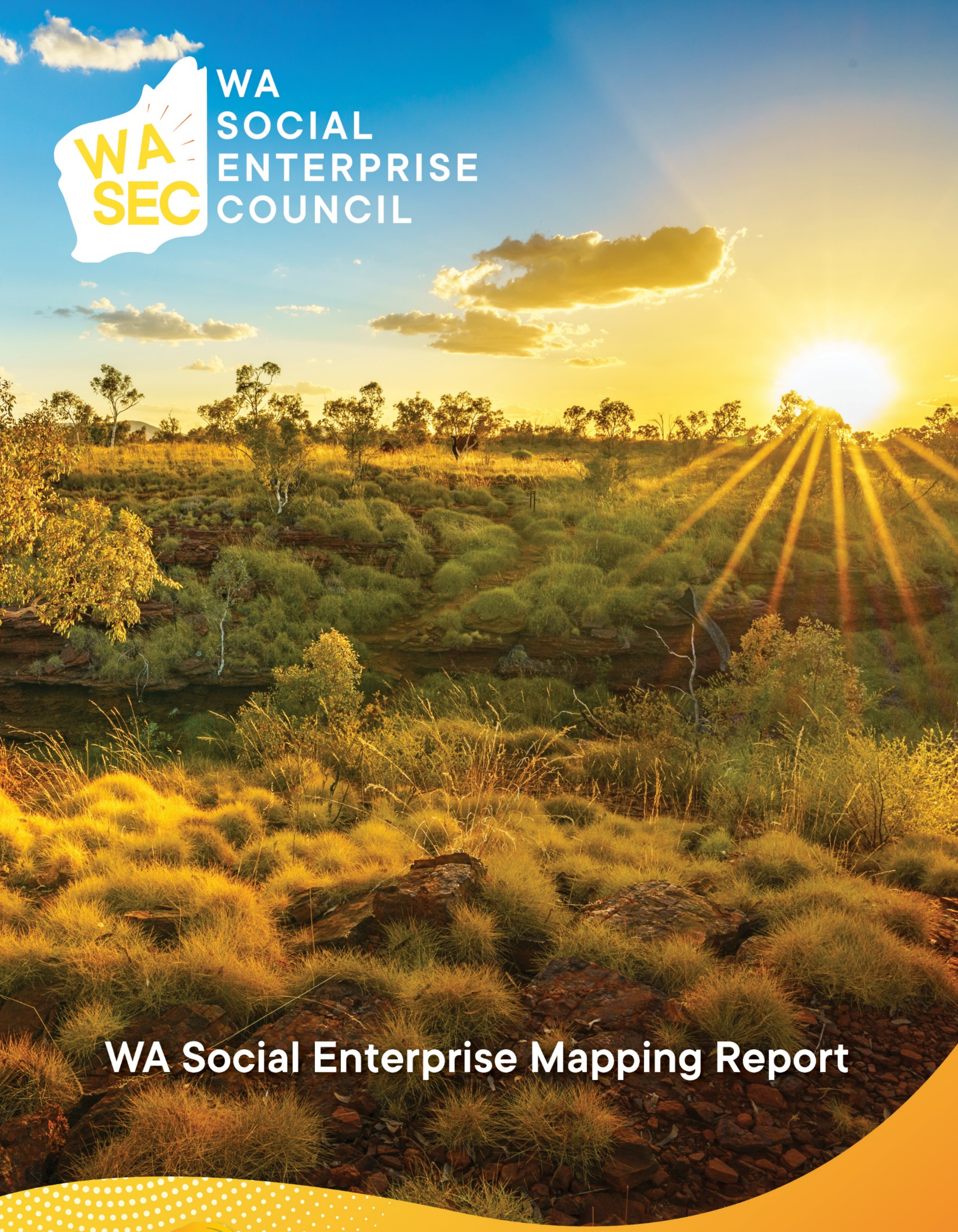


WA SOCIAL ENTERPRISE COUNCIL

WA Social Enterprise Mapping Report

lotterywest

October **2023**

Contents

1. Executive Summary

Background

A social enterprise is a business that exists to solve a social, environmental or cultural issue in our society, through trade - i.e., selling a product or service. The intent of the WA Social Enterprise Mapping Project 2023 is to further our understanding of the state of the social enterprise sector in WA, contribute to understanding the strengths and the challenges faced by social enterprises, and the environments within which they operate.

The first WA survey was conducted by Impact Seed in 2019, creating a baseline picture of the state in the *WA Social Enterprise Mapping Project Preliminary Summary Report.* This mapping survey, and subsequent future surveys, will build on the information gained in the initial survey and contribute to our understanding of social enterprises in WA to enable WASEC and others to better promote their interests. This work has been led by the WA Social Enterprise Council (WASEC), supported by Lotterywest.

There were 100 responses to the 2023 Social Enterprise Mapping Survey that were used in this analysis.

Key Findings

Stage of development

WA has a mix of social enterprises in terms of development phases and ages. In 2019, the sector comprised of a very high number of emerging, start-up social enterprises in WA, with the majority being either pre-revenue or very early revenue (78%). The findings in 2023 show that this trend has continued to an extent in that about half of respondents (54%) represent start-up or concept social enterprises in their first five years of operation with revenue less than $300,000. This evidence tracks with our understanding of the social enterprise sector still largely being comprised of early-stage modest revenue businesses.

78% of social enterprises in WA are pre-revenue or very early revenue

However, the sector also seems to have matured slightly. In 2023, only 22% of respondents are less than two years old (compared with 36% in 2019). Almost half of respondents indicated that they were in the established phase (46%); and respondents with revenue over $1 million has doubled (11% of responses in 2019, 22% in 2023). This may reflect a higher number of responses from more established social enterprises in 2023; however, this also reflects our perspective that there has been maturation in the social enterprise sector in WA. These findings reflect national findings (FASES 2016) that the Australian social enterprise sector is diverse, mature and sustainable, with many mature organisations alongside new entrants to the field of social enterprise.

While Western Australia's social enterprise market is showing signs of maturing, there is still a need for early-stage support for those in the start-up stage, alongside investment readiness support for more developed enterprises in WA. The market requires support from both ends to further develop social enterprise activity in the state.

"Our ecosystem needs diversity - of enterprises, of models, of sizes. Small is beautiful, and sustainable. Our ecosystem needs more openness, flexibility and diversity in the types of funding opportunities that will support the sustainable development of diversity types of entities."
– Anonymous respondent

Social impact

The social impact of social enterprises is examined from three perspectives:

- Beneficiaries (i.e. the people the enterprises look to support),
- Impact Area (i.e. the area enterprises are looking to make an impact in), and
- Social Impact Model (i.e. the way in which the enterprise creates impact).

WA's social enterprises most commonly have a beneficary of young people, impact area of health and wellbeing, and impact model of work integrated employment.

In terms of **beneficiaries**, most social enterprises (76%) target more than one beneficiary group, and a third of social enterprises target 3 or more groups of beneficiaries. This aligns with our understanding that social enterprises tend to work to benefit more than one area or beneficiary. Nearly half of respondents (48%) are working to create an impact for young people as one of their beneficiary groups. The next most cited beneficiary groups were Aboriginal and Torres Strait Islander peoples and people experiencing unemployment (both approximately 25%).

In terms of **impact area,** the most common areas of impact are health & wellbeing (i.e. for an individual) (44%), followed by community inclusion & wellbeing (43%) and community development (32%). Additionally, 37% of social enterprises are focussed on environmental impact, which has increased since 2019.

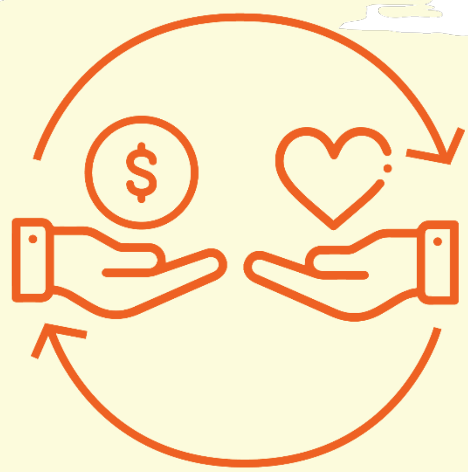
The most common **impact model** is the Work Integrated Social Enterprise (WISE), which creates impact through employment opportunities for those excluded from the market.[1] There were 26 responses which did not describe their impact model in 2023, which may indicate work needs to be done to educate enterprises about the different social impact models and how to set an impact strategy and measure impact.

"Dismantle is on a mission to support vulnerable young people in WA - dismantling disadvantage, to pursue a future with purpose. We run mentor programs to provide outreach, provide entry-level award-wage employment in one of our social enterprises, then support each individual to secure a job in the competitive workforce."

– Anonymous responden

Structure

There is no legal model of social enterprise in Australia, and social enterprises operate using a wide variety of business models. The most common legal structures for social enterprises are an incorporated association (25%) followed by a proprietary limited company (23%). Companies limited by guarantee (the other NFP structure) is only used by 13% of enterprises. Only one social enterprise was a publicly listed company; and partnerships, unincorporated associations and cooperates were the least utilised legal structures. This is broadly consistent with the findings in FASES where an association was most common (33%), followed by company limited by guarantee (31%) and then the proprietary limited company (18%). These findings demonstrate that social enterprises can create impact and income through all types of legal structures.



WA social enterprises are a mix of incorporated association and pty ltd companies

For most not-for-profit organisations with a social enterprise arm, the social enterprise is (or they are planning for it to be) their main activity (77%). This has increased by 29% since 2019, which may signal that more not-for-profit organisations are undertaking enterprise models to fund their impact.

"We are largely excluded from grant funding as a for profit social enterprise. Often, funding is limited to equity or loans. Grant funding for us is often preferred as it gives us access to the beneficiary group and partnerships to the grant maker who has aligned impact outcomes.

Equity/ loans may have other KPI's that we need to meet, which can distract from our intent of doing good and remaining sustainable."

– Anonymous respondent

[1] This question was not asked in 2019, and so cannot be compared in this analysis.

Industry, trading and customers

Social enterprises operate across all industries and locations in Western Australia. The majority (71%) of social enterprises indicated they operate in the Greater Perth Area, and about half (45%) indicated they operate in a regional area of WA. Approximately half (48%) of respondents reported they operate only in their local area, 40% operate nationally and 27% operate internationally. These results show some change from the national findings in FASES, which reported the majority (75%) of social enterprises operated in their local market, 30% nationally and 17% internationally. These findings demonstrate the market reach of social enterprises across Western Australia's urban and rural areas.

Social enterprises work across a diverse range of industries in Western Australia and tend to work across several income generating activities. The most common industries are education and training (39%); community and cultural development (34%); and arts and culture (21%). Two-thirds of enterprises provide services as their trading activity. As in 2019, the most common primary paying customer is retail consumers (41%), followed by small business and corporates (both 35%). Since 2019, there appears to have been an increase in provision of services to state government and/or delivering services for state government. This is a promising finding that supports the potential of social procurement in WA.

"With a primary objective of the 'provision of careers that deliver independence and pride for local people' and with a strong focus on long-term career delivery, Aboriginal economic development and self-determination, Brida is Roebourne's largest and most respected employer of Aboriginal people."
– Brida

WA SOCIAL ENTERPRISE COUNCIL

Income and profit

WA's social enterprises overall do not have a good mix of diversity in their income sources, highlighting the potential need for diversification to strengthen the sector. Approximately 41% of enterprises have only one source of income, 40% had 2-3 sources of income, and 13% had more than four. The most common source of income, by a significant amount, was the sales of goods or services directly to a customer (76%), which reflects our expectation of social enterprises to be sustaining their impact through sales of goods and services. Early-stage support in income diversification was identified by respondents as something they wanted from WASEC's engagement.

Social enterprises most commonly manage their profit by investing it back into improving or growing the enterprise operations

Social enterprises most commonly manage their profit by investing it back into improving or growing the enterprise operations (73%). When asked if their enterprise's goal to achieve commercial growth can sometimes be at odds with their desire to fulfill mission, 57% agreed to some extent that it did (compared with 20% disagreeing to some extent). To meet these needs, social enterprises in WA would benefit from early-stage support in diversifying income sources and achieving growth with mission.

"Often organisations are struggling operationally because they are trying to reinvest everything back into their cause or operate with a charity mindset and not a business mindset. I'd love to see more support for helping organisations develop more commercially sustainable practices and change the mindset overall of the community to stop the stigma around people working in a cause-based industry earning a liveable wage while still doing great work."

– Anonymous respondent

Investment

The financial requirements of social enterprises vary based on their stage of organisational development, business model, and legal structure. Most social enterprises (84%) have received some form of investment, which has reduced slightly since 2019 (88%).[2] More enterprises have received higher values of investment since 2019 ($1M+ investment has increased from 12% to 20%), which reflects the maturity of the market that came through in the *Stage of Development* findings. However, investments less than $1M have reduced across the board. This means that the gap of, and demand for, catalytic capital at an earlier stage, continues to grow.

Social enterprises in WA struggle with balancing impact and growth

This is reflected in the fact that the form of investment taken on by social enterprises is grants and philanthropic capital, personal financial investment from founders and directors, and use of sweat equity alongside pro-bono support from others. This reflects the early stage of business development of many of our social enterprises.

In taking a future focus, 80% of respondents indicated they require investment (down from 92% in 2019). However, they are not hopeful of finding that in WA. Generally, some respondents felt that there had been development in the market over several years and that there was more capital available and a greater understanding of social enterprises. However other respondents felt that the market remains underdeveloped compared to the Eastern States with a lack of diversity in funding types and sources, a conservative risk appetite and a lack of understanding of social enterprise business structures. Respondents reflected that significant work needs to be done for WA's social enterprise ecosystem, particularly in terms of state government policy and access to investment compared to other states and countries.

"[WA is] very much simplistic compared to diverse ecosystem in eastern states. Also conservative risk appetite to trial impact investment - though these attitudes are changing with champions inside groups of funding and investor groups. In the meantime, the lack of social procurement policy prevents large scale change which maintains social enterprise as a minute component of the commercial and services sectors."

– Anonymous respondent

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[2] In the definition of 'investment' used in the survey, we have included grants and philanthropic capital. We have included these categories given the early-stage nature of social enterprise and impact investment in WA. This generally would not be included in a definition of 'investment', which refers to debt or debt-like, and equity or equity-like instruments.

WASEC and sector development

Overwhelmingly, social enterprises indicated they felt a peak body to be important or very important (82%) for WA. When asked to select what the most wanted to see WASEC to provide, providing links to funding opportunities and investors was ranked 1st by 44% of enterprises undertaking advocacy and lobbying to government by 12% and promoting social enterprise to corporates and the community was most important to 11% of enterprises.

WA social enterprises want to see WASEC provide links to funding opportunities and investors

Social enterprises want to combine networking with skills building and training (59%) and have quarterly catchups to meet fellow WASEC members (56%). This desire possibly reflects the fact that many respondents do not feel very connected to a WA social enterprise community.

Overall, a high rate of respondents (44%) indicated that they do not feel very connected to the social enterprise sector. This is unsurprising, given that until now there has been very little resource or capacity to bring the sector together in a meaningful way. A small proportion do feel connected (21%), and this is likely due to the fact they have informally found the few others operating in the sector in Western Australia and/or have connections on the East Coast. These findings support the need for WASEC to provide support and represent an otherwise isolated sector in WA.

"Importantly social enterprises need help with building sustainable enterprises and need to build capacity in educating themselves with regards to funding opportunities and social investor networks."

– Anonymous respondent

WA Social Enterprise Map

Supporting First Nations women in sharing and celebrating their culture through contemporary hand-printed textiles.

Providing community groups with project design and project management services.

Delivering cleaning, ground maintenance, landscaping, waste management and labour hire services across the coastal Pilbara.

Employing women who experience homelessness as a result of domestic and family violence. With Mettle's support, they can take the next steps towards the safe future they deserve.

Eco-Tourism engages in nature education, conservation and citizen science, which funds free community nature connection and conservation projects.

The Boola Boornap native tree nursery social enterprise is owned by the Noongar Land Enterprises Group.

Providing learning opportunities at 237 schools across WA for teachers and school leaders to translate research into action, improving student outcomes.

2. Background

1.1. WA Social Enterprise Council

The WA Social Enterprise Council (WASEC) is uniquely positioned to capture information about WA's social enterprise sector. WASEC is the peak body for social enterprise in Western Australia. Our mission is to build a thriving social enterprise sector in Western Australia; towards a just, inclusive, and sustainable society, where all businesses have a positive social, cultural, or environmental impact.

WASEC leads an independent, practitioner-led network that is representative of and responsive to the WA social enterprise sector. Through activities such as the 2023 Social Enterprise Mapping Survey, WASEC hopes to amplify the needs, benefits, and opportunities of social enterprises in WA and advocate for members needs in national and state policy.

WASEC has been operating since 2019 and is rapidly growing with over 100 social enterprise members. Initially run on a volunteer basis for several years, the Council received grant funding from Lotterywest in 2022 to fund employees and strategic activities over a 12-month period.

1.2. Background of the WA Social Enterprise Mapping Project

The intent of the WA Social Enterprise Mapping Project is to develop a baseline picture of the state of social enterprise in Western Australia, understanding the strengths and the challenges faced by social enterprises, and to better understand the environments within which they operate. Prior to the first Mapping Survey in 2019, there was only anecdotal evidence about the social enterprise sector in WA.

Phase 1 of the Mapping Survey in 2019 was led by Impact Seed and supported by the State Government's New Industries Fund XTEND program. During Phase 1, Impact Seed conducted a sector-wide survey, and published the results in a Preliminary Summary Report.[3] In total there were 173 responses to the Phase 1 survey.

[3] *WA Social Enterprise Mapping Project: Preliminary Summary Report*. (2019). Impact Seed. Available from https://impactseed.org/advocacy/

2. Methodology

2.1. Definition of Social Enterprise

A social enterprise is a business that exists to solve a social, environmental or cultural issue in our society, through trade - i.e. selling a product or service. There is no legal model of social enterprise in Australia, and social enterprises operate using a wide variety of business models. The intent of the WA Social Enterprise Mapping Project 2023 (Phase 2) is to further our understanding of the state of the social enterprise sector in WA, contribute to understanding the strengths and the challenges faced by social enterprises, and the environments within which they operate.

The Centre for Social Impact published national research findings on social enterprises in *Finding Australia's Social Enterprise Sector* (FASES) in 2016. [4] We acknowledge the FASES definition of social enterprise, i.e., Organisations that:

- Are led by an economic, social, cultural, or environmental mission consistent with a public or community benefit,
- Trade to fulfil their mission,
- Derive a substantial portion of their income from trade; and
- Reinvest the majority of their profit/surplus in the fulfilment of their mission.

