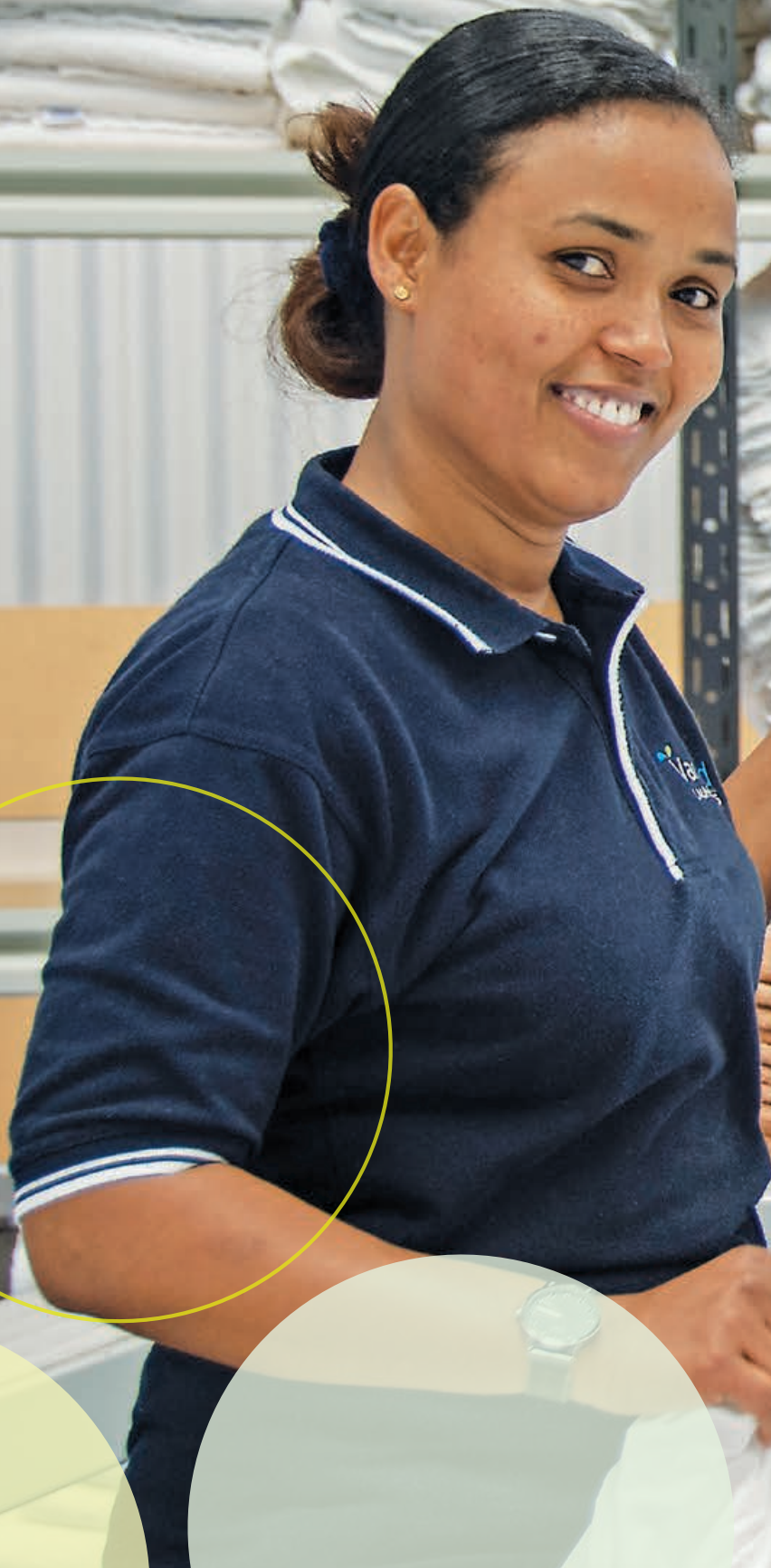


# Queensland Social Enterprise Strategy



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## Message from the Minister

The Palaszczuk Government is committed to building a strong economy and creating jobs for all Queenslanders. Under *Our Future State: Advancing Queensland's Priorities* we have set clear targets to create jobs, increase private sector investment and engage more young Queenslanders in education, training or work.

