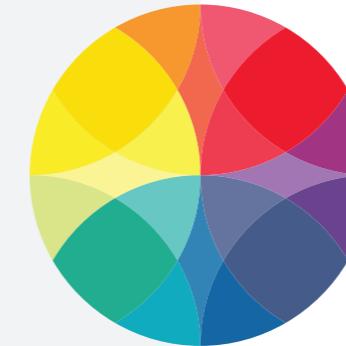


THE STATE OF THE SOCIAL ECONOMY IN AUSTRALIA: INAUGURAL SUMMARY REPORT

2025





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.

CENTRE FOR SOCIAL IMPACT

The Centre for Social Impact is a collaboration between the Business Schools of four leading Australian universities. Our purpose is to ignite positive, lasting social change for people and communities through education, research and engagement with not-for-profits, business, philanthropy and government.

ACKNOWLEDGEMENTS

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Thank you also to all who participated in the first year of this study. Your contribution has formed the foundation for ongoing research that will benefit Australia's social economy and the nation as a whole.

CONTENTS

Executive Summary	4
The Social Economy: A Values-led Economy	6
The Global Social Economy Landscape	11
Does Australia Need a Social Economy?	13
Insights from the First Social Economy Study	14
The Financial Paradox	15
Collaboration Without Support	17
Co-operative Potential Underutilised	19
Measuring Impact	20
The Role of Government	22
Conclusion	23
Appendix: Survey Methodology	24

EXECUTIVE SUMMARY

PURPOSE AND PROSPERITY WORKING HAND IN HAND

A world where economies are measured by the extent to which they generate positive social and environmental outcomes – this is the new reality being shaped around the globe by the social economy. A collaborative ecosystem of organisations, ranging from charities and cooperatives to social enterprises and certified B Corps, that place societies' wellbeing at the very heart of their operations. A thriving economy can only exist as part of healthy communities and a sustainable planet.

While specific definitions vary depending on regional differences, a common set of principles unite these organisations:

- Leading for purpose over profit, with a core commitment to achieving social, cultural, or environmental outcomes.
- Reliance on collaboration and cooperation across diverse industries and sectors – both public and private.
- Reinvesting most profits and all surpluses to deliver social benefit to community users or society at large.
- Abiding by participatory governance and business models that follow inclusive and sustainable principles with a focus on social progress.

The social economy has a significant economic contribution globally, representing an estimated 7-10% of global gross domestic product while simultaneously addressing growing socio-economic and environmental challenges around the world.¹

Here in Australia, a lack of research means there is limited understanding of the full potential of the social economy as a conceptual framework. Collecting data across relevant organisations allows us to understand the growing movement toward promoting more inclusive and sustainable economies and justify systemic support for their growth.

A 2023 review by the Centre for Social Impact found no publicly available, systemic and repeated data collection of the whole social economy sector, its structure or dynamics. This first comprehensive research into Australia's social economy seeks to change that.

The Centre for Social Impact (CSI) has begun this three-year longitudinal study to create the evidence base to guide the development of Australia's social economy, investigating the challenges, opportunities and changing needs of our not-for-profit and for-purpose organisations. Building on a growing focus on the social economy internationally, the research explores key areas including funding, partnerships, impact measurement, legal and policy frameworks, and digital technologies.

Our survey of 140 Social Economy Organisations (SEOs) uncovered a diverse ecosystem addressing critical societal needs – primarily community development, employment creation, and education – while operating predominantly as small organisations with democratic governance structures.



THE STUDY FOUND FIVE MAJOR INSIGHTS REGARDING AUSTRALIA'S SOCIAL ECONOMY:

- 1 Access to funding and funding diversification was consistently listed as the top priority and risk for SEOs, with organisations identifying the need to explore and build capability in accessing and managing innovative financing models.
- 2 SEOs recognised the benefits of collaboration but were under resourced to effectively do so with their counterparts.
- 3 Australia's mutuals and co-operatives, though often less visible, provide substantial contributions to the social economy and the sector holds considerable growth potential.
- 4 SEOs consistently reflected on the need for resources, both financial and in terms of frameworks, to support social impact assessment.
- 5 The lack of consistent regulatory and policy support from government presents barriers to growth and security for many SEOs in Australia.

EMPOWERING AUSTRALIA'S SOCIAL ECONOMY: A CALL TO ACTION

Australia's social economy sector is brimming with talent, passion, and purpose. However, to fully realise its potential, it requires the right supports, structures, and policy environment.

The Centre for Social Impact's inaugural Social Economy Survey is a pivotal step in understanding the challenges and opportunities within this sector. This longitudinal study aims to gather comprehensive data to inform policy, support growth, and ultimately enhance the impact of for-purpose organisations across Australia.

CSI is collecting data and information from people within the sector in order to create that starting place, to build a detailed picture of what the sector looks like and to understand what type of issues the sector is facing. Through this annual survey, we seek to empower sector stakeholders by providing valuable insights for policymakers, researchers, and advocates, attracting investment and positioning Australia's social economy as a dynamic contributor to national development. The insights gained will equip leaders and policymakers with the data and knowledge needed to make informed decisions, implement targeted strategies, and foster sustainable growth within the social economy.

¹ World Economic Forum (2022) available at: <https://www.weforum.org/stories/2022/05/5-ways-governments-unlock-social-economy/> (Accessed July 2025)



THE SOCIAL ECONOMY: A VALUES-LED ECONOMY

A **values-led economy** emerges from the collective contributions of diverse stakeholders aligning on a shared goal: building a social economy that prioritises values alongside economic activity. There is broad consensus that the social economy includes the following types of organisations:

- Charities and not-for-profit organisations,
- Social enterprises,
- Co-operatives & mutuals (CMEs),
- B Corps and
- Philanthropic organisations.

It is difficult to size Australia's social economy.

To reduce possible duplication, we could report a conservative count of approximately 55,532 organisations which would include CMEs, Charities, registered social enterprises, and B Corps. But this conservative estimate would not account for the entirety of not-for-profit organisations (NFPs) - NFPs include but extend beyond charities to an estimated 300,000 organisations. Nor would it resolve ongoing governance debates about which types of CMEs and social enterprise comprise and contribute to the social economy.

If we are to truly value the full potential of the social economy, a stocktake of all organisations leading with social purpose is much needed. This will be a key focus of this research going forward.

These organisations locally and globally work in a vast ecosystem to address a range of societal challenges, offering options to address risks like cost of living pressures, income inequity, the erosion of social cohesion, the impacts of geopolitical instability, and the cost of adapting to climate change and digitalisation.

By balancing profit with community and social needs and focusing on sustainable principles and social progress, the SEOs can target problems that are beyond government and market forces alone.

The social economy has a demonstrated ability to:

- Support vulnerable and disadvantaged individuals, groups and communities who face barriers due to gender, race, ability and economic class.
- Connect local communities and revitalise rural areas.
- Generate quality and equitable jobs.
- Support a just transition towards a green economy.
- Supply sustainable goods and services.
- Encourage civic engagement.

