

Social Enterprise

A pathway to work for people disengaged
and marginalised from the workforce

Robbie Millar | 2019



Table of Contents

1

Abbreviations / Acronyms /
Definitions

2

Acknowledgments

4

Executive Summary

8

Fellowship Background

11

Fellowship Methodology

20

Fellow's Biography

21

Fellowship Learnings

29

Personal, Professional and Sectoral
Impact

32

Recommendations and
Considerations

36

References

Abbreviations / Acronyms / Definitions

ABCD	Asset-Based Community Development
ACFE	Adult Community and Further Education
ACRE	Australian Centre for Rural Entrepreneurship
ASENA	Alliance of Social Enterprise Networks Australia
CEIS	Community Enterprise in Scotland
CfP	Centre for Participation
CHSP	Commonwealth Home Support Packages
CSO	Community Service Organisation
CVS	Sefton Council for Voluntary Service
DET	Department of Education and Training
GVA	Gross value added
HES	Higher Education and Skills
HIE	Highlands and Islands Enterprise
ISS Institute	International Specialised Skills Institute
JeCCDO	Jerusalem Children and Community Development Organisation
LGA	Local Government Area
NDIS	National Disability Insurance Scheme
NFP	Not For Profit
SASEC	South Australian Social Enterprise Council
SDR-TVC	Selam David Roschli Technical and Vocational College
SEA	Social Enterprise Academy
SECNA	Social Enterprise Council of NSW & ACT
SENTAS	Social Enterprise Network Tasmania
SENVIC	Social Enterprise Network of Victoria
SEWF	Social Enterprise World Forum
SIS	Social Investment Scotland
SNNPR	Southern Nations, Nationalities, and Peoples' Region
TLE	Timret Lehiwot Ethiopia
VCF	Voluntary community and faith sector
VET	Vocational Education and Training
WASEC	WA Social Enterprise Council
WSM	Wimmera Southern Mallee

Acknowledgments

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Figure 1. Rural study tour at Arba Minch Ethiopia

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The Victorian Government, through Higher Education and Skills (HES) of the Department of Education and Training (DET), is responsible for the administration and coordination of programs for the provision of training and further education, adult education and employment services in Victoria and is a valued sponsor of the ISS Institute. The Fellow would like to thank DET for providing funding for this Fellowship.

Personal Acknowledgments

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Several organisations and individuals were generous in hosting the Fellow's visits. Thanks to Angela White, Karen Nolan and the team at Sefton CVS, along with Gerry Higgins, Director of International Enterprise at the Community Enterprise in Scotland (CEIS) group and Founder and Managing Director of Social Enterprise World Forum (SEWF). Thanks to Douglas Cowan, Lindsay Simpson, Neil Ross, the Highlands and Islands Enterprise (HIE) team, and David Bryan from the Social Enterprise Academy (SEA).

On a personal level, the Fellow would like to thank Belinda for sharing the experience, which was one of the best decisions of his life. Belinda helped guide and support the Fellow throughout the entire journey. Finally, the Fellow would like to thank their three girls, Charlotte, Paige and Sienna, for their ongoing support and encouragement to travel to the other side of the globe.

Executive Summary

Social enterprises deliver significant benefits for disadvantaged or marginalised segments of society that need assistance to transform their social or economic prospects. For individuals they provide meaningful work and skills development and provide a pathway into mainstream employment. In this way they also reduce unemployment in a region and contribute to increased connections and community vitality. From a broader perspective, social enterprises have the potential to grow established businesses and drive inclusive economic growth.

4

The individual and community benefits achieved from social enterprises were the drivers behind the application for this Fellowship. The Fellow has grown up and worked in in the Wimmera Southern Mallee for over 19 years and is passionate about improving the lives of disadvantaged people across the region. The region suffers from many challenges including poverty, marginalisation, disengagement with education, and difficulties gaining employment. However, through his work at the Centre for Participation (CfP), the Fellow saw the opportunity of social enterprise to address these social problems, improve lives and strengthen the community. However, first, the Fellow needed to understand the success factors for social enterprise and how these could be fostered within the unique local context.

The purpose of this Fellowship then was to research successful social enterprise programs across the world and

1. Identify supports and enablers required to attain similar positive outcomes in the Fellows' community.
2. Apply these learnings to expand the CfP's social enterprise program, boost engagement and employment, and reinvigorate the WSM.

To achieve this purpose, the Fellow applied a five-stage research methodology.

1. Desktop research. Desktop research was used to identify potential social enterprise case studies for detailed investigation.
2. In-depth case studies. Research was conducted through a 19-day study tour through the United Kingdom and Ethiopia.
3. Data collection and analysis. The detailed notes from this tour were analysed to determine a set of key research themes
4. Results and Recommendations. A cause-and-effect analysis was used to identify the top social enterprise success factors, and recommendations developed for both CfP and the broader NFP sector
5. Implementation Planning. Plans were developed to improve structures and systems for social enterprise within the CfP to maximise the program impact.

Five case studies were utilised in this Fellowship, as shown in the following table.

Social Enterprise Program	Case Study Location
Sefton Council for Voluntary Service (CVS)	Liverpool, United Kingdom
Highlands and Islands Enterprise	Inverness, United Kingdom
Social Enterprise Academy	Inverness, United Kingdom
Community Enterprise in Scotland (CEIS)	Glasgow, United Kingdom
Social Enterprise World Forum	Addis Ababa, Bishoftu and Arba Minch, Ethiopia

5

The Social Enterprise World Forum in Ethiopia included both urban and regional study tours, and during the conference the Fellow participated in keynote sessions, plenary sessions, panel discussions, workshops, and networking activities. The Fellow also had the opportunity to be a speaker on a panel for a session on 'Community-based social enterprises – purpose-driven, transforming places and sharing prosperity'.

