

THE DEVELOPMENT OF SOCIAL ENTERPRISE IN WESTERN AUSTRALIA

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EXECUTIVE SUMMARY

This publication reports on a project exploring opportunities for the development of social enterprise in Western Australia. This project was undertaken by Mission Australia and the Western Australian Council of Social Service (WACOSS) during 2011. In 2015 a literature review, series of interviews and research was undertaken to include progress to date.

This paper contributes to the ongoing dialogue between the government, non-government, finance, small business and academic sectors around social enterprise in Western Australia. The findings, both from 2011 and 2015, show that there is an ongoing appetite for social enterprise and a real interest in forming partnerships to encourage a sustainable pathway for those experiencing the greatest disadvantage. It has also uncovered a number of inspiring organisations who are putting theory into practice, and achieving true social value within the framework of thriving business. Their stories can be found throughout the paper.

The term 'social enterprise' was under an intense definitional debate in 2011, and this has only slightly lessened in 2015. There are a myriad of definitions for social enterprise still. This report uses the definition of social enterprise derived from the *Finding Australia's Social Enterprise Sector (FASES)* research, which is the first and to-date only, 'census' of social enterprise in Australia:

A social enterprise is an organisation which:

- Is driven by a public or community cause, be it social, environmental, cultural or economic.
- Derives **most** of their income from trade.
- Uses the majority of their profits to work towards their social mission.

The key themes from the research are:

1. Creating lasting and sustainable change in complex social problems requires a multi-sector commitment and approach. As such, the research and analysis of this project has engaged all sectors in its exploration. Multi-sector collaboration is vital to embrace the wider concept of business achieving public good. It is about finding solutions through partnerships and collaboration that create an environment where new solutions can be developed.
2. In WA, social enterprise and 'trading to fulfil mission', is present both in start-up and smaller ventures (Dismantle, Big Help Mob, BeFriend). It is already in existence in a number of not-for-profit (NFP) organisations who may have not defined themselves as a social enterprise previously, but are certainly successfully trading to fulfil their missions (Holyoake, Brightwater, Workpower, Silverchain, Fairbridge, etc.). Further, there is often a lack of engagement between the NFP social enterprises and their small venture counterparts.
3. Impact investment and impact measurement has the potential to have a broader and deeper impact on the space of doing good rather than just a specific focus on social enterprise.
4. The WA context requires more capacity building to enable social enterprises to expand, take on investment, and trade at scale. The financial products exist, or can exist, but the capacity for organisations to take on finance at this level does not. There are a number of organisations in WA willing and able to play this capacity-building role for the sector, but there is a significant lack of resources in this area.



OVERVIEW

There continues to be interest in the way in which the community sector, and we as a community, can work differently in order to improve health and economic outcomes for individuals and families, and address social inclusion and the regeneration of disadvantaged communities. Complex social issues require a constant review of the processes and mechanisms for creating change in these areas.

The Centre for Social Impact's Case for Change (CSI, 2012) describes this need succinctly:

- Despite the hundreds of billions of dollars we spend on social purpose each year:
- Things are not changing in specific communities where place-based disadvantage exists.
- Things are not changing fast enough for many Indigenous Australian communities.

And in many cases, like access to affordable housing where there is a five to 10 year waiting period and families are living in cars, things are getting worse.

That's a snapshot of our fair and lucky country in the context of things going well. The future is even less positive. If we do not fix the system failure that leads to these entrenched social challenges, we face significant barriers to addressing the issues of today, let alone the compounded issues we will face decades from now.

Social enterprise is one of the ways in which we can think differently about the design of services to create change.

As mentioned in the Executive Summary, social enterprise has a myriad of definitions. The definition used for the purpose of this report, from the FASES research, aligns with the WA State Government's definition of social enterprise used with the roll out of the Social Enterprise Fund from 2011-2013:

Social enterprises are organisations that:

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

It further aligns with Langdon and Burkett's (2005) broad definition, which the 2011 research for this project used as an anchor point:

A social enterprise is a business whose core objectives and actions centre on social purposes. That is, purposes which are directed at working for public good, public interest and collective benefits rather than private interest or private gain. Social enterprises engage with these social objectives using an enterprising rather than a welfare orientation or philanthropic approach.

This report is unique, in that the initial research began in 2011, and subsequent interviews and observations have been undertaken in 2015. From this perspective, it is clear to see that the environment of social enterprise in WA has advanced significantly in this four year period.

This report will examine the various organisations, initiatives and funds that have led to this advance further, including the Centre for Social Impact, the School for Social Entrepreneurs, the WA State Government's Social Enterprise Fund, the establishment of Social Ventures Australia, the success of Spacecubed, and others. What can be seen clearly in this four year period is the establishment of some (but by no means sufficient) capacity building infrastructure and support for social enterprise, at the various levels of development.



METHODOLOGY

There are four components to this project:

1. A national and international literature review as at 2011; broadly examining the concept of social enterprise and its potential utility in addressing unemployment as well as the issues created by long-term unemployment.
2. A 2011 workshop forum held with representatives from the finance, business, NFP, academic and government sectors to obtain a multi-sector view on social enterprise in Western Australia.
3. Analysis from a survey and workshop conducted by Social Ventures Australia and WACOSS in late 2014, to continue the discussion about what support social enterprise in Western Australia needs to move forward.
4. Analysis and observation from a series of interviews in early 2015 with the 2011 participants, gathering their views on the progress made in the Social Enterprise field in Western Australia since 2011.

WORKPOWER was a recipient of a Social innovation Grant from the WA state government. Workpower has evolved from a state government initiative in 1992 to create employment for people with barriers to work. Twelve separate commercial services have since been created, with each service functioning as an independent company capable of being separated out from the group. Turnover for each company ranges from \$0.5-\$1.5m. The 2013 income is \$16m, of which \$9m is revenue from government contracts and \$7m commercial revenue. Workpower has achieved remarkable growth despite the challenges of running several social enterprises, and sees great potential in state and local government procurement practices. It does also, however, share the characteristics of social enterprise businesses identified in the research in terms of difficulties faced creating surplus due to the nature its business. www.workpower.com.au

The purpose of the research, surveys, interviews and analysis from the above was to address the following themes:

Finance: To explore the possibility for the development of new ways of funding social change, including financial products that could support a social enterprise business model (i.e. start-up costs, cash flow problems and matched lending).

Corporate/private sector: To explore the appetite for supporting social enterprise, including the possibility for the development of tailored assistance programs for social enterprises that may not fit a traditional mainstream small business model.

Not-for-profit (NFP) sector: To explore the role that NFPs play in this space, the ways NFPs already trade to fulfil their mission and how that sits with the concept of social enterprise.

Government: To identify what assistance governments can offer in terms of funding: start up, operational and capacity-building funding. This includes questions such as whether there is an opportunity to influence policies with regard to social procurement, how the funds would be administered, etc.

Academia: To explore what has been gleaned thus far internationally, nationally and locally about social enterprise businesses and how this might be relevant to the Western Australian context.

This report is structured into two main sections¹:

- A discussion about the role of social enterprise to address long term unemployment and social exclusion.
- An analysis of the social enterprise ecosystem, including the views of various sectors within Western Australia about social enterprise.

¹ with information being derived from a literature review and findings from interviews and surveys conducted in 2011 and again in 2015.



Social enterprise as a mechanism to address the issue of unemployment and social exclusion is important to the work of Mission Australia in helping people to regain their independence, reduce homelessness and strengthen communities across Australia.

People who are long-term unemployed tend to differ from employed workers in terms of their education levels, family make-up, health status and location. As outlined below, long-term unemployed people may present with mental illnesses and/or additional disabilities, undeveloped and inconsistent work habits or addiction to drugs and/or alcohol.

Joblessness of parents is the major cause of child poverty, with concurrent problems persisting into adulthood such as poor educational, health and economic outcomes (Whiteford, 2009).

Internationally, there are suggestions that social enterprise can play an important role in enhancing the health and economic outcomes as well as social participation of individuals, families and communities who had previously experienced significant disadvantage; particularly for people who are long-term unemployed. Nationally, Mission Australia's 2008 *Working for Renewal* report on one of its social enterprises, showed improved employment and education outcomes for disadvantaged individuals who participated in the project.

While NGOs and NFPs have been active in the social enterprise space for a significant period of time (Barraket et al., 2010), it is not financially feasible for NFPs alone to support social enterprises as costs are high. Partnering with the private sector, government and academia is critical to success and may make this a more feasible opportunity for employment creation within the Western Australian context (Burkett, 2011).

FAIRBRIDGE VILLAGE CEO Mark Anderson has had a long term goal to convert Fairbridge Village to a fully operational Social Enterprise, and it leads by example in the West Australian environment. Fairbridge provides a wide range of programs and services for young people, aiming to facilitate sustainable growth and positive outcomes for participants. Fairbridge generates 70% of its income through trade.

www.fairbridge.asn.au



In 2011, social enterprise was still embryonic in Australia and particularly in Western Australia, which experiences a less developed philanthropic baseline than either Victoria or NSW. In 2015, there has still been limited formal exploration of the potential of social enterprise to enhance the wellbeing of disadvantaged individuals, families and communities in Western Australia.

In 2011, unemployment was an issue of concern in Australia, at 5.2% in December of that year. In 2015, figures from February from the Australian Bureau of Statistics indicate that the situation has worsened, with unemployment rising to 6.3% (ABS, 2015).

