



*SOCIAL
ENTERPRISE
STRATEGY*

MINISTER'S FOREWORD



A SOCIAL ENTERPRISE STRATEGY FOR VICTORIA

A growing economy that delivers jobs now and for the future underpins the strength of our society.

Our massive investment in infrastructure and future industries has helped us charge ahead, with the highest rate of jobs growth of any state. Jobs Victoria has been established to develop a comprehensive approach to supporting jobseekers at risk of being left behind. We are working to make sure all of us share the benefits of our prosperity, by building thriving communities and liveable places.

Yet our most pressing social challenges – including unemployment, homelessness and disadvantage – cannot be solved by government alone.

Many of our brightest and most innovative people are working tirelessly every day to find new ways to solve these problems. Through the extraordinary efforts of Victoria's thriving social enterprise sector, we are drawing maximum dividend from our economy and applying business skills to a social mission.

These people are the reason why Victoria is looked to for national leadership in social enterprise policy.

The Social Enterprise Strategy sets out how government will partner with the sector to provide strategic leadership and proactive support through three key action areas:

1. Increasing impact and innovation
2. Building business capacity and skills
3. Improving market access

Over past months, government has consulted widely with the social enterprise sector throughout Victoria in framing this strategy. I'd like to thank all involved for taking the time to contribute to that process.

This strategy represents the start of a stronger partnership, which will see the sector grow, diversify and become more robust. Social enterprise will play a key role in building social cohesion in Victoria. This strategy will help ensure we derive maximum benefit from government and community investment and share the benefits of our economic prosperity equitably.

I look forward to working with you in years to come to build a stronger, fairer Victoria.

Wade Noonan MP

*Minister for Industry
and Employment*

Minister for Resources

INTRODUCTION

Social enterprise plays a key role in delivering social and economic outcomes, helping to deliver inclusive economic growth through creating jobs, improving workforce participation and boosting productivity.

Social enterprise activity is estimated to make up 2-3 per cent of GDP¹, with around 20,000 social enterprises operating in Australia, a quarter of these in Victoria.² The sector is growing rapidly and making an increased contribution to employment and workforce participation. More than 50 per cent of social enterprises were established in the last five years,³ and over a third of social enterprises identify their primary purpose as providing employment opportunities for disadvantaged groups.⁴

Social enterprise can deliver outcomes effectively in remote, rural and disadvantaged areas. As community-driven responses to local issues, they improve the geographic spread of our prosperity across the state, complementing and enhancing the efforts of government.

Victoria's most disadvantaged receive tangible support through the work of social enterprises, directly addressing issues affecting young people, people with disabilities, the homeless, indigenous Australians, recently arrived immigrants, and those with lower literacy and numeracy skills. Social enterprises act as a powerful adjunct to government services and do so often without calling on government resources.

The growth of the social enterprise sector improves productivity through innovation, by adapting old business models to meet the needs of Victoria's changing economy. Social enterprise helps maximise the productive use of our human capital through increased workforce participation. Over a third of Victorian social enterprises identify their purpose as developing innovative solutions for economic, social, cultural or environmental problems⁵ and this combination of purpose

and innovation is particularly appealing for the new generation of "Millennial" entrepreneurs and employees who are now a major productive element within Victoria's economy⁶.

While social entrepreneurs often require financial support or assistance to get their business off the ground, the goal of social enterprises is to become commercially self-sustaining. Sustainable operations are vital to the social enterprise model and international experience demonstrates the ongoing dividend, which is gained from well-targeted policy to assist sustainability.

A strong social enterprise sector helps us build a fairer, stronger Victoria. It means more jobs, opportunity and thriving communities in a state where our fairness, diversity and creativity is a competitive economic strength.

SOCIAL ENTERPRISES:

- are led by an economic, social, cultural, or environmental mission consistent with a public or community benefit
- derive a substantial portion of their income from trade
- reinvest the majority of their profit/surplus in the fulfilment of their mission.

Source: Social Traders

1 Social Traders estimate using information contained in Productivity Commission (2010), *Contribution of the Not-for-Profit Sector*, Australian Government, Canberra

2 Barraket, J., Callyer, N., O'Connor, M., & Anderson, H (2010), *Finding Australia's Social Enterprise Sector: Final Report*. Australian Centre for Philanthropy and Nonprofit Studies, QUT & Social Traders, pp 17-19

3 Barraket, J., Mason, C. & Blain, B. (2016), *Finding Australia's Social Enterprise Sector: Final Report*. Centre for Social Impact, Swinburne & Social Traders, p15