The Fellowship research has delivered numerous learnings, with the principal one being the power of successful social enterprise to transform individuals' lives and reinvigorate entire communities. The positive impact of successful social enterprise was evident across all the case studies in the United Kingdom and Ethiopia.

Through the study tour, the Fellow also identified four critical enablers of social enterprise success. These are:

1. Having supportive government policy and funding models
2. Fostering entrepreneurial and experiential learning
3. Employing a place-based approach
4. Implementing appropriate governance and business structures

Further details on each of these findings is provided in the following diagram.



The Fellow has already implemented some learnings in the CfP, which has resulted in substantial improvements in the social enterprise outcomes and improved programs in the Adult Community and Further Education (ACFE), Aged Care and disability sectors.

This Fellowship has revealed a significant opportunity for Australia to follow the lead of our international peers and harness the power of social enterprise. However, based on the research conducted into successful enterprise case studies, the Fellow recommends that the following six actions be taken to develop a robust and effective social enterprise framework across this country:

1. Establishment and growth of social enterprise networks
2. Creation of a National Performance Framework
3. Development of a social enterprise funding strategy
4. Introduction of an entrepreneurial curriculum
5. Clearly defined business and governance structure for social enterprises
6. Support for a place-based approach

One surprising result of the Fellowship is the reinforcement it provided for the Fellows' dedication to advancing the prosperity of his home community. The Fellow has seen firsthand the impact a social enterprise can have on a community and is more determined than ever to bring these benefits to the WSM.

Armed with the knowledge of the success factors for social enterprise, the Fellow now seeks to employ these to aid inclusive economic growth in the WSM. In addition, through sharing these learnings and expanding networks, the Fellow strives to enable social enterprises to flourish across the nation, improving the lives of many more individuals, their families and communities.

7



Figure 2. Urban study tour to Shega Crafts

Fellowship Background

The Fellow has grown up and worked in in the Wimmera Southern Mallee (WSM) for over 19 years, helping for-purpose organisations to improve the lives of disadvantaged people across the region. The WSM region is 33,900 square kilometres in the far west of Victoria, representing 15 per cent of the entire state. It is comprised predominantly of rural areas and national parks. The major towns include the agricultural Hopetoun in the north and the major regional centre of Horsham in the south. The region includes the Grampians and Mount Arapiles, both important tourist destinations.

There are around 47,400 people that call the WSM region home. However, as for many in rural areas across Australia, this home presents challenges such as poverty, disengagement with education, and difficulties gaining employment. As outlined in the WSM Regional Profile prepared for Infrastructure Victoria[1], this region has below average ratings on:

- Gross Regional Product (GRP) per capita
- Participation rates
- Working age population
- The proportion of the population aged 15-19 years engaged in work or study
- Those aged 20-24 years with a Year 12 certificate or higher
- Household incomes.

In contrast, the region is well above average in the proportion of the population living within declared areas of disadvantage, with the region comprising the 3rd and 4th most disadvantaged LGA's in the state.

Without intervention, the cruel cycle of poverty will continue through the generations. The region also has a high proportion of migrants, refugees and asylum seekers who have chosen the WSM to escape trauma and create a new life for their families. Without focused attention, these migrants can easily become marginalised and struggle to find the education and employment that will help them build a bright future.

When individuals within a community suffer, the whole community does. When people withdraw from economic and social participation, there is a direct impact on the vibrancy and connection



Figure 3. Wimmera and inset

within a community and reduced financial prospects as consumption and confidence in the region also decline.

For over a decade, the Fellow has been working with the CfP, a learning, volunteering, and community services organisation in the region. The CfP is developing and implementing programs that seek to change individual lives and, in doing so, strengthen the communities across western Victoria. Recently, the CfP has begun investigating social enterprises as an innovative way to achieve this purpose and to move away from ineffective deficit-model approaches to program development and towards more successful and sustainable asset-based development models.

Traditional models of social program development use the deficit model, presuming what is broken in the system and then implementing initiatives to fix the faulty parts. However, this approach has severe limitations, including that the perspective of the people developing the program aligns with the actual experiences, needs and skills of the people the program is meant to assist. This approach sees social programs delivered to people with the hope that they reflect each person's lived experiences and needs. It is not unusual for such programs to deliver only a small and superficial proportion of predicted benefits. A more productive approach is applying an asset-based view to program development. This methodology recognises that the local community has a significant understanding of the social problem and strengths that can be harnessed to deliver relevant and sustainable change. This asset-based view does not deliver programs to people; instead, they co-design programs with the people that can ensure their success.

A social enterprise is an asset-based approach that uses the residents' skills and strengths to solve social problems. It provides entrepreneurship skills for job seekers and seed funding to establish social enterprises or small business startups. Social enterprise delivers proven benefits for disadvantaged or marginalised segments of society that need assistance to transform their social or economic prospects.[2] [3].

More specifically, examples from around the globe have confirmed that social enterprises can [3]:

- Provide meaningful work and skills development that addresses both learning and earning objectives.
- Create a supportive environment for development
- Ignite passion, motivation, and a sense of ownership in the participants
- Provide a pathway to entry into mainstream workplaces
- Generate social returns for the community.

In addition to their role in contributing to community regeneration, social enterprises can also play an important financial function, with the capacity to [4]:

- Deliver inclusive economic growth
- Grow established regional businesses using social procurement
- Make a major economic contribution.

10

For example, in 2016, social enterprises in Scotland commanded a total income of £3.63bn and had a net worth of £3.86bn. They employed 112,409 people and delivered a Gross Value Added (GVA) of £1.68bn to the Scottish economy [4].

Benefits of Social Enterprise



The individual and community benefits achieved from social enterprises worldwide were the drivers behind the application for this Fellowship. The Fellow recognised the opportunity for social enterprise to create a supported stepping-stone for marginalised learners to gain skills, confidence and workplace training on a pathway to a permanent job. The Fellow also saw the potential for social enterprise to help solve the problems in the WSM and, in doing so, grow employment and invigorate the entire community. However, first, the Fellow needed to understand the success factors for social enterprise and how these could be fostered within the unique context of the WSM region.






