

The Facts of Life

Evidence and experience
of investing in **social change**



The background of the entire page is a photograph of a weathered wall. At the top, there is graffiti that includes the word 'MUTAN' in large, dark letters. Below the graffiti, the wall is made of concrete or stone blocks, some of which are crumbling and peeling away, revealing a darker surface underneath. The overall tone is gritty and urban.

FACTS

**By age 15
disadvantaged
students are
3 years behind¹**

**2,000,000
Australians want
to be in paid work,
work more hours
or are excluded
from the
workforce²**

**Non-profits
make up 9.6%
of the
Australian
economy and
14.5% of the
workforce³**



Despite a generation of overall economic growth, social disadvantage concentrated in a relatively small number of communities, has condemned generations of Australians to suffer in a wretched cycle of poverty and low expectations.

Broad based systemic social change, on a scale required to lift millions of people out of disadvantage, requires entirely new ways of operating. Our guiding passion is to bring fresh thinking and original approaches to enhance the education outcomes and improve employment opportunities for disadvantaged Australians. At every stage of a person's life, from providing quality early learning experiences to supporting meaningful work, SVA is innovating with our partners for change.

Our experience has taught us that three barriers are inhibiting transformational social change on the scale required; a lack of capital, experienced talent and evidence to prove what works. Addressing these three pillars to achieve greater educational and employment equity deeply informs all of SVA's work.

This document, *The Facts of Life – Evidence and experience of investing in social change*, lays out SVA's 'cradle to career' approach to social change. It illustrates SVA's understanding of the realities of life for disadvantaged Australians and how our work, across every level of our organisation, is structured to redress this.

Listening to and learning from the people we strive to serve will ensure that our efforts are having the effects Australians deserve and we desire. Our hope is that in 10 years' time, at SVA's 20th anniversary, the impact of our work will have helped put a generation of Australians on the path to a fulfilling life, enriched by the benefits of a good education and contributing economically to society.

Michael Traill
Chief Executive, Social Ventures Australia

SVA's strategy

**We support
the foundations
for social change**

**Enhancing
education
outcomes**

**Increasing
employment
participation**

**We remove
sector wide barriers
to social change**

**Improving
capital
flow**

**Attracting
experienced
talent**

**Building
the
evidence
base**

5

EDUCATION

21

EMPLOYMENT

35

CAPITAL

45

TALENT

51

EVIDENCE



Enhancing education outcomes

The school years

Australia has an inequitable education system. The gap between the top and the bottom is wide, and growing. The reasons are complex, but disadvantaged children's socio economic circumstances – where they live; their parents' education level; ethnicity and family income – have a significant impact on their educational outcomes, and therefore their opportunities later in life. This has long-term economic consequences for Australia.

An increase of 10% in teacher effectiveness alone would lift Australia's education system into the highest performing group of countries in the world. This would improve productivity of Australian workers, and increase long-run economic growth by \$90 billion by 2050, making Australians 12% richer by the turn of the century.

Education is the gateway to opportunity; opportunity not only in the financial sense, but opportunity for a fulfilling life. As standards of education are directly linked to standards of health, social stability, and employment, education is essential to personal wellbeing.

Improving levels of education for all Australians appeals to both our social hearts and our economic minds. But for too many Australian children, their fate is not in their own hands.

FACT

58% of disadvantaged students attend disadvantaged schools⁴

Could add up



\$1 in quality early childcare and education saves taxpayers up to \$13 in future costs.⁵

Stay in school!

NAPLAN shows children of parents who haven't finished school are up to



11x more likely to fall below national minimal standards.⁶

Billions of reasons

Lifting teacher effectiveness by 10% would increase long-run economic growth by \$90 billion by 2050.⁷



What SVA is doing

'SVA wants an equitable education system for all children, regardless of the postcode they grow up in. A consistent and patient approach will close the gap between where we are now and where Australia needs to be. Make no mistake, SVA wants to accelerate positive change and we're in this for the long haul.'

SUZIE RIDDELL
SVA EXECUTIVE DIRECTOR, EDUCATION

SVA's education strategy is strengths-based. We find and evaluate the most successful people and programs and support these 'bright spots' so they become more visible to other leaders and organisations. We then support the spread and replication of these bright spots, to drive policy and funding changes to help create a bright system.

Telling it like it is The student perspective

Inspiring student leaders give a refreshing view of what our education system could look like here:

<http://bit.ly/EdDialogue-students>

'Don't be the teacher who just did enough. Be the revolutionary teacher'

THOMAS JACKSON, STUDENT AMBASSADOR,
COUNTRY EDUCATION PROJECT



FACTS

Early childhood education improves results in later schooling⁸

85% of language is established by 5 yrs⁹

31% of disadvantaged children are not 'on track' starting school¹⁰

Indigenous students are 2 yrs behind in reading, maths and science on average¹¹

Only 73% of young people from low SES areas finish Yr 12¹²

Teachers account for a 30% variance in achievement outcomes¹³

Student achievement increases with higher levels of parental education¹⁴

The Song Room Get creative

The Song Room (TSR) is a national non-profit organisation that engages children through arts, to collectively improve education and social outcomes for students in disadvantaged schools.

TSR's vision is that all Australian children have the opportunity to participate in music and the arts to enhance their education, personal development and community involvement. To facilitate this TSR works with schools in the most marginalised communities that are without specialist arts teachers and that need to re-engage students.

Through its Teaching Artists, TSR provides tailored and long-term arts programs designed to address each school's unique needs. The creative arts workshops are run for a minimum of six months.

'The findings were stunning. I have been engaged in educational research for nearly four decades and I have not seen anything like it.'¹⁵

PROFESSOR BRIAN CALDWELL, LEAD RESEARCHER

'It was exhilarating to see our problem students perform their drumming live with the visiting Ghanaian drumming ensemble. It was great to see them so confident and achieve success in front of teachers and peers.'¹⁶

PHIL HARVEY, PRINCIPAL
RIVERSIDE PRIMARY SCHOOL

SVA supports The Song Room

In 2012/13:

Conducted a strategic review to chart progress and update future growth plans

Provided strategic and operational project support

Planned and facilitated a team workshop on strategy and staff development

Developed an SVA Fundraising Plan



17

Reach and impact

Around 200 schools and communities nationally each year

Engages with over 15,000 children every week

TSR's ARTS: LIVE online platform accessible from every classroom, with national curriculum resources and content for all 5 art forms for all years

Participating students improved NAPLAN reading scores equivalent to an extra year at school

AIME

Be better tomorrow

AIME provides mentoring and educational services for Indigenous high school students to see them get through at the same rate as every Australian child. In 2013, AIME engaged over 2,000 Indigenous high school students and 1,000 university students across Australia. AIME's team of 100 staff is partnered with 14 Australian universities and the likes of Google, Atlassian, Virgin Australia and Coca Cola. Led by one of Australia's youngest CEOs, this award winning business was ranked 26th in BRW's Best Places to work in Australia.

AIME plans to reach 10,000 Indigenous students annually by 2018 and have them finishing school at the same rate as every Australian child.

Together with their Mentors and Mentees, AIME is building a generation of future leaders who strive to create a culture where for every step you take forward in life, you throw your hand back and bring someone with you.

AIME believes that Indigenous = success.

'Since coming to university, AIME has been one of the most influential extra-curricular programs I have done'

TAWANDS BITI, MENTOR, BOND UNIVERSITY, 2012

SVA supports AIME

Operational project support including workshops to review resourcing

Ongoing relationship management and support to CEO and leadership team

Development of an SVA Fundraising Plan and help to attract new funders

Highlights and impact

AIME featured on ABC's Australian Story in May 2012

Mentioned as a best practice model in the Gonski Education Review

AIME students are achieving higher school completion and university progression rates significantly higher than non-participants (for four consecutive years)

In 2012:

Yr 9 to university progression rate was 22.1%, approaching the national non-Indigenous average of 36.8% (nearly 6 x the national Indigenous average of 3.8%)

In this video Jack Manning Bancroft, CEO of AIME talks about AIME:

<http://bit.ly/Jack-AIME>





Outstanding teachers The most significant influencer

Within the education system, the most important lever to improve outcomes for disadvantaged students is outstanding teachers.

The reality is that the students who most need great teachers are the least likely to get them. Teacher graduates in the top quartile of academic test scores are far less likely to accept positions in low SES schools.* And because these schools are often challenging environments, these teachers stay for shorter periods than in other schools.

Few of Australia's new teachers feel adequately prepared to teach in challenging environments, where highly developed professional and personal skills are required. Many new teachers struggle to make the impact they aspire to – and which their students need – and too many move on from these schools as soon as they can, or leave the profession altogether.

SVA supports a number of programs and organisations to address this need.

National Exceptional Teachers for Disadvantaged Schools Top teachers for low SES schools

The Exceptional Teachers for Disadvantaged Schools (ETDS) project creates a pathway for the highest achieving teachers-in-training to be fully prepared for roles within low SES schools. The program, founded by Associate Professors Jo Lampert and Bruce Burnett, began at the Queensland University of Technology (QUT) in 2008. From 2014, with \$2 million in funding from the Origin Foundation, brokered by SVA, the program will be rolled out to six universities over the next 3.5 years.

'... she could have gone to a multitude of leafy-green schools. She chose my school. Big call, tough call. All my teachers are nearly retiring and I need good graduates to take their place.'

PRINCIPAL

'If I hadn't had the ETDS experience my placement probably would have broken me because I wouldn't have been used to the level or the behaviour management of the kids and just the low literacy and numeracy and all that goes with it.'

ETDS GRADUATE

SVA supports NETDS

Worked with QUT to extend the Exceptional Teachers for Disadvantaged Schools project to national scale (NETDS), so that this effective program could be replicated across Australia

Collaborated with QUT and provided expertise to help build a business plan for replication

Helped secure \$2m in funding from Origin Foundation, to allow national rollout, creating NETDS

* Schools in communities with significantly low socio economic status populations.

Reach and impact

QUT's ETDS program, in its 4th year has graduated 43 students, 18 more in 2013

Exceptional initial results: 87% of graduates now employed in low SES schools

Origin Foundation has committed long term strategic funding to extend the program to 6 universities in the next 3.5 years, graduating more than 200 new teachers ready to work in low SES schools

teachers committed to and prepared for enhancing education outcomes for disadvantaged children.

Initiatives like Teach For Australia, teacher networks like TeachMeets, the Education Changemakers leadership program and mentoring and coaching programs offered by schools such as Harris Fields State School and Rooty Hill High School have provided early career teachers with exceptional professional and personal support and development to enable them to meet the challenges.

'You have a window of opportunity to prepare and equip teachers for what they will be dealing with at our toughest schools. Get it right and you create someone who revels in making a difference. Get it wrong and you see some of them walk off a cliff.'¹⁸

ANTHONY MACKAY, CHAIRMAN
AUSTRALIAN INSTITUTE FOR TEACHING AND SCHOOL LEADERSHIP (AITSL)

Growing Great Teachers Supporting new teachers to thrive

Growing Great Teachers is an SVA-managed project to showcase outstanding initiatives supporting early career teachers in low SES Australian schools. The evidence will provide governments, philanthropists, schools and non-profits with a fresh understanding of how to support new teachers in these challenging settings, and how to replicate and scale these initiatives. The project is helping to create a national workforce of highly qualified

Reach

52 interviews with 16 schools, 3 non-profits, 2 universities and one private sector organisation to create 12 case studies

Growing Great Teachers will be launched in early December 2013





Teach For Australia A great education for every child

At the heart of Teach For Australia's (TFA) vision is a belief in teaching as leadership, and in the power of exceptional teachers to transform the lives of students and shape their educational destiny.