4 Ibid., p19

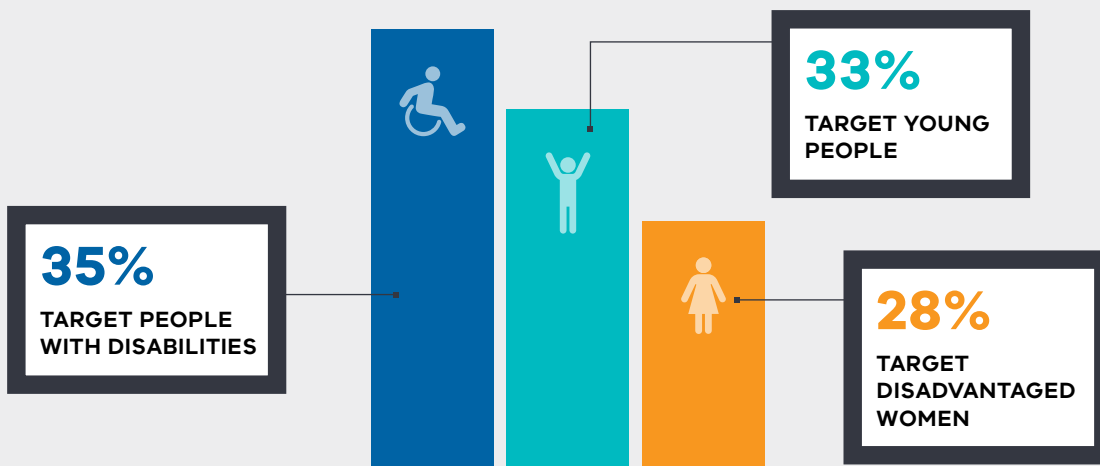
5 Ibid

6 PwC, *Millennials at Work: Reshaping the Workplace* (2011)



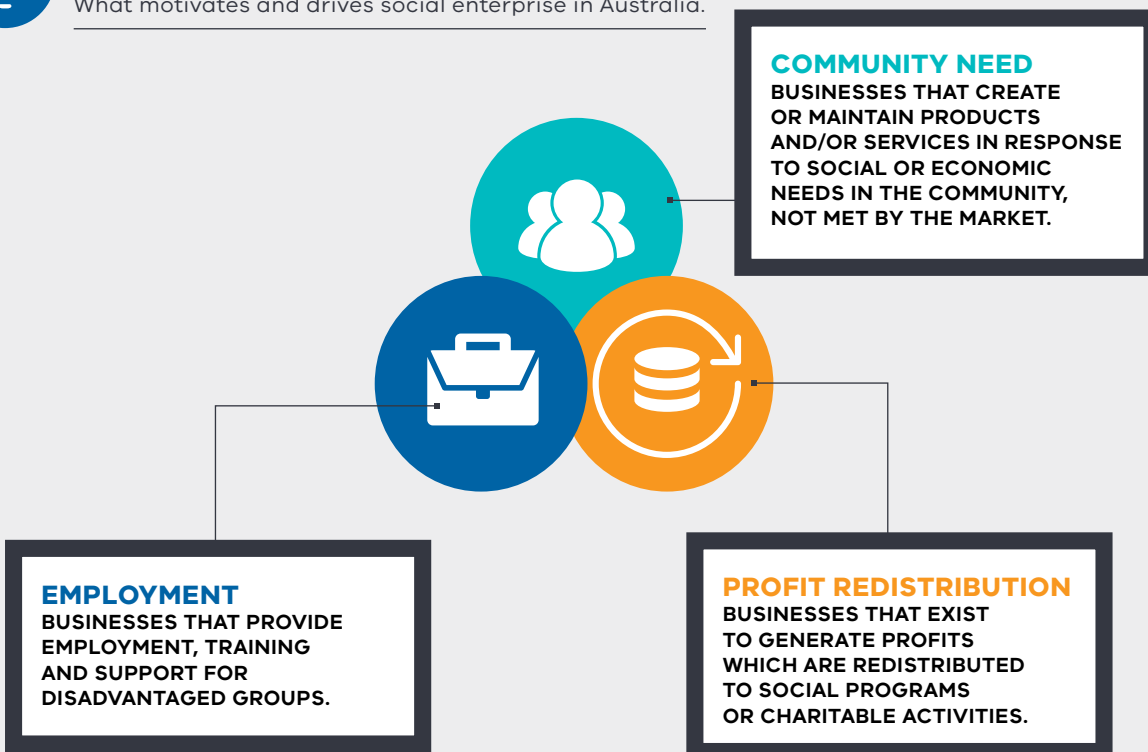
BENEFICIARIES

The mix of social enterprise beneficiaries in Australia.



MOTIVATION

What motivates and drives social enterprise in Australia.



Source: Centre for Social Impact, Swinburne & Social Traders, *Finding Australia's Social Enterprise Sector: Final Report, 2016: Analysis, p9 and Social Traders website*

CENTRE FOR EDUCATION AND RESEARCH IN ENVIRONMENTAL STRATEGIES

CERES could be considered one of Victoria's first modern social enterprises. Established by volunteers almost 35 years ago to provide environmental education to the community, it now has more than 150 staff.

The 4.5ha sustainability centre and urban farm located alongside Merri Creek in East Brunswick incorporates several social enterprises, including a retail café, onsite food store, online fruit and vegetable delivery service, a nursery, venue for hire and education and training programs.

The social enterprises incorporated within CERES allow it to be a commercially sustainable business, supporting its core mission: environmental education. For example, CERES' ResourceSmart Schools program, supported by Sustainability Victoria, delivers fee-for-service professional development training in schools, early childhood centres and community organisations across Victoria.

Today, CERES' turnover is \$10m, with 96 per cent of revenue from trade. The CERES Fair Food online store alone accounts for 40 per cent of turnover, and provides employment opportunities both onsite and in its offsite warehouse.

"I am very proud that our social enterprises 'do good' through the way they trade, enable CERES to be financially independent, and fund a park with facilities for our 400,000 plus annual visitors to enjoy," says CEO Cinnamon Evans.

"We demonstrate that social enterprise works."