The purpose of this Fellowship then was to research successful social enterprise programs across the world and:

1. Identify supports and enablers required to attain similar positive outcomes in the Fellows' community.
2. Apply these learnings to expand the CfP's social enterprise program, boost engagement and employment, and reinvigorate the WSM.

Fellowship Methodology

The Fellowship followed a five-stage methodology, as shown in the following diagram.

The Fellowship Methodology

	Purpose	Activities	Outcome
 Stage 1 Desktop Research	To identify case studies for more detailed investigation.	<ul style="list-style-type: none"> Preparation of potential case studies Development of selection criteria 	Five case studies identified across the United Kingdom and Ethiopia.
 Stage 2 In-depth case studies	To understand the success factors of social enterprise case studies.	<ul style="list-style-type: none"> Study tour visiting the case studies Attendance at the Social Enterprise World Forum 	<ul style="list-style-type: none"> Understanding of success factors for these case studies. Established a global network of experts.
 Stage 3 Data Collection and Analysis	To determine the key themes from the case study investigation.	<ul style="list-style-type: none"> Categorisation of case study notes. Cross-check and comparison of key themes. 	A comprehensive set of factors contributing to the social enterprise success.
 Stage 4 Results and Recommendations	To identify the top factors for social enterprise success.	<ul style="list-style-type: none"> Cause-and-effect analysis to identify primary drivers Gap analysis for CfP 	<ul style="list-style-type: none"> Identified 4 key factors to social enterprise success. Recommendations for CfP and the sector.
 Stage 5 Implementation Planning	To implement the learnings for greater social impact.	<ul style="list-style-type: none"> Planning at CfP for short-term and long-term initiatives. Sharing learnings across the sector. 	<ul style="list-style-type: none"> Improvements in CfP programs Increased the Fellows' confidence and expertise.

11

Stage 1 - Desktop Research

This preliminary stage involved comprehensive desktop research into social enterprise programs worldwide. This activity aimed to identify programs that would be beneficial for more detailed investigation in the case study phase. The Fellow drafted a long list of potential case studies. To narrow the field, each program was assessed against the criteria for inclusion. These criteria were developed to select programs that most closely resembled the conditions in the WSM and were most likely to present highly relevant findings. Programs were chosen to progress to the in-depth case study stage based on their:

- Rural or remote locations, which reflect the WSM context
- The similarity of challenges with western Victoria, for example having higher unemployment rates, disadvantaged learners, declining populations and poorer social determinants compared to the national average.
- Experience of disengagement and marginalisation within their communities
- Program success, especially with regards to employment and community outcomes
- Program duration, with the longest-standing programs offering learnings on sustainable solutions.

The initial list of case study candidates was refined based on logistical and practical criteria, including:

- Availability of key staff to attend interviews during the Fellowship period
- Accessibility of the program location, given the cost and time restraints of the Fellowship
- Proximity to the Social Enterprise World Forum in Ethiopia that would provide the Fellow with further study tours and educational and relationship-building opportunities.

After this stage, five case studies were confirmed being:

Social Enterprise Program	Case Study Location
Sefton Council for Voluntary Service (CVS)	Liverpool, United Kingdom
Highlands and Islands Enterprise	Inverness, United Kingdom
Social Enterprise Academy	Inverness, United Kingdom
Community Enterprise in Scotland (CEIS)	Glasgow, United Kingdom
Social Enterprise World Forum	Addis Ababa, Bishoftu and Arba Minch, Ethiopia

Stage 2 - In-Depth Case Studies

Each chosen case study was examined in person during a 19-day study tour. Over the tour, the Fellow participated in various experiences, including visits to social enterprises, charities, and economic development organisations. The Fellow also attended the Social Enterprise World Forum, which included an urban and rural study tour.

Sefton Council for Voluntary Service (CVS)

During the first stop, the Fellow was hosted by Angela White OBE, the Chief Executive of Sefton CVS, recognised nationally for developing support services to frontline third sector organisations. The key to the Fellows' learnings was to look at how they promote and support activity that encourages and supports independent, resilient and sustainable communities. This was done by meeting various internal program leads to understand their work and visiting external organisations and social enterprises. These activities assisted the Fellow in understanding the linkages these organisations had with Sefton CVS as the local infrastructure agency.



Figure 4. Social Council for Voluntary Service Liverpool UK

Highlands and Islands Enterprise

In Inverness, the Fellow met with HIE Director of Communities and Place, Douglas Cowan, who is responsible for addressing the challenges of their region's more remote and rural parts. Along with Douglas, the Fellow met with Neil Ross, Head of Community Growth and Lindsay Simpson, Communities Engagement Manager. Meetings with HIE focused on their work to support communities to acquire and develop community assets, encouraging the growth of the social economy and the social enterprise model - which is critical to their region's economic and social development.



Figure 5. Meeting at Highlands and Islands Enterprise Inverness UK



Figure 6. Artysans Cafe - a social enterprise Inverness UK

Social Enterprise Academy

At the Social Enterprise Academy, the Fellow learnt about their work to support people and organisations enabling social change. Learning came from an interview with David Bryan, the Highlands and Islands Hub Manager, and visits to Inverness's social enterprises.

Community Enterprise in Scotland (CEIS)

Glasgow was the final stop in the UK. Here, the Fellow met with Gerry Higgins, the Director of International Enterprise at the CEIS Group and Founder and Managing Director of Social Enterprise World Forum. This consisted of an interview about the CEIS group's work, Gerry's understanding of the broader UK context and key learnings from around the globe.

Social Enterprise World Forum

The Social Enterprise World Forum in Ethiopia started with a two-day urban study tour. This allowed the Fellow to visit and learn from social enterprises in Addis Ababa and Bishoftu.