Globally, international organisations like the United Nations (UN), the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organization (ILO) have developed specific frameworks and recommendations to support the social economy sector's growth as a model for sustainable development.

In contrast, due to Australia lacking a cohesive policy approach, there are currently significant gaps in both understanding and implementing measures that can strengthen and drive impact from the Australian social economy.

The Centre for Social Impact is conducting this three-year survey to address these knowledge gaps and track changes in the sector.

While these organisations share a commitment to social and environment impact, there is a demonstrated diversity in funding needs depending on different social economy sectors. Other priorities also diverge significantly. Innovation emerges as crucial for CMEs, while impact measurement takes precedence for philanthropic organisations, and strategic planning is prominent for both. Partnerships and collaboration maintain a consistent, albeit moderate, importance (ranking 3rd-5th) across all organisational types. (Figures 1 & 2)

The top five external risks that were identified by SEOs in our survey are:

- Changes in legislation and regulation (86%)
- Macroeconomic conditions (75%)
- Natural catastrophes and extreme weather events (67%)
- Erosion of social cohesion and societal polarisation (62%)
- Shortage of skilled workforce (62%)

Other self-identified risks include: unrealistic demands on service delivery, lack of funding for research, difficulty in evaluating impact, and sustainable business development, lack of regulation in the social economy sector, demographic shifts, and leadership gaps. (Figure 3)

ORGANISATIONAL PRIORITIES (MAX VALUE: 5, MIN VALUE: 0)

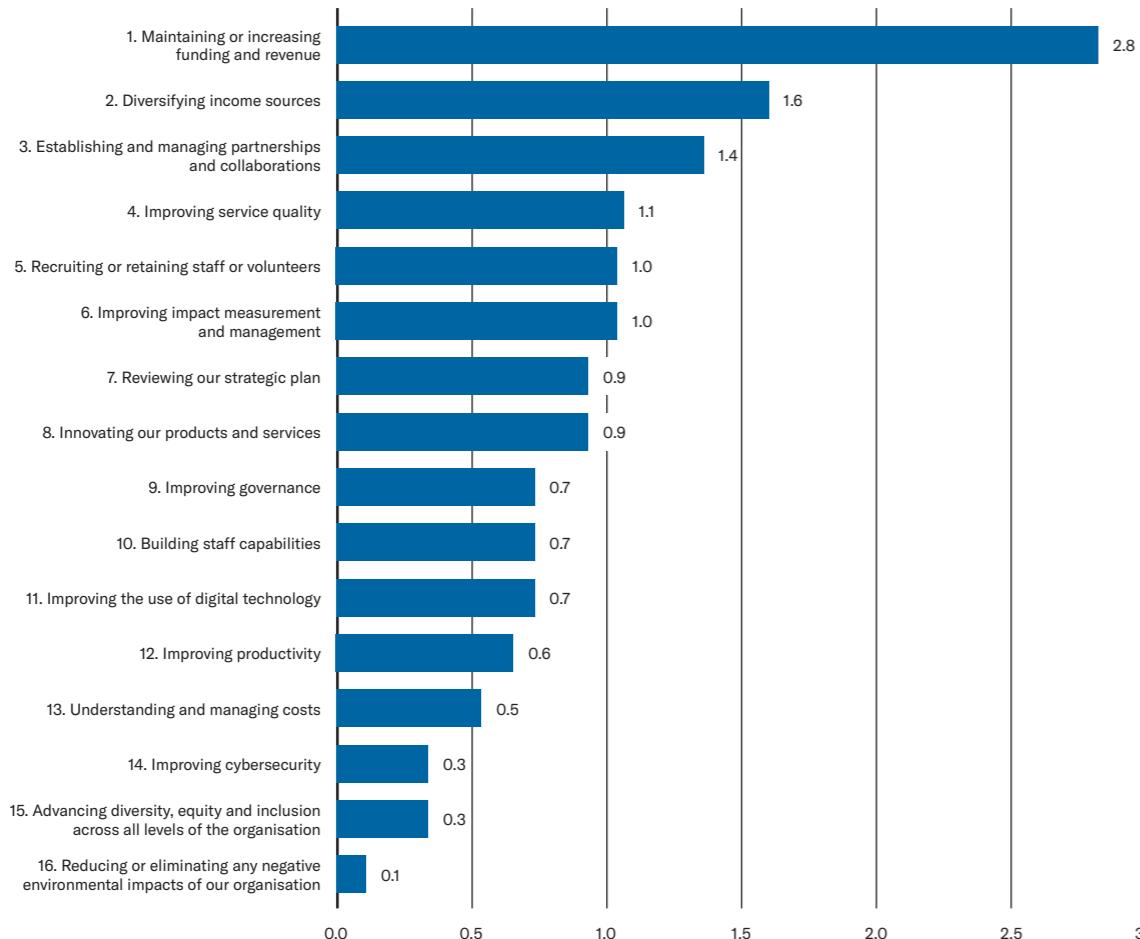


Figure 1: Organisational Priorities for SEOs

ORGANISATIONAL PRIORITIES (1: HIGHEST POSSIBLE, 16: LOWEST POSSIBLE)