TFA recruits some of Australia's most outstanding young individuals – passionate and determined leaders of change with the necessary qualities – and empowers them to pursue teaching in some of our most disadvantaged high schools.

A large proportion of TFA placement schools are in regions outside of metropolitan areas, across the government and non-government sectors. Over time, TFA intends to create an alumni who will lead from within the classroom and beyond and continue the mission of addressing educational inequity.

In just three years, TFA teachers (Associates) have made a real and meaningful impact in the school communities they are working in.

'Programs like Teach For Australia can be justified on the basis that they are effective at providing high quality teachers to disadvantaged schools. However, I believe they have additional, unique value in their ability to make a career in teaching sufficiently prestigious and appealing, to attract our top university graduates.'¹⁹

CHRISTOPHER PYNE, MINISTER FOR EDUCATION
AND LEADER OF THE HOUSE

SVA supports Teach For Australia

Advice on TFA's advocacy strategy and implementation

Support for development of TFA's non-government funding strategy and plans

Relationship management including strategic advice to CEO as required

Development of an SVA fundraising plan and help to attract new funders

Reach and impact

TFA has placed Associates in over 45 schools across Vic, ACT and NT

14,000 students are taught by a TFA Associate every week

79% of alumni teach beyond the program

100% of principals researched indicated they would take another TFA graduate if they had a vacancy

‘Bright Spots’ to a bright system

Bright Spots Schools Connection Creating a network for change

‘There are outstanding programs, approaches, and people in non-profit organisations, schools and government working today to make a positive impact on the learning outcomes for disadvantaged children. We call these successes “Bright Spots”.’

SUZIE RIDDELL, EXECUTIVE DIRECTOR, EDUCATION, SVA

SVA focuses on enhancing educational outcomes and increasing employment participation as the keys to overcoming disadvantage. We do this by improving the flow of resources and capital to schools, working with experienced and talented people and building an evidence base to showcase the change that is possible.

The SVA Bright Spots Schools Connection will identify schools and school leaders who are having great success in improving outcomes for their students. We want to link these Bright Spot schools together, to create a network of school leaders learning from and with each other. And lastly, we want to understand what these schools are doing that’s so effective, distill it and share it with other schools so that their success can be replicated.

To learn more about the Bright Spots Schools Connection, watch this video:

<http://bit.ly/SVA-BSSC>

Reach and impact

Bright Spots Schools Connection launched in Sept 2013

In 2014:

First cohort of 12 schools from QLD, NSW and VIC commences

A series of high calibre thought leadership events for teachers and school leaders involved in the program

SVA Education Dialogue Connecting talent and experience

‘Health is important. Housing is important. But nothing is going to uplift the disadvantaged like education. Just nothing.’²⁰

BOB BRYAN, CHAIRMAN, BRYAN FOUNDATION

Bringing together an ‘uncommon alliance’ of leaders from across sectors who are positioned to make a difference at a practical, policy and political level, the SVA Education Dialogues enable new conversations, inspire new practice, and energise new partnerships.

SVA Education Dialogues bring together a unique group from across education, philanthropy, business, government and academia. They focus on identifying innovation and connecting networks of people who are committed to finding new solutions to ensure disadvantaged children have a better chance to thrive at school and consequently in life.

SVA believes that to achieve more equality in education, there needs to be greater acknowledgement of our interdependence and the collective benefit of achieving this goal. To this end, we promote greater collaboration across all sectors of society to address inequality.

‘This is an ‘uncommon alliance’, and it has an uncommon power of advocacy and an uncommon potential to drive change.’²¹

MAXINE MCKEW, VICE CHANCELLOR’S FELLOW,
UNIVERSITY OF MELBOURNE

‘This is a whole of society problem that needs to be solved by the whole of society.’²²

DR LISA O’BRIEN, CEO, THE SMITH FAMILY



In 2013 Dr Vicki Phillips, Director of Education at the Bill and Melinda Gates Foundation, anchored the SVA Education Dialogue with a keynote speech highlighting experience and learnings in the US, specifically around catalytic philanthropy.

Dr Phillips also presented the results and impact of the Gates Foundation sponsored Measuring Effective Teachers (MET) project which highlighted and supported SVA's agenda to promote quality teaching, especially in schools in disadvantaged communities. The MET project focused on developing fair and reliable ways to evaluate effective teaching that enables high performing teachers to be identified and also helps teachers receive useful feedback to direct their professional development.



Reach and impact

SVA Education Dialogue hosted more than 100 education leaders over 2 days at a series of events in 2013

National Exceptional Teachers for Disadvantaged Students and Growing Great Teachers projects resulted from the Education Dialogue in 2012

Partnership Brokers National Network

Building school/community relationships

A whole of community approach is essential to provide young people with the support they need to achieve both at school and later in life. Partnership Brokers help facilitate partnerships between schools and training organisations, business and industry, community organisations, parents and families, to help give students the very best start possible.

To demonstrate the effectiveness of the Partnership Brokers' work, SVA Consulting utilised the SROI methodology to assess the program for 2010-2013. The evaluation included analyses for Partnership Broker organisations working across NSW and Queensland and captured the impact created for more than 700 partner organisations and parents through around 150 partnerships. More than 300 stakeholders, including local businesses, schools, community organisations, education institutions and parents, were surveyed and interviewed.

Insights

- The value of social returns exceeded the then Department of Education, Employment and Workplace Relations (DEEWR) cash investment by between 1.1 times and 3.7 times. The impact generated increased over time – highlighting the program was building momentum and enhancing its effectiveness
- At the individual partnership level, partner organisations shared resources and expertise to build each other's capacity and capabilities. These outcomes led to direct benefits for young people
- The experience of stakeholders illustrated a high level of consistency in why organisations participated in partnerships and what changed for them as a result.

Download the PBNN SROI analysis here:

<http://bit.ly/PBNN-Reports>





School to work transitions

FACT

Each extra year of education = earning 8%–10% more each year²³

From the classroom to a job

Access to education opportunities and achievement is the start of life's journey. The move from school-to-work is a critical transition if a student is to break through the barriers of disadvantage and achieve their full potential.

What SVA is doing

Our experience over the past ten years has shown that we can greatly reduce long-term unemployment if we help young people to effectively transition from school-to-work.

SVA does this through our support of a number of organisations who are implementing innovative solutions to encourage young people to stay at school, then move on to work or further training.

Young people in low socio economic communities often face multiple complex challenges including family poverty, intergenerational welfare dependency and limited local work opportunities. Three organisations addressing the issues are CareerTrackers, Ganbina and Beacon Foundation.

FACTS

Early school leavers are **2.5 times** more likely to be **socially excluded**²⁷

The **unemployment rate** of early school leavers is **nearly double** those who **finished Yr 12**²⁸



Left behind

27.5%

of young people are not fully engaged in work, training or study²⁴



The great divide

Indigenous Australians (aged 15–64 yrs) who completed Yr 12 = 23% vs 58% of non-Indigenous²⁵



60.6% of Indigenous students are not fully engaged in work or study after school²⁹

For **45.1%** of early school leavers, **neither parent** has completed Year 12³⁰

More school = more salary

Every extra year of education means

8% to 10%

more salary per annum²⁶



More than **40%** of young people from disadvantaged backgrounds are **not earning or learning**³¹

1 in 8 working age people has the **lowest** level of **literacy**³²

CareerTrackers The Indigenous internship program

There are 83,000 young Indigenous Australians who are unable to access the educational and broader life opportunities they need to reach their full potential. Indigenous young people are half as likely to finish Year 12 and are represented at university at about one-fifth the rate of their non-Indigenous peers.³³

CareerTrackers creates professional career pathways for Indigenous university students. It matches students with private sector employers who provide in-depth work experience in the form of paid internships.

CareerTrackers Indigenous Internship program provides support and structure for both student and employer. All internships are merit based and program participants receive intensive interview and employability skills training before the employment selection process. Similarly, CareerTrackers prepares the employer by providing cultural awareness training and structure to the intern's workplace assignments.

CareerTrackers monitors the relationship between the intern and employer to ensure a meaningful experience and constructive feedback. It also provides academic support to help interns balance their study

SVA supports CareerTrackers

Supporting national expansion, with focus on financial sustainability and fundraising strategy

Identifying and communicating impact, advocacy and securing employment partner opportunities

Reach and impact

97% internship completion rate in 2012

38 active alumni

613 enrolments and 75 employment partners in 2013 (up from 125 internships and 48 partners in 2011)

Nominated for 2013 Social Enterprise Innovation Award

and work commitments. Through the CareerTrackers Alumni Association, participants can access continuing personal, professional and peer support.

This work is critical to develop strong Indigenous business leaders and create generational change.

'CareerTrackers has changed my life...It's hard when I look back to think this was ever possible. I was cleaning pools 18 months ago and now I am sharing the stage with a company's CEO.'³⁴

MORGAN COLEMAN, PARTICIPANT
CAREERTRACKERS

Ganbina Agents of change

Each year, thousands of young Indigenous people do not complete their schooling, undertake training or find jobs. This leads to a continuous cycle of social and economic disadvantage.

Founded in 1997, Ganbina has a place-based, practical approach to helping young Indigenous people in the Shepparton area in Victoria to finish school, undertake further education or training and secure real jobs.

Ganbina emphasises partnerships with the local community, including teachers, families and local employers. In an area where more than 80% of Indigenous people are unemployed and only 23% of Indigenous children successfully complete their schooling, Ganbina has helped over 500 young Indigenous Australians earn meaningful employment, financial independence and personal fulfilment.

Ganbina's suite of intensive programs includes its Jobs4U2 program, which enables young people to

SVA supports Ganbina

New 2 year partnership agreement including guidance and stability during Ganbina's transition to new CEO

Working with Ganbina to further develop program offerings, share best practice and collaborate with other enterprises to deliver greater social impact and develop a more sustainable funder base

SVA Consulting undertaking a second Social Return On Investment (SROI) analysis to develop the evidence base of Ganbina's impact over time

unlock their career and life opportunities with a focus on being the very best they can be. The program includes jobs education, jobs training, employment, scholarships, leadership training, driver skills program and the Youth Achievement Awards.

Reach and impact

By 2012 Ganbina had helped over 500 young Indigenous Australians to finish school, undertake further education or training and secure real jobs

At least 80% of all young people in Jobs4U2 program complete their course activities

Beacon Foundation A community approach to tackling youth unemployment

Beacon Foundation (Beacon) works with schools where students have lower levels of literacy, numeracy and comprehension and often drop out of school early, limiting their future opportunities.

Beacon has an established track record of helping inspire and motivate students to either stay in school and increase their educational engagement and attainment or choose a positive pathway that enables successful transition to employment, further education or training.



As a national non-profit organisation working in more than 115 secondary schools across all Australian states and territories in 2013, Beacon believes every young Australian can develop an independent will to achieve personal success for themselves and their community.

Beacon's programs support young people to develop this focus through engaging and influencing the attitudes and behaviour of the broader community. By harnessing community involvement, the program works within schools to ensure young people are either earning or learning at vulnerable transition points in their lives.