Social enterprises, both individually and collectively, are uniquely placed to help support Queensland to reach these targets. Social enterprises are defined as businesses led by a social purpose, deriving a substantial portion of their income from trade and reinvesting most of their profits to fulfil their purpose.

The social enterprise sector in Queensland is gaining momentum and is collaborating to build and move the sector forward. This grassroots movement is happening around the world as people seek to address issues facing communities, society and the environment.

The Palaszczuk Government is committed to partnering with the social enterprise sector, including philanthropic and corporate partners, to support job creation for disadvantaged Queenslanders. We can learn a lot from social enterprises when it comes to sustainable job creation and working with those traditionally disadvantaged in the labour market to build the confidence and skills needed to gain and maintain meaningful employment.

The Queensland Social Enterprise Strategy (QSES) proposes three key focus areas to prioritise support to help social enterprises to grow, thrive and create jobs:

- building capability and capacity
- making connections
- improving market access.

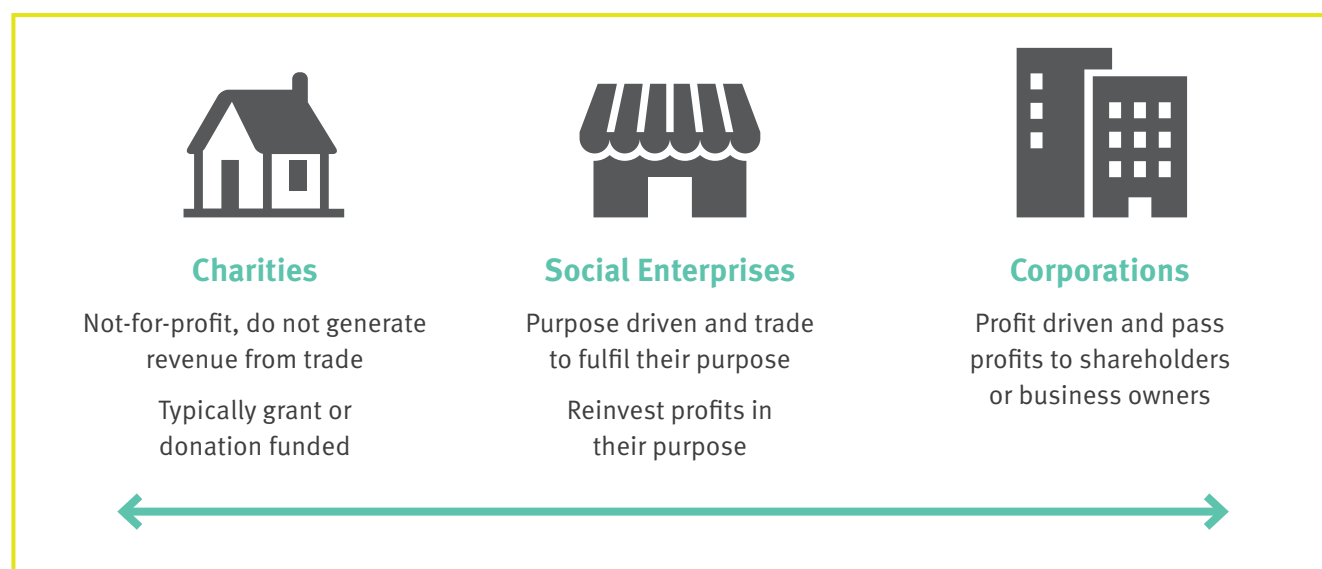
Under these focus areas are eight actions, which set out how we will help grow social enterprises in Queensland and assist in the development of a sustainable ecosystem to provide long term benefits to the sector.

The QSES will help ensure social enterprises can continue to grow and deliver jobs and training opportunities for disadvantaged Queenslanders, while providing broader social, environmental and cultural benefits by creating local solutions to local problems.

**The Honourable Shannon Fentiman MP**  
**Minister for Employment and Small Business**  
**Minister for Training and Skills Development**

# What are social enterprises?

Social enterprises are businesses that exist to benefit the public and community rather than just shareholders and owners. They fulfil a range of objectives and serve a wide variety of beneficiaries. They develop new solutions to social, cultural, economic or environmental problems.



## Diversity and inclusiveness

Social enterprises work across almost every industry sector and include small, medium and large businesses. They are established to help address a range of cultural, social and environmental issues. One of their key features is their higher than average rates of employment of disadvantaged jobseekers.

