
2025 Report

# Social enterprise: Powered by trade and driven by purpose

# ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay respects to their Elders past, present and emerging. We extend that respect to all Aboriginal and Torres Strait Islander people.

We would also like to thank the various certified social enterprises for the use of their photos. Front cover photo credit: Brunswick Industries and Acknowledgement of Country: Chocolate on Purpose.

# ACKNOWLEDGEMENTS

This report was written by members of the Social Traders data and insights team: Dr Amber Earles and Jessica Wolff.

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The Social Traders team worked with key academic and practitioner partners. We thank our two critical reviewers:

## Critical reviewers

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*"The phrase 'Powered by Trade and Driven by Purpose' reminds us that lasting change requires both economic strength and social impact. By measuring and generously disseminating this data, Social Traders ensures that these learnings become visible, replicable, and transformative for the broader social enterprise ecosystem."*

**Josephine Khalil**
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Josie is Head of Systems Change at the Paul Ramsay Foundation, where she leads work on Democratising Data and AI, outcomes commissioning and previously the Employment portfolio. She led the employment team, who invested about $140 million to create jobs for people furthest from the labour market and to reimagine employment services. Josie co- authored Business for Good: The size and economic contribution of social enterprise in Australia.

*"For social enterprises, trade revenue is more than income - it's the engine of resilience and impact. The data held by Social Traders reveals this value, showing how every dollar earned through trade enables and sustains social outcomes and demonstrates a fairer economy is possible."*

## Certified social enterprises

We extend our sincere thanks to all the certified social enterprises that share their data with us through the certification process. This makes it possible to build the most comprehensive picture of the sector and to tell the collective story of how social enterprise is reshaping Australia's economy and communities.

We especially acknowledge the certified social enterprises that generously gave their time to participate in interviews for this research. By sharing your experiences, challenges and insights, you have brought the data to life and helped demonstrate the many ways trade revenue fuels impact.

Together, your contributions strengthen not just this report, but the visibility and understanding of the social enterprise sector as a whole.

Thanks also to certified social enterprise BrandKind for the report design.

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PRF PAUL RAMSAY FOUNDATION

*This report was produced with support from Paul Ramsay Foundation.*

*Photo: B-Alternative*

# FOREWORD

## Social enterprise is business at its best.

Social enterprises are powered by trade and driven by purpose. They prove that trade and impact are not competing priorities – they can be two sides of the same coin. Every sale, every contract, every service delivered also delivers social and environmental value.

At Social Traders, we've been building a thriving social enterprise sector since 2008. Our ambition is to make social enterprise business as usual.

For the past seven years, we've systematically collected economic and impact data on certified social enterprises. We also hold Australia's largest dataset of more than 6,300 identified social enterprises.

Each year we produce a report on the sector. This year's report shows that identified social enterprises collectively generate 84% of their revenue from trade. And that 22% of social enterprises are entirely funded by trade revenue.

**This year we've turned the spotlight to a central question: what role does trade revenue play in enabling social enterprise impact and resilience?**

We draw on data from more than 750 certified social enterprises, alongside in-depth interviews with social enterprise leaders. It provides a clear picture of how trade revenue is growing, fuels impact and is key to resilience in the sector.

When social enterprises grow trade revenue they are better able to reinvest in their impact. The key is balance - using the market to sustain the business while keeping purpose at the heart of every decision. Resilient social enterprises (that balance trade, impact and profit) tend to operate at a larger scale, with higher turnover and more employees, suggesting scale helps them absorb shocks and reinvest in their impact.

If we want to build a fairer and more inclusive economy, growing social enterprise trade revenue must be at the heart of policy and practice.

Social enterprises must be recognised as a distinct model in the economy: not charity with business on the side, nor business with a social add-on, but an integrated blend of trade and impact.

We invite policymakers, funders, researchers, investors and business leaders to join us in enabling trade as the engine of the social enterprise sector. Together, we can build a future where every dollar spent helps create jobs, strengthens communities and cares for the planet.

Let's make social enterprise the dominant business model in the economy. For a fairer and more sustainable Australia. For all of us.

Tara Anderson

CEO, Social Traders

# EXECUTIVE SUMMARY

**There are an estimated 12,000 social enterprises in Australia[1] and Social Traders has identified 6,367 of these. We hold deep and validated data on 767 social enterprises through our national certification program.**

## Key Information

### What exactly is a social enterprise?

A social enterprise is a business that exists to create public or community benefit. Unlike traditional businesses, which are driven primarily by profit, social enterprises embed purpose into everything they do.

### Internationally, five key features are recognised[2]:

1. **Purpose:** Their reason for being is to solve a social or environmental problem.
2. **Operations**: They prioritise purpose, people and planet over profit in day-to-day decisions.
3. **Revenue:** They operate with a self-sustaining revenue model.
4. **Use of surplus:** The majority of any surplus is reinvested towards their mission.
5. **Structure:** Their legal and financial structures are designed to protect and lock in purpose for the long term.

Social Traders is Australia's national certifier of social enterprises. Since 2018, over 2,500 certifications and re-certifications have been completed, building the largest validated dataset of social enterprises in the country.

### Social enterprises create impact in three ways:

1. **Creating jobs**: Providing employment and training opportunities for people who would otherwise be shut out of work.
2. **Affordable and accessible community services:** Supplying products and services that address unmet community needs in underserved markets.
3. **Supporting charity partners:** Donating at least 50% of profits through strategic charitable partnerships.

### What do we know about social enterprises in Australia?

Identified social enterprises N=6,367

| | |
|---|---|
| 84% | Revenue from trade |
| 22% | Completely trade revenue funded |
| 60% | Make a profit |

Certified social enterprises N =767

For certified social enterprises we collect impact data, showing that each year certified social enterprises contribute:

| | | | |
|---|---|---|---|
| 24% | Total revenue on impact costs | $756M | in impact costs |

| | |
|---|---|
| 16M | Hours of paid employment to people otherwise shut out of work |
| 14.8K | Employment pathway outcomes |
| 986K | Hours of employability skills training |
| $238M | In community goods and services |
| $37.6M | In donations to charitable organisations |
| 505K | Tonnes of waste diverted from landfill |

When applied to the estimated 12,000 social enterprises in Australia this equates to:

| | |
|---|---|
| $5.1B | **Spent every year delivering impact** |
| 84.5K | **Jobs for people facing barriers to work** |

1 Gales, B. and Khalil, J., 2022. Business for good: the size and economic contribution of social enterprise in Australia. Retrieved from Australia: https://understorey.org.au/resources/business-for-good-the-size-and-economic-contribution-of-social-enterprise-in-australia-social-enterprise-australia.

2 People and Planet First (no date) Get Verified. People and Planet First. Available at: https://peopleandplanetfirst.org/get-verified/ (Accessed: 10 September 2025).

## Key methodology

This report explores the role of trade revenue in enabling social enterprise impact in Australia. We set out to answer four questions:

- **Is social enterprise trade revenue growing over time?**
- **How does growth in trade revenue link to growth in impact?**
- **To what extent do social enterprises use trade revenue (versus grants/donations/other) to cover their impact costs?**
- **What are the characteristics of social enterprises that grow trade revenue, expand impact and remain profitable at the same time?**

To explore these questions, we combined quantitative analysis of the Social Traders certification dataset with qualitative insights from social enterprises themselves, presented as case studies.

By combining quantitative breadth with qualitative depth, this methodology allows us to identify not just patterns, but also the lived experiences and strategies behind them.

## The foundations of social enterprise resilience

Resilience in social enterprises can't be reduced to a single formula, but three foundations stand out.

**Scale that sustains balance:** Resilient social enterprises tend to be larger, with higher turnover and more employees - though the "right size" can matter more than sheer scale.

**Diversification:** They diversify products/services and customers to support resilience and impact.

**A clear and compelling impact link:** Their trade and impact are inseparable; every sale directly delivers social or environmental value.

# Key insights

**Social enterprise trade revenue grew by 10% over a five-year period.**

**71% of social enterprises that increased their trade revenue also increased their spending on impact.**

**Social enterprises fund their impact in different ways - 36% fully through trade, 41% blended trade/non-trade, 23% through non-trade revenue.**

**Scale supports resilience, but there's no single model for success.**


## Implications for policy and practice

**The findings highlight important lessons for funders, policymakers and practitioners:**

- **Diversified trade revenue is key**: Trade is the engine, and diversification of offerings and customers is the shock absorber leading to increased resilience and impact. Social enterprises need to be supported to grow trade revenue and diversify across products/services and customers as well as strengthen their business capability to increase resilience and impact.
- **Scale matters**: Social enterprises that balance trade, impact and profit tend to operate at a larger scale, with higher turnover and more employees. Smaller social enterprises would benefit from support to grow towards resilience or to find resilience at the right size for them.
- **Different models, different dynamics**: Employment-based models have higher impact costs than profit redistribution models. One-size-fits-all support won't work; funders and policymakers must recognise these differences with different approaches.
- **Funding mindsets need to shift:** Over-reliance on non-trade revenue leaves social enterprises fragile. External funding that contributes to impact costs or is catalytic (innovation/growth funding that accelerates rather than replaces trading activity) is the most valuable.

## Recommendations to fuel social enterprise resilience

**Based on the evidence, we recommend:**

- Recognising social enterprise as a distinct part of the economy
- Investing in social enterprise trade capability
- Embedding social enterprise in procurement policy
- Encouraging revenue diversity
- Designing smarter funding
- Targeting growth pathways
- Continuing to track the data

# INTRODUCTION

## We are living through a polycrisis - social, environmental and economic breakdowns are colliding, and our current economic model is failing to deliver for many Australians.

Social enterprises are a powerful response. Across the country, they're addressing complex challenges by creating jobs for people with barriers to employment, delivering services in communities where the market and government fall short and reinvesting profits for good.

There are an estimated 12,000[3] social enterprises across the country. Together, they contribute more than $21 billion to the economy and employ over 200,000 people[4]. They are diverse – spanning at least 17 industries, 13 legal structures and supporting more than 20 different beneficiary groups[5]. Some are small start-ups, others are major national organisations[6].