For the purposes of the WA Social Enterprise Mapping Project, we have endeavoured to be as inclusive as possible. The definition of social enterprise used for the purpose of this survey is WASEC's definition:

> *… a business that exists to deliver a measurable social, cultural or environmental impact. It derives most of its revenue from trade and it reinvests a significant proportion of its profit in furthering its mission.*

2.2. Data

This report provides the results from Phase 2 of the Mapping Survey. The survey was open between May-June 2023, and received 113 responses. An initial review of the responses compared with our definition of social enterprise above led to 13 organisations being removed from our data set. This left exactly 100 responses for the analysis in this report.

These respondents were further examined, which led to the following conclusions:

- There were 6 **large not-for-profit organisations** within the responses. This is worth noting as not-for-profit organisations tend to be well-established, larger organisations which often run a social enterprise as a part of their organisation, and the social enterprise will vary in size in comparison to the other activities of the not-for-profit. To account for potential differences with

[4] Barraket, J. (2016) Finding Australia's Social Enterprise Sector 2016: Final Report. Centre for Social Impact Swinburne & Social Traders. Melbourne, Australia. Available at https://assets.csi.edu.au/assets/research/Finding-Australias-Social-Enterprise-Sector-2016-Final-Report.pdf

smaller social enterprises which do not undertake other activities, there are several sections where these responses are separated out in the analysis to prevent the skewing of results.

- There were 15 **consultancies and advisories** which answered the survey. Though these types of companies may be social enterprises in terms of the definition above, often their impact is more indirect and different in nature from social enterprises who are focussed on working directly with beneficiaries. These organisations may be embedded in the social enterprise sector through their work, or simply want to support social enterprises in their work; and they also may not strictly be social enterprises. As with the not-for-profit organisations above, these respondents are separated from the overall analysis in cases where they may be affecting the results.

The number of responses for each question vary, though on average there is a 97% response rate for each question.

We have provided some analysis comparing Phase 2 results from 2023 to Phase 1 results from 2019. Where this occurs, the results are referred to simply as 2019 and 2023. We also make comparisons to national findings from *Finding Australia's Social Enterprise Sector 2016: Final Report* from Social Traders and the Centre for Social Impact.[5]

2.3. Assumptions and Limitations

This report explores the perspectives of social enterprises themselves; rather than providing a broader perspective on the state of the market and including perspectives from investors, intermediaries, and other stakeholders.

While we have data from 100 enterprises, this is not assumed to be the full representation of the Social Enterprise market in WA. The findings and perspectives presented in this report are based on the responses to the survey and reflect the opinions of survey respondents.

Of the 100 responses to the survey, 23 respondents (23%) also participated in Phase 1, meaning 77 are new respondents (77%).

[5] Barraket, J. (2016). Finding Australia's Social Enterprise Sector 2016: Final Report. Centre for Social Impact Swinburne & Social Traders. Available at https://assets.csi.edu.au/assets/research/Finding-Australias-Social-Enterprise-Sector-2016-Final-Report.pdf

Stage of Development

Self-Made Indigenous Corporation
Quintilla & Aaron Sutton,
Co-Founders

Self Made supports and develops Indigenous youth find their purpose and passion by a 'see it, you can be it model'. We facilitate three programs that support development in partnership with organisations whom utilise education workshops, consultation and engagement services.

> *Having access to mentors who specialise in certain aspects of business approach has been helpful for our business. While we are building our social enterprise, we are always learning on the go and it's great to have someone there to be able to bounce ideas off and address any concerns we have or haven't thought about.*
>
> *Being able to learn from others through workshops (online or face-to-face) is helpful to support Self Made and other start-up social enterprises. Networking opportunities with people who are at different stages of being a social enterprise help us to learn how to grow and develop.*

3. Findings

3.1. Stage of Development

WA has a mix of social enterprises in terms of development phases and ages. In 2019, the sector comprised of a very high number of emerging, start-up social enterprises in WA, with the majority being either pre-revenue or very early revenue (78%) at that time. The findings in 2023 show that this trend has continued to an extent in that about half of respondents (54%) represent start-up or concept social enterprises in their first five years of operation with revenue less than $300,000. This evidence matches our understanding of the social enterprise sector still largely being comprised of early-stage modest revenue-earning businesses.

However, the sector also seems to have matured slightly. In 2023, only 22% of respondents are less than two years old (compared with 36% in 2019). Almost half of respondents indicated that they were in the established phase (46%); and respondents with revenue over $1 million has doubled (11% of responses in 2019, 22% in 2023). This may reflect a higher number of responses from more established social enterprises in 2023; however, this also reflects our perspective that there has been maturation in the social enterprise sector in WA. These findings reflect FASES national findings that the Australian social enterprise sector is diverse, mature and sustainable, with many mature organisations alongside new entrants to the field of social enterprise.

While Western Australia's social enterprise market is showing signs of maturing, there is still a need for early-stage support for those in the start-up stage, alongside investment readiness support for more developed enterprises in WA. The market requires support from both ends to further develop social enterprise activity in the state.

"Our ecosystem needs diversity - of enterprises, of models, of sizes. Small is beautiful, and sustainable. Our ecosystem needs more openness, flexibility and diversity in the types of funding opportunities that will support the sustainable development of diversity types of entities."
– Anonymous respondent

3.1.1. Age

Question 2 asked respondents when their social enterprise was founded. It shows 68% of enterprises were founded within the last ten years; about half (52%) are less than five years old; and 22% were founded within the past two years (i.e. in start-up phase).

In 2019, there were 167 valid responses to the same question, with broadly consistent results (see Figure 1). The same trends are consistent with the national FASES report from 2016, which identified 38% of responders were over 10 years old and 33% were between two and five years old.[6]

[6] For example, *Finding Australia's Social Enterprise Sector 2016: Final Report*. (2016). Centre for Social Impact.

The most significant change is that there seems to be a lower proportion of 'start-up' enterprises in WA than there were four years ago. In 2023, 22% of respondents were less than two years old (compared with 36% in 2019). This may reflect a higher number of responses from more established social enterprises in 2023; however, this also reflects our perspective that there has been some maturation in the social enterprise sector in WA.

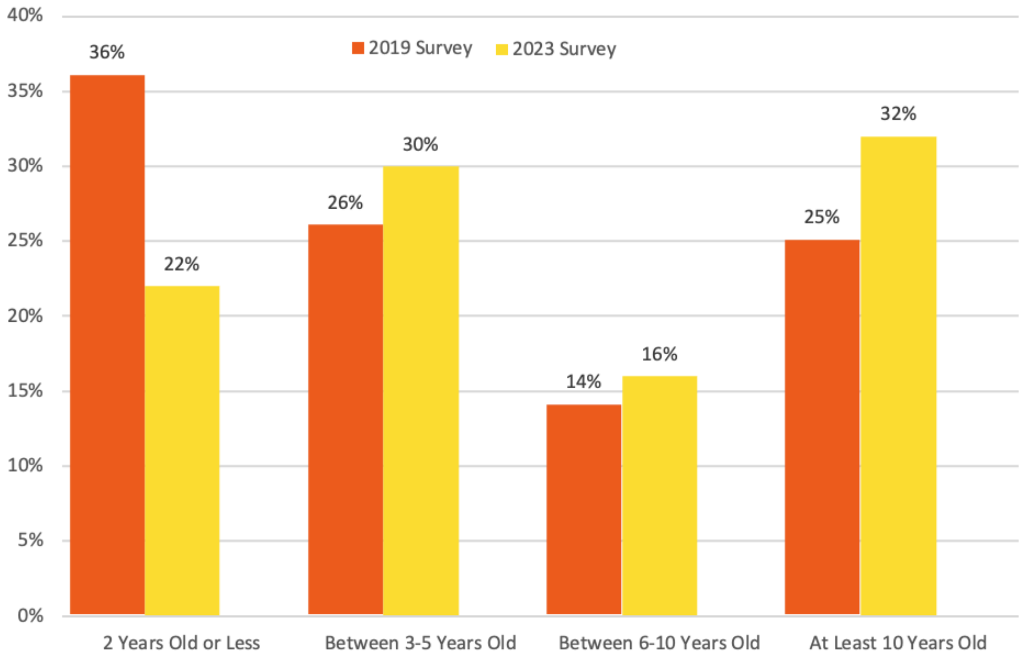

Figure 1: Age of enterprises - 2019 (n=167) vs. 2023 (n=100)

Of note is that, of the 32 enterprises founded before 2012, there is a low proportion of respondents from established not-for-profit organisations (15% of respondents over 10 years old are large established not-for-profits), shown in Figure 2. This is worth noting as generally we would expect (and found in Phase 1) that the older enterprises were established, larger not-for-profit organisations, but that has not been the case in Phase 2.

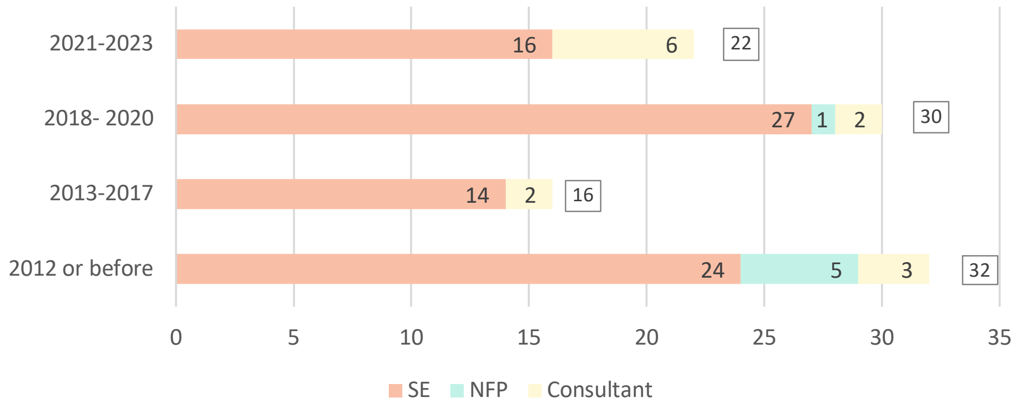

Figure 2: Age of social enterprises (n=100)

3.1.2. Revenue

Question 15 asked "What is your current revenue per year?". About half of social enterprises earned less than $300,000 per annum (see Figure 3). This matches our understanding of the social enterprise ecosystem still mostly being comprised of early-stage modest revenue-earning businesses. It is worth noting that the consultants and not-for-profit organisations make up just over a quarter (27%) of respondents with a revenue over $1 million. It is expected that instead of being from the sale of goods and services, some of this revenue is likely from government funded programs, though it is unclear what proportion. This does impact on the data and conclusions we can draw, as social enterprise is the trade of goods and services, rather than government funded programs.

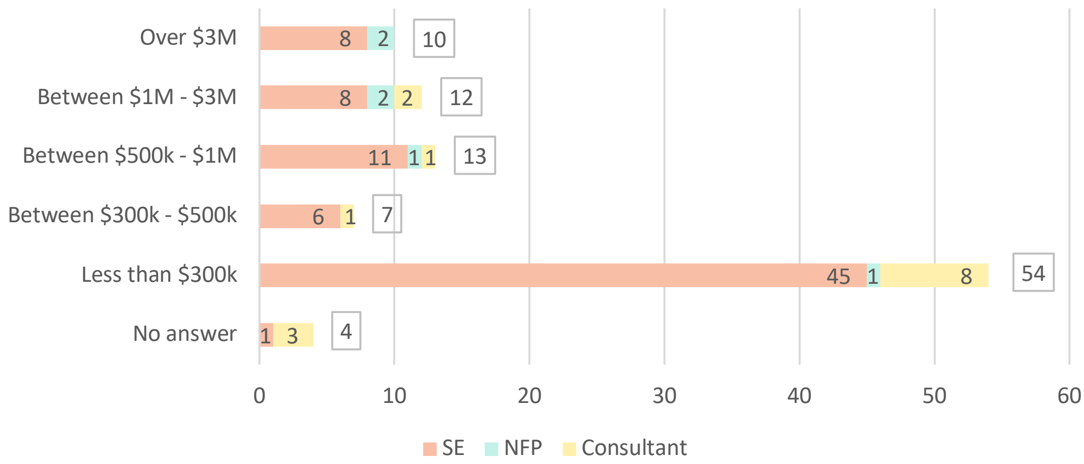

Figure 3: 2023 Survey - Revenue of enterprises controlled for NFP & consultants (n=100)

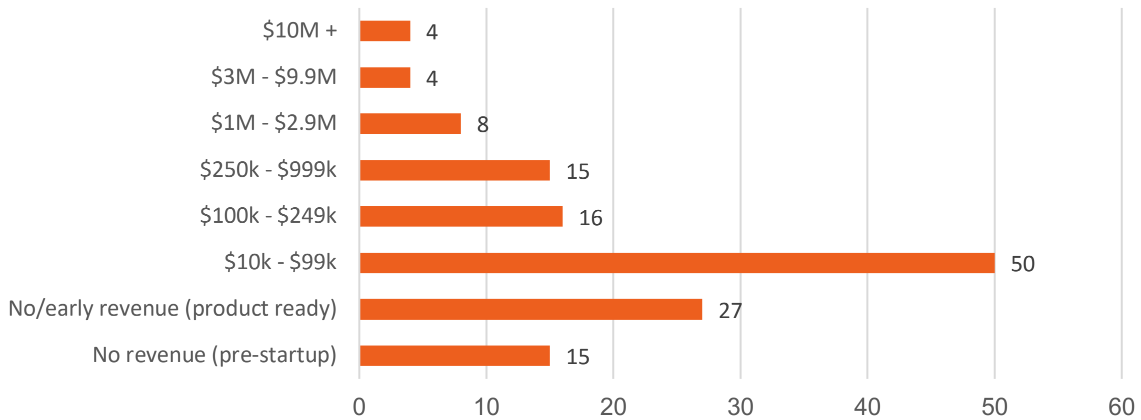

Figure 4: 2019 Survey - Revenue of enterprises (n=139)

In 2019, the sector comprised of a very high number of emerging, start-up social enterprises in WA, with the majority being either pre-revenue or very early revenue (78%). The findings in 2023 show that this trend has continued in that just over half of respondents (54%) represent start-up or concept social enterprises in their first five years of operation with revenue less than $300,000. This evidence tracks with our understanding of the social enterprise sector still largely being comprised of early-stage modest revenue businesses. This is similar to the national profile of social enterprises from 2016 data in the FASES report. Nationally, the majority of social enterprises were small (73%), 23% were medium-sized and 3% were large.[7]

In terms of the larger enterprises, 10 (10%) of respondents have a revenue over $3 million (compared with 5% in 2019) and 12 (12%) have a revenue between $1 million-$3 million (compared with 5% in 2019). Looking at those individual enterprises, some are large NFP organisations, but many are social enterprises. It is not possible to draw a conclusion that the sector is increasing in its size or revenue based on this limited pool of data; however, it is worth noting that a handful of these enterprises (3-4) were counted in 2019 and have grown since that time.

3.1.3. Phase of Development

Question 7 asked, "What phase of social enterprise development best describes your current situation?". Responses to this question fit our overall understanding of the market, with many social enterprises in the concept and start-up phase of development. Almost half of the respondents indicated that they were in the established phase, which is encouraging for the overall development of the market.

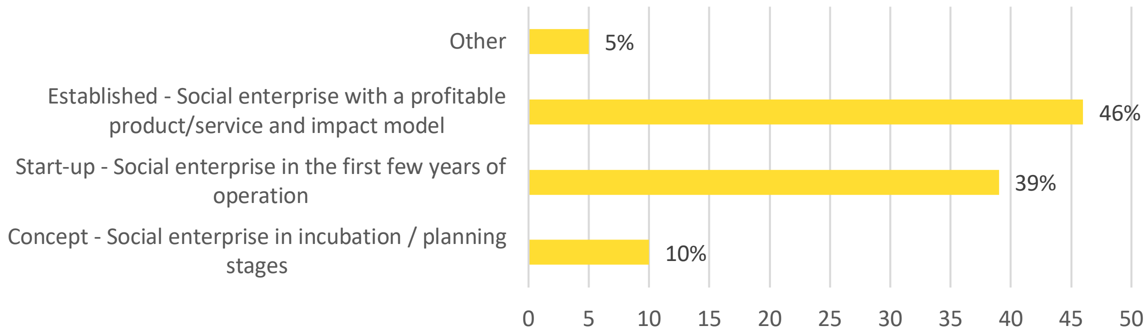

Figure 5: Stage of social enterprise (n=100)

Of the 10 respondents who selected "other" and provided more information, textual analysis was used to group five of these responses into the section which they matched. Of the five remaining responses fitted between categories including, *"Established - but not yet profitable"*; and *"Established but struggling financially. Making big social impact."* These reflections on the difficulty of developing a sustainable business model while creating social impact are repeated in Section 2.5.3 Balancing Commercial Growth and Mission

This question was not asked in 2019, so a direct comparison cannot be made.

"It is very hard at the start up and growth phase."
– Anonymous respondent

[7] Barraket, J. (2016) Finding Australia's Social Enterprise Sector 2016: Final Report. Centre for Social Impact Swinburne & Social Traders. Melbourne, Australia. Available at https://assets.csi.edu.au/assets/research/Finding-Australias-Social-Enterprise-Sector-2016-Final-Report.pdf

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Social Impact

Reboot
Anthony MacShane,
General Manager

Reboot Australia is a Social Enterprise Employment company specialising in employment of those affected by incarceration. Connecting employers, support services and candidates, Reboot Australia offers end-to-end support and mentoring for reintegrating individuals and employers to ensure the employment experience is successful.

We connect tailored employment opportunities, support services and candidates via a recruitment and labour hire model that dramatically increases desistance and successful reintegration into society. Over the past 5 years, we've employed 178 previously incarcerated individuals with a recidivism rate of 3.5% (The national average is 46.6%).

Employment underpins reintegration. Employment builds purpose and allows individuals to feel part of something bigger. It creates worth, which is crucial to creating motivation and change in the short term. It's within this safe environment where the true magic happens. Its where trust is re-established. It's where personal value is built. It's where change is allowed to happen.

REBOOT
AUSTRALIA

3.2. Social impact

The social impact of social enterprises is examined from three perspectives:

- Beneficiaries (i.e. the people the enterprises look to support),
- Impact Area (i.e. the area enterprises are looking to make an impact in), and
- Social Impact Model (i.e. the way in which the enterprise creates impact).

In terms of **beneficiaries**, most social enterprises (76%) target more than one beneficiary group, and a third of social enterprises target 3 or more groups of beneficiaries. This aligns with our understanding that social enterprises tend to work to benefit more than one area or beneficiary. Nearly half of respondents (48%) are working to create an impact for young people as one of their beneficiary groups. The next most popular beneficiary groups were Aboriginal and Torres Strait Islander peoples and people experiencing unemployment (both approximately 25%).

