are very resource constrained.
- NFPs show the highest concern around staffing and the need for staff capability building.
- Social enterprises have the highest emphasis on digital technology and governance, probably reflecting the challenges they face while scaling up.
- Hybrids have the highest emphasis on funding/revenue while also focusing on the innovation of products and services.

- CMEs are primarily focused on improving productivity, service quality, and staff capabilities rather than innovation, but have the highest score on impact measurement among SEOs. Alongside the finding that CMEs have the lowest engagement with impact measurement, as shown in table 2, this suggests that CMEs are in greater need of improving their operations and demonstrating their impact.
- Philanthropists stand out in terms of their emphasis on strategic planning (2.0) and are the least concerned with operational strain.

Table A 5: Level of Engagement with Impact Measurement by Organisational Type (%)

	Charity only (N=90)	NFP only (N=28)	SE only (N=28)	Hybrid (N=38)	CME (N=13)	Philanthropy (N=16)
No impact measurement	10.0	25.0	14.3	7.9	38.5	18.8
Small portion of activities	15.6	17.9	17.9	5.3	30.8	31.3
Half of activities	12.2	10.7	21.4	10.5	15.4	0.0
Most of activities	45.6	28.6	32.1	34.2	7.7	18.8
All of activities	16.7	17.9	14.3	42.1	7.7	31.3

Table A5 shows a cross-sectional analysis of impact measurement across SEO types. There is a wide variation in engagement levels, indicating that impact measurement is not uniformly embedded across organisational types. Hybrids are the leaders in impact measurement as 42.1% measure impact across all activities. Charities, NFPs, and social enterprises are all actively engaged with impact measurement as they measure most of their activities (45.6% for charities, 28.6% for NFPs, and 32.1% for social enterprises). CMEs are clearly lagging in that the majority of them have no or minimal impact measurement. Philanthropists have a more polarised level of engagement.

APPENDIX 2 DETAILED THEMATIC ANALYSIS TABLES

A2.1 BARRIERS TO ASSESSING SOCIAL IMPACT

Analysis of open-ended survey responses from Australian not-for-profit and community organisations to the question: *"What would make it easier for your organisation to assess its social impact?"*

Theme	Description	Exemplar Quotes
Dedicated Funding for Impact Measurement	The most frequently cited barrier. Organisations reported lacking the financial resources to invest in evaluation. Many noted funders demand evidence of impact but do not resource the work of producing it. Respondents called for ring-fenced evaluation funding and inclusion of measurement costs in grants and tenders.	*"Dedicated funding attached to program grants to invest properly in impact evaluation (whether in-house or outsourced)."*
Standardised Frameworks & Measurement Tools	A strong desire for shared, sector-specific measurement frameworks rather than bespoke approaches. Organisations want validated indicators, common outcome measures, and standardised templates that are accepted across funders and government agencies — enabling benchmarking and reducing duplication.	*"To have a standardised, easy-to-use framework that is widely accepted as a Victorian benchmark across the Board for NFP charities who have a variety of different services under the one umbrella organisation such as ours."* *"Unified sport for development toolbox for evaluating impact so we can measure against organisations in this space no matter how large or small."* *"Available tools that could support instead of reinventing the wheel and additional funding for evaluation of projects."*

Skilled Staff & Dedicated Human Resources	Organisations identified a critical need for dedicated personnel with evaluation expertise. As mostly volunteer-run or lean organisations, they lack staff with the time, skills, or mandate to lead impact measurement. Responses called for funded evaluation roles, skilled consultants, or dedicated volunteers.	*"A dedicated staff expert in outcomes measurement would be a game changer."* *"Having funds to employ dedicated skilled staff or consultants that only job is to assess and measure impact."* *"Having someone else do this would be great — we are busy providing the service, no time/funds/or vols to do this extra work."*
Training, Capacity Building & Skills Development	Respondents highlighted gaps in internal knowledge and capability around evaluation methodology. They want accessible, affordable training for staff and volunteers — covering measurement tool design, theories of change, data collection, and analysis. Several noted the prohibitive cost of professional workshops for small organisations.	*"Training and tools to understand how we can adapt our existing data / information / evaluation processes to measure impact (as opposed to outputs)."* *"Provision of free workshops for staff on developing measurement tools. (we are a small organisation, cost of professional workshops is often prohibitive)."* *"Upskilling of staff, embed in culture and existing roles."*
Better Data Systems, Software & Infrastructure	Organisations pointed to the absence of fit-for-purpose databases, digital reporting tools, and data collection systems as a major barrier. They want purpose-built software, shared data platforms, and systems that make collection easy — particularly for volunteers and across programs.	*"We would love to have a purpose built database that we could record all our clients and our work which we could then extract data / statistics from."* *"Shared digital reporting tools to align data collection across programs and partners, reducing duplication and improving visibility of results."* *"Systems that make it easy for volunteers to engage in data collection."*

