

Received
13.2.19

8 February 2019

Dr Matthew Butlin
South Australian Productivity Commission
GPO Box 2343,
Adelaide SA 5001

Dear Dr Butlin

I write regarding the current inquiry that the Productivity Commission is conducting, and to provide some input based on the work of the Don Dunstan Foundation in a number of areas.

By way of background the Don Dunstan Foundation is a thought leadership organisation established to inspire action for a fairer world, and to build on the legacy of the late Premier Don Dunstan. We are a registered charity and focus on social justice issues through public events, collaborative projects and research.

Our five current areas of focus are set out in our 2016-2020 Strategic Plan, and each relates to social procurement in a number of ways. I will address each to help inform the Productivity Commission's work.

Growing the purpose economy in South Australia through the Thinkers in Residence Program. This program brings experts from around the world to help us develop a more purposeful economy that is able to achieve the highest levels of social, cultural and environmental impact.

Social procurement has been a big focus of this work and one of the key insights from the visits of the various Thinkers is that there are significant opportunities for South Australia in developing social procurement.

Each of the Thinkers' Reports touches upon social procurement and its importance. Suzi Sosa's Report, the most recent one released (attached) calls for:

1. The Government Industry Participation Advocate to take a leadership role in driving social procurement in the public sector
2. Better measurement of the social impact that is already being delivered through government and business procurement policies
3. Showcase success stories to build awareness about the impact social procurement is having in SA and around the world
4. Companies that provide advisory services to South Australian companies, like the big four accounting firms, should consider how they can support greater understanding of how to drive social impact from private sector procurement.

Further work is being done to refine a more comprehensive set of recommendations relating to social procurement.

Since this Report was released we have also worked with the South Australian Centre for Economic Studies (SACES), The Stretton Centre and Housing SA, now operating as the South Australian

Ho using Authority (SAHA). The outcome of this work was detailed in a Report (attached) that provides estimates of the social value of social enterprise using two case studies of projects operating in South Australia. The study found that every dollar invested by these social enterprises – in programs that helped young people and people with disability gain employment and work experience – generated up to \$5 in social value through improved wellbeing, social integration, and future employment. This was in addition to any earnings impact.

The Report also explored opportunities for the public sector to target procurement of goods and services for greater social benefit. Using Housing SA/SAHA data for 2016/17, *it is estimated that public procurement created about 125 full-time equivalent jobs, and a further 100 full-time equivalent jobs through the supply chain in that year.* The Report concludes that public procurement can present an opportunity for targeted employment stimulation in areas of social and economic need, and recommends a strategic needs and opportunity review that is followed by a trial of a procurement initiatives focused on engaging social enterprise.

The report also identified 77 social enterprises with a base in South Australia, working across a range of industrial and service sectors. This is an emergent sector, in much need of support in its development. The conclusion of the Report is that social procurement provides a vital opportunity to support the development of this sector.

Finally, as part of the Thinkers' program, a number of roundtables and workshops have been conducted to consider the opportunities of social procurement. A summary paper has been prepared that will be incorporated into future Thinkers in Residence Reports. It is attached and makes the case for a strong role for the South Australian Government in supporting social procurement, particularly through the development of a State Social Procurement Strategy. I strongly recommend that such a strategy's development be considered as part of the Productivity Inquiry's Report.

Supporting Aboriginal economic empowerment by working with the Leaders Institute of South Australia, and reconciliation through our annual Lowitja O'Donoghue Oration.

As you may be aware, the Don Dunstan Foundation commissioned a group of leaders undertaking the 2017 Governor's Leadership Foundation, through the Leaders Institute of South Australia, to explore how Aboriginal Participation in the South Australian Economy could be increased. It was a comprehensive Report and is also attached. In 2018 a follow-up Report was conducted to further explore the significant opportunities that procurement can provide to support Aboriginal employment.

I understand the 2018 group have been in touch directly to share the findings from interviews with Government agency contacts, Industry advisors and key stakeholders of procurement processes. The Report covers government, mining and defence procurement processes. The Report, Aboriginal Economic Participation Procurement Review is attached, and it is highly recommended that it be considered as part of the Productivity Inquiries Review – the key findings of the Review can be found on pages 42-44.

Exploring new ways to address homelessness, in particular with a focus on ending street homelessness in the inner city as part of the Adelaide Zero Project.

I wish to draw to your attention the social enterprise Gogo Events who use government and private sector procurement of services, such as events management, to provide employment opportunities to people who are or have been homeless. I encourage you to consider how social enterprises like this

can be prioritised through the reform of procurement practices in the SA public sector. Further information can be found at: <http://www.gogoevents.com.au/>

Helping improve individual and community mental health primarily through a range of events (AdMental) and commissioning research.

In partnership with the Mental Health Coalition of South Australia we are seeking to better understand the employment opportunities provided by a lived experience peer-support workforce using the co-operative model. The Peer Workforce model has a 25-year history, and over recent years successive national mental health plans and state plans have identified the need to build the Peer Workforce. The current State Mental Health Services Plan will have a specific focus on building the Lived Experience (Peer) Workforce. The use of procurement in a more innovative way will be essential to developing this workforce, that once better established, will not only help provide more effective mental health services, but significantly more efficient services. This project is in its early days of development but is highlighted to show how social procurement is not just a significant enabler of social enterprise, but also social innovation.

Analysing the opportunities and challenges of migration by supporting a Migration and Refugee Research Network (MARRNet) with a broad range of organisations.

The opportunities of social procurement to support the employment of recent migrants is something that the Migration and Refugee Research Network and The Committee for Adelaide wishes to explore further this year. If the Productivity Commission is interested in being involved in these discussions please let us know.

I, along with many of the partners involved in the Don Dunstan Foundation's work, would be more than happy to discuss any of these matters further with you. I trust that this information is of assistance.

Yours sincerely,



David Pearson
Executive Director

Attachments:

1. Pathways to Global Leadership in the Purpose Economy, 2019, by Suzi Sosa, Don Dunstan Foundation Thinker in Residence
2. Stretton Fellowship: The Value of Social Enterprise, 2018, by Andreas Cebulla, The University of Adelaide
3. A State Government Led Social Procurement Strategy, 2019, Don Dunstan Foundation
4. Increasing Aboriginal Participation in the South Australian Economy, 2017, Governor's Leadership Foundation Program
5. Aboriginal Economic Participation Procurement Review, 2018, Governor's Leadership Foundation Program

Attachment 1



Pathways to Global Leadership in the Purpose Economy: Recommendations for South Australia

December 2018

Prepared by: **Suzi Sosa, Thinker in Residence**

with the support of the Don Dunstan Foundation and the Wyatt Trust

DON DUNSTAN
FOUNDATION
inspiring action for a fairer world



thinkers
IN RESIDENCE
• SOCIAL CAPITAL RESIDENCIES •



Table of Contents

Foreword by Rob DiMonte, Chair	6
Social Capital Residencies – Introduction	7
About Suzi Sosa – Specialist Thinker	8
Overview – Suzi Sosa	9
Recommendations.....	10
The Opportunity of the Purpose Economy	13
How to Build a Purpose Economy in South Australia.....	17
Millennials	18
Strong Existing Culture and Infrastructure	19
Start-Up Ecosystem	19
Creative Ecosystem	20
Technology Infrastructure.....	21
Universities	22
Multiple Economic Sectors Aligned With Purpose	23
Engaging Corporations for Shared Value	24
Evaluating the Ecosystem	25
Government and Driving Innovation	26
Threats to the Purpose Economy	26
Lack of Leadership Alignment	26
Too Few Entrepreneurs.....	27
Lack of Capital	28
Next Steps	29
Schedule of Events.....	30

Overview of Suzi Sosa's Visit

JULY 2017

54

Organisational Partners in Social Capital Residencies

-  4 Roundtables
-  14 Presentations, Panels & Meetings
-  3 Keynote presentations

Engaged with **1,120** People

6 Days in Adelaide

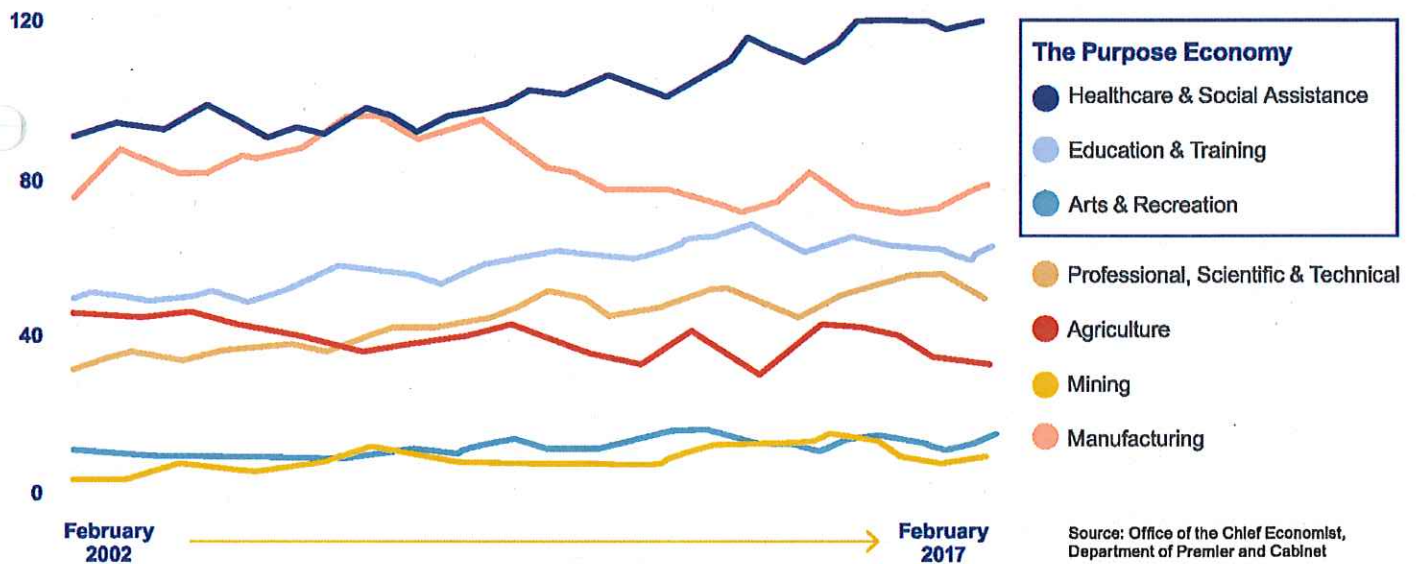
Suzi is the Co-Founder and Chief Executive Officer of Verb, a global corporation specialising in social innovation.



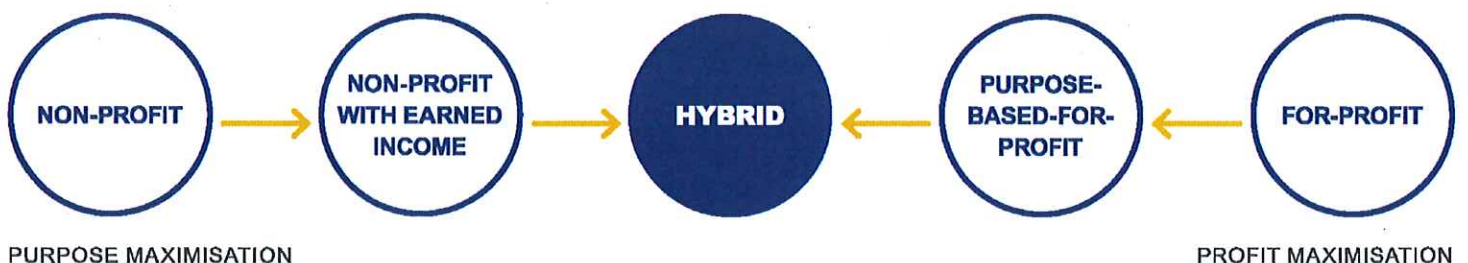
The aim of the Social Capital Residencies is to grow jobs in the purpose economy by doing good better.



Total employment by industry (moving annual average)



Social Enterprise Spectrum: Blending Purpose & Profit

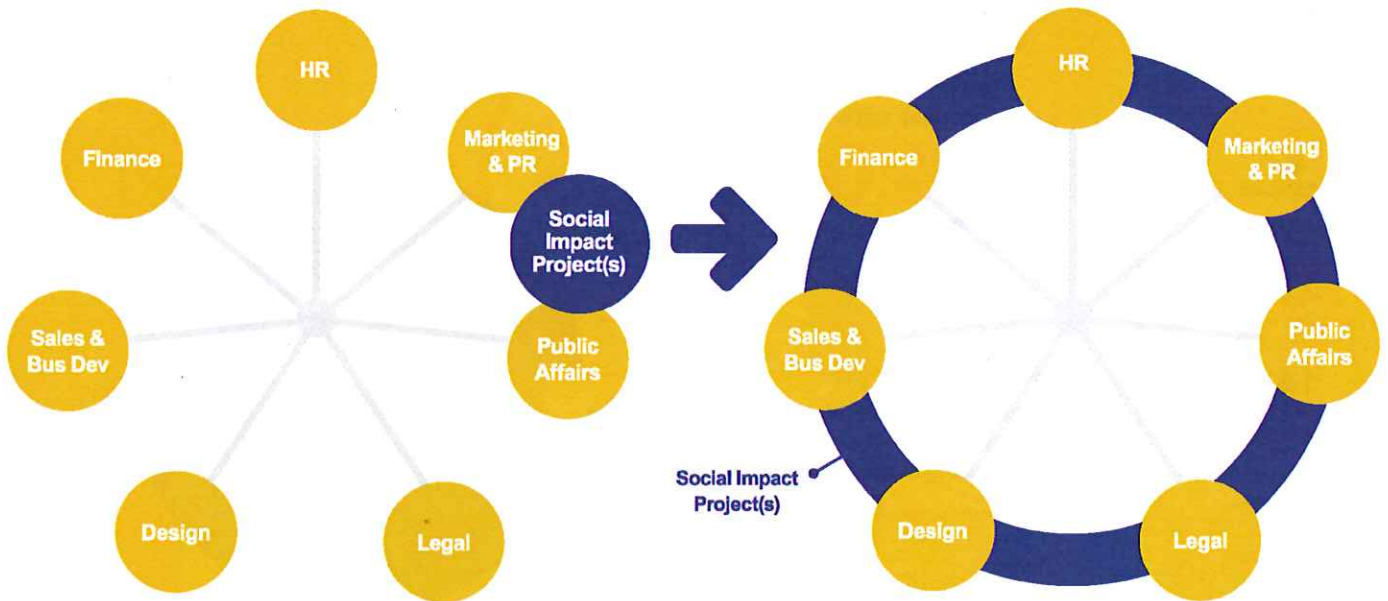


3 Global Trends



1

Moving to Integrated social impact



Source: Suzi Sosa

2

There is an unprecedented amount of capital out there available for social impact



Source: Calvert Foundation, CDFI Fund, CDVCA, National Community Investment Fund, National Federation of Community Development Credit Unions, Opportunity Finance Network and US SIF Foundation

6 Elements of a Healthy Entrepreneurial Ecosystem

- Frameworks, Infrastructure & Policies
- Resources
- Activities, Engagement
- Role Models
- Leadership
- Culture

3

Millennials are driving change



Today there are **FEWER** millennials living in South Australia than in the 1980s.

Source: Deloitte, Make It Big Adelaide: Shaping Future Cities Report.

Millennials are more likely to work for **ON DEMAND EMPLOYMENT** than any other previous generations

Source: Addison Group 2016 Workplace Survey

Millennials think the

#1 purpose of business is to **IMPROVE SOCIETY**

Source: Deloitte 2013 Millennial Survey.



Growing jobs in the purpose economy is essential to meet these challenges.

Source: Rainforest Scorecard, T2 Venture Creation

Foreword by Rob DiMonte, Chair

I am pleased to provide this Foreword to the second Social Capital Residencies Report, this time provided by our Specialist Thinker, Suzi Sosa. The Social Capital Residencies consist of a Primary and Specialist Thinkers, and we were truly privileged to have Suzi join us as the first of our Specialist Thinkers for what was a fast-paced visit.



It was timely that Suzi was here during the broader Entrepreneur Week activities because her 'specialty' is Social Entrepreneurship. Suzi's focus for her residency was our State's entrepreneurship and in particular how social entrepreneurship could thrive in South Australia. Through a combination of targeted round-table meetings including corporate, technology and tertiary education sectors, and engaging with entrepreneurs Suzi quickly understood the current landscape in South Australia and developed some clear insights of the possibilities for our future.

She has captured this well in this Report.

Perhaps her most telling insight was that we must be bold in our ambitions and seek out global aspirations. Set our sights on being globally recognised as the leader in the Purpose Economy. A 'first mover' opportunity will require us to build our brand, leverage what we already do well in the entrepreneur space, and engage the corporate and wider business community, harness technologies and leverage public sector innovation. The opportunity exists to attract global entrepreneurial talent to South Australia to 'not just create jobs but to create jobs with community and/or environmental benefit.'

There are great synergies and consistent observations with those of Allyson Hewitt and there is no doubt that Suzi built on the previously generated community enthusiasm for a Purpose Economy.

Once again, I would like to thank the hard-working team at the Don Dunstan Foundation for their commitment to the Program's success, and all the partners who have made this process possible.

A handwritten signature in black ink that reads "Rob DiMonte". The signature is written in a cursive, flowing style.

Rob DiMonte
Chair – Social Capital Residencies

Social Capital Residencies – Introduction

I first met Suzi Sosa in Austin, Texas and was impressed by her passion for Social Enterprise and the opportunities technology provides. We hatched a plan to bring Suzi to Adelaide as our first Specialist Thinker in Residence to explore these issues.



As a female founder and entrepreneur, Suzi is a remarkable leader on many fronts: her company [Verb](#) has, over the years, run a series of social innovation challenges. Recently Verb has focused on helping companies develop their talent through purpose-driven leadership training. A platform that provides an innovative way to connect millions of millennials to leadership content, mentorship and virtual volunteer projects. It is the marriage of this business expertise and strong social values that was the motivation for Suzi to become our first Specialist Thinker.

In the time that Suzi was with us she engaged with approximately 1,120 people, participated in four round-tables, delivered 14 presentations and three keynote presentations. Suzi was able to rapidly distill the strengths and opportunities that she discovered through her interactions with a cross-section of corporates, academics, government agencies and not-for-profits. This Report outlines her recommendations and emphasises the excellent position that South Australia is in to become global leaders in the Purpose Economy.

This report reveals our evolving thinking on what the Purpose Economy is and what new opportunities it represents for South Australia. Suzi's visit was part of the broader Social Capital Residencies, which aims to:

- Help to bring social innovations to scale in South Australia by developing a social innovation ecosystem that supports the growth of investment-ready social enterprises.
- Support a growing purpose economy by breaking down the silos between the business and social innovation ecosystems. In particular, supporting and inspiring small, medium and large businesses and other organisations to improve their social impact.

The Residencies also exist to assist the not-for-profit sector to develop greater commercial expertise, and the for-profit sector to have greater social impact – in essence for both sectors to do good, better.

The development of this Report has been a collaborative effort. On the Don Dunstan Foundation [website](#) you can find more information about the many events Suzi participated in that informed this Report including workshop notes, presentations, videos and recordings. On the website you will also find more information about the many initiatives which have either been started by or are being supported by the Social Capital Residencies – we call these our partner initiatives – many of which, you will be pleased to know, have already sought to implement a number of the recommendations in this Report.

We encourage you to take some time to explore and consider how you can get involved in the Social Capital Residencies and the Purpose Economy more broadly.

A handwritten signature in blue ink that reads "D Pearson".

David Pearson
Executive Director – Don Dunstan Foundation

About Suzi Sosa – Specialist Thinker

Suzi Sosa was the first Specialist Thinker to visit Adelaide as part of the Social Capital Residencies, and hails from Adelaide's sister city, Austin Texas.

Suzi Sosa is the co-founder and CEO of Verb, a purpose-driven company using technology to advance social impact. Verb's first product was a platform that powers international social innovation competitions, such as the [MetLife Foundation Inclusion](#)

[Plus](#) challenge, which has engaged over 500 'fin-tech' social ventures from around the world and awarded more than US\$900K in grant funding.

Other Verb-powered international social innovation competitions include the [\\$10M George Barley Water Prize](#) and the [Clearly Vision Prize](#). Verb's second product is a [purpose-driven leadership development platform](#) that engages young professionals in online leadership training combined with mentorship and real-world social impact projects.

Prior to Verb, Ms Sosa led the social entrepreneurship program at the University of Texas at Austin. In that role, she oversaw the Dell Social Innovation Challenge (DSIC), which became the largest student social entrepreneurship competition in the world, attracting more than 7,000 teams from 80 countries and engaging more than 3,000 Dell employees as mentors and judges.

Ms Sosa has over fifteen years of experience in social entrepreneurship in both the for-profit and non-profit worlds. She is the recipient of the Ernst & Young Social Entrepreneur of the Year Award (2014) and is the co-founder of several non-profits, including the Austin chapter of Social Venture Partners. Ms Sosa has a Masters in Public Administration in International Development (MPA/ID) from the John F. Kennedy School of Government at Harvard, and a BA in the Plan II Honors Program from the University of Texas at Austin.



