



SOCIAL ENTERPRISE COUNCIL OF NSW & ACT

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Pre-Budget Submission

This document outlines the strategic value of the social enterprise sector to the ACT Government and provides five key recommendations for inclusion in the 2026–27 Budget.

Social enterprises are mission-led businesses that prioritise people and the planet rather than profit. They represent a critical mechanism for social and environmental innovation within the Territory.

The ACT is home to an estimated 180 social enterprises, which collectively provide employment for over 3,000 people and contribute in excess of \$318 million to the local economy.

Sitting between traditional business and charity models, social enterprises do the job of both without the enablers of either. They can fall through the gaps in support, infrastructure and funding. Therefore, social enterprises need targeted support to maximise their impact for the ACT.

The ACT Government has made valuable initial investments, including the ACT Social Enterprise Grant Program and the ACTivate Capital Fund. The recommendations below seek to build upon this foundation.

Recommendations for 2026–27 Budget

1. Expand the ACT Social Enterprise Grant Program
2. Launch an ACT Impact Fund
3. Fund a dedicated ACT Social Enterprise Lead
4. Implement mandated Social Procurement targets
5. Lease underused ACT Government assets to social enterprises at reasonable rates

Targeted investment in these initiatives is a direct contribution to the ACT Small Business Strategy and the ACT Wellbeing Framework. It is projected to reduce long-term demand on social service delivery by fostering economic resilience and inclusive employment. We encourage the government to prioritise these measures.

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About Us

Social Enterprise Council of NSW & ACT (SECNA) is the peak body for social enterprises in New South Wales and the Australian Capital Territory. We were established in 2020 to champion, connect and represent social enterprises and social entrepreneurs¹.

Social enterprises are businesses that put people and the planet first. They trade like any other business but exist specifically to make the world a better place. They adhere to five global standards² - purpose, operations (that prioritise people and the planet), revenue (from trade), surplus (invested back into purpose) and structure (locking purpose in through governance).

SECNA has more than 600 members. There are an estimated 180 social enterprises in the ACT, 4,000 in NSW and 12,000 social enterprises in Australia. Together they contribute 1% of Australia's GDP and 1.6% of Australian jobs (equivalent to the mining sector or the arts and recreation sector)³.

The Opportunity

The ACT faces social, environmental and economic challenges that demand new responses, including housing affordability, mental health and service demand, domestic and family violence, climate change impacts, biodiversity loss and cost of living. The social enterprise sector can help.

A social enterprise is a business that puts people and the planet first. They trade like any other business, but exist specifically to make the world a better place. They combine the power of business to test and scale new ideas with a compass of public good. This makes them a critical tool for social and environmental innovation.

Social enterprises exist in a wide range of industries, impact areas and locations. For example:

- **GG's Flowers**⁴, a sustainable florist that provides meaningful employment for people with disability.
- **Allara Creative**⁵, a creative agency focused on social impact, storytelling, and employing refugee women.
- **Stepping Stone Social Enterprise**⁶, a cafe, catering business and urban farm providing inclusive employment and training for migrant and refugee women.

¹ See SECNA's website for further details: <https://www.secna.org.au/>

² See People and Planet First for a full explanation of global standards: <https://peopleandplanetfirst.org/>

³ See Social Enterprise Australia's report for further information: <https://www.socialenterpriseaustralia.org.au/business-for-good/>

⁴ GG's Flowers: <https://www.ggsflowers.com.au/>

⁵ Allara Creative: <https://allaracreative.com.au/>

⁶ Stepping Stone: <https://www.cafesteppingstone.com/>

- **The Easy Read Toolbox**⁷, which specialises in making information accessible through Easy Read translations, helping people with intellectual disabilities or low literacy.
- **Evaluate8 Sustainability**⁸, an environmental tech company providing software to help businesses track and reduce their carbon footprint.
- **The Data Conversation**⁹, a social enterprise focused on improving data literacy and helping organisations use data to drive social impact.

The estimated 180 social enterprises in the ACT¹⁰ need targeted support to reach their potential. Because social enterprises sit between traditional business and charity, many fall through the gaps in the support infrastructures that exist. They do the job of both without the enablers of either.

The United Nations, OECD and European Union have all recognised the value of social enterprises and are encouraging governments of all sizes to support them¹¹.