'There are so many schools whose students feel quite inadequate. Then they see people who are willing to spend positive time with them and it's quite extraordinary the way that students warm to that.'³⁵

SCOTT HARRIS, CEO, THE BEACON FOUNDATION

SVA supports Beacon

Assistance to grow and scale to increase impact

Currently supporting Beacon to develop a government advocacy strategy, gathering further evidence of program efficacy and building a sustainable funding base

Reach and impact

Operating in 115 secondary schools across Australia

From 10 schools and approx. 850 participants in Tasmania in 2002, to 115 schools and 10,000 participants nationally



Adeel's story

Students at Plumpton High School in Sydney's west are now striding proudly along the positive pathway of a new found self-belief and a will to succeed. Not so long ago, the school was floundering. Students lacked confidence and as a result were underachieving. **'Behaviour and attendance was an issue and there were high suspension rates – all the ingredients to perpetuate low performance'** says (then) Principal Eric Jamieson.

Adeel Shamf, a Year 10 student, typifies the bold new spirit at Plumpton High School. At Plumpton, Beacon's programs include Buddy Up mentoring, industry overviews, Speed Careering and Polish, designed for etiquette and interview techniques. These programs have raised Adeel's aspirations and his ability to achieve beyond his earlier expectations. The 16 year old is on the way to gaining his first qualification as a pilot. Adeel also has ambitions to become school captain.

'Without Beacon, it would have taken another three or four years to get to where we are now', says Eric Jamieson, Beacon's 2011 Principal of the Year. ³⁶





Improving employment participation

Building a better employment system

Despite sustained economic growth in Australia, employment exclusion is a legacy being passed from one generation to the next. A headline national unemployment rate of 5.7%³⁸ hides a growing crisis with over two million Australians in a cycle of long-term unemployment, economic inactivity or underemployment.

While there is no panacea for overcoming employment exclusion, new approaches are emerging that are proving effective. The evidence consistently shows that approaches with deep employer engagement, real work, ongoing training and 'wrap-around' support are successful.

Ultimately, long-term unemployment is an issue that impacts all Australians. The social impact of improving employment opportunities is clear, but the economic advantages are also compelling. Assist a person disconnected from the labour market to get a job and the taxpayer burden is lessened while the nation's wealth improves.

FACT

In 1 out of 8 Australian families no one has a job³⁷

FACTS

“But I want to work”

Two million people want to be in paid work, work more hours or are excluded from the workforce ³⁹



Wasted potential

Bringing 33% of disabled jobseekers into workforce ⁴⁰

\$43 billion

increase in GDP by 2021



Empty pockets

68.3%

of unemployed people live below the poverty line, compared to 3.8% of fully employed people ⁴¹



A fair go?

Indigenous person

3x

more likely to be unemployed

VS

non-Indigenous person ⁴²

What SVA is doing

SVA and our partners have pioneered a number of innovative approaches to help tackle long-term unemployment, including supporting social enterprise development and demand-led initiatives.

Social enterprises are businesses that operate to achieve a social purpose. The enterprises SVA works with provide employment opportunities in a commercial environment and often provide ‘wrap around’ support for individuals with complex needs. Social enterprises are particularly effective at providing a stepping stone for people with complex needs to make the transition back into the labour market. They often provide employment for people who cannot access mainstream work opportunities.

Demand-led employment starts with the jobs that an employer has on offer and matches jobseekers to those jobs based on their skills and aspirations. Importantly the support and training required for both the jobseeker and the employer is designed specifically to ensure a successful match. Increasing employer engagement will help to ensure sustainable careers are created for people who are long-term unemployed. The approach also ensures that employment support is tailored to the demands of industry and that training is embarked on with a line of sight to a job.

Whilst there are a number of demand-led models and a patchwork of social enterprises throughout Australia, scaling these approaches will require a collaborative effort between government, business, philanthropy and non-profit organisations to affect change. Australia has the opportunity to pioneer new approaches to employment creation and tackle long-term unemployment. We believe this has to be based on a philosophy of inclusive growth.

FACTS

25%+
of 18-24yr olds
aren't engaged in
education,
employment,
or training⁴³

125,900
Australians are
long-term
unemployed⁴⁴

49% of long-term
unemployed people
haven't finished Yr 12⁴⁵

Almost 2/3rds
of unemployed
people live below
the poverty line⁴⁶

500,000+
children live below
the poverty line⁴⁷



Most
long-term
unemployed
have been
for 2yrs+⁴⁸

Indigenous
Australians
are over **3x**
more likely to be
unemployed⁴⁹

Improving employment participation

SVA focuses on improving employment participation, especially for people who are long-term unemployed or who face other barriers to employment. We do this by developing and supporting social enterprise and fostering 'demand-led' employment approaches with corporate partners.

We also support a portfolio of social enterprises to grow and scale, work with partners, including State and Federal Governments, to build social enterprise sector capacity and drive our own projects to support collaboration, evidence building and to share knowledge and expertise.

Developing and supporting social enterprise

Social enterprises are a key component of the employment system. They are particularly useful to groups of people facing entrenched disadvantage through multiple barriers to employment or within disadvantaged communities where there is a lack of job opportunities. They offer a supportive work environment, often with wrap-around services, and allow people who would otherwise find it difficult to find a job, to join the world of work.

This video is Adam's story showing the impact of education and employment:

<http://bit.ly/Adam-story>

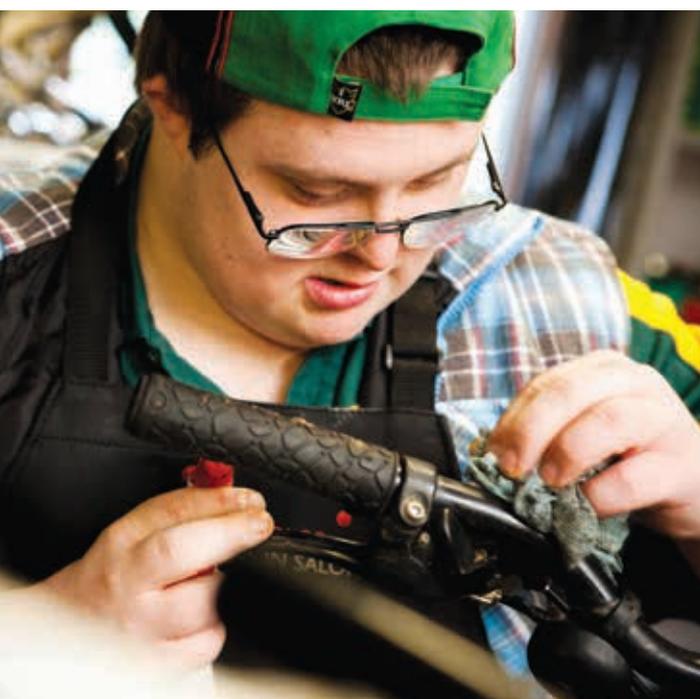


ACT Social Enterprise Hub **Social Enterprise** **in our nation's capital**

The ACT Social Enterprise Hub provides business and support services to accelerate the growth of social enterprises through networking opportunities and access to resources that would not otherwise be available or affordable. These may include business development, procurement support, impact evaluation and/or pro bono support. Combined, these services are aimed at transforming enterprises into robust and sustainable entities delivering social benefits and employment.

Public, private and non-profit organisations can play an important role in supporting social enterprise development within the ACT community through pro bono support, procurement opportunities, business mentoring or investment. Supporters include ACT Health, Disability ACT, Minter Ellison, Mental Health Community Coalition and the Snow Foundation who are steering group members.

The ACT Social Enterprise Hub supports 13 social enterprises. These businesses include Café Ink – a café and catering business; Burrunju Aboriginal Corporation – an Aboriginal art gallery; Recyclery – which refurbishes pre-loved bicycles as well as offering repairs and bike maintenance workshops; and White Nile – a traditional Sudanese food business.



Highlight

Winner, Award for Excellence and the Innovation in Inclusion Award at the 2012 ACT Chief Minister's Inclusion Awards in Canberra

Impact

132 jobs created as at 30 June 2013

The Sustainable Social Enterprise Project **Supporting sustainable change**

The Sustainable Social Enterprise Project (SSEP) is an initiative of the Australian Government to support Australian Disability Enterprises (ADEs) to become commercially viable and transition to social enterprises/ social firms where possible. SVA led a consortium of partners made up of Social Firms Australia, Social Traders and Matrix on Board to deliver the project.

The SSEP provided various forms of support to ADEs in this transition process, including business reviews for 35 ADEs across Australia and a series of 20 interactive workshops for organisations operating in the broader disability sector.

Highlights

20 workshops provided practical advice including defining market opportunity, social impact measurement and understanding the tendering process

200 attendees from 100 different organisations across 9 cities/towns in 5 states

97% agreed that their knowledge and skills had increased

35 business reviews completed advising ADE's on their transition plans

92% of business review participants intend to implement some or all of the recommendations



WA Social Enterprise Fund **Increasing social enterprises' capacity and sustainability**

The West Australian Government's \$10 million Social Enterprise Fund (SEF) – Grants Program aims to increase the number, effectiveness and efficiency of social enterprises by supporting non-profit community sector organisations to establish new or strengthen existing social enterprises.

A consortium made up of SVA, Social Traders, Centre for Social Impact and Western Australia Council of Social Service, is providing support on behalf of the Government to deliver the SEF.

The SEF supports social enterprises at all points in their development, from conducting research at an exploratory stage of the business, through to start-up and growth phases. The consortium is working to build capacity of the sector overall and also supports social enterprises to apply for funding; carries out due diligence on eligible applications on behalf of the Government; and provides aftercare business support.

Highlights

In 2012:

105 applications received in the first funding round

In 2013:

Over 580 organisations outreached

Over \$4m in grants committed

Ongoing business support provided to 47 organisations

Indigenous Social Enterprise Fund **Providing investment and support to Indigenous social enterprises**

SVA, in partnership with Indigenous Business Australia and Reconciliation Australia, is managing a two year pilot of the Indigenous Social Enterprise Fund (ISEF), a \$1million fund aimed at providing investment and business support for the Indigenous social enterprise sector.

The ISEF has been specifically designed to respond to a significant gap in investment support for the Indigenous social enterprise sector. Many high potential enterprises are beyond the scope of micro-finance programs and capacity building grants, but struggle to access traditional finance or funds for investment ready enterprises.

All investments will be made with a view to develop and nurture Indigenous social enterprises with a commercial focus so they can successfully access further investment in the future.

Recognising the importance of Indigenous owned and led initiatives, SVA intends to transfer the ISEF to an Indigenous-led organisation after the two year pilot period.



A demand-led approach **Increasing employment participation**

If social enterprises and improved school-to-work transition programs can support the supply-side of the employment equation, could working with employers also contribute to better employment outcomes for disadvantaged job seekers?

The Industry Employment Initiative (IEI) is a new collaboration to support long-term unemployed job seekers into sustainable employment.

Managed by a consortium of SVA, the Brotherhood of St Laurence, Mission Australia and Jesuit Social Services (and supported by the Business Council of Australia), the IEI coordinates demand-led employment services for national employers. This involves working alongside national employers to address their recruitment needs and tailor support to ensure job seekers have the skills and capabilities that employers need.

Demand-led employment services start with real jobs; tailor employment pathways to employers' needs; and match jobseekers to jobs based on their own skills and aspirations.

The Brotherhood of St Laurence, Mission Australia and Jesuit Social Services all use this approach to generate successful employment outcomes for participating job seekers. For example, in 2007, ANZ launched

Highlights

Established an Indigenous Advisory Group, comprised of prominent Aboriginal leaders from around Australia, to guide key decisions made regarding the management of the Fund

Launched in Sept 2013, the ISEF has already developed a strong pipeline of interested Indigenous social enterprises

'Given the Chance' (a national program managed by the Brotherhood of St Laurence) to support refugee job seekers into employment. Since it started, 60 job seekers who had been unable to find work have been placed into employment. Of the 60 program participants, 70% (or 42 people) obtained ongoing jobs at ANZ.