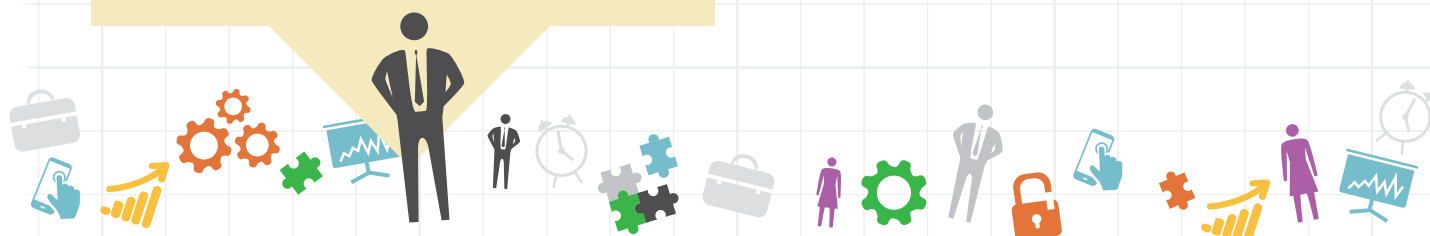
MANY RIVERS is a not-for-profit micro-enterprise development organisation that operates on Christian principles and aims to help Indigenous and other Australians establish and develop micro and small businesses through business support and small loans. It helps enterprising individuals move away from welfare dependency and financial exclusion to being able to improve their personal circumstances and contribute to the community in which they live. It does this through local enterprise development; practical business support; access to finance with business loans on mutual trust and no security required; and providing support and encouragement to clients. Loans are accessed through Westpac, and Many Rivers guarantees repayment. If clients are having difficulties making consistent loan repayments, Westpac may assign responsibility for those loans to Many Rivers, who then supports clients to repay their loans. Mission Australia provides Many Rivers with access to support services and infrastructure, including finance, HR, legal, property, telephony and procurement services. Although Many Rivers is a controlled entity of Mission Australia for financial reporting purposes, Many Rivers' strategic and business decisions are made by its own Board of Directors. www.manyrivers.org.au

There are a multitude of factors which can contribute to unemployment, underemployment and long-term unemployment. High levels of unemployment are more common in certain cohorts, including Indigenous people, people with disability or mental illness, refugees and young people.

Issues associated with long-term unemployment include poorer health outcomes and intergenerational cycles of welfare dependency. People living in remote or regional communities, Indigenous people and other marginalised groups can be particularly affected by long-term unemployment (Burkett & Langdon, 2005; Kernot & McNeill, 2011). The costs of unemployment should not be downplayed. One estimate put the financial cost of addressing issues related to long-term unemployment at \$40 billion annually (Carlson & Mitchell, 2002).

The non-financial costs of long-term unemployment have even more serious implications. Personal costs to the individual may include homelessness, poor mental health, family conflict, relationship breakdown, lower life expectancy, and the use of drugs and/or alcohol to self-medicate feelings of hopelessness (Anthea et al., 2004). In addition, people with lower educational attainment and who receive carers' or disability benefits, tend to be clustered together in geographical areas, making the cycle that much harder to break.

Long-term unemployment has an especially high impact on children in these households. They also have poorer health outcomes, often commencing at birth and accumulating as they grow older; with higher incidences of illnesses such as anaemia and diabetes. Poorer educational outcomes are also characteristic of children from long-term unemployed families. As these children often have poorer employment outcomes as well, poverty can become intergenerational (Griggs & Walker, 2008).



TYPES OF SOCIAL ENTERPRISE MODELS

Just like businesses and NFPs, social enterprises can have a number of different stakeholders, clients and beneficiaries, which dictates their business model. For social enterprises endeavouring to address unemployment by creating employment opportunities, their beneficiaries - individuals in need of support to find employment – are embedded within the business model and there is a significant amount of wrap around support required to be successful. Examples of this type of model are Streat (features on p18), Brightwater Care (p10) and Fairbridge (p7).

However it is important to note that the involvement of beneficiaries in the business model can be considered a spectrum, and there are many other models where the beneficiaries or the people that the enterprise are hoping to support, are not built in to the business model. For example, Silver Chain (p15) and Holyoake (p13).

To address the barriers for individuals who have experienced long-term unemployment, two core actions are involved:

1. Opening opportunities for people to access employment, and
2. Creating environments to offer people the support and training they need to retain employment (Burkett & Langdon, 2005).

A great deal of emphasis in the field of social enterprise has been placed upon the first of these actions, but less attention to the second. This is despite the fact that it is crucial for employment sustainability for those who have typically been disenfranchised through long-term employment. The danger in not addressing the second issue is that employment opportunities (even in the form of social enterprise) become a stop-gap measure, rather than being sustainable in the long-term.

This level of support and wrap around service is complex and very resource intensive. This may explain the success of larger NFPs (operating as social enterprises) in being able to offer opportunities for employment for vulnerable and disadvantaged people, as opposed to smaller or start-up social enterprises.

Burkett and Langdon (2005: pp. 12-13) identified five factors important in addressing long-term unemployment through social enterprise:

Support factors: People who have experienced long-term unemployment often need to address a range of issues in their lives, which negatively impact on the sustainability of any employment they may find. Practical issues need to be addressed first.

The importance of meaningful work: Jobs that offer no incentive or work conditions that are repetitive and mundane, can impact negatively on the sustainability of people's employment. This becomes especially true when there are additional stressors in a person's life.

Structural forces: The changing nature of employment, decreasing opportunities for full-time work, under-utilisation of skills, underemployment, macro-economic changes, globalisation and neo-liberal policies can all seek to undermine the sustainability of employment.

Contextual issues: Contribute to both unemployment and underemployment in a given context such as location (remote, regional, urban, suburban, etc.), the nature of available employment and the levels of support that individuals are offered by employers.

Personal characteristics: People who have experienced long-term unemployment may present with low skill levels, low educational attainment, age impediments, and health factors, problems with physical, intellectual and psychological capacity and substance misuse.



If long-term unemployment and disadvantage is to be addressed adequately, it is vital that there is greater understanding of how these five dimensions interact with each other. It is not just about creating jobs or opening up work opportunities. Equally important is the development of support structures that surround work opportunities so that the long-term unemployed can not only gain employment, but also sustain it. This is at the most basic level of understanding how social enterprise can address unemployment (Burkett & Langdon, 2005).

SOCIAL ENTERPRISE AS A KEY ELEMENT OF TACKLING COMPLEX SOCIAL PROBLEMS

Social enterprise has been historically promoted as a new solution to the ongoing issue of long-term unemployment (Barraket et al., 2010; Burkett & Langdon, 2005; Burkett, 2010; Hetherington, 2008). However, it is important to note that no particular social innovation is a silver bullet for the complex social problems which we face as a society. With specific regard to social enterprise, in 2011, it was identified that a major difficulty was the concept of social enterprise was relatively new and somewhat underdeveloped in Australia and in Western Australia, when compared internationally (Kernot, 2009).

However, the practice of enterprising for social purpose is by no means new. Many people around the country, including Western Australia, have simply been getting on with the job of helping those in need without the label of social enterprise (SiiWA, 2011c). This was clear in the general acknowledgement in interviews, surveys and the 2011 forum, that social enterprises have been in existence within Western Australia longer than the term itself.

Participants also stated that other states had more established social enterprise sectors and an understanding of its language and culture, whereas Western Australia lags behind (Barraket et al., 2010). Whilst in 2011 this may have been true, there have been a number of factors since then which mean Western Australia has come far in defining what social enterprise means in the WA context. This can be seen in the administration of the Social Enterprise Fund by the Western Australian Government, accompanied by a number of awareness raising workshops right around the state; the expansion of organisations such as Social Ventures Australia, The Funding Network, and the School of Social Entrepreneurs into Western Australia.

Social enterprise should not be seen as a panacea for addressing difficult social problems, but merely a framework which forms part of the larger equation for moving government, corporates, NFP's and individuals towards a new social consciousness. Development of the social enterprise sector represents an additional way to address some of the most pressing issues of our society. Social enterprise endeavours to tread the narrow path between social and commercial objectives, and there is a need for championing it in a variety of sectors to bring this vision to fruition (Burkett, 2010).

BRIGHTWATER CARE GROUP, a WA-based not-for-profit organisation, has had great success in running its own commercial operations, Brightwater Linen and Brightwater Catering, where profits are re-invested into their community service operations. The linen service offers employment to people with autism. www.brightwatergroup.com/commercial/brightwater-linen.html



THE CHALLENGES OF OPERATING A SOCIAL ENTERPRISE BUSINESS

Social enterprises are characterised by diversity. Like any other business, there is a range of challenges, including legal and financial. There are also additional challenges unique to them; these include:

- the increased difficulty of stakeholder participation,
- balancing extra key objectives (social objective/s of the enterprise versus profit),
- raising finance for an often unknown business model,
- organisational growth, and in some cases,
- diversification of the enterprise to keep it sustainable (Barraket et al., 2010).

Further, if the people the social enterprise is seeking to serve are a key part of its business model, (as with Streat and social enterprises based on an employment model); there is the additional challenge (as outlined above) of providing appropriate wrap-around support.

In the Foresters Community Finance report, *Financing Social Enterprise* (Burkett, 2010); the lifecycle of a social enterprise is compared to that of a small business. It shows that, while there are some broad developmental pathways that are similar, social enterprise development trajectories tend to be more haphazard and frequently punctuated by fits and starts, particularly in the early stages of the business. Social enterprise progress in a start-up or small business is often non-sequential and beset by more than the occasional revenue crisis.

Anecdotal evidence of social enterprise in Western Australia supports this observation. Understanding the developmental sequence of a social enterprise is critical, especially if it is to be used as a means of employment. Without being able to recognise inhibitors to success, this kind of venture could easily become faddish rather than a sustainable pathway for employment (Burkett, 2010). It also begins to highlight the need for cross-sector collaborations to make social enterprise a viable and sustainable employment solution.

The research and interviews conducted in both 2011 and 2014-2015, made it clear that participants feel social enterprises need to identify gaps in the market that need to be filled, and not to duplicate what was already being done. In order to do this, would-be social entrepreneurs need to fully understand the area they want to impact, what is already being done, and by what organisations in that space. This would increase both sustainability and competitiveness in the market place. Suggested industries within which social enterprise could develop were identified as retail; hospitality; labour and trade industries; recycling businesses; and tourism.

Further challenges highlighted by interviews and surveys include:

- Locating and building business networks, which can be difficult given many social entrepreneurs do not come from a strong business background.
- A central body within Western Australia that can 'match make' experience and requirements.
- Market research to identify gaps that social enterprise businesses could fill and identifying those social enterprises that already exist.
- Productivity versus profitability and how best to support workers so that a social enterprise business can make both a financial and social impact.
- Recognition that Aboriginal community members may require extra support, especially where there are ongoing family disputes and cultural commitments such as sorry business that can disrupt employment and impede long-term employment.
- Competitive tendering, especially the limited timeframes within which to respond.
- Stigmas that may be attached to some social enterprises where the employees are known to have a disability. Such stigma may lead potential social enterprise customers to make false assumptions about the enterprise's product/service quality and value.



LIFECYCLE OF A SOCIAL ENTERPRISE BUSINESS

Four lifecycle phases were identified in the research undertaken by Burkett (2010), which are still highly applicable in 2015.