Current Investments

The ACT Government is commended for investing in parts of what's needed to support social enterprises, including:

1. Dedicated Social Enterprise Grant Program (\$250,000/year x 3 years)

The most direct support has been the establishment of the **ACT Social Enterprise Grant Program**¹², which was piloted for two years in 2023 and was extended for another year, until June 2026. It provides matched funding of up to **\$30,000** for start-up and early-stage social enterprises and is delivered in partnership with **The Mill House Ventures**, ensuring that recipients also get expert business advisory support.

2. Capital Investment Fund (\$10m initial investment)

The ACT Government and Epicorp have partnered to create the **ACTivate Capital Fund** to provide venture capital to ACT-based businesses. This enables businesses, including social enterprises with for-profit legal structures to access capital in return for equity.

⁷ The Easy Read Toolbox: <https://www.easyreadtoolbox.info/>

⁸ Evaluate8 Sustainability: <https://evaluate8.net/>

⁹ The Data Conversation: <https://thedataconversation.au/>

¹⁰ Social Enterprise Australia report: <https://www.socialenterpriseaustralia.org.au/business-for-good>

¹¹ OECD Global Action "Promoting Social and Solidarity Economy Ecosystems": https://www.oecd.org/en/publications/buying-social-with-the-social-economy_c24fccd0-en.html

¹² ACT Social Enterprise Grant Program: <https://millhouseventures.com.au/social-enterprise-grant-program/>

3. Canberra Business Incubator (\$3.4m/year¹³ + \$3.1m fit-out + lease support)

The ACT government funds the **Canberra Innovation Network (CBRIN)** to connect, promote and accelerate growth of the innovation ecosystem in the broader Canberra region. CBRIN has, at its discretion, provided some funding to **The Mill House Ventures** as the primary intermediary for social enterprises in the ACT. This support allows social entrepreneurs to access a structured accelerator for social enterprises (GRIST¹⁴) and connection to a network of experts and business mentors, but financial support for it is not guaranteed.

4. Procurement Reform

There is an increasing focus on "social value" in government tenders. Recent reforms (including the *Government Procurement Amendment Act 2024* and the *2025 Bill*) have streamlined rules to reduce "red tape" for small and medium enterprises (SMEs).

Also, the ACT's definition of value for money ("the best available outcome for the procurement that maximises the overall benefit to the Territory."¹⁵) provides an opportunity to preference social enterprises, which bring additional social and environmental benefits to the Territory.

To build on this investment, we recommended the following inclusions in the 2026-27 Budget.

¹³ Based on CBRIN impact report stating \$197m economic contribution, \$57 economic return for every \$1 invested by ACT Government: <https://cbrin.com.au/impact>

¹⁴ GRIST: <https://millhouseventures.com.au/grist/>

¹⁵ Section 8(1) of the ACT Government Procurement Act 2001: <https://www.legislation.act.gov.au/a/2001-28/>

Recommendation 1: Expand the ACT Social Enterprise Grant Program

Transition the current pilot into a permanent, multi-tiered framework with more flexibility for social enterprises to decide what the funds can be used for.

We have heard from social enterprises across the ACT that the current program is very helpful for growing social enterprises. An expanded program is now needed in addition to the current grants. Based on feedback we have had from the sector, we recommend adding a ‘small start-up’ grant (up to \$5,000), expanding the growth grant to include expanding successful social enterprises from interstate into the ACT, and adding a ‘step-change grant’ (up to \$100,000) for scale-up social enterprises that are ready for significant growth or replication would significantly enhance the social enterprise sector in the ACT.

A **start-up grant** of \$5,000 can make a big difference to a very early stage social enterprise’s success in getting started and we recommend funding 10 of these per year where a concept shows promise of developing further.

A **growth grant** of up to \$30,000 should continue to be offered, with the criteria expanded to attract existing social enterprises to expand to the ACT. Other governments such as the City of Parramatta which provides funding of up to \$25,000 per social enterprise to establish a presence in Parramatta¹⁶ has seen the benefits of this approach in the growth of social enterprises.

A **scale-up grant** of up to \$100,000 is recommended for fast-growing and high-potential social enterprises to expand quickly. For example, social enterprises like She Shapes History¹⁷, which was founded in the ACT and has now expanded to Sydney, Melbourne, Wollongong and New York with the support of a grant of this size. The grant enabled them to make a key operational hire before their cashflow could support it, and as a result they are on track to increase their annual revenue five-fold from \$110,000 in FY25 to more than \$500,000 this financial year.