The IEI will build on this approach.

Venture Partnerships

SVA works with organisations in our portfolio in a highly engaged way, supporting these hand-picked social ventures and social enterprises with a package of customised assistance tailored to help them reach their goals and improve employment participation. SVA provides practical support through access to funding, and networks of talented and experienced supporters. We work closely with the ventures to develop a robust evidence base to document their results.

Three social enterprises in our portfolio, STREAT, Fair Business and Catherine House, are tackling unemployment in different, but highly effective ways.

STREAT Stopping homelessness the delicious way

STREAT is a social enterprise that provides homeless youth with the life-skills, work experience and training they require to start a career in the hospitality industry. Their Melbourne based cafés, and coffee and food businesses provide the venues (and some of the funds) needed to support these young people. STREAT's trainees all face multiple challenges in their lives – including chronic homelessness, drug and alcohol dependency, family violence and mental health issues.

STREAT recognises that being 'job ready' is only part of the solution to youth homelessness and disadvantage. It delivers tailored programs for young people aged 16-25 years that develop self-confidence and personal stability by providing mentored work experience and complex social support, and thus open pathways to employment and further education.

Since the establishment of its first coffee cart in 2010, STREAT has grown rapidly, and by 2013 operates four cafés, a coffee roasting business, corporate catering, training rooms and a small office. These sites host over 350 hours of job experience for each participant. These sites have now provided over 5000 days of training and support to over 105 young people and STREAT's customers have purchased over 500,000 meals and coffees, creating a vital and solid revenue stream. All are used to help fund the youth programs.

These businesses are now contributing about 60% of STREAT's funding needs, with the other 40% being raised through grants, donations and marketing and fundraising campaigns.



'I feel like I belong and I am welcome every time'⁵⁰

STREAT TRAINEE

SVA supports STREAT

SVA supports STREAT with a financial investment and business support package to ensure that they reach their strategic objectives by 2015

Reach and impact

Of the young people in STREAT's intensive program:

92% improved their wellbeing

100% improved their housing

82% employed or in further education in the following 6 months

65 completed a Certificate I or II in Hospitality

2 have gone on to university

2 completed apprenticeships and are fully qualified chefs working in fine dining

To find out more about STREAT from CEO Rebecca Scott, go to this video:

<http://bit.ly/BecScott-STREAT>



Fair Business Real jobs, with real pay

Fair Business addresses long-term unemployment with a unique business model that provides jobs and training in a supportive environment for those from backgrounds of entrenched disadvantage. A non-profit organisation, it acquires businesses and converts them into social enterprises.

Fair Repairs, Fair Business's flagship social enterprise, is a cleaning and maintenance business operating in Campbelltown, Nowra, Redfern and Wollongong. It creates 30 employment opportunities annually, recruiting and training disadvantaged individuals in their local area.

Another enterprise, the Social Roasting Company, was established by Fair Business in 2009 and provided over 50 employment opportunities across its three roasting and retail operations in Melbourne. In 2012, Fair Business sold the Social Roasting Company to STREAT, a fellow SVA venture partner, so STREAT could grow its cafés and maximise their social outcomes. Fair Business remained an investor until 2013. The Social Roasting Company example highlights the success of the Fair Business model.

By 2013, Fair Business has delivered more than 250 jobs through two social enterprises across seven sites, and transitioned its employees off welfare, out of public housing and to a point of self-sufficiency. With specific focus on low socio economic communities, Fair Business has been directly responsible for breaking cycles of unemployment, in some cases, spanning three generations.

SVA supports Fair Business

Supporting expansion into WA to create up to 45 transitional pathways for those excluded from the labour market

Helped prepare for sale and transition of existing Fair Business sites to local owner/manager

Development of business plan for new business venture, Food Ladder

Strategic planning support for Food Ladder by leveraging SVA's network

Reach and impact

Created over 250 jobs since 2009

Developed two social enterprises spanning seven sites, with a third social enterprise Food Ladder in initial stages of development

Winner of 2012 Australian Business Award for Innovation



Loula's story

'Fair Repairs has absolutely transformed my life, my husband's life and the lives of our children. For the first time we are now able to live a proud and fulfilling lifestyle...We have been able to buy a car and can now take our kids to sporting events. We had never previously been given full time work, and it has changed our lives. I personally feel happier; I feel like I have purpose and that I am valued by family and friends. I love working for Fair Repairs and our family has been impacted in ways that cannot be measured.'⁵¹

Loula talks about the difference Fair Business has made in her life in this video:

<http://bit.ly/Loula-FairBusiness>

Jane's story

Jane was trapped in an abusive relationship and, after 15 years of increasing isolation from friends and support, was unable to break the cycle.

When the relationship got physically abusive, police introduced Jane to Catherine House, which she described as the best thing that ever happened to her.

'I was so relieved to have somewhere safe to stay.'

Catherine House provided a calm, safe and supportive environment for Jane to rebuild her life and rediscover who she was and who she could be.

She began by setting career goals; the resulting career trajectory landed her a job driving buses in the mining industry.

'Most of my work previously had been low paid, where you're just struggling to get by. I wanted to make some money because I was sick of [that]. So I thought, I'd like to get into the mining industry.'

Jane completed a Certificate II in Mining and a couple of years later trained for a bus license earning a Certificate III in Road Transport. With these qualifications, she landed the job in the mining industry she'd set her sights on and with that, the financial independence to buy her own home.

'I've almost paid my house off,' says Jane – the satisfaction and joy in her voice is unmistakable. **'I'll never be homeless again.'**⁵²



Catherine House Solving women's homelessness

Since 1986, Catherine House has supported women in South Australia at risk of or experiencing homelessness, to engage in education, work experience and ultimately find satisfying, sustainable jobs. It developed its WorkNext Services recognising that education and employment are important key strategies in solving homelessness.

SVA is working with Catherine House specifically around its WorkNext Services, matching employers who provide practical assistance with women looking for a secure future by having a job. SVA is assisting Catherine House to attract employers to the program, linking and building the evidence base for the social impact of the WorkNext Services.

SVA supports Catherine House

Partnered to pilot an innovative model for addressing employment pathways for homeless women in 2012

Provided review and evaluation framework for the WorkNext Job Placement Services. The Social Return on Investment is forecast at \$8.31 for every \$1 invested

Assisted framing the WorkNext corporate pitch to potential employers in social outcome terms, enabling Catherine House to broaden the list of potential employer partners for graduates

Impact

25 employment pathways

6 employer partners

5 study scholarships

Winner, 2013 National Homelessness Services Award for 'Excellence in supporting pathways to employment or education'

Strategies for success

SVA Employment Dialogue Speaking the same language

There is no doubt that long-term unemployment is a complex, interlinked and stubborn issue, but we believe that cross-collaboration and innovative approaches are key ingredients in solving it.

To stimulate debate and discussion around the issue, we launched an 18-month campaign in February 2013, the SVA Employment Dialogue.

Commencing with an event, held in Melbourne on 26 February 2013, supported by our anchor partners Mission Australia and the Brotherhood of St Laurence and facilitated by PricewaterhouseCooper's *the difference*, we gathered a unique group of key figures from business, government, philanthropy, employment service providers and non-profit organisations. The emphasis of the event was on how employer engagement can provide solutions to long-term unemployment in Australia, with a focus on demand-led approaches, social enterprise development and tackling youth unemployment.

A Communiqué shared with attendees following the event provided insights into the key themes, quick wins and big ideas. Our ongoing campaign provides a structure to support these ideas to come to fruition and support the conversation via the online SVA Employment Dialogue community.



While the event was a great success, it was only the first of many steps in our commitment to working in partnership to tackle long-term unemployment in Australia.

Download the SVA Employment Dialogue Communiqué to find out more about how SVA is working to build a better employment system:

<http://bit.ly/EmpDialogue-Communique>



Social Enterprise in Queensland

Proof for better investment decisions

By continuing to contribute to and build the evidence base for effective and impactful practice, we hope to showcase projects that are having a demonstrable impact on social change. Our aim is that by sharing proven models for change we can influence capital flow to these and other similar projects, creating efficiencies for investors and better outcomes for the disadvantaged people we serve.

Over six years, the Queensland Social Enterprise Project (QSEP) built collaborations with a diverse range of corporate and government bodies in Queensland, and leveraged more than \$5million of funding to grow social enterprises tackling employment issues.

Starting out small in 2006, QSEP was a \$90,000 per annum project with co-funding from Brisbane City Council, PricewaterhouseCoopers (PwC) Foundation and SVA. By the end of 2012, QSEP had worked with 57 social enterprises, created nearly 500 jobs for people seriously disadvantaged in the labour market, provided 110 employment pathways and won credibility nationally for the social enterprise model as an innovative way of achieving this.

The project also leveraged a significant amount of pro bono support from the corporate sector, and started to open doors for 'social procurement' – in which government departments, councils and corporates began to commit their purchasing power for a social benefit.



SVA Consulting was engaged to evaluate three initiatives in the QSEP to determine if social enterprise could be used to solve employment exclusion. The three projects reviewed created 261 jobs and 122 employment pathways (work experience placements and internships). All three projects exceeded their targets. Social return analysis of a number of the social enterprises demonstrated that all delivered 'value for money' to those investing in them.

The report also revealed insights to guide future SVA projects supporting social enterprises. The findings highlight the strengths of social enterprise as a solution to some unemployment issues, and confirms SVA's 'investment plus support' approach to supporting social enterprise works.

Impact

Through 57 social enterprises, created nearly 500 jobs and provided 110 employment pathways for people seriously disadvantaged in the labour market

Working it out

Case studies of success

GenerationOne engaged SVA Consulting to document examples of employers supporting Indigenous Australians to transition from long-term unemployment into sustainable and meaningful work. The report, 'Working it out: Case studies of success in transitioning long-term unemployed Indigenous Australians into sustainable employment', looks at six case studies of successful programs. The report is detailed, grounded in practical reality and personalises the experiences of the individuals involved so that others can learn from it.

The report gives unprecedented insight into the ways employers can break the cycle of Indigenous unemployment and, at a granular level, how this works. Organisations featured include Burswood, Crown, Woolworths, ISS Australia, Skill 360 Australia and Karen Sheldon Training.

'Long-term Indigenous unemployment is at an unacceptably high level and all the evidence points to the collateral social damage this causes...Our hope is that the insights from these case studies will shed light on what it takes for those pathways to be created and encourage the kind of partnerships and engagement forward-thinking employers can take that will help them access a talented and loyal workforce and create needed social change.'

MICHAEL TRAILL, CEO SOCIAL VENTURES AUSTRALIA

Handbook for Indigenous Employment

GenerationOne, the Australian Employment Covenant initiative, Reconciliation Australia and SVA, collaborated to develop a step-by-step guide for managers and supervisors on the frontline of hiring and retaining Indigenous staff.

'When we share our knowledge and expertise the whole community benefits.'⁵³

WARREN MUNDINE, CEO, GENERATIONONE

Developed in close consultation with Aboriginal and Torres Strait Islander individuals and organisations, 'Everybody's Business: A Handbook for Indigenous Employment' shares knowledge and experiences to help break the cycle of disadvantage through sustainable employment.

The report builds on the case studies in 'Working it out' by distilling the methodology and sharing it in a practical way with line managers and supervisors

Insights from the handbook include:

- Lead from the top. Support and commitment from the business's leaders means that the resources and people needed to drive long-term change are more likely to be available.
- Set the vision and define the business case which underpins the opportunities within the employment initiative.
- Work in partnership when implementing these initiatives. Partnerships should complement internal capabilities to ensure that the right support is in place for Indigenous employees to succeed.