1. **Start-up:** This entailed moving from an idea to action, building initial infrastructure and/or equipment, initial marketing, networking, attracting first customers, accessing technical and administrative assistance as well as learning the ropes of running a business and achieving social objective/s and purpose.
2. **Development:** In this phase, social enterprises begin to develop key processes and systems, balancing both efficiency and effectiveness across business and social objectives. Attracting and retaining key workers, beginning to stabilise cash flow, and building financial capacity and understanding. Also involved is learning to move beyond crisis management to begin to establish credibility and consistency.
3. **Growth:** Expanding the depth and breadth of activities, knowing the required levels of sustainability, expanding the breadth and depth of marketing, growing people not just income, and developing the right staff base and governance.
4. **Maturity:** Building from a stable base to addressing key sustainability questions (financial and social), developing a sense of internal and external enterprise identity, moving from a total internal focus to a balance between internal and external focus, i.e., looking at ways in which to develop the sector; and long-term planning rather than short-term survival.

THE BIG ISSUE MAGAZINE is a well known example of an organisation creating social value through trading.
<http://www.thebigissue.org.au/>

THE BUSINESS OF SOCIAL ENTERPRISE

The literature reports fluctuations in cash flow to social enterprise businesses (Barraket et al., 2010; Mitchell et al., 2004; Burkett, 2010; Burkett & Drew, 2008; Burkett & Langdon, 2005; Carrington, 2004; Kernot & McNeill, 2011; Hetherington, 2008). This mostly results from the payment of wages to staff and the ways in which customers pay for goods and services. Enterprises tend to manage cash flow crises by using payback on restricted capital, overdrafts with banks that charge interest rates as high as credit cards, loans from families and friends, personal sacrifice and reliance on the goodwill of workers. Wages constitute between 40% and 70% of overall expenses. The availability of cash flow projections and no or low-interest working capital in the form of overdrafts or standby facilities would assist to meet expenses. The research also identified a need for financial training of social entrepreneurs and their staff and the associated implementation of sound processes (Kernot & McNeill, 2011).

The demands of balancing social objectives with generating positive financial outcomes is unique to social enterprise and distinguishes them from common business models. Further, for social enterprises that focus on employing disadvantaged people, there are high support costs, which need to be incorporated into the business model. Many social enterprises are focused on industries that are lower profit and have lower barriers to workforce entry such as cafes and repair shops; which even in the mainstream business environment find it difficult to generate a surplus (Kernot & McNeill, 2011). The difficulty of running these kinds of social enterprises is reflected in the 2014 data; that of the 33 social enterprises that completed the survey, 90% generate social impact through the programs they deliver, compared to only 30% that generate social impact through the employment of disadvantaged job seekers.



SECTOR COLLABORATION AND SOCIAL ENTERPRISE: THE POSSIBILITIES

In seeking to address the challenges of making social enterprises viable, especially as a form of employment creation, innovations are necessary (Burkett & Drew, 2008; Carrington, 2004; EAC, 2009). NFPs and the public sector have typically worn the burden of creating opportunities for employment for those most disadvantaged in our society, generally with insufficient support (Burkett, 2011; Burkett & Langdon, 2005; Carrington, 2004; Murray et al., 2010). What is needed is a multi-sector approach to long-term unemployment that does not stop at short-term solutions (Kernot, 2009). A wrap-around support model that involves the participation of multiple sectors is a more viable solution to creating real job opportunities in the form of social enterprises for people who have experienced long-term unemployment. Such a model would incorporate support not only from traditional service providers such as the government and NFPs, but the private and corporate sector as well.

Arms of support investigated in this report are finance and business sectors, NFPs, government and academia. They are potential partners in creating an environment of sustainable solutions for social enterprises to help people experiencing long-term unemployment.

LEGAL STRUCTURES: STRENGTHS AND LIMITATIONS

Social enterprises are subject to a range of legal structures: proprietary limited (Pty Ltd) companies, companies limited by guarantee, non-trading co-ops and incorporated associations. Each legal structure presents its own particular opportunities and challenges for social enterprises in relation to accessing and holding different forms of capital (Burkett, 2011).

This has not changed since 2011, and in fact many social enterprises are actually setting up as incorporated associations rather than a more traditional business model. This has been partly due to the opportunities to access seed capital in the form of grants and sponsorship through these structures more easily than through a proprietary limited or limited by guarantee structure. The 2014 survey data demonstrates that roughly 55% of the 33 respondents are set up as incorporated associations, with about 3% identifying as private companies, 15% as companies limited by guarantee, nearly 10% as Indigenous corporations, and the rest identifying as 'other'.

The challenges of legal structures in relation to finance are two-fold. Firstly, different legal structures will affect what types of capital can be accessed: market or grant capital. The other challenge relates to the parent organisation's culture and governance imprinting on the social enterprise and influencing what types and sources of capital are sought. This will also be further discussed when considering the role of financial institutions in social enterprise in Western Australia.

A majority of the income of **HOLYOAKE** is generated through social enterprise, with its award winning Drumbeat program being a social and financial success. www.holyoake.org.au



The real costs of social enterprise and implications for financing

One of the key issues social enterprises face in accessing finance is full acknowledgement and transparent reporting of the costs involved with operating. As stated, a social enterprise has all the costs involved with operating a traditional small-medium sized business in addition to a set of 'impact' costs that are incurred by way of achieving the social, environmental or cultural objectives of an enterprise, which do not occur in traditional businesses.

This may include supporting the complex needs of employees, paying extra to ensure that produce is fairly traded or organic, or recycling and reusing materials that traditional businesses would treat as normal waste. None of these costs are necessarily built into the social enterprise businesses' operational costs, nor are they cost neutral.

It also important to note that, in 2015 where the lines between corporate, NFP and government sectors are becoming more blurred, that these financial challenges are not necessarily unique to what is termed here as 'social enterprise'. In 2015, many 'traditional' businesses also operate sustainably, which includes fair trade, organic or recycling and reusing materials. This was evident even in the 2011 forum, where there was a lot of confusion about what the term social enterprise meant, primarily due to the fact that social enterprises cut across so many different boundaries. Hybrid business models were frequently mentioned in the forum, denoting the fact that social enterprise businesses seldom rely on mainstream models of finance to either start-up or sustain business growth.

It is also critical to understand the financial realities of social enterprise and what kinds of capital could be offered to address a social enterprise's needs. There is a need to separate them out in order to develop a clearer picture of the nature of social enterprises and what it actually costs to deliver these impacts. This may mean finding ways to structure their financial accounts that clearly demonstrate which moneys are restricted, what impact costs are incurred, what portion of their surplus is operational and what part of their net assets is actually available – either as reserve or for business development (Burkett, 2010). BRAC (featured on page 21), for example, demonstrates through its financial accounts what portion of their moneys are restricted and unrestricted.

Using this approach, it would then be possible to develop a picture of how capital could be structured to ensure that enterprise operations are viable, sustainable and profitable. The ongoing challenge for social enterprises is to find ways to meet the costs of both their operations and social impact generation (Burkett, 2011).

Social enterprises often seek hybrid forms of finance rather than the kinds of capital that would be accessed by a traditional small business or commercial organisations. In a nutshell, financing social enterprises requires an ecological approach to financing, taking into account diverse needs, structures and purposes, and the difficult paths between balancing both financial and social impacts (Arros et al., 2009). Forms of financial capital generally accessed for start-up, growth and consolidation as indicated at the 2011 forum, were primarily a mix of grant funding through Lotterywest, philanthropic donations, volunteer contributions (primarily in the form of free labour), personal investment and personal sacrifice. Again, this finding is consistent with research (Barraket et al., 2010; Burkett, 2011; Burkett & Langdon, 2005; Murray et al., 2010).



In 2015, there are burgeoning options for financing for social enterprises, although all of those listed at the 2011 forum are the most prevalent and dependable even four years on. What has become clearer over time however, is that often the issue is not the availability of financing, but the capacity for organisations to take on the capital available. As frustrating as it can be anecdotally, for the social entrepreneur, capacity building is the key and the flow of funds from the new options for financing for social entrepreneurs largely depends on the entrepreneurs' ability to balance both the passion for their social impact and strong business acumen or reputation.

Central to the development of many social enterprises to date, has been both grant and gift capital. The questions that arise are: for how long should grant capital be accessed, for what purposes, and when does grant and gift capital start to create a dependency cycle? Burkett and Langdon (2005) suggest that, in order to best support the viability and sustainability of a social enterprise, grant capital should be aimed at particular purposes within a social enterprise, for example to cover support and impact costs, and infrastructure capacity to deliver the best possible conditions for viable production and operations. Capital can also be used to 'de-risk' business creation, strengthen capacity and develop financial management discipline. Enterprises must create pathways to access other types of finance as they reach the appropriate stages of maturity. e.g. debt and equity.

The 2014 survey results indicated that social enterprises did not have access to the kind of financing and funding they need. Over 50% of respondents did not feel their organisation was able to take on repayable loans, and 50% of respondents either 'strongly disagreed' or 'disagreed' with the premise that they had access to finance that meets the needs of their business. Only 10% agreed that they did.

The key challenges in terms of financing social enterprise in Australia are around understanding and accepting the real costs, coming to terms with the strengths and limitations of legal structures, building capacity, and connecting capacity and finance in an appropriate and meaningful way.

Final lessons learned about Australian stories of social enterprise

Kernot & McNeill's (2011) report identified a number of key lessons based on their study of Australian social enterprises. Though the WA landscape has changed significantly in four years, many of these remain relevant today.

Founder and succession plans

There is a need for founders to have succession plans in place from an early point in the development of the business. Over-reliance on one key worker can lead to burnout and unplanned restructuring of the organisation if they decide to leave the business. This typically presents as a key issue for many small to medium-sized social enterprises.

SILVERCHAIN has developed a client and resource management system designed to increase productivity and improve service delivery for health, aged and community care organisations called **COMCARE**. It is intended that Comcare will provide a revenue stream for Silver Chain. www.silverchain.org.au/group/2013annualreport/service-highlights/eos-and-comcare/
www.australianageingagenda.com.au/2012/11/15/serious-tech-business-with-a-social-cause/



Mission conflict

There is often conflict between a social enterprise's business and social purposes. Another common conflict is when social enterprises sit within a larger NFP and a mismatch exists between their organisational systems. Because social enterprises are for-profit, they need to have the autonomy and flexibility to make decisions quickly to compete with mainstream businesses in the market. Needing to consult with the governing body of the parent NFP can significantly delay response to market need and lead to lost business opportunities.