We also recommend updating the grants guidelines for all of the above grants to **permit funding to be used for a wider range of purposes including core operations** (e.g., commercial leases and core personnel salaries), piloting new initiatives, and supporting the development of internal systems. Making the funding as flexible as possible enables social enterprises to use it where it is most valuable and will deliver the best outcomes for both business and social impact goals. For example, it may be more valuable to allow funding to support entrepreneurs to work on their strategy and build strategic partnerships themselves rather than pay external consultants. The Commonwealth Government’s Social Enterprise Development Initiative (SEDI) grants administered through Impact Investing Australia¹⁸ recognised this following the initial trial and now allows “up to 20% of the total grant amount to be used for the internal costs of engaging with the SEDI grants program”.

¹⁶ City of Parramatta social enterprise grants:

<https://www.cityofparramatta.nsw.gov.au/community/grants/community-grants>

¹⁷ She Shapes History: <https://sheshapeshistory.com/>

¹⁸ Impact Investing Australia SEDI grants

<https://impactinvestingaustralia.com/looking-for-funding-or-investors/>

Investment in 2026/27 and beyond:

\$500,000 per year (to cover an expanded round of 10 start-up, 9-12 growth grants and 2-3 scale-up grants)

ACT Government entity:

Primary: Chief Minister, Treasury and Economic Development Directorate (CMTEDD) – specifically the Business and Innovation team.

Secondary: Community Services Directorate (CSD) – as a policy partner for social outcomes.

Benefit to ACT Government:

Economic Resilience: Direct contribution to the ACT Small Business Strategy 2023-2026 goals of future-proofing and starting/growing local business.

Wellbeing Outcomes: Supports the ACT Wellbeing Framework by creating inclusive employment for priority groups (people with disability, refugees, and youth) which reduces the long-term cost of social service delivery.

Note:

We suggest that the grants continue to be administered by an intermediary (like The Mill House Ventures) ensuring business and social impact advisory support is provided alongside the funding, to increase the success rate of the funded enterprises.

Recommendation 2: Launch an ACT Impact Fund

Establish a patient capital fund to provide **low-interest, long-term loans to social enterprises**.

By definition, social enterprises prioritise people and the planet over profits.

As a result of prioritising their social mission, many social enterprises incur costs that commensurate, profit-maximising businesses do not, this is especially true for social enterprises focused on the creation of employment. These are called ‘impact costs’. A recent study¹⁹ by the Centre for Social Impact Swinburne identified three significant costs to social enterprises: employee (additional staff to support target employees, higher rates of absenteeism, etc) , property (location choice to support target employees etc) and training costs. Other costs include those associated with reducing environmental impact. A report by Social Traders²⁰ highlighted that certified social enterprises invest 27% of their total revenue in delivering impact. These costs mean social enterprises are less likely to be able to secure traditional loans at market rates than non social enterprise businesses.

¹⁹ <https://www.socialenterpriseaustralia.org.au/wise-impact-costs-report>

²⁰ <https://www.socialtraders.com.au/rise-report>

The legal structure of social enterprises can also make a difference to their ability to secure traditional loans. Some are for-profit legal structures (such as Pty Ltd) and some of these have high enough profit margins to attract investors. For these social enterprises, the ACTivate Capital Fund will be valuable. For social enterprises with low profitability (e.g. circular economy solutions and employment focused) or with a not-for-profit legal structure, another solution is required.

We recommend the ACT Government create an ACT Impact Fund to provide long-term, patient loans to social enterprises. Loans repaid can be reinvested to other social enterprises while the opportunity exists for loans unable to be repaid to be considered as grants. Similar loans have now been launched including the Queensland Government's 'Partnering for Impact' fund²¹.

Investment in 2026/27:

\$2,000,000 (seed capital for the ACT Impact Fund)

ACT Government entity:

Primary: Chief Minister, Treasury and Economic Development Directorate (CMTEDD) – specifically the Business and Innovation team.

Secondary: Community Services Directorate (CSD) – as a policy partner for social outcomes.

Benefit to ACT Government:

Economic Resilience: Direct contribution to the ACT Small Business Strategy 2023-2026 goals of "future-proofing" and "starting/growing" local business.

Wellbeing Outcomes: Supports the ACT Wellbeing Framework by creating inclusive employment for priority groups (people with disability, refugees, and youth) which reduces the long-term cost of social service delivery.