In terms of **impact area,** the most common areas of impact are health & wellbeing (i.e. for an individual) (44%), followed by community inclusion & wellbeing (43%) and community development (32%). Additionally, 37% of social enterprises have an environmental impact area, reflecting the overlap between social entrepreneurs and sustainable business practices.

The most common **impact model** is the Work Integrated Social Enterprise (WISE), which creates impact through employment opportunities for those excluded from the market.[8] There were 26 responses which did not describe their impact model in 2023, which may indicate work needs to be done to educate enterprises about the different social impact models and how to set an impact strategy and measure impact.

Combining these social impact findings, a typical WA social enterprise utilises a WISE impact model to employ young people experiencing disadvantage to deliver benefits to individual health and wellbeing, and community outcomes.

"Reboot Australia is a Social Enterprise Through Care Employment company specialising in employment of those affected by incarceration. Connecting employers, support services and candidates, Reboot Australia offers end-to-end support and mentoring for reintegrating individuals and employers to ensure the employment experience is successful."
- Reboot Australia

3.2.1. What does the Social Enterprise do?

Question 11 asked respondents to describe their social enterprise in 1-2 sentences in an elevator pitch. In the 2019 and 2023 survey these responses were grouped into eight categories, shown in Figure 6 below. The biggest changes from 2019 have been a 12% increase in consulting services, though all of this increase was from consultant respondents. There are relatively 6% more community/human development social enterprises. There are less health services, innovation through tech and Aboriginal focused social enterprises in 2023 in comparison to 2019. These findings are expanded in Appendix 4.1.

[8] This question was not asked in 2019, and so cannot be compared in this analysis.

FASES (2016) found that nationally, 61% of social enterprises exist primarily to fulfil a public or community benefit; and the most common missions were to create meaningful employment opportunities for people from a specific group, and to develop new solutions to social, cultural, economic or environmental problems.

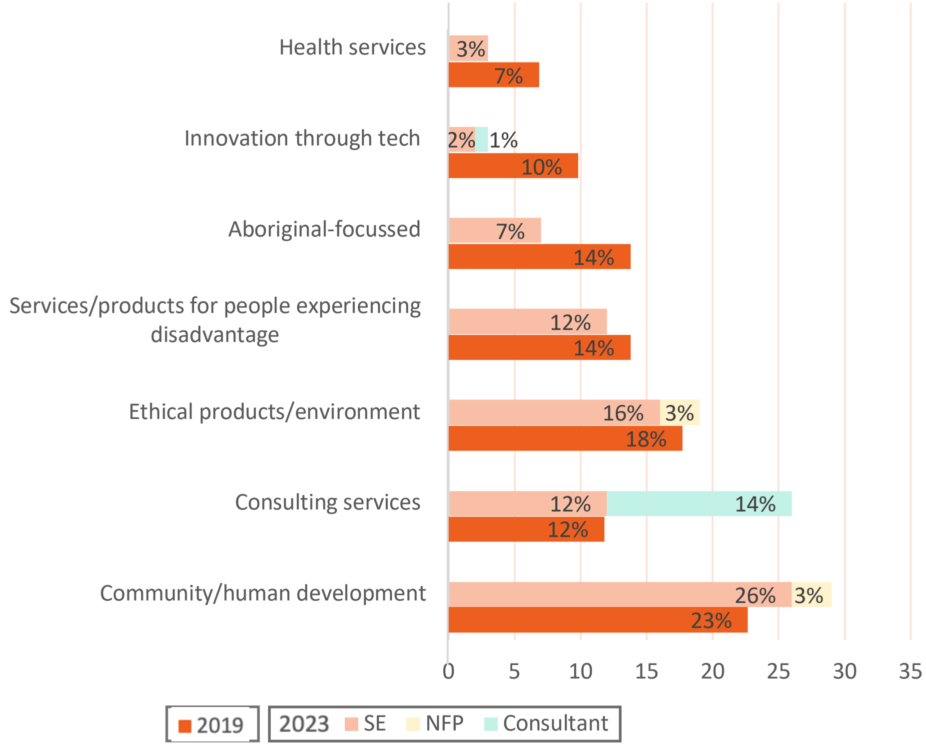

Figure 6: What the Social Enterprise does (n=100)

"There is a perception that social enterprises make enough money however the additional costs associated in these operations is often more than for profit."

– Anonymous respondent

3.2.2. Beneficiaries

Question 13 asked respondents "who are your target beneficiaries?". Approximately 34% of respondents targeted one type of beneficiary, 35% targeted 2-3 beneficiary groups, and 30% targeted 3 or more groups of beneficiaries.[9]

Nearly half of respondents (48%) are working to create impact for young people as one of their beneficiary groups. The next most popular beneficiary groups were Aboriginal and Torres Strait Islander peoples and people experiencing unemployment (both approximately 25%).

[9] Respondents had the option to select more than one response (and so, in total, 336 options were selected by 99 respondents).

Young people were also identified as one of the most cited beneficiary groups in the FASES reports from 2010 and 2016. In FASES 2016, people with disabilities were the most cited beneficiary (35%), followed by young people (33%). FASES 2016 also reported that 'women experiencing disadvantage' had increased from 10^{th} in 2010 to the third most common beneficiary group in 2016.

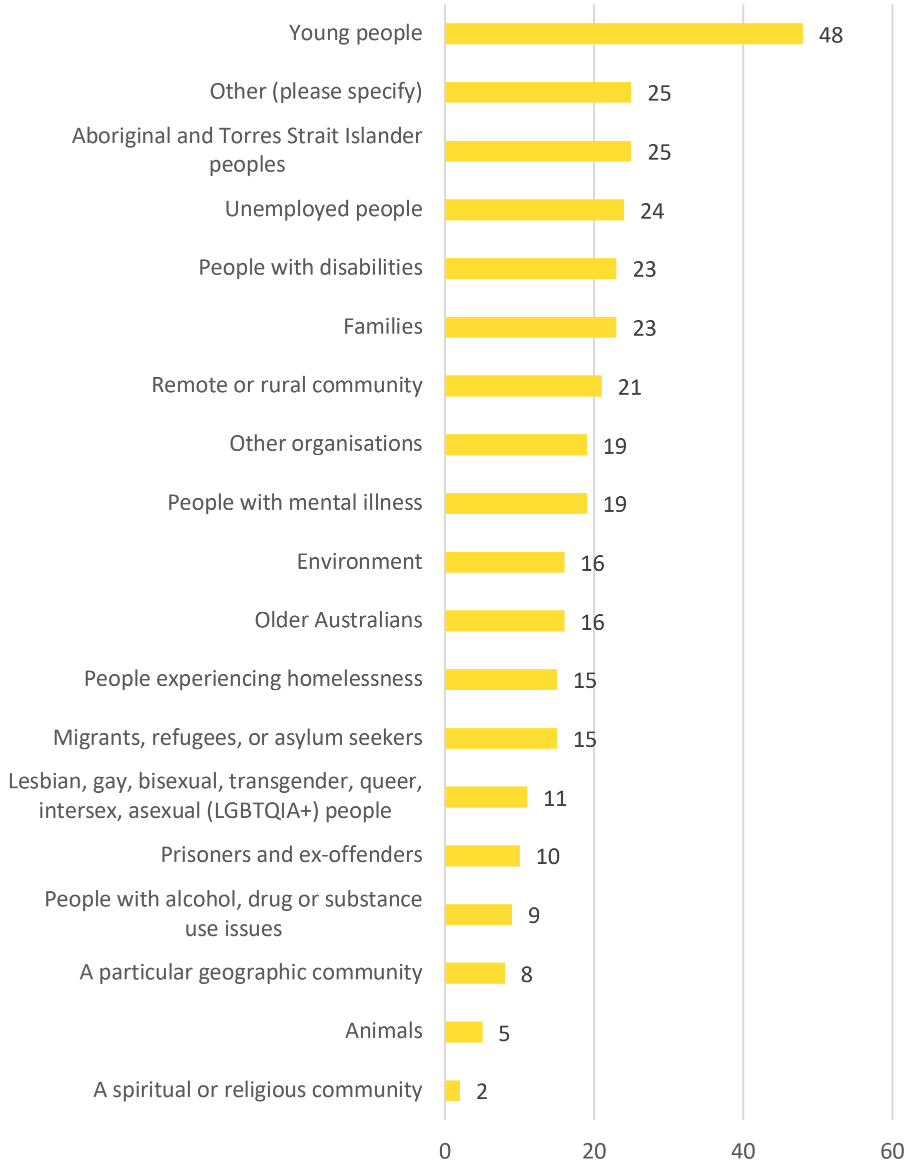

Figure 7: Target beneficiaries (n=99)

Of the 25 respondents who selected "other", these were some additional beneficiary groups not covered by the provided answers. Table 1 demonstrates that women are beneficiaries for many social enterprises or charities.

Table 1: "Other" beneficiary groups identified in free text response

"Other" Beneficiary groups	Times indicated	Example
Everyone/all of the above	6	*Everyone, society in general*
Women experiencing disadvantage	6	*Women who have experienced FDV, long term unemployed*
People who are supporting others/ creating Impact (i.e. indirect impact)	5	*Those working in or seeking to work in for-purpose roles*
Artisans or creatives (including artists and musicians)	3	*Creatives and changemakers*
Neurodivergent support	2	*ADHD Community*
People needing finance support	2	*Individuals who are financially illiterate*
Housing	1	*Anyone needing an affordable and/or community orientated home*

3.2.3. Primary Impact Area

Question 12 asked enterprises to describe their primary area of impact by selecting from a list of options.[10] About a third of respondents (36%) reported one impact area, a third (36%) had two or three primary impact areas, and a third (33%) reported they had between three to five impact areas.

In 2019, the most popular primary impact areas were community inclusion and belonging (24.3%), health (13.9%) and education (13.3%). In 2023, the results are similar; with health & wellbeing (44%), followed by community inclusion & wellbeing (43%) and community development (32%). Education has moved to fourth place at 26%.

Between 2019 and 2023, the proportion of social enterprises with an environmentally targeted primary impact area increased from 27% to 37% of respondents. This may reflect an increasing urgency in addressing climate change, though it may also reflect more environmental social enterprises answered the survey in 2023.

"While employed with Reboot, individuals are mentored by lived experience mentors. People who have walked the walk. This allows our team to deeply understand the challenges individuals face, build authentic connections with mentees and be proof that our formula to reintegration works. Breaking any habit or learning any skills isn't linear. There are ups and downs. Reintegration is the same. Our model understands this and aims to create a support network around the individual."
-Reboot Australia

[10] Respondents could select more than one if relevant. In total, 264 answers were given by the 99 respondents.

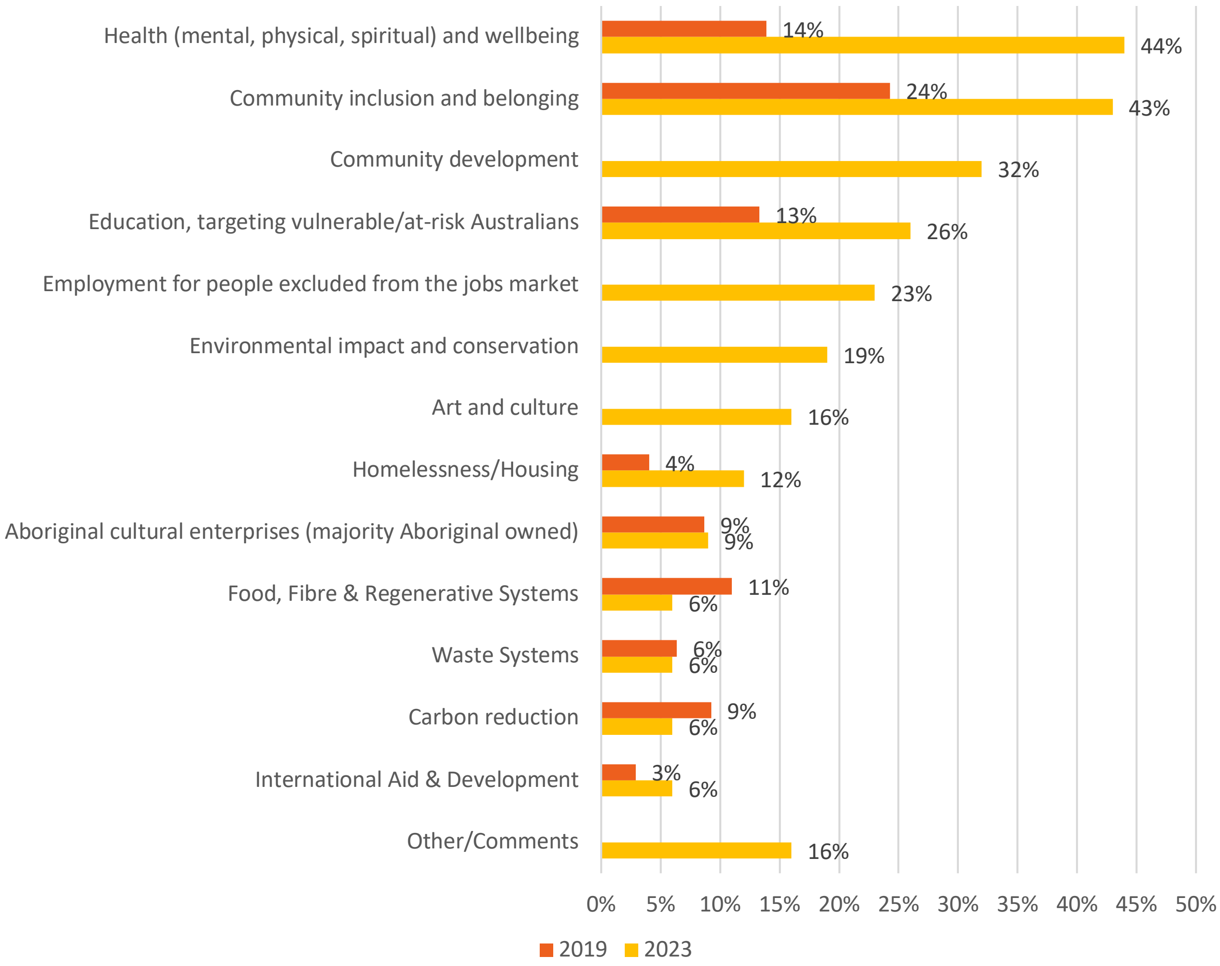

Figure 8: Primary impact areas – 2019 vs 2023 [11]

The free text responses provided under "other" were grouped into three categories, including sustainable development, alternative economic development and access to justice and democracy shown in Table 2 below.

Table 2: "Other" Impact areas identified in free text response

"Other" Primary Impact Areas	**Times indicated**	**Example**
Sustainable development and lifestyles	3	*Sustainable livelihoods - development*
Economic development	3	*Alternative economic development*
Justice	2	*Justice, digital democracy*

[11] 2019 n=173; 2023 n=99. Note on differences in data: in 2019 respondents could only choose one impact area option, in 2023 they could choose as many as applied. Where the categories are blank in the 2019 data, these categories were not provided as options in the 2019 survey.

3.2.4. Social Impact Model

Question 14 asked respondents to select the social impact model (only one selection) that best fits their social enterprise.[12] Of the 31 respondents that answered "unsure", 26 respondents did not provide another answer to describe their impact model. This may indicate work needs to be done to educate enterprises about the different social impact models and how to set an impact strategy and measure impact.

Filtering the data provides 74 responses who described their social impact model (see Figure 9) as:

- *Employment (*30%*),*
- *Sustainability* (23%)*,*
- *Access* (22%)*,*
- *Profit Redistribution Model* (21%),
- *Goods Redistribution Model* was the least common (2%).[13]

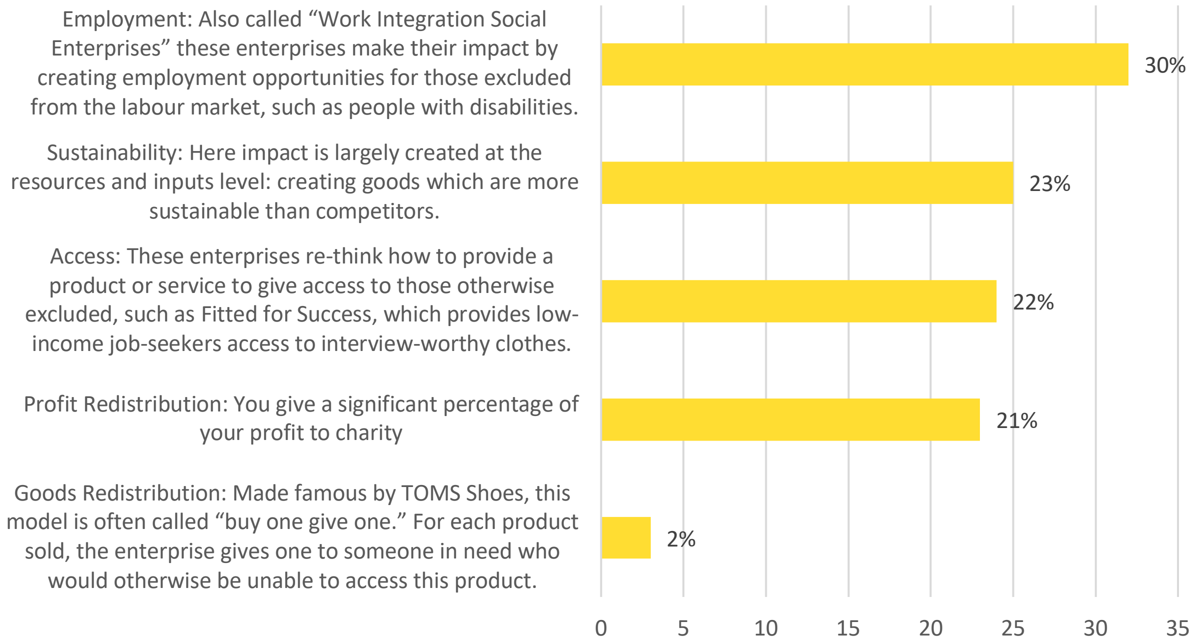

Figure 9: Social Impact Model - Controlled results (n=74)

The impact models are largely equal in terms of respondents which identify with each, except for the goods redistribution model. In FASES (2016) the results are broadly similar. The most mentioned impact models were generating significant employment opportunities for a specific group (34%) and innovating new solutions to social, cultural, economic, or environmental challenges (34%). The Profit Redistribution model was selected by 20% of national respondents.

[12] A description and example of each social impact model was given to guide people to the answers that fit their enterprise best.
[13] This question was not asked in 2019 so we cannot provide a comparison in this analysis.