## Community based

Social enterprises tend to be place-based and focused in their local communities, providing local solutions to local problems.

In defining what is a social enterprise, there is not a 'one size fits all' approach. We recognise the diversity of the sector in Queensland and have adopted an inclusive mindset in this strategy. Importantly we want all social enterprises to feel part of the strategy and to create an environment that encourages social enterprises to grow and develop in response to their community's needs.

## Definition of social enterprises:

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

*Source: Attributed to Social Traders<sup>1</sup>*

<sup>1</sup> Social traders, socialtraders.com.au



# Queensland social enterprise sector snapshot

Jobs Queensland has recently mapped the Queensland social enterprise sector, which for the first time gives us a snapshot of the sector – its size and its characteristics. This mapping defines social enterprises as being led by a social purpose, deriving a substantial portion of their income from trade and reinvesting most of their profits to fulfil their purpose (refer definition previous page).

Jobs Queensland has found that Queensland has:



**229 social enterprises** and **47 ecosystem organisations** across **412 site locations**.



**38** of these social enterprises are based solely online.

The *Finding Australia's Social Enterprise Sector (FASES) Report 2016* identifies approximately 20,000 social enterprises across Australia.<sup>2</sup> Victoria estimates that it has around 3,500 social enterprises using a broader interpretation of the definition than the Jobs Queensland research.<sup>3</sup> Application of this approach to the Queensland context would increase the overall number to an estimated 3,590 social enterprises.

Queensland's social enterprises vary in size and are a mix of single and multi-site operations. Across our state there are:

- 187 single or two site social enterprises spread across 206 locations
- 12 large multi-site social enterprises (i.e. with more than three locations) operating across 157 locations
- 39 ecosystem organisations identified across 49 locations.



It is estimated that social enterprises in Queensland are supporting around **4000 jobs**.<sup>4</sup>



The sector includes small, medium and large businesses. Based on the social enterprise sector survey, **64%** of Queensland's social enterprises are small businesses. (i.e. have less than 20 employees).

The Jobs Queensland survey results show that all respondents target employment for disadvantaged cohorts in their social enterprise. Many social enterprises support more than one disadvantaged cohort with young people, people with a disability and Queenslanders experiencing barriers to employment a key focus.



**21.7%** of social enterprise and ecosystem organisations were established in the last four years, suggesting recent rapid growth in the sector at a start-up level.

Social enterprises are found across all regions of Queensland with the largest concentration found in South East Queensland. Two regions, Brisbane Inner City and Cairns have over 50 social enterprise sites identified within their geographical boundary. Three regions – Logan-Beaudesert, Queensland-Outback and the Sunshine Coast – have 25 or more social enterprise sites.

Social enterprises operate across a diverse range of industries.

## Industry profile

60% of social enterprises in Queensland operate in four industries:



**19.2%**  
Health care and social assistance



**18.4%**  
Administrative and support services



**13.0%**  
Arts and recreational services



**12.6%**  
Accommodation and food services

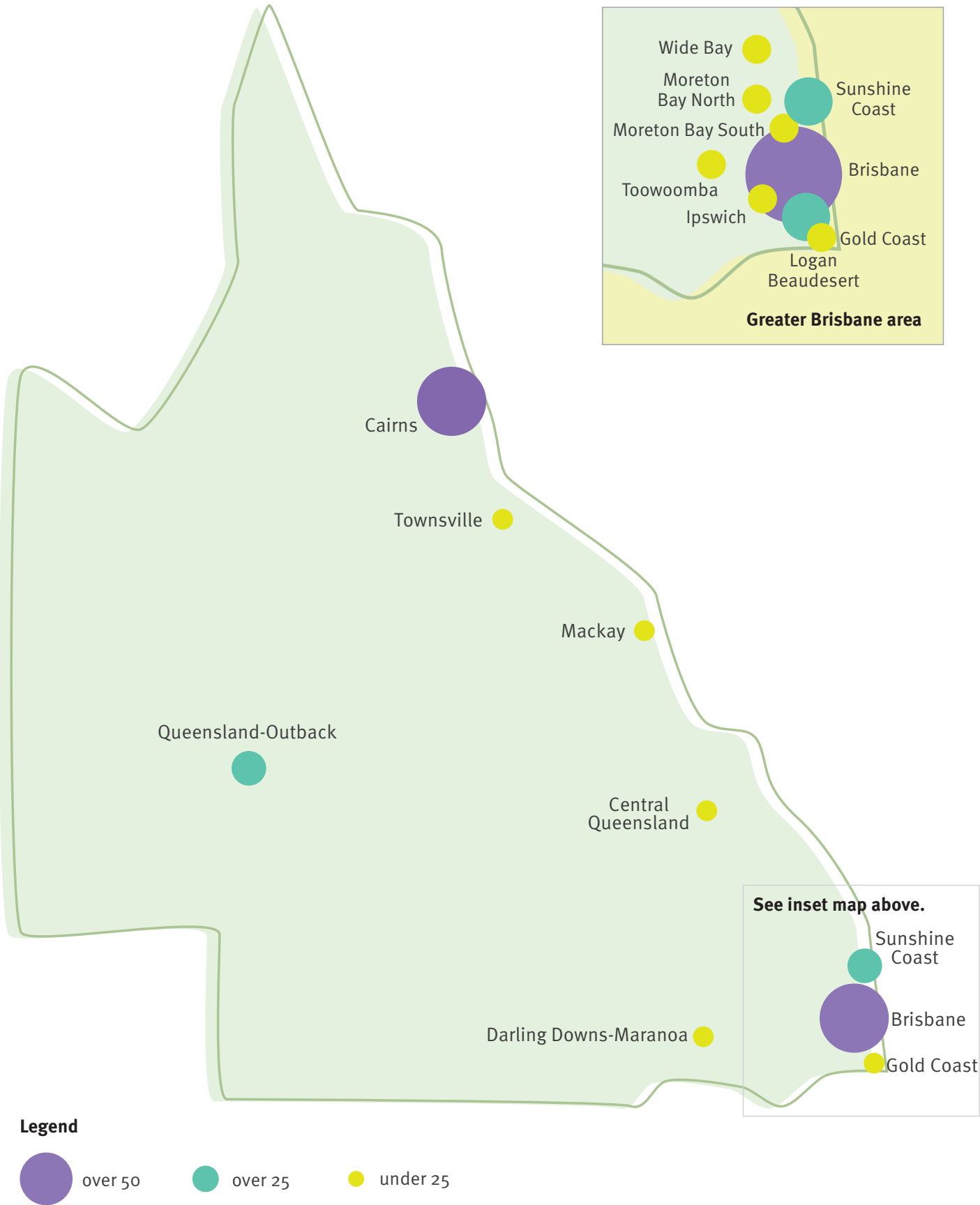
Note all data from Jobs Queensland Report unless separately referenced.

<sup>2</sup> Finding Australia's Social Enterprise Sector 2016, Centre for Social Impact and Swinburne University.

<sup>3</sup> Map for Impact: The Victorian Social Enterprise Mapping Project 2017, Centre for Social Impact and Swinburne University.

<sup>4</sup> Note: This figure is based on comparative international and national data.

# Queensland profile



Note: 38 of the 276 social enterprises and ecosystem organisations identified could not be geographically mapped as they operate through an online portal or had limited/no information available.



# What we have heard

One of the key aspects of the Jobs Queensland project was to provide a deeper understanding of the current challenges and opportunities for the social enterprise sector.

Jobs Queensland undertook a range of engagement and consultation across Queensland in early 2019, including a survey of social enterprises, a series of regional forums across the state and case studies.

The Queensland Government has also undertaken discussions through the Social Enterprise Roundtable, which is comprised of representatives of the social enterprise sector.

What social enterprises told us:

- **Procurement and supply chain** – social enterprises experience difficulty in navigating and responding to government sector procurement processes.
- **Investing in new skills for social enterprises** – social enterprises told us that they are often passionate about their mission or have expertise in their industry of operation but lack business expertise.
- **Access to finance** – limited access to finance for social enterprises, particularly during the start-up phase, was identified as one of the biggest problems faced by social entrepreneurs.
- **Awareness of social enterprise sector activities** – the sector reported challenges with marketing social purpose driven organisations and that greater awareness of the sector is needed to gain public and private sector buy-in.
- **Isolation of social entrepreneurs** – can be a barrier to collaboration and innovation because it does not allow social entrepreneurs to connect and test their ideas.
- **Partnership** – the sector is keen for Government to work with the philanthropic and corporate sector to identify investment possibilities and explore innovative funding opportunities.
- **Support of the ecosystem** – there is an opportunity to use the strong grass-roots movement of Queensland's social enterprise sector to support other areas of the State and drive a "bottom-up" approach to grow the sector locally.
- **Regional and remote impacts** – regional and remote areas including Indigenous communities have additional and unique barriers to the establishment of social enterprises. Any steps to develop local ecosystems need to be tailored to the needs of the local community.