STREAT: CHANGING A LIFE EVERY MEALTIME

From humble beginnings in 2010, with two mobile street-food carts at Melbourne's Federation Square, STREAT has become a success story of scalable social enterprise in Australia.

In 2012, STREAT's founders Rebecca Scott and Kate Barrelle doubled the size of STREAT's enterprise overnight. By pioneering one of the first equity investments in an Australian social enterprise, they were able to acquire The Social Roasting Company, which operated two cafés and a coffee roaster in Flemington.

STREAT's mission is to provide pathways to employment for homeless and disadvantaged young people. It offers a suite of vocational training courses, life skills programs, social and creative activities and individualised case management services, as well as providing support to access specialist services, such as drug and alcohol, mental health, housing and juvenile justice services.

Today, STREAT operates four cafés, a catering company and a coffee roaster. More than 70 per cent of its revenue is derived from business, and its current annual turnover is \$3.5m. STREAT is now embarking on its most ambitious step to date as it begins to triple in size.

"Over the last six years STREAT has worked with more than 450 young people – and, we're just getting warmed up. With our upcoming scaling we're aiming to be working with 365 young people each year by 2017. We've set ourselves a goal to be changing a life every mealtime by 2022. That's 1095 young people each year," says CEO Rebecca Scott.

NATIONAL AND VICTORIAN SOCIAL ENTERPRISE LANDSCAPE

ACCESS AUSTRALIA GROUP, BENDIGO

Bendigo's Access Australia Group (AAG) is a disability employment service, registered training organisation and disability service provider.

Employing around 60 people and operating several businesses from horticulture and catering through to ICT and corporate services, AAG helps build stronger communities using innovation, entrepreneurship and trade to create social benefit and by providing jobs for some who may otherwise find it difficult to find employment.

“All of our social enterprise programs build on our mission to support people with disadvantage or disability through employment, training and other opportunities to enhance their quality of life and community engagement,” says Dr Michael Langdon, AAG’s Chief Executive Officer.



There are around 20,000 social enterprises operating across Australia. A quarter of these are located in Victoria⁷ and the majority, like most businesses, are small to medium sized enterprises (SMEs) with less than 200 employees.

They buy, sell and trade in goods and services in a wide range of industries including manufacturing, agriculture, information technology, media, arts, social services, retail, education and food and beverage. This diversity extends to business forms and models, with the social enterprise sector comprising for-profit and non-profit enterprises or businesses, charities and foundations.⁸

The Victorian social enterprise sector addresses issues, which are different in nature and significance in rural, regional and metropolitan settings. They are often responsive to the local needs of their communities, which throughout the state have different needs according to geography, industry and setting.

⁷ Barraket, J., Collyer, N., O'Connor, M., & Anderson, H (2010), *Finding Australia's Social Enterprise Sector: Final Report*. Australian Centre for Philanthropy and Nonprofit Studies, QUT & Social Traders, pp 17-19

⁸ J., Mason, C. & Blain, B. (2016) *Finding Australia's Social Enterprise Sector: Final Report*, pp 14-20

VICTORIA'S SOCIAL ENTERPRISE PARTNERSHIP

The strength of social enterprise in Victoria reflects a shared commitment between the Victorian Government, businesses and the social enterprise sector to achieve economic and social outcomes.

A suite of initiatives has played a role in establishing Victoria's social enterprise leadership, including:

- **Social Traders**

Established in 2008, jointly funded by the Dara Foundation and the Victorian State Government, Social Traders has established itself as the leading organisation supporting social enterprise in Australia, providing a diverse range of services to develop and grow the sector.

- **Social procurement**

Major Victorian government infrastructure delivery agencies, such as the Level Crossing Removal Authority and the Western Distributor Project require a Social Procurement Plan from project delivery partners.

- **LaunchVic**

A Victorian Government initiative, LaunchVic supports Victoria's globally recognised, thriving start-up culture, and supports entrepreneurs to develop and grow businesses, including social enterprises.

- **Social Impact Investment for Sustainability**

Launched in 2016, this Sustainability Victoria initiative provides a combination of grants and low interest loans to investment-ready social enterprises working in the environment space. Investments are designed to create new jobs and training opportunities, respond to climate change, avoid and recover waste and improve resource efficiency in Victorian communities.

USING PURCHASING POWER FOR SOCIAL BENEFIT – LEVEL CROSSING REMOVAL AUTHORITY

Social procurement can potentially be a significant tool for government to provide meaningful support to social enterprises. Importantly, it also adds value by intentionally generating a social outcome when goods or services are purchased, and ensures that wider government goals can be aligned with procurement.

The Victorian Government's Level Crossing Removal Authority requests that all tenders for their projects include a Social Procurement Plan. This was initiated with the Authority's first Request for Tender for the \$1.6 billion Caulfield to Dandenong Level Crossing Removal Project in 2015, resulting in the establishment of NEXT and incorporation

of multiple social enterprises into the supply chain.

The Victorian Government, in partnership with Chisholm College, has announced the New Employment Exchange and Training Centre (NEXT) as a hub for a range of social procurement services, including career and transition advice services. The project will create 2000 new jobs, with at least 200 being apprentices or graduate engineers. The NEXT centre will provide opportunities to re-skill people from transitioning industries, such as automotive workers, and students from diverse and disadvantaged backgrounds, including indigenous Victorians and migrants.