Impact Models

Work Integrated Social Enterprises

Grow and Grind – 55 Central

"As well as great coffee, our van provides on-the-job training and employment for people who need a hand up.
Every cent of profit from your coffee purchase flows back to the Grow & Grind training program, providing barista training to people experiencing the impacts of homelessness and isolation."

Sustainability Social Impact Model

Noongar Land Enterprise Group

"The Noongar Land Enterprise Group (NLE) is a member-based organisation based on Noongar Boodja (country). We support our members to progress their aspirations and NLE also developing a range of culturally appropriate, commercially sustainable enterprises that heal country and heal people."

Access Social Impact Model

Applied Recovery Co Pty Ltd (trading as Clean Slate Clinic)

"Clean Slate Clinic is a Social Enterprise with a mission to tear down barriers (such as stigma, geography, socioeconomic and cultural) to accessing addiction treatment services. We do this through providing high quality person-centred, clinician-delivered addiction treatment services fully via telehealth and underpinned by supporting technology. Typically we offer a twelve-month program of care which includes assessment, medicated withdrawal (detox) and recovery.

Profit Redistribution Model

Mettle Women Inc.

""A national gifting service staffed by women who are experiencing homelessness as a result of domestic & family violence. Profits provide safe employment, scholarships,

Structure

“

Perth City Farm
Kathleen Burton,
Chief Executive Officer

We are a thirty year old urban farm that builds connected, sustainable communities. We operate two key enterprises - sustainability education and sustainable events, to help people live more sustainably. Services include workshops, schools programs, a weekly farmers market, venue hire, sustainable landscaping and community events.

We're an incorporated association so our focus is on achieving the objectives in our constitution, which are about protecting and enhancing the environment through sustainability education. We operate as a social enterprise to achieve this impact, but the impact is the driving force for us.

For our organisation making money is pretty easy given the physical assets we have access to. Much trickier is creating our target impact of sustainability related behaviour change, so the magic of our work is when we can generate significant income whilst effecting behaviour change and living our values. That's pretty radical in an economic system that prioritises profit above all else.

”

PERTH CITY FARM EST·1994

3.3. Structure

There is no legal model of social enterprise in Australia, and social enterprises operate using a wide variety of business models. The most common legal structures for social enterprises are an incorporated association (25%) followed by a proprietary limited company (23%). Companies limited by guarantee (the other NFP structure) is only used by 13% of enterprises. Only one social enterprise is a publicly listed company; and partnerships, unincorporated associations and cooperates were the least utilised legal structures. This is somewhat similar to the findings in FASES – an association was most common (33%), followed by the company limited by guarantee (31%) and then the proprietary limited company (18%). These findings show that social enterprises can create impact and income through all types of legal structures.

For most not-for-profit organisations with a social enterprise arm, the social enterprise is (or they are planning for it to be) their main activity (77%). This has increased by 29% since 2019, which may signal that more not-for-profit organisations are undertaking enterprise models to fund their impact.

"We are largely excluded from grant funding as a for profit social enterprise. Often, funding is limited to equity or loans. Grant funding for us is often preferred as it gives us access to the beneficiary group and partnerships to the grant maker who has aligned impact outcomes. Equity/ loans may have other KPI's that we need to meet, which can distract from our intent of doing good and remaining sustainable."

- Anonymous respondent

3.3.1. Legal Structure of Enterprise

Question 8 asked respondents about the legal structure of their organisation.[14] As can be seen in Figure 10 below, the most common structures are an Incorporated Association (25%) (not-for-profit structure) and a Proprietary Limited Company (23%) (for profit structure). Only one social enterprise is a publicly listed company; and partnerships, unincorporated associations and cooperates were the least utilised legal structures. This makes sense, as they are also complex structures in and of themselves. This is also aligned to the FASES findings where most common structures were also were incorporated associations (33%), but where were company limited by guarantee (31%) was more frequently cited than in our findings.

"We struggled for to get funding as a concept. We initially wanted to establish as an NFP, then switched to PTY LTD to save time. Finally, we had to rethink our model to attract investors which put pressure on our growth targets. We subsequently established our NFP."

- Anonymous respondent

[14] Organisations that identify as hybrid were asked to also select hybrid as well as the legal forms that make up their organisation.

It is interesting that most respondents with a NFP structure are an incorporated association (oversight from state government) rather than a public company limited by guarantee (oversight from federal government). This likely reflects a strong history in Western Australia of associations rather than public companies; though this is changing as the state and federal legislation better align.

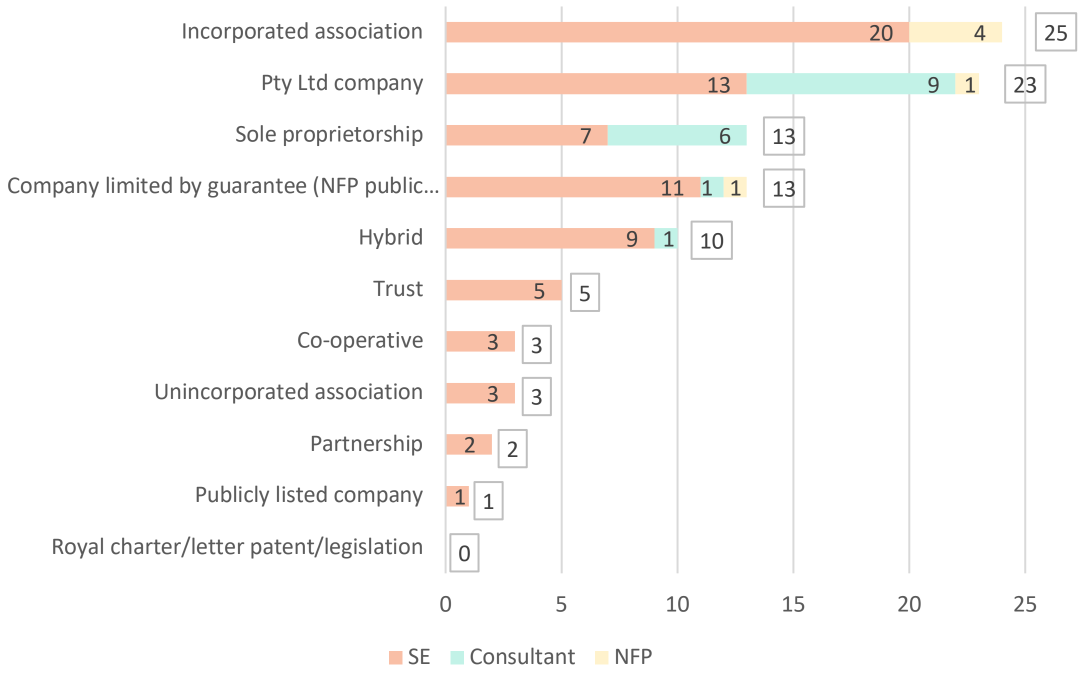

Figure 10: Legal structure (n=98)

Not-for-profit organisations and consultants

It is worth noting that removing large not-for-profit organisations and consultant responses from the analysis does not change the primacy of the incorporated association structure. However, a significant number of the sole proprietorship responses (50%) are consultants.

Hybrid Social Enterprises

A hybrid legal structure means that the social enterprise uses more than one legal structure to govern its activities and operation. Common reasons for a hybrid legal structure are to leverage benefits of multiple structures (e.g. DGR or charitable status), to manage risk, or due to legacy and transition (e.g. amalgamation or mergers).

Of the responses, 10 had hybrid legal structures, and 8 gave further details of that structure. This is shown in Figure 11, below. Three quarters (75%) of hybrid structures included a Pty Ltd; partnered with either a Partnership, Incorporated Association, Trust or Company Limited by Guarantee.

"We run a mixed model, where we have products and services working with corporate clients, which then enable us to work on a profit-for-purpose basis with programs such as digital literacy, career tasters, working young Aboriginal students etc."

- Anonymous respondent

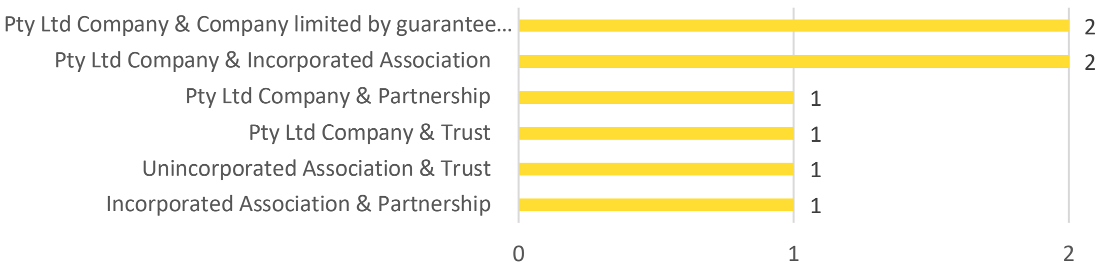

Figure 11: Legal Structures of Hybrid Enterprises (n=8)

"We need to raise additional cash, but are struggling to find the right investors i.e. not VC capital, who understand hybrid social enterprises."
- Anonymous respondent

3.3.2. Not-For-Profit organisations with a Social Enterprise

Question 10 asked for more detail of the social enterprise activities of not-for-profit organisations. Most respondents stated that the social enterprise trading activities were or will be a main activity of the organisation (77%). Approximately 19% indicated that the social enterprise they run was a small part of their organisation.

A similar question was asked in 2019 (noting a lower response rate of 29 responses). Since 2019, it appears there has been an increase in not-for-profit organisations who state their social enterprise is or will be the main activity of the organisation.

Table 3: Not-for-profits with a social enterprise - how do they fit into the organisation? 2019 vs 2023

Social enterprise activity in NFP	**2019 (n=29)**		**2023 (n=48)**			**Change**
The trading of goods/services is, or will be the future main activity of the organisation		**48%**			**77%**	**+29%**
The social enterprise was only one part of their NFP….	… and it is a small part that wouldn't be distinguished from its parent NFP	**52%**	…. and it is a small part that wouldn't be distinguished from its parent NFP	**19%**	**23%**	**-29%**
			… and it has a separate identity to our organisation	**4%**		

"I often have the dilemma in surviving as whether we should have launched as a not-for-profit to access grants."
- Anonymous respondent

Industry, Trading & Customers

Juluwarlu Aboriginal Corporation
Lorraine Coppin,
Chief Executive Officer

Juluwarlu is a Yindjibarndi organisation established to record Yindjibarndi history, language and culture as told by the old people, so that stories of our country are passed on and the uninterrupted knowledge continues as a living culture.

Juluwarlu's foundation is gathering, preserving, and maintaining language and cultural knowledge to sustain the strength of generations into the future. The work of Juluwarlu in cultural knowledge and engagement of Elders supports Yindjibarndi organisations and community. Revenues are derived through cultural content fees, consultation, and engagement fees as well as grants and philanthropic donations.

Culture is core to Juluwarlu and the business model it operates in throughout cultural and creative industries as well as the related industries of mining and resources, tourism, education and community development.

> *Here at Juluwarlu, it's always been our passion to teach the next generation, because they [the Elders] gave it to us for that reason. So we're using any media form: digital media, sculpture, anything to do with art, canvas, we're putting it out there to teach Yindjibarndi culture. And if that's the way to go for the next generation to learn my culture, or learn our culture, it's important that we keep doing that.*

Photo credit: Claire Martin

3.4. Industry, Trading and Customers

Social enterprises operate across all industries and locations in Western Australia. The majority (71%) of social enterprises operate in the Greater Perth Area, and about half (45%) indicated they operate in a regional area of WA. Approximately half (48%) of respondents reported they operate only in their local area, 40% operate nationally and 27% operate internationally.

Social enterprises work across a diverse range of industries in Western Australia and tend to work across several activities. The most common industries are education and training (39%); community and cultural development (34%); and arts and culture (21%). Two-thirds of enterprises provide services as their trading activity. As in 2019, the most common primary paying customer is retail consumers (41%), followed by small business and corporates (both 35%). Since 2019, there appears to have been an increase in provision of services to state government and/or delivering services for state government. This is a promising finding that supports the potential of social procurement in WA.

"With a primary objective of the 'provision of careers that deliver independence and pride for local people' and with a strong focus on long-term career delivery, Aboriginal economic development and self-determination, Brida is Roebourne's largest and most respected employer of Aboriginal people."

- Brida

3.4.1. Location

Respondents were asked "Where do you primarily operate?" with the option to select more than one area. Respondents who selected "other" were invited to add more information as to location.

Of the 100 respondents, 265 location selections were made,[15] with 89% operating over two or three areas, and 10% operating across 4-12 areas. Of the 71 enterprises that operate in Perth, 28% of these also operate in a regional area in WA. The results show that the majority (71%) of social enterprises operate in the Greater Perth Area, and about half of WA's social enterprises (45%) indicated they operate in a regional area of WA. The South-West was the second highest reported area of operation, at 16%. A similar number (around 10%) of enterprises operate in each of the following regional areas: the Great Southern, Pilbara, Peel, Mid-West, Wheatbelt, and Goldfields-Esperance.

[15] Only one respondent indicated they operated in only one area.

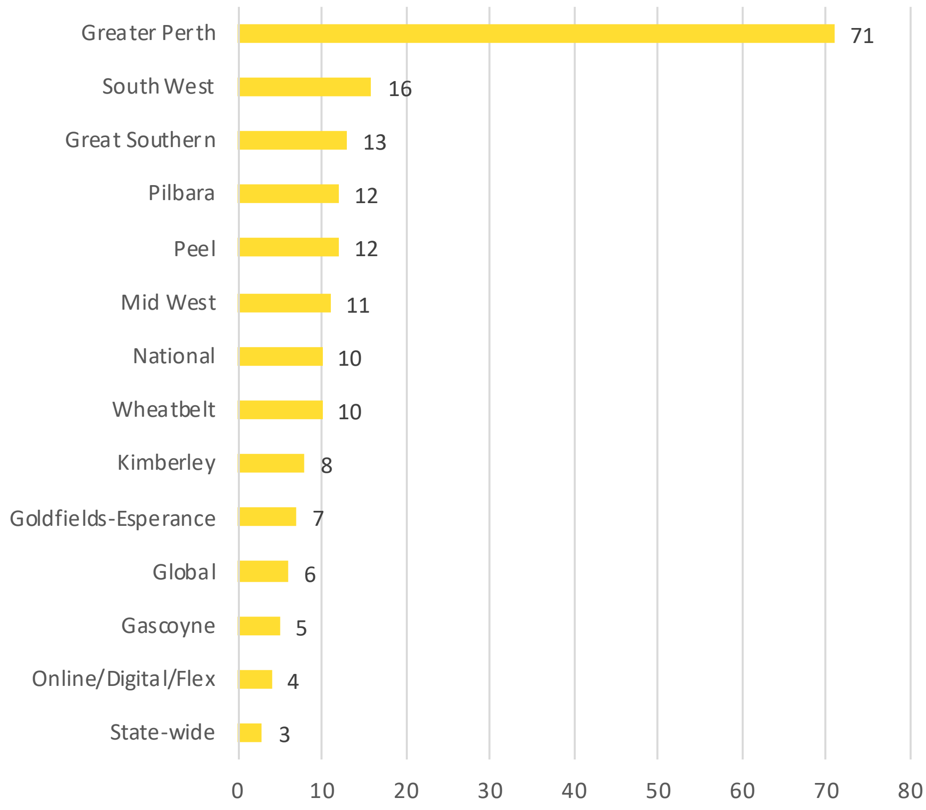

Figure 12: Locations enterprises primarily operate (n=100)

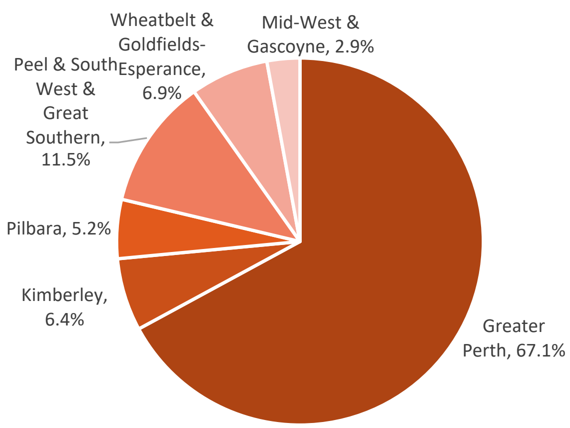

Figure 13: Operating area by region (grouped) 2019 (n=173)

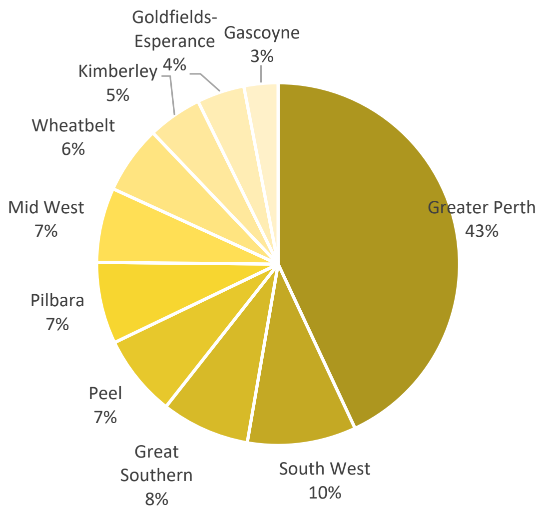

Figure 14: Operating area by region (grouped) (n=100)

All 100 respondents indicated they operate in WA, however, the free-text responses provided under "other" indicated that some additionally operate in areas outside of WA. These included 10 which operate nationally, and 16 which operate globally.

Table 4: Non-WA locations of social enterprises

Location	National	Global	Other States	Online/Digital/Flex
No. of responses	10	6	2	4

3.4.2. Reach

Question 25 asked, "What is the reach of your trading activities?" and were invited to make as many selections as were necessary. Approximately half (48%) of respondents reported they operate in their local area, 40% operate nationally and 27% operate internationally. These findings are broadly similar with FASES (2016), which reported local market was the most common at 76%.

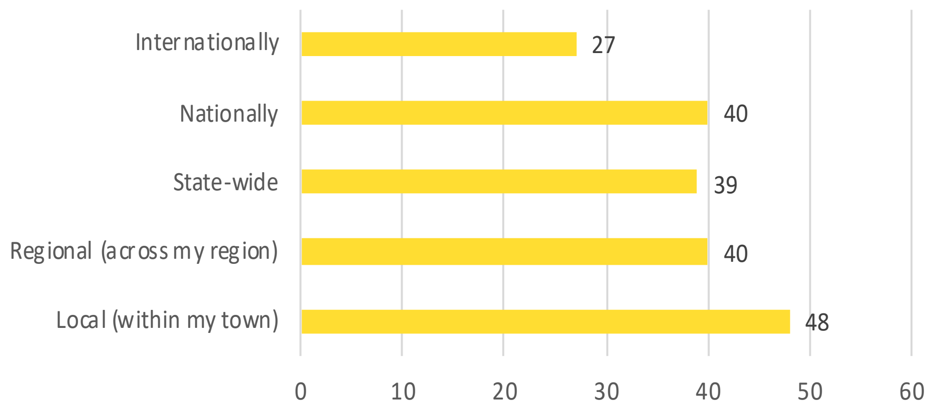

Figure 15: Reach of trading activities (n=96)

3.4.3. Industry

Question 9 asked respondents which industries they operate in.[16] Of the 100 respondents, 439 industry categories were selected, with about one third (29%) operating across one industry, a third (32%) operating across 2-3 industries, and more than a third (39%) operating across more than four industries.