Improving capital flow

FACT

**Tax deductible
donations
= only 0.35%
of taxpayers'
income⁵⁴**

Delivering new financial support to the sector

During 1999–2000, community services organisations received 7.6 million requests for information, advice and referral services, and managed 3.7 million cases of individual and family support, and 1.7 million cases of financial and material assistance on a temporary emergency basis.

Against this overwhelming need, SVA was established in 2002 to provide a new way to support and fund innovative programs by applying 'venture capital' disciplines. Although our model has matured from our venture philanthropy heritage, SVA continues to work to bolster the social sector by improving capital flow and developing innovative financial models.

In 2008, SVA's Chief Executive, Michael Truill, took a call from Evan Thornley with an idea that was to change the Australian childcare landscape forever. That fateful telephone conversation led, over a year later, to the acquisition of over 650 childcare centres previously owned by the bankrupt ABC Learning. Bought by a non-profit consortium, which included SVA, the newly named Goodstart Early Learning was to be run with

best practice business principles, and with social purpose. This \$165 million deal, still the largest impact investing deal in Australia, proved to SVA that there was an appetite in the market for new forms of social investment - investment that would offer both financial and social returns.

With this experience, we posed ourselves some questions: could SVA use our venture capital heads, strong business and supporter networks and experience in philanthropic consultancy to greater effect? How could we attract more capital to the sector to improve the lives of Australians living in disadvantage? Could we influence funding to be more efficiently targeted at proven programs?

FACTS

Non-profits make up 9.6% of the economy and 14.5% of the workforce⁵⁵

ABS regards 41,008 non-profits as economically significant⁵⁶

The average tax-deductible donation is around \$460⁵⁷

There were 924 Private Ancillary Funds in 2010/11⁵⁸

From strategy to reality

How we do it

SVA has built and nurtured a deeply engaged group of supporters who fund our work. From a funding base of less than \$1 million in 2002, we have generated more than \$45 million, distributing over \$20 million directly to 88 ventures and social enterprises. Additional funds have been directed towards business and strategic support, advocacy and the design and development of projects to develop the sector. We also have a proud pedigree of working in partnership with governments to assist with the efficient application of their funding to social programs.

Complementing SVA Consulting's work with funders, including government, on how to be more strategic in their giving, a number of years ago SVA began a new chapter in our history to identify innovative ways for people to invest in the social sector.

The SVA Private Ancillary Fund (PAF) service was started in 2010 to assist individuals to set-up and manage their PAFs. This successful endeavour has since become Australian Philanthropic Services, a sister non-profit organisation, which now supports hundreds of individuals and advisers to be more effective in their philanthropy.

SVA Impact Investing was established in 2011, with a charter to help build the market for impact investing in Australia and improve capital flow to the social sector. The team manages an \$8.65 million Social Impact Fund and led the structuring and marketing of Australia's first social benefit bond, the Newpin Social Benefit Bond.

Building the impact investing market

Goodstart

A story of impact investing in the early years

While the much publicised buy-out of bankrupt ABC Learning in 2009 relied on a new finance model, the bedrock of the Goodstart deal was the collaboration between disparate but powerful players.

Since 1988, ABC Learning had grown to become Australia's largest provider of childcare with close to 1000 centres across the country. However, in 2008 in the midst of the global financial crisis, the business went into administration and receivers were selling off

the centres. With 15% of all childcare places now on the market, ABC Learning's collapse became an opportunity to transform early learning in Australia.

In December 2009, just over one year later, the Goodstart consortium of SVA, the Benevolent Society, the Brotherhood of St Laurence and Mission Australia was announced as the preferred bidder. This innovative deal brought together individuals and organisations from across Australian business, government and philanthropy. This unusual collaboration resulted in what was then Australia's largest social enterprise, Goodstart Early Learning.

This achievement relied on two things: a clear and compelling goal and the extensive networks and trusting relationships built over decades. These reached from the Prime Minister's office through Australia's non-profit and philanthropic world, to the financial, legal, and business services at the top end of town. As a skilled veteran of private equity deals, SVA Chief Executive, Michael Traill managed the commercial deal process.

Impact

15,000 Goodstart staff support over 61,000 families and the 73,000 children that attend 655 Goodstart centres nationwide

In FY13 Goodstart reinvested half of its \$30m trading surplus from trading back into their people and mission, also making \$27.5m in debt repayments and invested \$15.4m in playground upgrades and general refits.

Invested \$780,000 in social inclusion programs in FY13.

Newpin Australia's first social benefit bond (SBB)

Newpin, a program run by UnitingCare Burnside in Sydney's western suburbs has a solid evidence base and a track record of delivering successful family restorations through parent education and intensive family support.

Australia's first SBB aimed to raise private capital to support the expansion of the Newpin program to help restore more children to their parents and for more vulnerable families to stay together.

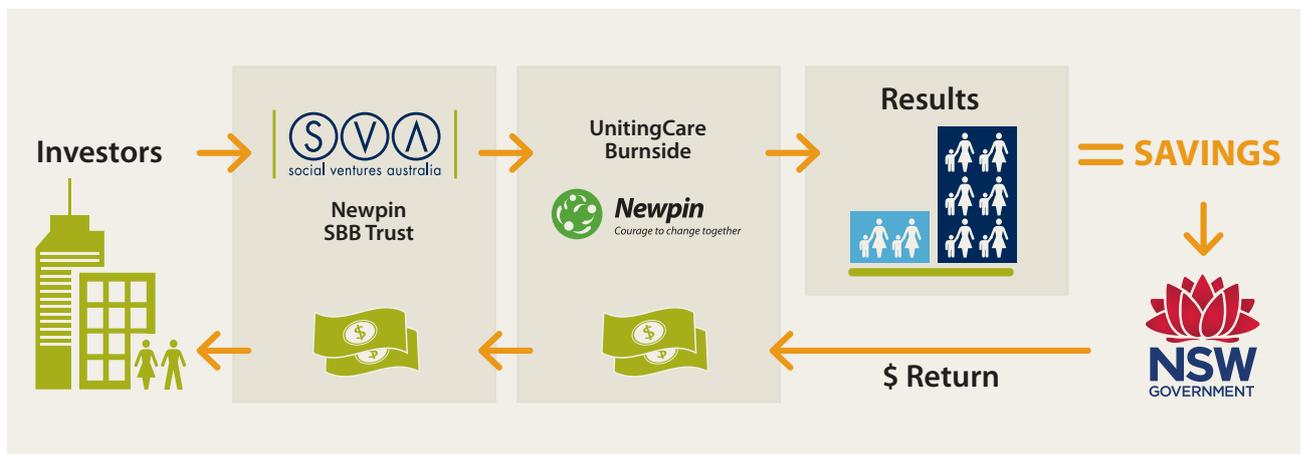
Working closely with UnitingCare Burnside and NSW Treasury, SVA played a lead role in structuring the bond and marketing it to investors, raising \$7 million to fund the bond, one month ahead of the 30 June 2013 deadline.

The restoration rate of children who enter the program is the key performance indicator, which produces the interest rate and repayment obligations of the Newpin SBB. The Newpin SBB targets a financial return of 10%–12% per annum for investors over the seven year term of the bond.

Highlights

Raising \$7m in funds one month before the planned close, and for the SBB to be oversubscribed, clearly shows that investors are hungry for investment options that will deliver them both a financial and social return.

Newpin SBB's structure:



Shane's story

Shane is a softly spoken man who proudly cuddles his son Jacob. Once the Newpin day is over, Shane will head to work at a bus company. He wants to share his story in the hope that it could help other fathers achieve what he has: a Final Order from the Children's Court stating that Jacob will return home to Shane's care.

Shane moved to Western Sydney to be with Jacob's mother Judy. They had a difficult relationship characterised by family violence and Judy's struggle with alcoholism. Shane's life fell apart to the point he was given an ultimatum. Either he needed to step up and prove himself to be a suitable father or Jacob could be in foster care until his 18th birthday. Shane's FACS caseworker referred him to the Newpin Fathers' program in June 2012 and Shane attended the program regularly.

Shane believes the Newpin program has been critical in **'teaching me how to be a better parent...giving me parenting skills - the practical things and the emotional things too'**.

Through the Newpin program, Shane has built a good understanding of Jacob's evolving physical, emotional, educational and social needs and has developed his own self-awareness and self-esteem.

When Jacob returns home to Shane it will be a day of high emotion. However, the Newpin program will provide Shane with the support he needs to cope and to complete the transition to sharing his home with his son.⁵⁹



SVA Social Impact Fund **Good for business, good for investors**

SVA established the Social Impact Fund with \$4 million of federal government funding matched with \$4.6 million of private capital, to provide loans and equity investments to social enterprises that create opportunities (such as jobs) for disadvantaged people.

Many of these organisations sit in a unique spot. They need capital to grow, but are not in a position to either secure a loan from a traditional bank or to raise the expansion funds required through fundraising or via grants.

The SVA Social Impact Fund offers social enterprises an approachable partner to work with to fund their business for expansion, with better terms and more lenient lending criteria and repayment plans than a traditional financial institution.

The fund provides a range of capital grants to Australian social enterprises:

- Capacity building grants of \$25,000 for social enterprises looking to become investment ready. For example, grants may be provided to help an organisation better articulate and track its social impact, improve financial planning or to develop a fundraising or operational strategy
- Loans of \$150,000 – \$500,000 to experienced entrepreneurs to establish a social enterprise
- Loans or equity investments of \$150,000 – \$1 million to established social enterprises (minimum two year operating history).

Ability Enterprises and PGM Refiners are among the recipients of investments from the Fund. Ability Enterprises, a non-profit social procurement organisation, provides employment for people with disabilities or mental health issues. Ability was approved for a four year loan of \$163,000 for working capital, which is expected to create 35 jobs in all.

PGM Refiners is an e-waste recycler and provides employment for disadvantaged job seekers including long-term unemployed. The \$1 million investment in the form of convertible preference shares is intended to create up to 35 jobs.

From an investment of just under \$1.2 million, the lives of 65 people – and their families – will be radically transformed, through the provision of meaningful work.

Impact

Created 50 jobs for disadvantaged job seekers in FY13

Funded establishment of a private GP clinic, profits of which will provide free and low cost health services to vulnerable members of the community

An 8.09% return (\$376,371) on invested funds to end of FY13

The SVA Social Impact Fund has also approved its first capacity building grant, to MadCap Café, a social enterprise in Victoria which offers training and employment to people who suffer from a mental illness. The \$25,000 grant will be used to conduct a Social Return on Investment (SROI) project to analyse the impact MadCap Café has achieved to date and how to efficiently build further capacity.



60

Long-term strategic philanthropy

Attracting new forms of capital to the social sector through creating innovative financial structures is one part of the bigger funding puzzle.

Addressing the complex issues that give rise to disadvantage takes time and long-term commitment. Achieving change at scale requires strategic investors who are prepared to commit for the long term and ensure that capital flows to those organisations and evidence-based programs making an impact on the cycle of disadvantage facing many Australians.

SVA works with funders – individuals and foundations, governments and business – to help them make better strategic decisions about their philanthropy; and with non-profit organisations on strategies to move towards financial sustainability.

AMP Foundation Enduring commitment to working in partnership

Issues of disadvantage are complex and not resolved by 'quick fix' solutions – long-term, patient funding is required to make an impact on deeply entrenched intergenerational issues. The AMP Foundation was a pivotal founding partner of SVA, funding the original business plan for the 'Social Ventures Initiative' and more than a decade later remains a major funding partner and pro bono supporter.