What unites them is the combination of trade and impact. At the heart of every social enterprise is trade – the sale of goods and services. Unlike traditional charities that rely mostly on donations or government funding, social enterprises use the market to fuel their mission.

### Why trade revenue matters

Trade revenue has always been at the centre of the social enterprise model. The key innovation of social enterprise is blending business activity with social purpose.

This is more than a financial shift – it's a philosophical one. Social enterprises reject the idea that you must choose between profit and purpose. Instead, they create a hybrid model: a business that exists for positive social or environmental impact, but uses revenue from trade to get there[7].

When a social enterprise increases its trade revenue, it has more flexibility to invest in impact – whether that's creating jobs, expanding services or redistributing profits into the community[8].


Photo: Bama Services

3 Gales, B. and Khalil, J., 2022. Business for good: the size and economic contribution of social enterprise in Australia. Retrieved from Australia: https://www.socialenterpriseaustralia.org.au/business-for-good.
4 Gales, B. and Khalil, J., 2022. Business for good: the size and economic contribution of social enterprise in Australia. Retrieved from Australia: https://www.socialenterpriseaustralia.org.au/business-for-good.
5 Refer to accompanying data pack.
6 Refer to accompanying data pack.
7 Haigh, N. and Hoffman, A.J., 2012. Hybrid organizations: The next chapter of sustainable business. Organizational dynamics, 41(2), pp.126-134.
8 Ramus, T. and Vaccaro, A., 2017. Stakeholders matter: How social enterprises address mission drift. Journal of Business Ethics, 143(2), pp.307-322.

## Balancing trade and non-trade revenue

Over one third of Social Traders certified social enterprises rely solely on trade revenue[9]. The remainder operate with a blended model that combines revenue from sales with supplementary revenue from philanthropy, government or schemes such as the National Disability Insurance Scheme (NDIS)[10].

This blend can be powerful. Supplementary revenue can subsidise the additional costs of impact – for example, the training and support needed to employ people facing complex barriers to work. Supplementary revenue can also fund growth initiatives that would otherwise be too risky. But too much reliance on non-trade revenue can create vulnerabilities.

Most certified social enterprises are not-for-profits that also have charitable status[11]. This reflects the funding environment, where philanthropic and government support is generally channelled towards charitable structures. But there is also a significant proportion of certified social enterprises, both for-profit and not-for-profit, that generate 100% of their revenue from trade.

Social enterprises that derive a substantial majority of their revenue from trade are less exposed to funding shocks, more agile in responding to opportunities and able to plan for the long term[12].

## The tensions of hybridity

Running a social enterprise is not easy. Leaders need to manage the tension between commercial performance and social impact every day[13]. They need to remain competitive in the market, while also investing in impact that carries additional costs.

This hybridity[14] – being both a business and having a social mission – is sometimes seen as a challenge, but it is also the strength of the model. The hybrid nature of social enterprises is an opportunity to embrace innovation and change[15]. Trade and social purpose together generate new solutions that neither business nor charity could achieve alone.

The key is balance. Too much focus on the social mission without a strong trade revenue base risks fragility. Too much focus on commercials without clarity of mission risks mission drift[16]. The most resilient social enterprises are those that embrace both – using the market to sustain the business and keeping purpose at the heart of every decision[17].

## Why this matters

Australia needs social enterprises. They bring innovation, inclusivity and sustainability into our economy. They create jobs, particularly for people who face disadvantage. They deliver essential services and reinvest profits into community outcomes.

But to unlock their full potential, we need to understand – and support – the role of trade revenue. Trade is not just a financial mechanism. It is the engine of social enterprise impact.

This report is about shining a light on the power of trade revenue in social enterprises.

We hope these insights will help build a thriving, sustainable social enterprise ecosystem in Australia – one powered by trade and driven by purpose.

*Photo: Villa Maria Catholic Homes*

9 Refer to accompanying data pack.

10 Refer to the accompanying data pack. Note: In Social Traders certification, NDIS revenue is classified as trade revenue. For this report, however, it has been separated out in some sections.

11 Refer to accompanying data pack.

12 Staessens M, Kerstens P, Bruneel J & Cherchye L (2019). Data Envelopment Analysis and Social Enterprises: Analysing Performance, Strategic Orientation and Mission Drift, Journal of Business Ethics. 159. 10.

13 Battilana, J. and Lee, M., 2014. Advancing research on hybrid organizing–Insights from the study of social enterprises. Academy of Management Annals, 8(1), pp.397-441.

14 Doherty, B., Haugh, H. and Lyon, F., 2014. Social enterprises as hybrid organizations: A review and research agenda. International journal of management reviews, 16(4), pp.417-436.

15 Mongelli, L., Rullani, F., Ramus, T. and Rimac, T., 2019. The bright side of hybridity: Exploring how social enterprises manage and leverage their hybrid nature. Journal of Business Ethics, 159(2), pp.301-305.

16 Cornforth, C., 2014. Understanding and combating mission drift in social enterprises. Social enterprise journal, 10(1), pp.3-20.

17 Staessens, M., Kerstens, P.J., Bruneel, J. and Cherchye, L., 2019. Data envelopment analysis and social enterprises: Analysing performance, strategic orientation and mission drift. Journal of Business Ethics, 159(2), pp.325-341.

# METHODOLOGY

## This report explores the power of trade revenue in social enterprise resilience. We set out to answer four key questions:

1. **Is social enterprise trade revenue growing over time?**
2. **How does growth in trade revenue link to growth in impact?**
3. **To what extent do social enterprises use trade revenue (versus grants/donations/other) to cover their impact costs?**
4. **What are the characteristics of social enterprises that grow trade revenue, expand impact and remain profitable at the same time?**

To explore these questions, we combined quantitative analysis of the Social Traders certification dataset with qualitative insights from social enterprises themselves, presented as case studies.

*Photo: RREPP*

### Dataset #1: Social Traders quantitative data

As part of certification, Social Traders collects more than 200 data points on each social enterprise. These cover both economic data (such as revenue, employees and profit) and impact data (such as employment/training hours provided, funds donated and/or environmental outcomes)[18].

All data is standardised and validated by the Social Traders certification team, ensuring accuracy and comparability across social enterprises. Because certification is renewed every one to three years, the dataset provides a longitudinal view of how social enterprises evolve over time. It is continuously updated as new social enterprises certify and others recertify.

### Dataset #2: Qualitative interviews

To complement the quantitative data, we spoke directly with eight social enterprises.

These conversations helped us understand the realities behind the numbers – how revenue models are built, how enterprises navigate challenges and what trade means for their impact and resilience.

From these interviews, we developed a set of case studies that illustrate the insights we have found.

These stories bring the data to life and highlight the diversity of the sector.

18 See accompanying data pack.

## How we analysed the data

Our approach commenced with tracking trends in trade revenue and impact across certified social enterprises. We then conducted an analysis to identify characteristics that were common amongst the most resilient social enterprises – those that balanced trade, impact and profitability. We tracked social enterprises over multiple reporting periods where possible, giving us insight into changes over time rather than just one-off snapshots.

By combining quantitative breadth with qualitative depth, this methodology allowed us to identify not just patterns, but also the lived experiences behind them.

## Limitations

Like any research, this study has some limitations:

**Certification coverage** – Social Traders certification is the most comprehensive dataset on social enterprises in Australia, but not all social enterprises are certified. The insights therefore represent certified social enterprises.

**Impact cost measurement** – there is not yet a universal standard for measuring "impact costs"[19]. As such, we have used the impact costs captured as part of the Social Traders certification process[20].

**Point-in-time data** – while certification provides longitudinal insights, the data reflects social enterprises at the time of their certification or recertification. Changes outside those cycles may not be captured.

Despite these limitations, the dataset remains the most detailed and reliable source of information on social enterprises in Australia. Combined with case studies, it provides a robust picture of the power of trade revenue in social enterprise impact and resilience.

Looking ahead, there is a real opportunity to build on this foundation together. Future work could develop shared understandings, strengthen measurement, expand coverage and provide the sector with even clearer insights to guide its growth.

19 Definitions include those laid out by Pullen, T., Webster, J., & Ward-Christie, L. (2023). Understanding the Impact Costs of Work Integration Social Enterprises. Centre for Social Impact, Swinburne University of Technology, Hawthorn, Australia and Deloitte Access Economics. (2024). Understanding the benefits, costs, and funding flows to tailored jobseeker supports. Paul Ramsay Foundation, Sydney, Australia.

20 For full list of Social Traders inclusions, see accompanying data pack.

Photo: Green Inc

# INSIGHT#01

## Social enterprise trade revenue grew by 10% over a five-year period.

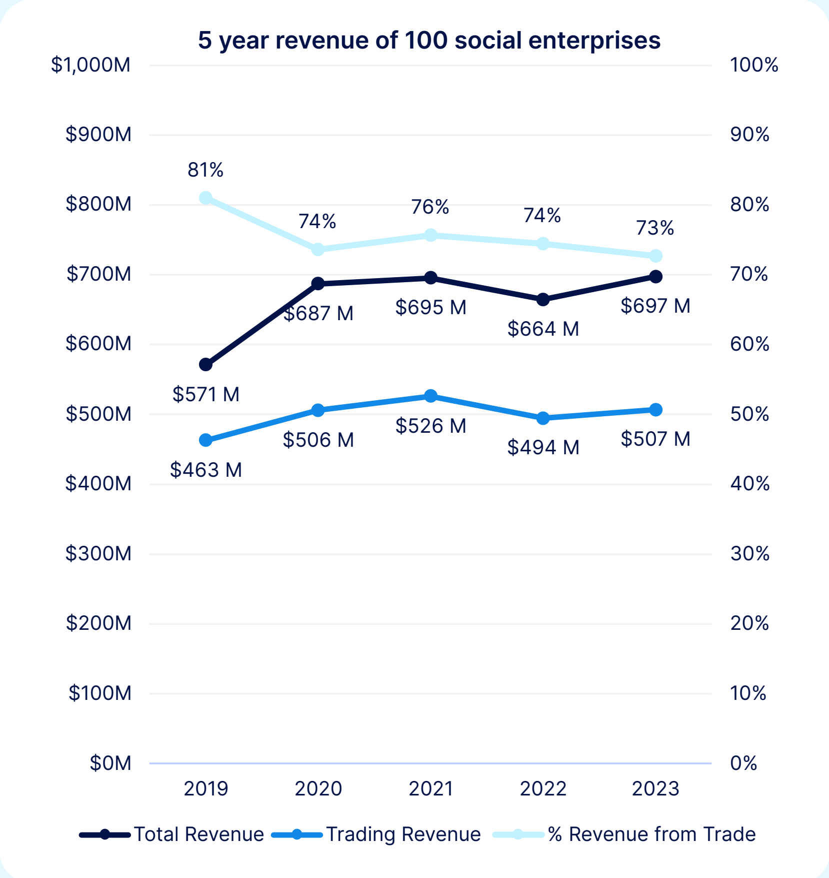
Over five years, certified social enterprises in Australia have grown their revenue – even through challenging economic times[21, 22].