The summary results below (Figure 16) show that education and training (39%) followed by community and cultural development (34%) were the most common industries for a social enterprise to operate in. This differs slightly to FASES (2016), which identified retail trading (25%) and social assistance (22%) as the most cited industry areas of national respondents. Education and cultural services industries were close behind and cited by approximately 18%.[17] Both the 2010 and 2016 FASES surveys found social enterprises operated across a range of industries, which was also reflected here.

[16] Respondents were able to choose as many categories as were relevant to them. Of those that selected "other" and gave more information, this data was added to the totals of categories if they matched an industry area. This question was not asked in 2019, and so we cannot compare this data to a baseline.

[17] Barraket, J. (2016) Finding Australia's Social Enterprise Sector 2016: Final Report. Centre for Social Impact Swinburne & Social Traders. Melbourne, Australia. Available at https://assets.csi.edu.au/assets/research/Finding-Australias-Social-Enterprise-Sector-2016-Final-Report.pdf

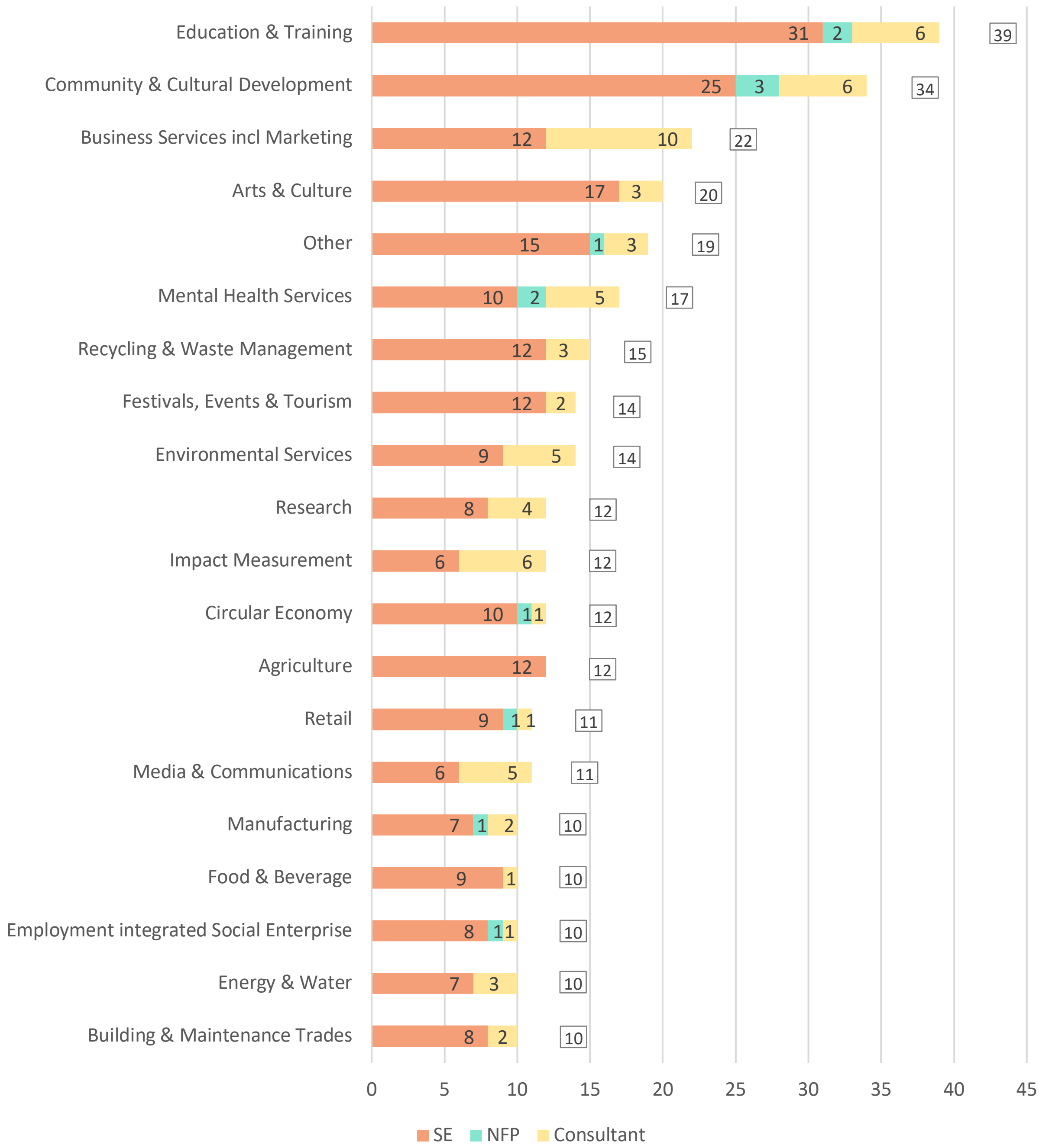

Figure 16: Industry of Social Enterprise (n=100)

Consultants

Unsurprisingly the consultants sub-group make up 10 of the 23 enterprises that work in the *Business Services including Marketing* Industry. If we remove the consultants from the analysis, only 12% of social enterprises work in the *Business Services including Marketing* Industry. Similarly, 60% of the 9 that selected the *HR and Recruitment* Industry were consultant respondents. A more detailed graph with the full responses can be found in the Appendix 3.1

WA SOCIAL ENTERPRISE COUNCIL

3.4.4. Trading Activities

Question 24 asked, "How would you best describe your trading activities?".[18] A significant majority (73%) of enterprises provide services for a fee. Approximately 20% produce goods for sale, or trade retail or wholesale goods. This broadly consistent with the FASES research, which found that nationally 68% of respondents provided services for a fee, and very few provided a mechanism for members to trade for each other (4%).

Figure 17: Trading activities (n=97)

3.4.5. Primary Paying Customer

Question 23 asked, "Who is your primary paying customer for your product or service?"[19] The most common category was retail consumers (41%). This was followed closely by corporates, small business, local government.

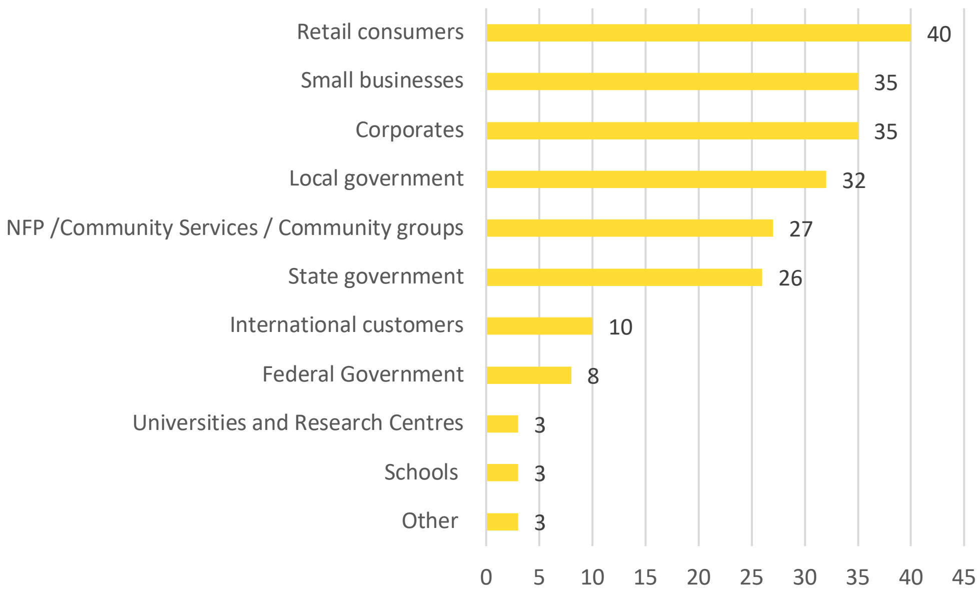

Figure 18: Primary paying customers (n=98)

[18] Respondents could select up to two responses. This question was not asked in 2019 so we cannot compare it to a baseline.
[19] Respondents were invited to make as many selections as appropriately reflected their business.

Of note is that since 2019, there appears to have been an increase in provision of services to state government and/or delivering services for state government. There also seems to have been an increase in local government and small businesses as customers for social enterprises.[20] See Table 5 below.

Table 5: Primary paying customer - 2019 vs 2023 comparison table

Customer	**Responses % 2019** (n=128)	**Responses % 2023** (n=96)	**Change**
Retail consumers (i.e. individual people)	47%	41%	-6%
State Government	7%	27%	20%
Local Government	19%	32%	13%
Federal & unspecified government	16%	8%	-8%
Small business	27%	35%	8%
Corporates	30%	35%	5%
NFP/community service organisations / community groups	23%	28%	5%
Schools	5%	3%	-2%
Research institutions/universities	4%	3%	-1%
Other (incl financial institutions, investors, health professionals)	4%	3%	-1%
International	Unknown	10%	Unknown

[20] We make these statements cautiously; as always, this could simply reflect a change in the types and number of social enterprises that have filled in the survey.

Income & Profit

> **Activ Foundation**
> Michael Heath,
> Chief Executive Officer
>
> Activ Foundation operates social enterprises to support capacity development and on the job skill development for people with disabilities.
>
> *Activ runs commercial businesses that deliver on social outcomes. We see our social enterprises in a different light to the rest of our operations as we fulfill a service need in the community through delivering high quality products and services while building a learning environment for people with disability to be employed and build capacity in their work readiness and soft skills. For example a typical business wouldn't provide the level of support and learning created for our teams, nor would it encourage its staff to use our businesses as springboards in to other open employment jobs.*
>
> *Away from delivering a competitive high-quality products and services, Activ has been able to demonstrate a number of key success stories when it comes to social impact. This has included example where Activ has been able to leverage partnerships across the commercial sector to support mainstream employment.*

3.5. Income and Profit

WA's social enterprises overall do not have a good mix of diversity in their income sources, highlighting the potential need for diversification to strengthen the sector. Approximately 41% of enterprises have only one source of income, 40% had 2-3 sources of income, and 13% had more than four. The most common source of income, by a significant amount, was the sales of goods or services directly to a customer (76%), which reflects our expectation of social enterprises to be sustaining their impact through sales of goods and services. Early-stage support in income diversification was identified by respondents as something they wanted from WASEC's engagement.

Social enterprises most commonly manage their profit by investing it back into improving or growing the enterprise operations (73%). When asked if their enterprise's goal to achieve commercial growth can sometimes be at odds with their desire to fulfill mission, 57% agreed to some extent that it did (compared with 20% disagreeing to some extent). To meet these needs, social enterprises in WA would benefit from early-stage support in diversifying income sources and achieving growth with mission.

> *"Often organisations are struggling operationally because they are trying to reinvest everything back into their cause or operate with a charity mindset and not a business mindset. I'd love to see more support for helping organisations develop more commercially sustainable practices and change the mindset overall of the community to stop the stigma around people working in a cause-based industry earning a liveable wage while still doing great work."*
>
> *- Anonymous respondent*

3.5.1. Sources of Income

Question 16 asked enterprises, "From which sources do you get your income?".[21] Most (41%) selected one source of income, 40% had two or three sources of income and 13% had four or more sources of income. The most common source of income was the sales of goods or services directly to a customer (76%), followed by delivering services on behalf of government (34%).

[21] Respondents were invited to select all that apply. This question was not asked in 2019 so we cannot compare this data to a baseline.

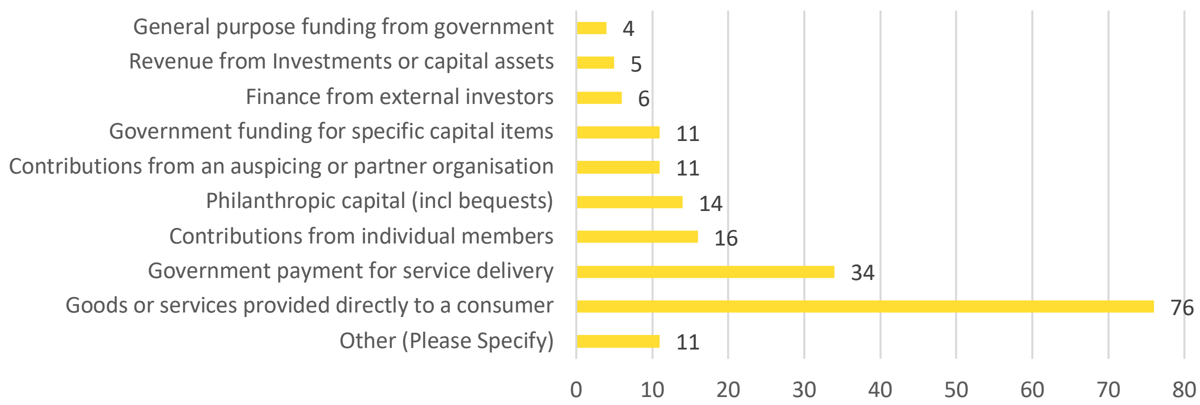

Figure 19: Sources of income (n=94)

"Most of our costs come down to labour and we haven't come across many grants that support this."
- Anonymous respondent

Of the 13 who responded with "other" some of their grouped descriptions are provided below:

- *B2B sales*
- *Grant funding & R&D Tax offsets*
- *Grants, payment from clients (civil society)*
- *Loans and overdrafts*
- *Revenue from Private Health Insurers*
- *Self-funded at this time*

These findings are aligned with national findings from FASES 2016. Respondents were asked how many ventures the social enterprise ran, finding that 74% operate as a single venture. The sale of goods and services directly to customers was also the most common income stream at 65%, followed by sale of goods and services to government through competitively secured contracts. And echoing our findings, 12% was derived from philanthropic grants or bequests.

"It seems we are ineligible for most grants as we are not a not for profit. To get local funding we need a project but have little time to plan and organise a specific project that won't take away from our day to day. The arts and mental health are two very different sectors and there is little that covers both... So far, we are just making ends meet with contacts."
- Anonymous respondent

3.5.2. Management of Profit or Surplus

Question 17 asked, "How do you manage your profit/surplus?"[22] If more information was provided under "other" this was grouped into categories. Respondents most commonly invest surplus into improving or growing their enterprise operations (73%). There were 20 enterprises which made more

[22] Respondents were invited to select as many responses that applied to them. This question was not asked in 2019 so it cannot be compared to a baseline.

than one selection; all chose to re-invest into growing their enterprise in combination with another choice.

In the free-text responses, 7 respondents indicated they had no profit yet and 1 indicated they put the surplus towards Research and Development. This is consistent with the findings in FASES, where nationally the majority of enterprises reported they re-invested all of their profit into the fulfilment of their mission (81%). Of those, the majority invest their profit into improving or growing their enterprise operations (82%).

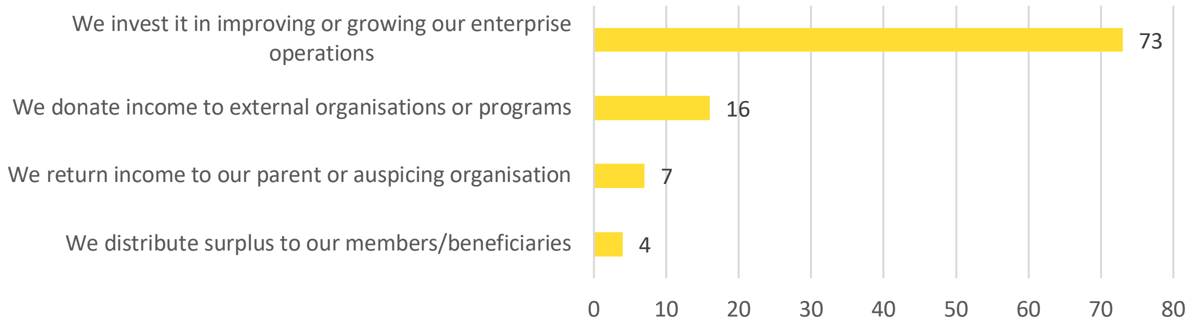

Figure 20: Management of profit/surplus (n=93)

It is worth noting that in the definition of 'investment' we have included grants and philanthropic capital. We have included these categories given the early-stage nature of social enterprise and impact investment in WA. This generally would not be included in a definition of 'investment', which refers to debt or debt-like, and equity or equity-like instruments.

"A lot of Government departments still don't allow social enterprises to apply for funding. Also when you ask to charge a fee for participation, they don't like it, but how can a program be sustainable if you don't charge a fee. People still don't understand what the difference is between a social enterprise, a profit for purpose or a charity."
- Anonymous respondent

3.5.3. Balancing commercial growth and mission

Question 22 asked respondents whether their enterprise's goal to achieve commercial growth can sometimes be at odds with their desire to fulfil their mission.[23] This question was also asked in the FASES Survey.

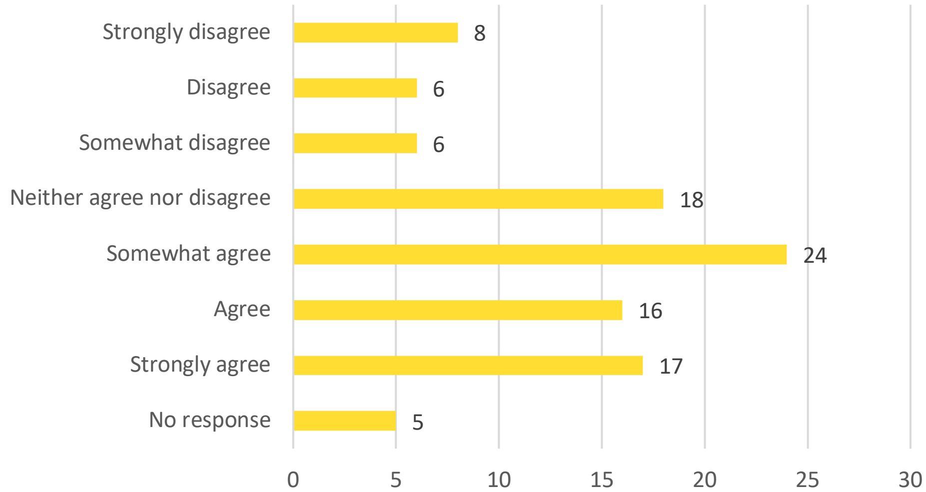

Figure 21: Is commercial growth at odds with mission? (n=100)

"There is a perception that social enterprises make enough money however the additional costs associated in these operations is often more than for profit."
- Anonymous respondent

Responses tended to agree with this statement (57% selected somewhat agree, agree or strongly agree) than to disagree with it (20% selected somewhat disagree, disagree or strongly disagree). There were a high number of respondents who did not agree or disagree (18%). See Figure 21 below.