Recommendation 3: Fund a dedicated ACT Social Enterprise Lead

Establish a funded, local leadership role to act as the primary connector and navigator for the ACT's \$318m social enterprise sector.

Amplifying the impact of social enterprises can be achieved through greater connectedness between enterprises and the broader Canberran community. This has been recognised by a number of governments who have invested in coordination of networks, including Queensland Government funding the Queensland Social Enterprise Council, and Victorian Government funding the Social Enterprise Network of Victoria.

²¹ Queensland Government Partnering for Impact fund:
<https://www.treasury.qld.gov.au/policies-and-programs/investment/social-impact-investing/impact-investment-initiatives/partnering-for-impact-fund/>

SECNA's role is to champion, connect and advocate for social enterprises across NSW & ACT and we operate with three part-time staff. We have high level oversight of the people, policies, resources and opportunities that exist in the ACT and do our best to connect social enterprises with them as needed. To make a real difference, more resources are required and we know that having an ACT-based coordinator would work best.

Mill House Ventures has been another organisation that has helped to connect people and resources, but without funding to fulfil this role, they are also limited in what they can offer.

We recommend that the ACT Government fund a part-time (0.8 FTE) Social Enterprise Lead, to undertake:

- **Ecosystem Mapping and Navigation:** Maintain a live map of the ACT social enterprise landscape to connect ventures with the right resources, such as coworking spaces, CBRIN and Mill House, property opportunities via ACT Property Group and funding sources like Snow Foundation and ACTivate Capital. A live map will also help to identify gaps in sector requirements.
- **Transition and Structure Support:** Provide specialised guidance for traditional businesses looking to transition to social enterprise models—a complex legal and structural area that is currently underserved and difficult for founders to navigate alone.
- **Community of Practice:** Lead a 'Social Enterprise ACT' network, organising regular coworking days and industry forums to foster collaboration, shared procurement, and peer-to-peer mentoring.
- **Peak Body Representation:** Act as the direct ACT liaison to SECNA and Social Enterprise Australia, ensuring Canberra's voice is represented in national policy and funding discussions. Act as the contact point for government and businesses to connect with and understand the Social Enterprise sector in the ACT.

Investment in 2026/27 and beyond:

\$145,000 per year x 3 years (Covers 0.8 FTE salary, on-costs, and a small operational budget for community events and coworking venue hire).

ACT Government entity:

Lead: Chief Minister, Treasury and Economic Development Directorate (Economic Development)

Partner: The Mill House Ventures (to leverage existing infrastructure)

Benefits to ACT Government:

Efficiency: A single point of contact reduces the administrative burden on government

Wellbeing & Inclusion: Directly supports the ACT Wellbeing Framework (Governance and Social Connection) by building a more cohesive, self-sustaining impact sector.

Retention: Prevents "impact leakage" by ensuring Canberra-based social entrepreneurs have the local support to stay and grow in the ACT rather than moving to larger interstate hubs.

Note:

This role is not just about "support"—it is about economic development. By providing a "navigator," the ACT can better transition its \$10M Community Sector funding boost into sustainable, trade-based business models.

Recommendation 4: Implement Mandated Social Procurement Targets

Leverage the ACT Government's annual \$1.7 billion procurement spend²² to drive social impact by transitioning from "encouraging" social outcomes to mandating them.

Our recommended steps, based on the actions of the Victorian, Queensland and New South Wales governments, are:

- **Adopt a Formal Definition:** Formally adopt the global definition of social enterprise within the *ACT Procurement Framework* to provide clarity for buyers and suppliers. We recommend adopting the five global standards of social enterprise, as the NSW Government has done²³ and as per People and Planet First²⁴:
 - A social enterprise:
 - Exists to solve a social or environmental problem
 - Prioritises purpose, people, and planet over profit in operational decisions
 - Has a self-sustaining revenue model
 - Reinvests the majority of any surplus towards its purpose, and
 - Chooses legal structures and financing that protect and lock-in purpose long term.
- **Establish Verifiable Targets:** Set an initial "addressable spend" target of **1% to 3%** of total procurement value to be awarded to certified social enterprises by 2027, similar to existing targets for Aboriginal and Torres Strait Islander enterprises.
- **Appoint a Social Procurement Advocate:** Establish a dedicated lead role within **Procurement ACT** to champion the sector, assist buyers in identifying social suppliers, and simplify "social value" reporting requirements.