Choice of product and service

Market analysis needs to be undertaken about the types of goods and services a social enterprise chooses to sell. Over reliance on one type of product can lead to a lack of competitiveness in the marketplace and lack of sustainability for the future.

Preparation for start-up

A slow start-up with careful preparation has been identified as critical to the success of many social enterprises. Sufficient time needs to be dedicated to developing strategies that address problems and prevent replication of what has already been done before, thus maximising the impact of limited resources.

Costing services and full-cost recovery

There is limited government understanding about the costs of implementing high level public policies, and NFPs and social enterprises often bear these costs. Moreover, extra social costs for additional supervision and ongoing personal support make it very difficult for social enterprises to break even, let alone achieve a surplus. This needs to be acknowledged in social enterprise business models.

The importance of long-term partnerships

Long-term partnerships have helped to reduce reliance on grants for funding and assisted in the exchange of knowledge and contracts. However, complete dependency on a single partner can be seen negatively by other prospective funders.

Boards and advisory committees

Strategic choices about governance roles that match organisational needs against individual skills have proven to be far more useful to social enterprise businesses than asking friends who already support them to act in this capacity. Evidence from the 2014 survey indicates this may need further work in the Western Australian context, with only 45% of respondents indicating that they were happy with the breadth and depth of experience on their boards.

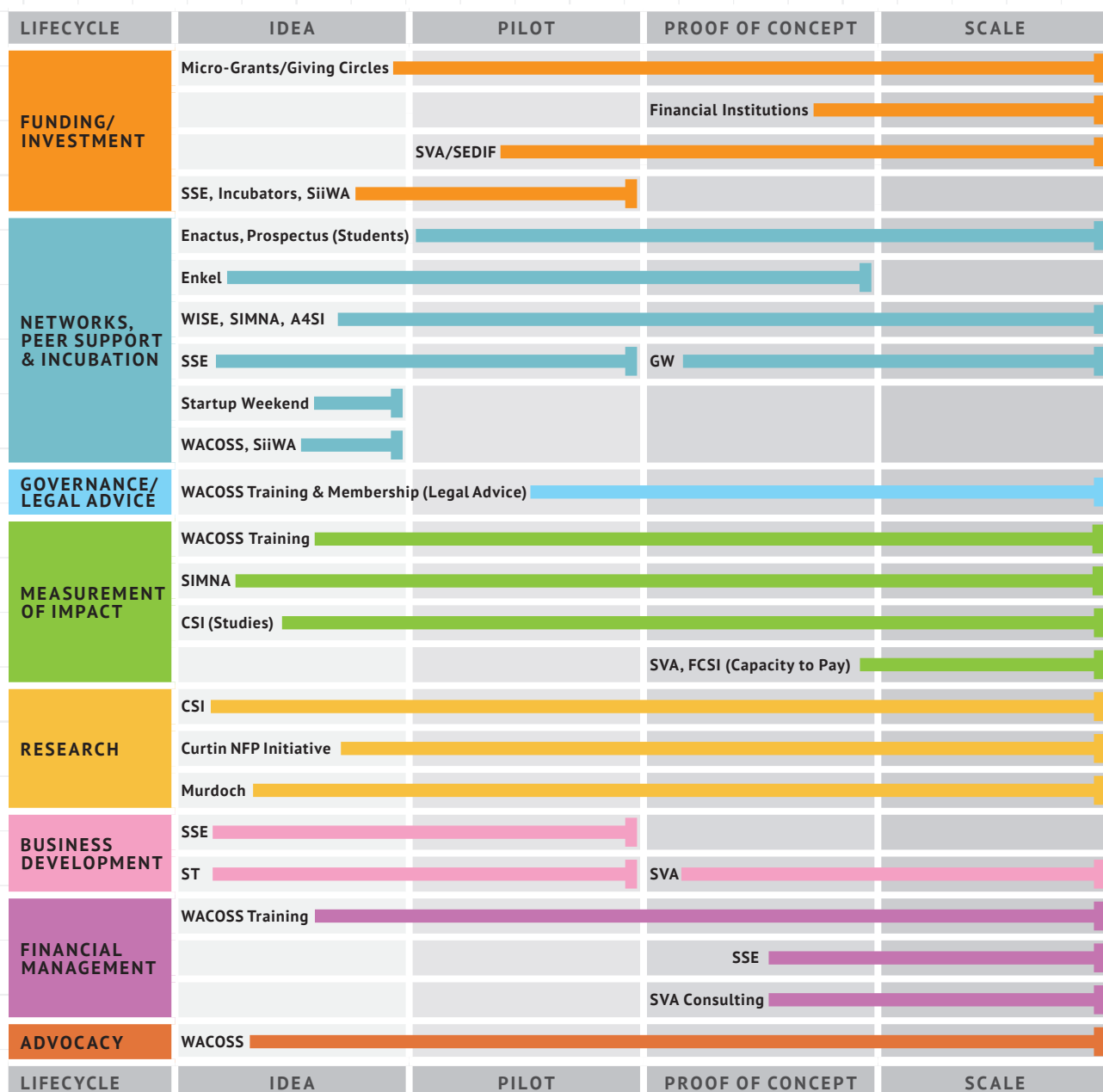
Demonstrating impact

This has been a problematic issue within the social enterprise field, and has become more so in the Western Australian context since the implementation of the Delivering Community Services in Partnership (DCSP) Policy in 2011; which outlines a move by the WA government to procurement based on outcomes. As grant-making philanthropists, government and corporate foundations become more engaged with investment for social impact, there will be a need for more sophisticated measurement understanding and practices. This is supported by the 2014 survey results, where the majority of respondents most valued social impact measurement as an area in which they require support. Having systems in place from early on in the enterprise's life, will be critical in capturing relevant data to demonstrate social return on investment.



THE SOCIAL ENTERPRISE ECO-SYSTEM IN WESTERN AUSTRALIA

This section is intended to provide an overview of the support infrastructure available in WA for social enterprises, and which kind of support is most useful at which part of the journey of creating and maintaining a social enterprise.



Acronyms are explained in the descriptions of each organisation in Appendix 2.

A4SI: Alumni 4 Social Impact

CSI: Centre for Social Impact

FCSI: Fairbridge Centre for Social Innovation

GW: Giving West

SEDIF: Social Enterprise Development and Investment Fund

SiiWA: Social innovation in Western Australia

SIMNA: Social Impact Measurement Network - WA

SSE: School for Social Entrepreneurs

ST: Social Traders

SVA: Social Ventures Australia

WACOSS: Western Australian Council of Social Service

WISE: Women in Social Enterprise



THE ROLE OF LOCAL INTERMEDIARIES

Local intermediaries are defined here as organisations or support structures with a physical presence in Western Australia, which assist to support the capacity building of social enterprises in some way. Many of these are themselves social enterprises. It is important to note that much of this infrastructure has been developed since 2011, when the initial analysis was conducted by this project. There has been an emergence of an eco-system around social enterprise which is depicted above. Some of these organisations were founded in Western Australia, while organisations from other parts of Australia have chosen or are looking to enter into the Western Australian market.

- Social Ventures Australia (SVA) brings a venture capital approach to the social sector, working with government, corporates and NFPs to craft financial models and products to encourage the flow of capital into the sector.
- Social Innovation in Western Australia (SiiWA) is developing a suite of products, services and programs to encourage and support social innovation and enterprise in Western Australia, including collaboration space, scholarships and investment funds. Spacecubed is the first major initiative of SiiWA, a co-working, collaboration and innovation space at 45 St Georges Terrace which supports a mix of social, environmental, technology and creative entrepreneurs along with larger Corporates, Government and Not for Profits.
- The Western Australian Council of Social Service (WACOSS) is the member based peak body for the NFP community services sector in Western Australia. WACOSS provides policy advice to government, advocacy for vulnerable and disadvantaged Western Australians, and assists with building the capacity of the sector that supports them.

STREAT Every night in Australia over 105,000 people are homeless. 26,000 are young people aged 12-24. The impact on these young people is traumatic, with:

- The majority leaving school before Year 10 with no formal education
- Almost 60% being destined for long-term unemployment
- Their average life expectancy crashing to 47 years (normally 85 years)

The current cost of a young person remaining homeless across their life is over \$700,000.

STREAT believes large intractable social problems like youth homelessness and disadvantage need a creative, large-scale response. STREAT combines wrap-around social support with industry training and work experience in their cafes. STREAT offer customers delicious coffee and meals and provides trainees with work and life skills.

To date STREAT has had:

- 238 youth in their programs
- 750,000 meals and coffees served
- 6,200 days of training offered
- 60% youth retention in their programs
- 90% of those in intensive programs have improved their wellbeing
- 80% of those from intensive programs are employed or in further training
- 95% of those in intensive programs have improved their housing status
- 67% of funds generated through businesses
- 90% Urbanspoon average rating across the main cafes
- Over 5,000 Pay It Forward cards completed by customers enabling over 5,000 free coffees and 500 free meals to be given to homeless people.

www.streat.com.au



- The School for Social Entrepreneurs (SSE) hosts a mix of programs, including a highly successful 9 month incubator, which encourages the development of new ideas, initiatives and social enterprises.
- Giving West promotes and supports all kinds of giving and raises awareness of charitable purposes in Western Australia. Giving West connects through giving networks, educates by sharing knowledge and good practice, and promotes good giving and good impact stories to build a culture of effective giving in Western Australia.

A further description of the role of each of the organisations is provided at Appendix 2.

Since 2011, there has also been the proliferation of a number of networks and initiatives that support the development of social enterprise, outside of these intermediaries. These are often informal and volunteer-run, but are beginning to play a key role in better connecting the social enterprise space, and connecting people interested in creating positive social change, whatever the sector they may be working in. Some of these networks are listed at Appendix 6.

2013 SECTOR STATISTICS

- Not for Profit (NFP) organisations have contributed almost \$55 billion to the Australian economy, the contribution is a \$22 billion increase compared to figures from 2006-2007.
- NFP organisations have employed more than 1 million people in 2012-2013.
- NFP organisations received an income of \$107.5 billion
- NFP organisations hold \$176 billion worth of assets

www.abs.gov.au/ausstats/abs@.nsf/mf/5256.0

THE ROLE OF NOT-FOR-PROFIT ORGANISATIONS (NFPs)

The NFP sector is diverse and organisations play differing roles in the space of social enterprise. People with a lack of employment opportunities are often also facing multiple complex issues within their life. Given the close relationships NFPs often have with clients, the sector has long acknowledged that a *work first* approach is ineffective.