The Bayswater Level Crossing Removal Project has signed a contract with Yarra View Nursery for the supply of plants for the re-vegetation of the site. Yarra View Nursery is a social enterprise that employs more than 100 staff with a high proportion having a disability. By supporting social enterprise through procurement, government not only bolsters the sector, it also gains added value when the purchase helps to achieve other government goals; adding value that would not otherwise be created.



Photo courtesy of the Level Crossing Removal Authority

SOCIAL ENTERPRISE INTERMEDIARIES



Social entrepreneurs face a raft of challenges in getting their businesses off the ground, with traditional business support networks sometimes failing to provide the specialised support they require. These include identifying workable business models and legal structures, accessing appropriately experienced mentors, and successfully demonstrating economic and social impact. Specialist intermediaries understand these challenges, and operate programs tailored to the specific needs of social enterprises, at all stages during their development.

Victoria has the largest concentration of social enterprise intermediaries in Australia. Organisations such as Social Traders, Social Ventures Australia (SVA), the Difference Incubator, the Social Enterprise Academy (SEA) and the Australian Centre for Rural Entrepreneurship (ACRE) are helping to incubate start-ups, and to support and promote a vibrant social enterprise culture and community across the State.

SVA has increased its presence in Victoria over the last seven years, forging venture partnerships with many of the state's leading social enterprises, including SecondBite, which redistributes fresh, healthy food; Ganbina, which supports indigenous students to achieve their career potential and become community leaders and role models; and STREAT, which provides supported hospitality training for disadvantaged young people.⁹

ACRE'S PILOT WITH SCOTLAND'S SOCIAL ENTERPRISE ACADEMY

The Social Enterprise Academy is world renowned as an entrepreneurship education and applied learning provider. It has experienced international growth on the back of demonstrated success in rural and regional locations. ACRE is bringing them to Victoria to accredit trainers to deliver a range of SEA programs. The pilot, conducted across regional areas, will focus on addressing youth unemployment and disadvantage through developing new social enterprises and self-employment opportunities. The project will specifically target schools, further education and youth leadership settings and train local facilitators. Based on the success of the pilot, ACRE may expand SEA's reach throughout the state.

Source:
<http://www.acre.org.au/social-enterprise-academy-pilot/>

⁹ Social Ventures Australia, *Former Venture Partners, Venture Philanthropy*, http://www.socialventures.com.au/work/#filter=*

SOCIAL TRADERS ROI

According to an independent evaluation conducted by PwC, the social return on the Victorian Government's investment between 2009 and 2014 in Social Traders and social enterprises was \$3.65 for every \$1 invested.

It was also found that for every \$1 invested by Social Traders, investment of about \$0.60 is leveraged from other capital providers.

Source:
<http://www.socialtraders.com.au/>

CORPORATE SECTOR

Corporate Australia is demonstrating a growing interest in partnering with and investing in businesses that deliver social benefits.

Bendigo Bank's Community Enterprise Foundation directly funds a number of social enterprises. The bank also partners with Community 21 to deliver Community Sector Banking which provides a range of tailored products for the social enterprise sector, as well as delivering the Social Investment Grants Program, which funds not-for-profit projects or programs aiming to deliver social outcomes.^{10,11}

The Westpac Foundation has been supporting social enterprises to develop ideas through to sustainable businesses.¹² The National Australia Bank (NAB) has also sought to support social enterprise, developing its Impact Investment Readiness Fund, in partnership with Impact Investing Australia and in consultation with The Difference Incubator.¹³ It provides advice and support to enable mission-driven organisations to secure investment for scaling up their social or environmental impact.

The \$20 million Social Enterprise Development and Investment Funds (SEDIF) initiative, established by the Federal Government, operated from 2011 to 2016. The evaluation of the initiative recommends providing a range of social finance options (grant finance, patient capital and early-stage risk capital) together with business capability development for social enterprises. The evaluation also acknowledges the importance of supporting specialist intermediaries, promoting social procurement opportunities and measuring and demonstrating the impact of social enterprises as key elements of growing the social enterprise ecosystem.



10 Bendigo Bank, *Community Enterprise Foundation*, <https://www.bendigobank.com.au/foundation/>

11 Community Sector Banking, <http://www.communitysectorbanking.com.au/>

12 Westpac, *Community Spirit*, <https://www.westpac.com.au/business-banking/industries/social-sector/community-spirit/?wbc-vnty=www.westpac.com.au/socialenterprise>

13 NAB, *Impact Investment*, <http://www.nab.com.au/about-us/corporate-responsibility/our-programs-and-initiatives/social-and-financial-inclusion/impact-investment>

EDUCATION

Victoria's higher education system has an increasing input to social enterprise. Swinburne University is home to the Centre for Social Impact, the nation's leading social enterprise research centre, and offers courses on social impact, investment and philanthropy.¹⁴ The University of Melbourne offers the Compass program, a stream of the Melbourne Accelerator Program to support social enterprise start-ups and RMIT runs a social entrepreneurship course.^{15 16}

School-based learning is also now better geared to respond to new approaches. The incorporation of Critical and Creative Thinking as a capability within the curriculum is helping students to be equipped to respond to the challenges of our time, with innovation, enterprise and adaptability at the cornerstone of a new skills matrix. In addition, access to government subsidised training in the vocational education and training sector provides a range of opportunities to support the development of enterprise skills.