Overview – Suzi Sosa

In July 2017 I spent 10 days exploring the state of the Purpose Economy in South Australia as a Specialist Thinker in Residence. The challenge question presented to me was: 'What would it take for South Australia to be able to capture the opportunity of the Purpose Economy to create jobs, wealth and community wellbeing?' The focus of my inquiry was on specific aspects of the Purpose Economy, including the entrepreneurial ecosystem, the role of universities and the potential for corporate and business engagement. My insights were derived through observation, conversation, inquiry and challenge. I evaluated the circumstances and potential of South Australia relative to other states around the world.



Suzi Sosa meeting The Honourable Lord Mayor of Adelaide, Martin Haese

My insights and recommendations follow.

South Australia has an economy that is in transition. Traditional industries, like manufacturing, are in decline while new industries, like defence and healthcare, are emerging. While this transition inevitably causes anxiety, it also creates opportunity – the opportunity to be proactive about how to shape and support the next generation economy.

There are two arenas of opportunity for South Australia. The first involves which sectors South Australia will choose to invest in to drive its future growth. The second arena involves how South Australia will structure its economy overall.

As government resources have become increasingly constrained, pioneers around the world have been experimenting with different economic strategies for both job creation and social service provision. Instead of traditional boundaries between 'business' and 'social services', new and existing organisations are discovering ways to blend both.

This emerging approach is called the Purpose Economy. It is defined by a novel integration of economic growth and social welfare. It defies conventional assumptions that corporations create jobs and wealth while government and not-for-profits provide social services. It creates new expectations for all participants in the economy and offers a much more efficient use of resources.

As South Australia defines its economic strategy for the future, it has an opportunity to become a global pioneer in the Purpose Economy. This Report will outline a number of specific recommendations as to how it can do it.

What follows explains each of these recommendations further, not necessarily in order or comprehensively, but to better understand the rationale for each. The development of this report has been a collaborative exercise for me and for the Don Dunstan Foundation (DDF) and the many partners in the Thinkers program.

I look forward to watching how these recommendations feed into the work being done by the DDF and the Primary Thinker in Residence, Allison Hewitt.

Suzi Sosa
Specialist Thinker in Residence

Recommendations

The below forms the recommendations developed by Suzi Sosa during her time in South Australia and supported by the partners in the Thinkers in Residence Program.

Partner Initiatives: *Many of the partners in the Social Capital Residencies have already started acting on these recommendations. You can find a summary of these supported and prototyped initiatives on the Thinkers Program website at: www.dunstan.org.au*

VISION

1. Position South Australia as a global thought leader in the Purpose Economy

- Currently there is very little published research on the Purpose Economy globally, which provides an opportunity for South Australia to become a leader in this space.
- Better promote what South Australia is doing to become leaders in the Purpose Economy at home and around the world.
- Find opportunities to promote and profile South Australia's activities and successes worldwide; consider connecting with conferences such as [Social Capital Markets](#), the [Skoll World Forum](#) and [SXSW](#) to showcase South Australia and its strengths.
- Consider how an impact index could be established for South Australia to help identify all the organisations that focus on impact, including a potential impact prize for the best purpose-driven company in SA.

2. The State Government should declare the Purpose Economy as a key pillar in the future economic strategy for the state

- Support both top-down and bottom-up approaches to building the Purpose Economy
- Government should consider how it can better use incentives, such as financial support and government procurement, to support early stage and purpose-driven business.
- Government could help to build the social impact talent pool in South Australia by implementing programs that attract international social entrepreneurs to share knowledge and build local capacity.

3. Better understand the Social Innovation community in SA

- Through mapping the wider ecosystem, identify gaps where other industries like creatives and information technology can contribute jointly to social innovation, and better understand the role social innovation can play in our regions.
- We know anecdotally that South Australia is well networked and connected, but we haven't measured this. Measuring and defining South Australia's connectedness will identify gaps in the ecosystem and infrastructure that need attention to help it move forward.
- Adapt and use the [Rainforest Scorecard](#) to determine the health of South Australia's social entrepreneurship ecosystem.

4. State and City work together to determine and align under a single brand

- Develop a unifying brand for South Australia. Branding is a powerful way to align the entire community around a vision and set of goals. Brand SA and key community leaders could lead this work.
- The City of Adelaide has a key role in this and should consider how efforts to market the City align with efforts to market the State.

STRATEGY

- 5. Leverage the strong creative and cultural industry in SA to accelerate the development of the Purpose Economy**
 - Be more proactive in supporting this industry to grow by better using South Australia's creative and cultural assets and expertise to solve social problems.
 - The creative industries need to consider how they can better support their own development and celebrate their contribution as an industry to the economy.
 - Government and industry need to do more to showcase the creative and entrepreneurial talent that exists in the creative industries not from an artistic excellence perspective but from a business leaders' perspective.

- 6. Support other industries already closely aligned with social impact**
 - Identify opportunities to build social impact in prominent industry sectors like healthcare, renewable energy and mining, information technology, infrastructure, tourism and food.
 - Find and showcase opportunities to utilise the diverse skills from these industries to pioneer innovative solutions to pressing social issues in South Australia, many of which will also answer some of the world's biggest challenges.
 - Support the industries that are developing solutions to local challenges to consider export opportunities – thereby generating additional revenue and jobs locally.

- 7. Implement for-purpose programs and challenges into South Australia's education system**
 - Strengthen the Social Entrepreneurship content in the high school curriculum and support more opportunities for social innovation challenges for school students to participate in.
 - All education providers should consider how they could expand their connection to social impact – in particular to help better prepare their students for the workforce of the future that will place a much higher premium on purpose.

- 8. Attract and Retain Millennial Talent**
 - Millennials are crucial to the Purpose Economy. South Australia needs to stem the millennial brain drain. If South Australia wants to retain its millennial population and attract new talent, it will need to have a more supportive culture and infrastructure for millennials.
 - Further develop Social Entrepreneurship programs alongside the current entrepreneurial ecosystem to offer new employment opportunities that align with millennials' values and priorities.
 - Universities have a key role to play in supporting industries to understand the needs and values of millennials through more innovative approaches to work-integrated learning.
 - Support more mentoring programs and knowledge exchanges with millennials and industry.
 - Develop a strategy for attracting more millennials to start business in SA, for retaining millennials and for encouraging others to return.

- 9. Support South Australian leaders to be champions of the Purpose Economy**
 - Promote the concept of shared value in SA through the various leadership initiatives e.g. The SA Leaders Institute, Committee for Adelaide, SA leaders and of course the Shared Value Project.
 - Ask consultancy companies like PWC, Deloitte, KPMG and EY to champion South Australia as a leader in the Purpose Economy and how shared value provides a framework for doing this.

- Support the community sector to understand how to work better with the private sector – in particular by moving away from seeing the private sector solely as a ‘source of sponsorship’ model and more towards seeing the private sector as a partner for creating value together.

RESOURCES

10. Develop and attract more entrepreneurs

- University programs and challenges like the Australian eChallenge and Venture Dorm have potential to attract new talent to South Australia, they need to be supported to attract new talent to try new ideas, products and services, learning from successful initiatives abroad (like Mass Challenge and Start Up Chile).
- The government investment attraction arm should seek to offer time-limited, free access to co-working spaces for newly relocated social entrepreneurs.
- The Small Business Commissioner should consider what could be done to reduce red tape for social enterprises.
- Create a special cohort, track or group of purpose-driven entrepreneurs and organisations within the existing entrepreneurship infrastructure to allow for more cross-pollination between groups rather than creating new, siloed programs.

11. Social Procurement

- The Government Industry Participation Advocate should take a leadership role in driving social procurement in the public sector.
- Companies that provide advisory services to South Australian companies, like the big four accounting firms, should consider how they can support greater understanding of how to drive social impact from private sector procurement.
- Better measure the social impact that is already being delivered through government and business procurement policies.
- Showcase success stories to build awareness about the impact social procurement is having in SA and around the world.

12. Impact Investing

- Develop an impact investment strategy for South Australia including things like:
 - How to attract more purpose-driven investment into South Australia and enable purpose-based business to scale their impact.
 - Consider how social impact can be a higher criterion for deciding which companies to attract to South Australian.
 - Consider how best to strengthen the South Australian government, community and private sector capacity to measure social impact.
- Include non-financial returns in measurement of the operations of the South Australian Venture Capital Fund.

13. Leverage Gig City

- State government and Councils should consider how to leverage the new Gigabit Technology in Adelaide’s CBD to support social innovation and the purpose economy in particular for the delivery of the United Nations Development Goals in South Australia and around the world.
- Government should encourage and celebrate those businesses using Gigabit Technology for social good and should consider how to improve access to the technology for social service organisations.
- Find other new ways, including challenges, to connect social innovation with the IT sector and unlock a wealth of knowledge and resources that can support problem-solving and the growth of the Purpose Economy.

The Opportunity of the Purpose Economy

The fastest growing part of the South Australian economy in recent years and into the foreseeable future is the Purpose Economy. If you were to take an industry perspective on the concept of the Purpose Economy it would represent the fastest growing part of South Australia's economy. Importantly this is not measured by wealth creation and profit which is all too often enjoyed by the few and not the many, it is instead measured by growth in employment.

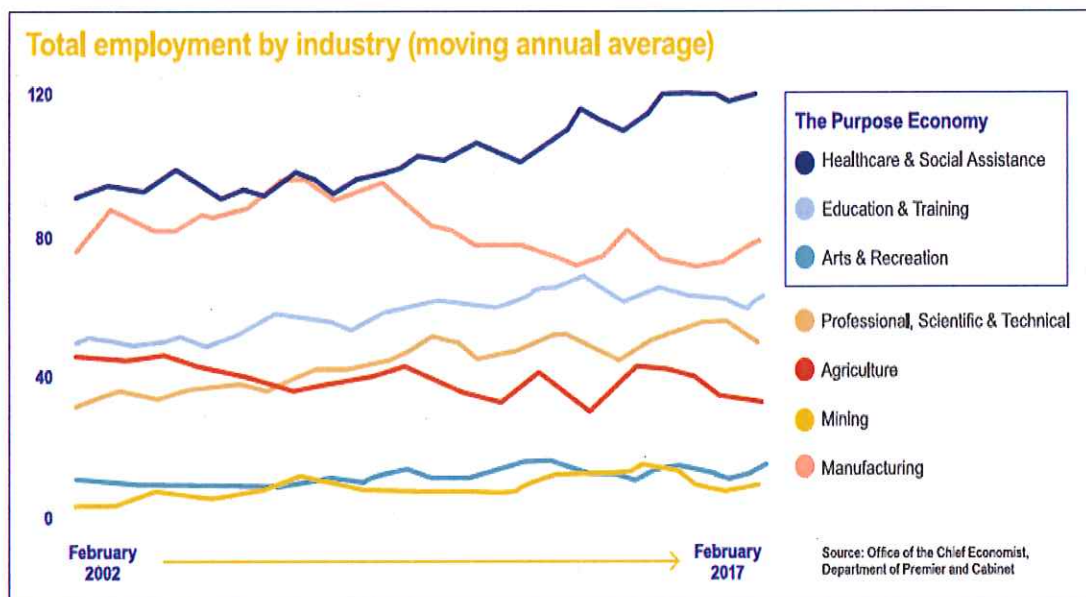


Figure 1. Total employment by industry. Office of the Chief Economist, Department of Premier and Cabinet.

Governments in South Australia have traditionally invested in infrastructure in sectors including defence, manufacturing, mining and information technologies. However, it is actually the Purpose Economy that has the strongest employment growth projections.

Adopting the Purpose Economy as a strategic pillar in the future economy development plans for South Australia has many benefits for the state and for its citizens. The most important benefit of the Purpose Economy is that it leads to both **job creation across multiple industries** (and at the same time can address social and environmental challenges). This is more efficient, sustainable and fair. We need to change our thinking about how we support economic development. To do this we have to move beyond notions of the 'traditional economy'.

The Traditional Economy

A traditional economy has three primary sectors: private, public and community.

In the **traditional economy**, the private sector is often seen as the sole driver of job and wealth creation while the public and social sectors concentrate on the provision of public services, such as healthcare, education, disability services, elderly services, homelessness, environmental protection, etc. In the traditional economy social service organisations depend wholly on public and philanthropic support to fund their activities.

There has been much discussion in recent years about the emergence of a fourth economic sector. This is what we refer to as the **Purpose Economy**.

In the **Purpose Economy** there is a more diverse spectrum of organisations utilising new business models and the sectors are not so explicitly defined.

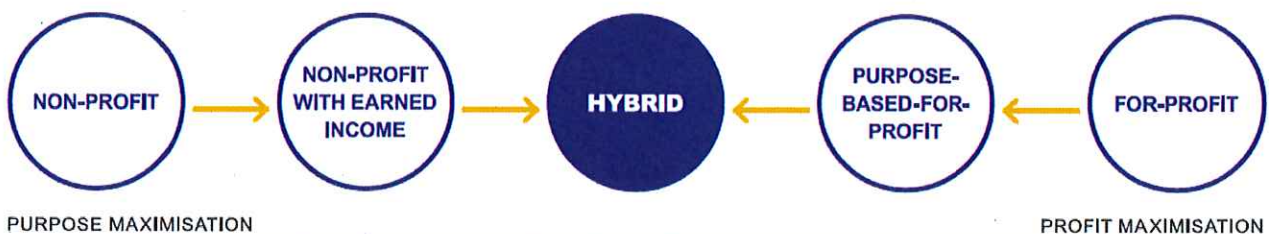


Figure 2. Social Enterprise Spectrum: Blending Purpose and Profit.

In this new spectrum of organisations there are new and innovative business models being created to improve the sustainability of their service provision. B corporations, co-operatives and mutuals are forms of business models that have gained increasing popularity in the private and public sectors.

Key Insight: Co-operatives

- o A French study comparing tech startups to the co-operative model showed that co-operative businesses have lower failure rates than traditional corporations and small businesses - after the first year and after five years of business - Business Council of Co-operatives and Mutuals
- o Co-operative entrepreneurs do better than the 'heroic individual' entrepreneurs – especially at creating jobs. – The Guardian

Key Insight: B-Corporations

- o B Corps, or for-benefit corporations, are for-profit companies certified by the B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency. – Bcorporation.net
- o There are at least six B Corps in SA
- o Today, there is a growing community of more than 2,100 Certified B Corps from 50 countries and over 130 industries working together toward 1 unifying goal: to redefine success in business.



FURTHER READING – [SHARED VALUE PROJECT WEBSITE](#), [BCCM WEBSITE](#), [B-LABS AUSTRALIA](#)

The increasing emphasis on Corporate Social Responsibility is putting pressure on the role of traditional businesses worldwide. Ernst & Young recently launched the Beacon Institute ‘... to inspire and amplify the growing movement of purpose-led businesses.’ In a recent study of 1,500 leaders of major businesses in 10 industries around the globe, the Beacon Institute discovered that only 15% of respondents said their company’s main purpose is to maximise shareholder value. Instead, creating value for a broader set of stakeholders, including employees, society and the environment, was ranked as the number one priority. As reported in *CEO Today*, 61% of executives surveyed by the Beacon Institute said that **purpose and profit clearly aren’t mutually exclusive**. The term ‘shared value’ is now used to describe an approach to business in which generating economic value and social value are integrated.

Social Enterprises

‘Social Enterprises’ are for-profit companies that are created specifically to solve societal challenges. A decade ago, social enterprises may have been considered as ‘niche’ or ‘soft’ business models. More recently this view has changed. Probono Australia reported in June 2017 that there are over 20,000 registered social enterprises in Australia. They further state that as ‘awareness has grown, the policy environment is now far more positive and conducive. Philanthropy and social investors are highly engaged. And we are also seeing tangible evidence of both government and the private sector wanting to realise positive social outcomes through social procurement, and in particular, buying goods and services from social enterprise.’
Probono Australia

A local example is KIK Innovation. One part of what they do is to establish coffee shops to employ and train disadvantaged youth. The purpose of the business is to support young people, but it does so by selling goods, tapping into the market and using a traditional business model instead of relying on government or philanthropic support.



Figure 3. KIK Coffee – A social enterprise helping young people achieve.



FURTHER READING – [KIK INNOVATION](#), [GOGO EVENTS](#)

Charities with Earned income

Social Enterprises are not just start up's 'Charities with Earned Income' also form part of the family. Often called social businesses, they are a new business model wherein a non-profit organisation generates income for itself by selling products and services. Historically, public and philanthropic capital have been the only sources of funding available for the provision of social services provided by government and charities however 'business as usual' is unsustainable as funding becomes smaller and more competitive.

Charities with earned income are sometimes able to create more and better paying jobs than traditional charities that rely wholly on government and philanthropic support. They are also often able to be **more innovative and risk-taking** than traditional charities because their earned revenue is not restricted in the same way that government and philanthropic support can be. A South Australian example of this is Beau's Pet Hotel, owned and operated by the Guide Dogs SA-NT, the profits support the provision of services to South Australians living with a disability.



Figure 4. Beau's Pet Hotel – An enterprise to support the work of Guide Dogs SA-NT

Social Procurement

Local, state and federal governments spend millions of taxpayers' dollars on a range of goods and services yearly. There is a significant opportunity to grow the Purpose Economy by identifying and creating supply and service channels between these government contracts and the community. Known as 'social procurement', the effect of normal government business can have a much larger social impact including employment and training, local sustainability, service innovation and social inclusion. For example, the state government may look to create and support social enterprises that train and employ long-term unemployed in the maintenance of public housing. More procurement opportunities like this in the public sector should be explored by an industry participation advocate. The private sector has a strong role to play in supporting social procurement. Companies that provide advisory services to South Australian companies, like the big four accounting firms, should consider how they can support greater understanding of how to drive social impact from private sector procurement.

More work should also be done to better measure the social impact that is already being delivered through government and business procurement policies. The South Australian community should consider how it could better showcase success stories and build awareness about the impact social procurement is and can have in SA and around the world.

How to Build a Purpose Economy in South Australia

The economic, social and political environment in South Australia has the potential for SA to be recognised internationally as leaders in the Purpose Economy. There are unique conditions in this state that could cause the Purpose Economy to flourish and be a powerful source of job creation and high-quality social services. With strong leadership and commitment to action, **South Australia could even become a global leader and pioneer in the Purpose Economy.**

This development must come from two directions – **bottom up and top down**. The bottom up development of the Purpose Economy is the creation of *new* businesses and organisations that combine both profit and social impact. These would be new start-ups, charities, conferences, competitions, prizes and more who embody the principles of the Purpose Economy, including the integration of purpose and profit.



Suzi Sosa presenting at the Impact Index Workshop

The top down development of the Purpose Economy is the activation of large, existing players like government, universities and large corporations into the movement. Their participation includes supportive regulation, funding, convening and leadership. Some corporations may take more significant steps, such as integrating purpose into their old business models, but usually the larger the organisation the slower the change.

If South Australia is serious about prioritizing and building a strong Purpose Economy it will have to find ways to support the bottom up development of new organisations and businesses, as well as the top down engagement of existing players in government, universities and corporations.



Millennials

One of the greatest opportunities worldwide in prioritising the Purpose Economy is to **engage millennials**. Research shows that millennials want to work for purpose-driven organisations and shop from purpose-driven companies.

Today there are 
FEWER
millennials living in South
Australia than in the 1980s.

Source: Deloitte, Make it Big Adelaide: Shaping Future Cities Report.

Millennials are **more**
likely to work for
ON DEMAND
EMPLOYMENT 
than any other **previous generations**

Source: Addison Group 2016 Workplace Survey

Figure 5. Millennial Survey Results from Deloitte and Addison Group Research

Cities, states and countries that want to retain and attract top millennial talent will have to create and maintain social and professional ecosystems that:

- support the kinds of companies that this generation wants to shop from and work for e.g. social enterprises, BCorps, companies with a strong and genuine sense of purpose
- create spaces for innovation and creativity for millennials to take risks and try new ideas
- make real world connections where they can learn and develop new skills and bodies of knowledge
- express their ideas and problem solve real world problems.
- Recognise the value of millennial ways of thinking and doing.

Millennials think the
#1 
purpose of business is to
IMPROVE SOCIETY

Source: Deloitte 2013 Millennial Survey.

Two-way mentoring programs are providing corporations and organisations with intrinsic benefits through young talent retention and wisdom sharing.

Universities have a key role to play in supporting industries to understand the needs and values of millennials through more innovative approaches to work-integrated learning, with more mentoring programs and knowledge exchanges with millennials and industry.

South Australia should develop a strategy for attracting more millennials to start business in SA, for retaining millennials and for encouraging others to return.



FURTHER READING – [MAKE IT BIG ADELAIDE](#)

Strong Existing Culture and Infrastructure

The creation and development of the Purpose Economy depends on the presence and successful interaction of certain key infrastructure components, including talent, knowledge and capital. These infrastructure components are needed for the wellbeing of traditional economy as well, and so there has been substantial focus on developing these resources, but effort needs to be focused on how we can tap into them to accelerate the Purpose Economy.

There are four main assets that can help South Australia become a global leader in the Purpose Economy:

- a strong existing infrastructure
- multiple current economic sectors that align well with the Purpose Economy
- the potential to engage corporations for shared value
- a strong desire by governments to drive innovation

Start-Up Ecosystem

South Australia has a history of inventions and entrepreneurship that stretches right back to the state's founders 180 years ago. The local entrepreneurial ecosystem has more than tripled in size since 2013, going from 30 to 130 programs, and boasts two of the world's top five accelerators.

