

Senate Economics References Committee Inquiry into Finance for the not-for-profit sector

QUESTION ON NOTICE

Monday, 1 August 2011

Outcome 4 - Employment & Participation Policy

Senator Stephens asked on 1/08/2011, Hansard page 63

Question

Jobs Fund – How many social enterprises were funded under the Jobs Fund and how many of them still “continue to trade”?

Senator STEPHENS: I go back to when you were talking about the unrelated business activity. The challenge of balancing that argument with social procurement presents an opportunity for you, Ms Addis, to bring the committee up to date on where the social enterprises are that were supported through the jobs fund and on how many of them have continued to trade. What has been the learning from that whole experience?

Ms Addis: In relation to the jobs fund, the department supported approximately 80 social enterprises that were aligned with the objectives of that particular fund, which was focused on employment generation and retention. I would have to take on notice exactly how many of them are still in operation. Certainly there have been some real successes from that investment.

Senator STEPHENS: It would be helpful for us to understand that. The notion that something that is unrelated business activity is then deemed not investable in the altruistic activities of the charity brings me to the point where, on the one hand, we are looking at the issue of social procurement and how that distorts the market and, on the other, what the benefits of supporting social enterprises in that way delivers in a community, particularly if there is market failure. I would be interested in any learnings that have come from that.

Ms Addis: I am happy to take that on notice. Of course, there are a range of types of enterprises supported through that initiative.

Answer

The Department of Education, Employment and Workplace Relations has provided the following response:

Seventy three trading social enterprises were funded under the Jobs Fund for \$48.8 million.

These projects have created and/or retained almost 2100 jobs, over 700 traineeships and nearly 2300 work experience positions, have provided a range of services to their communities and continue to provide longer term social and community benefits.

Examples of the range of enterprises include:

- Cafes
- Commercial grounds maintenance services

- Retail outlets
- Recycling businesses
- Clothing/footwear manufacture and sales
- Food and catering businesses
- Media production businesses
- Social enterprise business support services.

Sixty eight of these social enterprise projects have indicated their intention to continue operating after the cessation of the funding for their Jobs Fund project, including two projects which were funded to build or expand premises that will be used for the relevant social enterprise. The remaining enterprises were run by not-for-profit organisations that will continue to operate, but will cease the specific projects funded under the Jobs Fund.

The majority of Jobs Fund projects were completed by 30 June 2011. The Department will analyse all leanings from the initiative including funding of the social enterprises and intermediate labour market models as a part of the program closure report, once all final reporting from the projects is finalised.

The Jobs Fund is part of the broader Jobs and Training Compact and leanings from its implementation are currently being considered as part of the Jobs and Training Compact evaluation.