## Providing hope for a career in hospitality

Grabbing a coffee or cheeseburger is helping Emily and others like her to build a new career in hospitality thanks to \$226,000 from the Queensland Government's *Skilling Queenslanders for Work* initiative.



Social enterprise **The Hope Street Café**, allows Emily to gain new experience serving food and drinks, taking orders and handling cash.

"Before this traineeship I was having difficulty getting any work. Now I'm gaining work experience and hospitality skills that I hope will lead to ongoing work in the industry." Emily said.

Annette Gillespie, from **Micah Projects**, said the Hope Street Café aims to provide a space for people to connect and a pathway into the workforce.

"Hope Street Café is a place for individuals to eat, drink, create and connect with their community of choice and access pathways to meaningful participation, training and employment through a social enterprise business model." said Annette.

# What is already happening

## Queensland Social Enterprise Strategy

The Queensland Government is supporting the further development and growth of the social enterprise sector in Queensland to create jobs, support inclusive and diverse workforce participation and deliver social impact outcomes.

## Skilling Queenslanders for Work

*Skilling Queenslanders for Work* (SQW) represents a significant investment of \$420 million over six years to support up to 54,000 Queenslanders into work. It targets groups that generally face barriers to participating in training and the labour market.

Under SQW, a range of projects have been delivered that support social enterprise cafes, plant nurseries, recycling centres and opportunity shops owned and operated by not-for-profit organisations, community-based organisations and local councils.

## Advancing Small Business Queensland Programs

The Queensland Government is committed to supporting small business by providing a business operating environment that enables them to start, grow and employ. Through the *Advancing Small Business Queensland Strategy 2016-20* the government is investing \$26.2 million into a range of programs, services and grants to support Queensland small business, including social enterprises.

## Partnering with the Queensland Social Enterprise Sector

The Queensland Government has entered into a \$240,000, two-year agreement with the social enterprise peak body, the Queensland Social Enterprise Council (QSEC) to support QSEC to engage and build connections in Queensland's social enterprise sector to improve knowledge and information sharing.

## Supporting Social Procurement

Delivering social value is recognised as a key principle in the Queensland Procurement Policy. In 2018, the Queensland Procurement Policy was updated to specifically support disadvantaged Queenslanders by increasing procurement spend with genuine, quality social enterprises.

## Advance Queensland

*Building our Future Economy: Advance Queensland Strategy (Draft)* provides the roadmap to guide how we use innovation to secure our future in a time of global disruption, rapid technological advances and the changing nature of work. The Draft Advance Queensland Strategy recognises social enterprises as a way to address the challenges facing Queenslanders.



# Our vision

**A strong Queensland social enterprise sector – to create more jobs and increase employment for disadvantaged jobseekers and deliver economic, social and environmental benefits to Queensland communities.**