As part of this SA has seen a rapid growth in the start-up community, demonstrated by the quadrupling of Startup Adelaide membership in the last two years; and a number of groundbreaking startups emerging in a range of fields including health tech, virtual reality, artificial intelligence, renewables and clean tech just to name a few.

As such South Australia's existing start-up ecosystem is a key asset in the development of the Purpose Economy. There is no need to replicate this infrastructure for purpose-driven organisations. Instead, my recommendation is to create a special cohort or track or group of purpose-driven entrepreneurs and organisations within the existing infrastructure. So, for example, instead of building a new start-up accelerator for purpose-driven organisations, existing accelerators should be expanded to include more purpose-driven entrepreneurs, allowing for cross-pollination of ideas and greater integration of purpose into new businesses.

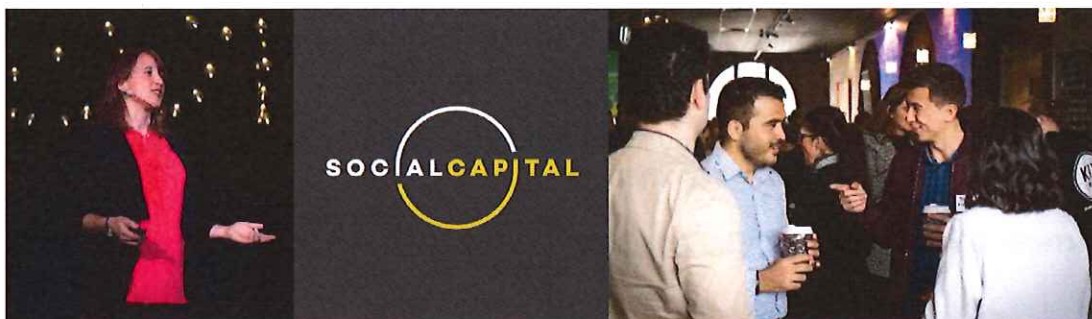


Figure 6. Suzi Sosa – Keynote speaker at the Social Capital Conference, Adelaide 2017

Creative Ecosystem

South Australia has a strong creative ecosystem, including the festival and arts groups. Events like the Adelaide Fringe (which is the biggest selling open access arts festival in Australia), and places like Carclew and the Jam Factory attract international participants from a range of backgrounds. Many of the participants in the Creative Economy often include some of the most powerful commentary on social issues in their work. The kinds of skills and interests of participants in the Creative Economy tend to align well with the skills and interests of people in the Purpose Economy, and millennials are often attracted to both (Creative Industries and Purpose Economy).

South Australia is already attracting diverse, creative, innovative talent to the state with its existing festivals and programming and should think about how to expand upon this to attract talent for the Purpose Economy. In particular to take what is good about your Mad March festival period and ensure these kinds of benefits can be realised throughout the year.

The growth and expansion of South by Southwest (SXSW) Festival in Austin is but one example of how creative, entrepreneurial and purpose-driven ecosystems can flourish and complement one another. Starting in 1987, with a focus on the creative industries of music and film, the festival now includes hundreds of tracks focused on entrepreneurship and innovation under its 'Start-Up Village.' SXSW also added a 'Social Good Hub' during SXSW week and launched two new independent conferences focused on social impact – SXSW Edu (focused on education) and SXSW Eco (focused on environment and sustainability).



Figure 7. Social Good Hub – Raising awareness in the broader community

South Australia should be more proactive in thinking about how to leverage the existing strong creative ecosystem to accelerate development of the Purpose Economy. There is huge potential for global innovation by leveraging the creative and innovative skills of creatives to solve social problems. Techniques such as 'human-centred design', lauded by Melinda Gates as changing the most lives in the developing world, are powerful tools to uncover disruptive solutions to long-standing social challenges. South Australia could become a hub of design + technology + social impact, and pioneer innovative solutions to some of the world's biggest challenges. You need to better showcase the talents you have in this space and the opportunities for growth.



FURTHER READING – [SXSW SOCIAL GOOD HUB](#)

Technology Infrastructure

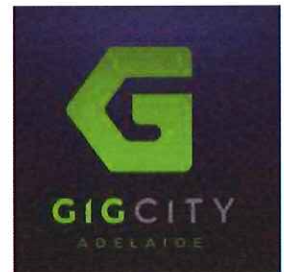
Despite the relatively small size (population and economy) of South Australia, the State Government has been making significant and important investments in technology infrastructure.



Figure 8. Suzi Sosa talking to tech start-ups about the purpose economy

'In one roundtable of technology professionals that I hosted during my visit, participants emphasised their desire to support social impact work but their lack of knowledge about how to engage.' Suzi Sosa.

In 2017, the State Government launched its \$7.6 million Gig City initiative. The fibre optic network provides synchronous 10 Gigabit internet speeds, supporting new and fast-growing business types, such as big-data and video/multi-media companies. Innovative, large scale projects such as Tesla's 100-megawatt lithium battery has put South Australia on the world tech radar. It is clear from these examples that the government of South Australia recognises the value of technology investments in fuelling economic growth and connecting the state to the burgeoning industries of the future.



High profile technical investments clearly have the potential to drive economic growth. However, there is also capacity and opportunity for these projects to align with global visions such as the Global Sustainability Development goals to ensure that social and environmental considerations are also fostered. How can the government leverage the interest and learnings from major tech projects to build and innovate in the Purpose Economy? Possible opportunities include tax incentives for projects demonstrating strong social impact, employment diversity and inclusion standards, competitions and hackathons such as 'Techfugees' that bridge technology and social justice issues.

Key Insight:

Achieving the United Nations global goals for sustainable development will create at least \$12 trillion (U.S.) in opportunities in four economic systems examined by a UN Commission (Source: [Forbes](#), 2017)



Figure 9. United National Global Sustainability Development Goals

Universities

There is a growing understanding from tertiary institutions that their student cohorts want to be agencies for change. South Australian Universities have responded to this and appear to be early adopters of the role of the Purpose Economy in the entrepreneurship ecosystem.

There is evidence in all of the major South Australian universities of the inclusion of social entrepreneurship theory and practice. The New Venture Institute at Flinders University partnered with The [Festival of Good Humans](#) to deliver the [Online Impact Boot camp](#). The four-week virtual boot camp was designed to help purpose-driven Australians deep dive into social impact innovation, technology and collaboration opportunities on a global scale. The Australian eChallenge is run by the Entrepreneurship Commercialisation and Innovation Centre (ECIC) at the University of Adelaide. It has been growing the entrepreneurship ecosystem in SA since 2001 and now operates in France and Italy. Typically the challenge focuses student teams on major issues such as climate response, medical innovations and cybersecurity. More recently, a social enterprise stream has been added with great success. The University of South Australia has also been exploring what more it can do in this space. These 'innovation nests' provide great launching pads for better appreciation of the Purpose Economy and the role it plays in the state's broader economic and social wellbeing.

Universities in South Australia could become very powerful engines of knowledge and talent in the Purpose Economy

Whilst the popularity of social enterprise and other purpose-based business models grows, more research is needed on the practice and implementation of these business models. SA's Universities could play a more proactive role in supporting the community to better understanding the Purpose Economy. In fact greater collaboration between the universities in South Australia with the practitioners of the Purpose Economy could lead to a position of global thought-leadership. For example the Universities could work together to develop greater capability in South Australia to measure social impact, in our regions, in community services, in pockets of social disadvantage, and in economic development.

Opportunity: In June last year The University of Adelaide became the first university in Australia to receive dual accreditation through the Accreditation Council for Entrepreneurial and Engaged Universities (ACEEU). There is an opportunity for all South Australian universities to apply for this accreditation and raise the status of South Australia in this space worldwide

Multiple Economic Sectors Aligned With Purpose

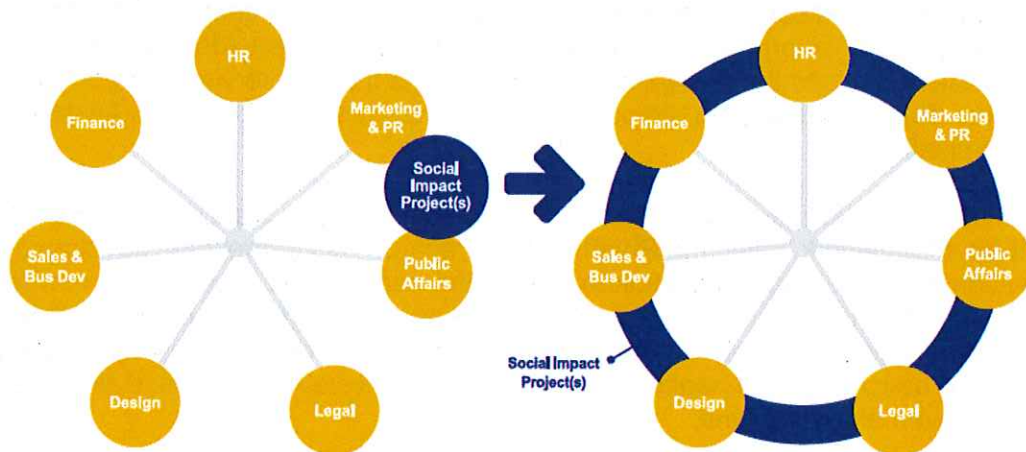
South Australia is famous for its food and wine and has a long history with manufacturing and mining, but it also has a strong foundation in innovation and social justice. Industries like tourism, wine, advanced manufacturing and biotechnology have large global markets and can impact millions of people world-wide. Rapid incorporation of social innovation into existing business models and corporate strategies could position South Australia as a global leader and generate further jobs, investment and wealth for the state. It could also assist in capitalising on emerging opportunities created by the growing demand for care services in both the Australian and the Asian market. The roll-out of the National Disability Insurance Scheme (NDIS) will be the single biggest job creator in the Northern suburbs in the coming years. Whilst disruptive to the traditional ways of delivering social assistance, the NDIS also invites innovative policy and business thinking to improve service delivery and outcomes for those living with a disability. The emergence of self-directed care in other sectors, such as the 'ageing well' sector also provides significant opportunities.

Below is a quick summary of the ways these existing sectors can be connected to the Purpose Economy:

<i>Growth Industry</i>	<i>Opportunities for Social Impact</i>
<i>Healthcare and Biomedical</i>	<ul style="list-style-type: none"> • Ageing well, ageing in place • Mentally healthy workplaces • Cancer research and treatments • Obesity and chronic disease solutions • Disability solutions • Lifesaving drugs and treatments • Mentally healthy workplaces
<i>Renewable Energy and Mining</i>	<ul style="list-style-type: none"> • Solutions to reduce carbon • Solutions to reduce negative ecological impacts of mining and other extractive industries • More efficient technologies for energy • Pioneering lithium batteries and other disruptive energy sources
<i>Creative Industries</i>	<ul style="list-style-type: none"> • Innovations in education • Build empathy and resilience through film, music and art • Community empowerment solutions • Programming to support mental health
<i>Information Technology</i>	<ul style="list-style-type: none"> • Using big data for insights into social issues (healthcare, education, etc.) • Platforms and apps for social impact
<i>Tourism, wine and food</i>	<ul style="list-style-type: none"> • More sustainable solutions to food production • Support of organic farming • Ecotourism

Engaging Corporations for Shared Value

Corporations can play a key role in accelerating the Purpose Economy in South Australia, and there are many ways they can add value. For example, corporations make millions of dollars of investments and philanthropic contributions annually. If these dollars can be directed toward organisations that **blend social impact with sustainable business models**, they can accelerate the Purpose Economy. There are also thousands of trained professionals who are employed by corporations and who can become valuable advisors, mentors and board members to purpose-led organisations, providing essential technical know-how to help these organisations scale. Finally, by transforming their own practices to become more mindful of their social and environmental impacts and to intentionally integrate beneficial activities, these corporations can help to resolve major social and environmental challenges. These activities encourage businesses to integrate purpose through all elements of their work, generating economic and social value.



Source: Suzi Sosa

Figure 9. Social Impact becoming more integrated in all business units

South Australia has a strong business community, including many multinational corporations and a large cohort of regionally based or trading businesses. Unfortunately, of all the key stakeholders I met with during my visit to South Australia, it was clear that *corporations were currently the least engaged* in the Purpose Economy. They had very little understanding of what the Purpose Economy is and why it could be of value to them. There is a huge opportunity to educate and engage these businesses to become leaders in the Purpose Economy and to help them explore models of shared value.

South Australia should enthusiastically adopt the concept of 'shared value' in SA through the various leadership initiatives e.g. The SA Leaders Institute, Committee for Adelaide, SA Leaders and of course the Shared Value Project. Consultancy companies like PWC, Deloitte, KPMG and EY should champion South Australia as a leader in the Purpose Economy and support the companies they work with to understand how shared value provides a framework for doing this. The community sector also needs to consider how it can work better with the private sector – in particular by moving away from seeing the private sector solely as a source of sponsorship, and more as a partner for creating value together.



FURTHER READING – [THE SHARED VALUE PROJECT](#)

Evaluating the Ecosystem

Though we were able to cover considerable ground during my visit, developing a comprehensive set of recommendations to strengthen the Purpose Economy in South Australia, this requires more in-depth evaluation. The ecosystem is broad and consists of many parts. During my visit we engaged in two conversations about how to map and assess the health of the existing social innovation ecosystem.

The first conversation was a workshop to discuss the potential of an Impact Index, which would be a statewide map and ranking of all social innovation organisations similar in approach to the Fortune 500 or Inc 5000. The conversation was co-facilitated by Business Models Inc. and included a range of Social Capital Residencies partners and other organisations. During the workshop we explored the feasibility of this so-called Impact Index and how it might work, including how we would define what qualifies as a 'social innovation,' how we would find these organisations and programs, who would serve as judges to evaluate them, and what would be the value of this data. The potential value of such an Impact Index is to begin organising and connecting a community of organisations, to attract media and raise awareness, and to provide supporting stakeholders, including government, easier access to these organisations to engage them in services and/or provide financial support. Think of the Impact Index as an online database of all of South Australia's social innovation organisations.

A second conversation about assessing the health of South Australia's social innovation ecosystem was focused on a framework called the Rainforest Scorecard. This framework, developed by T2 Venture Creation, provides qualitative tools to assess the health of six areas of an innovation ecosystem: leadership, infrastructure, resources, activities, role models, and culture. What is powerful about the Rainforest Scorecard is that it provides standardised questions allowing a city, state or country to benchmark the health of its innovation ecosystem along these six dimensions and to track improvements over time.

Whether it's in the form of an Impact Index or a deep assessment using a tool like the Rainforest Scorecard, I strongly recommend investing in more detailed analysis of the health and players in the South Australia social innovation ecosystem. Increasing the profile and engagement of groups like the Social Impact Measurement Network Australia ([SIMNA](#)) will also help to deepen understanding of social impact measurement.

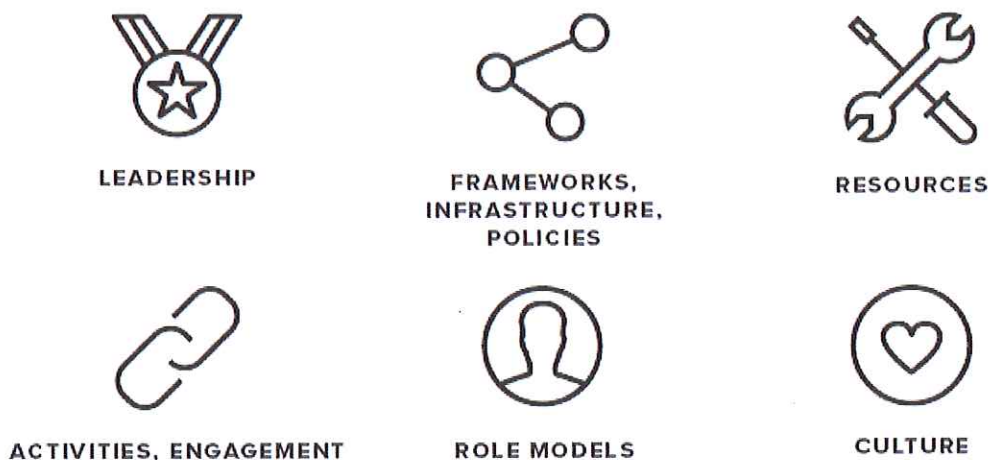


Figure 10. The six main focus areas of impact measurement of the rainforest scorecard.

Government and Driving Innovation

The government of South Australia has a proven track record of supporting innovation. Programs like the [Fund My Neighbourhood](#) initiative and the [Share Economy Challenge](#) are examples of how the South Australian government has deployed its resources in ways that stimulate innovation. In addition, the large cohort of public sector 'intrapreneurs', government employees who seek to create and support innovation *within* the government, is another example of the deep spirit of innovation in the South Australian Government. The Australian Government has also declared strong support for innovation and entrepreneurship. The City of Adelaide has also been a powerful driver of support for social entrepreneurship, particularly through its social enterprise incubator – run by Business Models Inc. These resources must be engaged as a primary leader in the Purpose Economy in South Australia.



Suzi presenting at the Institute of Public Administration Australia (IPAA) showcase

There are many ways that the government can accelerate and strengthen the Purpose Economy in SA. First, the SA government can declare the Purpose Economy as a key pillar in future economic strategies for the state. Second, it can dedicate some strategic financial resources to support the Purpose Economy, such as a competitive prize to the best purpose-driven companies in the state.

The Government can also support purpose-driven businesses by giving them preferential treatment in government procurement processes, and can incentivise charities to adopt more sustainable business models by rewarding those who have them with government contracts and/or additional financial support. Third, the government can help build up the talent pool who are equipped to succeed in the Purpose Economy. For example, they can create social entrepreneurship programs for schools. In the short-term South Australia could attract more social entrepreneurs from other countries to the state to share their know-how with local leaders. By supporting existing incubators to more work on programs like [Start-Up Chile](#) or [MassChallenge](#), the government of South Australia could easily attract top quality social entrepreneurs from other countries to the state.

Threats to the Purpose Economy

As I see it from my time in South Australia, there are three main threats facing the development of the Purpose Economy in SA that need to be worked on:

- lack of clear alignment among leadership
- too few social entrepreneurs, and
- lack of appropriate capital.

Lack of Leadership Alignment

While some groups, like the Don Dunstan Foundation and TACSI, have clear intentions to nurture the Purpose Economy in South Australia, generally there is a lack of alignment among state leaders to make this a priority. One example of this lack of alignment is the number of suggested brands and taglines for Adelaide and/or the state, including 'Beta City', 'Smart City', 'Gig City', 'Social Capital', 'Festival City', 'State of Wellbeing'. These brands reflect the priorities of a number of

groups who are each pushing for their own agenda. The City of Adelaide Strategic Plan prioritises 'Smart. Green. Livable. Creative' as the desired traits of the city.

If the Purpose Economy is going to become a significant economic engine for the state, it must become a key pillar of the economic strategy. This will require the government to articulate the value of the Purpose Economy and to influence its key stakeholders, like corporations, to engage. In addition, for those smaller organisations who are already early adopters in the Purpose Economy, creating stronger alignment in goals, messaging and strategy will increase the probability of success. The Don Dunstan Foundation is taking a huge step in this direction by attempting to map the opportunities and challenges facing the Purpose Economy as well as in articulating the value to the state in doing so, however the Don Dunstan Foundation is not an implementation vehicle and will not be able to 'launch' the Purpose Economy in South Australia.



Too Few Entrepreneurs

The Purpose Economy cannot flourish without an ongoing supply of new purpose-driven organisations, and this requires a cohort of social entrepreneurs who have the skills and ambition to launch these organisations, whether they are non-profit charities or purpose-driven businesses. These individuals will be the creators of innovative products and services *and* the innovative business models needed to create jobs, wealth and social value.

One of the key threats to the success of the Purpose Economy in South Australia is the very limited supply of entrepreneurs and social entrepreneurs.

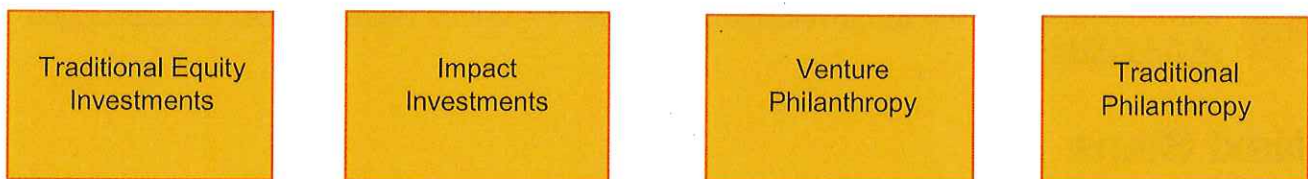
There are short-term and long-term ways to build the supply of social entrepreneurs in South Australia. As I mentioned previously in this Report, integrating social entrepreneurship curricula into the South Australian education system is an effective way to engage young talent. That is a long-term strategy. In the short-term, South Australia can increase its supply of social entrepreneurs by recruiting from abroad. There are millions of experienced social entrepreneurs in other parts of the world, like India, Europe, Africa, Latin America and the United States, who could bring not only their ideas and experience but also their proven business models to South Australia. Other countries have implemented successful programs to recruit top entrepreneurial talent, like Start-Up Chile and MassChallenge, and a program similar to this could increase the supply of skilled social entrepreneurs in South Australia in a short period of time.