LOOKING AHEAD

Victoria's workforce is continually evolving and the Millennials are already an important, growing workforce cohort. In PwC's 2011 report into Millennials at Work, it was clear that young people under 30 want their work to have a purpose and to contribute something to the world. The brands that appeal to Millennials as consumers, especially those with environmental or social benefits, also appeal as potential employers. Millennials believe that profit and purpose can go hand-in-hand and 88 per cent of those interviewed in a 2008 survey said they were looking for an employer with solid corporate social responsibility and 86 per cent said they would consider leaving if an employer did not have this commitment to social values¹⁷.



Permission by CERES

¹⁴ Swinburne University of Technology, *Centre for Social Impact Swinburne*, <http://www.swinburne.edu.au/research/social-impact/>

¹⁵ *Compass, About*, <http://www.thecompass.org.au/about-compass/>

¹⁶ RMIT, *Social Entrepreneurship*, <http://www1.rmit.edu.au/courses/014216>

¹⁷ PwC, *Millennials at Work: Reshaping the Workplace* (2011)

LESSONS FROM INTERNATIONAL POLICY

SCOTLAND'S VISION

- Over 5,000 social enterprises in Scotland
- Over 200 new social enterprises formed each year
- Provides over 112,400 jobs
- £1.15 billion in combined traded income

Key Scottish initiatives:

- The Social Entrepreneurs Fund – From Ideas to Action. £1 million – to provide capital and business support for new social enterprise ideas
- Just Enterprise program – £3 million for business support and £4 million enterprise investment fund – both managed by consortia of Scottish intermediaries
- 2015 First census of Scotland's social enterprises
- 2016 Launch of Scotland's International Social Enterprise Strategy
- Support for Social Enterprise Networks – there are now 20 across Scotland

Source:

<http://www.socialenterprisescotland.org.uk>

There is much to be learned from social enterprise policy abroad. The challenges that the Victorian social enterprise sector seeks to address – including unemployment, homelessness and disadvantage – are not unique to Victoria.

The Scottish Government has been a leader for many years in establishing a supportive environment and eco-system for social enterprises. They have made small, targeted investments for huge dividends and are currently in the consultation phase of developing a new 10-year social enterprise strategy for Scotland to build on their successes. With a comparable population Scotland's social enterprise sector employs over 112,000 people, compared to Victoria's estimated 75,000. The regional success of their social enterprise strategy is demonstrated by the fact that the Highlands and Islands, with only 8 per cent of the population, provides 22 per cent of Scotland's total stock of social enterprises¹⁸. Moreover, the social enterprise workforce in Scotland, as is anecdotally reported for Victoria, shows a more equitable gender split between men and women in terms of wage gap and seniority of roles in comparison to the corporate world – e.g. 60 per cent of chief executive roles in Scottish social enterprises are occupied by women compared to just 17 per cent of women in chief executive roles in Australian companies.

In Canada, state jurisdictions look to foster the business capabilities of social enterprise through better access to training for proponents, business support and services, facilitation of access to government services, awareness building of the sector and improving access to finance to enable businesses to both start-up and grow. Ontario has been supporting social enterprises since 2008. Their latest 2016-21 strategy aims to accelerate the growth of social enterprises by equipping them with solid business fundamentals, connecting social enterprises to markets and demonstrating the value of social enterprises and social finance.¹⁹ Between 2002 and 2012, Quebec's government invested \$27 million in the social enterprise sector, leveraging \$375 million of additional investment with an overall impact of \$3.5 billion in the Quebec economy.²⁰

¹⁸ Social Enterprise in Scotland, *Census 2015*, Social Value Lab, <http://www.socialenterprisescotland.org.uk/policy/180>

¹⁹ Ontario, *Ontario's Social Enterprise Strategy 2016-2021*, <https://www.ontario.ca/page/ontarios-social-enterprise-strategy-2016-2021>

²⁰ Canada's National Advisory Board to the Social Impact Investment Taskforce, *Mobilizing Private Capital for Public Good: Priorities for Canada*, http://www.socialimpactinvestment.org/reports/MaRS-National_Advisory_Board_Report_EN.pdf

In 2002, the United Kingdom's inaugural social enterprise policy, *Social Enterprise: A Strategy for Success*, recognised the huge potential of social enterprises to achieve social and economic benefits. There are now some 70,000 social enterprises in operation in the UK, employing approximately one million people and turning over £55 billion.²¹

Social enterprise now has a global forum in which to share experiences, business practice and to discuss developments both at an enterprise level and in the broader policy framework. The Social Enterprise World Forum was held in Hong Kong in 2016 and will be held in New Zealand in 2017.^{22,23}

The growing importance of this forum serves to underline the role the sector plays within regional and national economies.

Internationally, governments are acting to enhance the social enterprise ecosystem, build capacity, sustainability and raise awareness of social enterprise. Targeted initiatives are generating great economic benefit, solving problems in innovative ways, delivering jobs and improving workforce participation across the spectrum of society.



²¹ Bland, J, *Social Enterprise in Australia: Realising the Potential*, Pro Bono Australia, <https://probonoaustralia.com.au/news/2015/07/social-enterprise-in-australia-realising-the-potential>

²² Social Enterprise World Forum 2016, Hong Kong, <http://sewf2016.org/>

²³ Akina, *New Zealand to host Social Enterprise World Forum in 2017*, <http://akina.org.nz/news/new-zealand-to-host-social-enterprise-world-forum-in-2017/>

A STRONGER PARTNERSHIP

Gaining a social benefit is the core business motive of social enterprises. That motivation helps drive innovation, productivity and growth across the state and, as a result, a strong social enterprise sector helps to grow the Victorian economy.