Alignment & Harmonisation of Funder Reporting Requirements	A recurring frustration was the burden of reporting against multiple, inconsistent funder requirements. Organisations described running parallel reporting processes and called for harmonised data requirements across state and federal funders so they can report once, meaningfully.	*"We currently run two parallel processes for one of our programs: data collection and reporting for a government funder (which is a very poor fit for our work); and our own MEL process, which is designed to aid broad and meaningful data capture and reporting."* *"Less time spent on meaningless data collection for government funders which we know is not used for any worthwhile purpose."* *"Consistency in what data to collect to effectively measure impact across various funding streams… Much of the data we are currently required to collect and report on does not effectively tell the story."*
Culturally Appropriate & Indigenous-Led Evaluation	Organisations working with Aboriginal and Torres Strait Islander communities called for evaluation approaches grounded in cultural safety, Indigenous data sovereignty, and locally meaningful indicators. Standard quantitative metrics were seen as failing to capture outcomes like cultural connection, kinship repair, and self-determination.	*"Culturally informed impact frameworks that recognise Aboriginal and Torres Strait Islander definitions of success, including cultural safety, self-determination, and connection to Country, not just quantitative indicators."* *"Funded, culturally governed evaluation built around Indigenous leadership, locally meaningful indicators, and sustained capacity-building."* *"More qualitative First Nations measures."*
External Partnerships & Specialist Support	Organisations expressed interest in partnerships with universities, research institutions, and specialist evaluators who could provide technical support, validated tools, and independent review. Many small organisations cannot build this expertise internally and need external allies.	*"A funded relationship with a suitable 3rd party specialist party to undertake fit-for-purpose evaluations of our programs."* *"Having sufficient resources or funds to get external review or consultancies to help us develop the tools and give feedback on the frameworks we have already established."* *"Funding and/or university partnerships would assist with quantitative data."*

Time & Organisational Capacity Constraints	Beyond funding, many respondents described a fundamental lack of time and bandwidth. Volunteer-run and understaffed organisations are consumed by service delivery and fundraising, leaving no residual capacity for evaluation work. Impact measurement is seen as important but consistently deprioritised.	*"Having more days in the week... or funding to support the time (staff hours) it takes to set this up."* *"All staff and volunteers are time poor."* *"Funding or in-kind support to implement. It is not a priority compared to keeping the lights on unfortunately."*
Longitudinal & Outcomes-Focused Measurement	Several organisations noted the difficulty of tracking long-term outcomes rather than short-term outputs. They want the ability to follow clients, graduates, or communities over time and to measure systemic or societal change — requiring sustained funding, appropriate methodologies, and longitudinal data access.	*"Stable, multi-year funding to support longitudinal impact tracking and continuous improvement rather than short-term output reporting."* *"Access to consistent, long-term data across programs and sectors to measure outcomes beyond participation, such as workforce retention, community wellbeing, and system change."* *"The real test will be having enough resources to track the leaders over time and across their many areas of focus and influence."*

A2.2 THEMATIC ANALYSIS: BARRIERS TO ACCESSING NEW FORMS OF FINANCE

Analysis of open-ended survey responses from Australian not-for-profit and community organisations to the question: *"What (if anything) would make it easier for your organisation to access or participate in these new forms of finance?"*

Theme	Description	Exemplar Quotes
Lack of Knowledge, Awareness & Information	The most frequently cited barrier. Organisations reported having little or no understanding of what new finance models exist, how they work, or how to access them. Many called for centralised information hubs, plain-language guides, information sessions, and greater visibility of available opportunities.	*"Knowledge about the options and help to access them."* *"Information to start with. There is no organisational capability at the moment to explore these new forms of finance."* *"I don't know about these new forms of finance. But I am intrigued and will be looking into it."*
Education, Training & Board-Level Upskilling	Closely related to awareness but distinct in its emphasis on structured learning. Organisations called for workshops, training programs, and education opportunities, particularly for boards, senior staff, and finance committees- to build the capability needed to make informed decisions about new finance models.	*"Availability of workshops for our Board Directors and Senior staff to learn more about these new forms of finance so that we could make informed decisions on whether they are suitable for our organisation."* *"Additional education — particularly at the board level."* *"Education and upskilling of my team to better understand how to access these forms of funding."*
Insufficient Staff, Time & Organisational Capacity	Small, volunteer-run, or understaffed organisations described being too consumed by frontline service delivery and day-to-day survival to explore, apply for, or manage new finance models. The transaction costs of participation (research, applications, due diligence, reporting) are prohibitive for lean organisations.	*"Support with applications, we are time poor and have hardly enough funds to support our front line staff. We are completely open and confident in our ability to meet outcomes for new forms of finance but don't have the capacity to be searching for the opportunities."* *"Generally, it is time and staffing resources. Being a small organisation, it is up to one person to research, review and lead any new activities as well as source funding to implement."* *"We don't have the time or personnel to apply for grants. We have in the past applied for government grants with no success. Our association is organised by volunteer parents who have little time."*
Need for Funded Capacity-	Organisations recognised that participating in outcomes-based or impact investment	*"We would need funding for capacity to focus on / explore / implement such forms*