Lack of Capital

A third key threat to the vitality of the Purpose Economy in South Australia is the lack of capital for purpose-driven businesses and organisations. The Purpose Economy needs many different types of capital to thrive. Just as the Purpose Economy encompasses a broader spectrum of organisational types, it therefore also has a broader spectrum of capital needs.

The Purpose Economy needs many different types of capital to thrive.

Companies who are on the for-profit side of the Purpose Economy will need access to both equity and debt instruments. On the equity side, these social enterprises and purpose-driven businesses will need new forms of risk-tolerant and patient equity investment, such as 'impact investment' capital that values both impact and financial return. There will also need to be a range of investment capital that is willing to invest at different stages of the business lifecycle, such as Angel Investment, growth capital, and institutional venture investment. Traditional equity investment capital is not likely to be attracted to social enterprises – it's hard to get your initial investment back out. Non-profits that incorporate earned income will need access to debt capital as well as new types of philanthropic capital, such as venture philanthropy which is much more risk-tolerant than traditional philanthropic funding. There is a spectrum of investment needed.



While there is some action starting to happen around Impact Investing, particularly with the release of South Australia's first Social Impact Bond 'Aspire' which was over-subscribed, currently none of these forms of capital are widely available in South Australia. Lack of access to capital will threaten the survival of burgeoning enterprises and will also stymie efforts to attract new entrepreneurial talent to the state or to keep it here.

There have been recent efforts to improve access to capital for traditional start-up and growth-stage companies, such as the new \$100M Series A fund managed by Blue Sky Capital. One quick way to improve the supply of capital for the Purpose Economy would be to apportion some amount of these existing funds to invest in purpose-driven businesses. Social impact measurement is a crucial enabler of impact investing and SA currently has too little capacity to successfully measure impact, this needs to be addressed.

So what is...

Impact Investing: *A form of investment designed to achieve a measurable social social/environmental and a financial return. Emerged in 2007 when discussing how to bring more capital into societal problems.*

Risk Tolerant Capital: *When someone invests in a high-risk venture to achieve a higher average return. Depends primarily on ability to handle a potential loss of investment.*

Angel Investment: *An affluent person decides to invest capital into a start-up business in exchange for convertible debt or equity ownership.*

Growth Capital: A term to define when mature companies wish to expand or restructure their operations to explore new markets.

Institutional Venture Investment: This type of funding includes venture capital from professionally managed funds that have between \$25 million and \$1 billion to invest in emerging growth companies.

Equity Investment: An equity investment is money invested in a company through the purchase of its shares. When people speak about equity investment, they generally refer to the buying of shares in the stock of a company traded on a stock exchange.

Venture Philanthropy: A form of philanthropic capital that is donated to a charity with a focus on growth activities. Typically it is thought of as applying the mindset and approach of venture capital to philanthropic projects.

Patient Capital: A form of investment capital that take a long-term approach and is willing to accept a return after 10+ years. The investor is willing to wait a longer period for a return in exchange for a larger social impact.

To consider these issues further I recommend the development of an Impact Investment Strategy for South Australia. Impact Investing Australia and the Social Impact Investment Network of SA need to take a leadership role in the development of this strategy.



FURTHER READING – [IMPACT INVESTING AUSTRALIA](#), THE [SOCIAL IMPACT INVESTMENT NETWORK OF SA \(SIINSA\)](#)

Next Steps

The recommendations included in this Report range widely from those that are relatively quick and straightforward to those that will take many years and many partners to fully achieve. It may be tempting to step back for an indefinite period of time and contemplate where to begin. But, South Australia must move swiftly if it is to capitalise on the opportunities of the Purpose Economy.

First, the South Australian economy is already in transition with the largest job growth coming from industries in the Purpose Economy. If government does not make the Purpose Economy a formal and explicit priority soon, including articulating expectations and investing capital to support social enterprises, then it risks losing out on the opportunity for greater social impact and wealth creation.

Second, the Purpose Economy is expanding exponentially around the world, and if South Australia does not move quickly to secure its position as a global leader, it will fall behind in the pack. One of the most significant consequences of this will be further acceleration of the millennial drain that the state is already experiencing. Having a strong and leading Purpose Economy will be key to retaining and attracting young talent in the future.

Finally, I would caution against the temptation to act incrementally with small efforts that multiply slowly into a bigger strategy. This will take too long and you will miss the boat. To capture the value of the Purpose Economy for both job creation and social impact, South Australia must be bold and take risks. You will have to make immediate investments, such as identifying clear ongoing leadership for this initiative, dedicating financial, human and other resources, and thinking very big. There will be some sacred cows, like branding or existing influencers, that will need to be challenged, and some tough decisions will have to be made. Government must have the courage to take a formal stance on the critical importance of the Purpose Economy and must use its convening and influencing power to draw corporates into the conversation.

South Australia is unusually positioned to capitalise on a global opportunity where it already has several strategic advantages. The state can become a global pioneer in modelling a new era of capitalism in which social value and financial return are more symbiotic. The next step is to commit to a multi-year strategy, identify a clear leader and to act. The opportunity is at your doorstep to be national and global pioneers. Take it!

Schedule of Events

Date	Title	Format
3/7/17	Entrepreneur Week Launch	Keynote speaker
	Business Models Inc.	Meeting
	Brand SA	Media interview
4/7/17	Education, Commercialisation and Entrepreneurship	Roundtable
	Probono Australia	Media interview
	Department of Premier and Cabinet, Government of South	Meeting
	Impact Index	Workshop
5/7/17	Corporates and the Purpose Economy	Roundtable
	Filmed interview	Video (available online)
	Technology and Social Impact	Roundtable
	Partners Cocktail Reception	
6/7/17	IPAA Intrapreneurship Forum	Keynote speaker
	Lord Mayor Martin Haese	Meeting
7/7/17	Social Capital Conference	Keynote speaker
	eChallenge – University of Adelaide	Meeting
	Blue Sky Investment	Meeting
	Stretton Centre	Meeting
	Investment Attraction – SA	Meeting

Thank you to our partners

Presenting Partners



Major Partners



Residencies Partners



Contributing Partners



Supporting Partners



Attachment 2



South Australian Centre for Economic Studies

Stretton Fellowship – The Value of Social Enterprise: Two Case Studies

Final Report

Report prepared for

Stretton Centre

City of Playford

and the

South Australian Housing Authority

Government of South Australia

Report prepared by

The SA Centre for Economic Studies

University of Adelaide

August 2018

Copyright: All rights reserved. The Copyright Act 1968 permits fair dealing for study, research, news reporting, criticism or review. Selected passages, tables or diagrams may be reproduced for such purposes provided acknowledgement of the source is included. Otherwise, no part of this publication may be reproduced, stored or transmitted in any form or by any means without the prior permission in writing of the Publisher.

Disclaimer: This study, while embodying the best efforts of the investigators is but an expression of the issues considered most relevant, and neither SACES, the investigators, nor the University of Adelaide can be held responsible for any consequences that ensue from the use of the information in this report. Neither SACES, the investigators, nor the University of Adelaide make any warranty or guarantee regarding the contents of the report, and any warranty or guarantee is disavowed except to the extent that statute makes it unavoidable.

Author: Dr Andreas Cebulla, Senior Research Fellow, SA Centre for Economic Studies

Published by: South Australian Centre for Economic Studies
University of Adelaide
SA 5005
AUSTRALIA
Telephone: (61+8) 8313 5555
Facsimile: (61+8) 8313 4916
Internet: <http://www.adelaide.edu.au/saces>
Email: saces@adelaide.edu.au

© SA Centre for Economic Studies, 2018

Contents

Executive Summary	i
1, Introduction	1
2. Principles of Social Value Assessment	2
2.1 How appropriate is the use of PPP adjusted social value measures?	3
2.2 Correcting for confounding factors	4
3. Identifying Social Enterprise	5
3.1 The Social enterprise survey	5
3.2 Results from the South Australian Social Enterprise Survey (SASES)	5
4. Social Enterprise Case Studies	8
4.1 Selecting case studies	8
4.2 Case study 1	8
4.3 Case study 2	11
5. Summary and Look Ahead	14
5.1 Public Procurement for Northern Adelaide	14
References	17
Appendix	18

Executive Summary

Commissioned by the Stretton Centre, in conjunction with Housing SA, formerly part of the Department of Human Services (DHS), and now operating as the South Australian Housing Authority (SAHA), this reports maps social enterprises in South Australia and assesses the value of engaging social enterprise to facilitate job creation for socially and economically disadvantaged populations, using two case studies. The research is part of a broader initiative that explores opportunities for public sector bodies to target their procurement of goods and service for greater social benefit, in particular in Northern Adelaide.

Social Value Assessment

The study estimates social benefits in two case studies of social enterprises, using value estimates from the *Social Value Bank*, a database of social metrics matched to monetarised social values, freely available on the internet (<https://www.hact.org.uk/social-value-bank>). Produced in the United Kingdom and thus offering estimates in GB Pounds, social values estimated for the two case studies are converted to Australian Dollars using Purchasing Power Parity (PPP). Social values are corrected for deadweight, displacement, attribution and drop off.

Identifying social enterprise in South Australia

In the absence of a database or directory, social enterprises were identified via a mail out conducted in collaboration with the Don Dunstan Foundation to subscribers to its mailing list. The mail out received 153 responses, identifying 77 social enterprises operating in South Australia, the majority of which operating in the health and social assistance sector, in cultural and recreational services, education and retail trade. Most enterprises provided goods or services in South Australia, with a focus on the Adelaide CBD.

The mail out also invited social enterprises to indicate if they would like to take part in a case study estimating the social value of their activities. Two social enterprises whose activity profiles were deemed to be most relevant for the type of public procurement that SAHA undertook, were selected for the case study.

Social enterprise case studies

The two social enterprises both had a track record of working with disadvantaged populations in South Australia; one providing on-the-job training opportunities for disadvantaged youth, the other sourcing supported employment for people living with disability.

The two case studies explored the activities and potential social benefits of specific, recent training and employment projects. Detailed discussions with relevant management in the organisations, drawing on secondary sources, notably an earlier impact study and a recent participant satisfaction survey, identified the social benefits to project participants and immediately affected third parties (e.g. families, friends, employers), and the number of individuals thus affected. Social benefits included, to give just a few examples, enhanced self-esteem, better physical or mental health, job preparation, and opportunities for socialising. Third parties benefited from improved personal relationships or savings to business from costs not incurred as a result of connecting with the social enterprise.

These social benefits were translated into social value indicators using data from the Social Value Bank, informed by a search of the empirical literature on social and personal change (notably to facilitate the estimation of deadweight and displacement). These calculations resulted in an estimate of social value (or return) of \$0.50 for each dollar invested by the social enterprise training young people on the job (Case Study 1), and of \$4.7 per dollar invested for the social enterprise supporting people with disability in work (Case Study 2) (Table E.1).

Table E.1 Social value estimation

Indicator	Case study 1	Case study 2
Total impact	478,169	35,014
Total Present Value (PV)*	528,762	35,014
Social Return (Value per amount invested)	0.50	4.71

Differences in social values were above all due to different project expenditures and the inclusion of independently sourced gap funding in Case Study 1. For instance, excluding the gap funding from Case Study 1 doubled the project's social value to \$1 per dollar invested.

These are conservative estimates intended to be very narrowly focussed on the most immediate project benefits, allowing for higher rather than lower deadweight or drop off (social value decreasing over time) in an

effort to avoid any undue exaggeration of value. The estimates do not include direct financial or fiscal gains accrued by participants or the state as a result of these projects.

Creating opportunities through public procurement

To illustrate the opportunities that public procurement may present for providing career and career development opportunities for disadvantaged communities through targeted engagement with social enterprise, we examined SAHA's maintenance budget for 2016/17 in Northern Adelaide. Its total spend of \$38m in that area is estimated to have created about 125 full time equivalent jobs directly, and a further 100 full time equivalent jobs through the supply chain.

Many of these jobs would have required formal qualifications, at least for those with supervisory responsibilities. For others, these jobs would have presented entry level employment opportunities. Strategic use of public procurement can strengthen and build on these opportunities. To do so, the report recommends that SAHA:

- review public procurement needs (and recent spend) across SAHA to identify opportunities for a strategic procurement initiative;
- identify suburbs known or likely to benefit from targeted public procurement investments in the next two to three years;
- scope the potential for engaging social enterprises and other local businesses through public procurement;
- identify service and product gaps, and develop response strategies;
- explore need and benefit-costs of connecting public procurement to local vocational education and training;
- examine scope for aligning public procurement with regional economic and business development needs and opportunities; and
- trial a strategic procurement initiative.

1. Introduction

The Stretton Centre, in conjunction with Housing SA, formerly part of the Department of Human Services (DHS), and now operating as the South Australian Housing Authority (SAHA), has commissioned the South Australian Centre for Economic Studies of the University of Adelaide to:

- map established social enterprises in South Australia, and
- assess the value of using social enterprise to facilitate job creation for socially and economically disadvantaged populations.

The research is part of a broader initiative that explores opportunities for public sector bodies to target their procurement of goods and service for greater social benefit. This particular project sought to inform our knowledge about the presence of social enterprises in Northern Adelaide, especially the area of and surrounding the City of Playford. 'Presence' here means being located or trading in the area, or both. In addition, the focus was on exploring the scope for engaging with social enterprises that may be able to supply goods and services typically procured by the SA Housing Authority on behalf of the South Australian Housing Trust, the principal property and tenancy manager of public housing in South Australia.

The research was conducted in three steps:

- identification and description of social enterprises in South Australia;
- review of SAHA public procurement spending to inform the selection of social enterprises for case studies; and
- estimation of the social value of social enterprises in two case studies.

The following sections describe these activities in more detail. We start, however, with a brief discussion of the principles of social value assessment applied in this study (Chapter 2), before summarising the process of identifying social enterprises in South Australia (Chapter 3), the presentation of two social value case studies (Chapter 4) and concluding with a reflection on the scope for making greater use of public procurement to generate added social value in the context of social development and area regeneration (Chapter 5). This latter section will draw on/incorporate information on SAHA procurement activities.

2. Principles of Social Value Assessment

Social enterprises have been defined as “organisations that:

- are led by an economic, social, cultural, or environmental mission consistent with a public or community benefit;
- trade to fulfil their mission;
- derive a substantial portion of their income from trade; and
- reinvest the majority of their profit/surplus in the fulfilment of their mission.” (Barraket et al., 2016, p.3)

These features turn social enterprises into promoters of inclusive growth and development, and organisations that proactively address deep social challenges (‘wicked problems’¹) often eschewed by commercial businesses because of their complexities and costs. Social enterprises bare these additional costs as they reinvest surpluses into their mission-oriented activities, sometimes supplemented by funds raised publicly or by an organisationally flatter salary structure or the use of volunteer labour. This reinvestment turns into *social value*.

Targeted public sector investment can play an important role in facilitating social enterprise and supporting the latter’s capacity to invest resources to address ‘wicked problems’. Public sector investment can not only offer direct economic costs and benefits, but has potentially wider social influences that often go unrecognised and unmeasured. Conventional economic value or impact assessment tools, such as cost benefit analysis or cost-effectiveness analysis, pay little attention to capturing social benefits, instead focussing on direct economic, financial and fiscal returns on investment. Their design requires outcomes to be measured in a standardised, unidimensional format that are directly attributable to an intervention (e.g. employment outcomes, reduced participation in income support, etc.) and comparisons of more than one intervention (Mason and Terraraho 2007). They also need to share a common unit of measurement, which is the monetary or dollar value.

We have a set of standardised tools to measure an intervention’s cost savings to the public sector or to private persons, or to measure consumer or user preferences for goods and services. The best known tool is perhaps Willingness to Pay (WTP), which measures the maximum price we would agree to pay for a public good, for instance, for clean air. These tools’ application to the measurement of social value has long been complicated by the diversity of social phenomena to be measured and the lack of easily accessible value data. To illustrate the challenge by way of an example, the benefits of a new road surface may be fairly easily measured using statistics on cost savings resulting from reduced accident rates or travel times. The economic value of reduced risk of property damage as a result of less road vibration may be a little harder to establish, but proxy values may be constructed from house price indices. More difficult is the valuing of social benefits (e.g. to a community’s health) of a reduction in discomfort owing to less traffic noise or vibration.

Growing awareness of social value measurements and progressive development of methodologies for social value measurement have greatly facilitated social value estimation in public and private investment in recent years. Two distinct methodological approaches stand out and were considered for this project’s case studies.

First, the Social Return on Investment (SROI) approach, which specifically seek to identify the *financial* savings or gains associated with individual social benefits. Taking the above example of improved road surface, this approach would seek to estimate associated savings to the public or private health sector as a result of a community’s improved physical or mental health.

Second, the Wellbeing (WbA) or Social Value (SV) approach which uses (typically) *survey data* to estimate an intervention’s effect on wellbeing and to monetise it. This is done by calculating the amount of additional income a person would need to obtain before he or she would report a change in self-reported wellbeing (or life satisfaction) equal to that reported by someone experiencing a social benefit from an intervention.²

Both approaches present their own challenges. SROI requires reflection and scanning of the literature for suitable financial proxies that are relevant and can be shown to be relevant to the social benefit in question – and have a known (and recent) monetary value. The WbA, on the other hand, draws on a list of empirically determined social values. It is currently more limited in scope than SROI as few social surveys are sufficiently diverse to measure wellbeing and added income effects across a number of social benefits in a consistent and comparable manner.

¹ Head, B.H. (2008) ‘Wicked Problems in Public Policy’, *Public Policy*, 3, 2, 101-118.

² Statistically, this involves comparing reported wellbeing and incomes for different sets of people: (i) those experiencing and (i) those not experiencing the social benefit, whilst controlling for other differences between these groups. Proxy indicators are used to capture the social benefit

Both approaches require stakeholders to be consulted to determine social benefits, and the extent to which they are being experienced. Stakeholders may be the immediate beneficiaries of an intervention, those delivering it or others only indirectly affected.

Repositories of social value indicators have been set up for public access and include:

- *IRIS* - a free, online catalogue of performance metrics managed by the Global Impact Investing Network (GIIN®), excluding social value estimates (<https://iris.thegiin.org/>);
- *Lean Data* – a fee for service end-consumer data collection utility specifically targeted at social enterprises seeking to combat poverty (<https://acumen.org/>); and
- the *Social Value Bank* - a WbA/SV based database of social metrics and values, freely available along with a *social value calculator*, an Excel spreadsheet that can be used to collecting and entering input, output and outcome data to estimate a project's social value (<https://www.hact.org.uk/social-value-bank>).

The present study has used the *Social Value Bank* to value social benefits. This choice was informed by both convenience (i.e. a freely available ready-made set of performance metrics and values) and a desire to use a uniform approach to measuring value. The use of WbA/SV approaches is backed up by strong empirical evidence of an association between better wellbeing on the one hand, and a range of social and economic outcomes on the other (Layard et al., 2013). Further support comes from evidence suggesting that, although wellbeing may not suffice to avoid personal disasters or overcome deep socio-economic disadvantage *per se*, it is associated with higher earnings in the long term. This was the finding of a study by De Nave and Oswald (2012) who compared the earnings trajectories of otherwise similar groups of people with different self-reported wellbeing. Improving wellbeing is thus a valid social and policy ambition, and an appropriate measure of social value.

The choice in favour of the WbA/SV approach, however, comes at a price: estimated social values are currently only freely accessible in the United Kingdom and, hence, estimated in GB Pounds. Although a similar, albeit currently less exhaustive social value database exists in Australia, it is not generally freely available but requires an annual subscription.³ Rather than acquiring the database, for the purpose of this study, this study adopted the social values estimated for the UK and in GB Pounds, appropriately adjusted for Purchasing Power Parity (PPP).⁴

2.1 How appropriate is the use of PPP adjusted social value measures?

We tested the validity of our assumption of the comparability of social values in the UK and Australia, by identifying and comparing a small number of social benefits for which social values had been estimated in both countries. These comparisons are necessarily approximate, because social benefits are rarely measured and valued in the same way in different jurisdictions. Nonetheless, the comparisons give a broad indication of the comparability of the money values.

The examples were chosen to match social benefits for which we have values recorded in the *Social Value Bank* (in GBP) that we use in our estimations, but was at the same time limited to instances for which correspondent values (in AUD) could be identified with a reasonable amount of effort. In the end, comparable value estimates were identified in only two instances: the social value of moving from unemployment to employment, and the social value of not worrying about crime. In addition, our searches recorded social value for engaging with the arts and cost reduction estimates for reduction in (violent) assaults. In Table 2.1, we have converted GBP into AUD using PPP. We do not adjust for inflation, as we do not have consistent information about the years to which the cost estimates applied, although the year of publication of the data provides some indication.

With the exception of the “not worried about crime” indicator, whose social value estimations used somewhat different methods in Australia and the UK, the value estimates are fairly close for social benefits associated with larger social values. Lower value estimates differ more markedly, especially when compared proportionately to another. But because they are smaller values, the nominal effect of this difference is itself small.