**Looking at 100 enterprises we tracked from 2019 to 2023:**

- Total revenue grew by 22%, rising from $571 million to $697 million.
- Trade revenue grew by 10%, from $463 million to $507 million.
- The share of revenue from trade remained strong, sitting consistently around three-quarters of total revenue.

**Most enterprises in the sample grew during this period.**

- 75 out of 100 increased their total revenue.
- 71 out of 100 increased their trade revenue.




## What this tells us

The data shows that social enterprises are not only holding steady but growing their trading base, even through challenging conditions. Between 2019 and 2023, the sample of 100 certified enterprises grew total revenue by 22% and trade revenue by 10%. For most, trade revenue remained a consistently strong foundation. The fact that three-quarters of these social enterprises increased their trade revenue over this period demonstrates the sector's resilience in the face of economic uncertainty.

The qualitative interview data adds depth to this picture. Trade revenue growth is strongest where social enterprises diversify their offerings and customers. Leaders consistently highlighted that diversification provides stability, cushions against market shocks and opens new avenues for impact.

Taken together, this suggests that trade is the engine and diversification of offerings and customers is the shock absorber, leading to increased resilience and impact.

21 All revenue figures have been adjusted for inflation and are presented in FY23 dollars. Inflation adjustments were calculated using Consumer Price Index (CPI) data sourced from the Australian Bureau of Statistics, based on June quarter index values for each financial year.

22 Appendix 1 includes further detail on the analysis.

# CASE STUDY

## From garage startup to $40 million revenue: WV Tech's trade-powered growth

WV Tech is a Social Traders certified social enterprise delivering secure IT asset disposal and e-waste recycling services nation-wide. Co-founded by Kurt Gruber and Jamie Miller, the social enterprise was built on the belief that business can deliver both commercial success and meaningful social impact, particularly for young Aboriginal people facing complex barriers to employment.

WV Tech has scaled rapidly from a garage startup to a circa $40 million business, achieving this growth entirely through trade revenue. Key clients such as Telstra and EY Australia, along with multiple Federal and State Government clients have trusted WV Tech, contributing to its expansion. But as Gruber explains, "Impact isn't necessarily linear. We thought we'd double the number of people we support as revenue doubled, but it hasn't worked exactly like that."

At $10 million in revenue, WV Tech employed and assisted 28 Aboriginal participants. At $40 million, that number is not quite 50. The reason? Growth and scaling a business brings cost. Each leap in revenue has required significant investment - site managers, HR, C-suite roles and enterprise systems - critical for operational stability but not directly tied to impact. Gruber notes, "you need these systems and key personnel to scale a business safely and sustainably".

To win such large contracts, WV Tech invested heavily in certifications and standards, ensuring that its services are trusted at the highest levels.

**"We may be a social enterprise, but we need to prove we're best-in-class."**

This focus on top-tier certifications, including NAID AAA with PSPF Endorsements to Top-Secret along with multiple ISOs and the highest security clearances, allows WV Tech to deliver secure and reliable services to clients at all security levels, ensuring that they can meet stringent procurement and compliance requirements while also staying true to their mission.

Overall, trade revenue growth has enabled WV Tech to lay the foundation for longer-term, scalable impact. Internal career pathways are expanding in line with the business' growth and market segment expansion. Aboriginal team members move from entry level employment into higher positions such as team and site managers, software and more technical roles.

**WV Tech's journey illustrates that trade-based growth can build resilience and unlock new opportunities, but social impact doesn't automatically scale at the same rate as revenue.**

Scaling a sustainable social enterprise demands strategic investment, operational maturity and a clear-eyed understanding that commercial success is necessary to maximise impact.

# INSIGHT#02

## 71% of social enterprises that increased their trade revenue also increased their spending on impact.

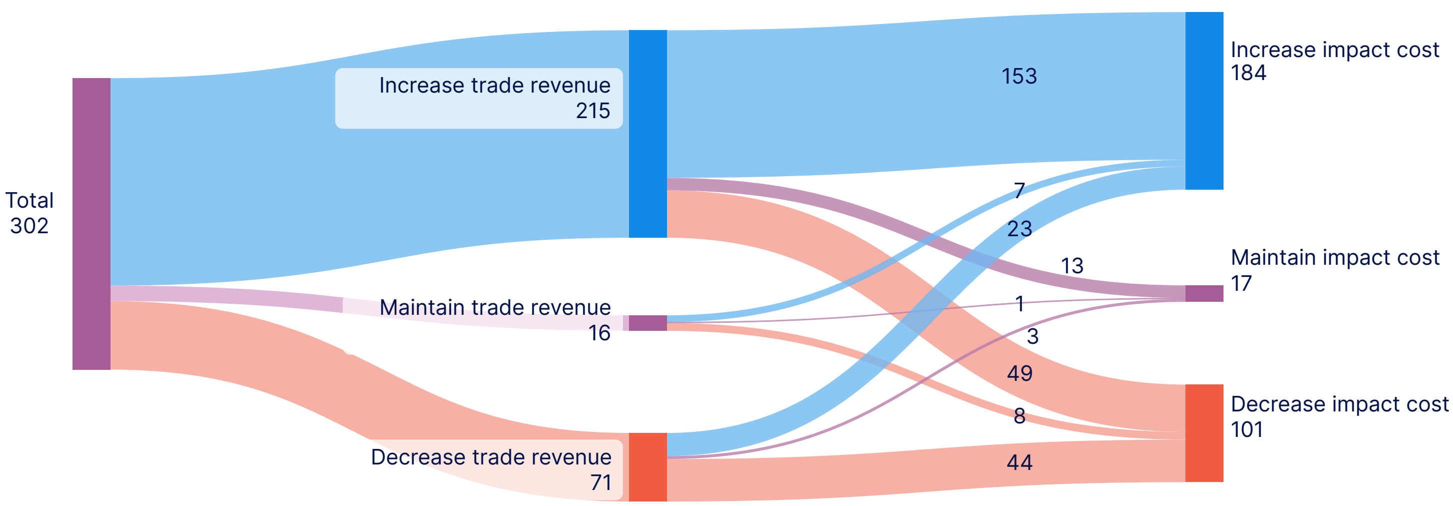
**Our data shows a clear pattern: when trade revenue goes up, impact goes up too[23].**

We analysed 302 certified social enterprises that reported their revenue and impact data twice over time.

- 71% of social enterprises that increased their trade revenue also increased their spending on impact.
- 51% increased both revenue and impact at the same time.

This suggests that a stronger trading base allows social enterprises to grow their impact alongside their revenue.

The below diagram visually maps the movement of social enterprises between increased, maintained[24] and decreased trade revenue and impact costs across two certifications.




### Trade and impact costs

To measure this relationship, we used impact costs as a proxy for impact as we hypothesise that increased impact costs is a reasonable indicator of increased impact.

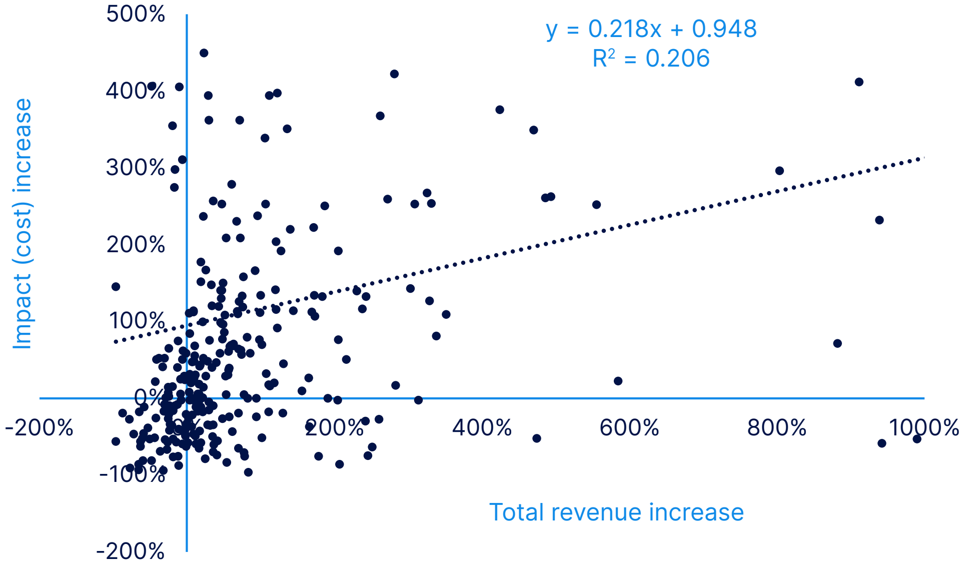
Impact costs are the direct expenses related to delivering social or environmental impact, above and beyond standard business expenses that traditional businesses do not incur.

23 Appendix 2 includes further detail on show the breakdown of revenue and impact changes.

24 Maintained has been defined as +/- 5 per cent.

**A statistical analysis showed that for every 1% increase in trade revenue, impact costs rose by 0.2%.**

This tells us that as social enterprises sell more goods and services, they are also able to invest more in their purpose.




## Beyond impact costs: other measures of impact

To test the finding further, we looked at other impact metrics captured through the Social Traders certification framework – such as jobs, training hours and waste diverted. The pattern was the same.