Figure 7. Urban Study Tour visit at Shega Crafts



Figure 8. Opening day at the Social Enterprise World Forum

The three days following the urban study tour, the main forum was held. The Fellow was fully immersed in a range of conference activities. These included keynote sessions, plenary sessions, panel discussions and workshops, and actively participating in conference networking activities.

The Fellow also had the opportunity to be a speaker on a panel for a session on 'Community-based social enterprises – purpose-driven, transforming places and sharing prosperity'.



17

Figure 9. Panel discussion at SEWF

The rural study trip followed the forum, where the Fellow went with other delegates to Arba Minch for three days. Like the urban study tour, this provided the Fellow opportunities to visit and learn from social enterprises in the regional areas of Ethiopia, and to connect with other change makers from around the globe.



Figure 10. Arba Minch Rural Study tour

Stage 3 - Data Collection and Analysis

Qualitative data on social enterprise success factors was gathered using various tools. Before the study tour, data gathering was done through:

- video meetings
- phone conversations
- emails.

During the study tour, the Fellow had the opportunity to conduct in-person interviews with representatives from the social enterprise sector. The Fellow took comprehensive minutes from all of these meetings. These notes were reviewed and analysed continuously to identify common themes across the case study enterprises. After the study tour, the Fellow further analysed the common themes, working to understand their interrelationships and determining a set of key enablers for social enterprise success.

Stage 4 - Results and Recommendations

The Fellow then undertook a cause-and-effect analysis to understand the primary drivers of social enterprise success. This revealed four determinants, being:

1. Having supportive government policy and funding models
2. Fostering entrepreneurial and experiential learning
3. Employing a place-based approach
4. Implementing appropriate governance and business structures.

Each of these factors is discussed in detail in the learnings section of this report.

The Fellow then explored the extent to which these success factors were present in the WSM communities and across Australia more broadly. Gaps and deficiencies were identified and used to develop the recommendations and considerations detailed later in this report.

Stage 5 - Implementation Planning

The Fellow shared these learnings with colleagues at the CfP and began identifying and implementing quick wins to bolster the current social enterprise program. In addition, plans were developed to undertake longer-term changes to improve the success and sustainability of existing and future enterprises. By the conclusion of the Fellowship, a number of these improvement initiatives had already been executed. The Fellow continues to identify ways to share these learnings and influence progress in communities across Australia and the world.

Limitations Of The Methodology

At the time of the Fellowship, the Fellow was relatively new to the structures and systems of social enterprise. So much of the research done was exploratory in nature. This context meant the research covered broad ground and did not allow for exhaustive examination in specific areas. However, the Fellowship has provided incredible insight that is now being applied to improve social programs. To overcome this limitation, the Fellow may test each recommendation with the case study participants and reflect on his own experience in the CfP to understand the success factors in more detail.

Fellowship Period

9 October - 28 October 2019

Fellow's Biography

Robert Millar MICDA, FICDA, Dip. Bus. (Gov) is an experienced Senior Manager with a demonstrated history of working in the for-purpose sector. He is a strong community and social services professional with Diplomas in Business Governance, Vocational Education and Training, Training Design and Development and Business Management. He is skilled in leadership, social enterprise, coaching, conflict resolution, public speaking and facilitation.

20

Robert has lived in Horsham most of his life and has held senior management roles delivering community and learning programs across the Wimmera Southern Mallee for over 19 years.

Prior to commencing with the CfP in 2011, Robert held roles including coordinating Uniting Wimmera's Residential Care, Foster Care and managing their Out of Home Care programs for eight years.

In addition to being awarded a 2019 Higher Education and Skills Fellowship through the ISS Institute, in 2013 he gained the VET Practitioner Fellowship through the VET Development Centre and is a Member of the Institute of Community Directors.

In his most recent role as Acting Chief Executive Officer, Robert has supported organisational growth to strengthen existing services, new programs and social enterprises.

Several programs that Robert has led have received awards. In 2011 the "Deadly's" Award for Outstanding Achievement in Education; in 2012, the "Learn Local" Koorie Achievement Award and in 2016, the "Wurreker" Adult Community Education Award.

Robert is passionate about improving life choices and outcomes through education for disadvantaged people across the Wimmera Southern Mallee. He is always looking for opportunities to make a difference and is dedicated to making his region a better place to live, work, study and raise a family.



Figure 11. The Fellow at SEWF 2019

Fellowship Learnings

This Fellowship has delivered numerous significant learnings already being applied in the CfP and shared with the Fellows' network to bring about broader social enterprise success. One thing reinforced during the study tour was the power of successful social enterprise to transform individuals' lives and reinvigorate entire communities.

For example, HIE in Scotland was supporting social enterprise to deliver on their priorities of:

- Accelerating business growth
- Strengthening communities and fragile areas
- Developing growth sectors
- Developing regional opportunities.

They are achieving remarkable results. At the time of the Fellow's visits HIE was working with 140 social enterprises, around 12% of the total 1,196 social enterprises in the region. Social enterprises were employing 6,000 FTE and contributed £144m in GVA. They are not only reducing the significant social problems, but with the encouragement of government policy, are introducing innovations that address environmental concerns as well.

The Fellow also gained further insight into the critical enablers of social enterprise success through the study tour. The Fellow analysed the context and challenges, systems and structures of the case studies and identified four success factors for social enterprise programs. These are:

1. Having supportive government policy and funding models
2. Fostering entrepreneurial and experiential learning
3. Employing a place-based approach
4. Implementing appropriate governance and business structures

Supportive Government Policy and Funding

Social enterprise success requires participation and commitment by all levels of government. From the study tour, the Fellow identified two key methods governments support social enterprise: policy levers and strategic program funding.