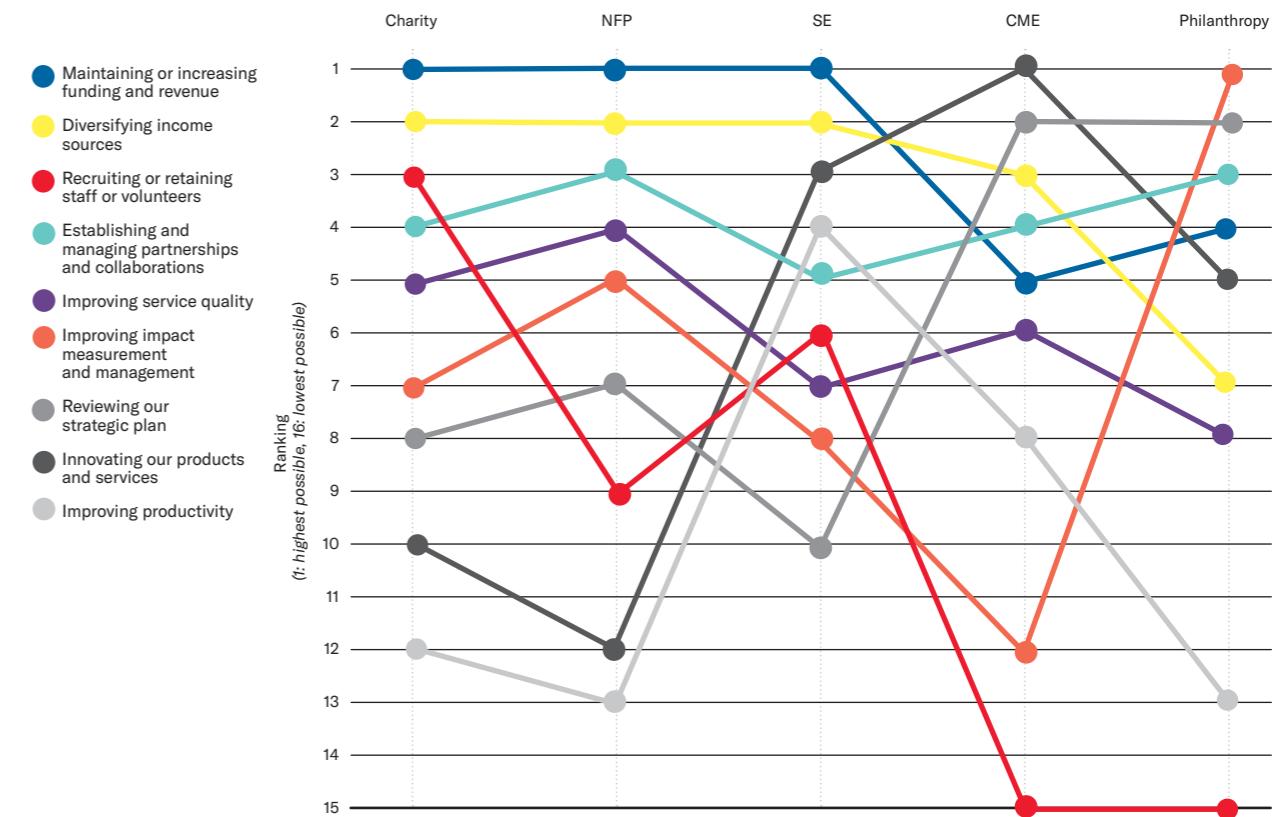


Figure 2: Organisational Priorities Ranked

EXTERNAL RISKS

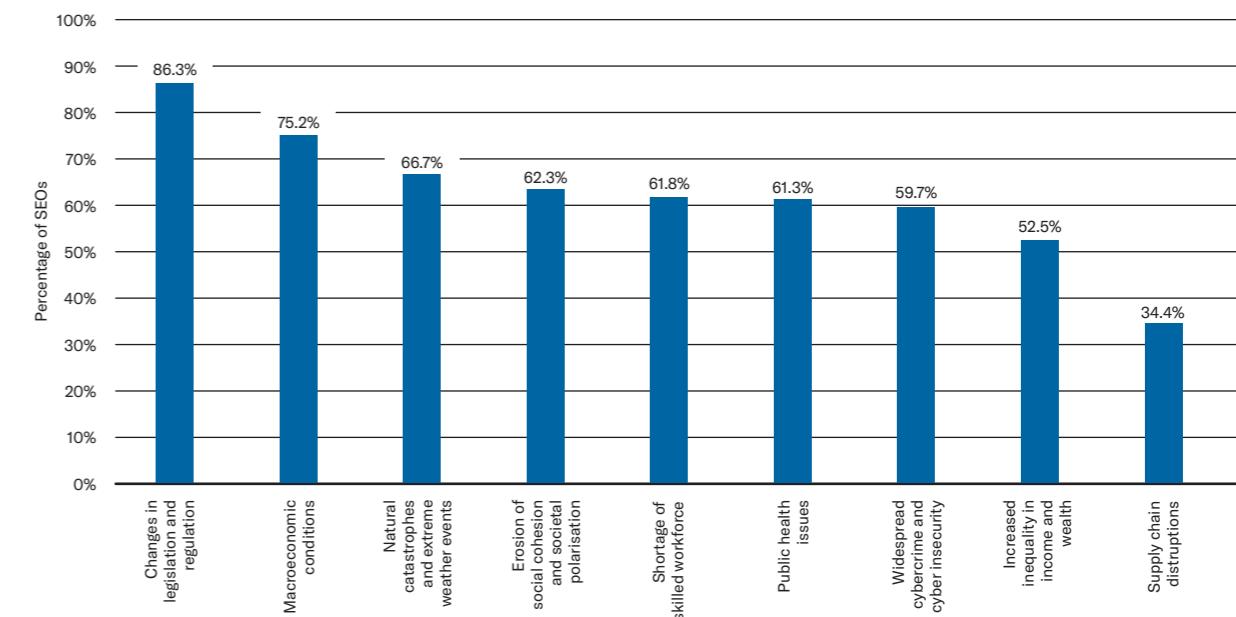
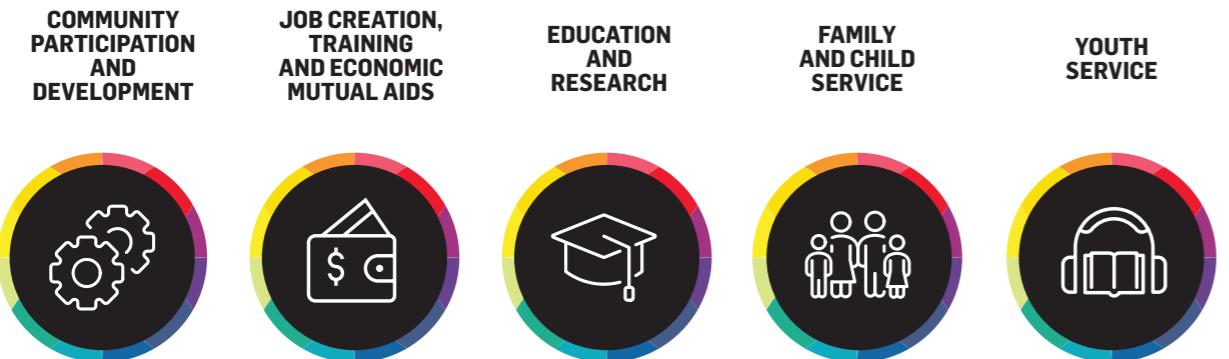


Figure 3: External Risks

AUSTRALIA'S SOCIAL ECONOMY: KEY SERVICE AREAS



WHAT THEY TOLD US

SEOs report four main barriers to accessing new financing: lack of knowledge about options, limited staff capacity, need for expert guidance and size-related.



SEOs receive funding from three main sources: government grants and contracts (34%), sales including membership fees (31%) and donations (27%)



85% of SEOs surveyed have collaborated in the past 12 months, the majority with other NFPs and charities, but also with government.



The top three perceived external risks for Australian SEOs are changes in legislation and regulation, macroeconomic conditions, and natural catastrophes and extreme weather events.



ORGANISATIONS COMMONLY RAISED CONCERNs REGARDING THE NEED FOR:

- Appropriate legal frameworks,
- Effective financial support, and
- Implementing social impact measurement.