Among social enterprises that grew their trade revenue, between 60-70% also grew their impact across all seven impact metrics.

| Impact metric | Sample size | % with increased revenue also increased impact |
|---|---|---|
| Beneficiary employee headcount | 139 | 61% |
| Beneficiary employee work hours | 134 | 62% |
| Beneficiary training hours | 30 | 62% |
| Beneficiary pathway employment outcomes | 18 | 67% |
| Direct cost of delivering goods/ services in response to community need | 123 | 67% |
| Tonnes of waste diverted from landfill | 18 | 67% |
| Funds donated to charitable purposes | 24 | 65% |

# What this tells us

The quantitative data indicates that when social enterprises grow their trade revenue, they are able to expand jobs, deliver more services and strengthen their community and environmental contributions. In other words, more trade revenue is associated with more impact.

The interviews shed light on *why*. Trade revenue provides flexibility that other supplementary revenue such as grants and donations often doesn't. For example, unrestricted funds allow social enterprises to respond quickly to emerging needs among their beneficiaries.

This creates a "credibility loop": visible impact strengthens reputation, which in turn attracts more customers, generating further growth.

Of course, trade revenue isn't the only factor that shapes impact. And, increases in impact costs don't always mean greater outcomes. But overall, the combined evidence tells a consistent story: a thriving trading base equips social enterprises with the independence, adaptability and resources they need to sustain and deepen their impact as they grow.

# CASE STUDY

## auticon

### Every contract counts: auticon's model for neurodiverse employment

auticon is a global social enterprise operating in 15 countries around the world including Australia and New Zealand. The organisation is the largest autistic majority company in the world with 79% of its 600 employees on the spectrum. auticon places autistic technologists in blue chip companies to work on IT and data projects, offering ongoing coaching and wraparound support to ensure their successful participation in the workforce. The Australian business is a Social Traders certified social enterprise that operates on 100% revenue from trade and receives no philanthropic or government funding.

Between 2021 and 2024, auticon Australia grew its revenue by 180%. This dramatic Increase in revenue enabled the organisation to scale its core impact - placing more neurodiverse technologists in meaningful employment.

auticon's 100% trade-based model means revenue and impact are tightly coupled, every contract is a new employment opportunity for a neurodiverse individual. The model includes a daily consultant fee paid by the client, this covers not only the technologist's salary but also training, coaching and ongoing support for both the employee and their manager.

With the current uncertainty around inflation and interest rates, businesses are reluctant to make hiring decisions, presenting challenges in placement for auticon. The recent economic conditions have led to a drop in trade revenue for the social enterprise, but the organisation continues to focus on bolstering revenue from trade.

auticon's experience illustrates how certified social enterprises need the support of the private sector to flourish. Every dollar the social enterprise earns means more neurodiverse Australians in meaningful employment. For auticon, trade revenue is not just about survival - it's the pathway to scale its social impact.

HUMANITARIAN ADVISORY GROUP

### Consulting with purpose: How HAG turns trade into systems change

Humanitarian Advisory Group Pty Ltd (HAG) is a Melbourne-based Social Traders certified social enterprise dedicated to improving the effectiveness and accountability of humanitarian response, both internationally and within Australia. HAG exemplifies values-driven business, leveraging trade revenue to advance its mission of transforming humanitarian practice through research, technical advice, evaluation and training.

Over its last three certifications with Social Traders, HAG has demonstrated consistent trade revenue growth alongside growth in impact costs. Their story offers a compelling example of a nimble social enterprise reinvesting in systems change while building a sustainable business model from the ground up.

Since its founding, HAG has grown its revenue through professional services, primarily delivered to government and international humanitarian organisations. As revenue has increased, so too has the organisation's ability to invest in its mission-driven work. This includes a formal commitment to reinvest at least 50% of profit into social impact via a combination of direct donations, pro bono consulting and by using its purchasing power to support other certified social enterprises.

Over time, HAG's reinvestment has become increasingly intentional. When trade revenue was modest, impact was delivered through small but meaningful acts - supporting social enterprises like Kinfolk during COVID-19 or producing open-access resources for the sector. As trade revenue grew, HAG scaled this impact delivering pro bono services to international NGOs, convening sector-wide events on climate and localisation and committing to annual strategic focus areas such as reconciliation and environmental sustainability.

# CASE STUDY:

## Stay for good: How every night at Song Hotel funds housing for women

Song Hotel and Song Kitchen are Social Traders certified social enterprises wholly owned by YWCA Australia, designed to generate sustainable revenue that underpins YWCA's mission of supporting women experiencing housing insecurity. Located in central Sydney opposite Hyde Park, the four-star hotel and its restaurant have become a prime example of how commercial success can drive meaningful social impact.

Since a major $18 million refurbishment completed in 2024, Song Hotel has operated at 91% occupancy and is currently ranked in the top 10% of hotels globally on TripAdvisor. This commercial success is no accident. Led by a seasoned hospitality team with decades of experience in global hotel brands, Song Hotel has evolved from a hybrid hostel to a fully-fledged hotel with 156 ensuite rooms, a thriving restaurant and a reputation for warm, attentive service.

Song Hotel is a 100% trade-reliant social enterprise. Profits directly support YWCA's national efforts to provide secure, long-term, affordable housing for women. Song Hotel's growth is a key enabler of YWCA's housing pipeline, now valued at over $140 million nationally.

**Song Hotel can point to a simple, compelling metric: for every dollar earned, at least 25 cents goes back to YWCA.**

This clear link between trade and impact underpins a powerful message - every guest stay directly contributes to safer, more secure housing for women.

Song Hotel and Song Kitchen demonstrate that with the right leadership, business model and market positioning, a social enterprise can thrive commercially while making a substantial contribution to social impact.

# INSIGHT #03

## Social enterprises fund their impact in different ways: 36% fully through trade, 41% blended trade/non-trade, 23% through non-trade revenue.

### What we found

**Most social enterprises rely on trade revenue to fund their impact.** Across 640 certified social enterprises, 77% received less non-trade revenue than their reported impact costs. This means most are covering at least part of their impact costs through trade.

**Some rely entirely on trade.** 36% (a subset of the 77% above) received no non-trade revenue at all, funding 100% of their operations through trade revenue.

**Many use a blended model.** 41% (a subset of the 77% above) received some non-trade revenue but not enough to cover all impact costs – so their impact is funded through a mix of supplementary revenue and trade.

**A minority rely on non-trade, or supplementary, revenue to fund their impact.** 23% received non-trade revenue equal to or exceeding their impact costs.

### How this changes over time

Most social enterprises are consistent in their approach. Among 308 social enterprises we tracked across two reporting periods:

- **About three-quarters stayed in the same position** – either covering their impact mainly through trade or with help from supplementary revenue.
- **A minority shifted.** Some moved toward greater independence from supplementary revenue, while others took on more supplementary revenue during certain periods.

This shows that funding models are not fixed – they evolve as social enterprises respond to opportunities, challenges and investment needs.

### Profitability and revenue mix

One question we wanted to test: does receiving supplementary revenue make a social enterprise more profitable? The data suggests no clear difference.

- Among social enterprises relying on a blended model, 60% reported a profit in their most recent certification.
- Among social enterprises that rely entirely on trade, 58% reported a profit.
- Even among those with higher levels of supplementary revenue, 59% reported a profit.

Profitability appears to depend less on whether a social enterprise receives supplementary revenue, and more on other factors.

## What this tells us

The quantitative data challenges a common assumption: that supplementary revenue such as grants or donations necessarily improves financial performance.

**Instead, it suggests that:**

- Trade revenue is the backbone of most social enterprises, and many rely on it exclusively.
- Some social enterprises thrive with a pure trade model, while many find resilience by blending in supplementary revenue.
- This supplementary revenue can cover impact costs or enable growth, innovation or deeper impact.

# CASE STUDY

## From flowers to food relief: Miei's trade-funded impact


Photo: Miei

Miei is a Melbourne-based social enterprise that demonstrates how strong business capability can drive sustainable social impact. Founded in 2016 by Lyly Greca and her husband Rob, Miei was built on the premise that a business could rely entirely on trade revenue and dedicate all profits to doing good.

From the outset, Miei positioned itself as a high-quality solutions provider rather than a charity. Its first major client, Crown Casino, was quickly followed by PwC and Mirvac, reassured by Miei's ability to deliver. Starting with floral subscriptions, the business has since grown into nine service areas, including plant maintenance, catering, gifting and corporate activations. Three of these services are subscription-based, providing steady recurring revenue, while the others flex with seasonal and client demand.

Because all revenue comes from trade, every sale directly fuels impact. Floral subscriptions fund child sponsorships through The Smith Family; campaign activations in celebration of Daffodil Day raise funds for the Cancer Council; leftover flowers are repurposed to support The Big Issue; and catering purchases trigger donations to food charities like Foodbank and OzHarvest. Impact is not an add-on - it is embedded in every transaction.

**Miei succeeds because it operates with a business-first mindset.**

"We don't try to be cheaper," Lyly explains. "Our clients pay for high-quality products and services - and the fact that their spend also does good is the bonus."

Behind this sits a disciplined, lean operating model. The team tracks time and resource requirements across services, multi-skills staff to manage peaks and troughs and avoids over-reliance on casual labour, ensuring both efficiency and secure jobs.

Nine years on, Miei has grown steadily in revenue, services and staff while growing trade revenue. Miei's story shows that managed with care and vision, trade revenue is the engine that makes purpose possible.

# CASE STUDY

## Floristry with purpose: Blending trade and philanthropic revenue for impact

The Beautiful Bunch is a Melbourne-based, Social Traders certified social enterprise florist creating vibrant, high-quality floral arrangements while delivering paid employment and work-readiness training to young women from refugee and migrant backgrounds. Since its inception, The Beautiful Bunch has combined a clear social mission with a growing and diversified business model, proving how trade can be a powerful engine for social impact.

The Beautiful Bunch was launched and grew for the first 12 months with $70 in the bank and no grant funding. In recent years, the social enterprise has seen steady growth in trade revenue, which has directly translated into more employment opportunities and training hours for its participants. As Head of Social Impact Riana Jayaraj explained, “Three years ago, we had just a handful of trainees. Now, we have 11 women actively in our program at any one time, with around 20 employed over the course of a year. That growth has come from our ability to generate more business.” Increased trade revenue has meant more consistent work, particularly through business clients and ongoing corporate subscriptions which provide reliable hours for program participants and help mitigate the seasonal nature of floristry.