This is inconsistent with FASES, where nationally, 42% of respondents agreed that goals to achieve commercial growth can sometimes be at odds with the desire to fulfil their mission, and an equal 42% disagreed with this statement. This may indicate that the WA context is more challenging for social enterprises.

"Often organisations are struggling operationally because they are trying to reinvest everything back into their cause or operate with a charity mindset and not a business mindset."
- Anonymous respondent

[23] The inclusion of responses from consultants/large NFPs were not found to affect these results. This question was not asked in 2019 so it cannot be compared to a baseline.

Investment

Kardan Construction
Frank Mitchell,
Director

Kardan is an award winning Aboriginal owned construction company delivering upskilling employment for marginalised people.

With the major banks rejecting Kardan's business loan applications in the early years (2019/2020), Impact Seed supported us in developing our impact strategy and framework, securing a capability building grant, and with introductions to Rise, SEFA and WASEC, through to securing impact investment. Without the support of these organisations, Kardan simply would not have achieved the following outcomes from company inception in September 2019 to present day:

A. *Team expansion (2 employees to 60+)*
B. *Flexibility to generate several social impact pathways*
C. *Deliver meaningful positive outcomes across these impact pathways*
D. *Afford key talent to sustain explosive growth*
E. *Industry recognition via multiple business awards*

From our lived experience, we believe it would only be of benefit to the community if social enterprise and impact investment were supported with funding from state and federal governments. Kardan's journey to investment was not straight forward, and the various organisations that provide support to impactful businesses like ours are important enablers.

3.6. Investment

In the definition of 'investment' used in the survey, we have included grants and philanthropic capital. We have included these categories given the early-stage nature of social enterprise and impact investment in WA. This generally would not be included in a definition of 'investment', which refers to debt or debt-like, and equity or equity-like instruments.

The financial requirements of social enterprises vary based on their stage of organisational development, business model, and legal structure. Most social enterprises (84%) have received some form of investment, which has reduced slightly since 2019 (88%). More enterprises have received higher values of investment since 2019 ($1M+ investment has increased from 12% to 20%), which reflects the maturity of the market that came through in the *Stage of Development* findings. However, investments less than $1M have reduced across the board. This means that the gap of, and demand for, catalytic capital at an earlier stage, continues to grow.

This is reflected in the fact that the form of investment taken on by social enterprises is grants and philanthropic capital, personal financial investment from founders and directors, and use of sweat equity alongside pro-bono support from others. This reflects the early stage of business development of many of our social enterprises.

In taking a future focus, 80% of respondents indicated they require investment (down from 92% in 2019). However, they are not hopeful of finding that in WA. Generally, some respondents felt that there had been development in the market over several years and that there was more capital available and a greater understanding of social enterprises. However other respondents felt that the market remains underdeveloped compared to the Eastern States with a lack of diversity in funding types and sources, a conservative risk appetite and a lack of understanding of social enterprise business structures. Respondents reflected that significant work needs to be done for WA's social enterprise ecosystem, particularly in terms of state government policy and access to investment compared to other states and countries.

"[WA is] very much simplistic compared to diverse ecosystem in eastern states. Also conservative risk appetite to trial impact investment - though these attitudes are changing with champions inside groups of funding and investor groups. In the meantime, the lack of social procurement policy prevents large scale change which maintains social enterprise as a minute component of the commercial and services sectors."

- Anonymous respondent

3.6.1. Value of Investments

Question 18 asked, "How much investment has been made into your enterprise to date?". Figure 22 (below) shows that most social enterprises (84%) have received some form of investment, which has reduced slightly since 2019 (88%). The more detailed results are mixed.

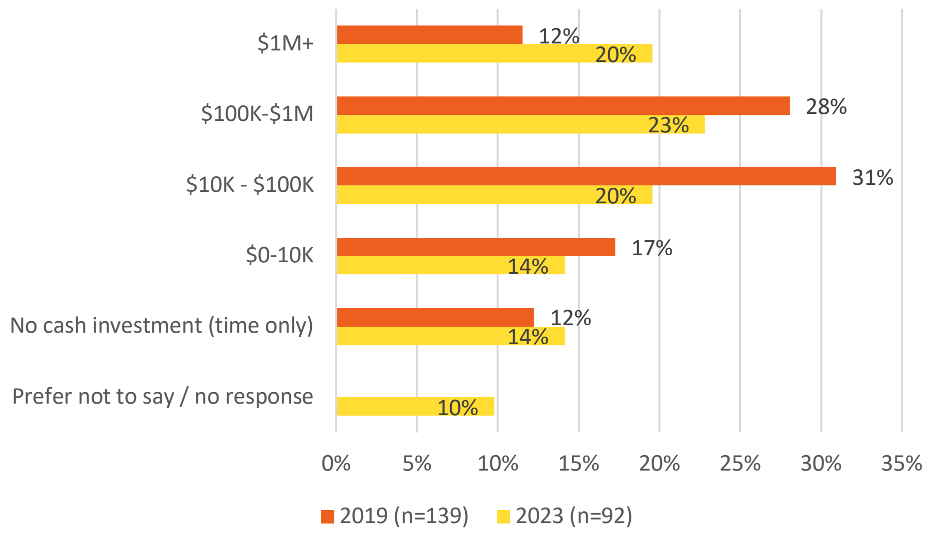

Figure 22: 2019 vs 2023 - Investment received.

There were 18 respondents (20%) which indicated they have received over $1 million in investment (up from 12% in 2019). However, noting some of these respondents, it is more likely that they have received grants rather than equity or debt investment (which will be reflected in the next question).

The proportion of social enterprises that have received over $100k investment has increased slightly from 40% in 2019 to 43% in 2023. The enterprises that took on investment less than $100k decreased from 48% in 2019 to 34% in 2023.

More enterprises have received higher values of investment since 2019 ($1M+ investment has increased from 12% to 20%), which reflects the maturity of the market that came through in the *Stage of Development* findings. However, investments less than $1M have reduced across the board. This means that the gap of, and demand for, catalytic capital at an earlier stage, continues to grow.

NFPs and Consultants

It is worth noting that three of those recipients of larger value investments were large established not-for-profit organisations that run a social enterprise as a part of their business model. It is possible that respondents answered this question on behalf of the larger NFP than the specific social enterprise. In our experience, investment into social enterprises in WA has been limited.[24]

"Much of the impact investing going on seems to be heavily focussed on economic returns and not enough focussed on social impact returns." - Anonymous respondent

[24] Impact Investment in WA Government Options Paper. (2018). *Impact Seed.* https://impactseed.org/wp-content/uploads/2022/10/Impact-Investment-in-WA-Government-Options-Paper-Nov2018.pdf

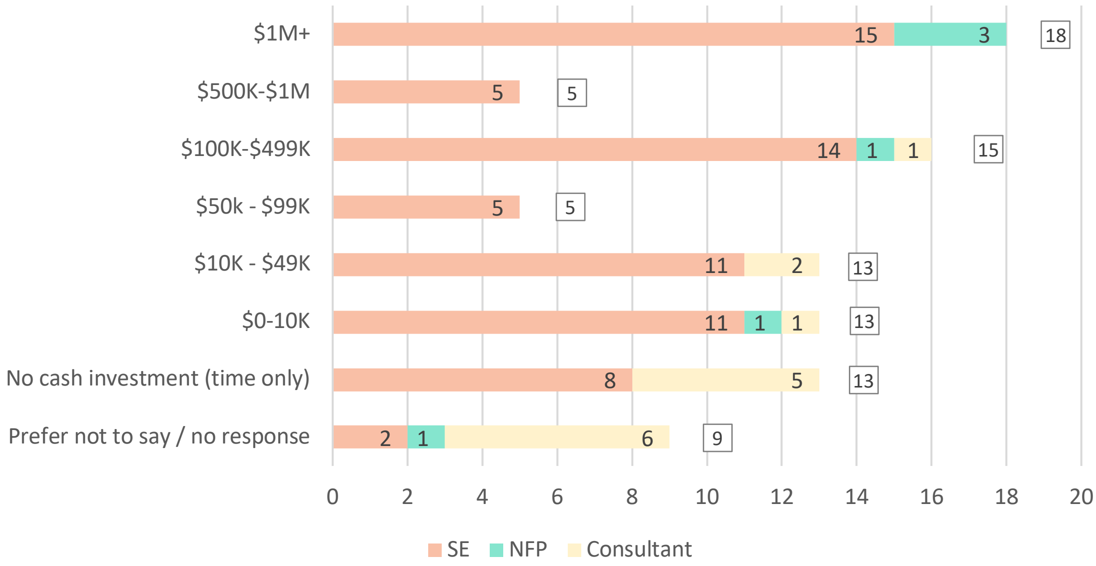

Figure 23: Investment value received – separating out NFP/consultants (n=92)

3.6.2. Form of Investments

Question 19 asked what form enterprise's investment had taken and had 80 responses.[25]

Overall, the WA social enterprise market relies on early-stage financing to establish and grow their businesses. This generally takes the form of grants and philanthropic capital, personal financial investment from founders and directors, and use of sweat equity alongside pro-bono support from others. This reflects the early stage of business development of many of our social enterprises.

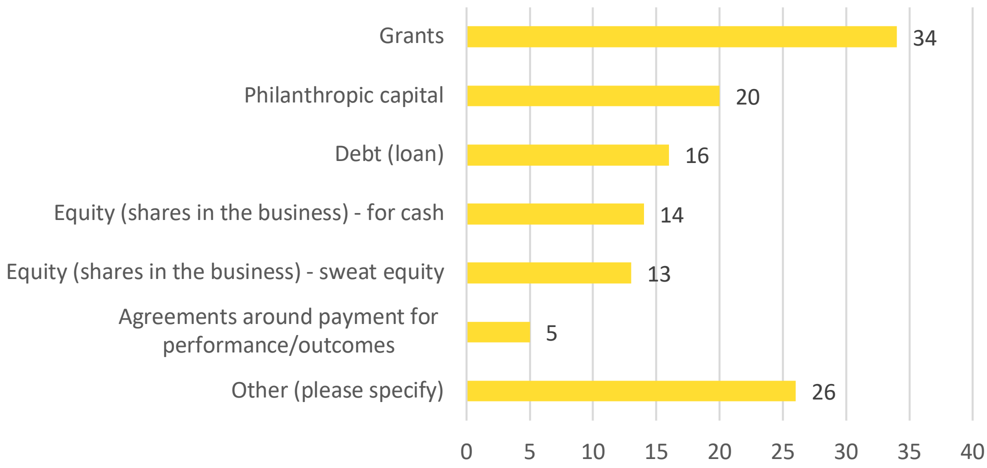

Figure 24: Forms of investment received (n: 80)

[25] Respondents were invited to select all that apply.

It is encouraging that there is some debt being deployed, which generally reflects some investor confidence that an enterprise is sustainable enough to take on that debt, even where the debt is concessionary or patient.

Payment for outcomes is an underutilised financing tool in WA, being far more common in the Eastern States. This data reflects this as there is only one agreement which is a grant paid based on performance against outcomes.

"Other" forms of investment indicated by respondents were not really forms of investment (e.g. they had included income or pro bono services provided by consultants). This reflects a need for education across the sector as to what the term 'investment' means, and the diversity, availability and applicability of different financing instruments.

"However, I do believe that there is a growing awareness and appreciation for the importance of social enterprise, which is leading to more opportunities and diversity in funding options."
- Anonymous respondent

"They are usually one off funding arrangements that means you are chasing new support every year for activities."
- Anonymous respondent

3.6.3. Investment needs

Question 20 asked, "Do you need further investment to grow your enterprise?" A significant majority of respondents (80%) indicated they did require investment. This is very similar to 2019, where 92% of respondents needed future investment. Links to funding opportunities and investment is identified by enterprises the most important area requiring support from WASEC, discussed in Section 3.7.2.

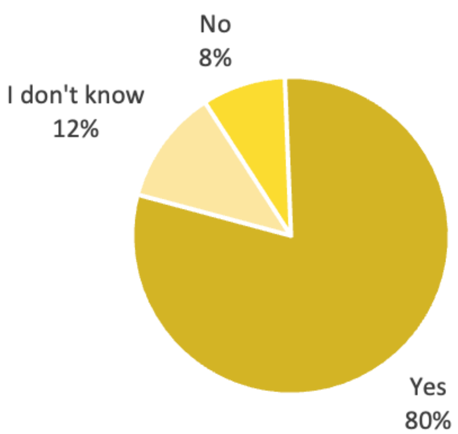

Figure 25: Future investment need (n=94)

"For instance I could grow my social enterprise if I had access to better equipment to speed up production. It would enable me to gift away more to women's shelters and similar community needs."
- Anonymous respondent

3.6.4. Perceptions of funding opportunities

Though enterprises might need investment, they are not hopeful of finding it in WA. Question 21 asked, "What are your perceptions of the availability/diversity of funding for social enterprise in WA?" This was an open text response that received 79 responses, which have been analysed through textual analysis summarised in the Appendix Section 3.2.

The perceptions of funding opportunities were very mixed. Some felt that there had been development in the market over several years and felt that there was more capital available and a greater understanding of social enterprises. Other respondents felt that the market remains underdeveloped compared to the Eastern States with a lack of diversity in funding types and sources, a conservative risk appetite and a lack of understanding of social enterprise business structures. Many described the difficulty in receiving investment into their enterprise due to difficulty of applying for government grants and their legal structure limiting options. Grants consume time that social enterprises in the beginning stages of development cannot afford. Respondents perceived impact investment, flexible funding and blended finance to be important instruments for the sector.

"We are largely excluded from grant funding as a for-profit social enterprise."
- Anonymous respondent

"We have noticed a huge shift towards impact investment and philanthropists who were historically happy to make a charitable donation now expecting returns for their investment. As a social service provider, we do need to encourage philanthropy to understand the power of a zero-return donation as well."
- Anonymous respondent

These findings are reflected in FASES too – though the financial needs of social enterprises vary based on their development stage, business model, and legal structure. There was no consistent pattern of financial access among these enterprises - 39% felt they couldn't secure necessary funds, 35% said they could, and 26% were neutral, possibly indicating ambivalence or limited external financing usage.[26] FASES reported that participants in Western Australia had limited access to impact investing and philanthropic sources and were less likely to agree they had access to necessary finance compared to metropolitan centres in the Eastern states. Though this data is from 2016, we have found that this is still the case in 2023, and this is reflected in our findings.

[26] Barraket, J. (2016) Finding Australia's Social Enterprise Sector 2016: Final Report. Centre for Social Impact Swinburne & Social Traders. Melbourne, Australia. Available at https://assets.csi.edu.au/assets/research/Finding-Australias-Social-Enterprise-Sector-2016-Final-Report.pdf

"[Funding opportunities in WA are] very much simplistic compared to diverse ecosystem in the Eastern States."
- Anonymous respondent

"Large agencies like government and Lotterywest are hesitant to lead change and rather follow market demand. In the meantime, the lack of social procurement policy prevents large scale change which maintains social enterprise as a minute component of the commercial and services sectors."
- Anonymous respondent

Some specific recommendations made by a number of respondents include:

- **Diversity in funding opportunities: e.g.** *Our ecosystem needs diversity - of enterprises, of models, of sizes. Small is beautiful, and sustainable. Our ecosystem needs more openness, flexibility and diversity in the types of funding opportunities that will support the sustainable development of diversity types of entities.*
- **One-stop shop for funding: e.g.** *Navigating through what would be relevant and then the time to populate is onerous. Ideally if there is an audited database or an ability for government grants to not have to repeat the process would be beneficial.*
- **Educate the investors*: e.g.*** *I've been through Impact Collective and would say there's work to be done to make interested NFPs aware of what investing in start-ups means (I know you're working on this already).*

FASES 2016 discussed the importance of policy support as an enabler of social enterprise development, with 80% of respondents agreeing that state and federal government policy support could encourage new opportunities or social enterprises.

"It is lacking funding, it is a shame because WA is the state for the richest people living in Australia. Victoria and its government are better at distributing grants for community activities."
- Anonymous respondent

"I don't think the State Government understands the concept [of impact investing]."
- Anonymous respondent

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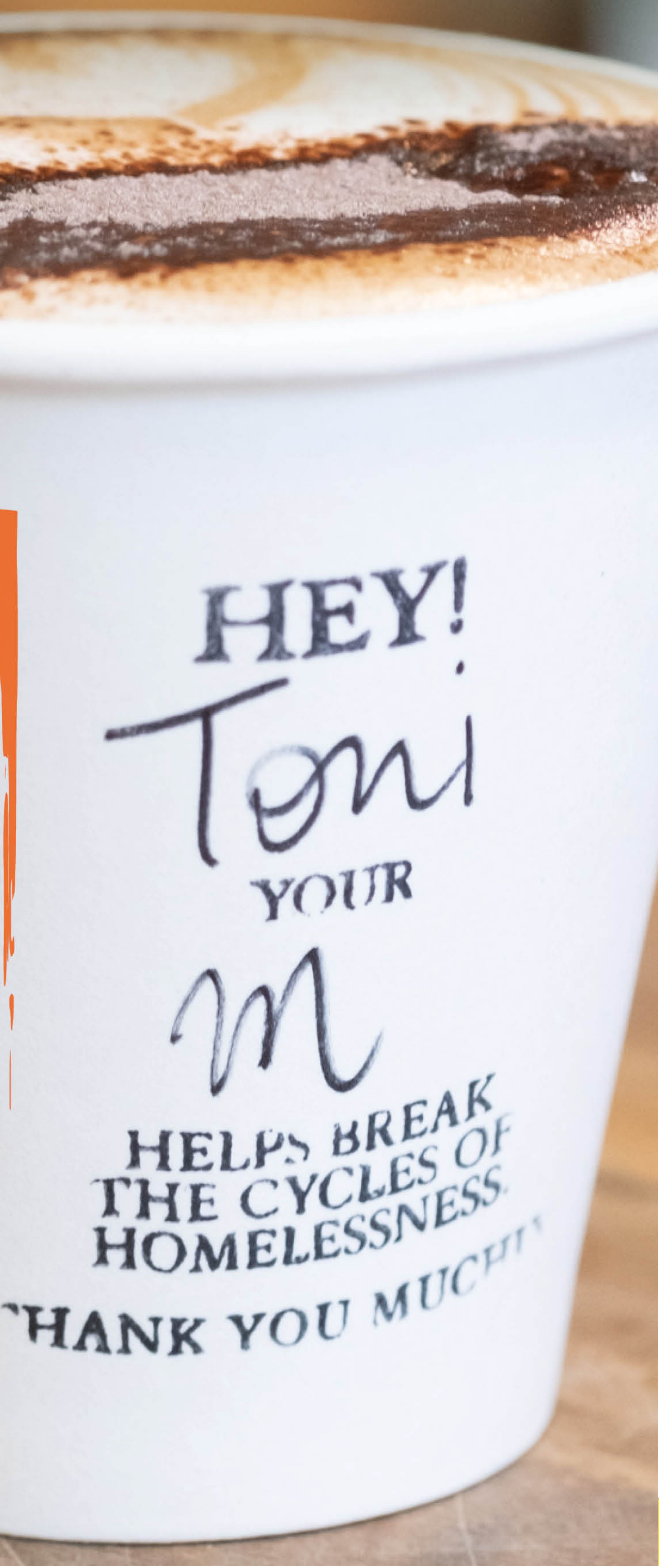
WASEC & Sector Development



Underground Collective

Katie Liew,
CEO, Founder

The Underground Collaborative provides employment to empower and educate women and young people experiencing or at-risk of homelessness in WA.