There is a need for wrap around services to address issues hindering employment such as poor literacy and numeracy skills or drug and alcohol misuse. This means NFPs need to work with and leverage the skills and experiences of one another to provide appropriate wrap-around support. The role of NFPs in providing this support is critical to assist people with major employment barriers to not only enter but stay in the workforce, and have a sense of wellbeing.

Since 2011, many large NFPs that have been trading to fulfil their mission have adopted some of the language of social enterprise, and been able to define their operations in this language. The 2014 survey results indicated that the NFP sector plays a large role with implementing social enterprise in Western Australia; with just over 60% of respondents working for established NFPs that are either using social enterprise to diversify their income or have a social enterprise/trading arm. Less than 30% worked for an established social enterprise.

Examples of NFPs setting up separate social enterprises, or trading to fulfil their mission can be found at pages 10, 13 and 15.



Academic research has helped to inform social enterprise policy development from its inception. For example, Associate Professor Barraket at the Queensland University of Technology undertook the first major mapping of Australian social enterprises (Barraket et al., 2010). This provided a comprehensive overview of social enterprise at a national level, which has helped to inform policy development (DEEWR, 2010).

The Centre for Social Impact (CSI) in the Business School of the University of Western Australia has offered a Graduate Certificate in Social Impact since 2011; units of which are also offered to MBA students as electives. This course has attracted, and been completed by, many leaders from the government, corporate investment and NFP sectors. The CSI is also involved in a number of important NFP research projects at state and national levels.

- develop a body of research focused on practical and implementable outcomes that will enhance the resilience, efficiency and sustainability of the NFP sector;
- build significant and effective industry; and
- build a body of up-to-date, Australia specific knowledge to inform policy and practice.

THE ROLE OF GOVERNMENT AND GOVERNMENT FUNDS

Federal government

In 2011, the Australian government made the announcement that Foresters Community Finance, Social Enterprise Finance Australia (SEFA) and Social Ventures Australia (SVA) were appointed as fund managers for the Social Enterprise Development and Investment Fund (SEDIF).

The NSW government is leading the way in Australia in social impact investment and support for social enterprises. In February 2015, they established an Office for Social Impact Investment and released a Social Impact Investment Policy, the first of their kind in Australia. They also administer a social impact investment knowledge hub, available at www.dpc.nsw.gov.au/programs_and_services/social_impact_investment



BRAC – AN INTERNATIONAL EXAMPLE OF WHAT IS POSSIBLE

The 'BRAC model' comprises of a collaborative network of enterprises, development programmes and investments – all of which together serve the comprehensive vision and objective of BRAC, i.e. to empower the poor, alleviate social/environmental imbalance and enhance financial sustainability.

The BRAC development programmes are dedicated toward fulfilling BRAC's social and philanthropic missions and are run as fully-funded, non-surplus ventures. While the BRAC enterprises are mostly incepted as a support mechanism that allows the development programmes to be sustainable, the surplus-generating model of the BRAC enterprises allow for 50 per cent of the surplus from the enterprises to support BRAC's expenditures, including its development programmes that are often run at very high costs, and the remaining 50 per cent to be re-invested in the enterprises themselves, and as a result reduce the need for external funding.

The BRAC Investments unit comprises of financially profitable investments and financial service businesses that are geared toward generating financial returns while adhering to underlying social causes such as low-income housing, microfinance, small enterprise loans, information technology, clean development mechanism (CDM) etc.

Currently, 27 per cent of BRAC's overall financial needs are fulfilled by various donation/external sources while the remaining 73 per cent is financed internally by BRAC from the surplus of its enterprises and the dividend from its investments. By continuing on this model, BRAC's goal is to become 100 per cent self-financed in future.

www.brac.org.au

SEFA brings together a unique range of partners including Community Sector Banking, the Macquarie Group Foundation, the NSW Aboriginal Land Council, Australian Bush Heritage, the University of Sydney and Triodos, one of the world's leading social impact organisations. In total, there is capitalisation of \$32 million.

SVA also secured leveraged investment from a range of sources to more than double the \$20 million Australian Government grant. The aim of the fund was to provide seed funding to social enterprises nation-wide, and to 'seed' a movement in the larger business community towards impact investing. This was a significant step forward by the Australian Government in terms of social innovation and social enterprise capacity building initiatives. As a result, \$40.6 million in new investment capital became available to social enterprises around Australia.

In their 2013 evaluation report, the Department of Employment which administers the SEDIF, outlined that the fund managers were beginning to differentiate their place in the market and in the products being offered and that ideally over time, this differentiation will become more apparent. Ten investments were approved at the end of 2012, worth a total of \$4.69 million (Department of Employment, n.d.).

State government

In 2008, the Western Australian government commissioned a report by the Economic Audit Committee (EAC) with regard to how the public sector could partner to serve public and community interests. The report acknowledged that there was a need to function collaboratively both within and across the community, the public, NGO and private sectors. Coupled with this view was the desire to promote a culture of ongoing self-evaluation, learning and improvement within the sectors that deliver public and community programs, and for government to act as a facilitator of services rather than a direct provider (EAC, 2009).



The issue of service delivery in regional and remote areas was also highlighted and the need to empower individuals and communities to design programs that best suited their needs. The low population density and the vastness of Western Australia were noted as posing a unique challenge to service delivery, especially employment creation. Decision-making tends to occur in administrative silos with bureaucratic power centralised in Perth. This undermines localised responses to community needs and there is a strong role for social enterprises to play in this space (EAC, 2009).

As a result of the EAC report, the Department of Premier and Cabinet established the Partnership Forum, bringing together leaders from the NFP and government sectors to create a genuine partnership in the policy, planning and delivery of community services in Western Australia. (<http://www.partnershipforum.dpc.wa.gov.au/Pages/Default.aspx>).

The Partnership Forum has developed a set of principles and behaviours to govern and facilitate this partnership and collaboration. The partnership specifically emphasises the importance of a collaborative approach, interdependence, mutual respect, trust and recognising the value and contribution of both sectors.

The Partnership Forum developed the Delivering Community Services in Partnership (DCSP) Policy (2011), which changes the nature of the funding and contracting relationship between government and the sector. (https://www.finance.wa.gov.au/cms/Government_Procurement/Policies/Delivering_Community_Services_in_Partnership.aspx)

The three major elements of this policy are:

- a. Changing the nature of the relationship between the NFP and government sectors, and co-designing outcomes for community services in partnership.
- b. Consolidating and developing new funding and contracting options, including 'flexible arrangements'.
- c. Reducing the administrative burden, through a move to outcomes based procurement.

Whilst the success of the implementation of the DCSP Policy is anecdotally mixed, there is general acknowledgement of considerable goodwill on both sides.

This history of the partnership is important for understanding the implementation of two funds in 2011 – the Social Innovation Grants Fund and the Social Enterprise Fund. These funds were established to encourage NFPs to trial ideas on how best to address social needs that are not being met by existing programs (SiiWA, 2011a); and provide seed and expansion funding for Western Australian social enterprises, respectively.

The Department of Local Government and Communities administered the Social Innovation Grants Fund, whilst a consortium led by Social Ventures Australia, including Social Traders, University of Western Australia Centre for Social Impact and Western Australian Council of Social Service administered the Social Enterprise Fund.

The outcomes of the WA Social Enterprise Fund, whilst receiving mixed anecdotal feedback, were substantial, according to the SVA website:

- Over 550 organisations reached
- 154 applications received across two funding rounds
- Over \$5 million in grants committed across two funding rounds
- 40 organisations funded to build business plans and/or capacity
- 21 organisations funded to commence or grow a social enterprise



Local government

The State Government has expressed the view that local government would be better suited to look at social procurement, and the contracting and subcontracting from larger businesses to smaller social enterprises. There has been some success in influencing the procurement practices of local governments, and since 2011, several local governments have placed social enterprises on their preferred supplier list, largely in catering and waste solutions.

Since 2011 we have also seen a growing interest from some local governments to support social enterprise in other ways. For example, the City of Fremantle and the City of Canning sponsored positions in the 2015 School for Social Entrepreneurs WA Incubator Program to build social enterprise capacity in their local area.

The City of Fremantle has also worked closely with Spacemarket and the MANY 6160 project (Old Myers building) that provide Launch Pad Scholarships, which have given social enterprises retail space to test and grow their products and services.

Government as a whole has the ability to create change and opportunity in this area by transforming procurement and commissioning practices, acting as an intermediary to assist skill development and the provision of loans funds and business support. However, as was noted by Flatau (2011a), governments are not able to do everything, and social entrepreneurs, NFPs and philanthropists all have roles to play.

THE ROLE OF FINANCIAL INSTITUTIONS

Several financial institutions in Western Australia are allocating funds to support social impact and social enterprises. Bank managers who were involved in the 2011 workshop and surveys noted that social enterprises are both critical and underdeveloped in rural Western Australia. In terms of offering finance to social entrepreneurs, they identified much the same problems as the research. Many individuals and groups presenting for finance, do not know how to develop an idea into a viable, strategic and well-organised business plan, which is needed to obtain financial backing from a traditional lending institution. This task is even more complex for social entrepreneurs, who aim to meet two bottom lines, profitability and social impact (Burkett & Langdon, 2005).

Individuals representing the finance sector also raised the issue of standardised financial reporting. Because social enterprises have a mixed economy of business-raised revenue, grants, philanthropic donations and personal investment, it can be difficult to establish a financial reporting record stable enough to enable lending; an issue also noted in the literature. It was suggested that philanthropists may be able to restructure the way in which they assist social enterprises financially by offering interest-free loans. This could help social enterprise businesses to establish financial credibility to meet bank lending criteria.

The Banks investigated for this report have mainly opted to provide funding to support capacity building of social enterprise executive as a priority. Where there is direct investment, it is tied to previous rounds of funding and a successful transition through the capacity building process.

As highlighted at the start of this report, the NFP sector is a very large market with high capacity for growth in terms of financial products. The banks have assessed this and have opened the dialogue with them about new funding and new financial products.

A description of each organisation is provided at Appendix 4.



enterprise and giving it some solid backing and credibility), office space and investment. All of these elements increase the likelihood of success and reduce the burden of many social enterprise owners/managers trying to work their way through what can be a massive learning curve for any business owner, let alone a business that is trying to meet a dual bottom line (Arros et al., 2009; Barraket et al., 2010; Burkett & Langdon, 2005).

