



Growing Victoria's social ecosystem

Submission in response to the Victorian Government Discussion Paper for a renewed Victorian Social Enterprise Strategy

November 2020

A member of the **GSGA**
Driving real impact

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Executive summary

Victoria's vibrant and dynamic social enterprise sector has an important role to play in creating jobs and driving innovation to address social issues exacerbated by COVID and in contributing to our inclusive recovery. The Victorian Government has already taken a leadership role in establishing Victoria's social enterprise strategy, pioneering the globally recognised social procurement policy and targeting outcomes through social impact bonds. This next iteration of the strategy is an opportunity to build upon these foundational measures and unlock the potential of Victoria's for-purpose ecosystem and regenerative economy.

This submission is informed by our experience as market builders and participants together with an appreciation of international best practice via our work at the GSG. In addition, delivering our Impact Investment Ready Growth Grant program has put us at the centre of the social enterprise eco-system and allowed us to understand the needs of intermediaries, investors, and the social enterprises themselves.

Summary of Recommendations:

Addressing gaps in the market to enable more SEs succeed and respond to their role in a post-COVID recovery:

- 1. Provide a broad spectrum of social enterprise support from earlier stage to capital raising.**
- 2. Provide contract readiness support to contribute to greater participation in the Victorian Government's pioneering social procurement policy.**
- 3. Work with the Australian Government to development of a broader and multi-function social enterprise growth fund.**

Impact investing can attract private capital to address social issues exacerbated by COVID and to support an inclusive economic recovery in Victoria. The Victorian Government has taken excellent first steps to support the impact investing market but it is yet to reach scale and deliver meaningful impact toward key social priorities for Victoria.

More market building needs to be done to develop capacity, education and training, awareness raising, support intermediation and to demonstrate innovative socially focused business and financing models. These recommendations are targeted at raising market awareness and driving capability through building centres of excellences both within and outside of government:

- 4. Create a dedicated and cross-departmental Office of Social Impact Investment within a central department.**
- 5. Fund an independent Impact Investment Institute. This would bring together the key market actors already based in Victoria and provide a centre of excellence outside of government**

Finally, the Victorian Government has an opportunity to leverage its leadership role to influence other Australian governments (Local, State and Federal) to adopt similar social impact focused positions. Increasing alignment in government practices in this space sends a power signal to the market that impact matters. Our recommendations include:

- 6. Harmonising and influencing efforts with those in other Australian government jurisdictions to establish impact measurement as a new norm.**
- 7. Consider funding for training/accelerator programs that target specific impact aspects.**

Our Response to the Discussion Paper

About Impact Investing Australia

Impact Investing Australia is an independent, not-for-profit organisation dedicated to accelerating the growth of impact investing in Australia and participating in international efforts to grow the market globally. We represent Australia on the [Global Steering Group for Impact Investment \(GSG\)](#) and since our establishment in 2014, we have developed market infrastructure, grown market participation and influenced government policy – critical to accelerating the growth of impact investing.

Impact investing which purposefully delivers measurable social outcomes and financial returns is an important part of scaling the social impact created by social enterprises. It can create jobs in areas of the community disproportionately impacted by COVID such as women or can be directed to social enterprises in a particular sector such as renewable energy.

Impact Investing Australia established what is now called the Impact Investment Ready Growth Grant to support later stage social enterprises to raise the investment required to scale and grow. Since its launch in 2015, the program has supported 56 organisations on their journey to investment readiness and many of these enterprises have gone on to raise capital, scale their impact and deliver better outcomes for people and communities in Victoria. Victorian grant recipients include Outlook, Nightingale Housing, Ethical Property, Yume and Knoxbrooke (Yarra Valley Nursery). Grantees have used our grant to pay for capacity building services from Victorian based intermediaries including Social Ventures Australia (SVA), The Difference Incubator (TDi) as well as others around Australia.

