

Challenges and Opportunities for Australian Social Enterprise

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CSI Swinburne Research Brief No. 1

BACKGROUND

Social enterprises in Australia are experiencing new interest in their activities; this interest generates new opportunities and challenges. In late 2014-early 2015, a series of 13 workshops was conducted with 75 people involved in running or developing social enterprises. The purpose was to explore participants' experiences of the barriers and opportunities available to Australian social enterprises. This research forms part of the Finding Australia's Social Enterprise Sector 2015 project.

KEY FINDINGS

Participants identified a number of issues as both challenges and opportunities for social enterprises.

Procurement and supply chains – social procurement – or generating social value through purchasing – was identified as a growing opportunity for social enterprises to extend their markets and missions. However, challenges were identified in relation to growing government and corporate practice of social procurement. Supply chain development, between social enterprises, and between social enterprises and other businesses, was seen as a way of growing social value and extending markets.

Staffing – participants identified a growing interest in values-based careers as an opportunity for attracting staff to social enterprise. However, they also noted staffing challenges relate to: sourcing staff with requisite hybrid skill sets; changing workforce profiles as social enterprises matured; and limitations in incentives to attract the right staff.

Governance – effective governance of social enterprise was identified as a challenge, with many participants noting a mismatch between traditions of not for profit governance and the needs of small to medium social enterprises.

Acknowledgement: This brief is based on research undertaken in partnership between CSI Swinburne and Social Traders

Resourcing and finance – access to resources and suitable forms of external finance was identified as a challenge, although many social enterprises do not require external financing. The social finance and impact investing market in Australia was viewed as immature and supply-led, with limited evidence of it responding effectively to the resourcing needs of social enterprise.

Measuring and communicating impacts – challenges of measuring and communicating impacts identified included the associated financial costs, difficulties navigating the array of methodologies available, and lack of benchmarking data. Developing common frameworks for measurement amongst social enterprises within specific industries or for particular models of social enterprise was viewed as an opportunity.

Scaling social impacts – many social enterprises serve local missions and markets and don't plan to scale. For those seeking to scale their impacts by growing their businesses, partnerships with national organisations was viewed as an opportunity. Some participants described plans to replicate rather than scale to grow their impacts.

Policy and advocacy – existing public policy instruments were typically viewed as inhibitors of social innovation. Participants noted lack of coordinated policy advocacy as a challenge for the social enterprise field in Australia.

This brief summarises the work done in Finding Australia's Social Enterprise Sector 2015 Interim Report, which is available at http://www.socialtraders.com.au/uploads/files/pdf/000650_feaa.pdf. To view this brief online, visit <http://www.swinburne.edu.au/fases>. The CSI Swinburne Research Brief series is a publication of Swinburne University of Technology's Centre for Social Impact Swinburne. These publications are free for public reproduction with proper attribution. For more information on the research and graduate programs of CSI Swinburne, please visit: <http://www.swinburne.edu.au/business-law/research/social-impact/>