BUILDING THE EVIDENCE BASE

Australia needs more information on our SEOs and how they operate. Widespread understanding of the size, scope and structure of the social economy will provide the basis for better policy support and sustainable growth.

THE GLOBAL SOCIAL ECONOMY LANDSCAPE



Compared with many other nations around the globe, Australia's approach to the social economy is less institutionalised, largely due to the absence of a dedicated central agency or specific legislation. Australia encourages structured giving, grant making, outcomes measurement and deductible gift recipient (DGR) incentives. In contrast, other countries have implemented targeted tax incentives to foster social innovation and have established and funded agencies to coordinate activities across all sectors of the economy. Furthermore, Australia's focus tends to be primarily on employment and addressing marginalisation, while regions like the EU are also integrating social economy strategies into broader sustainability, innovation, and territorial cohesion goals.

This difference highlights a key distinction: Australia lacks a clearly defined policy domain for the social economy, which contrasts with many global approaches. While Australia integrates social economy principles into wider economic and social development strategies, other regions are actively developing dedicated legislative and institutional frameworks to specifically support and grow their social economies.

Countries with dedicated legal and institutional frameworks include:

- South Korea: Implements a centralised yet locally administered system via the [Social Enterprise Promotion Act](#) (2007). Established under that act, the Korea Social Economy Promotion Agency (KoSEA) coordinates a national strategy across local governments.
- France: Treats the *économie sociale et solidaire* (ESS) both as [distinct law since 2014](#), and also integrated into the mainstream economy representing over 10% of GDP. In 2020 the status of the social economy was further elevated by

creation of a [State Secretariat for the Social and Solidarity Economy](#), which was moved in 2022 to within the Prime Minister's Office.

- Spain: Views the *économie social* as a key part of the economy, comprising two forms of enterprises – cooperatives and labour societies – representing approximately 10% of the workforce. The social economy has been supported through standalone policies, priority capital allocation and embedding of social economy promotion in EU Structural Funds and strategic national plans. In 2023, the Council of Ministers approved the new Spanish Social Economy Strategy 2023-2027.
- Mexico: Acknowledges *économie social* as a vibrant sector of the economy through establishment of the Social and Solidarity Economy law in 2012, and has established a National Institute of Social Economy as a decentralised body of the Ministry of Welfare to provide [funding, training and economic cooperation and development](#).
- Quebec (Canada): Passed a distinct [Law on the Social Economy](#) in 2013 and supports a variety of financial instruments tailored for the sector, such as '[patient capital](#)' and the Social Finance Fund, the Investment Readiness Program designed to assist social purpose organisations overcome barriers to social finance, as well as shared infrastructure projects such as the [Social Economy Mutualization Projects](#).
- Thailand: Enacted the Thai Social Enterprise Act (2019) and offered a tax break for social enterprise establishment and continued tax incentives to investors in social enterprises under the Royal Decree on Tax Exemption for Social Enterprises, though it stops short of defining a legal form for such entities. Under the Act the [Social Enterprise Promotion Office](#) was established as an agency not directly tied to government as an agency or state enterprise.



- The African Union and Senegal: The *Économie sociale et solidaire* (ESS) in Senegal is both standalone policy, under the mandate of the Ministry of Handicrafts and Social Economy and an integral part of economic policy with a new [law on social and solidarity economy introduced in 2021](#). The African Union has committed to a [ten year 'Social and Solidarity Economy Strategy'](#).

These frameworks differ from Australia's less centralised, investment-led model. Australia's strategy focuses on enabling social enterprises through general policy and financial ecosystems, rather than through specific legal recognition or infrastructure. Similarly other countries have adopted this more hybrid approach incorporating social economy within broader development agendas with some specification of formal recognition of social enterprise forms or commitments.

Countries with hybrid or evolving approaches include:

- Vietnam: Its 2020 Enterprise Law allows traditional companies to register as social enterprises (not defined as a distinct company structure under this law) if they apply for designation through the local Department of Planning and Investment which requires a [Commitment to the Implementation of Social and Environmental Objectives](#).
- United Kingdom: Incorporated a Social Enterprise Unit in the Department of Trade and Industry after the launch of a 'social enterprise strategy' in 2002. In 2005 the UK pioneered the 'Community Interest Company', but by 2010 this agenda was mainstreamed under 'Big Society' initiatives, with the social sector operating in a quasi way between the state and market, and now sitting with the Office for Civil Society.

- USA: Positions the social economy between market and state with notable innovations being the Benefit Corporation legislation, B Corp certification, and extensive nonprofit and cooperative sectors.
- Italy: Integrates third sector policies, voluntary and civic organisations, and nonprofit associations with a tradition of mutual aid and cooperatives. [The Law for the reform of the Third Sector in 2016](#) outlined the Third Sector code which brought unification for associations and foundations.
- Poland: Enacted a [new Act on the Social Economy](#) in 2022 to recognise certified social enterprises.
- Latin America: Countries such as Brazil and Argentina also have partial policy settings more closely aligned with social policy and solidarity movements, and the cooperative movements respectively.

International organisations shape policy through guidelines rather than legally binding instruments. We see this in action with initiatives like the OECD's 2022 [Recommendation on the Social and Solidarity Economy and Social Innovation](#), the [World Economic Forum and Schwab Foundation for Social Entrepreneurship](#) 2022 insights on unlocking the social economy, and the UN's 2023 resolution focused on [social and solidarity economy](#). This approach resonates strongly with Australia's collaborative model, where public and private sectors work together to foster engagement and investment. These all advocate for creating enabling environments, improving access to finance, and developing inclusive markets.

DOES AUSTRALIA NEED A SOCIAL ECONOMY?

A FORCE FOR CHANGE

The social economy is more than just individual businesses or organisations; it's a lens reframing the true value to society of organisations that put addressing social and environmental issues at their core. This approach champions a holistic view of economic development, prioritising people's wellbeing, environmental sustainability, and community needs.

If positioned as a contributor to the "mainstream economy", SEOs are recognised as both actively addressing gaps in social and environmental policies and generating economic equity. Their production of social goods includes and extends beyond the vital services of traditional charities. When they work together as a reciprocal and interconnected value network they could produce greater social inclusion, community empowerment, and improve the condition of the planet.

With government support, Australians would build capacity to adopt international trends in social entrepreneurship, impact investing, and regenerative economic development.

At a time when countries are implementing policy frameworks to strengthen social economies, should Australia develop a robust policy framework with regulatory reforms and support? These initiatives could include national social procurement standards, the incentivisation of impact investing, harmonised tax incentives across SEO providers, streamlined reporting, and grants that include the costs associated with impact assessment and collaboration.

SEOs of all forms already make communities stronger, and they might also be stronger together valued as the social economy. Innovations can be shared about overcoming institutional inequalities, including fairer wage structures, participatory or democratic governance of organisations, reinvestment of profits back into society, and responsiveness to local needs. As Australian communities increasingly need to adapt to shocks and crises such as extreme weather events and disruption to global supply chains, cooperation within a resilient social economy may become more necessary than desirable.