The Beautiful Bunch now operates across four trade revenue streams: daily floral deliveries, event floristry, subscriptions and the newly launched BB Botanics - a plant maintenance and subscription service. This diversification not only strengthens their resilience but also expands the range of transferable skills participants can learn, from logistics and customer service to digital marketing and administration.

*Photo: The Beautiful Bunch*

Yet, while trade revenue is key to sustainable growth, philanthropy has played a critical role in making this model viable, particularly in the early stages of each new initiative. For example, grant funding enabled The Beautiful Bunch to hire a horticulturalist to lead the BB Botanics launch. That philanthropic support also covered the cost of marketing, business development and ongoing wages for program participants, giving the venture time to establish a customer base and become self-sustaining.

**“We aim for a 70/30 revenue model - 70% from goods and services, 30% from grants,” said General Manager Sophia Petridis. “Philanthropy gives us the runway to innovate and grow, so we can eventually stand more firmly on trade.”**

The Beautiful Bunch’s experience highlights a powerful insight: for some social enterprises to scale impact through trade, it is only possible when philanthropy is strategically deployed to underwrite the cost of impact and de-risk innovation. Their story exemplifies how early-stage funding, paired with entrepreneurial drive, can unlock a thriving model for inclusion and empowerment.

### There is no single formula for how trade revenue underpins impact.

For Miei, a profit-redistribution model, trade revenue can directly flow to social and environmental outcomes once costs are covered.

For The Beautiful Bunch, an employment-generating model, additional investment is required to cover the higher costs of creating jobs and training pathways – and here, philanthropy has played a catalytic role.

Both models demonstrate that trade revenue is a driver of impact. The difference lies in how social enterprises structure and supplement that trade revenue to match their impact ambitions.

# INSIGHT#04

## Scale supports resilience, but there's no single model for success.

Some social enterprises are resilient - finding ways to grow their trade revenue, expand their impact and remain profitable all at once. Of the 155 social enterprises that had increased trade revenue, increased impact (costs) and also reported their profit/loss, 69 enterprises (45%) were profitable across both reporting periods.

### A comparative analysis between three cohorts was undertaken[25]:

- **'Resilient' social enterprises -** Those which increased trade revenue, increased impact and were profitable.
- **Comparison group -** Those which decreased revenue, or decreased impact, or were not profitable.
- **All certified social enterprises.**

### Characteristics considered included:

- Primary impact model
- Location (state)
- Location (metropolitan vs regional)
- Legal type (not-for-profit vs for-profit)
- Size – employee headcount
- Stage (years operating, grouped)
- Primary beneficiary
- Industry (ANZIC Division)
- Size – total revenue range
- % revenue from trade

25 Appendix 4 includes further detail on the analysis.

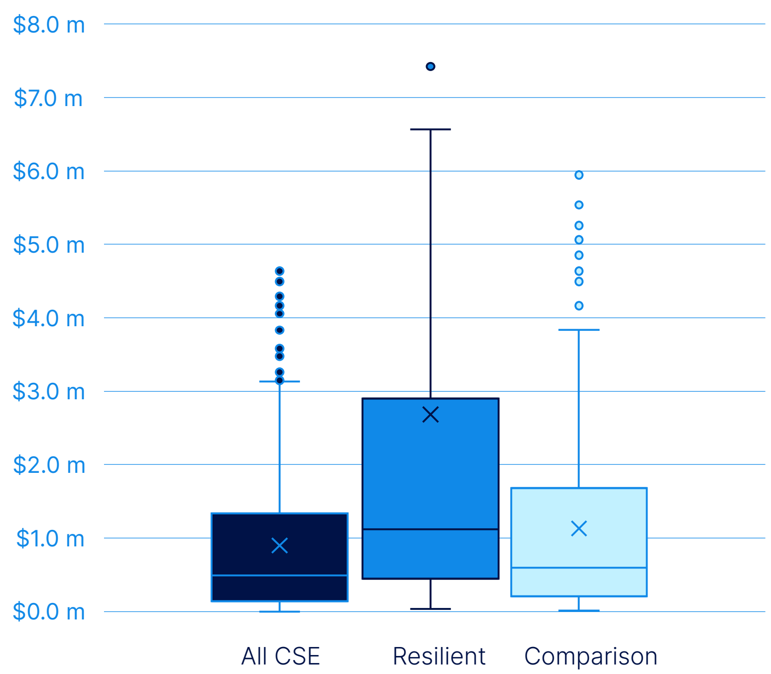
Photo: WorkLife

## Revenue

Resilient social enterprises typically operate at a larger scale than others in the sector. Even when adjusting for unusually large or small enterprises, they record an average annual turnover of around $2.7 million - more than double that of the comparison group and three times higher than the average for all certified social enterprises.

In other words, while social enterprises vary widely in size, those that are able to grow trade, expand impact and remain profitable tend to have a higher revenue overall.

**Revenue range of resilient certified social enterprises vs comparison groups**

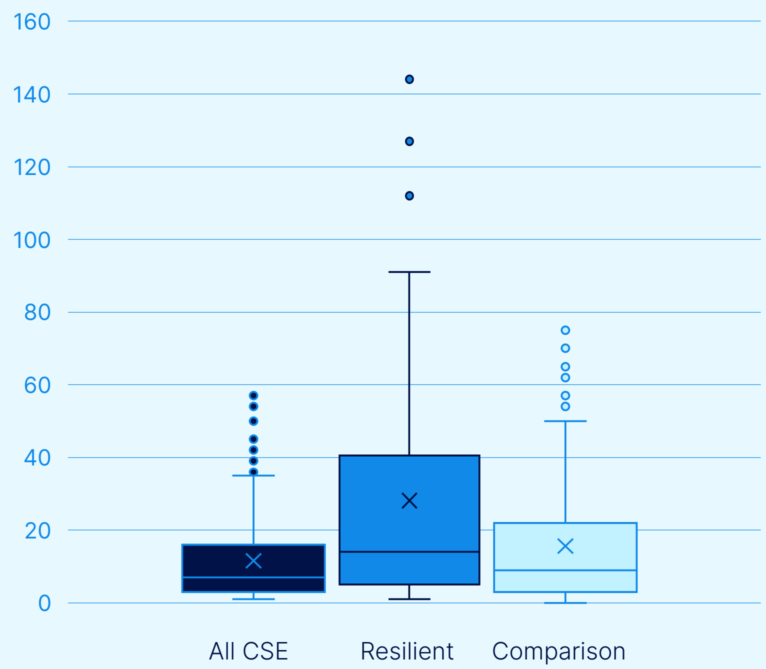



## Employees

The same pattern appears when looking at employee numbers. Resilient social enterprises employ more people on average than other certified social enterprises. After accounting for unusually large organisations, they employ around 28 people compared to about 15 in the comparison group and 14 across all certified social enterprises.

This suggests that resilience is often linked with having the scale needed to balance commercial operations, social impact delivery and profitability.

**Employee headcount range of resilient certified social enterprises vs comparison groups**




# What this tells us

While some patterns emerge, there's no single formula for resilience. Testing across legal type, industry, geography and impact model, among others, showed little consistency - the only clear commonality is size. Resilient social enterprises tend to operate at a larger scale, with higher turnover and more employees, suggesting scale helps them absorb shocks and reinvest in their impact.

Yet the qualitative data shows that resilience can also be achieved in smaller enterprises that diversify income, stay lean and align closely with their customers and communities. In short, scale can support resilience, but it's not the whole story. There are many ways to build a resilient social enterprise and uncovering these pathways will require deeper research.

# CASE STUDY

## The Bread and Butter Project: Baking pathways for refugees


Founded in 2013, The Bread and Butter Project is Australia's first social enterprise bakery, based in Marrickville, Sydney. Its mission is simple but powerful: to use the everyday act of baking bread to create new futures for refugees and asylum seekers.

Each year, this Social Traders certified social enterprise provides up to 26 participants with paid, hands-on experience in a wholesale bakery, alongside workplace English and employability skills. For many, it is their first Australian workplace.

The bakery's model is commercially disciplined. Its bread and pastries are sold through Woolworths, Harris Farm, airlines, hotels, cafés, schools and clubs across Sydney. While trade is the backbone of revenue, the enterprise operates in a low-margin industry. Modest levels of government grants and corporate sponsorships play a catalytic role, helping to expand trainee numbers, provide wraparound supports and fund trainee wages.

Running lean has been essential to resilience. The Bread and Butter Project has faced the same market pressures as any wholesale bakery - thin margins, rising costs, shifting demand - and has made tough calls, such as closing unprofitable outlets.

As CEO Eva Rabanal explains:

**"There's no point having high revenue and high losses. We run lean and make sure trading success underpins our impact."**

That balance of trade, impact and profit delivers life-changing outcomes. Many graduates move into permanent roles across bakeries, supermarkets and food manufacturing. One graduate, Tanya, arrived in Australia as a refugee with a passion for baking but little workplace experience. After completing The Bread and Butter Project's program, she went on to open her own small business, Adele's Bakery, in Wetherill Park proving that the right opportunity can spark lasting change for individuals and their communities.

Today, with annual turnover above $5 million and a team of 40, the bakery combines commercial scale with deep social purpose. Every loaf sold strengthens the business, funds training and creates jobs and pathways for people who would otherwise be shut out of work.

The Bread and Butter Project shows how a social enterprise can thrive in a tough industry by embedding purpose into its brand, diversifying its client base and keeping commercial acumen at the heart of decision-making. Every product is more than food, it's a stepping stone to a new life.

# CASE STUDY

## Natura Pacific:
## Right-sized for impact

Some certified social enterprises build resilience not by scaling up, but by finding the right size for them - growing trade revenue, expanding impact and remaining profitable, while staying relatively small.

Natura Pacific, based on the Gold Coast, demonstrates that resilience in social enterprise is not only about scaling up but about finding the right size to sustain trade revenue, impact and profit. Since 2005, the Social Traders certified social enterprise has combined ecological consulting with environmental education, delivering both commercial services and community benefits.