> *The social enterprise sector nationally is far more connected than it was in previous years. The increased connection is fantastic in that it offers more opportunities for collaboration, resource sharing and working together to advocate and influence policies.*
>
> *This would also lead to greater investment and funding options, as well as education across not only the sector but the wider community around the importance and impacts social enterprises have.*
>
> *A peak body is important because it provides the representation, advocacy and collaboration the WA social enterprise sector needs. It's also a great opportunity for networking, particularly as the social enterprise sector in WA grows, which will help with capacity building.*
>
> *Being part of WASEC and having a Social Enterprise peak body in WA is exciting, and we look forward to seeing it grow.*

3.7. WASEC and Sector Development

Overwhelmingly, social enterprises indicated they felt a peak body to be important or very important (82%) for WA. When asked to select what the most wanted to see WASEC to provide, providing links to funding opportunities and investors was ranked 1st by 44% of enterprises undertaking advocacy and lobbying to government by 12% and promoting social enterprise to corporates and the community was most important to 11% of enterprises.

Social enterprises want to combine networking with skills building and training (59%) and have quarterly catchups to meet fellow WASEC members (56%). This desire possibly reflects the fact that many respondents do not feel very connected to a WA social enterprise community.

Overall, a high rate of respondents (44%) indicated that they do not feel very connected to the social enterprise sector. This is unsurprising, given that until now there has been very little resource or capacity to bring the sector together in a meaningful way. A small proportion do feel connected (21%), and this is likely due to the fact they have informally found the few others operating in the sector in Western Australia and/or have connections on the East Coast. These findings support the need for WASEC to provide support and represent an otherwise isolated sector in WA.

"Importantly social enterprises need help with building sustainable enterprises and need to build capacity in educating themselves with regards to funding opportunities and social investor networks."

- Anonymous respondent

3.7.1. Peak Body for Social Enterprise

Question 26 asked, "How important to you is it to have a peak body focussed on social enterprise?" Overwhelmingly, social enterprises indicated they felt a peak body to be important or very important (82%).

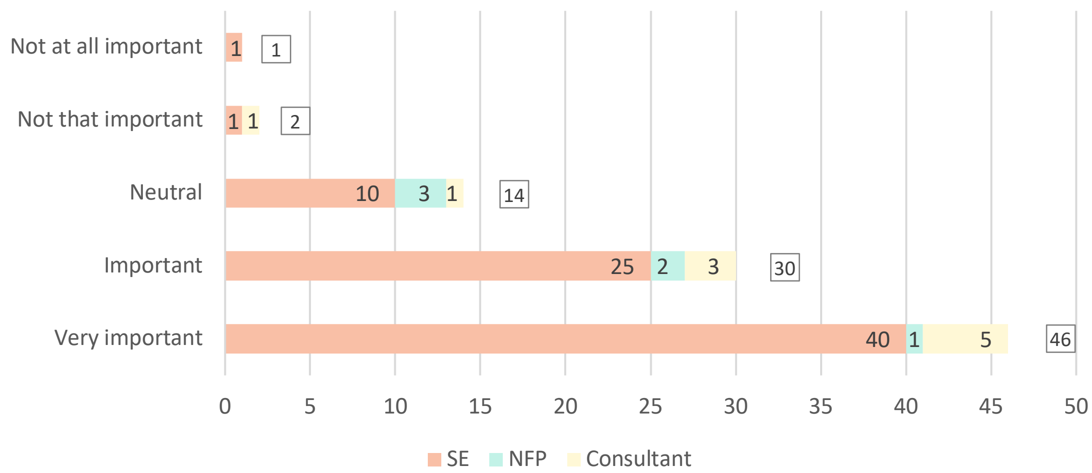


Figure 26: Importance of a peak body (n=93)

"We feel some sectors are still learning the term social enterprise..."
- Anonymous respondent

3.7.2. Functions of WASEC

Question 27 asked "What are the most critical functions WASEC could provide to support your social enterprise (please rank the below options)".

The most critical functions were listed as:
- Links to funding opportunities and investors (44%)
- Advocacy/lobbying to government (12%)
- Promotion of social enterprise to the community, corporates etc (11%).

These priorities underscore the sector's need for support in links with funding opportunities and investors and the promotion of social enterprise to ensure that they have customers, supporters and suppliers.

"In the public as well as across various funding decision-making level, the social enterprise model isn't well understood in WA."
- Anonymous respondent

Table 6: 2019 vs 2023 ranking of importance of WASEC functions

2019		2023		
WASEC Function	**Rank**	**WASEC Function**	**Rank**	**% Ranked #1**
Links to funding opportunities, investors, etc.	#1	Links to funding opportunities and investors	#1	44%
Advocacy/lobbying to government	#2	Advocacy/lobbying to government	#2	12%
Capacity building – either providing workshops, resources and learning opportunities or brokering them.	#3	Promotion of social enterprise to the community, corporates, etc.	#3	11%
Promotion of social enterprises across the community.	#4	Networking and events	#4	5%
Events and conferences	#5	Capacity-building (training, forums, conferences)	#5	8%
Networking and relationship building	#6	Creating a social enterprise marketplace and directory	#6	5%

"I'd love to see more support for helping organisations develop more commercially sustainable practices and change the mindset overall of the community to stop the stigma around people working in a cause-based industry earning a liveable wage while still doing great work."
- Anonymous respondent

3.7.3. Workshop, Forums and Training Areas

Question 29 asked, "If we were to organise workshops, forums and training, which areas would you benefit most from learning more about?"

In alignment with the themes throughout this survey, respondents indicated that they would like support in accessing philanthropic funding for their social enterprise (55%). This was closely followed by support in measuring impact and evaluation and business development and sales (45%, respectively). Risk management and incorporation and governance ranked the lowest of provided responses (22%, respectively); though a fifth of social enterprises needing this support is still significant to note.

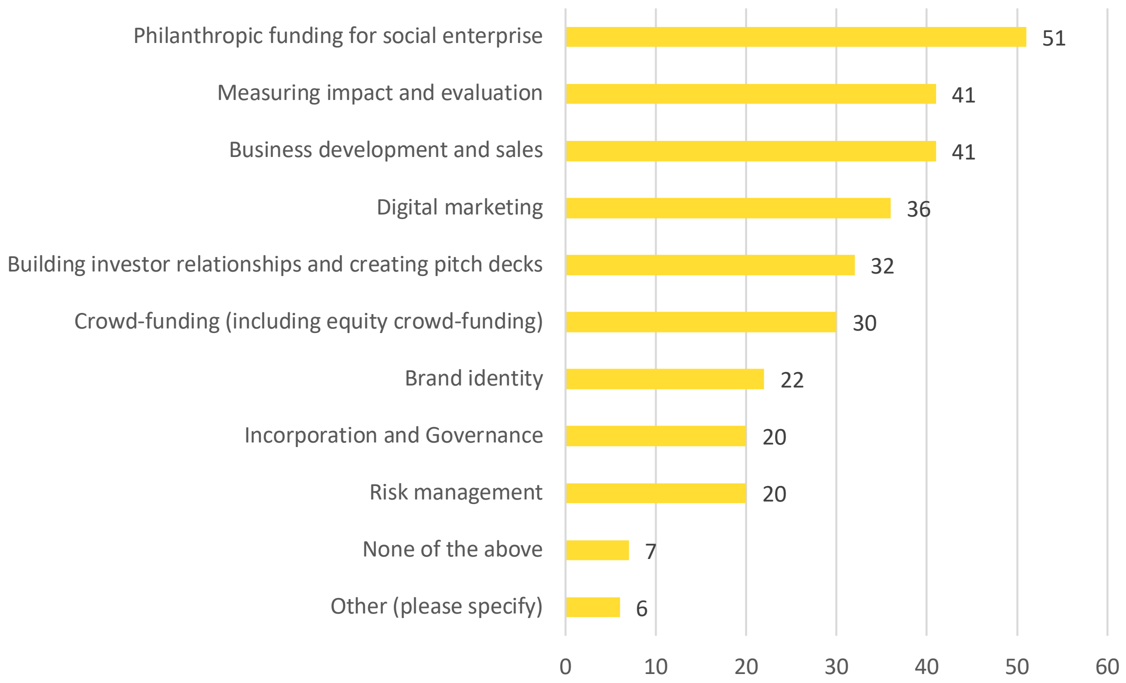


Figure 27: Learning needs from WASEC events (n=92)

Those who selected "other" mentioned the additional areas of:

- '*Collaborative impact models*',
- '*Developing legal standing for social enterprise in Australia*' and
- '*Support to become B-Corp certified*'.

"Social enterprises need help with building sustainable enterprises and need to build capacity in educating themselves with regards to funding opportunities and social investor networks."
- Anonymous respondent

3.7.4. Networking Events

Question 30 asked "What kind of networking events would you like to see?" Most respondents want to combine networking with skills building and training (59%) and have quarterly catchups to meet fellow WASEC members (56%).

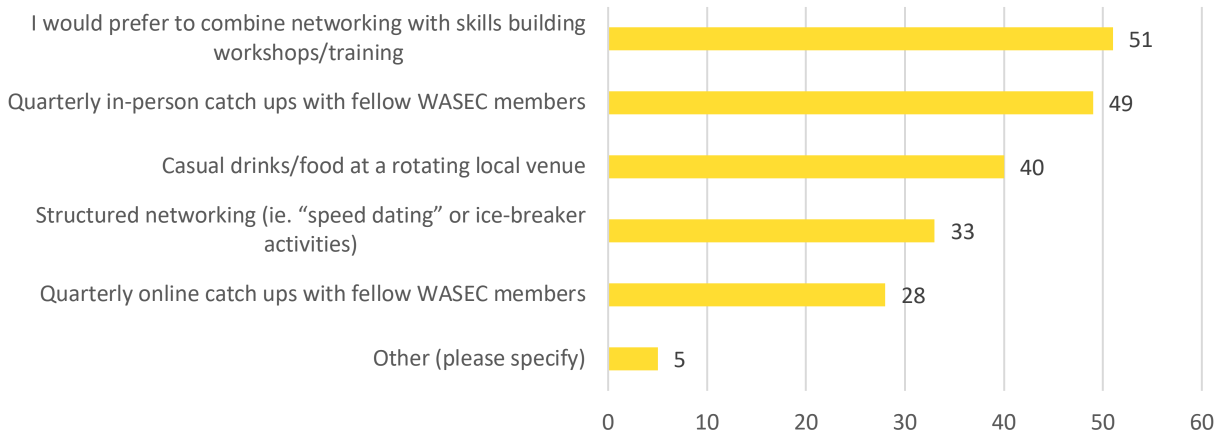


Figure 28: WASEC networking event's needs (n= 87)

3.7.5. Social Enterprise Directory

Question 31 asked "Are you interested in being part of a Social Enterprise Directory to provide market building opportunities?"

Despite a social enterprise directory being ranked lower in the priorities of social enterprises (see Section 2.7.2), 88 percent of respondents indicated that they would want to be included in a social enterprise directory.

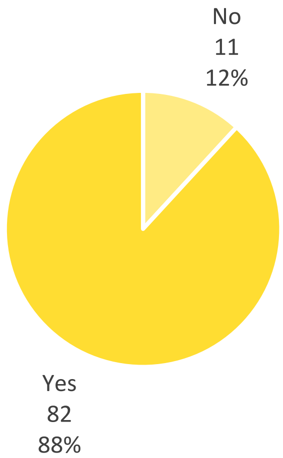


Figure 29: Social enterprise directory (n= 93)

"WASEC has been a fantastic source of connections for me."
- Anonymous respondent

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3.7.6. WASEC Membership

Question 32 asked enterprises if they would like their survey response to act as their application to WASEC. Of the 12 who selected 'No', all but two of these also answered in the previous question that they did not want to be involved in the Social Enterprise Directory. Two of the twelve respondents who said 'no' are of the NFP group.

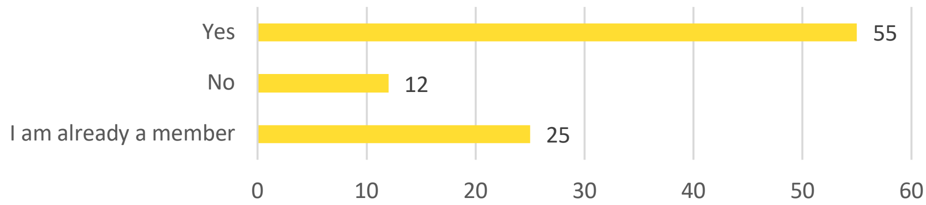

Figure 30: Survey to be considered an application to WASEC (n=92)

3.7.7. Connection with WA social enterprise community

Question 28 asked respondents "How well do you feel connected to the broader social enterprise community in WA?". The comments have been grouped by textual analysis into the themes in Figure 31 below.[27]

Overall, a high rate of respondents (44%) indicated that they do not feel very connected to the social enterprise sector. This is unsurprising, given that until now there has been very little resource or capacity to bring the sector together in a meaningful way. A small proportion do feel connected (21%), and this is likely due to the fact they have informally found the few others operating in the sector in Western Australia and/or have connections on the East Coast.

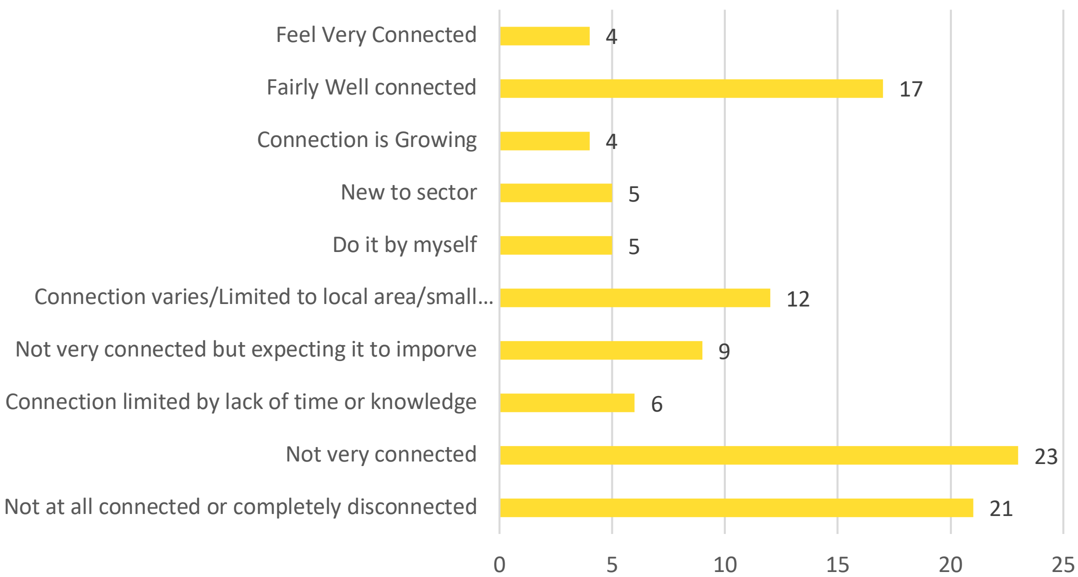

Figure 31: Feelings of connection to sector (n=86)

[27] Where a comment contained several reflections, these would be counted as their own reflections, there were 107 different relictions in total.

"[We are] not well connected, but partly because at this stage in our company growth, we have no life outside of work and limited time to network/connect."
- Anonymous respondent

In reflecting on their "feelings of connection" respondents included reflections on the role of WASEC, current and future:

- [Connection] can be improved through WASEC!
- We feel well connected in our region however it seems there are other hubs crossing over. There needs to be more clarity about what is available to us and no duplication of agencies.
- Well intended but missing crucial links to those with financial/political/corporate/social capital to elevate and normalise social enterprise as a business model.
- Being aware of fellow leaders in the space isn't the same as being connected. While we commit 150% of our time to our own enterprise, we miss out on opportunities to share IP, support each other and collectively grow the size of the SE marketplace.
- Slowly growing into the clique. Severe lack of formal networking, which is a pity.
- Grateful for WASEC!
- WASEC has been a fantastic source of connections for me. I work out of a social enterprise (Spacecubed), so I feel like I have a generally strong connection to the community.
- We have made some valuable connections by seeking organisations out ourselves, but this could be improved!

4. Appendices

4.1. What Is Your Social Enterprise?

Question 11 asked respondents to describe their social enterprise in 1-2 sentences in an elevator pitch. These responses were grouped into eight categories, shown in the table below. Examples have been added to highlight examples of the social enterprise type, and the change from 2019's survey is included.