In the absence of alternative data, it would thus appear appropriate to use the UK estimated and denominated social values in these Australian case studies.

³ It would have costed the project \$45,000 to acquire this licence.

⁴ PPP adjust currencies to reflect consumers' ability to purchase an identical, fictitious 'basket of goods' rather than adopting currency exchange rates of the day.

Table 2.1 Value estimation of selected social benefits

Social benefit	Social value	
	AUD	GBP (AUD)
Being employed versus unemployed*	24,853 ^(a)	11588-14433 (23,168-28,856) ^(b)
Not worried about crime***	22,085 ^(c)	12,274 ^(b) (24,540)
Arts engagement	4,349 ^(e)	1,084 ^(d) (2,167)
Cost of society's response to crime (assault) – criminal justice cost (average \$/incident)	13,866 ^(e)	11,995 ^(f) (23,981.85)
Cost of society's response to crime (assault) – victim services (average \$/incident)	1,601 ^(e)	587 ^(g) (1,173)

Note: ^(a) ACA 2015; ^(b) HACT and Fujiwara; ^(c) Ambrey et al. (2013); ^(d) USoc (undated); ^(e) Infrastructure Victoria (2016); ^(f) Dolan et al. (2005); ^(g) Dubourg and Hamed (2005); * estimates a resident's compensating surplus for a 15% decrease in the number of property offences in a local area.

2.2 Correcting for confounding factors

Any social intervention may have an effect that, over time, might occur even in its absence. For instance, the majority of unemployed people regain work fairly quickly without ever visiting **jobactive** or consulting a recruitment agent.

Accepting a social value without allowing for 'natural change' and other confounding factors would inflate impacts beyond their true size. Following SV guidelines (SROI 2012), this study also estimated four corrective values that, applied to the gross social value, resulted in a *net* social value estimation. The four corrections are:

- Deadweight – measuring the “amount of outcome that would have happened even if the activity had not taken place” (SROI 2012, p. 56);
- Displacement - measuring “how much of the outcome displaced other outcomes” (ibid, p. 57);
- Attribution – measuring “how much of the outcome was caused by the contribution of other organisations or people” (ibid, p. 59); and
- Drop Off – measuring “how long the outcomes lasted” (ibid, p.61).

3. Identifying Social Enterprise

In the absence of a public register of social enterprises in South Australia, this study adopted a number of strategies to identify social enterprises located and operating in the State, including:

- approaches to organisations known to engage with social enterprises, including the City of Adelaide (Social Ventures Incubator program) and Community Centres South Australia;
- generic and targeted web searches, including <http://bcorporation.com.au/>: which provides certification to sustainable businesses that demonstrate concern for positive social and environmental impact; and
- a review of the Australian Charities and Not-for-profits Commission (ACNC) Register of Australian Charities 2015.

The latter exercise identified 3,955 charities and not-for-profits operating, but not necessarily based, in SA. The limited information contained in this publicly available database also meant it was unclear whether the listed organisation were social enterprises trading goods or services, which were the focus of the intended inventory.

The other (first) two strategies yielded information about just 10 organisations, of which seven could be confirmed as social enterprises.

3.1 The social enterprise survey

Concurrently, the Don Dunstan Foundation (DDF) offered the use of their *social capital mailing list* to issue a call for readers who knew or were associated with a social enterprise to help us identify these enterprises. In this mail out, social enterprises were defined as:

“for-profit or not-for-profit businesses that primarily seek to fulfil a public or community benefit, to provide benefits to members or to support the mission of a non-profit auspice.”

This definition was broader than the one by Barraket et al. (2016) cited earlier. It was adopted in order to encourage and accommodate a diversity of self- and third-party identifications, and to avoid a prematurely narrow focus of the survey.

Recipients of the email from DDF who knew about social enterprises were invited to follow a link embedded in the email to complete a brief online questionnaire to record the social enterprises' names and locations/addresses. In addition, respondents directly associated with or representing a social enterprise were asked additional questions about the social enterprise's main social objectives, social or trade activities, geographical area of operation, and staffing and revenue. They were then also asked if they would consider taking part in a case study about social enterprises.

Completion of the online survey was, of course, voluntary, as was providing answers to individual questions and volunteering for a case study.

DDF issued its email on 22 February 2018, and the survey remained open until 18 April (although most responses had been received in February and early March). In addition to these survey responses, we received separate enquiries and information and, importantly, a list of 125 cooperative businesses operating in South Australia.

The researchers want to take this opportunity to thank all those who responded to the DDF mail out and the SACES survey for their support. The survey would not have been as successful as it turned out to be without their contributions.

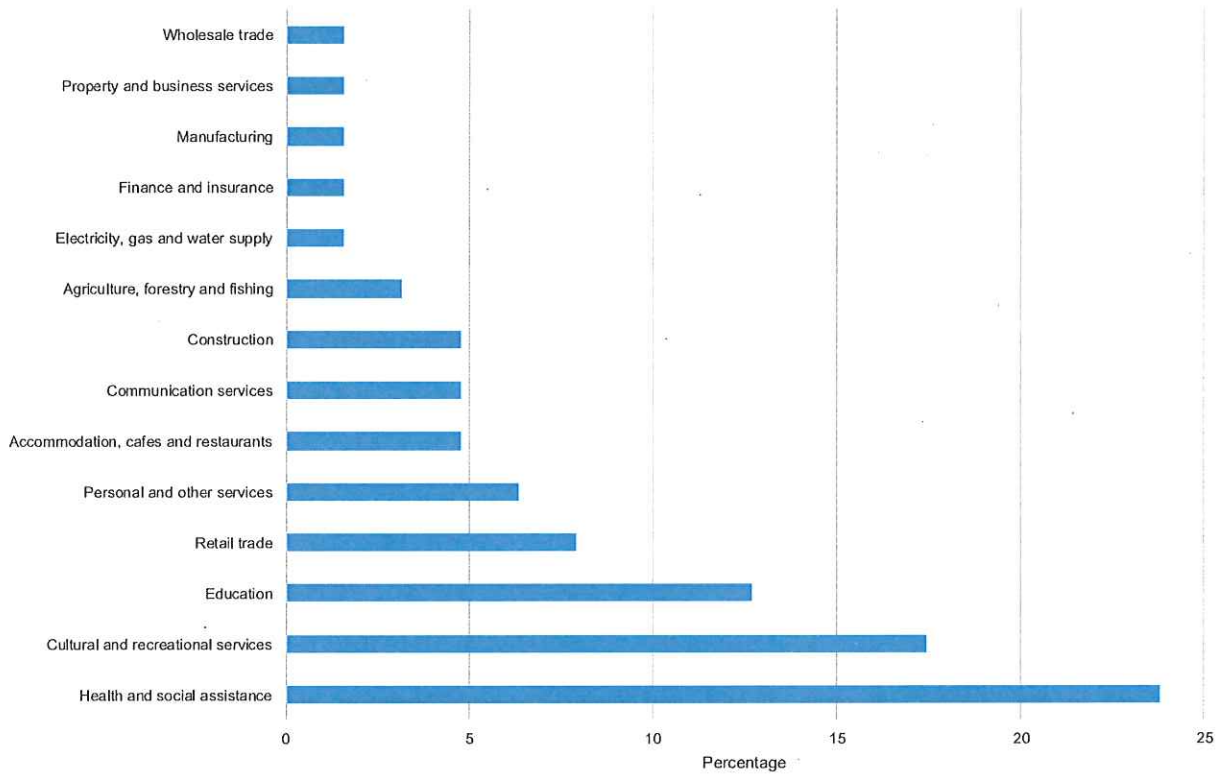
3.2 Results from the South Australian Social Enterprise Survey (SASES)

In total, the survey received 153 responses, including 42 from managers or owners of a social enterprise, 9 from employees and 27 from volunteers working with a social enterprise. Responses from managers, owners, employees and volunteers meant that the survey was able to identify 77 social enterprises operating in South Australia. For 63 of these 77, the survey yielded information about their activities.⁵ Respondents to our survey also nominated several other enterprises, whose status as a social enterprise has yet to be confirmed.

⁵ In 2016, the authoritative Finding Australia's Social Enterprise Sector (FASES) Census had identified 54 social enterprises located in South Australia, using its more focused definition of social enterprise (Barraket et al. 2016).

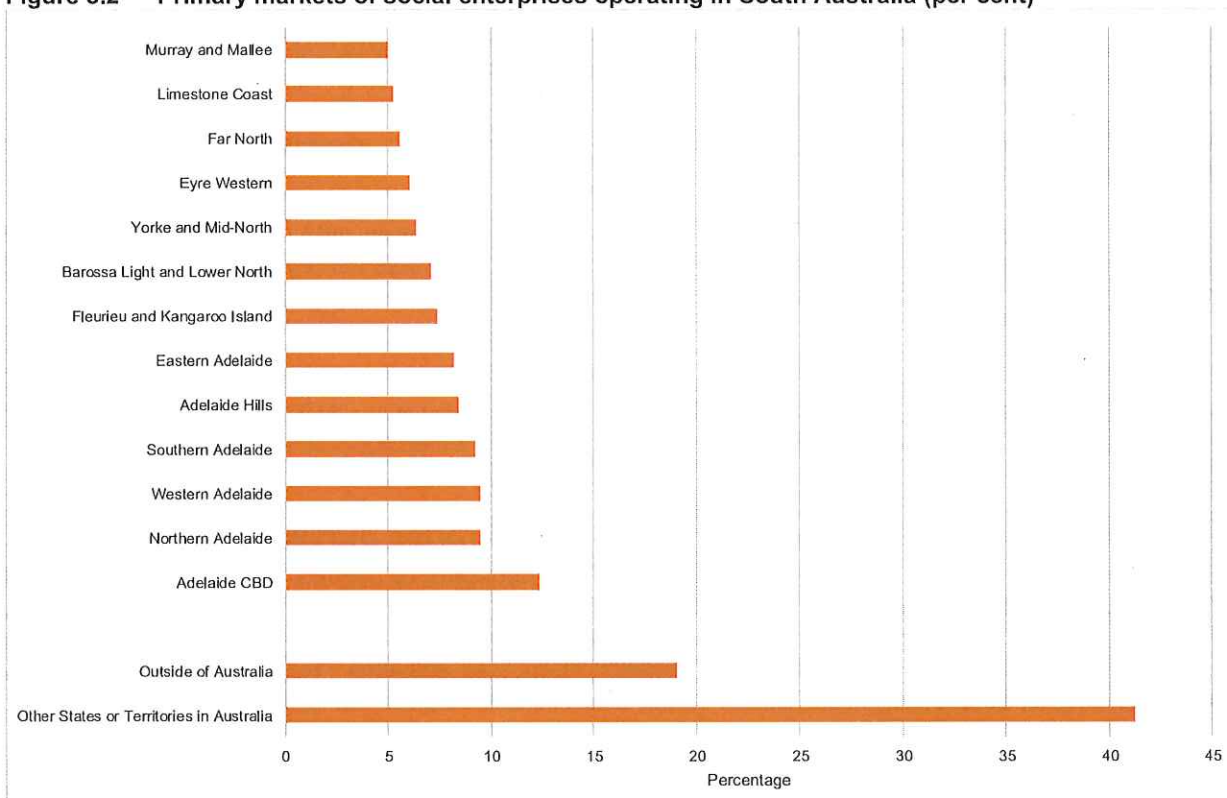
Information received from respondents directly connected to a social enterprise shows that the majority of these enterprises were operating in the health and social assistance sector, in cultural and recreational services, education and retail trade (Figure 3.1). Most enterprises were providing goods and services only in South Australia, but 12 indicated that they also operated outside Australia (Figure 3.2). Within South Australia, the focus of their operations was on the Adelaide CBD, but also extended northwards in particular.

Figure 3.1 Industry distribution of social enterprises operating in South Australia (per cent)



Source: SACES and DDF Social Enterprise Survey 2018.

Figure 3.2 Primary markets of social enterprises operating in South Australia (per cent)



Source: SACES and DDF Social Enterprise Survey 2018.

Fewer than half of the responding social enterprises provided information about their staffing or commercial turnover; so that we can only report these statistics at a highly aggregate level: about half of the social enterprises that provided this information reported a turnover of under \$100,000 per annum, no more than five paid employees and up to 10 volunteer workers.

4. Social Enterprise Case Studies

4.1 Selecting case studies

Two case studies were selected on the basis that the social enterprises delivered services that corresponded well with the procurement requirements of SAHA. In the following we briefly describe the social enterprises main activities and, more specifically, the project used for this case study.

Case study participants were assured anonymity so to facilitate an open and deliberate exploration of matters relating to case study financing and costs, as well as social benefits and possible costs. To protect the identity of the businesses, the following reporting will adapt synonyms for the social enterprise and avoid potentially disclosive information, such as reference to specific locations.

The case studies of the two social enterprises commenced in May 2018 and June 2018 respectively, following initial detailed briefing on the aims and objectives, and possible use of the case studies, and discussions of case study options.⁶

4.2 Case study 1

Case study 1 is a *youth training and construction initiative* in South Australia, put into place and operated by a social enterprise with a presence in several States and Territories across Australia. The social enterprise, which we will refer to as SE1, first began working in South Australia in the early 2000s. Since then, SE1 has undertaken property construction, refurbishment, renovation and maintenance (including horticultural tasks) and in doing so, has employed and trained socially disadvantage youth. SE1 gains business by bidding for public (State and local government) and private (i.e. fee for service work) tenders; it also has an ongoing relationship with Renewal SA, which is responsible for urban development and renewal on behalf of the Government of South Australia. The social enterprise also engages in a number of federal and State employment programs, such as the SA Works Program.

SE 1 generates a significant share of its income from public fundraising. In the case study that we describe below, this fundraising accounted for, and covered a commercial funding shortfall of, about one third of total costs.

4.2.1 The Project

The project that is the focus of this case study is a construction⁷ youth training program undertaken in South Australia in 2016/17. The project engaged 29 young people in on-the-job training activities lasting for between three and six months. The young people worked on one or more construction projects, with some starting on horticultural assignments as a 'soft entry' to more challenging job and job training activities.

The 'soft entry' is seen to assist young people in adapting to new daily routines, in particular, providing the trainees with opportunities to develop and improve attendance, and to become reliable colleagues, at the workplace. The 'soft entry' phase is also an opportunity to teach trainees safe work practices before they move on to the potentially more hazardous environment of a construction site. A maximum of four trainees are assigned to one trainer who also acts as a mentor and life coach to help trainees adjust to new job requirements and responsibilities.

Trainees were typically early school leavers aged 15 to 25 years with low levels of literacy and numeracy, no work experience or qualifications, and low work motivation. Many came from families with a history of (long term) unemployment and unstable housing, and few had spent much, if any, time outside their local area. Several would also have had encounters with the juvenile justice system, and some were suspected to be experiencing mental health problems and (previously undiagnosed) behavioural issues.

The program's objective, amongst others, is to provide these young people with an "increased purpose" in life, and to achieve this by giving them the opportunity to be "meaningfully occupied". Youth work support is provided to help trainees to increase their employability, while mental health issues are referred to specialists, where appropriate, prior to a trainee's placement. Besides on-the-job training, trainees are encourage to improve their literacy and numeracy through participation in an online training course.

These services are provided in addition to the more conventional on-the-job training that SE1 considers essential ingredients for preparing this particularly disadvantaged group of young job seekers for the labour market. Without these support, many of these job seekers would not become job ready or may face an increased risk of dropping out of the program before completion.

⁶ The case studies were approved by the University of Adelaide Human Research Ethics Committee (Ethics Approval No. H-2018-096).

⁷ We use 'construction' as shorthand for new build, refurbishment, renovation or maintenance.

Each year, about 75 per cent of trainees complete their placement, at which point SE1 also offers job search assistance and, in 2016/17, found jobs for about two thirds of completing trainees, whilst others found job through their own efforts and searches. These jobs were often in positions similar to the on-the-job training, although some trainees found employment in unrelated industries and occupations, or commenced an apprenticeship.

In terms of outcomes, in 2016/17 the project, which trained 29 young people, reported:

- 22 on-the-job training completions
- 13 job placements;
- 1 apprenticeship commencements;
- 10 vehicle driving or forklift driving licences supported; and
- 3 First Aid or Asbestos handling certificates attested.

4.2.2 Method of estimation

Brainstorming the project, SE1 and SACES identified a number of potential social benefits or costs that might have resulted from, or increased by, the project (Table 4.1).

Table 4.1 Case study beneficiaries, project activities and social benefits

Beneficiary	Project activity	Social benefit	SV indicator ¹
Social measures			
Trainees	Work readiness preparation	Greater job readiness	Employment training
	On the job training	Better/new work skills	General training for job
		Improved self-esteem	Improvement in confidence (youth)
		Healthier, structured lifestyle	Relief from drug and alcohol problems
		Return to (further) education	Enrolling in vocational education
	Job search support	Employment	Full-time employment Part-time employment Self-employment
	Learning to work responsibly in a team	Friendships	Member of social group
	Wages paid at trainee award level	Financially better off, psychological benefit of own independent income	Able to pay for housing
	Peers	Demonstrating self-efficacy	Positive self-image/self-belief affecting and extending to community
Family	Contributing to household income	Family is getting on better	Can rely on family
Mentors/trainees	Doing socially valuable and valued work	Increased self-worth	Self-worth (change in)*
Economic measures			
Trainees	On the job training	Formal qualifications	Cost of vehicle or forklift driving licence, certificate in asbestos handling*
	Employer	Vacancy and associated costs	Supplying a better trained, job ready workforce
			Help with recruitment

Note: ¹ Sourced from the Community investment values from the Social Value Bank (HACT and Fujiwara, undated), unless marked *, for which sources are recorded in Appendix A, Table A.1.

These benefits were matched to measurable outcome indicators using the SV method. In slight deviation from this generic approach, we also include in our social value estimation the nominal, at-cost value of a number of economic or occupational benefits accruing from the case study project, namely:

- for trainees: obtaining a vehicle and forklift driving licence, or a certificate in Asbestos handling; and
- for employers: reduced costs of recruiting or inducting employees.

These are not accounted for elsewhere and were estimated using information from SE1 or public sources (see Table A.1 in Appendix A for details of secondary sources used in these estimations) as no equivalent social value estimates appear to be available.

In all instances, the social values are estimated for the number of people known or assumed to have benefited from the project. These were a maximum of 22 out of 29 trainees, and the same number of peers, families or employers.

Confounding factors

Deadweight was estimated using known sources of proxy information to adjust for general social trends, which need to be taken into account when estimating deadweight. In addition, we used trainee change data from an evaluation of a similar program implemented by SE1 in the recent past for a similar population of disadvantaged youth as an approximation of the present program's effect on trainees. The source of this information remains uncited to protect the anonymity of the social enterprise.

Displacement, attribution and drop-off were decided jointly with the social enterprise. Key assumptions informing the respective values are outlined in Table A.2 in Appendix A. As a general principle, we adopted what was considered the most realistic value with least risk of exaggerating social value. Thus we sought to estimate the minimum social value

4.2.3 The social value of case study 1

Social value estimation allows for social benefits to be assumed last beyond to period of the activity or project whose social value is measured. In this particular case, it was assumed that the following impacts with last beyond the project lifetime (3 to 6 months; referred to as Period 0 in Table 4.2), for approximately the same period again (Period 1 in Table 4.2):

- greater job readiness;
- improved self-esteem;
- healthier, structured lifestyle;
- formal qualifications obtained in the course of the program; and
- return to (further) education.

It is, of course, conceivable that some or all of these social benefits continue to affect the young trainees for a longer period of time than the assumed six months following the training period. Likewise, however, it is also conceivable that effects last for much shorter periods upon project completion, such as in instances, where trainees do not gain employment or the type of employment to which they aspired. The assumption that these social benefits may only extend for a further six months is, therefore, again a conservative estimation that seeks to allow for this uncertainty.

The total social value *impact* of the SE1 case study is estimated at \$478,169. Its *total present social value*, which corrects from some social values occurring during or after, or during and after the training project, is estimated to amount to \$528,762, after discounting the second half-year impacts (Table 4.2). Just under \$40,000 (\$39,857; or about eight per cent of the total, not discounted value) represent the direct costs of facilitating trainees to obtain formal qualifications or employers to reduce induction and recruitment costs.

With total input (cost) estimated at \$1.055m⁸, this translates into a social return on investment of \$0.50 for each dollar invested, including a return of \$0.27 for each dollar invested during the training program period itself (Period 0), and the remainder accrued during the subsequent Period 1.

Excluding the gap funding provided by SE1 through its public fund raising, the social return on investment for both periods increases to \$1.05 for each dollar invested.

Table 4.2 Social value estimation for Case Study 1

Indicator	Social Value (\$)
Total impact	478,169
Present value of each year	Period 0: 282,731 Period1: 246,032
Total Present Value (PV)*	528,762
Net Present Value (PV minus the investment)	-526,238
Social Return (Value per amount invested)	0.50

Note: Year 2 impacts are discounted by 3.5 per cent.

⁸ These input costs exclude costs for any materials, which are assumed to be charged back to contractors and not to directly impact of social value creation.