INSIGHTS FROM THE FIRST SOCIAL ECONOMY STUDY



THE FINANCIAL PARADOX

While access to funding and funding diversification is consistently identified as the top priority and risk for SEOs, financial models remain narrow, with heavy reliance on traditional funding sources. Many organisations remain hesitant to explore new financing models that could potentially address their primary concern of financial sustainability. This paradox reveals a clear opportunity for targeted capacity building, knowledge sharing, and policy development to bridge this gap.

“As a worker-owned co-operative and as a social enterprise, organisations are too fearful of the unknown to be able to help us with access to finance. It is easier to bootstrap and fund ourselves internally.”

– Survey Respondent

The sense of priorities varies notably among different types of SEOs. While funding and revenue priorities are paramount for charities, not-for-profits (NFPs) and social enterprises, they are less so for Cooperatives and Mutual Enterprises (CMEs) and philanthropic organisations. This difference likely reflects CMEs' and philanthropic organisations' lesser dependence on grants and donations.

Additional self-identified top priorities include business restructuring or growth and developing fundraising capabilities. Despite funding being a universal top priority for SEOs, 65% have never explored new financing sources.

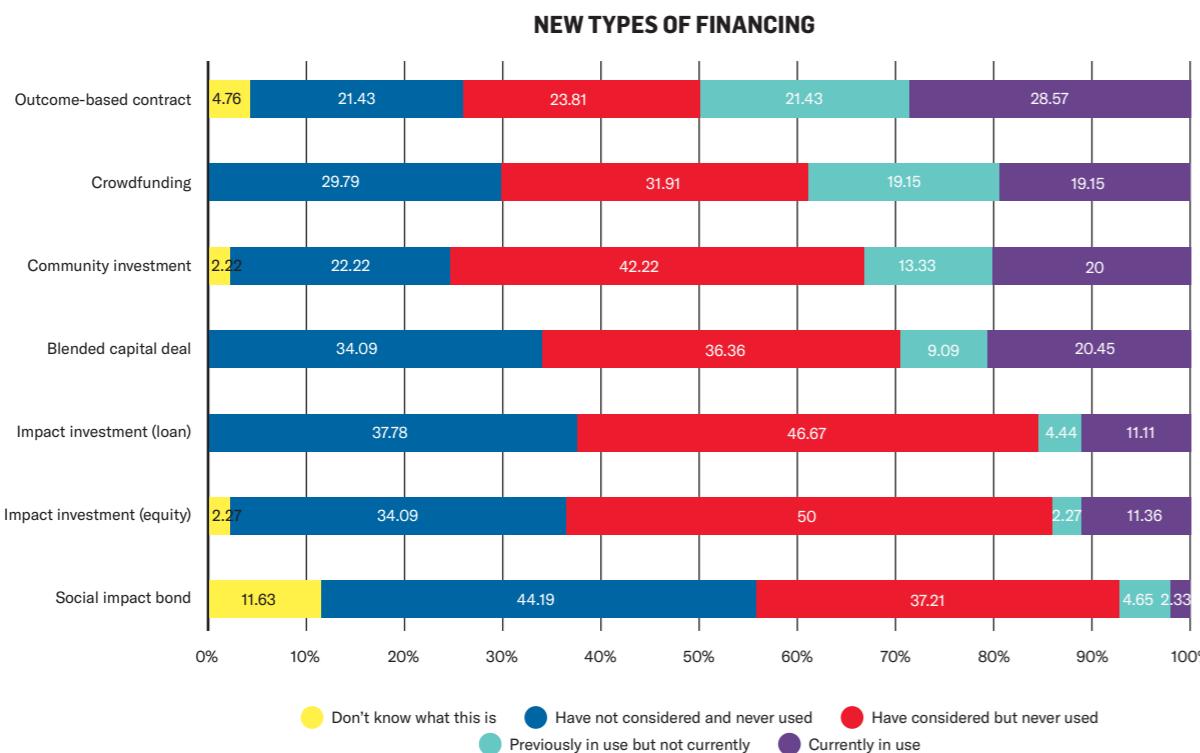


Figure 4: New Types of Financing

Furthermore, although 69.5% of SEOs express interest in learning about new financing options, 69.2% recognise they would need operational changes to qualify for such funding.

Of those who have considered new financing options, the most popular forms are outcome-based contracts (50%), crowdfunding (40%), and community investment (33%). In contrast, social impact bonds and traditional impact investments attract the least interest. SEOs reported four primary barriers to accessing new financing:

- Lack of knowledge about options
- Limited staff capacity
- The need for expert guidance
- Size-related constraints, with smaller organisations feeling particularly excluded.

Minor barriers include inconsistent guidance across financing models, a lack of social impact strategies, and the need for leadership buy-in or organisational growth.

These findings indicate several **priority areas for sector development**:

- Simplified regulatory frameworks that better recognise diverse organisational types and streamline reporting requirements
- Dedicated funding for impact measurement to move beyond activity counts toward more sophisticated outcomes assessment
- Expanded knowledge sharing and capacity building around alternative financing models suitable for different organisational types and sizes
- Support for collaborative practice through long-term funding structures and capability development
- Strategic technology investment focused on measurable benefits rather than mere adoption.



COLLABORATION WITHOUT SUPPORT

A strong desire for collaboration exists among social economy stakeholders. However, funding to support these partnerships remains a limiting factor. Without sustained investment in coordination and shared infrastructure, collaborative efforts risk being hampered or failing to reach their full potential. Organisations noted throughout our qualitative research that resourcing and coordination for collaboration was often absent when funding agreements were established, putting greater strain on SEOs to effectively manage the partnerships.

“ **Government will often criticise NGOs for not being ‘innovative’ but if they are block funded or rely predominately on government funding, this funding does not include \$\$ for innovation. It’s a vicious cycle.”**

– Survey Respondent

“ Within the social economy sector, we need support in creating networks and platforms that facilitate connection and knowledge sharing.”

– Survey Respondent

Despite these barriers to collaboration, SEOs engaged in collaboration where possible, tending to prioritise collaboration within their sector but also engage in cross-sector partnerships with for-profit businesses. While these collaborations can help SEOs expand their operations, they also bring risks such as diverting from core SEO goals and values or impacting stakeholder sentiment and public support.²

Currently, SEOs are actively collaborating, with 85% having done so in the past 12 months, and three-quarters of those collaborations involving multiple partners. When collaborating, NFPs and charities are the most frequent partners (90%), followed by government entities (53%) and for-profit organisations (49%).

However, collaborations face challenges. Resourcing and coordination are significant concerns (scoring 2.67/5), along with staff capability in collaborative work (2.32/5). While foundational aspects such as shared purpose, governance, and cultural fit scored relatively lower (2.19/5, 2.14/5, and 2.03/5 respectively), they are still relevant factors. Importantly, a majority (77%) of stakeholders feel that competition reduces collaboration.