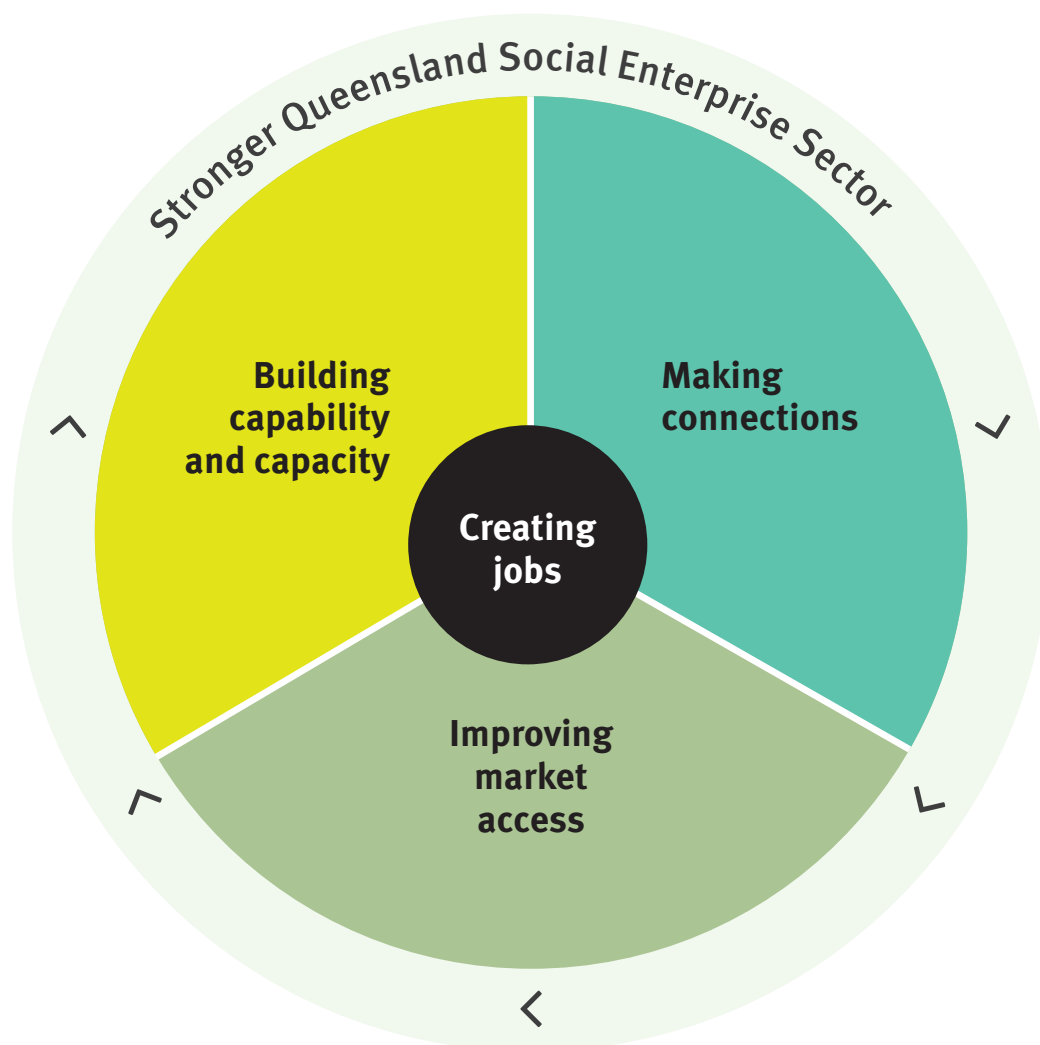
We want Queensland social enterprises to be ready to:

- create jobs
- grow sustainable and viable businesses to deliver social impact
- increase the number of jobs and training opportunities for disadvantaged Queenslanders
- provide social, environmental and cultural benefits to Queensland
- create solutions to local problems to benefit local communities.

This strategy has been developed based on the research and consultation undertaken through the Jobs Queensland social enterprise project.

The strategy has a regional focus and takes a partnership approach with the sector to help develop a thriving social enterprise ecosystem in Queensland with supportive networks and intermediaries.

The three focus areas of the strategy are interconnected to provide cohesive support for the sector and deliver on our vision.



# Key focus areas and actions

## Building capability and capacity

Building the capability and capacity of social enterprises will contribute to developing a growing and sustainable sector, strengthen the social enterprise ecosystem and increase capacity to employ disadvantaged job seekers. It will be critical to partner with specialist organisations that are able to deliver programs that meet the unique needs of the sector and support its further development.

### Innovative funding models

Social enterprises like other small to medium enterprises require different forms of capital investment during different stages of their business lifecycle.

They face challenges securing capital for start-up and growth, particularly from traditional sources like the banking sector.

In addition, a lack of business ‘know how’ and skills gap further impacts on social enterprises ability to put together an effective case to secure funding and use it effectively to sustain their business operations.

We will work with the social enterprise and private sectors to explore innovative funding models that can address the barriers faced by social enterprises in accessing finance to grow and increase their sustainability.

#### Action 1

Explore innovative funding models for social enterprises.