Because our estimation took a cautious approach to calculating impacts, purposely allowing for higher levels of deadweight, displacement or drop off rather than lower levels, this *Social Value* should be read as a conservative lower level estimate. The unique presence of SE1 in this area of job training, however, also means that the project impact, as measured by the *attribution* indicator, can be largely ascribed to this project alone.

This *Social Value* estimate does not include direct economic benefits, such as training awards paid to participants, the benefits to local employers that supply construction materials to the venture, or any savings to the tax payer that may result from reduced social security (New Start Allowance, Youth Allowance) payments at the time and into the future. Nor does it account for any longer term earnings benefits that trainees may receive in the years after completing their course program and entering the labour market. These benefits would also be expected to result from participation in conventional training, e.g. at TAFE or a Registered Training Organisation.

The *Social Value* presents the added monetary value of the social enterprise engaging with highly marginalised young people typically beyond the reach of commercial service providers. Put differently, it is the return on the effort (i.e. investment) that has *encouraged* and *enabled* a socially disadvantaged population to participate in mainstream vocational educational and employment activities, which would otherwise not have been available to them.

4.3 Case study 2

Case Study 2 is a social enterprise that has been operating in various parts in metropolitan and regional South Australia since the early 2000s. We will refer to this organisation as SE2.

The organisation is also registered as an Australian Disability Enterprise (ADE) and recognised by the National Disability Insurance Agency as a Specialist Disability Provider. It currently provides employment opportunities for approximately 100 people with disability primarily related to mental health or intellectual disability. SE2 employees typically work five hours a day during a three day working week (i.e. 15 hours per week in total), and get paid the minimum wage. Most supported employees chose to limit their earnings to \$84 per week in order to avoid losing part of their Disability Support Pension, which is clawed back after this earnings threshold is reached.

Services provided by SE2 and its supported employees include:

- general contract services (short and long term);
- cleaning services (corporate and residential);
- environmental maintenance (landscaping/gardening);
- graffiti removal;
- horticultural services;
- vehicle cleaning; and
- plant hire.

Supported employees' work interests, goals and skills are identified during an initial interview, after which the organisation seeks to align the employees' preferences with the work program and contracts available to the social enterprise. The organisation gains contracts through competitive bidding or direct approach, often building on established relationships with repeat customers. Customers may be corporate businesses, government agencies or private individuals.

The workforce of SE2 is socially and culturally diverse. It includes people with sometimes considerable work experience and qualifications as well as young people joining SE2 straight from school. The workforce is predominantly male and ages range from about 30 years to 50 years. The supported employees' mental health challenges or intellectual disability typically limit their capacity to attend work consistently and without the risk of significant interruption. As a result, many have found it difficult to obtain and then to retain open, unsupported employment. The employees have often been supported by SE2 for several years, with very few leaving SE2 to seek employment elsewhere in the labour market.

At SE2, the employees are given the opportunity to undertake paid work at a pace and duration that meet their requirements, whilst the organisation arranges its operations in a way to minimise any risk to project completions that may result from unforeseen and unforeseeable interruptions due to the employees' health. One way in which this is achieved is to assign a larger team of supported workers to individual projects than

would be working on the project at any point in time. This allows for the opportunity to replace an employee or temporarily relieve him or her from the job, should the need arise.

The employees are offered job induction, on the job training as well as in house training that enables them to work safely and according to relevant industry standards.

4.3.1 The project

This case study examines the social value of a landscaping and gardening project undertaken by SE2 employees over a period of three weeks in March/April 2018. The project was part of a larger refurbishment exercise involving a complex of eight affordable housing properties.

SE2 had been contracted to assist with landscaping and gardening aspects of the refurbishment, which needed to be completed within a tight time frame and restricted resources. These time restrictions meant that employees assigned to the projects needed already to have completed the statutory White Card course in Work Health and Safety (WHS), which allowed them to work on a construction site.

SE2 was able to allocate an 18-person team of supported employees, of whom 10 were working on the project at any point in time; all had significant prior experience in horticultural and landscaping work. Two employees, encountering health issues, were not able to remain with the project until its completion. The projects took a total of 47 hours to complete.

4.3.2 Method of estimation

As in the case study of SE1, benefits and beneficiaries of the case study project were identified in conversation with the social enterprise's senior management who had, in turn, consulted staff directly involved with the greening and landscaping project. Social and economic benefit measures were again identified and, where possible, matched to outcomes to SV indicators (Table 4.3). The social value of one of the social indicators, increased self-worth, could not be sourced from the Social Value Bank, but was instead drawn from the Global Value Exchange databank (cp. Table A.3, Appendix A), which had already been the chosen alternative source in Case Study 1.

Table 4.3 Case study beneficiaries, project activities and social benefits

Beneficiary	Project activity	Social benefit	SV indicator ¹
Social measures			
Supported employees	Employment	Better/new work skills/integration	Part time employment
		Improved self-esteem	Improvement in confidence (youth)
		Healthier lifestyle	Smoking cessation
		Feeling safe/working in a safe environment	Relief from depression/anxiety (adult)
	Socialising with co-workers	Friendships	Member of social group
	Wages paid at Supported Employment Services Award level	Financially better off, psychological benefit of own independent income	Able to save regularly
Family	Respite for family carer	Family is getting on better	Can rely on family
Project residents	Environmental improvement	New or improved public space	Resolution of problems with scruffy gardens/landscaping
Mentors/trainees	Doing socially valuable and valued work	Increased self-worth	Self-worth (change in)*
Economic measures			
Contractor	Quality work received within restricted budget	Ability to deliver environmental improvements earlier	Apply 7% discount rate to staff costs (approx. \$400)*

Note: ¹ Sourced from the Community investment values from the Social Value Bank (HACT and Fujiwara, undated), unless marked *, for which sources are recorded in Appendix A, Table A.3.

In addition, the economic measure of social value, namely the ability of the contractor to deliver the landscaping project within a restricted budget, was estimated by applying a seven per cent discount rate to total employee and supervisor costs (\$470). This measure is appropriate for quantifying the value of *bringing forward in time* a project that, under different circumstances, would have had to be delayed until the additional financial resources had been raised to cover higher costs (cp. OBPR 2007). This social value, thus, effectively presents a cost saving to the contractor and, in line with the approach taken in the first case study, is included in the social benefit estimation as a benefit accrued by an external beneficiary.

All social values are estimated for the number of persons benefiting, whilst accounting for deadweight, displacement, attribution and drop-off (see Section 2.2). The reasoning behind each calculation and the sources that informed the determination of these four impact correction factors are explained in Tables A.3 and A.4 in Appendix A.

Two caveat must be added. First, to the author's knowledge, there are currently no social value estimations in the public domain that apply specifically to people with disability. This matters because people with disability may experience social benefits and, hence, social values differently, notably because of their increased vulnerability and exposure to social disadvantage and discrimination. As a result, most social values calculated for SE2 may well be underestimated. This also applies to the indicator of 'improved self-esteem', which uses social values estimated for youth in the absence of equivalent values for adults. The empirical literature cited in Tables A.1 and A.2 suggests that self-esteem rises 'naturally' during adolescence. Boosting low self-esteem amongst youth would thus be expected to have lower social value than achieving the same amongst adults.

Second, we estimated the social value of employment for *part time* employment as SE2's supported employees spent, on average, 15 hours per week working. The use of the part time employment indicator is, hence, nominally correct. However, given the typically lower work capacity of people with disability (which we were not able to estimate individually or on aggregate), people with disability may experience part time working in the same way that people not living with disability may experience full time working. Again, this suggests that our social value indicator, in fact, underestimates the full social benefit of employing a person with disability.

4.3.3 The social value of case study 2

Noting these caveats, the total impact of SE2's case study project is estimated at \$35,014, resulting in a social return or value of \$4.71 per dollar invested⁹ (Table 4.4). Unlike case study 1, in this instance, we only estimate the social value for *one* time period. The short term nature of the case study project, which only lasted three weeks, does not warrant a longer term, secondary benefits to be estimated. Effectively, the present estimate captures the social value as incurred when the landscaping project was undertaken.

Table 4.4 Social value estimation for Case Study 1

Indicator	Social Value (\$)
Total impact	35,014
Present value of each year	Period 0: 35,014
Total Present Value (PV)*	35,014
Net Present Value (PV minus the investment)	29,254
Social Return (Value per amount invested)	4.71

Note: Year 2 impacts are discounted by 3.5 per cent.

In our social value estimations, we applied high drop off values (of up to 80 per cent) to each of the indicators of social benefit, as we believe that, if accrued from a stand-alone, one-off project, social value would be of limited duration. In so far as SE2 is able to assign its supported employees to new projects subsequently, social value is likely to be sustained for longer. Drop off rates reduce (and social values increase) if and when work activities are maintained over longer periods of time.

As in case study 1, our social value estimates are purposely chosen to be conservative as well as likely to be suppressed because of the unavailability of social value estimates for people with disability. We again exclude from our estimation direct earnings benefits accrued by supported employees or their supervisor, and seek to capture the added monetarised value of the social enterprise engaging a population that would otherwise have very little, if any, opportunity to take part in, and earn income from, paid work. Results from a recently completed supported employee satisfaction survey conducted by SE2 helped to inform estimates of the number of supported employees likely to have experienced individual social benefits.

⁹ As in case study 1, these input costs exclude those for materials, which are assumed to be charged back to contractors and not to directly impact of social value creation

5. Summary and Look Ahead

This report estimated the social value of two very different employment support programs for different client populations delivered by two social enterprises in South Australia: one - referred to as SE1 - providing on-the-job training experiences for disadvantaged young people; the other - referred to as SE2 - providing employment opportunities for people with disability of all working ages.

It was estimated that, for each dollar invested, SE1 generated about \$0.50 in social value, rising to \$1.05 if public fund raising support is discounted; whilst SE2 generated approximately \$4.71 in social value.

These estimates are purposely designed to be conservative in nature. They offer a valuation of social benefits that is as realistic as possible, given the relative novelty of the estimation tool. Importantly, strong emphasis was placed on applying similar logics to these social value estimations, in particular with respect to understanding deadweight, displacement and drop-off risks. Whereas, ideally, these risks would be determined in direct conversation with program participants, resource constraints meant that these exploration were limited to discussions with program managers and to drawing on survey data relevant to the social enterprises, albeit not directly to the projects discussed in the case studies.

For reasons of comparability and rigour, similar items were included in the calculation of each project's expenditures, from which the social return per dollar was estimated. Included were wages and salaries paid to participants and project workers, as well as overheads; however, material costs were excluded as they were charged back to contractors and not deemed to affect participants in the same way as payments made directly to them. The higher social value estimate for SE2 compared with SE1 is to an extent a reflection of the former's lower initial expenditures (notably wages and salaries).

The resultant social values quantify the amount of extra income that would be required to affect the same level of improved wellbeing experienced by trainees or supported employees as a result of their program participation, taking into account direct (e.g. skills, self-esteem, friendships) and immediately relevant indirect benefits (e.g. savings to employers that facilitate hiring of young job seekers).

Economic impacts, such as participants' earnings, are not separately estimated, but notionally included as social benefits that derived from them. Nor are cost savings to the tax payer considered, such as the substitution of social welfare payments for wages and salaries, or reduced costs to health services as a result of better psychosocial wellbeing. Empirical evidence has demonstrated that improved wellbeing reduces such payments, and the current social value estimation is one representation of these monetary gains.

The Australian Government's Priority Investment Approach (PIA) provides an alternative, welfare payment focussed estimation of the savings that could be made if disadvantaged populations were better integrated into mainstream economy and society (DSS 2017). It estimates the average (per person) *lifetime costs* for different welfare receipts, including:

- Studying payment recipients – \$210,000 (average payment in 2015/16: \$8,600);
- Working age payment recipients – \$304,000 (\$11,300); and
- Disability support pensioners - \$450,000 (\$22,100).

To the extent that the activities of SE1 and SE2 described in our case studies can be sustained or indeed elevated to reduce reliance on welfare payments, these average costs indicate additional direct monetary and fiscal benefits on top of the estimated social values.

As the drop-off assumptions in Tables A.2 and A.4 illustrate, *continued* engagement of participants in work beyond the time limited experiences captured in the case studies is an essential condition for sustaining social value and retaining fiscal benefits in the long term.

5.1 Public Procurement for Northern Adelaide

Strategic investment can help to create opportunities that enable disadvantaged populations to maintain a continuity of employment that they would otherwise find it difficult to achieve. To illustrate this point, Table 5.1 summarises SAHA public procurement expenditure in Northern and Western Adelaide¹⁰ in 2016/17. These areas have recently been affected by the closure of the Holden car manufacturing plant and have historically endured unemployment rates higher than surrounding areas or South Australia as a whole.

¹⁰ Elizabeth, Modbury, Salisbury, Port Adelaide, The Parks.

In 2016/17, SAHA invested approximately \$4.2m in materials for public housing maintenance paid to contractors in these parts of Greater Adelaide and a further \$34m on related services (Table 5.1). Input-output estimation suggests that the \$38m investment in products and services translates into approximately 125 direct full time equivalent (FTE) jobs.¹¹ A further 100 FTE jobs would be generated in the supply chain through production effects. These job effects would occur across South Australia, depending on product and service suppliers' locations.

Table 5.1 identifies the services that SAHA purchased by their type of trade, and the minimum level of qualifications that these trades require, although this would not necessarily be required for a recent job seeker and person *working under supervision*. The list is dictated by the trades identified in the SAHA Information Management system and, thus, not necessarily complete. For instance, it does not separately list horticultural activities, such as those performed by SE2's supported employees and also sourced by SAHA.

Table 5.1 SAHA Maintenance expenditure paid to Multi Trade Contractors in the Northern and Western Regions of the Adelaide Metro Area, by trade, 2016/17, and approximate minimum Certificate qualifications required for service provision

	Approximate minimum qualification	SAHA procurement 2016/17	
		\$	Per cent
Products			
Asbestos Cement Product		812,301	2.1
Clotheslines		158,320	0.4
Screen doors		924,131	2.4
Floor coverings		2,323,743	6.0
Services			
Carpentry	Certificate III	6,712,774	17.4
Concreting	Certificate III	1,345,951	3.5
Demolition		786,383	2.0
Design & Drafting Service	Certificate IV in Building Design Drafting	11,178	0.0
Electrical	Certificate III in Electrical Fitting	2,807,451	7.3
External Painting	Certificate III in Painting and Decorating	1,540,110	4.0
Fencing	Certificate II in Civil Construction	1,502,580	3.9
Floor sanding	Certificate III in Flooring Technology	177,471	0.5
Gas fitting	Certificate III in Gas Fitting	858,414	2.2
Glazing	Certificate III in Glass and Glazing	595,024	1.5
Hot water unit change over	Certificate III in Plumbing	688,727	1.8
House cleaning	Certificate II in Cleaning	475,501	1.2
House sale separations		18,978	0.0
Internal painting	Certificate III in Painting and Decorating	4,310,868	11.2
Locksmith	Certificate III in Locksmithing	988,473	2.6
Pest control	Certificate III in Urban Pest Management	512,180	1.3
Plumbing & drainage	Certificate II in Plumbing Certificate II in Drainage	5,381,570	13.9
Roof plumbing	Certificate III in Roof Plumbing	1,256,696	3.3
Rubbish removal	Certificate II in Waste Management Certificate II in Furniture Removal	1,481,869	3.8
Tiling	Certificate III in Wall and Floor Tiling	813,001	2.1
Other			
Miscellaneous works		1,916,736	5.0
Auxiliary Services		229,845	0.6

Source: Procurement: SAHA (Items and expenditure); Qualifications: <https://www.myskills.gov.au/>

¹¹ The economic impact of SAHA spending in South Australia was modelled using the detailed (78 industry sector) South Australian Input Output tables developed for the Department of Premier and Cabinet (Ripin and Morison, 2013), modified to adjust for actual and projected changes in the compensation of employees by sector. Only production impacts were included in the analysis (e.g. the impact of South Australian based suppliers to SAHA purchasing goods and services from other South Australian firms, and then those firms purchasing inputs from local suppliers and so on. Spending was allocated based on its nature between the sectors 'Waste Management'; 'Residential Building'; 'Construction Trades'; 'Wholesale Trade'; 'Professional, Scientific and Technical Services'; and 'Administrative Support Services'. It is important to note that these are gross impacts, and the estimated do not take into account any displacement effects from existing activity being crowded out by higher wages and returns on capital due to the spending being modelled.

The service activities acquired by SAHA in 2016/17 typically require a Certificate level III qualification, in particular if undertaken with supervisory function. For a small number of activities, however, lower level, Certificate II qualifications are available, notably for fencing, cleaning, plumbing/drainage, and waste management. Other activities may require Certificate IV qualifications, such as design & drafting.

Higher level qualifications are only indicative of the range and level of skills required and hired in public procurement. They are not a necessary condition that all of those hired to undertake a service job must meet. However, they suggest career opportunities that can be opened up for those who chose to take up and learn one of these trades. Importantly, they suggest scope for, and potential benefits of, linking public procurement to vocational education and training. This need not be limited to the specific commissioning requirement of the public sector, but may also be connected further to local and regional economic and business development opportunities. This could potentially open up job opportunities beyond the more narrow confines of public procurement projects.

5.1.1 Recommendations

To summarise, this report suggests there is inherent *social* as well as economic value in engaging social enterprise in commercial and, specifically, publicly procured projects that enable otherwise marginalised populations to engage in mainstream economic activities.

For many job seekers or apprentices and trainees entering the labour market with the support of a social enterprise, employment may, at least initially, be restricted to entry level positions. A strategic, developmental approach has the potential to sustain these incremental job gains and to open up new avenues to longer term career development. In order to assess this potential in full, it is recommended that the Authority:

- review public procurement needs (and recent spend) across SAHA to identify opportunities for a strategic procurement initiative;
- identify suburbs known or likely to benefit from targeted public procurement investments in the next two to three years;
- scope the potential for engaging social enterprises and other local businesses through public procurement;
- identify service and product gaps, and develop response strategies;
- explore need and benefit-costs of connecting public procurement to local vocational education and training;
- examine scope for aligning public procurement with regional economic and business development needs and opportunities; and
- trial a strategic procurement initiative.

References

- Australia Council for the Arts (ACA) (2015) Arts Nation: An Overview of Australian Arts, 2015 Edition, Sydney. (2013\$ probably)
- Ambrey, C.L., Fleming C.M., and M. Manning (2013), The life satisfaction approach to estimating the cost of crime: An individual's willingness-to-pay for crime reduction: Griffith Business School, Discussion Papers Economics No. 2013-01 (compensating surplus of \$22,085 (\$6,418 to \$32,352) for a 15% decrease in the number of property offences in his or her local area)
- Barraket, J., Mason C., and B. Blain (2016), Finding Australia's Social Enterprise Sector 2016: Final Report. Social Traders and Centre for Social Impact, Swinburne. <https://www.socialtraders.com.au/about-social-enterprise/fases-and-other-research/social-enterprise-in-australia/>
- De Neve, J.-E. and A.J. Oswald (2012), Estimating the Influence of Life Satisfaction and Positive Affect on Later Income Using Sibling Fixed-Effects. CEP Discussion Paper No 1176. London: Centre for Economic Performance.
- Dolan, P., Loomes, G., Peasgood, T., & Tsuchiya, A. (2005). Estimating the Intangible Victim Costs of Violent Crime. *British Journal of Criminology*, 45, 958-976.
- DSS (2017) 30 June 2016 Valuation Report. Final Report 2017 by pricewaterhousecoopers. Downloadable from <https://www.dss.gov.au/review-of-australias-welfare-system/2017-valuation-report>.
- Dubourg, R. and J. Hamed (2005), Estimates of the economic and social costs of crime in England and Wales: Costs of crime against individuals and households, 2003/04. In *The Economic and Social Costs of Crime Against Individuals and Households 2003/04*. Home Office Online Report, 30/05. Available online at <http://rds.homeoffice.gov.uk/rds/pdfs05/rdsolr3005.pdf>. cited in: Webber, A. (2010) Literature Review: Cost of Crime, NSW Attorney General & Justice. (2010 AUD)
- HACT and D. Fujiwara (undated) Community investment values from the Social Value Bank. www.socialvaluebank.org. License: Creative Commons Attribution-NonCommercial-NoDerivatives license (http://creativecommons.org/licenses/by-nc-nd/4.0/deed.en_GB). Accessed 16 May 2018.
- Infrastructure Victoria (2016) Moving from Evaluation to Valuation: Improving project appraisals by monetising more economic, social and environmental impacts. (\$: 2011)
- Layard, R., Clark A. E., Cornaglia F., Powdthavee N. and J. Vernoit (2013) What Predicts a Successful Life? A Life-Course Model of Well-Being. CEP Discussion Paper No 1245. London: Centre for Economic Performance.
- Mason, G., and M. Tereraho (2007), Value-for-money analysis of active labour market programs, *Canadian Journal of Program Evaluation*, March, Vol. 22 p.1-29.
- McNamee, P. and S. Mendolia (2014), The effect of chronic pain on life satisfaction: Evidence from Australian data. *Social Science & Medicine* 121 (2014) 65e73 (no \$ year)
- Office of Best Practice Regulation (OBPR) (2007), "Best Practice Regulation Handbook". Canberra: Department of Finance and Deregulation
- Rippin, L and Morison, J, 2013, Input-Output Tables for South Australia and its Regions 2011/12 Update: Technical Report, report prepared for Department of the Premier and Cabinet.
- SROI (2012) A guide to Social Return on Investment. The SROI Network. Accessed at <http://www.socialvalueuk.org/app/uploads/2016/03/The%20Guide%20to%20Social%20Return%20on%20Investment%202015.pdf>.
- USOC (undated) Engaging with the arts linked to better health and wellbeing. Blog. Accessed 30 May 2018. <https://www.understandingsociety.ac.uk/2015/02/23/exploring-relationship-between-arts-and-health>