From the beginning, Founder and Director Kieran Richardt knew that scale for its own sake was not the goal. Instead, Natura Pacific has chosen to "right-size." With a core team of 15 staff and additional seasonal specialists, the organisation is large enough to diversify its services yet small enough to remain agile, relational and mission-focused.

As Kieran explains:

**"For us, resilience comes from balance. We don't need to be the biggest player – we need to be the right size to deliver great services, create jobs and keep biodiversity conservation at the heart of what we do."**

A key part of this balance is service diversification. Natura Pacific operates across ecological consulting, habitat restoration, threatened species management and biodiversity education. This mix provides multiple trade revenue streams and cushions against fluctuations in any one market.

Grants have also played a strategic role. In the early years, grant funding was essential to build infrastructure, trial education programs and produce biodiversity teaching resources that trade revenue alone could not support. As the social enterprise matured, grants shifted from covering core costs to catalysing innovation – enabling the creation of new educational tools, digital resources and outreach into regional schools.

The impact of Natura Pacific's model is twofold. First, profits from ecological consulting cross-subsidise biodiversity resources and education programs for schools and communities. Second, their client work generates tangible environmental outcomes – from restoring habitats and protecting threatened species to embedding biodiversity into land management.

Underlying this impact is trust. In the first decade, the team concentrated on proving technical expertise. But over time, they recognised that true resilience comes from partnering with clients who also respect and value their mission. That shift has strengthened both purpose and business performance, with Natura Pacific now chosen not only for its ecological expertise but for its commitment to conservation and education.

Their story shows that resilience in social enterprise does not always come from chasing scale. Instead, it can be achieved by finding the right size where trade revenue, impact and profit are in balance.

# THE FOUNDATIONS OF SOCIAL ENTERPRISE RESILIENCE

**The data shows that resilience in social enterprises cannot be reduced to a single recipe, but it does reveal several consistent foundations.**

*Photo: Bama Services*

### Scale that sustains balance

Resilient social enterprises tend to be larger. On average, resilient social enterprises record around three times the turnover and twice the staff numbers of their peers. Scale provides the stability to balance trade, impact and profitability - but the case studies show that resilience is not only about being big but also about being the right size to sustain purpose.

### Diversification

Resilient social enterprises diversify products/services and customers to cushion against market shocks, create flexibility and open new avenues for impact. Diversification strengthens the social enterprise, ensuring that it is not dependent on a single market.

### A clear and compelling impact link

Across the resilient social enterprises interviewed, there is a direct and visible connection between what is sold and the change it creates.

Customers can easily see how their purchase translates into social or environmental value - every bouquet sold, every night booked, every contract won directly funds impact. This clarity builds credibility, motivates staff and attracts loyal customers. Resilient social enterprises make their impact inseparable from their business model, turning purpose into a competitive advantage.

## What this tells us

In short, resilience in social enterprises is not just about surviving market pressures – it's about structuring businesses in ways that make trade, impact and profitability mutually reinforcing.

Where these factors align, trade revenue becomes a reliable and scalable engine for creating lasting social and environmental change.

## Implications for policy and practice

The findings in this report underline the distinctive place social enterprises hold in the Australian economy. They are neither charities reliant on donations nor traditional businesses focused only on profit. This unique positioning has important implications for how they are understood, supported and enabled to grow.

**FIRST,** the evidence shows that trade revenue is not just another revenue stream for social enterprises – it is their engine. When social enterprises are able to grow sales of their products and services, they also grow their impact.

More subscriptions mean more children supported, more bouquets sold mean more women employed and more contracts mean more jobs for people who would otherwise be excluded from the workforce. Policy and practice must therefore treat trade as the foundation for resilience. Supporting social enterprises to diversify products/services, build customer bases and strengthen their business capability will have a direct and multiplying effect on resilience and social impact.

**SECOND,** the findings highlight that scale matters. Resilient social enterprises tend to operate at a larger scale with higher turnover and more employees.

This has direct implications for how funders and policymakers design support. Rather than keeping social enterprises small, the goal should be to help them grow towards resilience, where they can generate enough revenue from trade to invest in their future and weather external shocks while still delivering social impact.

**THIRD,** this report shows that not all social enterprises are alike. Employment-based models incur high costs because every job created is an investment in people with significant barriers to work. By contrast, profit redistribution models can operate with lower ongoing costs, because profits are channelled to impact rather than generated through the act of employing people. These different models demonstrate that a one-size-fits-all approach will not work. Policymakers and funders need to account for the dynamics of different models if they are to build a thriving, diverse sector.

**FOURTH,** the findings challenge current funding mindsets. Grants and subsidies are often designed to fill gaps or keep services afloat, but long-term reliance leaves social enterprises fragile.

The lesson from this for policymakers, funders and practitioners is that external funding is most valuable when it contributes to impact costs or acts as a catalyst – helping social enterprises innovate or grow in a way that accelerates trading activity.

## DIFFERENT MODELS, DIFFERENT APPROACHES:

- Employment-based models → need impact costs (supporting people with high barriers into work) underwritten.
- Community-service models → often need mixed approaches, blending targeted funding with support for revenue diversification.
- Profit-redistribution models → benefit more from market access and growth investment, as their impact scales directly with profitability.

# RECOMMENDATIONS TO FUEL SOCIAL ENTERPRISE RESILIENCE

## Based on the evidence, we recommend:

### Recognise social enterprise as a distinct part of the economy

Social enterprises are neither traditional not-for-profits nor conventional businesses. They embed both impact and trade in their DNA. Clearer recognition of their unique role will strengthen policy frameworks and public understanding.

### Invest in trade capability

Build programs that strengthen sales, marketing, commercial acumen and access to markets – enabling social enterprises to compete and grow their trading base.

### Embed social enterprise in procurement policy

Business and government purchasing remains a powerful lever for growing trade revenue and scaling impact. Expanding social procurement frameworks is critical.

### Encourage revenue diversity

Support blended models that combine a strong base of trade with supplementary revenue streams, while avoiding long-term over-reliance on grants.

### Design smarter funding

Where grants or subsidies are used, structure them to cover impact costs appropriate to the social enterprise model, for example, outcome payments for jobs-focused social enterprises or as catalytic growth funds – for example, investing in capacity, technology or skills that unlock trade growth.

### Target growth pathways

Support social enterprises to move into resilient scale through innovation and risk-taking, while providing 'guardrails' for the social mission[26].

### Keep tracking the data

Longitudinal research and transparent reporting are essential to understand what drives resilience and to ensure policy and practice remain evidence-based.

*Photo: Good Cycles*

26 Lall, S.A. and Park, J., 2020. How social ventures grow: Understanding the role of philanthropic grants in scaling social entrepreneurship. Business & Society, 61(1), pp.3–44.

# QUESTIONS FOR FUTURE RESEARCH

**While this report provides new insights into the role of trade in sustaining impact, further work is needed. Key questions include:**

- What other factors (beyond trade revenue) are playing a role in increasing social enterprise impact?

- What other factors (beyond scale) are playing a role in social enterprise resilience?


Photo: Cookery Nook


Photo: The Little Social

# CONCLUSION

## Powering purpose through trade

This report confirms what many social enterprise leaders already know: trade is not just a revenue stream, it is the engine of social impact.

When social enterprises grow their trade revenue, they also grow their capacity to employ, to serve and to solve some of Australia's most pressing challenges.

But trade alone does not build resilience. The evidence shows that balance matters: the right mix of trade and supplementary income, the right organisational size and the right support for different impact models. Social enterprises are proving every day that it is possible to combine commercial strength with deep community and environmental benefit.

The task ahead is clear. If Australia wants a more inclusive, sustainable economy, we must back social enterprises to thrive. That means supporting them to grow trade revenue and diversify their products/services and customers in order to increase resilience and impact. It means recognising the different dynamics of different models and tailoring funding and policy approaches accordingly. And it means shifting the mindset of external funding from plugging gaps to catalysing growth.

The opportunity is within reach. Every dollar spent with a social enterprise is a dollar that does more: creating jobs, building communities and protecting the planet. By enabling trade to be the engine and impact the outcome, we can build a future where social enterprise becomes not the exception but the norm in how Australia does business.


*Photo: Billabong Wholesale Nursery*

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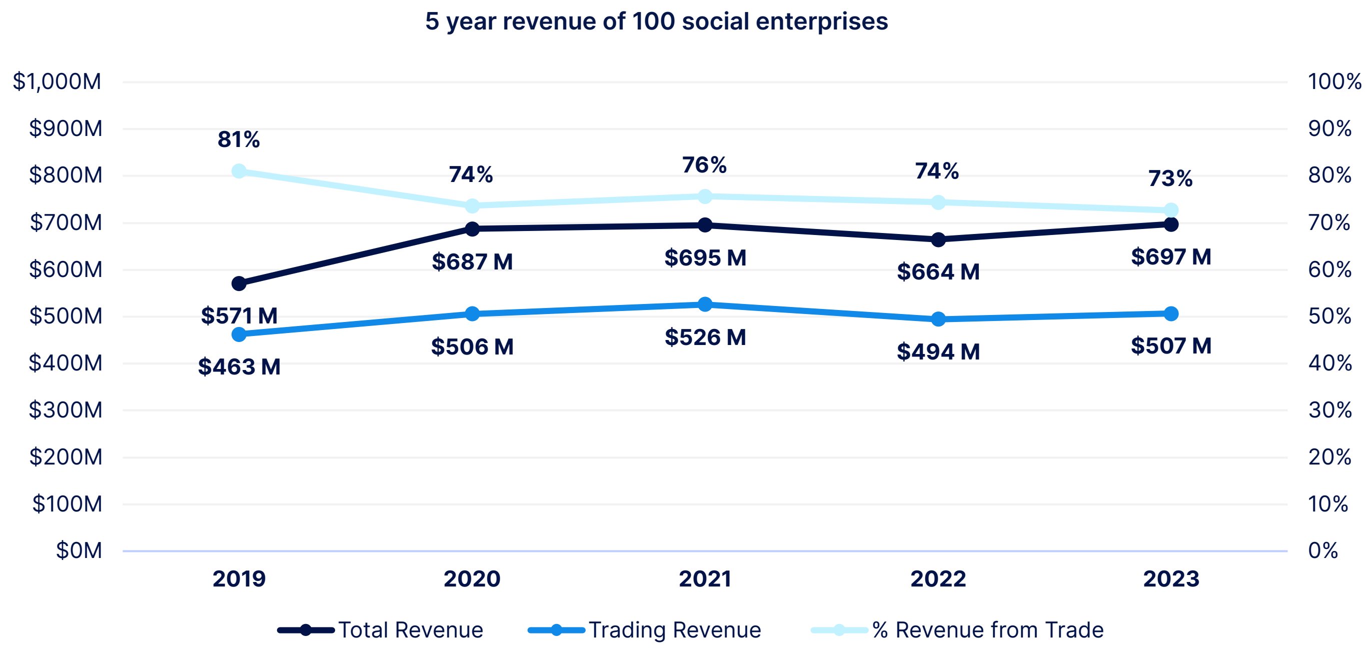
# Appendix 1:

## Social enterprise trade revenue grew by 10% over a five-year period

This analysis draws on revenue data collected through the certification process, supplemented with financial data reported to the Australian Charities and Not-for-profits Commission (ACNC). As re-certification typically occurs on a three-year cycle, leveraging ACNC data enables us to fill gaps in the certification dataset and track year-on-year revenue changes for a broader set of social enterprises.