This strategic commitment has allowed SVA, our venture partners and projects, time to mature and deliver measurable results.

'For the past two decades Australia has been riding a wave of prosperity, but not all Australians have been able to share that ride. All Australians should be able to define their dreams and futures for themselves and have the tools to make these futures possible. SVA has created a national network for like-minded people and organisations – from passionate and effective social entrepreneurs to enlightened and committed philanthropists – all sharing the same

objective and contributing the necessary skills and funding to ensure everyone has the opportunity to share in a brighter tomorrow.'⁶¹

CRAIG DUNN, CEO AND MANAGING DIRECTOR, AMP
(2008 – 2013)

SVA supporters A deeply engaged network

SVA's work is made possible by the generous support of corporates and foundations, individual philanthropists, government partners and pro bono suppliers. Because of the tangible, measurable and enduring benefits to society that flow from our model, SVA refers to the philanthropists who fund the work we do as 'social investors'.

SVA gives social investors the opportunity to move beyond the role of funder and to become deeply engaged, sharing their skills and networks to create sustainable ventures, projects and programs.

'SVA has developed into an art form the knack of driving the philanthropic dollar further – and that has been the name of the game for the past 10 years. Their standard practice is to apply tough commercial measures to proposals that come their way and to never approach funders until those projects have passed muster. The success now enjoyed by AIME, Beacon, Fair Business and SecondBite that we continue to support, in no small part due to the rigour that SVA applied in analysing these projects up front; and of course, matched by SVA's skill in rounding up those ever elusive dollars.'⁶²

BOB BRYAN AM, COMPANY FOUNDER AND CHAIR,
THE BRYAN FOUNDATION,
SVA NATIONAL LEADERSHIP COUNCIL.



Philanthropy Towards a strategic funding model

SVA Consulting has identified a shift towards more focused strategic funding in their work with clients. The clients include: The Wyatt Benevolent Institution, IBN Aboriginal Corporation, The Trust Company and Movember, among others.

Most philanthropic clients welcome the flexibility, ease and spontaneity of giving small amounts on an as-needed basis, to issues that resonate with them. However, they also value striving to contribute to specific, observable social change, and find the process of engaging over an extended period with designated areas and organisations rewarding and satisfying.

This more strategic approach helps to ensure that a funder's 'giving' is targeted, considered and more likely to create the impact intended.

The Trust Company Engaged philanthropy

In the past, The Trust Company ran a traditional online funding round for its broad discretionary trusts. Approximately 150 organisations that focus on a range of issues were recipients of one-off project-based grants in the order of \$30,000.

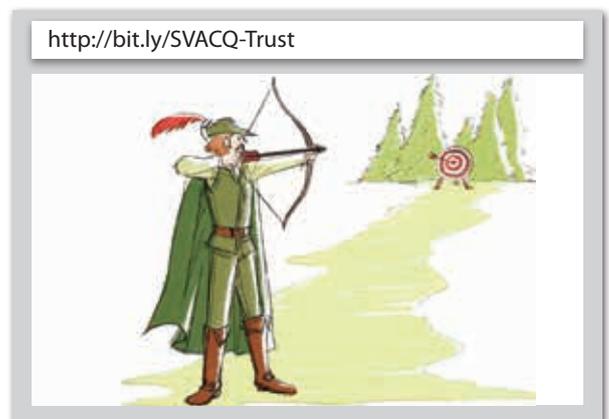
The Trust Company had little evidence of the impact it was creating; the process was inefficient and it was unclear whether it resulted in funding going to the most effective organisations; the process gave the company very little opportunity for meaningful engagement with the grant recipients, and to leverage its funding strategically.

Following SVA Consulting's support, The Trust Company shifted to a model it called 'engaged philanthropy': supporting a small group of partners in deeper, long-term relationships to deliver a discernible social impact.

To identify the areas The Trust Company would focus on, it was guided by its fiduciary responsibility to the testators' wishes as well as the organisation's own areas of professional experience, staff interest and existing networks. The company agreed to focus on health, particularly organisations working to achieve 'positive ageing' and 'living with a disability' and, education, particularly 'socially inclusive education'.

In 2011, The Trust Company made a final round of 48 one-off distributions to a broad range of non-profit organisations and signed-off on 17 multi-year strategic partnerships. It added another 12 partnerships in 2012 and continues to develop its practice model with a strong focus on developing more effective evaluation frameworks linked to the strategy for funded organisations and supporting partnership brokering within its partnerships network and with the program areas more broadly.

This case study was documented in detail in the SVA Consulting Quarterly article entitled 'Moving towards engaged philanthropy: The Trust Company'.



Financial security Supporting non-profit sustainability

STREATs ahead Self-sustaining and planning for the growth

SVA supported venture, STREAT is a social enterprise providing employment pathways for homeless youth. In an innovative example of improving capital flow to the sector, in 2012 SVA and others helped STREAT structure a deal to attract equity investors, enabling it to double its capacity overnight.

'It's not an option, not to grow. We couldn't just run a handful of coffee carts, and add some new carts from time to time. I realise this means we'll have to take risks, sometimes big ones; but I'm OK with that.'

BEC SCOTT, CEO, STREAT

So when the opportunity came early 2012 to acquire another, larger social enterprise – Scott seized it. Scott explored equity as an option, a novel solution for a non-profit.

In this deal, investors chose to invest their funds in STREAT, rather than in traditional commercial assets. This meant that the investors were able to have an impact through their investment corpus, as well as their disbursements. If more investors took this approach, they would potentially be able to significantly increase their impact.

The eventual financial structure is shown below.

This case study is extracted from an article in the SVA Consulting Quarterly – read the full article here:



Community Development Financial Institutions Giving disadvantaged people better access to financial services

In 2009, SVA Consulting supported the Federal Government by scoping the potential that a Community Development Financial Institutions (CDFI) sector could play in enhancing access to financial products and services to economically marginalised individuals and organisations.

SVA Consulting did this by:

- Conducting a landscape study on CDFI sectors globally
- Researching demand and supply for community finance in Australia
- Identifying the need for a CDFI sector in Australia and a model for a pilot.



In early 2010, the Government announced that it would commit to funding a pilot project. The project sought to build the capacity and resilience of disadvantaged and financially excluded individuals by attracting investment and injecting funds into community finance organisations that offer financial services and products that these people would otherwise not be able to access from mainstream sources.

The Government invested \$6.27 million in capacity building funding as well as working with banks to establish an 'investor circle' for the selected CDFIs. In June 2010, existing and new CDFIs were invited to apply to participate in the pilot. With further support from SVA Consulting, a tender and evaluation framework was developed. In addition, ANZ and NAB become members of the 'investor circle' contributing capital into the organisations.

In 2011, the pilot scheme to help give disadvantaged people better access to financial services was launched. Subsequently, the program has received an additional \$3 million in federal funding for an extension until 30 June 2014.

Private Ancillary Funds Simple and rewarding

Private Ancillary Funds, or PAFs, were introduced in 2009 to provide high net worth individuals with a tax effective vehicle to better manage giving to the non-profit sector. Introduced to supersede the previous Prescribed Private Funds, PAFs offer a variety of benefits, including a simple mechanism for planned giving, flexibility over the amount to be distributed to eligible charities each year and complete control over which organisations should benefit from the grants. If established in advance, a PAF can also be a helpful estate-planning tool. Many holders also testify to the advantages of a PAF for helping to engender the joy of giving in their children.

SVA established the SVA Private Ancillary Fund Service in 2010 to build the profile of PAFs amongst Australia's high net worth community, and offer a low cost service for investors to use to establish and manage their PAFs. In 2012, the SVA PAF Service was spun off to become Australian Philanthropic Services, a sister non-profit organisation of SVA. It supports hundreds of funders around Australia to be more strategic about their philanthropy and to use PAFs as a vehicle to efficiently manage their giving.

A case study in giving

Bob Bryan AM reflects on the rewards associated with taking a structured approach to gifting through the establishment of his Private Ancillary Fund (PAF), the Bryan Foundation.

... 'The key feature of the PAF is that it must distribute to recognised Deductible Gift Recipients 5% of the capital base of the PAF annually. I think this is a sensible requirement, ensuring a reasonable level of distribution while also allowing plenty of scope for capital growth of the fund.

'Within the Bryan Foundation, we have four key drivers in terms of our disbursement policy:

- **A focus on education and health for the disadvantaged elements of our society**
- **A determination to give to groups who would use the funds effectively; in other words, decision making must involve 'the head' as well as 'the heart'**
- **A preference to work through existing organisations rather than attempting to 'reinvent the wheel' by establishing new charities in an already overcrowded sector**
- **Ensuring that grants were sufficiently large and sufficiently long-term so as to make a real difference.**

I found that SVA and the Bryan Foundation were very much aligned in terms of these guidelines and overall philosophy; and we have enjoyed a very good working relationship over the years.

'A key element of SVA's work is via their Venture portfolio, to provide funding and strategic support for specific projects across the non-profit sector – but only for projects that SVA believe will work. All projects in the portfolio must run the gauntlet of detailed feasibility studies. I regard such an assessment as vital if we are to avoid wastage of money, and a turn off for donors into the bargain.' ⁶³



Attracting experienced talent

The people dimension

Relationships are at the heart of SVA's work. As the outstanding success of the Goodstart deal showed, it's people, bringing with them tenacity, networks, experience and passion, who will change the game for Australia's most disadvantaged people.

The challenges addressed by the non-profit sector are everyone's problems. And the issues are so serious, that they demand the smartest minds from all walks of life to solve them.

SVA is humbled to attract some of the brightest, innovative and well-connected people from the Australian business, government, academic and non-profit sectors to partner with us.

Together, we believe deep experience from across the sectors, pointed squarely at our society's most onerous problems will help ensure every Australian, regardless of their background, will have the chance to get ahead in life.

'SVA bring a very important set of skills and networks to the sector. They know how to partner effectively and have the capacity to access talent and capital to create a different set of solutions.'⁶⁵

TONY NICHOLSON, EXECUTIVE DIRECTOR,
BROTHERHOOD OF ST LAURENCE

FACT

**Almost 60% of
sector workers
are part-time
or casual
employees**⁶⁴

FACTS

Volunteers give
730 million
hours of time
each year⁶⁶

Directors spend
20 hours (avg)
per month on a
single non-profit⁶⁷

87% of
community services
employees are
women⁶⁸

From strategy to reality How we do it

We recognise that the capacity of the social sector will be greatly enhanced both by the contribution of exceptional people from a range of disciplines and also by better supporting the talent already in the non-profit sector.

'Relationships are the currency of change.'⁶⁹

LOUKA PARRY, PRINCIPAL, MIMILI ANANGU SCHOOL



SVA's strengths in collaboration, partnership building and our carefully established and nurtured networks into the business, government and non-profit sectors, greatly support our ability to deliver on this strategic objective.

Here are some of the ways across SVA, that we are working to find, nurture and support talented people in the social sector.

SVA Education Strong school leaders, growing great teachers

SVA Education's strategic focus on talent is about attracting exceptional people into the teacher and school leader workforce and developing people already in the system so that they become the most effective teachers and school leaders they can be.

A number of education initiatives provide examples of how supporting talent informs the strategic direction of the SVA education team's work:

- SVA Bright Spots Schools Connection supports school leadership through learning, mentoring and professional networks
- the Growing Great Teachers project showcases schools and projects which are helping new teachers to thrive
- SVA venture partner Teach For Australia provides a pathway for outstanding graduates in non-teaching disciplines to become teachers in schools in disadvantaged communities.