Table 7: Elevator pitch responses

Category	Definition	Example	2023 %
Community/ human development	Social enterprises focussed on upskilling, educating and connecting people. They are focussed on building people and communities to be the best they can be.	"Loop was founded to minimise corporate textile waste and create meaningful social impact in Australia. Divert textiles from landfill and to create training and employment opportunities for people living with disadvantage."	**29%** (+6%)
Aboriginal -focussed	Refers to those businesses that were a) owned/managed by Aboriginal people or b) those businesses focussed on culture, tourism and/or issues faced by Aboriginal people. These enterprises tended to be regionally based.	"Brida is an Aboriginal social enterprise, 100% owned, operated and governed by Ngarliyarndu Bindirri Aboriginal Corporation. Brida delivers cleaning, ground maintenance, landscaping, waste management and labour hire services across the coastal Pilbara. With a primary objective of the 'provision of careers that deliver independence and pride for local people' and with a strong focus on long-term career delivery, Aboriginal economic development and self-determination."	**7%** (-7%)
Ethical products/ environment	Refers to enterprises that are selling ethical products and/or were clearly focussed on environmental goals. These are grouped together as often enterprises selling products were doing so with an intention to have an environmental impact.	"We are on a mission to reimagine our consumption model to one that respects all people and the environment within the supply chain. We exist because we believe in the power that we each have, through our buying choices, to support the sustainable development of communities around the world through fair and ethical trade." – Fair Trade	**19%** (+1%)
Services/ products for people experiencing disadvantage	Most of the enterprises that fit into this category were not-for-profit organisations. Employment-based enterprises also fit into this category.	"Activ Foundation operates social enterprises to support capacity development and on the job skill development for people with disabilities."	**12%** (-2%)

Innovation through tech	Refers to social enterprises using technology for good or social impact. Many of the technology start-ups that have a social mission or interest fit into this category.	"We're changing the way that nonprofits harness technology by taking a holistic, outcome-focused approach to building digital capability. In doing so, we create streamlined workflows for your team, which allow you to do more good with less." - Zentient	**3%** (-7%)
Consulting services	Referring to enterprises whose mission it is to support other social enterprises, or for-purpose organisations.	"Business with Impact. Professional and cost-effective virtual administration and bookkeeping services from rural Australia. Upskilling, training, and creating jobs/careers while employing rural women." – Eyre Business	**12%** (+14%)
Health services	Referring to those enterprises with an emphasis on health.	"Nineteen Degrees are an Australian based social enterprise, providing international community health placements for Australian Universities, whilst partnering inclusively with communities to deliver outcomes in remote and marginalised regions in Asia. Impact: capacity building and income generation for remote communities"	**3%** (-4%)

4.2. Perceptions of Funding

Question 21 asked, "What are your perceptions of the availability/diversity of funding for social enterprise in WA?" This was an open text response that received 79 responses, which have been analysed through textual analysis summarised below.

Table 8: Perceptions of funding grouped free text responses

Theme	Reflection:	Headline Quote:	% Responses (n=79)	Number Responses
Funding Availability	Seems to be more funding available	*I do believe that there is a growing awareness and appreciation for the importance of social enterprise, which is leading to more opportunities and diversity in funding options.*	4%	3
	Funding areas	*Most of our costs come down to labour and we haven't come across many grants that support this.*	5%	4
	Impact of lack of funding	*I have worked on this venture for almost 5 years and have never been the beneficiary of any external grants or capital, despite my best efforts.*	6%	5
	Small pool of beneficiaries	*It seems the money is always distributed to the established organisations, not the most effective organisations.*	6%	5
	Access to funding	*Funding can be competitive and hard to identify the correct funding to apply for.*	9%	7
Impact Investment	Impact Investing	*[There is a] conservative risk appetite to trial impact investment - though these attitudes are changing with champions inside groups of funding and investor groups.*	6%	5
	WA investment landscape	*It is lacking funding, it is a shame because WA is the state for the richest people living in Australia. Victoria and its government is better at distributing grants for community activities.*	14%	11
State Issues	Understandings of Social Enterprises	*People still don't understand what the difference is between a social enterprise, a profit for purpose or a charity.*	9%	7
	State government issues	*The lack of social procurement policy prevents large scale change which maintains social enterprise as a minute component of the commercial and services sectors.*	8%	6
	Funding instrument	*A large focus on grants and donations, not enough on blended finance.*	10%	8
	Limited funding available	*The sector is barely recognised. There is very little funding available.*	11%	9

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Social Enterprise constraints	Structure of enterprise limiting options	*We are largely excluded from grant funding as a for profit social enterprise.*	9%	7
	Cost of applying for grants	*Often the grant process consumes more time from the people than the funding is worth in time value.*	10%	8
	Stage/size of enterprise seeking funding	*The focus of (the limited) funding opportunities in recent years seems to have been largely focused on readying for impact investment, and growth/scale. This is useful for some, but not the right fit for a lot of organisations. Our ecosystem needs diversity - of enterprises, of models, of sizes. Small is beautiful, and sustainable. Our ecosystem needs more openness, flexibility and diversity in the types of funding opportunities that will support the sustainable development of diversity types of entities.*	11%	9
	Type of funding outcome area specific, when social enterprises tend to operate across several areas	*I have found that the availability of funding for social enterprise in WA varies greatly depending on the specific industry and cause. The arts and mental health are two very different sectors and there is little that covers both. Neither sectors are flexible enough to apply for funding.*	13%	10
Other	Not aware	*Not had any luck but not also not fully aware of opportunities.*	13%	10

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4.3. Full Industry Data

Question 9 asked respondents which industries they operate in and were able to choose as many categories as were relevant to them. Of the 100 respondents, 439 industry categories were selected.

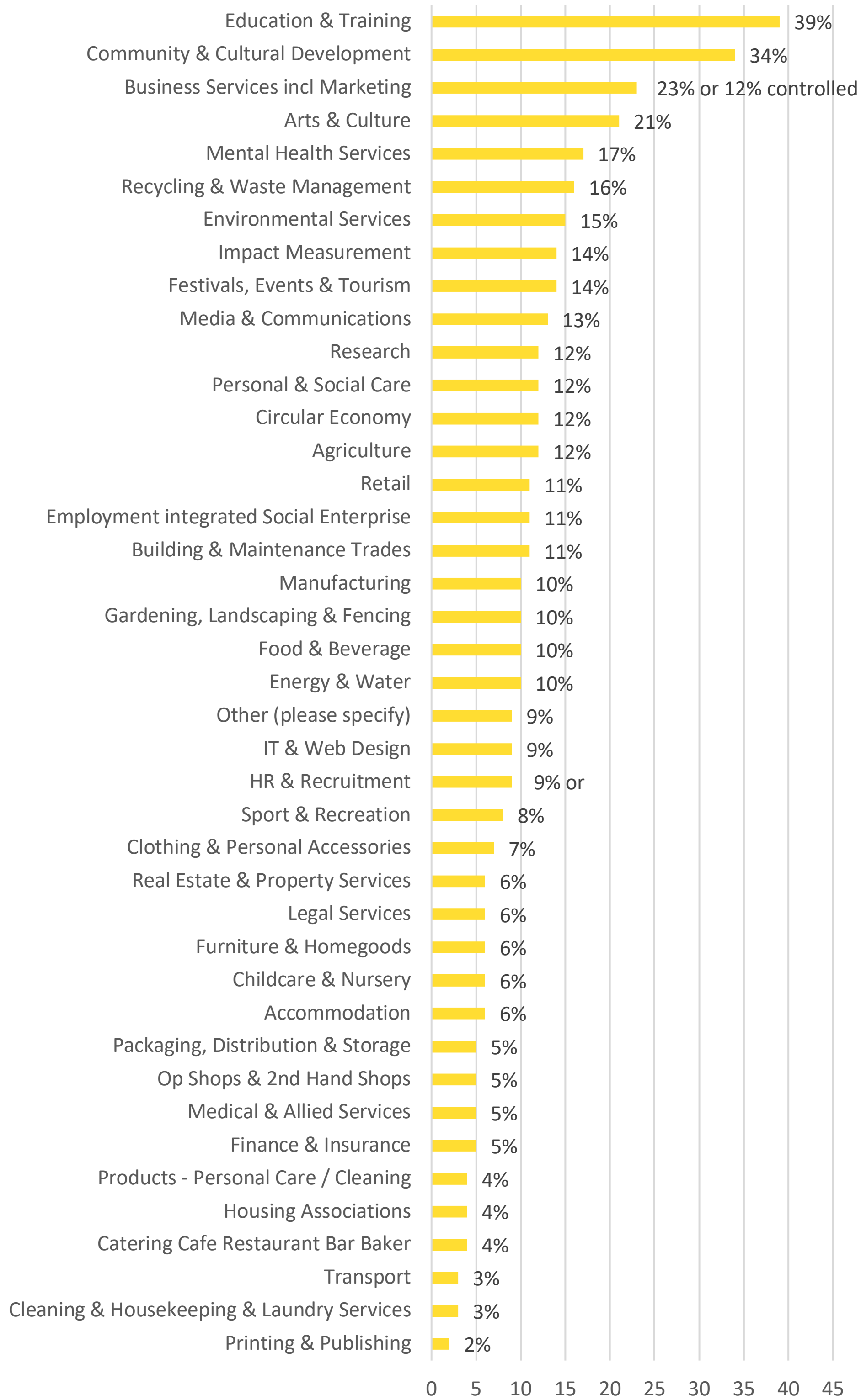

Figure 32: Industry data for enterprises (n=439)

4.4. List of Questions from Survey

1. **Company/organisation name.**
2. **What year was your organisation founded?**
3. **Have you participated in previous mapping surveys by Impact Seed**? Note: if you have, we will make sure that we 'match up' your previous responses with these ones; but we still ask if you could fill this in as it has been 3 years since the last mapping survey.
   a. Yes
   b. No
   c. Unsure
4. **Enterprise contact details**
5. **Website**
6. **Where do you primarily operate?** (if multiple, then please select one best-fit, and additional info in the textbox).
   a. Greater Perth
   b. Peel
   c. South West
   d. Great Southern
   e. Wheatbelt
   f. Goldfields-Esperance
   g. Mid West
   h. Gascoyne
   i. Pilbara
   j. Kimberley
   k. Other/Comment
7. **What phase of social enterprise development best describes your current situation?**
   a. Concept - Social enterprise in incubation / planning stages
   b. Start-up - Social enterprise in the first few years of operation
   c. Established - Social enterprise with a profitable product/service and impact model
   d. Other (please specify)
8. **Please select the best description of your legal structure from the list below** (if you use a hybrid structure, please select hybrid as well as the legal forms that make up your hybrid).
   a. Unincorporated association
   b. Incorporated association
   c. Company limited by guarantee (NFP public company)
   d. Pty Ltd company
   e. Co-operative
   f. Royal charter/letter patent/legislation
   g. Trust
   h. Partnership
   i. Publicly listed company
   j. Sole proprietorship
   k. Hybrid
9. **Which industries do you operate in? Choose as many as relevant.**
   a. Accommodation
   b. Agriculture
   c. Arts & Culture
   d. Building & Maintenance Trades
   e. Business Services incl Marketing
   f. Catering Cafe Restaurant Bar Baker
   g. Childcare & Nursery
   h. Circular Economy
   i. Cleaning & Housekeeping & Laundry Services
   j. Clothing & Personal Accessories
   k. Community & Cultural Development
   l. Education & Training
   m. Energy & Water
   n. Environmental Services
   o. Employment integrated Social Enterprise
   p. Festivals, Events & Tourism
   q. Finance & Insurance
   r. Food & Beverage
   s. Furniture & Homegoods
   t. Gardening, Landscaping & Fencing

u. Housing Associations
v. HR & Recruitment
w. Impact Measurement
x. IT & Web Design
y. Legal Services
z. Manufacturing
aa. Media & Communications
bb. Medical & Allied Services
cc. Mental Health Services
dd. Op Shops & 2nd Hand Shops
ee. Packaging, Distribution & Storage
ff. Personal & Social Care
gg. Printing & Publishing
hh. Products - Personal Care / Cleaning
ii. Real Estate & Property Services
jj. Recycling & Waste Management
kk. Research
ll. Retail
mm. Sport & Recreation
nn. Transport
oo. Other (please specify)

10. **If you are a not-for-profit please select which option below best applies to you**:
    a. The social enterprise is or will be the future main activity of the organisation
    b. We run a social enterprise as only a small part of our organisation
    c. We run a social enterprise, but it has a separate identity to our organisation
    d. Not applicable
11. **How would you describe your social enterprise in 1-2 sentences?** (This is your elevator pitch – what do you do and why? What impact do you make?)
12. **How would you describe your primary area of impact?**
    a. Health (mental, physical, spiritual) and wellbeing
    b. Education, targeting vulnerable/at-risk Australians
    c. Community inclusion and belonging
    d. Community development
    e. Environmental impact and conservation
    f. Aboriginal cultural enterprises (majority Aboriginal owned)
    g. Art and culture
    h. Employment for people excluded from the jobs market
    i. Homelessness/Housing
    j. International Aid & Development
    k. Carbon reduction
    l. Waste Systems
    m. Food, Fibre & Regenerative Systems
    n. Other/Comments
13. **Who are your targeted beneficiaries?**
    a. Young people
    b. Aboriginal and Torres Strait Islander peoples
    c. Families
    d. Remote or rural community
    e. Unemployed people
    f. People with disabilities
    g. People with mental illness
    h. Older Australians
    i. Environment
    j. Lesbian, gay, bisexual, transgender, queer, intersex, asexual (LGBTQIA+) people
    k. Migrants, refugees, or asylum seekers
    l. People experiencing homelessness
    m. People with alcohol, drug or substance use issues
    n. Prisoners and ex-offenders
    o. A particular geographic community
    p. Other organisations
    q. A spiritual or religious community
    r. Animals
    s. Other (please specify)
14. **Describe the social impact model that best fits your social enterprise (select all that apply):**
    a. Profit Redistribution: You give a significant percentage of your profit to charity

b. Goods Redistribution: Made famous by TOMS Shoes, this model is often called “buy one give one.” For each product sold, the enterprise gives one to someone in need who would otherwise be unable to access this product.
c. Employment: Also called “Work Integration Social Enterprises” these enterprises make their impact by creating employment opportunities for those excluded from the labour market, such as people with disabilities.
d. Access: These enterprises re-think how to provide a product or service to give access to those otherwise excluded, such as Fitted for Success, which provides low-income job-seekers access to interview-worthy clothes.
e. Sustainability: Here impact is largely created at the resources and inputs level: creating goods which are more sustainable than competitors.
f. Unsure

15. What is your current revenue per year?

a. Less than $300k
b. Between $300k - $500k
c. Between $500k - $1M
d. Between $1M - $3M
e. Over $3M

16. From which sources do you get your income (select all that apply)

a. Goods or services provided directly to a consumer
b. Government payment for service delivery
c. Contributions from an auspicing or partner organisation
d. Philanthropic capital (incl bequests)
e. Contributions from individual members
f. Government funding for specific capital items
g. General purpose funding from government
h. Finance from external investors
i. Revenue from investments or capital assets
j. Other (please specify)

17. How do you manage your profit/surplus?

a. We invest it in improving or growing our enterprise operations
b. We return income to our parent or auspicing organisation
c. We donate income to external organisations or programs
d. We distribute surplus to our members/beneficiaries
e. Other (please specify)

18. How much investment has been made into your enterprise to date?

a. No cash investment (time only)
b. $0-10K
c. $10K - 49K
d. $50k - $99K
e. $100K-$499K
f. $500K-$1M
g. $1M+
h. Prefer not to say

19. What form has this investment taken? (select all that apply)

a. Grants
b. Philanthropic capital
c. Debt (loan)

   d. Agreements around payment for performance/outcomes (please outline details of this under 'other')
   e. Equity (shares in the business) - sweat equity
   f. Equity (shares in the business) - for cash
   g. Other (please specify)

20. **Do you need further investment to grow your enterprise?**
   a. Yes
   b. No
   c. I don't know
21. **What are your perceptions of the availability/diversity of funding for social enterprise in WA? In your response, we would love to hear about any experiences that you have had, positive and negative.**
22. **How would you best respond to this statement - Our goal to achieve commercial growth can sometimes be at odds with our desire to fulfil our mission**
   a. Strongly agree
   b. Agree
   c. Somewhat agree
   d. Neither agree nor disagree
   e. Somewhat disagree
   f. Disagree
   g. Strongly disagree
23. **Who is your primary paying customer for your product or service?**
   a. Retail consumers
   b. Community groups
   c. Small businesses
   d. Corporates
   e. Local government
   f. State government
   g. Federal Government
   h. International customers
   i. Other (please specify)
24. **How would you best describe your trading activities? Choose up to 2.**
   a. Provide a mechanism for members to trade with each other
   b. Provide a mechanism for producers to sell their goods
   c. Provide services for a fee
   d. Retail or wholesale goods
   e. Produce goods for sale
   f. None of these
25. **What is the reach of your trading activities? Choose as many as you like.**
   a. Local (within my town)
   b. Regional (across my region)
   c. State-wide
   d. Nationally
   e. Internationally
26. **How important is it to you to have a peak body focussed on social enterprise?**
   a. Very important
   b. Important
   c. Neutral
   d. Not that important

   e. Not at all important

27. **What are the most critical functions WASEC could provide to support your social enterprise (please rank the below options):**
    a. Networking and events
    b. Links to funding opportunities and investors
    c. Advocacy/lobbying to government
    d. Capacity-building (training, forums, conferences)
    e. Promotion of social enterprise to the community, corporates, etc
    f. Creating a social enterprise marketplace and directory
28. **How well do you feel connected to the broader social enterprise community in WA?**
29. **If we were to organise workshops, forums and training, which areas would you benefit most from learning more about? (Please tick all that apply)**
    a. None of the above
    b. Business development and sales
    c. Brand identity
    d. Digital marketing
    e. Measuring impact and evaluation
    f. Crowd-funding (including equity crowd-funding)
    g. Building investor relationships and creating pitch decks
    h. Philanthropic funding for social enterprise
    i. Risk management
    j. Incorporation and Governance
    k. Other (please specify)
30. **What kind of networking events would you like to see? (Please tick all that apply)**
    a. Casual drinks/food at a rotating local venue
    b. Structured networking (i.e. “speed dating” or ice-breaker activities)
    c. Quarterly in-person catch ups with fellow WASEC members
    d. Quarterly online catch ups with fellow WASEC members
    e. I would prefer to combine networking with skills building workshops/training
    f. Other (please specify)
31. **Are you interested in being part of a Social Enterprise Directory to provide market building opportunities?**
    a. Yes, and I will write a new blurb below
    b. Yes, and please use my previous elevator pitch provided in this survey
    c. No
32. **Would you like your survey responses to act as your membership application to WASEC?**
    a. Yes
    b. No
    c. I am already a member.
33. **I would like to go in the draw to receive a prize.**
    a. Yes
    b. No

5. List of Tables and Figures

Tables

Figures

We believe a Social Enterprise is a business that exists to deliver a measurable social, cultural or environmental impact. It derives most of its revenue from trade and it reinvests a significant proportion of its profit in furthering its mission.

Join us

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WASEC acknowledges the traditional custodians and their continued connections to Country and culture throughout Australia. We pay our respect to these diverse communities and to Elders both past and present.

Since time immemorial, Traditional Owners across Western Australian have practiced their laws, customs and languages and nurtured the country. Sovereignty was never ceded. Through the strength, resilience and pride of our First Peoples, their cultures, communities and economies endure and continue to grow and thrive today.

WA Social Enterprise Council acknowledges the Whadjuk people as the traditional owners of the greater Walyalup area where we work from.