²² Source:

<https://www.procurement.act.gov.au/supplying-to-act-government/getting-ready-to-work-with-the-act-government/why-supply-to-the-government>

²³ NSW Government social enterprise definition:

<https://www.info.buy.nsw.gov.au/buyer-guidance/source/select-suppliers/social-enterprises>

²⁴ People and Planet First: <https://peopleandplanetfirst.org/>

- **Capacity Building and Networking:** Fund or organise events that enable government buyers to meet suppliers. E.g. Integrate a "Social Enterprise Zone" within the **CBR Small Business Expo**²⁵ or fund/organise a Social Enterprise Expo, and host quarterly 'Meet the Buyer' events to bridge the gap between social entrepreneurs and government project officers.

Investment in 2026/27 and beyond:

\$280,000 per year x 3 years (Covers the salary for a full-time Social Procurement Advocate and the operational costs for a dedicated Social Enterprise Expo/Networking series)

ACT Government entity:

Lead: Procurement ACT (within CMTEDD)

Partner: The Government Procurement Board (for target setting and oversight)

Benefit to ACT Government:

Economic Multiplier: For every dollar spent with a social enterprise, there is a social and environmental return on top of the economic impact of that dollar.

Note:

Events can also be delivered by or in partnership with SECNA, and an advisor or expert speaker is available on request.

Recommendation 5: Lease underused ACT Government assets to social enterprises

One of the most significant barriers to starting or growing a social enterprise in the ACT is access to premises with affordable commercial rent. A solution to this could be exploring the repurposing of ACT Government's underutilised land and buildings that could be used to test social enterprise ideas and provide the infrastructure for organisations that deliver significant social and/or environmental benefit to the Territory.

We recommend identifying vacant or underutilised government assets that could be offered at "peppercorn" or significantly subsidised rates to verified social enterprises through a 'social lease' (where rent is reduced or foregone in return for measurable social or environmental impact). We also recommend adopting a "meanwhile use" framework and identifying spaces that will be vacant for short periods of time (such as while awaiting redevelopment) and could be used by social enterprises to pilot retail or workshop concepts. We recommend making these spaces

²⁵ CBR Small Business Expo:

<https://www.act.gov.au/business/healthier-work/news-and-events/events-2025/cbr-small-business-expo>

available to social enterprises through a platform like the City of Sydney's 'short term empty properties program' where opportunities are published as they arise²⁶.

We further recommend prioritising placing social enterprises that offer "anchor" services - such as cafes that employ young people, repair workshops and First Nations plant nurseries - in local group centres with high vacancy rates to aid social connection and environmental regeneration. Offering long-term affordable leases to these organisations ensures stability, and requiring annual impact reporting ensures there is a measurable return on investment for the ACT Government.

Investment in 2026/27:

No cash outlay required

ACT Government entity:

Lead: ACT Property Group (Chief Minister, Treasury and Economic Development Directorate).

Partner: City Renewal Authority and Suburban Land Agency (SLA)

Benefit to ACT Government:

Urban Activation: Directly contributes to the City Renewal Authority's goals of creating "vibrant, people-focused places" and reduces the costs associated with maintaining and securing vacant properties.

Social Return on Investment: Forfeited commercial rent is converted into measurable community impact, such as increased local employment and improved mental health outcomes (Wellbeing Framework: "Social Connection" and "Place and Belonging").

Note:

To protect the government's interests, leases should be contingent on the enterprise maintaining their People and Planet First (PPF) or Social Traders verification and providing an annual Impact Report to justify the subsidised rate.

²⁶ City of Sydney's short term empty properties program:
<https://www.cityofsydney.nsw.gov.au/cultural-support-funding/short-term-empty-properties-program>

Final Note

The ACT has a population of people who want to make their city a better place socially, economically and environmentally, and the ACT Government has a great opportunity to leverage the work of social enterprises to address the ACT's strategies and frameworks, by providing them with the necessary funding and support structures.

Targeted investment in social enterprises delivers measurable outcomes for the ACT Government while reducing long term demand on the government to solve social and environmental challenges. A budget that supports, strengthens and grows the social enterprise sector would directly support inclusive employment, local economic participation and stronger communities across the ACT.

We urge the ACT Government to make these initiatives a priority in the upcoming Budget and look forward to continuing our engagement to ensure their successful implementation.

Contact

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