Appendix

Table A.1 Selection and Sources – Case Study 1

Impact Measure	Indicator	Trend	Source
Employment training	Active programme participation among 15-29 year-old jobseekers in jobactive, 2010-15	Table 5.3. Active programme participation is on the rise for young jobactive jobseekers (March 2015): Job search training: 2.2% Non-vocational assistance: 2% 88% are not NEET	OECD (2016), Investing in Youth: Australia, Investing in Youth, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264257498-en
General training for job	Active programme participation among 15-29 year-old jobseekers in jobactive, 2010-15	Table 5.3. Active programme participation is on the rise for young jobactive jobseekers (March 2015): Other activities: 17% (Training: 15.9%) 88% not NEET	OECD (2016), Investing in Youth: Australia, Investing in Youth, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264257498-en
Improvement in confidence (youth)	Self-esteem: Rosenberg Self-Esteem Scale; Sense of mastery: Pearlin–Schooler Mastery Scale	Latent growth curve analyses indicated that self-esteem increases during adolescence and continues to increase more slowly in young adulthood.	Ruth Yasemin Erol and Ulrich Orth (2011) Self-Esteem Development From Age 14 to 30 Years: A Longitudinal Study. Journal of Personality and Social Psychology, Vol. 101, No. 3, 607–619 Wagner, J., Lütke, O., Jonkmann, K., Trautwein, U. (2012). Cherish yourself: Longitudinal patterns and conditions of self-esteem change in the transition to young adulthood. Journal of Personality and Social Psychology. Advance online publication. doi: 10.1037/a0029680 SE1 Evaluation report Table 7.
Cost of driving licence (AUD)		Typical cost – about 80% of young South Australians have a driving licence	https://www.driverknowledgetests.com/resources/what-is-the-real-cost-of-getting-a-car-licence/ ; https://chartingtransport.com/2015/03/09/trends-in-drivers-license-ownership-in-australia/
Cost of forklift licence (AUD)		Typical cost	https://aceforklifttraining.com.au/faqs/forklift-licence-cost/
Cost of First Aid Course (AUD)		Typical cost	http://www.firstaidtrainingadelaidecbd.com.au/?First-Aid;Info;1685;=&qclid=EAlaQobChMI7aPbhrW52wIViw4rCh1I4QgmEAAYASAAEgKv4fD_BwE&redirect=1
Cost of Asbestos removal Class B licence (5 year) (AUD)		Typical cost	https://www.safework.sa.gov.au/law-compliance/licensing/apply-licence/asbestos-licences
Relief from drug and alcohol problems	Alcohol consumption	Young adults were drinking less—a significantly lower proportion of 18–24 year olds consumed 5 or more standard drinks on a monthly basis (from 47% in 2013 to 42% in 2016).	National Drug Strategy Household Survey (NDSHS) 2016—key findings. Web report. https://www.aihw.gov.au/reports/illicit-use-of-drugs/ndshs-2016-key-findings/contents/highlights-from-the-2016-survey SE1 Evaluation report Table 12.
Enrolling in vocational education	Transition from NEET to education	Figure 2.A3.1. Only 16% of youth in Australia spent more than one year in total as NEETs between 2009 and 2012	OECD (2016), Investing in Youth: Australia, Investing in Youth, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264257498-en

Table A.1 Selection and Sources – Case Study 1 (continued ...)

Impact Measure	Indicator	Trend	Source
Full-time employment	Full-time employment rate	April 2018 (persons): Civilian pop 15-24 years old: 3213.9 Employment: 1917.0 (i.e. 27 of civilian pop is employed) Full time employment: 851.0 Part-time employment:1066.1	6202.0 Labour Force, Australia Table 15. Labour force status for 15-24 year olds by Educational attendance (full-time) and Sex http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6202.0.55.003Jan%202018?OpenDocument
Part time employment	Part-time employment rate	As above Part-time employment:1066.1 (33% of civilian pop)	As above.
Self-employment	Self-employment rate	2013: 6% of 20-24 year olds	Reporting Card 2015: How are young people faring in the transition from school to work? https://www.fva.org.au/wp-content/uploads/2015/11/How-young-people-are-faring-report-card-2015-FINAL.pdf
Member of social group	Number of friends	% 18-24 yrs with 3 or more friends they can confide in: 2006: 65% 2010: 67%	Australian Research Alliance for Children and Youth (2013) The Report Card: The wellbeing of young Australians. Aracy.org.au https://www.aracy.org.au/documents/item/104
Financially better off	Able to pay for housing	60% of young people living at home don't pay rent	https://www.illawarramercury.com.au/story/5440135/20k-a-year-each-young-adults-living-at-home-costing-parents-big-money/
Improvement in confidence (Peers)	As above	As above	Orth, U., Maes, J., & Schmitt, M. (2015). Self-esteem development across the life span: A longitudinal study with a large sample from Germany. <i>Developmental Psychology</i> , 51(2), 248-259. http://dx.doi.org/10.1037/a0038481
Family is getting on better	Question "I have frequent arguments"	Change from 45% to 26%	SE1 Evaluation report T12
Reduced training and induction costs		Typical cost	Use project staff costs as guide
Reduced recruitment costs		Typical cost	http://www.atep.org.au/for-employers/the-cost-of-recruitment-effective-hiring/
Mentors' self-worth enhanced		Global Value Exchange: increased consumption due to low self-esteem.	http://www.globalvaluexchange.org/valuations/search?q=self-esteem

Table A.2 Deadweight, displacement, attribution and drop off – assumptions and chosen values – Case Study 1

Impact Measure	Indicator	Trend	Typical trend (a) in %	Change in reported activity on project (b) in %	Deadweight a/(a+b) (How much of the outcome would have anyway?)	Displacement in % (Did the outcome displace another?)	Attribution in % (Did anyone else contribute?)	Drop off in % (How long will the outcome last?)
Employment training	Active programme participation among 15-29 year-old jobseekers in jobactive, 2010-15	Table 5.3. Active programme participation is on the rise for young jobactive jobseekers: March 2015: Job search training: 2.2%; Non-vocational assistance: 2%; 88% are not NEET	88	76 (22 out of 29)	54	100 (benefit conditionality, work compulsion)	0	0
General training for job	Active programme participation among 15-29 year-old jobseekers in jobactive, 2010-15	Table 5.3. Active programme participation is on the rise for young jobactive jobseekers: March 2015: Other activities: 17% (Training: 15.9%) 88% not NEET	88	76 (22 out of 29)	54	0	0	0
Improvement in confidence (youth)	Self-esteem: Rosenberg Self-Esteem Scale; Sense of mastery: Pearlin–Schooler Mastery Scale	Latent growth curve analyses indicated that self-esteem increases during adolescence and continues to increase more slowly in young adulthood.	90	21 (6 out of 29)	81	0	0	0
Cost of driving licence (AUD)		Typical cost – about 80% of young South Australians have a driving licence	80	21 (6 out of 29)	79	0	0	0
Cost of forklift licence (AUD)		Typical cost	Use typical cost	4	0	0	0	0
Cost of First Aid Course (AUD)		Typical cost	Use typical cost	2	0	0	0	33 (First Aid certificates should be renewed every 3 years)
Cost of Asbestos removal Class B licence (5 year) (AUD)		Typical cost	Use typical cost	1	0	0	0	20 (removal licence valid for 5 years)
Relief from drug and alcohol problems	Alcohol consumption	Young adults were drinking less—a significantly lower proportion of 18–24 year olds consumed 5 or more standard drinks on a monthly basis (from 47% in 2013 to 42% in 2016).	58	10 (3 out of 29)	85	0	0	0

Table A.2 Deadweight, displacement, attribution and drop off – assumptions and chosen values – Case Study 1 (continued ...)

Impact Measure	Indicator	Trend	Typical trend (a) in %	Change in reported activity on project (b) in %	Deadweight a/(a+b) (How much of the outcome would have anyway?)	Displacement in % (Did the outcome displace another?)	Attribution in % (Did anyone else contribute?)	Drop off in % (How long will the outcome last?)
Enrolling in vocational education	Transition from NEET to education	Figure 2.A3.1. Only 16% of youth in Australia spent more than one year in total as NEETs between 2009 and 2012	84	3 (1 out of 29)	97	0	0	33 (3-year course duration)
Full-time employment	Full-time employment rate	April 2018 (persons): Civilian pop 15-24 years old: 3213.9 Employment: 1917.0 (i.e. 27 of civilian pop is employed) Full time employment: 851.0 Part-time employment:1066.1	27	45 (13 out of 29)	38	0	0	25 (assuming 4 years effect: casual, precarious employment and young people's tendency to switch/leave employers)
Member of social group	Number of friends	% 18-24 yrs with 3 or more friends they can confide in: 2006: 65% 2010: 67%	67	6 (2 out of 29)	92	0	0	0
Financially better off	Able to pay for housing	60% of young people living at home don't pay rent; assume they start paying/contributing to housing cost	40	36 (8 out of 14 living at home, 22 total)	53	0	0	25 (assuming 4 years effect: casual, precarious employment and young people's tendency to switch/leave employers)
Improvement in confidence (Peers)	As above	As above	90	Assume 50% deadweight as effect at most indirect	50	Assume 50% to allow for 'natural development' and alternative influences	0	33 (tapering off of effect with time)
Family is getting on better	ARC report T12 question "I have frequent arguments"	Change from 45% to 26% ((a) and (b) use inverse to measure outcome as positive value)	55	74	43	0	0	33 (tapering off of effect with time)

Table A.2 Deadweight, displacement, attribution and drop off – assumptions and chosen values (continued ...)

Impact Measure	Indicator	Trend	Typical trend (a) in %	Change in reported activity on project (b) in %	Deadweight $a/(a+b)$ (How much of the outcome would have anyway?)	Displacement in % (Did the outcome displace another?)	Attribution in % (Did anyone else contribute?)	Drop off in % (How long will the outcome last?)
Reduced training and induction costs		Typical cost	50% non-management project staff wages per trainee (AUD)	8 employers	0	50	0	33 (up to 3 3-6-month programs generating 3 opportunities per year)
Reduced recruitment costs		Typical cost	Use typical recruitment costs	8 employers	0	50	0	33 (up to 3 3-6-month programs generating 3 opportunities per year)
Mentors' self-worth enhanced		Global Value Exchange: increased consumption due to low self-esteem.	Assume 50% deadweight as causal direction ambiguous	4	50	50	0	33 (up to 3 3-6-month programs generating 3 opportunities per year)

Deadweight indicators

Table A.3 Selection and Sources – Case Study 2

Impact Measure	Indicator	Trend	Source
Employment	<p>Employment-to-population ratio for people with disability aged 15–64 years (Table 15A.74)</p> <p>Users of supported employment services/ Australian Disability Enterprises aged 15–64 years (Table 15A.52)</p> <p>Proportion of the potential population aged 15–64 years and adjusted for labour force participation who used Australian Disability Enterprises)</p>	<p>Table 15A.74 (SA) 2012 (persons): 45.8% 2009 (persons): 46.8%</p> <p>Table 15A.52 (SA) 2014/15 (persons): 13.6% 2013-14 (persons): 13.9%</p>	Productivity Commission (2017) Report on Government Services 2017. VOLUME F, CHAPTER 15.
Improvement in confidence (youth)	<p>Self-esteem: Rosenberg Self-Esteem Scale; Sense of mastery: Pearlin–Schooler Mastery Scale</p>	<p>Latent growth curve analyses indicated that self-esteem increases during adolescence and continues to increase more slowly in young adulthood.</p> <p>"Major physical disabilities do not seem to affect general self-esteem as much as minor physical disabilities do." (Miyahara and Piek, Abstract)</p> <p>"...actively living PwPD have significantly higher SE comparing those PwPD who are living sedentary life style." (Nemček, Abstract)</p> <p>In 2015, around 2 in 5 people aged 15–64 with disability living in the community (41%), and nearly 2 in 3 of those with severe or profound limitation (62%), had avoided community situations because of their disability in the previous 12 months (Table A9).</p>	<p>Erol, R. Y. and U. Orth (2011) Self-Esteem Development From Age 14 to 30 Years: A Longitudinal Study. <i>Journal of Personality and Social Psychology</i>, Vol. 101, No. 3, 607–619</p> <p>Wagner, J., Lüdtke, O., Jonkmann, K., Trautwein, U. (2012). Cherish yourself: Longitudinal patterns and conditions of self-esteem change in the transition to young adulthood. <i>Journal of Personality and Social Psychology</i>. Advance online publication. doi: 10.1037/a0029680</p> <p>Miyahara, M. and J. Piek (2006) Self-Esteem of Children and Adolescents with Physical Disabilities: Quantitative Evidence from Meta-Analysis, <i>Journal of Developmental and Physical Disabilities</i>, Vol. 18, No. 3, September 2006</p> <p>Nemček, D. (2017) Self-Esteem in People with Physical Disabilities: Differences between Active and Inactive Individuals. <i>Acta Facultatis Educationis Physicae Universitatis Comenianae</i> Vol. 57 No 1 2017</p> <p>Australian Institute of Health and Welfare 2017. Disability in Australia: changes over time in inclusion and participation in community living. Cat. no. DIS 67. Canberra: AIHW.</p>

Table A.3 Selection and Sources – Case Study 2 (continued)

Impact Measure	Indicator	Trend	Source
Smoking cessation		<p>People aged 15–64 with severe or profound disability were twice as likely as those without disability to smoke daily (31% versus 15%) and 1.8 times as likely as those without disability to start daily smoking before the age of 18 (41% versus 23%). (AIHW)</p> <p>“At the 12 month follow up 16.6% of participants reported they were not smoking.” (Ashton et al., Abstract)</p> <p>Quit ratio: about 57% of Victorians ex-smokers quit for at least one year. Conversely, about 40% relapse within a year. Considerable age variations, but few other variations.</p>	<p>Australian Institute of Health and Welfare 2016. Health status and risk factors of Australians with disability 2007–08 and 2011–12. Cat. no. DIS 65. Canberra: AIHW.</p> <p>Ashton, M., Miller, CL, Bowden, JA, & Bertossa, S, People with mental illness can tackle tobacco. Australian and New Zealand Journal of Psychiatry, 2010. 44: p. 1021-1028. [Note: no control group].</p> <p>Hayes L, Durkin S, Bain E, Wakefield M. Smoking prevalence and consumption in Victoria: key findings from the Victorian Smoking and Health population surveys. CBRC Research Paper Series No.47. Prepared for: Quit Victoria. Centre for Behavioural Research in Cancer, Cancer Council Victoria: Melbourne, Australia, December 2016.</p>
Member of social group	<p>People with disability aged 15–64 years who travelled to a social activity in the last two weeks (Table 15A.90)</p> <p>People with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week (Table 15A.92)</p>	<p>Table 15A.90 (SA, persons) Proportion of people with disability aged 15–64 years 2015: 91.7% 2012: 88.5</p> <p>Proportion of people with disability aged 15–64 years who have had face-to-face contact with ex-household family or friends in the previous week 2015: 72.5 2012: 78%</p>	Productivity Commission (2017) Report on Government Services 2017. VOLUME F, CHAPTER 15.
Financially better off	Able to save regularly	<p>36.2% of those receiving Disability Support Pension were living below the poverty line (50% of median income)</p> <p>“People living with a long-term illness or disability had a financial wellbeing score of 51 out of 100, eight points below the national average” (ANZ, p. 28)</p>	<p>Australian Council of Social Service (2016), Poverty in Australia 2016, ACOSS, Strawberry Hills.</p> <p>ANZ (2018) Financial Wellbeing. A survey of Adults in Australia. Australia and New Zealand Banking Group</p>
Participants: ‘Social learning’, feeling safe	Relief from depression/anxiety (adult)	<p>“Bullying was measured using both a widely accepted international definition and the Australian definition used by Safe Work Australia. The six-month prevalence rates using the international and the Australian definitions were similar at 9.7 per cent and 9.4 per cent of workers respectively.” (p.3)</p> <p>“People with intellectual disability are at increased risk for both violent and sexual victimisation and Offending.” (Fogden et al., Abstract). But not true for non violent non sexual victimisation (no difference).</p>	<p>Potter, R.E., M.F. Dollard and M. R. Tuckey (2016) Bullying and harassment in Australian workplaces: results from the Australian Workplace Barometer Project 2014/15. Canberra: Safe Work Australia</p> <p>Fogden, B.C., S. D. M. Thomas, M. Daffern and J. R. P. Ogloff (2016) Crime and victimisation in people with intellectual disability: a case linkage study. BMC Psychiatry (2016) 16:170 DOI 10.1186/s12888-016-0869-7</p>

Table A.3 Selection and Sources – Case Study 2 (continued)

Impact Measure	Indicator	Trend	Source
Residents: 'Social learning'/sense of understanding	Good neighbourhood	Complex measurement: assuming that contact/seeing changes attitudes (Fisher et al.) and that the indicator captures this as a positive sense of understanding, combining with evidence that people with disability are 21% less likely to get help when they need it (Cebulla & Zhu).	Karen R. Fisher & Christiane Purcal (2017) Policies to change attitudes to people with disabilities, <i>Scandinavian Journal of Disability Research</i> , 19:2, 161-174, DOI: 10.1080/15017419.2016.1222303 Cebulla, A. & R. Zhu (2015): Disability, and social and economic inclusion: who is in and out of the Australian National Disability Insurance Scheme?, <i>Scandinavian Journal of Disability Research</i> , DOI: 10.1080/15017419.2015.1064026
Family/friends are getting on better	People with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week	Table 15A.93 Number of persons with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week (SA, persons) 2015: 72.5% 2012: 78%	Productivity Commission (2017) Report on Government Services 2017. VOLUME F, CHAPTER 15.
Environmental benefit	Resolution of problems with scruffy gardens/landscaping	n/a	
Supervisor's self-worth enhanced		Global Value Exchange: increased consumption due to low self-esteem.	http://www.globalvaluexchange.org/valuations/search?q=self-esteem
Contractor receiving quality work with restricted budget	Investment brought forward in time: assume 7% discount rate as social benefit	Apply to total staff costs	Office of Best Practice Regulation (OBPR) (2007), "Best Practice Regulation Handbook". Canberra: Department of Finance and Deregulation

Table A.4 Deadweight, displacement, attribution and drop off – assumptions and chosen values – Case Study 2

Impact Measure	Indicator	Trend	Typical trend (a) in %	Change in reported activity on project (b) in %	Deadweight a/(a+b) (How much of the outcome would have anyway?)	Displacement in % (Did the outcome displace another?)	Attribution in % (Did anyone else contribute?)	Drop off in % (How long will the outcome last?)
Employment training/General training on the job	Employment-to-population ratio for people with disability aged 15–64 years (Table 15A.74)	Table 15A.74 (SA) 2012 (persons): 45.8% 2009 (persons): 46.8%	45	100	31	0	0	9-week project, assume high risk of drop off, if not repeated: 80%
Improvement in confidence (youth)	Self-esteem: Rosenberg Self-Esteem Scale; Sense of mastery: Pearlin–Schooler Mastery Scale	Self-esteem typically increases with age (but dropping off in later age); major physical disabilities impact little, if at all; active living enhances self-esteem; 40%-60% of people with disability avoid community situations	50	50	33	0	0	33% (tapering off of effect with time)
Smoking cessation		People with severe or profound disability twice as likely as those without disability to smoke daily (31% versus 15%)(AIHW) "At the 12 month follow up 16.6%...were not smoking." (Ashton et al., Abstract) Relapse ratio about 40%	6 (20% give up smoking in a year; of 30% smoking)	10	38	0	0	Relapse after one year: 40%
Member of social group	People with disability aged 15–64 years who travelled to a social activity in the last two weeks (Table 15A.90) People with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week (Table 15A.92)	Table 15A.90 (SA, persons) Proportion of people with disability aged 15–64 years 2015: 91.7% 2012: 88.5 Proportion of people with disability aged 15–64 years who have had face-to-face contact with ex-household family or friends in the previous week 2015: 72.5 2012: 78%	80	50	62	0	0	0 Assume relationships last
Financially better off	Able to save regularly	36.2% of those receiving Disability Support Pension living below the poverty line People with disability had a financial wellbeing score of 51 out of 100, 8 points below average" (ANZ, p. 28)	5 (household savings rate approx. 10%; 10% of 50% not in poverty=5%)	10	33	0	0	9-week project, assume high risk of drop off, if not repeated: 80%
Participants: 'Social learning', feeling safe	Relief from depression/anxiety (adult)	Six-month bullying prevalence rates about 9-10 per cent of workers." "People with ID at increased risk of violent and sexual victimisation, not nonviolent/ nonsexual.	90 (100-10 being bullied)	100	47	0	0	9-week project, assume high risk of drop off, if not repeated: 80%

Table A.4 Deadweight, displacement, attribution and drop off – assumptions and chosen values – Case Study 2 (continued)

Impact Measure	Indicator	Trend	Typical trend (a) in %	Change in reported activity on project (b) in %	Deadweight a/(a+b) (How much of the outcome would have anyway?)	Displacement in % (Did the outcome displace another?)	Attribution in % (Did anyone else contribute?)	Drop off in % (How long will the outcome last?)
Family/friends are getting on better	People with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week	Number of persons with disability aged 15–64 years who have had face-to-face contact with family or friends in the previous week (SA, persons) 2015: 72.5%	72	100	42	0	0	9-week project, assume high risk of drop off, if not repeated: 80%
Residents: Environmental benefit	Resolution of problems with scruffy gardens/landscaping	Assume 10 year refurbishment cycle for both deadweight and drop off calculation	10	100	9	100	0	Assume 10 year refurbishment cycle: 10%
Supervisor's self-worth enhanced		Global Value Exchange: increased consumption due to low self-esteem.	Assume 50% deadweight as causal direction ambiguous	100	50	0	0	9-week project, assume high risk of drop off, if not repeated: 80%

Attachment 3

A STATE GOVERNMENT LED SOCIAL PROCUREMENT STRATEGY

As at January 2018

The following has been prepared as a summary of feedback from various roundtables and workshops convened by the Don Dunstan Foundation as part of the Thinkers in Residence program.