SEOs identified key collaboration enablers as being:

- Long-term funding structures
- Competition culture
- Effective relationships
- Aligned missions
- Capability building.

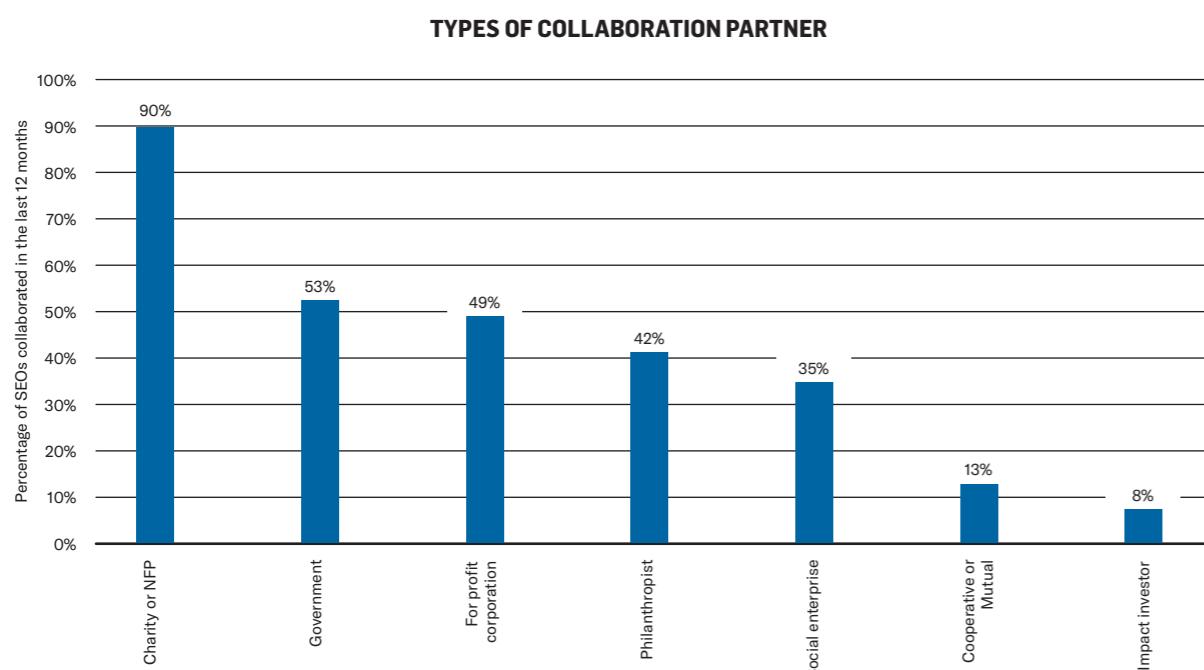


Figure 5: Types of Collaboration Partner

² OECD (2023), “What is the social and solidarity economy? A review of concepts”, OECD Local Economic and Employment Development (LEED) Papers, No. 2023/13, OECD Publishing, Paris, <https://doi.org/10.1787/dbc7878d-en>.



CO-OPERATIVE POTENTIAL UNDERUTILISED

Despite broad and active membership, Australia's co-operative sector remains less visible than in other countries and is often overlooked in discussions and incentives for the social economy.

While only 1 in 3 European citizens are members of co-operatives, 4 out of every 5 Australians are involved in co-operatives or mutuals. This demonstrates the huge untapped potential for inclusive and democratic business models that could contribute significantly to growing the social economy.

With at least 1,819 co-operatives and mutuals operating nationally, our respondents indicated that they felt the sector was given less support and focus in policy compared to other parts of the social economy. Australian co-operative and mutuals are already playing a vital role in our communities and economy, and should be recognised as such in Government frameworks and legislation to help grow to their full potential.

“ Very few people know what a co-operative is, and in the social economy, it would be the best structure to use for many reasons. More knowledge of co-operatives would make it easier for us to operate.”

– Survey Respondent



MEASURING IMPACT

Telling the full story of their social impact was a common issue for SEOs. In response to our survey, about 73% of SEOs reported measuring at least half of their activities, with 35% measuring

for most activities and 24% measuring for all their work. More than one in 10 (14%) do not measure any activities (these being mostly small SEOs).

	N	%
Don't measure our impact	19	13.57
Measure for a small proportion	19	13.57
Measure for about half of activities	19	13.57
Measure for most of our activities	49	35
Measure for all of our activities	34	24.29
Total	140	100

Table 1: Level of impact measurement

“ We are passionate about impact measurement and do invest in it with good people, advisory councils, and tech and resources. But the more we can invest, the more impact we can prove and improve, so more funding would make it easier.”

– Survey Respondent

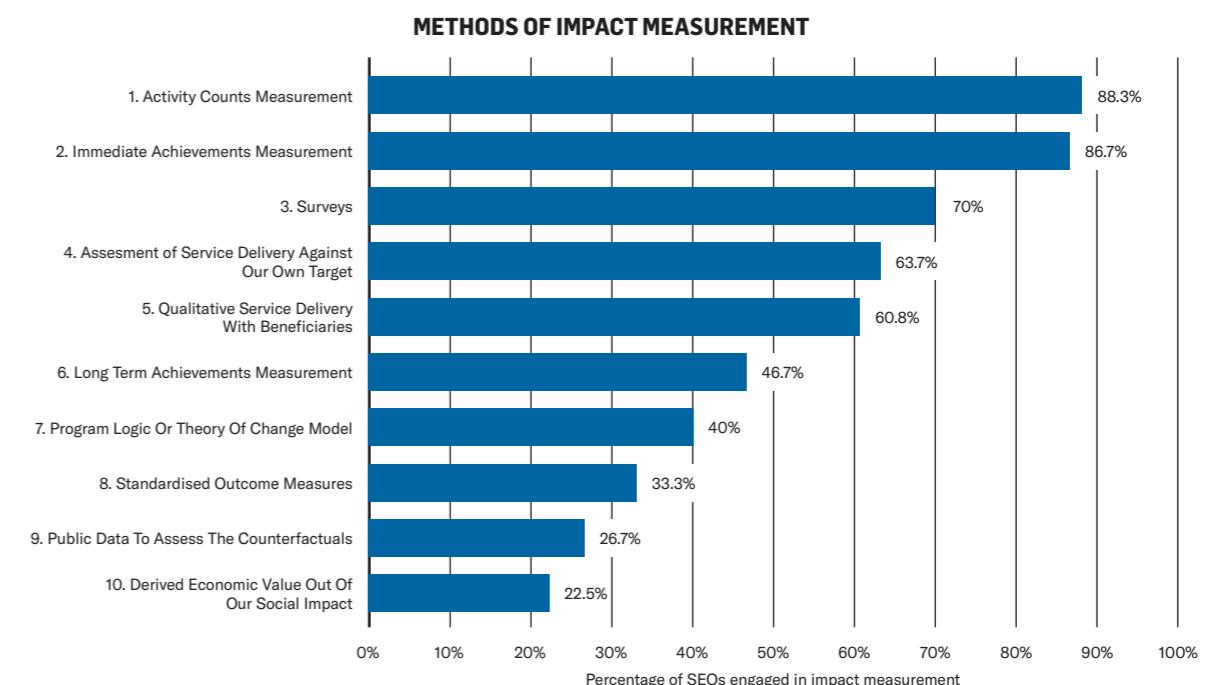


Figure 6: Methods adopted for Impact Measurement

The most challenging aspect of impact measurement reported by SEOs was a perceived lack of funding (rated 2.39 out of 5), however, most reported their total budget allocation for social impact measurement was less than one percent (23% of responses) or three percent (23% of responses) of total revenue.