Good governance Supporting sector boards to succeed

SVA Consulting supports non-profit organisations to understand and plan board structures and succession, and identify talent gaps in the skills and experience required for best practice operations.

Beacon Foundation Identifying the talent needed on the board

Following a review of its performance, Beacon's board undertook a skills audit, to identify and prioritise the skills, experience and personal qualities that were needed on the board for the organisation to achieve its strategic aims. The review also identified the need for succession planning for the chair, board and CEO.

SVA Consulting helped support the board to produce a skills matrix with clear priorities for director appointments. The board also agreed on the skills, experience and personal qualities the chair would need to lead the board effectively.

Beacon now recruits new board members confident in the knowledge that the talent they seek will be the best possible fit to help the organisation to flourish.

A remarkable network Bringing experience and governance to SVA

SVA, like many organisations in the non-profit sector, benefits from the deep experience and business skills of a number of high profile board members who bring a diverse range of business, financial, entrepreneurial and philanthropic capabilities to SVA.

The SVA board comprises:

- Paul Robertson AM, Chair
- Adrian Appo OAM, CEO Ganbina
- Tanya Gilerman, Partner KPMG
- Rob Koczkar, Managing Director, private equity firm
- Lisa Paul AO PSM, Secretary
Commonwealth Department of Education
- Richard Spencer, formerly CEO Benevolent Society,
Executive Director Unicef Australia

Paul Robertson, Chair of SVA is also currently Director and Chair of St Vincent's Health Australia, Chair of St Ignatius College (Riverview) and Founder and Director of Financial Markets Foundation for Children.

Paul has extensive experience in banking including 27 years at Macquarie Bank/Hill Samuel where he was an Executive Director, Global Treasurer and Integrity Officer of the Bank. He was also a Director and CEO of Macquarie Risk Advisory Services, chaired the Macquarie Awards Committee and chaired Macquarie Bank Sports. Paul has also served on a number of other commercial boards. His experience reflects the high level of expertise needed for effective governance in the non-profit sector.



'It's critically important that non-profits are supported in their work. Bringing in skills from outside, as well as sharing the knowledge and experience already found in the sector, helps organisations help others who need it most. We all have an obligation to be involved.'

PAUL ROBERTSON AM, CHAIR,
SOCIAL VENTURES AUSTRALIA

Watch an extract from a recent SVA Consulting Quarterly debate, which posed the question whether young people should sit on non-profit boards.

<http://bit.ly/SVACQ-debate-0313>

SVA talent Passing it on

Attracting experienced talent also means sharing skills and experience within the sector. SVA has been an incubator for attracting and developing talented team members, many of whom have now gone on to other influential and impactful roles in the social sector including:

Jan Owen AM, founding executive director of SVA, joined the Foundation for Young Australians (FYA) as CEO in 2010.

Maxine McKew, former politician and award winning journalist, worked with SVA's Education team on a consultancy basis and played an anchor role in the SVA Education Dialogue in 2013.

Lisa George, a consultant within SVA Consulting in its early days has gone on to head up the Macquarie Group Foundation, a major corporate benefactor.

Lisa Tarca, a former consultant with SVA Consulting is now COO of The Hunger Project.

Duncan Lockard worked as a consultant with SVA Consulting and is now Global Development Director of Change.org based in New York.

Rachael McLennan and **Melissa MacPherson** founded People for Purpose in 2012 with the support of SVA. People for Purpose is dedicated to attracting experienced talent through search, placement and development of executives in leadership and board positions and the achievement of high performing boards and leaders in the social sector.

Increasing the skills and capability of people in the sector is the reason for being for the School for Social Entrepreneurs (SSE) Australia which launched in 2009, with the support of SVA. SSE provides learning programs to enhance the effectiveness of Australia's social entrepreneurs and their social ventures.



Leah Armstrong worked with SVA as social enterprise development manager before joining Reconciliation Australia as CEO in 2010.

Leah has seen the growing interest of private sector trained people to find roles in the social sector which provide more meaning and purpose.

'It's important that we're able to harness the passion and commitment of these people. They bring fresh ideas and approaches. Some may not work, but it's easier to adapt private sector thinking to the social sector than developing entrepreneurial skills and capacity in those from a social sector background.'

'The biggest impact of my time with SVA was the change in my thinking about how to engage with the corporate sector. It was new thinking for me.'⁷⁰



Prashan Paramanathan, previously a senior consultant with SVA Consulting, is now CEO of new crowd-funding platform Chuffed.

Chuffed connects young people through an online and social platform, showcasing innovative Australian non-profits and social enterprises, allowing them to share in the experience of supporting the campaign and to track the outcomes of their support.

Pro bono networks

People bringing a different kind of support

One of SVA's key points of difference is our extensive network into professional services organisations, and our ability to match these pro bono services to support projects and our non-profit partners' initiatives.

Commerce panels

Social enterprises that apply for funding support through any of the Funds managed by SVA (e.g. the SVA Social Impact Fund, WA Social Enterprise Fund, the Indigenous Social Enterprise Fund or the former Queensland Social Enterprise Project) go through a rigorous due diligence process before being granted funding.

'I was impressed by the network of people SVA drew on. It was both encouraging and challenging to the enterprises. Sometimes, the panels raised things that the social enterprise hadn't thought about. SVA was very considered. It had a process that it went through; it was clearly setting people up to succeed.'

ROSANNE OTT, PRINCIPAL PROGRAM OFFICER,
QUEENSLAND DEPARTMENT OF COMMUNITIES

The foundation tools for a successful organisation, including a realistic business plan, governance structure, financials and marketing strategy, are reviewed by SVA and an independent commerce panel. These panels comprise of successful, experienced business people who offer their time and expertise pro bono. Unlike the 'Dragon's Den' scenarios, made infamous on TV, these panels aim to provide constructive advice to social enterprises that will support their businesses to thrive.

'I was amazed at the support that came through for the social enterprises and with the expertise and commitment of the people on the commerce panel. Through their networks, they identified what these aspiring businesses needed whether it was legal help, or to get equipment – whatever was needed to be put in place to get the business off to a sustainable start.'⁷¹

ROSANNE OTT, PRINCIPAL PROGRAM OFFICER,
QUEENSLAND DEPARTMENT OF COMMUNITIES

Operational support

The exceptional low bono and pro bono support a number of individuals and organisations provide to SVA, complements our drive to foster external talent to support the social sector.

Printers, graphic designers, caterers, legal and accounting professionals, IT consultants and more, all support SVA's social change agenda in their own way, by providing their talent and skills pro bono, or at a reduced rate, in lieu of donations.

These specialists offer SVA a very significant contribution of time, effort and resources, and provide access to networks and experience not otherwise available or affordable to us. Throughout the sector low bono and pro bono supporters make a significant contribution.

The Governor-General, Her Excellency the Honourable Quentin Bryce AC CVO, acknowledged the priceless support and important role of these providers at a cocktail reception at Admiralty House in October 2013.



Her Excellency the Honourable Quentin Bryce AC CVO with Will Murray of Link Market Services, a long standing supporter of SVA providing printing support and other expertise on a pro bono basis.





Building an evidence base

Being in the know

In recent years the non-profit sector has united around the importance of measuring, evaluating and proving the impact of our work. Rigorous, transparent and practical measurement of impact provides us with the tools to better communicate the effects of our work, lobby more effectively for funding and make more considered decisions to improve our impact. This is essential for government, funders and non-profit organisations alike. Accountability and transparency are enshrined in SVA's DNA and in our way of working.

Bringing the best of business to the non-profit sector, we require every organisation we support to work with us through a rigorous evaluation, due diligence and reporting process. This systematic audit of an organisation's business health and ability to achieve its stated objectives, provides our funders with confidence that their social investment will be used in a responsible way that has proven results.

SVA believes that the social sector must be ruthlessly transparent in measurement, evaluation and reporting to build confidence in its work and the standing of the sector as a whole.

FACT

Every \$1 invested in SecondBite created \$2.75 social, economic and environmental value⁷²

FACTS

There are approx.
600,000
Australian
community sector
organisations⁷³

Nearly **90%** of
organisations
supporting people
and communities
in need
are non-profits⁷⁴

Welfare, health
and education
are more than **50%**
of government
expenditure⁷⁵

Evidence of social impact Measurement tools and methodologies

SVA has been at the forefront of developing methods for evaluating social impact and promoting sound measurement strategies through our consulting work and the online publication, SVA Consulting Quarterly.

The team has extensive experience with a variety of measurement and evaluation tools and methodologies, including: program logic (theory of change); Social Return on Investment (SROI); and, Results Based Accountability, as well as developing shared measurement and evaluation frameworks. Our approach is to draw ideas from these relevant tools and methodologies, then tailor a solution that is practical for the organisation, its programs and capacity.

Over the last six years we have completed more than 200 measurement and evaluation projects for NGOs, government, philanthropic organisations, corporate foundations and businesses. They have ranged from

supporting small, volunteer-run, non-profit organisations to co-designing practical, social measurement frameworks and tools for large statutory bodies.

We have been a leader in the application of SROI, a methodology for understanding, measuring and valuing the impact of a program or policy on stakeholders. We have conducted more than 80 SROI analyses for clients across Australia, refined and enhanced the application of SROI for clients and represent Australia on the SROI Global Network Board.

SecondBite is one organisation that has used an SROI analysis to capture its impact and understand how well it was tracking against its stated objectives.

SecondBite Food for people in need

SecondBite is committed to ensuring access to fresh, nutritious food for people in need across Australia. Established in 2005, and now a national organisation, SecondBite has redistributed more than seven million kilograms of food, which equates to 14 million meals.

Food is donated by farmers, wholesalers, markets, supermarkets, caterers and events and is provided to food agencies supporting people in need, at no cost.

In 2013, SVA Consulting was engaged to analyse, measure and value the impact of SecondBite's national food distribution activities. Using the Social Return on Investment (SROI) methodology, SVA Consulting concluded that:

- During the 2012 calendar year, 2.5 million kilograms of fresh food received by food agencies through SecondBite were used to support community food programs.
- An investment of \$3.7 million in 2012 created \$10.2 million of social, economic and environmental value for stakeholders. This results in an SROI ratio of 2.75:1. That is, for every \$1 invested in SecondBite's food distribution activities, \$2.75 of value was created for stakeholders.
- Since the 2010 financial year, SecondBite has significantly increased the value created for stakeholders by 65%, from a revised 2010 SROI ratio of 1.65:1 to a 2012 SROI ratio of 2.75:1.

Download the SecondBite SROI report here:

<http://bit.ly/SB-SROI>

IBA **Innovative way to measure what matters**

SVA Consulting worked with Indigenous Business Australia (IBA) to develop an affordable, transparent and objective system that measures social impact and is helping management make appropriate and timely decisions to improve outcomes.

IBA has traditionally been a commercial investor creating positive impact on Indigenous people by generating stable income streams and supporting wealth accumulation for its Indigenous equity partners. However, the investments also provide other benefits including employment opportunities for Indigenous people and supply chain benefits for Indigenous-owned businesses.

The measurement framework that SVA Consulting helped develop enables IBA to measure these other social impacts. For example IBA now better understands the employment situation in its investments. The results show trends within and across the investment portfolio's sectors and over time.

This regular and consistent data enables decision-making to align with strategic objectives and helps IBA to collaborate more effectively with partner organisations.

Evidence base **The social value created by social enterprises**

SVA Consulting has analysed the social impact of 28 employment-focused social enterprises using the Social



Return on Investment (SROI) framework. Through 40 SROI analyses (some social enterprises had more than one), SVA Consulting was able to measure and value the changes these social enterprises created. The majority of social enterprises created value for employees and other stakeholders, including government, employees' families and carers. The majority of social enterprises also created value for themselves e.g. through enhanced reputation.