All revenue figures have been adjusted for inflation and are presented in FY23 dollars. Inflation adjustments were calculated using Consumer Price Index (CPI) data sourced from the Australian Bureau of Statistics, based on June quarter index values for each financial year.



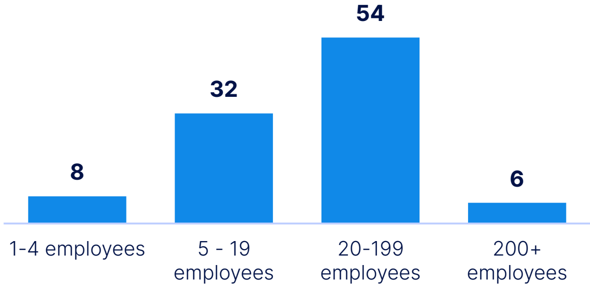

The summarised data table below maps the raw data and adjustments to FY23 equivalent dollars:

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Total revenue | $490.3m | $587.7m | $617.9m | $626.7m | $697.2m |
| Trading revenue | $397.3m | $432.7m | $467.6m | $466.3m | $506.7m |
| CPI | 114.8 | 114.4 | 118.8 | 126.1 | 133.7 |
| Total revenue – adjusted | $571.0m | $686.9m | $695.4m | $664.5m | $697.2m |
| Trading revenue – adjusted | $462.7m | $505.7m | $526.3m | $494.4m | $506.7m |
| % revenue from trade | 81% | 74% | 76% | 74% | 73% |

The following charts show some key characteristics of the social enterprises included in the sample of 100 social enterprises:

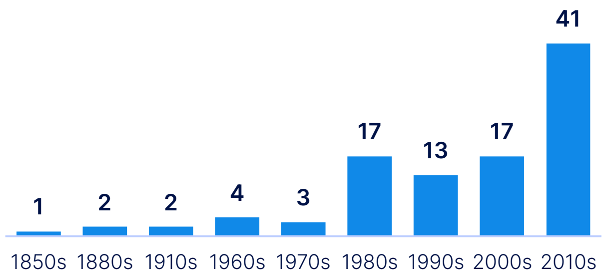
## Size (Employee headcount)

The sample included in this analysis is weighted more towards medium sized social enterprises than the broader certified social enterprise cohort. Micro and smaller social enterprises are less represented in this sample than in the broader certified social enterprise cohort.



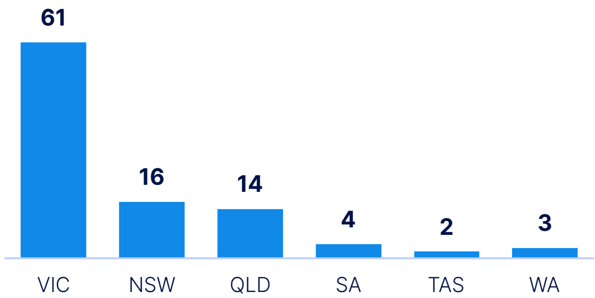

## Trading since year

A majority of the social enterprises included in this sample were founded after the year 2000 with the oldest social enterprise in the sample trading since 1851. There are no start-ups founded since 2020 included in the sample, as they did not have 5 years of trading history from FY23.



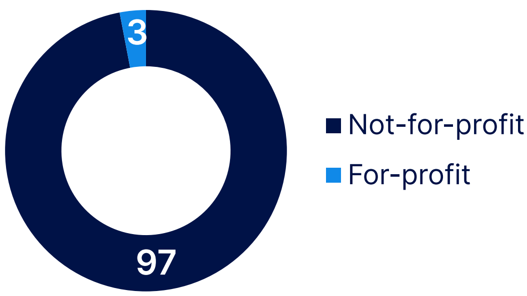

## Head office state

The social enterprises included in the 5-year chart follow a similar distribution as the broader certified social enterprise cohort when considering head office location. With majority of the social enterprises based in VIC, and strong representation from NSW and QLD followed by other states with maturing social enterprise sectors.



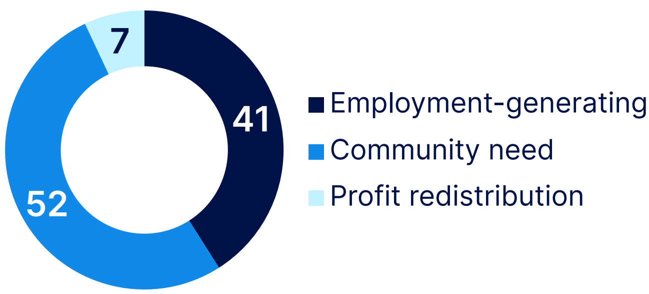

## Legal structure type

As this dataset has relied on data reported to and published by the Australian Charities and Not-for-profit Commission, it is skewed towards not-for-profit social enterprises. 97 of the 100 social enterprises included in this sample have a not-for-profit legal structure.




## Primary impact model

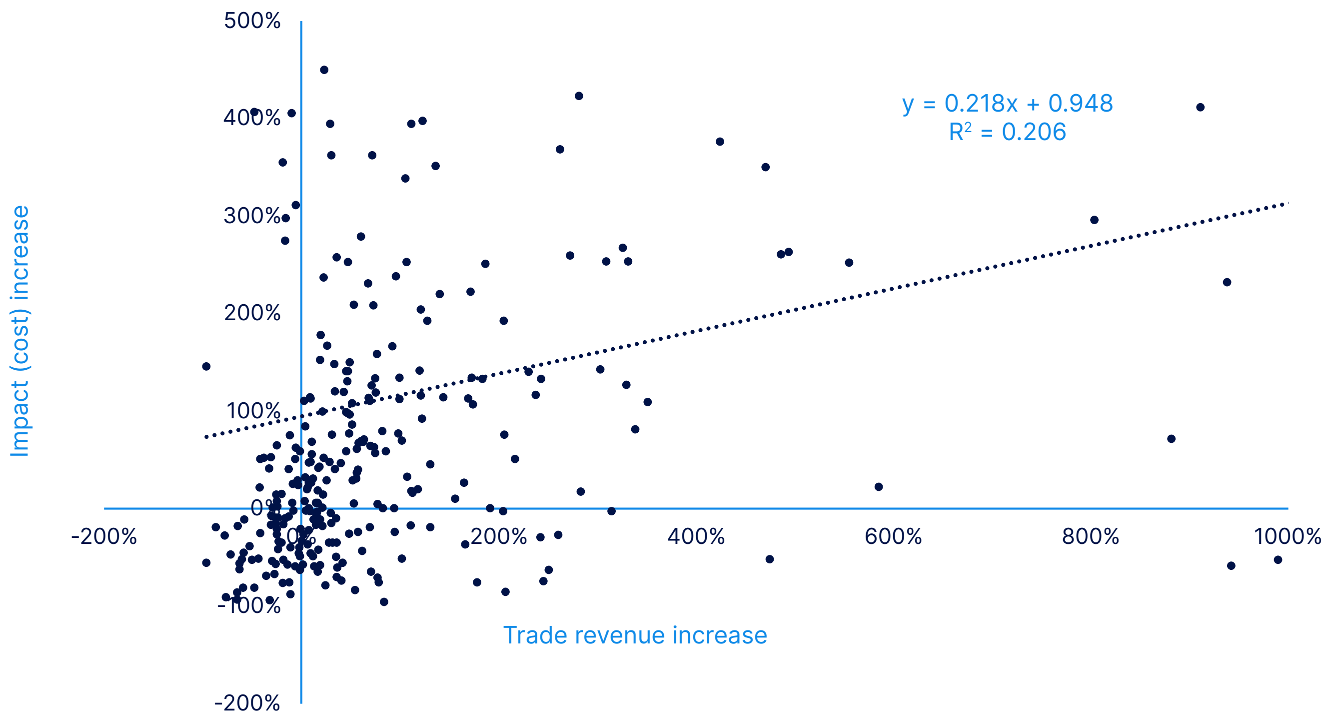
This sample is made up of a majority of social enterprises with a primary impact model of community need. This differs from the broader certified social enterprise cohort, where employment generating is the leading impact model. But there remains a reasonable balance between the three impact models



# Appendix 2:

## 71% of social enterprises that increased their trade revenue also increased their spending on impact

The below table and chart summarise the results of the linear regression analysis completed to explore the relationship between trade revenue and impact costs.




| | |
|---|---|
| P-value | <0.001 |
| R-square value | 0.206 |
| Co-efficient | 0.218 |