Government Policy

The existence of a National Performance Framework[5] has tremendously supported the social programs being delivered by HIE in Northwestern Scotland. The Scottish government has established a framework that includes a set of national outcomes against which government activities and spending are aligned. Each outcome also has a set of indicators that reflect the

United Nations Sustainable Development Goals. There are 81 indicators in total, and these are measured, monitored, and reported on by the government regularly. Any organisation that receives government funding must also measure and report their activities against these indicators.

Having a National Performance Framework focuses programs on solving social problems, concentrating resources on those areas that will deliver long-term outcomes. Such a framework also provides a transparent standard by which funding decisions are made, increasing confidence in financial support decisions. Without the parameters of this framework, there is the danger that short-term reactive program responses will consume many resources and deliver very little future benefit.

Procurement is another policy lever available to provide government support for social enterprise. As outlined in Scotland's Social Enterprise Strategy[4], the public sector can play a role through:

- Acting as a customer of social enterprises
- Enacting policies that build awareness and consideration of social enterprises as an alternative service model
- Fostering procurement partnerships in the public sector.

Through its purchasing policies, the government can provide direct support for social enterprises and thus also indirectly fund their success.

Funding Strategies

Through funding social enterprise, government entities shift from the sidelines and become key players in leveraging citizens' taxes to support inclusive economic growth[2]. There are many funding strategies available to the government, including:

- Providing seed funding
- Offering tax and other operational concessions
- Financing space for innovation and enterprise operations.

Social entrepreneurs require seed capital to turn their ideas into sustainable businesses. Activities that need funds include preliminary R&D, testing and marketing and ongoing innovation, improvement and expansion. While governments can provide such funds directly through grants, they also have a direct role in establishing social finance markets and social impact investment products such as social impact bonds. For example, the Scottish government is playing an active role in building social financial institutions in Scotland. It has partnered with Social Investment Scotland (SIS), a social enterprise and charity, to offer loan funding and business support for organisations seeking to positively impact people's lives[6].

In the United Kingdom, Sefton Council used local government funds to purchase the Bootle Strand shopping centre. Bootle has poorer social determinants than the national average and is the most disadvantaged part of the Sefton Council area. The lack of investment in this centre was threatening its closure, which would have resulted in higher levels of social and economic disadvantage through job losses and the removal of vital services. By keeping the centre and owning it as a public space, Sefton Council maintained an existing asset for its citizens and



Figure 12. Social enterprise space Bootle UK

created one that could foster future civic innovation and social enterprise.

Entrepreneurial Education

One key learning for the Fellow was how traditional school systems do not provide the education necessary to foster social entrepreneurs. School systems in western culture have barely changed since the industrial age when they focused on preparing students for life on a factory floor. It does not equip students with critical or creative thinking or soft skills required to lead teams in modern and human-centred organisations.

Across the case studies, it was evident that the success of social enterprises was supported by dedicated attention to fostering entrepreneurial skills through non-traditional educational programs. These programs aimed to build a greater level of awareness and intuition and, in some ways, undo the strictures that western models of education had placed on naturally curious and creative minds.

24

Traditional education's limiting effects were absent in the Ethiopian case studies, where formal education is out of reach for many children and young adults. As a result, the young people were not hamstrung by western culture and ideals, and their ability to think creatively and solve complex social problems was inspiring. Without enforced educational boundaries, they could self-propel their ideas through entrepreneurship to benefit their families and communities.

The importance of building entrepreneurial skills, and beginning this process at a young age, is recognised in Scotland. The Scottish government supports the Social Enterprise Academy (SEA), which offers learning and development programs to build social entrepreneurial skills. They offer a startup school program across the Highlands and Islands that emphasises action and experiential learning and enables valuable peer learning. Like the SIS, the SEA is a non-government organisation with more flexibility to adapt its support to the needs of the entrepreneurs they serve. Locally, the Australian Centre for Rural Entrepreneurship (ACRE) in Beechworth has partnered with the SEA and delivers skill-building programs for schools, adults and community groups. The SEA and the SIS are wonderful examples of how government bodies can indirectly fund and support social startups.

Scotland's Social Enterprise Strategy[4] recognises that an entrepreneurial mindset needs to be built into curriculums across the entire educational journey. To do this, it has developed policies and plans for:

- Early Learning and Childcare. To expose children to the social enterprise model early and utilise social enterprises to expand the sector.
- Schools. To extend social enterprise education into every school and provide more opportunities for career education, work placements, and school-employer partnerships.
- Colleges. To enable creative thinking curriculums and encourage socially entrepreneurial talent in further education.
- Universities. To encourage social entrepreneurship beyond business schools and across all parts of universities, for example, through teaching, campaigns, funding competitions and incubators to encourage social enterprise activity.

- Informal education. To engage young people in social enterprise and to help adults acquire the knowledge, skills and confidence they need to engage in social entrepreneurship and contribute to society.

This holistic approach to entrepreneurial education has made Scotland the world leader in social enterprise and a role model for how investments in learning and development can ensure its success.

25

A Place-Based Approach

The case studies visited by the Fellow all employed community-led and place-based approaches to social enterprise. For example, Ykids in Liverpool runs the North Perk Cafe in Bootle. The cafe aims to train and support local young people to develop skills and gain qualifications, equipping them to be highly employable. Whilst the focus of Ykids is on supporting young people, they are also addressing the significant disadvantage in Bootle, which has high unemployment and poor health outcomes.

Another example in the UK was at HIE, operating eight area teams around the Highlands and Islands. These targeted teams deliver significant benefits, including:

- Establishment of strong and positive relationships in the region
- Deep local knowledge of the specific social problems and economic development opportunities in each area
- Creation of effective localised policies and responses to address the challenges and opportunities in each area.

The Jerusalem Children and Community Development Organization (JeCCDO) is a humanitarian organisation in Ethiopia and another shining example of the importance of a place-based approach to social enterprise. JeCCDO was founded to care for children orphaned or displaced as a result of the famine in 1984. They used their expertise to set up a cooperative to address the significant disadvantage they were facing. Whilst the cooperative is a social enterprise, the flow-on effect for JeCCDO is that it reduces poverty and, therefore, the number of orphaned children in the community. In this way, this localised social enterprise is solving a social problem and contributing to a higher quality of life in the community.

