

Backing Social Enterprise

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As a society it is important to tackle issues of entrenched unemployment, food insecurity, biodiversity loss and environmental degradation.

Social enterprises are businesses with a core mission to provide solutions to these problems. Typically, a significant amount of their profits are reinvested into these objectives.

There is currently a lack of government support for social enterprises. The sector is an untapped resource.

Community led solutions to social and environmental issues are vital. Governments need to foster and support these initiatives.

THE GREENS WILL

- ▲ Fund a peak body for social enterprises.
- ▲ Provide a diverse range of grant and loan programs for social enterprise.

A PEAK BODY

Various bodies have worked on social enterprise work in the past, including the Tasmanian Social Enterprise Network (TSEN), which was setup in 2010 with 5 objectives –

1. Raising awareness about social enterprise;
2. Increasing access to funds and financial products;
3. Increasing access to markets;
4. Building trading capacities of social enterprises; and
5. Coordinating support for social enterprises.¹

However, their last activity was in 2013.² The Sirolli enterprise for the people program was funded in 2012 to facilitate community enterprises,³ and was eventually defunded.⁴

We will consult with the sector, as well as participants in previous programs, in order to work towards establishing a peak body to further this work.

A \$350,000 per year commitment will be made to fund the peak body and its activities.

DIVERSIFYING FUNDING OPTIONS

The Greens will introduce three funding options for social enterprise -

\$300,000 will be made available per year for competitive **seed funding grants** for social enterprise start-ups. Criteria will be developed based on consultation with the sector in order to ensure that the mission statement of the applicant is honoured.

\$500,000 per year will be made available for **low interest loans** for established social enterprises to invest in business growth.

\$500,000 per year will be made available for **social and environmental impact bonds**. These bonds attract private investors to provide finance for social enterprises, which yield returns, paid for by the government, upon successful progress on pre-agreed impact targets.

INITIATIVE COST

Initiative Investment (\$m)	1 st Year	2 nd Year	3 rd Year	4 th Year
Peak body funding	0.35	0.35	0.35	0.35
Seed funding grants	0.30	0.30	0.30	0.30
Low interest loans	0.50	0.50	0.50	0.50
Impact bonds	0.50	0.50	0.50	0.50
Total	1.65	1.65	1.65	1.65

REFERENCES

- [1. Kylie Eastley, 'Tasmanian Social Enterprises: Capturing their stories An appendix to the Tasmanian Social Enterprise Study', 2012.](#)
- [2. Tasmanian Social Enterprise Network, February 2013.](#)
- [3. Tim Walker, "Sirolli enterprise for the people". ABC Northern Tasmania, May 2012.](#)
- [4. The Examiner, "\\$950,000 Sirolli jobs program cut", June 2014.](#)