This submission is informed by our experience as market builders and participants together with an appreciation of international best practice via our work at the GSG. Delivering our growth grant program has put us at the centre of the social enterprise eco-system and allowed us to understand the needs of intermediaries, investors, and the social enterprises themselves. We contributed to the first iteration of the social enterprise strategy and we welcome the opportunity to respond to the Discussion Paper on a renewed Victorian Social Enterprise Strategy.

Our recommendations focus on actions the Victorian Government can take which will enable social enterprises to create jobs and drive innovation to address social issues, many of which have been exposed through COVID. At the time of writing, we understand the Department of the Prime Minister and Cabinet will shortly deliver its report from the Social Impact Investing Taskforce which we hope will support the next iteration of the Victorian Social Enterprise Strategy.

Building on strong foundations to scale impact

The dimensions of demand, supply and intermediation are all key pillars of the impact investing eco-system. Gaps exist across each of these dimensions with the gap in intermediation as the most significant to market development. Intermediation is the key connector and a critical enabler of the demand and supply elements, bridging the gap in the Australian market that exists between mission-driven organisations in need of funding and investors actively seeking impact investment opportunities.

We have heard too many times to count, that there is plenty of demand for impact investments but no pipeline. This comment really reflects the mismatch between the nature of the capital investors are prepared to supply and that which is needed. The uncertainty and risk dimensions of new market-based investment activity and innovation can push up the cost and/or reduce the flexibility and availability of finance and this is playing out in impact investing.

Challenges faced the by the for-purpose enterprise sector have much in common with the challenges for enterprises elsewhere in the innovation ecosystem. They need access to appropriate capital for their stage of development, and on appropriate terms. They may need to bridge funding and capacity gaps to be able to attract investment (Productivity Commission 2010; Burkett, 2013). In some cases, structural issues increase the difficulty of attracting and securing equity finance.

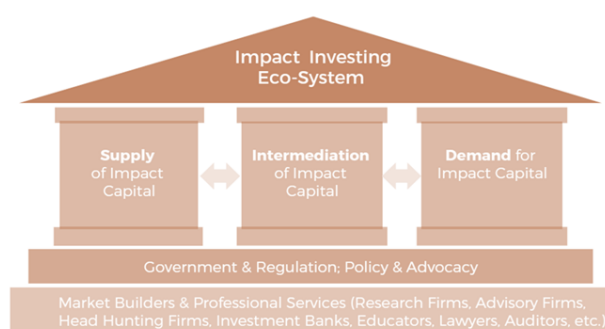


Figure 1 Impact Investing Eco-system

Source: Adapted by IIA from Global Steering Group on Impact Investment, 2019

Incubators, accelerators and specialised intermediaries all play important roles in for-purpose enterprises throughout their maturation – from start up through to investment readiness.

Our Impact Investment Ready Growth Grant is supporting Victorian Social Enterprises and Intermediaries

Impact Investment Ready (IIR) is one of IIA's flagship programs. The program supports SEs (for-profit and not-for profit organisations) to become ready to raise capital in order to scale their social and environmental impact.

IIA co-designed and established the IIR Growth Grant. It was launched in 2015 with funding from the National Australia Bank (NAB) which ultimately totalled \$1.75 million over 3.5 years. In 2018, the Growth Grant was recapitalised by the Australian Government through the Department of Social Services (DSS) Sector Readiness Fund (SRF) for \$7 million until June 2021.

The Growth Grant offered grants of up to \$140,000 to SEs seeking capital to scale their impact businesses. The grants are used by the SEs to pay for external intermediary services to support them to attract and take on investment. Services included:

- business planning;
- financial modelling;
- financial structuring;
- capital raising and advisory services;

- contract negotiation and tendering support;
- legal support; and
- other specialist advice including support with outcome measurement and evaluation, development of governance structures.