These case study examples confirmed for the Fellow the important role NFP organisations play in supporting, enhancing, and enabling community-led responses to social problems and capitalising on economic development opportunities. To do this effectively requires NFPs to employ an Asset Based Community Development (ABCD)[7] model, focused on identifying and mobilising existing community assets. More specifically, it requires a commitment from the organisation to identify



Figure 13. Urban study tour at JeCCDO Ethiopia

and utilise all community assets, including:

- Individuals – recognise that everyone has assets, gifts and skills.
- Associations – small informal groups with a common interest are key to community mobilisation.
- Institutions - government agencies, private businesses, and schools can help the community capture valuable resources and engender a sense of civic responsibility.
- Place-based assets – the place's strengths, including its land, buildings, heritage, and public and green spaces.
- Connections – the exchange occurring between people and their assets. The social relationships within a community are a vital asset to support transformation.

However, it is also recognised that NFPs themselves require infrastructure, and this is where government policy and funding again play an important role. As recognised in the Scottish Social Enterprise Strategy, responsive support infrastructure in each region is essential to help people get their social enterprise off the ground.

Appropriate Governance and Business Structures

Throughout this Fellowship, it has been observed that the transition from a pure charity approach to a social enterprise model can be incredibly challenging. Not only are there different mindsets required for each, but social enterprises have unique needs in terms of governance skills and business structures. It is recognised that “pursuing a social goal while being constrained by the requirement of financial sustainability is difficult”[2]. It comes with a whole new set of risks and obligations that Boards must understand and be able to oversee effectively. For this reason, NFP organisations engaging in a social enterprise must consider whether they have the right skills on the board to support this program. Skills such as business acumen, innovation, risk management and creative thinking are required to provide enterprise support and the greatest possibility of success.

During the Fellows’ visit to CEIS, Gerry Higgins highlighted examples where the board and management were not in sync with the vision of the social enterprise. As a result of his experience, he stated that NFP leaders must ensure that all levels of the organisation, especially the board, are supportive of social enterprise programs. Without this backing, the enterprise can lose traction and fail. Moreover, the experience can create cynicism that may make future enterprise endeavours more challenging to get off the ground.

In addition, while charities are inherently enterprising, this doesn’t mean they have the right business structures to operate a social enterprise. A transition towards commercial business models and legal structures is needed to ensure the enterprise has the right protections in place and is complying with the specific obligations of commercial entities. In Australia this needs to be managed carefully as trading for income can put charities at risk of losing their charity status.

In Scotland, the need for tailored business advice for social enterprises was realised, and First Port[8] was established as a support agency for startup social entrepreneurs and social enterprises. It offers a range of services, including business accelerators, workshops for business and financial planning, and individual advice, to ensure that social enterprise is set up for success and achieves maximum positive impact for its community.

To aid social entrepreneurs in understanding the development of their entity, HIE has developed a model called the social enterprise growth ladder. This framework shows the natural evolution of social enterprise and measures a spectrum of capacity, ambition and development. This helps HIE and the entrepreneurs understand:

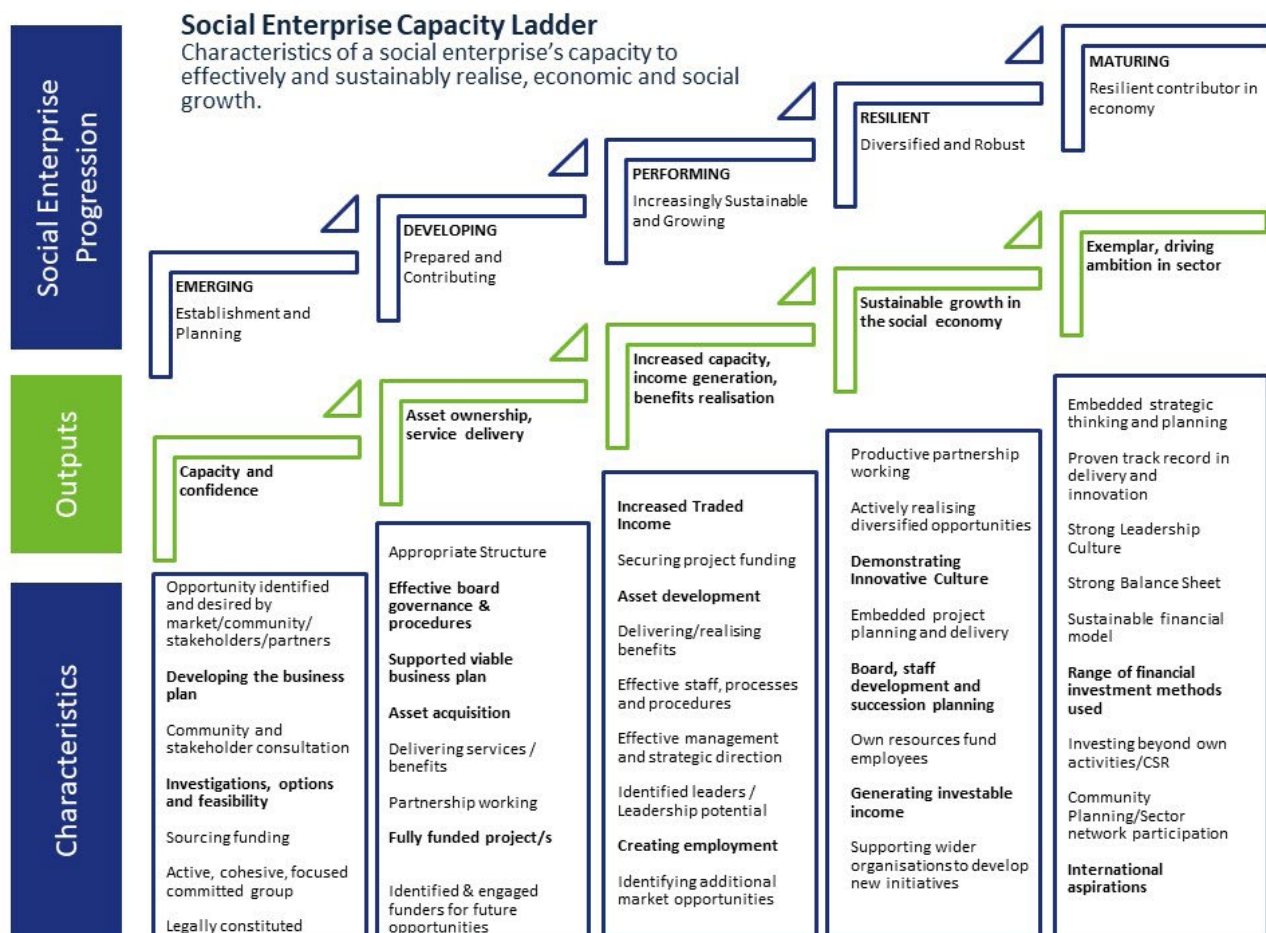
- where the enterprise is now
- what their vision is of the future and