Most SEOs (78.8%) have staff who measure impact (among other duties), and the intensity of required staff time was rated as the second most challenging issue (1.84 out of 5). Others engaged a consultants or external organisation (25%), or their beneficiaries and members reported impacts to them (25%).

The most commonly cited catalysts that would make it easier to measure impact were accessible and standardised frameworks and tools, funding allocated for impact measurement, and improved

staff capability. However, most respondents (46%) did not use standardised measurement frameworks. Consensus is yet to emerge regarding the best methods to measure the non-market outputs of SEOs, aiming to demonstrate their social and environmental impact more effectively.³ For those who did the most commonly used were:

- The UN SDGs (24%)
- Outcomes framework issued by the Commonwealth government (19%)
- Outcomes frameworks issued by state governments (12%).

A consistent universal approach to impact measurement, and improved organisational capacity would lead to a greater understanding of the depth of impact that Australia's SEOs are already making across the country.

“ Governments need to move away from output funding to outcome funding. Specific funding focused on impact and outcome measurement is required to do this effectively. More availability and access to data sets gathered by our funders to inform strategic planning.” – Survey Respondent

³ Centre for Social Impact. What Is Australia Doing to Unlock and Build the Potential of its Social Economy (2024).



THE ROLE OF GOVERNMENT

A significant obstacle to growth and security for many SEOs in Australia is the perceived lack of adequate regulatory and policy support from government. When surveyed, over half the respondents identified the need for changes in current Australian laws regarding organisational structures and forms to help SEOs operate.

“The restrictions around NFP governance and fiscal responsibilities need to be adjusted to allow greater flexibility. You are expected NOT to make a surplus - but then how do you deliver services?”

– Survey Respondent

Several specific issues were raised, including restrictive certification processes, exclusion from certain government procurement opportunities, difficulties in tax reporting to the Australian Taxation Office (ATO), and a general lack of public recognition.

Some respondents highlighted the restrictive certifications applied to sole traders providing social

services without a primary profit motive. There is a strong argument to abolish such restrictions and include these solo entrepreneurs, who are actively working to address social problems, within the definition of social enterprises. These individuals should be granted the same opportunities, especially in government procurement, as other established and advantaged organisations.

Furthermore, many respondents expressed concerns about obtaining DGR status, advocating for broader eligibility criteria. These criteria should acknowledge the crucial role of sustainability in environmental stewardship and community well-being, potentially facilitating greater support and funding. This expansion would enhance the SEOs' ability to scale their impactful contributions. The current DGR and Public Benevolent Institution (PBI) rules were described as complex and difficult to navigate, failing to adequately manage the evolving landscape. Funding flows, charitable activities, the increasing role of intermediaries, the rise of 'doing business for good' models, social enterprises, and the growth of Environmental, Social, and Governance (ESG) reporting requirements for businesses have all changed the sector significantly.

Additionally, there is a need for policies that address organisations with multiple status types, such as social enterprises operating within a registered charity. Harmonisation of fundraising laws between states was also identified as a crucial improvement.



CONCLUSION

Australia's social economy represents a vibrant sector driving substantial social and environmental benefits that in turn catalyse significant positive economic impact. Our research reveals a sector characterised by organisational diversity, strong stakeholder engagement and commitment to social impact, yet constrained by funding pressures, external risks and an absence of clearly defined policy. It is a sector contributing significantly already, but needing further support to reach its full potential in terms of collaboration, innovation and effectively measuring impact and progress.

These challenges facing Australia's social economy are exacerbated by a lack of comprehensive data and public understanding, particularly when compared to the EU and UK. This knowledge gap risks hindering effective support and growth of the sector, an issue which CSI aims to address.

This data deficit obstructs policymakers, researchers, and advocates from fully understanding and promoting the sector's growth. Consequently, vital questions related to building the necessary conditions for the social economy, as recommended by the UN (2023)⁴ and OECD (2022)⁵, remain unanswered or inadequately addressed in the Australian context. This includes determining the necessity of developing specific legal frameworks for the social economy sector, identifying optimal financial support mechanisms for these organisations, and establishing best practices for social impact measurement to support the sector's growth.

Also noteworthy is the sector's hesitance to explore new financing models that could potentially address their primary concern of financial sustainability. Without the right policy settings, awareness and fit-for-purpose funding models, targeted capacity building, innovation and collaboration cannot be sustained, let alone increased.

The findings indicate several priority areas for sector development:

- Simplified regulatory frameworks that better recognise diverse organisational types and streamline reporting requirements.
- Dedicated funding for impact measurement to advance beyond activity counts toward more sophisticated outcomes assessment.
- Expanded knowledge sharing and capacity building around alternative financing models appropriate for different organisational types and sizes.
- Support for collaborative practice through long-term funding structures and capability development.

This research establishes an important baseline for understanding Australia's social economy sector holistically. Further research by the Centre for Social Impact will replicate this survey over two years to identify any trends with an aim of enhancing the strength and purpose of the social economy to address pressing societal and environmental issues.

⁴ United Nations, General Assembly. Promoting the social and solidarity economy for sustainable development. Agenda Item 18, 27 March 2023.

⁵ OECD, Recommendation of the Council on the Social and Solidarity Economy and Social Innovation (2022).

APPENDIX: SURVEY METHODOLOGY

As the first known attempt in Australia to survey across nonprofits, charities, trusts, social enterprises, co-operatives and mutuals, our survey tools were co-designed with input from the respective peak bodies.

Our approach was rigorous and scientific to obtain a random sample with some level of representativeness from non-probability sampling. The data collection strategy consisted of two methods to balance:

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

In 2023, CSI created an overview table for initial sampling and survey recruitment. This included reported organizational counts provided by the ACNC Charities report, National Mutual Economy report, Social Traders PACE report, and Philanthropy report. These numbers were used as the basis for the sample sizing. During the research process and sector consultation, further reports containing updated figures were added to the overview table and more recent version of the 2023 report published. Table 2 (right) provides an updated table including those latest reported figures.