### Strategic partnerships

Social enterprises are innovating every day by developing solutions to social issues and in the process, are creating jobs, tackling disadvantage and supporting community development.

Through strategic partnership pilots we will collaborate with the sector to co-design opportunities for social enterprises to connect with specifically designed accelerator programs. These will provide access to training and mentoring to foster innovation and fast track business ideas that will deliver social impact.

This will include the opportunity to ‘pitch’ ideas for access to further funding or participate in a showcase event where participants connect with private sector investors.

#### Action 2

Explore opportunities for strategic partnership pilots.

## Stopping all stations to skills development

For 21 years the **Nundah Co-op** has been training hundreds of staff and building a sense of belonging, happiness and confidence in the workplace.

The Co-op’s two business streams include catering and hospitality at the **Espresso Train Café** and **Good Food Trailer** as well as the maintenance of 40 public parks and private landscaping opportunities.



This social enterprise gets a high-five for providing long term employment opportunities to 26 people with disability, as well as offering bonus training throughout the year to others.

The Co-op creates around 10,000 hours per year of employment for people who were previously long-term unemployed and had tried other opportunities to find meaningful work.

With continuous growth and additional philanthropic support, the Nundah Co-op is set to double its activities over the next three years.

Their experience in delivering a successful business model means the Co-op is well placed as an example for other aspiring social enterprises to follow.



## Social enterprise grants programs – seed funding

Social enterprises often face unique issues in starting and growing their businesses and accessing funding at the start-up and growth phase. We know social enterprises want to be sustainable and we want to work in partnership with the sector to help them achieve this.

With this challenge in mind, grants programs targeting the social enterprise sector will provide funding for social enterprises to test ideas or expand their operations in Queensland.

One option we will investigate is developing innovative grant programs in partnership with the sector that encourage and enable social enterprise to become more financially sustainable. This could include options to allow enterprises to 'pay it forward' to benefit others in the sector.

Consideration will be given to tailoring support for social enterprises in regional and remote areas, including for Indigenous communities, in recognition of the additional and unique barriers they face.

Also, government support and investment in the social enterprise sector will build awareness and confidence in the sector and act as a signal to private investors.

We will also work with the sector to raise their awareness of existing Queensland Government business support programs including vocational education and training packages available through TAFE or private training providers to build the business capability and skills of social entrepreneurs and employees within the social enterprise sector.

### **Action 3**

**Deliver social enterprise grant programs to support business capability development and sustainability.**



## Making connections

Fostering connections and raising awareness of social enterprises will support development and growth of the sector.

### Support the development of a social enterprise ecosystem across Queensland

A better-connected sector will help build a more collaborative, innovative and stronger identity for the social enterprise sector within the Queensland economy.

There is an opportunity for government to assist in facilitating this co-operation to build a better-connected ecosystem, particularly in regional Queensland.

We will enhance networking and mentoring opportunities to develop stronger social enterprise networks across Queensland.

\$240,000 in funding has already been provided to QSEC to engage and build connections in Queensland's social enterprise sector.

#### Action 4

**Facilitate networking opportunities to create a more connected social enterprise sector.**

### Support a culture of social enterprise innovation

Social enterprises tend to be focused in their local communities. Supporting the establishment of communities of practice in regional areas will help encourage social enterprises to connect and test their ideas and collaborate to develop innovative solutions to local problems.

We will work with the sector to investigate the creation of hubs to foster a culture of social enterprise innovation and develop the ecosystem by providing a place and space for the establishment of communities of practice. This will in turn support the growth of individual social enterprises and the broader sector.

Supporting the development of hubs in regional Queensland provides the foundation for the social enterprise community to build its own ongoing support networks, to leverage mentoring opportunities through peer networks and connect with potential investors.

There is an opportunity for government to assist in the acceleration of networks through the creation of local hubs for social enterprises including partnering and co-locating with existing government services.

#### Action 5

**Collaborate with the sector to investigate the creation of regional hubs for social enterprise to foster a culture of social enterprise innovation.**





## Raise the profile of the social enterprise sector across Queensland

Although the social enterprise movement has achieved an established presence in Queensland, there is the opportunity to increase the level of awareness more broadly amongst potential customers, investors and government of the work and impact of social enterprises in Queensland.