- what supports they may need to achieve this vision, for example, in terms of structures, systems, products, and investments.

HIE then works with the entrepreneurs to provide the support relevant to their current context, which will place them in a good position to work towards their future goals.

28

All the case study participants recognise that the move towards social enterprise can be challenging for many charities. The current governance and business structures may not be set up to cater for this new program model. Therefore, if an organisation is committed to delivering social enterprise success, it must ensure that appropriate governance and legal foundations are in place.



Personal, Professional and Sectoral Impact

This Fellowship has had a significant impact on the Fellow at a personal level and is already bearing fruit through the sharing of learnings with the Fellows' colleagues and industry networks. The Fellow is now working on using these learnings to influence policy and programs to improve the success of social enterprises across the region and the nation and to positively impact society more broadly.

29

Personal Impact

On a personal level, the study tour prompted the Fellow to reflect on the importance of his community and the commitment felt toward it. Watching people apply their energy and time to advance their communities reinforced the Fellows' values and confirmed the Fellow's dedication to advancing the prosperity of his home community.

Interestingly, the travel away from the Fellows' community worked to strengthen the sense of belonging the Fellow has in the region. This has driven the Fellow to increase participation in personal and professional activities contributing to the region's vitality. Through broader participation in social and civic life, the Fellow has increased appreciation for the gifts present in their lives and the opportunity available to utilise these to impact the lives of others.

Professional Impact

This Fellowship has facilitated the professional growth of the Fellow in many areas. The Fellow has seen firsthand the impact a social enterprise can have on a community and is more determined than ever to bring these benefits to the WSM. Seeing the positive impact of the case studies has strengthened the Fellows' commitment to the NFP sector. In addition, the people the Fellow met and the programs witnessed have expanded the view of what is possible with social enterprise. This has resulted in a larger set of social enterprise opportunities to be explored for the WSM.

When assessing ideas for new social enterprises, the Fellow uses the four learnings outlined to ensure the right structures and systems are in place to increase the likelihood of a successful social enterprise startup. The Fellow has already implemented some learnings in the CfP, which has resulted in substantial improvements in the social enterprise outcomes and furthering the Fellows' social enterprise expertise. The guidance and support of the contacts in the case study organisations have also been pivotal in providing the Fellow with increased confidence to advance the social enterprise program in the CfP.

The Fellow has also used the learnings from the study tour to review and refine the theories of change for all existing social enterprises. Specifically, this review has addressed the social impact

each aims to achieve and the suitability of the methods for attaining this goal. This becomes critical when preparing business cases for investment funds and maintaining focus through potential trading losses. The important role that theories of change play for social enterprises has also brought greater attention to their use to engender direction and focus for other CfP programs.

30

Before the Fellowship, networking was not an activity that the Fellow engaged in proactively. However, the study tour highlighted the immense benefits of conversations with peers, sharing experiences and expanding the circle of influence. Since returning from the study tour, the Fellow has continued to connect with experts, mentors and champions across the region, nation and the globe to expand their knowledge and influence for social enterprise success. For example, the Fellow has connected with founding members of the Social Enterprise Network of Victoria (SENVIC).and, as a result, the CfP's successful expression of interest as the Grampians' local lead for SENVIC. The Fellow has also applied the benefits of networks in personal pursuits, creating connections and communities to pursue passions and personal growth.

Sectoral Impact

The knowledge and experience of this Fellowship have already been used to impact various sectors positively. The Fellow has influenced entrepreneurship in the Adult Community and Further Education (ACFE) sector in Victoria by creating a pre-accredited course for micro-business. This course provides participants with skills, knowledge, and confidence in running an enterprise, and creates a pathway to further learning, training and employment.

In the Aged Care sector, the Fellow has reviewed the Commonwealth Home Supported Packages (CHSP) program through a social enterprise lens. The Fellow is now using the enterprise model to develop innovative ways to support vulnerable older adults in the community to live longer, happier, independent lives. Similarly, the Fellow has also applied the enterprise perspective to learners that have funding through the National Disability Insurance Scheme (NDIS). Whilst the organisation has just started this journey, there has already been significant impact and creativity in the models being explored.

More broadly, this Fellowship has shown how social enterprise can improve the financial sustainability of the NFP sector. Trade income available through social enterprise can cross-subsidise social programs, strengthening the financial viability of the entire organisation. It also creates increased stakeholder confidence in the organisation, resulting in greater government and philanthropic funding investments.

This impact will only be possible if the NFP sector understands that achieving a viable business is the priority. Once achieved, the profits can be directed to social purposes, reducing the

reliance and risk of external funding sources. This learning can transform the NFP sector through diversifying funding strategies and social impact mechanisms.