The below tables show the breakdown of revenue and impact changes across the 8 different impact metrics collected by Social Traders:

| | Impact costs | Beneficiary headcount | Work hours |
|---|---|---|---|
| Increase revenue | 215 | 101 | 98 |
| Maintain revenue | 16 | 7 | 6 |
| Decrease revenue | 71 | 31 | 30 |
| Increase revenue + increase impact | 153 | 62 | 61 |
| Increase revenue + maintain impact | 13 | 12 | 6 |
| Increase revenue + decrease impact | 49 | 27 | 31 |
| Maintain revenue + increase impact | 7 | 4 | 3 |
| Maintain revenue + maintain impact | 1 | 0 | 1 |
| Maintain revenue + decrease impact | 8 | 3 | 2 |
| Decrease revenue + increase impact | 24 | 13 | 10 |
| Decrease revenue + maintain impact | 3 | 4 | 3 |
| Decrease revenue + decrease impact | 44 | 14 | 17 |

| | Training hours | Pathways | Community need costs |
|---|---|---|---|
| Increase revenue | 21 | 12 | 84 |
| Maintain revenue | 4 | 1 | 7 |
| Decrease revenue | 5 | 5 | 32 |
| Increase revenue + increase impact | 13 | 8 | 56 |
| Increase revenue + maintain impact | 2 | 1 | 4 |
| Increase revenue + decrease impact | 6 | 3 | 24 |
| Maintain revenue + increase impact | 2 | 1 | 4 |
| Maintain revenue + maintain impact | 0 | 0 | 0 |
| Maintain revenue + decrease impact | 2 | 0 | 3 |
| Decrease revenue + increase impact | 2 | 4 | 10 |
| Decrease revenue + maintain impact | 0 | 0 | 1 |
| Decrease revenue + decrease impact | 3 | 1 | 21 |

| | Tonnes of waste | Donations |
|---|---|---|
| Increase revenue | 9 | 20 |
| Maintain revenue | 3 | 0 |
| Decrease revenue | 6 | 4 |
| Increase revenue + increase impact | 6 | 13 |
| Increase revenue + maintain impact | 1 | 2 |
| Increase revenue + decrease impact | 2 | 5 |
| Maintain revenue + increase impact | 1 | 0 |
| Maintain revenue + maintain impact | 0 | 0 |
| Maintain revenue + decrease impact | 2 | 0 |
| Decrease revenue + increase impact | 3 | 0 |
| Decrease revenue + maintain impact | 1 | 0 |
| Decrease revenue + decrease impact | 2 | 4 |

# Appendix 3:

## Social enterprises fund their impact in different ways - 36% fully through trade, 41% blended trade/non-trade, 23% through non-trade revenue

Through the certification process, we collect the following data points from social enterprises:

- Total revenue
- Trading revenue
- Total NDIS revenue
- Total trading revenue (includes NDIS revenue)
- Total impact costs

**Using these metrics, we defined a non-trade revenue to impact costs ratio:**

$$\frac{\text{(Total revenue - Trading revenue)}}{\text{Impact cost}}$$

A ratio greater than 1 indicates that the social enterprise is receiving more non-trade revenue than their reported impact costs – therefore using additional funding to subsidise their trading costs.

A ratio less than 1 indicates that the social enterprise is receiving less non-trade revenue than their impact costs - therefore the funding they receive does not cover all of their impact costs.

| | |
|---|---|
| Average ratio | 0.96 |
| Median ratio | 0.1 |
| Number of social enterprises with ratio > 1 | 148 |
| Number of social enterprises with ratio < 1 | 492 |


Photo: Enable

A logical extension of this analysis is to explore how many of the social enterprises that are relying on trade revenue to fund their impact costs are also able to maintain a profitable business.

In Social Traders dataset, we record the social enterprise's prior year profit as part of the certification assessment. Looking at this data-point for the 492 social enterprises that had a ratio of non-trade revenue to impact costs of less than or equal to 1,

- 296 (60%) recorded a profit in their most recent certification

Restricting the sample to the 224 social enterprises that had a ratio of 0 (i.e. 100% revenue from trade), we see:

- 129 (58%) recorded a profit in their most recent certification.

Looking at the 148 social enterprises that are receiving supplementary revenue (with a ratio greater than 1):

- 88 (59%) recorded a profit in their most recent certification.

# Appendix 4:

## Scale supports resilience, but there's no single model for success

The three cohorts for this analysis were as follows:

- 'Resilient' social enterprises - those which increased trade revenue, increased impact and were profitable. (n =69)
- Comparison group – those which decreased revenue, or decreased impact, or were not profitable. (n=205)
- All certified social enterprises. (n=734)

The below table presents the findings of the analysis against the characteristics across the three cohorts.

| | All certified | | Resilient | | Comparison | |
|---|---|---|---|---|---|---|
| Primary impact model | | | | | | |
| 1 | 333 | 45% | 34 | 49% | 105 | 51% |
| 2 | 288 | 39% | 26 | 38% | 81 | 40% |
| 3 | 118 | 16% | 9 | 13% | 19 | 9% |
| Location | | | | | | |
| ACT | 9 | 1% | 2 | 3% | 1 | 0% |
| NSW | 147 | 20% | 16 | 23% | 43 | 21% |
| QLD | 132 | 18% | 11 | 16% | 28 | 14% |
| SA | 38 | 5% | 3 | 4% | 9 | 4% |
| TAS | 8 | 1% | 0 | 0% | 1 | 0% |
| VIC | 377 | 51% | 37 | 54% | 119 | 58% |
| WA | 23 | 3% | 0 | 0% | 3 | 1% |
| NT | 5 | 1% | 0 | 0% | 1 | 0% |
| Metro/Regional | | | | | | |
| Metropolitan | 501 | 68% | 45 | 65% | 143 | 70% |
| Regional | 232 | 32% | 24 | 35% | 62 | 30% |
| Legal type | | | | | | |
| Not-for-profit | 420 | 57% | 39 | 57% | 132 | 64% |
| For-profit | 319 | 43% | 30 | 43% | 73 | 36% |
| Size - employee headcount | | | | | | |
| 1 - 4 employees | 201 | 28% | 13 | 19% | 49 | 24% |
| 5 - 19 employees | 284 | 39% | 23 | 33% | 68 | 33% |
| 20 - 199 employees | 192 | 27% | 29 | 42% | 78 | 38% |
| 200 or more employees | 47 | 6% | 4 | 6% | 9 | 4% |

| | All certified | | Resilient | | Comparison | |
|---|---|---|---|---|---|---|
| Age (grouped) | | | | | | |
| Startup (0-2 year) | 143 | 19% | 5 | 7% | 15 | 7% |
| Getting started (3-5 years) | 171 | 23% | 16 | 23% | 46 | 22% |
| Established (6-14 years) | 205 | 28% | 29 | 42% | 84 | 41% |
| Mature (15+ years) | 220 | 30% | 19 | 28% | 60 | 29% |
| Primary beneficiary | | | | | | |
| People with disabilities | 158 | 21% | 11 | 16% | 43 | 21% |
| New migrants and refugee communities | 54 | 7% | 8 | 12% | 23 | 11% |
| A charitable or not for profit organisation | 87 | 12% | 7 | 10% | 18 | 9% |
| Marginalised youth | 47 | 6% | 7 | 10% | 9 | 4% |
| Environmental sustainability | 54 | 7% | 6 | 9% | 17 | 8% |
| A particular geographic community | 57 | 8% | 1 | 1% | 9 | 4% |
| Aboriginal and Torres Strait Islanders | 42 | 6% | 3 | 4% | 15 | 7% |
| Families, children or students | 39 | 5% | 4 | 6% | 8 | 4% |
| Marginalised women | 36 | 5% | 1 | 1% | 9 | 4% |
| Long term unemployed people | 27 | 4% | 3 | 4% | 12 | 6% |
| ANZIC division (Industry) | | | | | | |
| N. Administrative and support services | 106 | 14% | 21 | 30% | 43 | 21% |
| G. Retail trade | 58 | 8% | 7 | 10% | 22 | 11% |
| H. Accommodation and food services | 58 | 8% | 8 | 12% | 32 | 16% |
| M. Professional, scientific and technical services | 57 | 8% | 7 | 10% | 37 | 18% |
| P. Education and training | 38 | 5% | 10 | 14% | 20 | 10% |
| Q. Health care and social assistance | 33 | 4% | 5 | 7% | 13 | 6% |
| C. Manufacturing | 26 | 4% | 2 | 3% | 12 | 6% |
| D. Electricity, gas, water and waste services | 19 | 3% | 4 | 6% | 11 | 5% |
| R. Arts and recreation services | 10 | 1% | 1 | 1% | 1 | 0% |
| E. Construction | 9 | 1% | 1 | 1% | 3 | 1% |
| S. Other services | 5 | 1% | 0 | 0% | 0 | 0% |
| F. Wholesale trade | 3 | 0% | 0 | 0% | 0 | 0% |
| O. Public administration and safety | 2 | 0% | 0 | 0% | 1 | 0% |
| A. Agriculture, forestry and fishing | 2 | 0% | 0 | 0% | 0 | 0% |
| I. Transport, postal and warehousing | 2 | 0% | 1 | 1% | 0 | 0% |
| K. Financial and insurance services | 2 | 0% | 0 | 0% | 0 | 0% |
| L. Rental, hiring and real estate services | 1 | 0% | 0 | 0% | 1 | 0% |
| | 308 | 42% | 2 | 3% | 9 | 4% |

| | All certified | | Resilient | | Comparison | |
|---|---|---|---|---|---|---|
| Revenue range | | | | | | |
| less 50K | 71 | 11% | 1 | 1% | 9 | 4% |
| 50K - 200K | 111 | 17% | 6 | 9% | 35 | 17% |
| $200K - $2M | 314 | 47% | 32 | 46% | 102 | 50% |
| $2M - $5M | 87 | 13% | 12 | 17% | 28 | 14% |
| $5M - $10M | 33 | 5% | 7 | 10% | 15 | 7% |
| $10M+ | 46 | 7% | 11 | 16% | 16 | 8% |
| Trade % | | | | | | |
| less 50% | 56 | 8% | 5 | 7% | 17 | 8% |
| 50–60% | 33 | 5% | 3 | 4% | 10 | 5% |
| 60–70% | 31 | 5% | 5 | 7% | 9 | 4% |
| 70–80% | 35 | 5% | 4 | 6% | 13 | 6% |
| 80–90% | 50 | 8% | 11 | 16% | 17 | 8% |
| 90–99% | 199 | 30% | 19 | 28% | 69 | 34% |
| 100% | 256 | 39% | 22 | 32% | 70 | 34% |
| Average | 87% | | 86% | | 87% | |

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