However, some social enterprises created more value for stakeholders than others. In the sample, the social value created per employee ranged from \$3,300 to \$115,000 per year. The study found three common characteristics of the social enterprises that generate the most social value:

- They tended to be generating a profit from their activities
- Bigger social enterprises created more value per employee
- Ongoing employment (rather than short-term or transitional employment) creates more value.

Read more about this analysis in the SVA Consulting Quarterly:

<http://bit.ly/SVACQ-SE-value>

Tools to help social enterprises understand their business

To help employment-focused social enterprises understand their business model, SVA Consulting has developed a simple methodology called Employment Support Cost Analysis (ESCA).

ESCA enables organisations to understand the additional costs of supporting the social impact of a business above the costs of running a purely commercial business. It examines the costs that employment-exclusion social enterprises are likely to incur across the employment pipeline – hiring, training, ongoing and transitioning.

Some common costs of supporting individuals include the provision of clothes and training, staff time providing 'on the job' support, cultural awareness training, additional social events, and the cost of lower productivity (due to less efficient workers). Separately, it considers the cost of any community services that the enterprise provides to the community that supports the social mission – such as providing advice and operational support to similarly minded social enterprises, or speaking engagements.

Nundah Co-operative which operates a café and catering business called Espresso Train in the north of Brisbane used ESCA to get a clearer understanding of its business. When support costs are removed, the Co-op was able to see that it had a sustainable business model.



Building Futures for youth Developing a measurement and evaluation framework

There is emerging consensus that new approaches to youth and education policies to assist young Australians at risk are needed. As a foundation for this policy formation and to help identify and analyse the processes that lead to successful outcomes for marginalised and disadvantaged youth a persistent national evidence base is required including for school completion, personal wellbeing, employment, and the capacity to engage with civic life.

SVA Consulting initially designed the Building Futures project in 2008 in partnership with Melbourne University and the Foundation for Young Australians (FYA) to measure and evaluate over time the outcomes of 11 NGOs which focus on achieving positive life outcomes for disengaged and disadvantaged young people.

Over 2008-2009, the program tailored monitoring and evaluation tools for the organisations to evaluate 'what works and why' in their programs. The tools were employed in 2009 to produce a detailed and complex data set on program practices and young people's outcomes.

Beacon's robust evaluation framework was designed as part of the Future Builders project. It provides extensive measures of the changes across areas that support its objective of helping young people successfully transition from school to earning or learning.

Over 2013-2014, supported by an Australian Research Council Linkage Scheme grant, the project continues with a larger brief to develop a coordinated measurement framework and data archive for programs addressing young Australians at risk.

Chief investigators at the University of Melbourne are partnering with SVA, FYA, Beacon Foundation, Hands On Learning Australia and Dusseldorp Skills Forum to develop effective measures of outcomes from programs that keep young people (aged 15-19) connected to education and/or support their pathways into work.



This innovative project, which builds on advances in technology and archiving techniques, aims to construct a robust, flexible, and responsive measurement framework along with accompanying tools for use by programs. It will also create a national archive for data which will enable the sector to draw on and test against a large-scale evidence base.

SVA Consulting Quarterly Knowledge sharing to increase sector capacity

Social change leaders and managers are perpetual students – continually learning about people and how to work with and for them. Over the last six years, SVA Consulting has supported over 200 organisations with diverse challenges in over 400 projects across employment, education, community services, health and Indigenous affairs.

Through this 'school', we have gained new practices, novel methodologies and fresh wisdom. Some of this, we discovered or developed ourselves, some we learned from the literature, much we learnt from our clients.

Having gathered so many stories, and so much evidence, SVA Consulting shares what we have learned as a way of further helping to build the non-profit sector capacity and change the world for the better.

Launched in August 2012, the SVA Consulting Quarterly shares methodologies, insights and new thinking in the application of rigorous management practices for the non-profit, philanthropic and social sector in Australia. The first publication to do so, it provides six articles each quarter sharing knowledge and sound practices to increase the sector's impact.

'The insightful and thought-provoking content is a good reminder to keep an eye on the bigger picture, and ask the hard questions of your organisation.'⁷⁶

SVA CONSULTING QUARTERLY READER

'Offers some really good insights in niche areas (i.e. social enterprises and impact investing) where mainstream information may be lacking.'⁷⁶

SVA CONSULTING QUARTERLY READER

The publication is freely available online at www.svaconsultingquarterly.com

Find out more about the SVA Consulting Quarterly:



Highlights

10,400+ unique visitors to svaconsultingquarterly.com since launch

10% increase in subscriber base, issue over issue

Articles syndicated locally and overseas

Our website SVA 2.0

SVA is committed to sharing our work on the web and via social media.

In July 2013, SVA launched the next generation of our website to provide audiences with a content and graphically rich way to engage with SVA across the broad portfolio of our work.

The website provides an accessible way to share our knowledge and experience of investing in social change.

Highlights

2,000+ followers on Twitter

850+ followers on LinkedIn

4,500+ unique visitors per month to socialventures.com.au



Looking ahead

So much more to do

As SVA enters our second decade, we have refined our approach from pioneering venture philanthropists to a strongly respected cross sectoral enabler and catalyst.

As we look forward to the next 10 years, we have set ourselves unapologetically ambitious goals that will effect transformational systems change. The needs of Australia's most disadvantaged people deserve nothing less.

Affordable housing A critical part of eradicating disadvantage

On any given night in NSW alone, over 28,000⁷⁷ people are without stable accommodation, a quarter of whom are young people aged between 12 and 24.⁷⁸ We also know that homelessness is directly correlated to poor educational and employment outcomes and 50% of young people experiencing homelessness are not involved in school, further training or work.

As affordable and stable housing plays such a critical role in improving the ability of a young vulnerable person to study or find a job, SVA is investigating how we can use our experience and networks to work with partners to support young people experiencing homelessness.

We are particularly interested in supporting innovative and proven models such as Foyer, which provides young people who are homeless, at-risk of being homeless or aging out of foster care, with supported transitional housing. Young people on the Foyer program commit to an education program whilst they explore their talents and are provided opportunities to chart their own pathway to employment and independent living. The housing component is akin to student accommodation, and is a place that each young person can take pride in.

Resource development

Building sector capabilities

SVA Consulting supports organisations across different sectors including education, employment, disability, and health and community services to become more efficient and effective at addressing social problems and to manage change. We will continue to build their capabilities with specialised resources and training including:

- Training modules and tool kits to develop program logics to clarify strategy and measure impact
- Training in Social Return on Investment
- Resources to help funders think more strategically about how to invest for greater impact.

We will continue to work with partners both locally and globally, to build the capacity of the sector.

Collective Impact

A model to support collaboration and scale

SVA drew on the Collective Impact approach in our work on the six year Queensland Social Enterprise Project (QSEP). By the end of 2012, the project had worked with 57 social enterprises, created nearly 500 jobs for people seriously disadvantaged in the labour market, provided 110 employment pathways and won credibility nationally for the social enterprise model as an innovative way of achieving this.

The project also leveraged a significant amount of pro bono support from the corporate sector, and started to open doors for 'social procurement' – in which government departments, councils and corporates began to commit their purchasing power for a social benefit.

We look forward to developing the collective impact approach with partners across the sectors.

Creating Shared Value

Business opportunities for social change

Shared value defines the policies and practices that enhance the competitiveness of a company, while simultaneously advancing the economic and social conditions in the communities in which the company operates.

It is a new approach to strategy, where companies identify opportunities to create measurable business value by identifying and addressing social problems that intersect with their business.

SVA is part of the recently launched Shared Value Initiative, a global community of practice involving the Clinton Global Initiative, the Rockefeller Foundation and Nestlé and set up by FSG to drive adoption and implementation of shared value strategies among leading companies, non-profits and government.

Duncan Peppercorn, Executive Director of SVA Consulting has been appointed to the board of the international Shared Value Initiative Affiliated Practitioner Services Network advisory board, which he formally joined in October 2013. SVA Consulting hopes to assist corporates to identify shared value opportunities, and develop strategies to implement, measure and evaluate them.

Impact Investing

SBBs and super funds

SVA has been proud to forge the way for impact investing in Australia via the Goodstart deal and the Newpin social benefit bond.

Working on a recidivism bond with Mission Australia for 2014, we will continue to develop with government, the investment community and social investors the benefits of this form of investment. Our goal is to create an efficient social capital market that can provide higher levels of financial resourcing to fuel transformational social change.

In a well-received TEDxByronBay talk, SVA Chief Executive, Michael Traill shares his idea for how \$30 billion in funding could be channelled into the social sector through a shift of just a few percent in superannuation industry investment strategy.

<http://bit.ly/MT-TEDxByron>



This business is everybody's business

by Michael Trill

It is a damning indictment of our society when 1 in 10 Australians live in poverty. Some forms of poverty are more visible than others, but all are oppressive. Poverty removes people's choices, stifles dreams and sentences generation after generation to a world limited by low expectations and little hope. We must break this cycle.

Day in, day out, teachers are challenged by disadvantage in their classrooms – inattention from hungry bellies, absenteeism from the shame of not having money for a school outing, or parental mistrust of school authorities.

Employers wrestle with it too. Low expectations and educational attainment, family problems, transport and childcare issues all contrive against disadvantaged people finding and keeping a job.

A 'cradle to career' focus on building education and employment pathways is needed to break the cycle of poverty for excluded Australians. This means we need to place particular emphasis on:

- Intelligent and significantly increased investment in early learning. All the evidence suggests the highest return on investment (c.f. James Heckman, Nobel Laureate economist) is found in early learning in children from challenged backgrounds aged nought to five years. A Productivity Commission enquiry represents a landmark opportunity to develop a full understanding of the needs and gaps in this area.

- A consistent, long-term focus on delivering system changing initiatives that will lift our education performance, and in particular the cohort in the bottom 20% by social indicators. Evidence here and overseas confirms results will flow from a focus on teacher quality, highly competent school leadership backed with high expectations, business and community engagement and consistent standards of teaching.

We need to embrace and understand what is working in 'Bright Spots' of practical performance in low SES schools. We need to support and replicate that performance through aligned partnerships that share information and best practice within and across the states and systems.

- Rethinking the provision of employment pathways and services for the long term excluded based on what works.

Employment opportunities can be maximised by explicitly focusing program and policy design on the skills required by employers in a 'demand led' approach. Partnerships with major employers, and the development of a social enterprise market will maximise creation of sustained employment opportunities. Integrating into schools awareness and understanding of the skills and training needed by employers in the 21st century is critical.

To enhance education outcomes and increase employment participation SVA believes social policy and funding should be based on efficient allocation of finite resources to those programs and organisations with an evidence base for delivering outcomes.

This requires:

- learning how to best allocate funding, including by assessing where and why inefficiency has occurred in the past
- integrated partnerships with core program design principles, agreed outcomes and accountability and quality local service delivery, to ensure the effective delivery of services, and
- rigorous, long-term focus on clear targets and outcome measurement.

Tolerance of risk is required to realise innovation and prove pioneering programs with potential for sustained systemic change.

The facts of life for Australians living in disadvantage, underscored by the evidence and experience presented in this report, demand that we can and must do better.

SVA's experience over the last 10 years has taught us that although the problems facing our society are challenging, working in partnership will provide pathways that enable excluded Australians to achieve their potential.

**We invite you
to join us
on this journey.**

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