In this round of the research, CSI has avoided a 'total count' of the size and contribution of Australia's social economy. Primarily, because round one focuses on the conceptual establishment of the social economy and hence sampling drew on publicly available databases and reports on the total number of SEOs. Obvious overlaps in categorisation of SEO type may conflate the counts within each type, a theme that was reinforced by the survey respondents. Organisations may be double-counted across categories given they report under both categories – for example, Philanthropy is a sub-sector within Charities; social enterprises could be CMEs or NFPs; and Charities are also NFPs. Secondly, there are some ongoing governance debates regarding which types of SEOs should or should not be included in the social economy.

Type of SEO	Report	Reported Number of SEOs	Reported Contribution	Employment
Cooperatives and Mutuals (CMEs)	National Mutual Economy (2024) ⁶	1,819	\$163.3 billion in combined turnover	89,046
	The Size of Australia's Co-operative and Mutual Sector (2016) ⁷	-	Top 100 (excluding superannuation funds) have \$43.23 billion in total gross revenues	166,993 (indirect)
Social Enterprises	Social Traders PACE (2023) ⁸ and RISE (2024)	518 certified	\$2.25 billion in revenues	31,000
	Business for Good (2023) ⁹	12,033	\$21.27 billion (gross output – operating and capital expenditure) 1.03% of GDP	206,278 jobs
Charities NFPs ¹⁰	Australian Charities report (2025) ¹¹	52,627	\$222 billion in revenues	1.54 million 3.77 million (volunteers)
	NFP Sector Development Blueprint (2024) ¹²	300,000	-	-
Structured Philanthropy	Structured Giving Blueprint (2021) and Charities Report (2021)	11,427 ¹³	0.8% contribution to GDP ¹⁴	39,111 ¹⁵
B Corps ¹⁶	B Lab Annual Report (2023/24) and Directory (2025) ¹⁷	568	\$18.9 billion combined revenue	44,660

Table 2: Social Economy Organisations' (SEOs) overview as reported by types, number and economic contribution in Australia

6 BCCM report available at: <https://bccm.coop/wp-content/uploads/2024/06/2024-NME-Report-web-version.pdf>

7 Report available at: <https://bccm.coop/wp-content/uploads/2017/11/5095-Newcastle-Brch.pdf>

8 PACE report available at: <https://www.socialtraders.com.au/news/pace23> and RISE report available at: <https://assets.socialtraders.com.au/downloads/rise-report.pdf>

9 Report available at: <https://www.socialenterpriseaustralia.org.au/business-for-good>

10 Australian Charities and Not-for-profits Commission. Australian Charities Report - 11th Edition (2025).

11 Report available at: <https://www.acnc.gov.au/tools/reports/australian-charities-report-11th-edition>

12 Report available at: <https://www.dss.gov.au/system/files/documents/2024-11/d24-1528640-not-profit-sector-development-blueprint-web-accessible.pdf>

13 Australian Charities and Not-for-profits Commission. Australian Charities Report - 9th Edition (2023)

14 Philanthropy Australia. A Blueprint to Grow Structured Giving (2021). Available at https://www.philanthropy.org.au/wp-content/uploads/2022/11/Blueprint_to_Grow_Structured_Giving_Report_Final.pdf

15 Figure taken from Cortes et al (2018), Australia's grant-making charities in 2016: an analysis of structured philanthropy and other grant-makers. Available at: <https://unswworks.unsw.edu.au/entities/publication/413aa434-c153-4b2f-b761-8db9fdbb4aa>

16 B Lab Annual Report 2023/24.

17 Report available at: <https://bcorporation.com.au/wp-content/uploads/2024/08/B-Lab-AANZ-Annual-Report-2324.pdf> and directory available at: <https://www.bcorporation.net/en-us/find-a-b-corp/?refinement%5BhqCountry%5D%5B0%5D=Australia> (last accessed June 2025)



The following recruitment and sampling process was followed:

1. Random sample of 2000 organisations from the Australian Charities and Not-for-profits Commission (ACNC) database, the national regulator of charities in Australia. Online survey invitations were sent to 1683 organisations with valid information on email address, location of headquarter, and organisation size.
2. There was a response rate of 18.5% from this sample of organisations, with a completion rate of 4.3% of the total number of invitations.
3. Online advertisement and collection of expressions of interest. We then sent survey invitations to 118 organisations that met the selection criteria. Reflecting the self-nomination nature of this sample, the response rate was much higher at 71.3% and completion rate of 57.6%.
4. These two groups of organisations were combined as the final dataset for the analysis and each group is represented equally in the final dataset (Random sample: 51% and self-nomination group: 49%¹⁸). For the combined final dataset, the completion rate is calculated as 8%. Due to the unknown population of the social economy sector in Australia, it is almost impossible to assess the representativeness of our final dataset. Even for our random sample, this is complicated by the low response rate. However, all reasonable efforts have been made to achieve some level of representativeness from non-probability sampling (Salganik 2017). In line with the organisational ecology research finding the organisational founding depends on the size of the clients, we discovered that the

geographical distribution of the total population of ACNC organisations closely resembles the population size of the eight states and territories. Therefore, we use the population size as the validation criteria of the sample. Table 3 compares the geographical distribution of our two samples with that of the Australian population. It shows that two samples approximately follow the population distribution although our data are slightly under-sampled in Queensland and South Australia and slightly over-sampled in New South Wales and Tasmania. Still, the two samples do not have statistically significant difference in terms of geographical distribution.

Regarding organisational type or size, there is no information at population-level with which to compare the distribution. However, Table 3 shows that there are some notable differences between our two types of samples in that the random sample has a proportionally larger number of charities and NFPs, as it was drawn from the ACNC database. The self-nomination sample has a higher proportion of social enterprises and CMEs. This was exactly the purpose of our sample strategy to have more presence of organisational types that have been less represented. In terms of size, the self-nomination sample has a significantly larger portion of larger organisations, which is partially driven by the organisational types it represents but also affected by the self-nomination processes (e.g. more resources and/or higher motivation for survey participation).

Geography	Random (N=72)	Self-nomination (N=68)	Population distribution
ACT	1.39	1.47	1.8
NSW	33.33	36.76	31.3
NT	0	2.94	1.0
QLD	18.06	10.29	20.5
SA	4.17	4.41	7.0
TAS	2.78	7.35	2.2
VIC	27.78	26.47	25.6
Western Australia	12.5	10.29	10.8
Total	100.0	100.0	100.0

Table 3: Comparison of characteristics between two samples (unit: %)

¹⁸ Holtom et al. (2022) explain that surveys targeting organisations tend to have lower level of response rates than those targeting the general public because organisational surveys require responses from executives who have time constraints as well as the potential sensitivity of reporting organisational-level data for competitive reasons.