Social enterprise activity improves workforce participation, often for the most disadvantaged in our community. The efforts of social enterprises also improve social cohesion, a key asset culturally and economically. They create jobs and boost productivity by assisting more Victorians into work and by delivering innovative solutions to some of our most complex problems. Their reach extends right across the state, employing people from disadvantaged groups and regions.

Working in partnership with the social enterprise sector represents an opportunity for government to deliver better outcomes for our economy and for our society, efficiently and effectively. Targeted measures aimed at harnessing the efforts of social enterprise can deliver strong economic and social returns, as has been demonstrated in Australia and overseas.

In order to support the growth of the social enterprise sector, the Victorian Government has identified three key action areas. By increasing impact and innovation, building business capacity and skills, and improving market access, the Victorian Government aims to grow one of the largest underutilised markets for social change and economic impact.

A strengthened partnership between government and the social enterprise sector will help deliver a fairer and more prosperous Victoria and help ensure that the community derives the greatest social and financial benefit from government and private investment.



Melbourne Farmers Markets, by Ginger and Romy Van Handley

SOCIAL ENTERPRISE STRATEGIC FRAMEWORK

Our Vision is that “Victoria’s inclusive growth is supported by thriving and sustainable social enterprises.”

ACTION AREA 1 :	ACTION AREA 2 :	ACTION AREA 3:
Increasing impact and innovation	Building business capacity and skills	Improving market access
AIM		
<p>Promote the social and economic value of social enterprises to customers, investors and government to create more social enterprise activity, participation and awareness in Victoria.</p> <hr/> <p>Create a more coordinated and networked environment for social enterprises within the social enterprise ‘ecosystem’ and across the broader business environment.</p> <hr/> <p>Support a culture of social enterprise innovation to thrive in Victoria.</p>	<p>Provide emerging and existing social enterprises with the skills and capabilities to become self-sufficient and investment and ‘tender’ ready.</p> <hr/> <p>Strengthen tailored intermediary services, which understand the unique challenges social enterprises face to develop the ecosystem.</p> <hr/> <p>Build the skills and capabilities of social entrepreneurs across knowledge pathways.</p> <hr/> <p>Position government to play an enabling role in the development of the sector.</p>	<p>Identify and mitigate barriers to social enterprises doing business in Victoria.</p> <hr/> <p>Boost investment opportunities to create greater access to capital.</p> <hr/> <p>Create opportunities across government for competitive social enterprises to deliver goods and services via innovative service models with social outcomes, including place-based approaches.</p>
OUTCOMES		
<p>Victorians have a greater awareness of the social and economic benefits of social enterprises.</p> <hr/> <p>The sector is well coordinated and networked with strong sector leadership, activity and participation.</p> <hr/> <p>Tangible social benefits including access to new employment, knowledge and skill opportunities and sustainable environmental services.</p> <hr/> <p>More talented Victorian entrepreneurs launch social enterprises with innovative approaches to pressing social, environmental and economic problems.</p>	<p>Social enterprises have the business acumen and capabilities to compete and operate in new markets.</p> <hr/> <p>A diverse intermediary sector exists to support the development of a strong social enterprise ecosystem.</p> <hr/> <p>Government is playing a supportive role in developing the sector to grow and create new jobs.</p>	<p>Social enterprises have better access to markets.</p> <hr/> <p>Regulatory barriers to accessing markets are minimised in Victoria.</p> <hr/> <p>Clear pathways exist for social enterprises to access funding capital.</p> <hr/> <p>Opportunities exist to access government procurement markets and successfully compete with other businesses and service providers, including regionally, to increase labour market participation and tackle disadvantage.</p>

ACTION AREA 1

INCREASING IMPACT AND INNOVATION

The Victorian Government is committed to growing the social enterprise sector through improving its visibility and supporting infrastructure; by developing knowledge of the sector; and by fostering the development of new social enterprises.

While there is a great deal of commonality in the resources produced for business by government, social enterprise confronts a range of specific problems. These issues will vary across regions and between communities more starkly than they do for traditional businesses, as social enterprises are responsive to specific community need. The government will act to ensure its programs are available to the social enterprise sector and that its coordination and support is better targeted to support the establishment of new social enterprises.

Despite the quality of their services and products, social enterprises often suffer from a lack of visibility and awareness, which acts as an impediment to growth. Demonstrating the benefits of innovative new business models in Victoria will build a greater understanding of the potential role that social enterprises can play in solving social, environmental and economic issues. It will help build general support for the sector, establish a 'sector identity', attract funding and inspire the involvement of more people and organisations.

Social enterprises, whilst increasing in number and visibility, remain fragmented across industries, models and geography. Often raised during consultation, there remains a lack of sector identity, which is reflected in a desire for a shared definition and improved sector interconnection.

The Victorian Government is committed to advancing its knowledge of, and ability to work with, social enterprise. The government will improve its depth of knowledge and collaboration with social enterprise and will undertake research on the impacts of the sector to better target resources and policy.