Societal Impact

The potential positive impact that social enterprise can have on a community is undeniable. This Fellowship has shown how social enterprise provides a pathway to employment for the disadvantaged and marginalised and reinvigorates entire towns and regions. Armed with the knowledge of the success factors for social enterprise, the Fellow now seeks to employ these to aid inclusive economic growth in the WSM. In addition, through sharing these learnings and expanding networks, the Fellow strives to enable social enterprises to flourish across the nation, improving the lives of many individuals and their families.



Figure 14. Guide in Arba Minch

Recommendations and Considerations

32

The case studies explored through this Fellowship have shown that social enterprise can flourish and become an enabler of regional rejuvenation with the right supports in place. There is a significant opportunity in Australia to follow the lead of our international peers and harness the power of social enterprise. To do this requires a dedicated commitment by the NFP sector and infrastructure and investments from all levels of government. More specifically, the Fellow recommends that the following six actions be taken to develop a robust and effective social enterprise framework.

1. Establishment and growth of social enterprise networks
2. Creation of a National Performance Framework
3. Development of a social enterprise funding strategy
4. Introduction of an entrepreneurial curriculum
5. Development of a clearly defined business and governance structure
6. Support of a place-based approach

Social Enterprise Networks/Councils

Whilst there was already the Queensland Social Enterprise Council in Australia, since the commencement of the Fellowship, seven additional social enterprise networks and councils have been established that have direct relevance to the Fellow's work, being:

- The Social Enterprise Network of Victoria (SENVIC)
- The Alliance of Social Enterprise Networks Australia (ASENA).
- WA Social Enterprise Council (WASEC)
- Social Enterprise Council of NSW & ACT (SECNA)
- Impact North
- Social Enterprise Network Tasmania (SENTAS)
- South Australian Social Enterprise Council (SASEC)

One of the key learnings of the Fellowship was the importance of professional networks in creating a strong social enterprise ecosystem. They provide the ability to share ideas, learn from the success of others and fast-track social enterprise impact. These networks also act as advocates for enabling government strategies and support.

These established networks are recommended to create strong and positive relationships across the government to advocate for the assistance necessary for the development and growth of social enterprise.

A National Performance Framework

As was seen in Scotland, the national performance framework for this country presents a clear set of national outcomes and indicators of success. This framework engenders transparency and consistency across social programs and, even more importantly, supports those that deliver long-term solutions to social problems. Moreover, this framework is used to guide government funding and program decisions. Without this framework, all sectors are more likely to be reactive to current issues and focused on short-term outputs. The consequence is that funds are spent on actions that will not deliver significant or sustainable change.

For these reasons, the Fellow strongly recommends that the Australian government develop a National Performance Framework in line with the United Nations Sustainable Development Goals. Using this framework to guide investment and funding decisions would ensure that any money spent will deliver accountability and meaningful outcomes. It will also assist the NFP sector in evaluating the current programs against a clear set of criteria and enable more future-focused and strategic service development. In this way, a National Performance Framework is a tool for achieving tangible and sustainable social change.

Social Enterprise Funding Strategy

There are many ways in which government funds can be used to support social enterprise, including through

- seed funding for startups
- integration of social enterprise into government service delivery
- procurement policies
- support of social financial markets
- provision of innovation and operation space.

When used strategically, these tools can deliver significant synergies, maximising the return from any individual investment. For this reason, the Fellow recommends that local, state and federal governments work to develop an integrated social enterprise funding strategy that will support social enterprise across all stages of growth.

An Entrepreneurial Curriculum

A social enterprise's success depends on the participants' entrepreneurial capabilities. Unfortunately, what was made evident during this Fellowship, is that traditional western teaching methods do not instil the creativity, innovation and soft skills required to flourish as a social entrepreneur. Moreover, learning these skills in some ways requires unlearning the dogmatic disciplines previously instilled through western education. Therefore, the education system must foster an entrepreneurial mindset, beginning with pre-school and kindergarten and continuing to adult education forums.

Given the importance of enterprise skills to the success of a social enterprise, it is recommended that the established networks advocate for the development of an entrepreneurial curriculum in each state, similar to that outlined in Scotland's Social Enterprise Strategy[4]. Such a syllabus would benefit the development of social enterprise and support students in entering a dynamic and modern job market. It would also help employers get the skills they need to drive innovation and customer-focused outcomes.

Clearly Defined Governance and Business Structures

As discussed previously, the transition to a social enterprise model can be difficult for many NFP organisations due largely to the different governance and business structures required for commercial programs. However, there is very little guidance available on choosing the most appropriate business model. Each option has a unique set of risks, compliance challenges and business processes that boards and management must oversee. The ambiguity around appropriate governance and business structures for social enterprise may create barriers to initiating such programs or even impede their effectiveness.

The Fellow is passionate about giving every social enterprise the best possible chance of success. Therefore, it is recommended that the federal government develop clearly defined business and governance structures for social enterprise. These can be supported with strategic investments in educational and advisory services, similar to the financial backing provided to First Port by the Scottish government[8]. This will enable strong foundations for social enterprises and support their governance bodies to understand and effectively fulfil their oversight roles.

Support of a Place-Based Approach

A common approach to the delivery of social programs is to utilise a centralised and deficit-based model. However, one of the key learnings from this Fellowship has been the importance of place-based and community-led programs. Having several local teams (rather than just one distant head office) allows for a deep understanding of the issues and the existing strengths that can be

used for their resolution. A local approach also builds the trust and confidence of participants, which is essential for the successful implementation of any new initiative.

Therefore, it is recommended that organisations operate from a place-based approach and work to leverage the skills, strengths, and assets already available in their people, networks, and location. Such an approach is not only respectful to the people the program is attempting to assist but is proven to deliver superior social outcomes.

35



Figure 15. North Perk Cafe

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