In 2011, there were no small business advice centres in Western Australia adequately equipped to deal with social entrepreneurs who want to progress an idea from a business plan to an actual business. It was also considered that advice needs to be tailored to social enterprises, as planning is very different from a traditional business.

To an extent this continues to be true in 2015, but being able to access advice about growing small businesses is not only about other sectors' understanding social enterprise and the contribution it can make, but about social enterprises understanding business and being able to access that information in a way that adds value for them.

In 2011 it was noted by both financial institutions and corporate representatives that rural and regional Western Australia is vastly underdeveloped in terms of social enterprise activity. To encourage development of regional social enterprises, it was suggested that capacity-building could be achieved by networking with larger businesses and appointing board members from the private sector. The corporate sector could also provide human capital and infrastructure.

Possible capacity-building resources might include business mentoring, leadership training, succession planning and access to resources and expertise in legal, accounting and administrative areas. Networking with larger organisations may lead to these companies passing on smaller contracts and referring them to social enterprises. Other networking benefits promoting social enterprise sustainability include leveraging other organisations' relationships for revenue generation or other forms of support.

THE ROLE OF GRANTS

Seed funding is necessary for the start-up of social enterprise, and grants are often the only, and usually the most suitable, choice. Several social enterprise founders from interviews in 2015 have recommended that grants be used for start-up costs but not for operational costs, and that this should be covered off by trade.

One of the major players for grants in Western Australia is Lotterywest. In the 2013-14 financial year alone Lotterywest contributed a total of \$124.5 million to over 1000 community and charitable organisations (Lotterywest, 2014). There is no breakdown for how many of these were for social enterprises; however this figure alone demonstrates how critical the role of Lotterywest is to the NFP sector in Western Australia.

Most grants in the WA landscape continue to be available only to organisations that are NFPs; however this is beginning to change. Institutions are beginning to realise that there are businesses that are as strongly committed to creating a social or environmental impact as organisations with NFP status. This has resulted in a hesitant, but growing tendency to recognise an organisation's grant eligibility by intentionality and measurability instead of legal structure (Garham & Anderson, 2015). Institutions that have made this change include RAC and NAB.

The Department of Local Government and Communities has an extensive Grants Directory that may be used as a reference point for any social enterprise seeking grants. <http://grantsdirectory.dlg.wa.gov.au/GrantsSearch.aspx>



CONCLUSION

The development of social enterprise in Western Australia is a journey that is continuing, but that has evolved significantly since 2011. There are many more intermediaries and organisations able to articulate their activities in the language of social enterprise, social investment and the measurement of impact.

Social enterprise can absolutely be a means of employment for people with long-term unemployment and significant challenges, and all sectors support this premise in theory. Evidence from 2011, 2014 and 2015, demonstrates that social enterprises have the potential to bridge social deficit gaps and help to alleviate the social and economic needs of disadvantaged individuals and communities. The 2014 data demonstrated that 88% of respondents think social enterprise is an important model for the delivery of social programs. However, as was noted many times, many social enterprises are struggling to survive financially. **Achieving sustainability as an organisation, while also supporting people with complex needs is a significant challenge.**

In order to move away from welfare or grant-gifting dependence, the actual costs of operating a social enterprise, especially one employing disadvantaged Western Australians, needs to be teased out alongside the social impact. Financing for social enterprises needs to be addressed in a holistic manner and not compared to the usual small business lifecycle, as their developmental pathways and outcomes are vastly different. Financial support and products for social enterprises need to be co-designed by all sectors, considering carefully and realistically the ability to accurately measure both social impact and financial outcomes.

This co-design approach needs to occur to ensure we are creating lasting and sustainable change in complex social problems. Collaboration between sectors is important, but so is ensuring there is more learning and engagement, and less of a divide between the small start-up social enterprise ventures in WA and the well-established NFP organisations trading to fulfil their missions.

Social enterprise throughout this report has been acknowledged to be an important element in the eco-system of creating change, and since 2011 there have been great strides in furthering the concept of social enterprise in Western Australia. Further learning which is valuable for the social enterprise space includes the growing sophistication of understanding in the areas of impact and outcomes measurement and impact investment. Once again, it is important to ensure that the social enterprise space can learn from the NFP community services sector which has been doing significant work in this area in Western Australia since 2011.

Finally, within Western Australia there is a real need for further resources to build the capacity of NFPs and social enterprises to trade to fulfil their mission, scale, and take on financial investment. The eco-system of social enterprise in Western Australia is highly supportive of fostering trade to fulfil mission – but resources are required to further support sectors to do this.

As a final note, it is important to understand that this cannot be a definitive guide to all aspects of social enterprise in WA. There is great scope to further explore the potential of social enterprise in WA, and this project is intended as a contribution to this space, rather than the 'final word' on the subject.

Mission Australia and WACOSS look forward, with interest, to the work of the Centre for Social Impact, which is undertaking a longitudinal study on the financial sustainability of social enterprise in Western Australia. This will be another very valuable addition to the research and analysis of the impact social enterprise can have in Western Australia.



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APPENDICES

Appendix 1: Process undertaken in 2011

The project in 2011 was conducted in five phases as outlined below.

Phase 1: Literature review

A literature review was conducted to define social enterprise and examine related concepts, and subsequently updated in 2015.

Phase 2: Establishment of working party

The purpose of the working party was to seek collaboration from suitable individuals within the key sectors identified in the project proposal. Members who attended the working party meeting were asked to recruit key players in a position to make decisions in their sector, to attend a forum held eight weeks later.

Phase 3: Workshop forum

A workshop forum was held in order to obtain the views of decision makers within each of the key relevant sectors about the current state of social enterprise in Western Australia and opportunities for further development. The forum was held as an all day workshop in October 2011, and included discussion of four principle questions:

- a. What kinds of social enterprise businesses would seem workable in Western Australia given the issues described?
- b. What are the main challenges?
- c. What are the opportunities?
- d. Who can make this happen?

Phase 4: Preparation of workshop report

A report on the forum workshop was written and distributed to attendees for comment.

Phase 5: Preparation of final report, subsequently up-dated with the 2015 'review'

This publication is the final project report, combining findings from the literature review, findings from the workshop forum, and subsequently updated to reflect the state of affairs in early 2015.



Appendix 2: The Social Enterprise Eco-System in Western Australia – Further information on intermediaries

Social Ventures Australia (SVA)

SVA helps to create better education and employment outcomes for disadvantaged Australians by bringing the best of business to the social sector, and by working with partners to strategically invest capital and expertise. SVA Consulting shares evidence and knowledge to build social sector capacity, while SVA Impact Investing introduces new capital and innovative financial models to help solve entrenched problems.

SVA is a non-profit organisation established in 2002 by The Benevolent Society, The Smith Family, WorkVentures and AMP Foundation.

In SVA's first 12 years they had several notable achievements including the generation of \$45 million of investment from philanthropists, trust and foundations and government into the social sector, working with 88 social ventures like Beacon Foundation, Ganbina and AIME, and distributed more than \$20 million to support their work, brokering \$165 million of investment into early childhood learning to fund the non-profit consortium buyout of ABC Learning Centres to create GoodStart, providing 15% of Australia's early childhood places, advised UnitingCare Burnside on Australia's first Social Benefit Bond, with the NSW Government, and delivered over 550 consulting engagements for over 300 clients.

SVA supports social enterprise development through venture philanthropy, impact investing and consulting.

Learn more at <http://socialventures.com.au/>

Social Innovation in Western Australia (SiiWA)

Social Innovation in Western Australia (SiiWA) Social innovation in Western Australia was started to support people coming up with solutions for some of the big challenges Australia and the world are set face.

This is achieved through a focused effort on promoting, enabling and facilitating innovation, social enterprise and entrepreneurship. Through creative partnerships and collaborations with diverse stakeholders and ensuring financial sustainability and independence for social innovation in Western Australia through a range of social enterprise development activities we are able to put in place solid frameworks to support these goals.

SiiWA has sponsored and hosted many events on the theme of innovation and social enterprise, creating opportunities for networks, community and learning to develop. SiiWA has been hosting Startup Weekend Perth since 2012, of which at the last event four of the final 10 pitches were social enterprise ideas.

SiiWA is developing a suite of programs, services and products to encourage and support social innovation and enterprise in Western Australia. These include scholarships and investment funds, see under 'Key Funds' for more information on these.

SiiWA also runs Spacecubed, a collaborative working environment for all sectors, but which has attracted a number of start-up businesses looking to create social impact, and social enterprises including School for Social Entrepreneurs, Foundation for Young Australians, Career Trackers, Today We Learned and MyGuru. This has allowed for collaboration and cross-learning.

Learn more at <http://www.siiwa.org/>

School for Social Entrepreneurs (SSE)

The School for Social Entrepreneurs (SSE) Australia inspires and equips change makers and social entrepreneurs to establish, scale and sustain social ventures that foster social and economic participation, and create a lasting impact within disadvantaged communities. SSE's vision is a community powering positive change makers for a more inclusive and sustainable world.

Unlike a traditional school, SSE Australia is non-academic and based on a 'learning by doing' approach. Students gain practical business and life skills that they can apply directly to their ventures.

SSE Australia, founded in early 2009, is based on the highly successful SSE UK founded in 1997 by serial social entrepreneur Michael Young. In addition to the Australian schools in Sydney, Melbourne, Brisbane and Perth, there are 12 Schools in the UK and one in Canada (Toronto) with a global network of over 1,200 Fellows (including over 300 in Australia).

SSE Australia was founded by *Social Ventures Australia*, *SSE UK*, and serial social entrepreneur *Steve Lawrence AO*.

SSE run learning programs across Australia for people from all backgrounds that have an idea or business with a community benefit.



SSE hosted its first program in Perth from February to May 2014. The Accelerator Program was a four-month program designed to attract social enterprise leaders who wanted to grow and refine their social enterprise. This program attracted a full cohort of 14 students. These enterprises represented a mix of legal structures and stages. These 14 students are now SSE fellows who are heavily involved in the expanding social enterprise community. They continue to meet for peer-to-peer learning. In 2015 SSE are hosting their nine-month Incubator Program in WA for those who are looking to develop a social enterprise from concept form.

SSE have launched their Partnering for Scale and Impact initiative in 2015 – see more on this under 'Key funds'.