1. What is the opportunity of social procurement?

As part of its role, the State Government expends significant funds everyday on programs and other efforts to achieve its policy objectives, to increase the social and economic participation of citizens who need additional assistance to take up these opportunities.

While much case management, support, training and other activity occurs in assisting key citizen groups become more ready for employment opportunities, the **key factor** in the success of these efforts is the availability of guaranteed employment opportunities as the end point of this activity. As many programs operate without the availability of these guaranteed opportunities, many programs are unable to achieve the success they might otherwise be able to.

At the same time, the State Government also expends significant funds in procuring goods and services across all aspects of its business – we estimate this at over \$2 billion annually, though this requires further consideration.

In keeping with new State Government commitments for [more effective procurement](#), the opportunity exists to bring these two currently separate considerations together – for State Government to utilise social procurement as a key element to address social and economic participation, by more strategically using its significant existing procurement spending to create employment and training opportunities for key citizen target groups.

2. What is social procurement?

Social Procurement is the practice of achieving social impact through normal procurement spending, using funding that is **already budgeted** for spending.

This occurs by procuring goods or services **to the same quality and cost** that would be expected to occur through normal arrangements, but with the deliberate intention to also maximise the creation of employment and training opportunities targeted to citizens who might not normally receive these opportunities – i.e. those who are long term unemployed or at risk of long term unemployment, including but not limited to:

- Youth
- Early school leavers
- Young people currently/previously under guardianship of the Minister
- People from new and emerging migrant communities

The objective of social procurement is to provide these citizens with a 'step-up' – i.e. the opportunity to develop both technical (e.g. skills, knowledge, experience, work history) and personal (e.g.

confidence, worth, purpose, [social bonding and bridging capital](#)) benefits from social procurement opportunities, that can then better place those citizens to compete for further work into the future.

3. How does social procurement work?

Social procurement occurs through setting mandatory outcome targets in tenders and contracts e.g.:

- Quarantining specific contracts (or sub-contracts) for preferred or mandatory provision of goods and services by [profit-for-purpose/social enterprise organisations](#) ; and/or
- Setting requirements for lead commercial providers within other contracts to meet employment and training outcomes for specified groups.

Social procurement outcomes can include:

- Employment creation e.g. X% of persons employed are from specified groups
- Training/work experience requirements e.g. X number of on-the-job training or work experience roles are created (which can also potentially be linked to employment creation outcomes)

Social procurement generally provides entry level employment and training opportunities (e.g. that don't require participants to have a pre-existing trade qualifications or high skills). These opportunities can occur in a range of capacities, including provision of services within the contract, or back-of-house e.g. administration positions within the wider supplier organisation.

The guaranteed nature of employment, training and work experience outcomes that occurs through social procurement is a powerful incentive for other organisations to contribute resources in assisting citizens to become ready for and/or support people in these opportunities – for example, by investing in pre-employment programs. This is an important point of difference between other programs which seek to support citizens into employment or similar, but where there are no guaranteed opportunities.

In setting social procurement outcomes within individual tenders, it is important that Government focus on the outcomes it requires, and leaves flexibility to providers in how they choose to meet those requirements. For example, if a lead supplier is required to generate X employment outcomes as part of a contract, in liaison with Government, they should be able to choose to meet this:

- Directly e.g. through direct employment within their own workforce
- Indirectly e.g. through employment requirements of any sub-contractors (including through partnerships with profit-for-purpose/social enterprise organisations as sub-contractors)

4. Social procurement in South Australia

There are a number of good examples of social procurement success with State Government. For example, the [Renewal SA Works Program](#) has been in place for [over 10 years](#), delivering significant direct entry level employment, training and work experience outcomes for citizens directly through social procurement practices. In 2016-17, this included:

- 199 employment outcomes
- 420 training outcomes
- 506 work experience outcomes
- 86 Renewal SA contracts included some form of social procurement outcomes
- Over \$3m in funding was secured through partnerships with other stakeholders to contribute towards employment, training or work experience programs.

Over the last 10 years, the program has delivered **over 7,800** employment, training or work experience outcomes.

The above contribution of other partners funding highlights the additional attraction of social procurement – partners have more incentive to **contribute additional resources** to assist citizens to prepare for and access employment, training or work experience opportunities, if these are guaranteed – as occurs through social procurement.

The RSA Works program has also shown considerable innovation in how it has identified potential social procurement opportunities – for example, in selling land to a large supermarket chain for the development of a new shopping complex, RSA successfully set employment and training requirements not only for the development and construction phase, but also subsequent employment in the operation of on-site commercial businesses.

In 2016-17, the Works Program delivered outcomes in industries as diverse as:

- Aged care
- Childcare
- Construction (general and civil)
- Disability support
- Engineering
- Home and community care
- Horticulture/landscaping
- Retail, food and automotive services
- Warehousing and logistics.

5. Social procurement at scale

While many Government Departments can demonstrate examples of social procurement practices, these often occur as ‘demonstrations’ (e.g. to show good corporate citizenry), and are not mainstreamed as standard practice.

To achieve impact at scale, it will be important to develop an eco-system that supports social procurement as standard practice i.e.:

- There is a consistent stream of contracts that include mandatory social procurement requirements at scale;
- There is a competitive pool of providers who are able to respond to these opportunities at scale;
- There is policy and practice direction to ensure social procurement becomes the normal way for Government to operate; and
- There is adequate support to enable providers to meet social procurement requirements.

It is critical to understand that to achieve social procurement at scale, it is important to create **both** demand and supply at the same time:

- There will be minimal benefit in creating an expanded profit-for-purpose/social enterprise sector, without social procurement opportunities that the sector can then access; and
- There will be minimal benefit in creating social procurement opportunities, without a pool of profit-for-purpose/social enterprise organisations who can meet these opportunities.

At the same time, it is also important that Government recognise that at least initially, many lead commercial suppliers may have little social procurement understanding and experience. To achieve social procurement at scale, Government will have an important role in assisting these suppliers to

meet social procurement requirements by providing them with as-simple-as-possible mechanisms to achieve this, such as connections with:

- Profit-for-purpose/social enterprise organisations;
- Training organisations that can provide a pool of ready participants able to be considered for any specific opportunities (if these will not be met by profit-for-purpose/social enterprise organisations); and/or
- Support organisations who can support suppliers and individuals in undertaking social procurement opportunities.

For example, there are commonly pre-training requirements for both employment and training/work experience positions that potential participants must be able to meet before they can be considered for these positions – e.g. white card (basic knowledge of construction work, work health and safety (WHS) laws), basic skills or similar.

To help provide lead suppliers with as-simple-as-possible mechanisms to meet social procurement requirements, it will be important to develop ‘supply pathways’ of potential participants who meet relevant pre-training requirements for upcoming opportunities, based on a forward schedule of upcoming tenders. This will help ensure that:

- Lead suppliers bidding for tenders have surety about how they will potentially be able to meet tender social procurement requirements; and
- There is a ready-made pool of potential participants that lead suppliers who win tenders can consider, soon after being awarded contracts.

6. Why a State Government lead for social procurement?

As one of the largest procurers of goods and services within the State, the State Government has an important and unique opportunity to lead the development of social procurement in SA, for the greater benefit of the State.

It is important to recognise that a deliberate State Government led strategy to achieve social procurement at scale would provide additional strategic benefits **beyond** the real opportunities to assist disadvantaged people into economic and social participation at scale.

These include:

1. The very real nature of the employment opportunities created will provide a significant lever to engage further and influence policy, practices and resourcing of a range of other stakeholders, to reinforce benefits (e.g. the Commonwealth, large corporates, universities, small to medium enterprise business sector, non- government organisations and philanthropics);
2. It will support the development of the profit-for-purpose/social enterprise sector as a new sector of the State economy, that can expand over time beyond State led social procurement efforts. For example, as the sector reaches scale over time:
 - a. It can expand to provide social procurement responses in other sectors (Commonwealth, large corporates, universities, small to medium enterprise business sector, non- government organisations and philanthropics);
 - b. It can expand into other services that may not necessarily be provided through social procurement opportunities (e.g. profit-for-purpose marketing, design, communications), whether to service the profit-for-purpose/social enterprise sector, or to provide these services to the wider market;

3. It will incentivise traditional non-government charitable organisations to consider developing their own profit-for-purpose/social enterprise arms, as a way to create additional income streams beyond traditional social service government funding e.g.:
 - a. Through new government social procurement fee-for-service contracting arrangements;
 - b. Provision of similar services to other sectors outside of government, as the market expands; and
 - c. Becoming attractive to new forms of for-purpose investment (e.g. impact investment or donation – those that would not normally invest in or donate for ‘charitable’ purposes, but who will do so where there is tangible impact). Previous State Government brokering of social impact bonds is one example of this.
4. It will assist in attracting new investment into the State – for example, impact investors who wish to support the establishment of the profit-for-purpose/social enterprise sector.

7. Social procurement in Australia

A State Government led social procurement strategy would also build on a wider shift to use social procurement for impact occurring across Australia, including:

- The 2018 [CommBank Not-For-Profit Insights Report](#), which showed the Australian not-for-profit sector:
 - Is leading innovation above the national average measured against the OECD innovation framework;
 - Uses social enterprises as a key vehicle to do so; and
 - Also utilises social enterprises as a key vehicle to expand income streams beyond traditional Government grant funding.
- The 2017 [Victorian Social Enterprise Mapping Project](#), commissioned by the Victorian Government. This report:
 - Mapped the size and impact of the social enterprise sector in Victoria, including:
 - Over 3,500 social enterprises exist in Victoria (including 43% in regional areas);
 - They provide a \$5.2b economic contribution to the State economy; and
 - They have created over 60,000 jobs
 - Showed that 75% of social enterprises identify social procurement as their biggest opportunity for future growth
 - Is the pre-cursor to the soon to be released Victorian [Social Procurement Framework](#), which will aim to build on the mapping project, to operationalise the achievement of social procurement at scale.
- The establishment of representative bodies, such as the [Queensland Social Enterprise Council](#) (State level), and [Western Australia Disability Enterprises](#) (State sub-sector level).

8. What is the role of State Government in leading State efforts?

To achieve social procurement impact at scale, State Government is uniquely placed to take both a key leadership and coordination role – both within its own procurement efforts, but also in influencing others. Successful State Government efforts to achieve impact at scale will be a significant lever in engaging these other sectors to achieve similar.

To achieve this, State Government should lead the development of a **State Social Procurement Strategy**, that in the first instance, would focus on State Government's role in supporting the establishment of social procurement more widely, as a way to in time encourage greater social procurement practices outside of Government.

The objective of a State Social Procurement Strategy would be:

1. To provide 'buyers' of good and services (such as State Government) to embed social procurement as standard procurement practice, to achieve outcomes at scale; and
2. To provide 'suppliers' of good and services (commercial and/or profit-for-purpose/social enterprise providers) with supply pathways and other methods to meet social procurement requirements at scale, while continuing to provide opportunities for suppliers to grow their businesses by participating in Government procurement.

The key actions for State Government include:

1. SET STATE AND DEPARTMENTAL TARGETS

Set whole-of-State-government social procurement performance requirements, and as contributors towards such whole-of-Government targets, also set linked and supporting Departmental social procurement performance requirements, based on historical and projected procurement spending.

Both whole-of-Government and supporting Departmental requirements:

- a) Would be expressed as specific targets e.g.:
 - 100% of all tenders are analysed for identification of potential mandatory social procurement requirements, prior to tender
 - X% of all tenders let include mandatory social procurement requirements
 - X% of all tenders let which included mandatory social procurement requirements have these requirements met or exceeded
 - X% of tenders are promoted on a future schedule which provides at least 3 months' notice of upcoming tenders, to enable potential suppliers to consider how they may need to prepare for upcoming tenders they may wish to tender for (including social procurement requirements)
- b) Would initially be expressed as process rather than outcome targets in the first instance (as per the above examples). Initially setting targets around process will:
 - Reinforce the process changes required to achieve social procurement as normal practice (i.e. getting the building blocks right);
 - Provide learnings to assist with later deliberations on the feasibility of setting more specific outcome targets (e.g. that X number of employment outcomes are created)
- c) Would be scaled up over time, with more mature targets as the social procurement eco-

system and practices develop over time. In other words, the targets for year 3 would be higher than targets for year 1.

Departmental requirements would be included in Chief Executive performance agreements, to ensure Departments are clear about their critical roles in supporting whole-of-Government requirements.

Whole-of-Government targets would be included in performance agreements with the relevant Chief Executive who would have ultimate responsibility for this target – see further below.

2. BUILD ON EXISTING EXPERTISE IN GOVERNMENT

Building on their existing expertise, both the Office of the Industry Advocate and State Procurement Board can play a key role in leading State social procurement efforts. This would include but not be limited to:

Office for the Industry Advocate (OIA)

- a) Utilise provisions within the [Industry Advocate Act 2017](#) to enable the [OIA](#) to lead and coordinate whole-of-Government (and supporting Departmental) social procurement requirements. Under the Act, the OIA has the ability to:
 - Make procurement reform recommendations to the State Government
 - Set direction through the [South Australian Industry Participation Policy \(SAIPP\)](#), outlining agreed Government procurement objectives. This could for example include setting contract-value thresholds by which contracts would include mandatory social procurement outcomes.
 - Build the capability and capacity of businesses based in South Australia to participate in government contracts, in line with objectives
 - Make recommendations to public authorities to resolve complaints, remove impediments or improve procurement practices and processes
 - Investigate and monitor compliance with the SAIPP by participants in government contracts
 - Take action to promote and ensure compliance with the SAIPP, including issuing directions to Government and non-Government participants in government contracts requiring them to comply with their contractual obligations in respect of the SAIPP, and reporting to the Minister in relation to non-compliance where appropriate
 - Encourage the adoption of industry participation policies by local government.
- b) In line with the above, lead the development, implementation and coordination of a State Social Procurement Strategy, to set and work towards both whole-of-Government and supporting Departmental performance requirements.

This would include leading the initial design process of wide ranging stakeholders to commence development of the strategy – including for example:

- Relevant State procurement and Departmental procurement representatives;
- Specialist social procurement brokers who have supported the establishment of social procurement at scale interstate (e.g. Social Traders, Social Ventures Australian, other);
- Possible funders or impact investors who could potentially assist in supporting the development of profit-for-purpose/social enterprise organisations and/or sector

- c) Modify the current SAIPP to add social procurement benefit provisions within existing local employment and economic benefit provisions. The current SAIPP:
 - Already requires that procurement decisions are made on a **value-for-money** basis, i.e. decisions are made on more than cost alone – such as where there may be social and other benefits.
 - Already includes a number of existing specific procurement objectives that can be expanded on to include social procurement objectives (such as ensuring opportunities for local businesses, regional businesses and Aboriginal businesses).
- d) Modify already existing OIA mechanisms such as [Meet The Buyer and Supplying To Government](#) workshops to better prepare potential lead suppliers (whether profit-for-purpose/social enterprise organisations and/or commercial suppliers) for upcoming tenders that will include significant social procurement requirements.
- e) Undertake additional steps to better connect potential lead commercial suppliers with profit-for-purpose/social enterprise organisations that can be potentially partnered with, to meet social procurement requirements in upcoming tenders that are not quarantined for profit-for-purpose/social enterprise organisations only. This could include:
 - Implement variants of Meet The Buyer events that instead focus on connecting potential lead commercial providers with profit-for-purpose/social enterprise organisations to learn each other's business, and consider potential partnering opportunities in upcoming tenders;
 - Implement a register of SA profit-for-purpose/social enterprise organisations that can potentially assist lead commercial providers to meet social procurement requirements (i.e. as a form of variant to the existing [SA Product Register](#)).
- f) Lead the engagement of other non State Government sectors (e.g. large corporate, NGO and academic organisations) in developing this State Government led strategy, with a view to encouraging these organisations to enter into similar procurement practices (including where possible to piggy-back on any relevant State efforts).
- g) Partner with and support the State Procurement Board to meet State Social Procurement Strategy objectives.

State Procurement Board

- h) Develop and provide training and other mechanisms to raise the level of social procurement literacy and practice across Government (e.g. thinking laterally about more innovative ways to identify social procurement opportunities within tenders that may appear to have limited options for this).
- i) Inclusion of social procurement requirements in cross-Government contracts (i.e. strategic Government procurement).
- j) Inclusion of social procurement objectives and requirements with State Procurement policy, process and reporting frameworks – for example, in pre-tender market analysis and acquisition planning processes.
- k) Partner with and support the OIA to meet State Social Procurement Strategy objectives.

3. ALIGN POLICY AND PROGRAM EFFORTS

Align other non-procurement policy and program efforts across Government, to ensure that:

- Social procurement opportunities are targeted to those in most in need;
- There are clear and supported 'supply pathways' into these opportunities, with a steady stream of participants able to be considered for such opportunities;
- There is effective and coordinated support for the growth of profit-for-purpose/social enterprise sector capacity in SA.

This would include:

Targeting to need/supply pathways

- a) Ensuring alignment of Department for Industry and Skills (DIS) policy, programs and resources around to ensure there are links between social procurement opportunities and:
 - Individual workforce participation programs, such as [Adult Community Education](#), [Building Family Opportunities](#), [Personal Support Program](#) and [Successful Transitions](#);
 - Foundation skills strategy;
 - Support for apprenticeships and traineeships;
 - Lead liaison with the Commonwealth around alignment with the Job Active system and other Commonwealth employment policy and programs.
- b) Consistent DIS led arrangements to address insurance requirements linked to work experience and on-the-job training programs (there are currently inconsistent requirements of registered training organisations to meet insurance requirements that then enable suppliers to take on work experience and on-the-job training placements).
- c) Ensuring alignment with TAFE SA and other vocational/pre-vocational provider programs and short courses.
- d) Ensuring alignment within the secondary education system to identify students from key target group backgrounds who could make use of particularly work experience and training opportunities that will be created – for example, through Regional Pathway Manager positions.
- e) Ensuring alignment of Department of Human Services (DHS) policy, programs and resources in areas such as:
 - Public and community housing;
 - Homelessness and domestic violence services;
 - Poverty relief services e.g. financial counselling, emergency financial and food relief

This alignment would be focussed on identifying clients of these services as potential participants in 'supply pathways' for upcoming social procurement opportunities, to undertake any pre-training requirements, and supporting clients in this process.

- f) Ensuring adequate support for participants entering into social procurement opportunities, through existing arrangements with social services or similar organisations. This recognises that the disadvantaged nature of target citizen groups is likely to require some level of liaison and support role between suppliers and individuals that may be required as individuals transition into training and employment.

- g) Ensuring alignment in Office for the Public Sector and individual Departmental recruitment policy and practices, to ensure that there are clear and programmed employment and training/work experience opportunities within the public service. This could take the form of specific targets for Departments in filling entry-level positions, supported by:
- A targeted employment program that operates in a similar way to the current graduate program across Government; and
 - General recruitment practices

Growth of sector capacity

- h) Consider how to best support the development of the strong profit-for-purpose/social enterprise sector in the State. This could potentially take the form of:
- Grant funding assistance for the establishment of a South Australian industry sector professional body for example similar to the [Queensland Social Enterprise Council](#). Such a body could also potentially act as a 'shopfront' to promote and broker members services to potential suppliers, for example similar to [Western Australia Disability Enterprises](#);
 - Brokering the entry of alternative funders to develop the sector and/or individual profit-for-purpose/social enterprise organisations e.g. through use of social impact bonds or similar;
 - Other support to encourage links with existing business sector support organisations who could potentially assist in the development an SA industry sector (such as Business SA or similar);
 - An expanded focus of the existing Corporate Volunteering program funded by DHS, to improve the capacity of the profit-for-purpose/social enterprise sector through reciprocal volunteering links with commercial organisations in target areas.

In aligning cross-Government efforts in all of the above, it will be important to ensure that these are informed by forward schedules of key tenders and projected social procurement opportunities, which anticipates the type of skills that participants will ideally need to enter upcoming social procurement opportunities, and commences preparing target participants for these.