Building & Readiness Support	models requires strong data systems, evidence frameworks, legal structures, and financial documentation they do not yet have. They called for funded readiness support (seed grants, technical assistance, and dedicated roles) to build the internal infrastructure needed before they can engage.	*of finance, and to cushion the risk if they did not work."* *"Provide seed funding to develop a potential program (1–3 years funding), so it will be eligible and ready to meet the requirement of these new forms of finance. Particularly in developing the quantifiable outcomes measurement, monitoring, and reporting process that meet the requirements."* *"A dedicated funded role to focus on what is required and how to implement and report."*
Scale Mismatch — Models Designed for Larger Organisations	A recurring concern was that new finance models are designed for large, well-resourced organisations and are inaccessible to smaller community groups. Respondents called for models that reflect their scale, including consortium-based approaches, pooled funds, and lower barriers to entry.	*"My limited understanding is that many impact investment-based contracts are designed for larger organisations. Smaller community organisations like NSCC need models that reflect our scale."* *"Most of this type of funding goes to a specific sector/field and not to sector wide/infrastructure/aggregator organisations."* *"Low barriers to entry i.e. application processes that require tens of thousands of word submissions are exclusionary."*
Culturally Appropriate Frameworks & Indigenous Governance	Organisations working with Aboriginal and Torres Strait Islander communities emphasised that new finance models must recognise Indigenous governance, data sovereignty, and culturally meaningful outcome measures. Standard economic or clinical metrics were seen as misaligned with First Nations definitions of success.	*"Clear and culturally relevant outcome measures. Many funding models prioritise economic or clinical metrics that overlook cultural, social, and community wellbeing outcomes central to Aboriginal and Torres Strait Islander success."* *"Culturally appropriate outcome metrics — co-designed indicators that capture cultural connection, kinship repair, and community safety alongside conventional metrics."* *"Donors need to understand traditional owner needs better."*
Risk, Financial Exposure & Need for Flexible Structures	Organisations expressed concern about the financial risk involved in outcomes-based models that require upfront investment before results are achieved. They called for blended finance structures, staged payments, government-backed guarantees, bridge financing, and risk-sharing mechanisms to make participation viable.	*"Flexible contracting arrangements. Current models often require upfront capital and risk-sharing beyond what community organisations can absorb. Providing blended finance, staged payments, or government-backed guarantees would reduce barriers."* *"We have been able to draw on appropriate financial expertise to engage in these new forms of finance (blended structure with loan and grant) but it was very time consuming and costly."* *"We are struggling with larger grant opportunities requirements for matched funding input at the moment. We have*

		successfully received some small (<$10K) grants, but for real impact we need to be able to access larger grant opportunities, but we don't have the capital or cashflow."
Access to Expert Advice, Intermediaries & Brokerage	Organisations called for access to consultants, intermediaries, brokers, and professional advisors who could help them navigate complex finance models, assess suitability, and connect with potential funders or investors. Several noted they cannot afford such expertise independently.	*"Having a free consultant to guide us and support our access to these new funding opportunities."* *"Access to professionals to assess the best options."* *"We would benefit from having a one-on-one with a consultant or representative to look at our current models and provide recommendations."*
Simplified Reporting & Reduced Administrative Burden	The complexity of compliance, reporting, and due diligence requirements associated with new finance models was seen as a significant deterrent. Organisations want standardised templates, streamlined reporting, and administrative support to make participation feasible without diverting resources from service delivery.	*"Simplicity in accessibility, increased awareness, and as little labour intensive reporting as required — We currently see these options as likely more trouble than they are worth."* *"Improved brokerage/intermediation, streamlined impact reporting requirements."* *"It would be easier to access new forms of finance if we had clear ways to measure and show the outcomes of our programs, along with simple tools and guidance for reporting, especially given our limited staff and resources."*
Networking, Peer Learning & Funder Matching	Some organisations expressed a desire for communities of practice, networking opportunities, and platforms that connect for-purpose organisations with potential funders. They want relational, face-to-face engagement rather than email notifications, and peer learning spaces to share experiences.	*"Having a social enterprise community where we meet and talk through aspects of being a social enterprise, including finance and funding opportunities. Learning what there is out there, what they mean, and what the concepts are. Not just an email with a link to current funding opportunities."* *"If there were opportunities to bring together / match / get to know, for purpose organisations and potential funders, via a smart database and in person, through networks and via online platforms."* *"Face to face presentation of options available. Too often organisations like ours receive email notifications, team meeting invites etc which are totally ineffective."*
Regulatory, Structural & Eligibility Barriers	A number of organisations noted that their legal structure, regulatory environment, or sector context makes new finance models inappropriate or	*"As a XX trust governed under the XXXX Act 2003 (VIC), these forms of emerging finance are neither appropriate nor consistent with the nature of our operations."*

	inaccessible. This includes cemetery trusts governed by legislation, religious organisations, co-operatives not recognised by funders, and organisations without DGR status.	*"Not sure. As a religious organisation, we aren't always eligible."* *"That they understand and recognise Coops as a viable and future-proofed business typology, and the oldest in the world."*

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