Outline of Strategy Initiatives

ACTION AREA: INCREASING IMPACT AND INNOVATION

1. Opening Doors for Social Enterprises.

The government will ensure its doors and programs are open to social enterprises and relevant information is available for them. This initiative will ensure that information and programs provided by the State extend in scope to support engagement with and participation by social enterprises. It will include updating relevant information on websites and in program guidelines, and a program of meetings and training on social enterprise for government staff in regional offices.

2. Connecting the Community.

A stronger sector will be built through establishing a state-wide Victorian Social Enterprise Network which government can work with to implement this strategy. A virtual and actual, branded network will be developed which will include project-based activities and issue-based meetings reinforcing the other strategy initiatives and supporting engagement of social enterprise SMEs with government, intermediaries, buyers and each other. Activities will include meetings, events and information exchange to develop communities of practice for social enterprises and sector stakeholders on social enterprise and business growth issues in regional offices and across digital media platforms.

3. Valuing Social Enterprise's Impact.

The government will support a program of research on the potential for social enterprise in Victoria, including valuing social impact. This initiative will generate research data and information to provide better, localised evidence for future policy. This will include an in-depth study and mapping of Victorian social enterprises to better understand their demographics and impact, including representation of women in the workplace and in management roles, and exploration of appropriate economic modelling.

ACTION AREA 2

BUILDING BUSINESS CAPACITY AND SKILLS

Social enterprises in Victoria are predominantly SMEs, and face similar issues to other SMEs and start-ups, such as building business acumen, accessing funding, business planning, budgeting, tendering, and researching markets. Government will act to support the sector to grow and improve the skills, diversity and scale of the sector.

Building the skill level of entrepreneurs across the sector is critically important. It supports social enterprises to become self-sufficient and builds the pipeline for quality, investable Victorian social enterprises. This in turn will assist with the attraction of investment funds into the sector and its growth.

By improving business skills and capacity, the government can help support the development of social enterprises, with more businesses progressing from ideation, incubation and start-up, through to procurement-ready and investment-ready stages. In consultations, social enterprises have expressed that they need a partner through their development cycle and require access to business support that is tailored to their stages of development.

Outline of Strategy Initiatives

ACTION AREA: BUILDING BUSINESS CAPACITY AND SKILLS

4. Building Skills to Grow Your Business.

The government will facilitate the creation of a skills development program for social enterprise SME founders and managers – supporting the viability, sustainability and growth of the SME. The training support may focus on (but not be limited to) modular training to reach business skills stages such as feasibility and business case preparation, participating in tender activity, investment attraction into the SME and scale up of the SME. The program will provide direct training to social enterprises and will seek to broaden access to growth-focussed training – especially for enterprises in regional areas.

5. Assisting Intermediaries.

The government will provide pilot funding to test new initiatives supporting the development of the intermediary sector to provide specialist business support, advice, mentoring and signposting to social enterprise networks, investors and buyers.

ACTION AREA 3

IMPROVING MARKET ACCESS

The government will identify opportunities to use social procurement mechanisms to improve access to markets for the social enterprise sector. This will include prioritising economic and social outcomes in government procurement and facilitating improved connections between the sector and public and private sector buyers.

The government has demonstrated its commitment to using procurement for wider social benefit through the Major Projects Skills Guarantee, where public works above \$20 million in value must use apprentice, trainee or cadet labour for some ten per cent of total work hours as a way to deliver a skilled workforce for the future. Major infrastructure delivery agencies, such as the Level Crossing Removal Authority and the Western Distributor project require a Social Procurement Plan from project delivery partners. This work was widely lauded in consultations as a model for the future.

Social enterprises – like other start-up businesses and SMEs – struggle to gain market access due to factors including their size, lack of visibility, a lack of established relationships, their market knowledge, information deficits on growth opportunities and capacity constraints. The profile and impact of social enterprise relies on its reputation and quality. A recognition process can help with identification of social enterprise SMEs, protecting reputation and enhancing consumer knowledge, helping to bridge missing information and raising buyer confidence levels.

During consultations with the sector, the government was told that social enterprises need additional support to take advantage of opportunities in procurement at the local, state or national levels, and within local and multinational supply chains. Government can and will provide improved opportunities for its officers to be exposed to social enterprises and extend access more widely.

Outline of Strategy Initiatives

ACTION AREA: IMPROVING MARKET ACCESS

6. Social Procurement Framework.

The government will develop a whole of government social procurement framework to leverage public investment in supporting social outcomes. The project aims to provide whole of government purchasing guidance to departments and agencies regarding opening more accessible tender and procurement opportunities to social enterprise SMEs. It will also work on the creation of a broader framework for considering the economic and social value from working with social enterprises.

7. Social Enterprise Recognition.

The government will support the development of a recognition scheme to help identify social enterprises and build the confidence of buyers, creating a directory-like information source identifying Victorian social enterprises.

8. Marketplace Partnering – On-line Matching Platform and On-ground Events Calendar.

The government will facilitate the development of an on-line partnering platform to link government and corporate buyers with social enterprise and support a calendar of metropolitan and regional market place events to link buyers with social enterprise.

NEXT STEPS

This first Victorian Social Enterprise Strategy represents a renewed partnership between the social enterprise sector and government. The measures in this strategy will create jobs, drive productivity and workforce participation, and in doing so, help build a more cohesive society.

The Victorian Government wants to continue to be a national leader in social enterprise policy and development. This will require continued work with the sector in partnership with government to see this strategy effectively implemented.