The challenge is to communicate to the broader community the value of social enterprises to build understanding and awareness of the 'social enterprise brand' which will maximise opportunities for social enterprises to engage with the consumer, investors and government.

We will deliver engagement activities to champion the work of social enterprises and enhance the visibility of the sector.

### Action 6

**Promote the social and economic value of social enterprises to raise awareness of customers, businesses, investors and government to grow the sector further in Queensland.**

## Queensland Social Enterprise Council

The **Queensland Social Enterprise Council (QSEC)** is the state's peak social enterprise body and voice of the social enterprise sector in Queensland. Its vision is to support a vibrant, innovative and capable social enterprise sector in Queensland that is sufficiently resourced and supported to achieve high social, cultural and environmental impact.



Above: Impact Boom's Elevate + Social Enterprise Accelerator Program workshop session.

At the core of these activities, the QSEC exists to:

- promote the economic and social value of social enterprises
- advocate with governments, private sector and the charitable sector to facilitate the development of social enterprises
- carry out research, publish and speak on social enterprise
- create mechanisms for the advancement of social enterprise.

QSEC has received \$240,000 in funding from the Queensland Government to help develop the growing sector.

QSEC Chair, Emma-Kate Rose said: "QSEC is excited and grateful for the funding and foresight from the Queensland Government in supporting the growth of social enterprise. It will set up the sector for a strong future, particularly in the regions of Queensland. Never before has this been more critical as we face increasingly complex problems across society."

## Improving market access

Facilitating opportunities to use social procurement to improve market access will support the growth of the sector.

### Leverage government procurement to support social outcomes

By leveraging even a small proportion of the government's total procurement expenditure to achieve social value, communities and social enterprises across the state can benefit enormously. Social procurement can secure jobs for disadvantaged jobseekers, supporting workforce diversity and meaningful inclusion for all Queenslanders.

We will work to highlight and promote the Queensland Government's commitment to help increase government procurement spend with genuine, quality social enterprises.

Understanding the procurement spend with social enterprises can help drive increases in spend. By improving the capture and reporting of data related to social enterprise procurement, government will have a better awareness of engaging with social enterprises.

#### Action 7

**Continue to deliver the Queensland social procurement commitment by embedding social procurement practices across government and improving data collection on government procurement spend with social enterprises.**

## Social procurement partnership leads to greener pastures

Queensland Government's Building and Asset Services (BAS) and social enterprise **yourtown** are partners providing employment and training opportunities for young people facing barriers to employment.

When a fencing and grounds maintenance contract came across the desk, BAS staff saw the opportunity to get the job done and do some good in the south-east Queensland community.

Partnering with longstanding social enterprise yourtown, they are delivering employment and training services to disadvantaged young people.

yourtown CEO, Tracy Adams said through this one project they have provided 21 young people, at high risk of long-term unemployment, with work and training opportunities that have made them more employable and improved their social and vocational skills.

"These young people are gaining valuable on-the-job experience and acquiring the necessary skills and experience to enable transition to the open employment market in a sustainable way."

"For many, this is a life changing opportunity, with participants building self-confidence and addressing long-standing barriers to learning and work," Ms Adams said.





## Connecting social enterprises with government buyers and supply chain opportunities

Strengthened linkages between government buyers and potential social enterprise suppliers will increase market opportunities for social enterprises.

We will help to raise the profile of social enterprises by working with the sector to investigate opportunities to connect government and private sector buyers with quality social enterprises.

This will help drive non-government purchaser and investor interest and confidence in individual social enterprises and the sector more broadly.

The small scale of social enterprises can be a barrier for social enterprises to contract with government. Breaking down large contracts into smaller contracts that can be managed by smaller enterprises opens new opportunities in the supply chain for social enterprises.

In support of social enterprises, we will also look at opportunities for government support and procurement in communities, particularly in rural and remote areas, to be more cohesive.

We will work to increase social enterprises' awareness, knowledge and skills of government procurement processes to improve their tendering capability and capacity.

### **Action 8**

**Work with key stakeholders to identify and link social enterprises to procurement training and supply chain opportunities.**



## Next steps

The Queensland Government is committed to partnering with the sector to help support job creation for disadvantaged Queenslanders.

The Queensland Social Enterprise Strategy is the beginning of a partnership between the Queensland Government and the social enterprise sector which will lay the foundation for us to continue working together in the future to grow the sector.







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