Learn more at <http://sse.org.au/>

Western Australian Council of Social Service (WACOSS)

The Western Australian Council of Social Service (WACOSS) is the member based peak body for the NFP social service sector in Western Australia, representing 300 member organisations, and over 800 organisations involved in the provision of services to the community. WACOSS is part of a national network of national, state and territory COSS's, with this national coverage strengthening the capacity to represent state interests. WACOSS speak with and for the hundreds of thousands of West Australians who use community services each year, bringing their voice and interests to the attention of government, business, decision makers, media and the wider community.

WACOSS provides policy advice to government, and advocacy for vulnerable and disadvantaged Western Australians, and assists to build the capacity of the sector that supports them.

WACOSS' work that is related to social enterprise includes a significant training program every year on a wide range of topics relevant to social enterprise, including financial management, governance, and the provision of legal advice. WACOSS also facilitates yearly Emerging Issues Forums, which bring together members and sector leaders to explore the issues emerging in the sector and communities within which we are working. WACOSS also administers DropIN, the online platform assisting all sectors to collaborate better online (www.dropin.org.au).

Learn more at www.wacoss.org.au

Giving West

Giving West promotes and supports all kinds of giving and raises awareness of charitable purposes in Western Australia. Giving West connects through giving networks, educates by sharing knowledge and good practice, and promotes good giving and good impact stories to build a culture of effective giving in Western Australia.

In practice, Giving West:

- Promotes good giving stories to inspire
- Encourages NFP collaboration
- Collaborates for greater impact
- Facilitates Best Practice and knowledge sharing
- Develops initiatives to grow giving
- Connects through giving networks
- Provides giving workshops and seminars
- Shares research and statistics
- Connects givers with advisory services

Learn more at <http://www.givingwest.org.au/>

Pollinators (based in Geraldton)

Pollinators Inc is a member-based social enterprise founded as an Incorporated Association in December 2010 in Geraldton, Western Australia. Being a social enterprise means Pollinators operates like a business, generating around 50% of revenue from paying customers. Using a mix of earned revenue and grant funding Pollinators is able to achieve their social mission while remaining financially resilient.

Pollinators' mission is to *Nurture innovations and people that enable healthy, resilient communities.*

Pollinators is the only organisation of its kind in regional Western Australia.

Pollinators runs CityHive, Australia's first regional co-working space operating at 184 Marine Terrace from an inspiring Heritage-listed building on Geraldton's main street. Pollinators also ran Catalyst, a 4 month accelerator program for social ventures in 2013 and 2014.

To learn more, visit <http://pollinators.org.au/>



Social Traders

Social Traders' mission is to nurture, develop and grow the social enterprise sector in Australia. Their work revolves around raising awareness of social enterprise, building enterprise capability, and opening markets for social enterprises products and services. Social Traders are not currently present in Western Australia, but were involved in the roll out of the Social Enterprise Fund, and are based in Sydney and Melbourne.

The work of Social Traders falls into the following key areas:

1. Increasing awareness and understanding of social enterprise

Social Traders staff regularly speak at conferences and events around Australia and overseas. Social Traders co-hosted the 2009 Social Enterprise World Forum and established the inaugural Social Enterprise Awards in 2013.

2. Building the investment-readiness of social enterprises

With workshops and coaching services programs like The Crunch, and resources like The Builder, Social Traders works with social enterprise operators to ensure their enterprises are viable and investment-ready. Social Traders also directly invests in social enterprises to enable them to get off the ground.

3. Growing the market for social enterprise products and services

Social enterprise thrives on customers. The work of Social Traders in social procurement leverages the millions of procurement dollars spent by government and business to grow the market for B2B social enterprises. At the consumer level, Social Traders develops resources such as The Finder and marketing campaigns such as the Good Gift Christmas Campaign to enable consumers to buy from social enterprises.

Learn more at <http://www.socialtraders.com.au/>



Appendix 3: The Social Enterprise Eco-System in Western Australia – Further information on academia

CSI

The Centre for Social Impact (CSI) in the Business School of the University of Western Australia has offered a Graduate Certificate in Social Impact since 2011, units of which are also offered to MBA students as electives. This course has attracted, and been completed by, many leaders from the government, corporate investment and NFP sectors. The CSI is also involved in a number of important NFP research projects at state and national levels.

The CSI is currently heading up two major longitudinal studies funded by the Bankwest Foundation in *Measuring Outcomes for Impact in the Community Sector*, and *Assessing Social Enterprise Financial Resilience*.

The CSI has largely focussed on education and capacity building within and between sectors, attracting mostly current leaders within the NFP sector, but also some leaders within the government and corporate sectors. The Centre has run a number of events and forums, bringing key international speakers in the area of social impact to Western Australia to further build, inform and foster trends in social innovation.

CSI considers a foundation is required to drive this movement, and set the frameworks for the long term successful integration of Social Enterprise and Impact; a 'maturity model'. It would include looking at activity based costing, aligning more closely with commercial business practice, and competition between NFP's and private companies for services to drive efficiencies. It would also facilitate the network of interested parties and increase understanding and awareness in the wider community.

Curtin NFP Initiative

Curtin's School of Accounting established the Curtin Not-for-profit Initiative in 2011 following a refocus of research objectives toward industry-ready research outputs that are readily applicable in practice. As such, the aims of the Initiative are to:

1. Develop a body of research focused on practical and implementable outcomes that will enhance the resilience, efficiency and the sustainability of the Not-for-profit Sector Australia-wide;
2. Build significant and effective industry engagement in order to identify and prioritise the topics of research, and to facilitate dissemination and discussion of the findings to the best effect for the sector; and
3. Build a body of up-to-date, Australia specific knowledge that can be used to inform policy and practice within government, the Not-for-profit Sector and the broader community with a view to enhancing policy outcomes to the greater benefit of all communities in Australia.

Murdoch University

The Institute for Social Sustainability (<http://www.murdoch.edu.au/Research-capabilities/Institute-for-Social-Sustainability/>) is based at Murdoch University and Murdoch professors Dr Martin Brueckner and Dr Rochelle Spencer have published some papers in the area of social enterprise.

It is possible that other universities are doing work in the area of supporting social enterprise through research or capacity building. This is not intended to be an exhaustive list.



Appendix 4: The Social Enterprise Eco-System in Western Australia – Further info on financial institutions

National Australia Bank (NAB)

In 2014, the NAB contributed \$66.5 million contribution to the community, and announced a \$1M Australia-wide impact investment fund, the aim of which is bridge the gap between mission driven organisations needing funding, and impact investors seeking suitable investment options.

NAB has concluded that investment opportunities in this sector are often deficient in one or more of risk tolerance, asset base, limited trading history, or accountable and capable management.

To increase capacity in the sector they are offering grants of up to \$100,000 to 'purchase capacity building support', (professional help to build the organisation's ability to be investment ready). NAB is aiming to catalyse sizable amounts of impact investment in Australia.

To learn more, visit <http://www.probonoaustralia.com.au/news/2014/09/nab%E2%80%99s-1-million-impact-investment-fund#>

Bankwest

The Bankwest Foundation was established in 2013 with a mission to improve the well-being of Australians by enabling the implementation of significant and meaningful community initiatives in Western Australia and nationally. Bankwest has pledged \$1,000,000 to the Bankwest Foundation each year for five years.

The Bankwest Foundation has partnered with the UWA Business School Centre for Social Impact to undertake a research program Supporting Development and Growth in the Community Sector in Western Australia.

The aim of the program of research is to increase our understanding of the difference community programs make and which factors enhance the resilience and long-term financial viability of Western Australia's emerging social enterprise sector.

Improving the evidence base on the measurement of outcomes of community programs and of the financial sustainability of WA's social enterprises will support growth and innovation in the community sector and build community resilience.

To learn more, visit <https://www.bankwest.com.au/cs/ContentServer?packedargs=pagepath%3D%252Fabout-us%252Ffin-the-community%252Fcommunity-overview%252Fbankwest-foundation%26tab%3Dresearch-reform&c=Page&childpagenam e=Bankwest%2FPage%2Fcontroller&rendermode=previewnoinsite&pagename=Foundation%2Fwrapper&cid=1269940072086>

Westpac and the Westpac Foundation

The approach of the Westpac Foundation is to focus support on innovative social enterprises that have the potential to achieve real change.

Westpac wants community partners to be around for the long-term in order to drive lasting social change. They foster this through:

- Supporting social enterprises at all stages of development, from start-up right through to well established organisations looking to expand
- Fostering deep, long-term partnerships with grantees to ensure their future sustainability
- Building the internal capacity of grantees with a blend of financial and non-financial support
- Using the skills and expertise of Westpac Group staff and social sector partners for the benefit of grantees.

Learn more at <http://www.westpac.com.au/about-westpac/westpac-foundation/grants/grants-and-apply/social-enterprise-innovation/>

The Bendigo Bank

Community Enterprise Foundation™ is the philanthropic arm of the Bendigo and Adelaide Bank Group.

A single foundation, capable of being the gifting structure for hundreds of communities and causes, makes our Foundation's structure unique and highly effective.

Since 2005, the Foundation has worked closely with Bendigo Bank's network of community and charitable partners. The aim of the Foundation is to bring together local people who care about their community.

The Foundation currently partners with many communities and organisations across Australia to ensure that all fundraising and giving activities are undertaken in accordance with industry best practice standards, enabling these organisations to maximise their time doing what they do best: working in and helping their local communities.

Whilst this is not a specific social enterprise fund like Westpac, the Bendigo Bank guidelines would be likely to support social enterprise type activities.

Learn more at <http://www.bendigobank.com.au/foundation/>



Appendix 5: The Social Enterprise Eco-System in Western Australia – Key Funds

Social Enterprise Finance Australia (SEFA) has been established to provide tailored finance to social enterprises on commercial terms together with targeted business advice and support.

Fundamental to this is a commitment to helping clients build their capacity to manage debt and become financially sustainable over time. SEFA seeks to maximize social and environmental impact in addition to supporting financial returns and a viable sector.

SEFA's SEDIF funding of \$10 million has been matched by a further \$10M received from a consortium of equity investors and lenders.

SEFA stands out as being one of the first financial services company in Australia to be focused on social impact lending, and the provision of ancillary services to social enterprises. This vehicle has been established in response to an observed shortage of social lending and community finance in Australia; against a background of the successful provision of such services for the past three or more decades in Europe and North America.

SEFA consider social investments of \$50K to \$1.5M under SEFA finance, and up to \$5M with co-investors for projects. Their model includes business mentoring, education and support services to the social enterprise sector. SEFA partners with the Macquarie Group Foundation to provide professional mentors to the social enterprises they advise. Their aim is to build a leading Social Enterprise Financial Business in Australia.