IMPLEMENTATION

There are important initiatives already underway across different government departments, including the emergent Social Procurement Framework, Social Impact Bonds, the Impact Investment for Sustainability Program, the new Critical and Creative Thinking capability in the curriculum, LaunchVic and Regional Partnerships, amongst many. As a whole of government strategy, the initiatives in this strategy will integrate with and complement other work by government.

The initiatives identified in this strategy summarise the new research, policy development, advocacy and funding actions that Government will deliver. Each initiative will result in a number of distinct outputs, which will be detailed in an implementation plan as agreements are made with partners on appropriate mechanisms and timelines for delivery.

In the first year of this strategy the focus will be on establishing networks and partnerships, and beginning implementation of the strategy initiatives.

MONITORING & EVALUATION

A monitoring and evaluation process for this strategy will be developed, with success gauged against key measures. Evaluation may lead to re-calibration, new directions or affirmation of approach, and will inform future policy development.

The three impact measures that will be used to determine the success of this strategy are:

- Labour market participation amongst disadvantaged groups
- The net increase in jobs in the sector
- The number of new social enterprises and overall sustainability rates over time.

REPORTING

Progress on implementing the initiatives in this strategy, and in delivering the outcomes outlined in the strategic framework will occur annually and will include reporting to the Social Enterprise Network, to be established in the first year of this strategy.

You can see further details on the implementation of this strategy and key initiatives at: www.economicdevelopment.vic.gov.au/social-enterprise

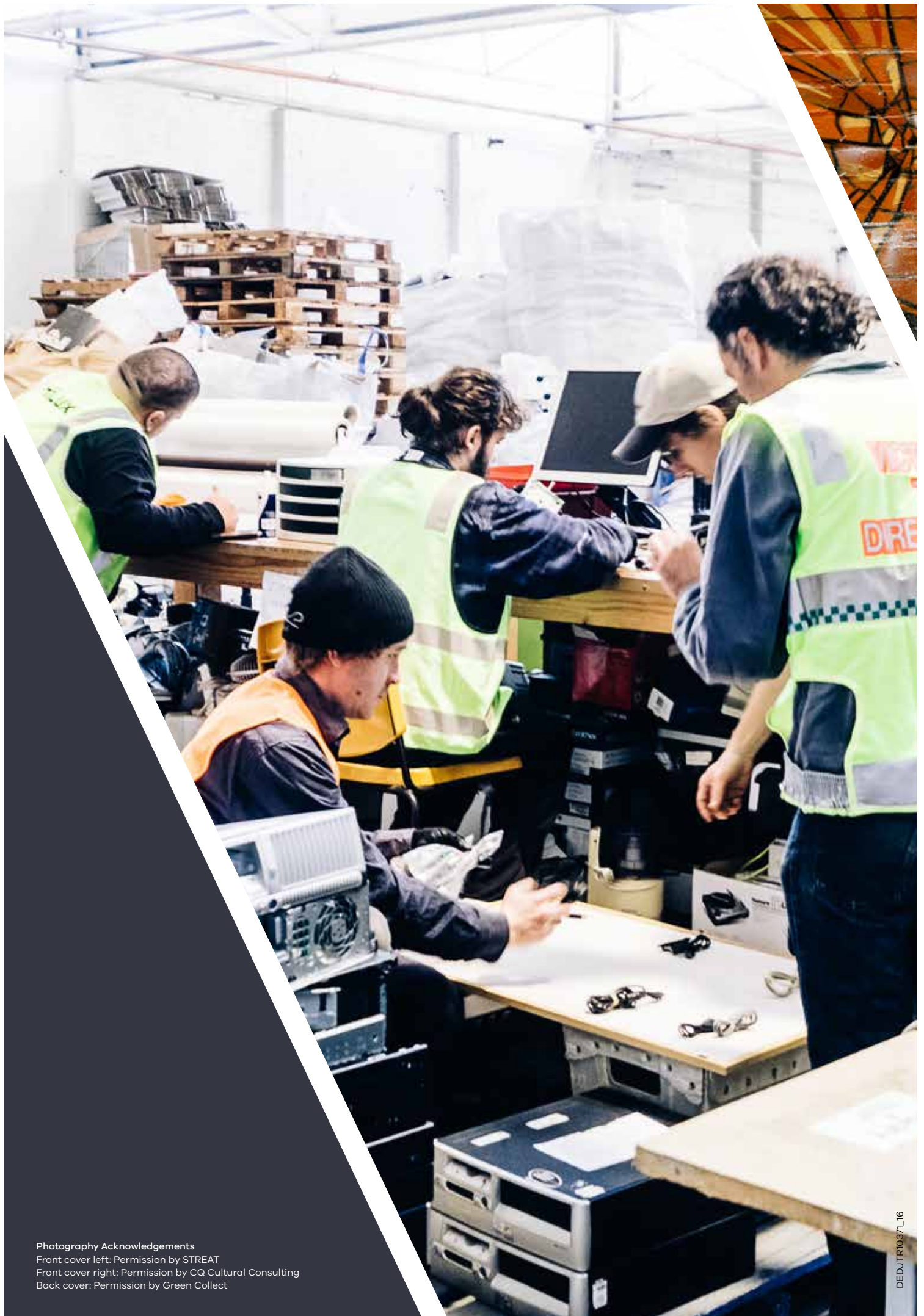


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