To learn more, visit <http://sefa.com.au>

Foresters Community Finance, is a non-profit organisation that has been delivering community finance and social investment products in Australia for the past 20 years. Foresters is a Community Development Finance Institution (CDFI). CDFI's are socially focused organisations that use community finance and social investment to generate financial returns as well as social, cultural, and environmental outcomes.

Foresters Group of Companies includes Social Investment Australia Ltd (SIA) a joint venture company with InterFinancial Corporate Finance Limited. SIA is the financier and fund manager for Foresters' investment products. Foresters is a new breed of financier using the tools of the capital markets to help people and communities help themselves.

Foresters provides loans to individuals who do not have access to mainstream finance as well as business development and property loans to non-profit organisations and social enterprises. SIA has developed a range of social investment products for social investors who are seeking a financial and social return.

To learn more, visit <http://foresters.org.au>

The SVA Social Impact Fund (SIF) is funded through \$4 million of the SEDIF funds, matched with \$4.6 million from private investors. This fund provides loan or equity investments of \$150,000 – \$1,000,000 to social enterprises, aiming to promote social impact through financial support. The lending criterion is based on commercial principles and attractive returns for investors.

Learn more at <http://socialventures.com.au/work/sva-social-impact-fund/>

The Social Enterprise Fund (SEF) is currently closed, pending review. It was a pool of funding from the WA government, aimed at increasing the development of social enterprise in Western Australia. Pre-investment and post funding support was supplied by a consortium of SVA, (Social Ventures Australia) Social Traders, the Centre for Social Impact (CSI) and the Western Australia Council of Social Service (WACOSS). As part of the application process, the consortium offered a range of services from application advice, workshops, due diligence and general business support. The fund aimed to encourage and support not-for-profit community service organisations in establishing new, or strengthening existing social enterprises. Applicants could apply for funds for capacity building, or for business development.

The Social Innovation Grants (SIG) program is also currently closed pending review. It is another \$10 million investment by the WA Government aimed at promoting innovation in the delivery of social and community services. Funding of \$2 million in 2010-11, and \$4 million thereafter for each year of the program was available for prospective organisations, and taken up by many in the sector. A full list of grant recipients can be found at: <http://www.communities.wa.gov.au/grants/grants/Pages/Social-Innovation-Grants-Program.aspx>

The **Indigenous Social Enterprise Fund (ISEF)** was launched in 2013, led by SVA in partnership with IBA, Reconciliation Australia and Price Waterhouse, will provide investment and business support to Indigenous social enterprises. It is the intention that the Fund is returned to an Indigenous-led organisation after the two-year pilot period. For further information, please see the *ISEF fact sheet*.

The Youth Justice Innovation Fund, whilst not targeted at social enterprise, is a fund established in 2014 by the Department of Corrective Services, with an initial \$2 million to fund innovative, community based programs that address some of the multiple and complex factors associated with high youth reoffending rates, in particular for Aboriginal youth. For further information please see <https://www.correctiveservices.wa.gov.au/youth-justice/youth-justice-innovation-fund.aspx>



Lotterywest plays a very significant role in the development of the NFP community services sector in Western Australia, and as such, some role in start-up funding for social enterprises. For more information on the variety of grants offered by Lotterywest, please visit <http://www.lotterywest.wa.gov.au/grants>

The School for Social Entrepreneurs (SSE) has launched in 2015 their *Partnering for Scale & Impact (PSI) initiative*, designed to transform Australia's early stage social enterprise sector.

Noting that the social capital market for more developed social enterprises is better established than the market for earlier stage ventures PSI will reduce the structural gap in the social capital market where higher risk, earlier stage ventures cannot find philanthropic support. These ventures are traditionally too small or undeveloped for the impact investing market. The PSI initiative will help form and grow these fledgling social enterprises with promise into robust, self-sustaining and profitable entities by wrapping advisors, expert support, networks, and importantly, money around them. In five years the PSI initiative will deploy at least \$1.5M into the sector including relatively early and still developing social enterprises. The program will seek \$100,000 from individuals or collectives annually over a three year term.

SiiWA, and Spacecubed also play a role in facilitating accelerator programs which provide seed funding. SiiWA has encouraged several creative partnerships to grow support and funding for innovation. These have included working with RAC to deliver the RAC Seed Spark and accelerator program that resulted in \$25,000 seed funding going to To-day We Learned an educational social enterprise. Their latest accelerator program is with Amcom, which will provide \$40,000 to eight tech startups in WA.

In 2015, SiiWA is also looking to provide Intensify Scholarships, providing co-working space and mentoring, and over the next 12 months explore models for an investment fund to fund the innovation that is emerging through Spacecubed and other programs in Western Australia. The Fund will have a specific focus on businesses that are tackling big social, environmental or economic challenges.

The role of micro-grants and giving circles

There have been a number of micro-grant and giving circle initiatives that are providing small grants (often seed funding) for social enterprises. Here are some of these initiatives:

The Funding Network is an Australian non-profit organisation and part of a global network that hosts live collective-giving events in a fun and inclusive setting. Four social entrepreneurs running grass roots non-profit organisations pitch for funding from the audience at each event. Adopting a model that has flourished in the UK since 2002, TFN makes it possible for individuals, foundations and corporations to give collectively, in increments starting from as little as \$100, whilst aiming to raise at least \$10,000 for every organisation that pitches. TFN offers social entrepreneurs the rare opportunity to showcase their work, secure funding and mentoring, and to expand their donor base and networks. Learn more at <https://www.thefundingnetwork.com.au/>

Perth SOUP is a micro-granting dinner celebrating and supporting creative projects in Perth. For a \$10 donation at the door, attendees receive soup, salad, bread and a vote and hear from four presentations ranging from art, urban agriculture, social justice, social entrepreneurs, education, technology and more. Each presenter has four minutes to share their idea and answer four questions from the audience. At the event, attendees eat, talk, share resources, enjoy art and vote on the project they think benefits the city the most. At the end of the night, we count the ballots and the winner goes home with all of the money raised from the door to carry out their project. Winners come back to a future SOUP dinner to report their project's progress. Learn more at <http://www.perthsoup.com/>

Impact100 WA is a collaborative giving group that pools its donations to make a significant difference to people in need. It aims to provide high-impact grants that reach under-served populations, raise the profile of deserving but lesser known not-for-profit organisations, highlight unmet needs in the region and increase involvement in philanthropy across Australia. Learn more at <http://www.impact100wa.org.au/>

Impact100 Fremantle inspires at least 100 donors to each contribute \$1,000 annually and then pool the contributions to make high impact grants to local charities and projects. Impact100 Fremantle is a great way to get involved in giving and together make a significant impact in the Fremantle community. Learn more at <http://www.fremantlefoundation.com/impact-100/>

100 Women enables everyday people to be involved in creating a world where all women and girls can live safely with access to health, education and economic freedom. We do this by combining donations and knowledge to provide impactful grants. Learn more at <http://100women.com.au/>

It is possible that other funds and giving circles doing work in the area of supporting social enterprise. This is not intended to be an exhaustive list.



Appendix 6: The Social Enterprise Eco-System in Western Australia – Other networks and support

Fairbridge Centre for Social Innovation (FCSI)

The core of the Fairbridge CSI's purpose is to provide research and evaluation to programs and projects that align with achieving positive sustainable change in the lives of young people, be they at Fairbridge or the wider world.

FCSI is set up as a social enterprise, and can provide advice and support to organisations looking at how they measure their social impact.

Learn more at <http://www.fairbridge.asn.au/index.php?page=179>

Social Impact Measurement Network – Western Australia

is a knowledge sharing network for social impact measurement. Its purpose is to help foster the emerging practice of social impact measurement in Australia.

SIMNA in Western Australia is a formative group supported by POWA Institute, WACOSS, SVA and the Centre for Social Impact. It plans to hold three major events in a year, hosting a key national or international speaker on the subject of impact measurement, and bi-monthly 'meet-ups' for social impact measurement practitioners to discuss issues of concern to them, and learn from one another.

Whilst at the time of writing, the website is not yet updated, further information will be able to be found at <http://simna.com.au/chapters/perth/>

Alumni 4 Social Impact (A4SI)

Alumni for Impact brings together past and present students of Social Impact units at The University of Western Australia to further develop a community of best practice in social impact in WA. It is a recently formed group, and so worth watching this space.

Women in Social Enterprise (WISE)

Women in Social Enterprise is a collective of women passionate about social enterprise, supporting one another in their endeavours. The Facebook group is very active, with over 400 members and they hold regular networking events. For more information see <https://www.facebook.com/groups/WISEWA>

enkel

enkel is a network that creatively facilitates the exchange, development and encounter of ideas, skills and resources amongst people, projects and disciplines.

enkel is a school and incubator for entrepreneurs, startups and freelancers with a co-working space, a café, a garden, an education space and makerlabs.

Learn more at <https://enkel.co/>

Enactus UWA

Enactus is an organisation which aims to create positive, sustainable change in society through the positive power of business.

Enactus is an international, student run, non-profit organisation present in over 39 countries around the world, engaging students from over 1500 universities. Students from participating universities form teams on their university campuses and apply business concepts to develop outreach projects that improve the quality of life and standard of living for people in need. At UWA Enactus is operating as a social enterprise, and working to raise the awareness of social enterprise amongst students.

Learn more at <http://enactusuwa.org/about/>

Profectus

Profectus encourages Western Australian students to explore entrepreneurship and supports them every step of the way. They run an incubator and mentoring program to assist students to explore their entrepreneurship (and social entrepreneurship) ideas and concepts.

Learn more at <http://www.profectus.org.au/>

UP Western Australia

UP Western Australia is part of a global movement, home to the city's innovators, leaders, doers, makers, and entrepreneurs.

UP supports new ventures, provides resources for entrepreneurs, and connects the community. UP Western Australia is a part of a global movement dedicated to ensuring that anyone can experience entrepreneurship, no matter where they live. UP WA is fully driven by local volunteer efforts, being led by the best and brightest Western Australia's entrepreneurial community has to offer.

UP runs Start up Weekend, where designers, developers, and innovators pitch ideas, form teams, and build amazing start-ups all over the course of a weekend.

Learn more at <http://www.up.co/communities/australia/western-australia/>

It is possible that other networks and initiatives doing work in the area of supporting social enterprise. This is not intended to be an exhaustive list.



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