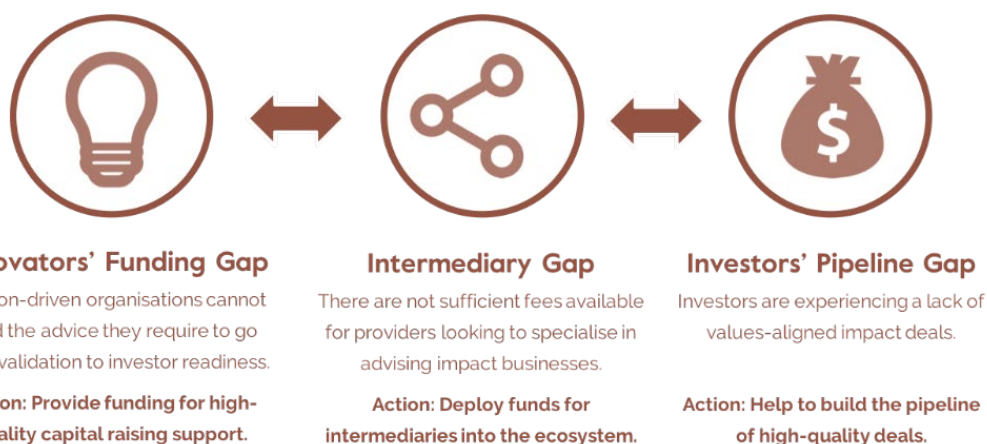
Impact Investing Australia has awarded 56 growth grants for a total of \$5.3 million since inception. 20 grant recipients have raised \$143 million in capital, leveraging the grant a median of 27 times. The grants have been used to support 41 intermediaries across Australia and at least 14 across Victoria.

In addition, in 2017 the Impact Investment Readiness model piloted the Discovery Grant which was established and administered by Philanthropy Australia in partnership with National Australia Bank (NAB). It provided grants to for-purpose not-for-profit organisations to explore sustainable revenue streams and enterprising opportunities. The \$500,000 of available grant funding was allocated over two grant rounds to 12 organisations.

The Growth Grant model

The Growth Grant model has been designed as a holistic market development initiative. It addresses three fundamental market gaps (Figure 1):

Figure 2: Market gaps targeted by the IIR Growth Grant



(Source: Paving Pathways, A Review of the Impact Investment Ready Growth Grant)

Funding gap for mission-driven organisations. There are many impact-driven organisations in their growth stage that have a sustainable and replicable business model and the potential to secure investment. These organisations often need professional advisory support to get investment ready and engage with investors but struggle to fund such advice.

Capacity gap for intermediaries. An increasingly large number of professional advisors (providers¹) want to support and work with mission-driven organisations. The fees available for capacity builders are currently insufficient and make it difficult to support a business model focused on work with such organisations.

¹ Providers are organisations or individuals who offer professional services and support the grantees to investment readiness.

Pipeline gap for investors. A growing number of investors want to invest in direct deals that have a positive impact on society and generate a financial return. There remains a lack of high-quality, values-aligned investible impact deals in Australia. The program has been designed to flexibly adapt and grow to meet the identified needs of the Australian social enterprise ecosystem.

Theme 1: Skills and Capacity Building

Support Needed for Early Stage SE Capacity Building

Last year, 82 Victorian based social enterprises sought Impact Investment Ready Growth Grants to help them scale their social impact by growing their businesses. 15 of these applicants were assessed as eligible and likely to become investment-ready with the support of their selected intermediary. These applicants were awarded growth grants and are currently working to raise investment capital to scale their impact.

A large proportion of these applicants (82%) were assessed as ineligible for a growth grant. Often this is because these SEs are too early-staged in their development. Many of these applicants have potential to develop and are encouraged to re-apply once their enterprises are further progressed. For most, this is a critical stage in their development and a time when they need support to continue to develop but there is a clear gap in support of these early stage enterprises.

Our experience shows that early stage social enterprises (SEs) face very similar challenges to start ups in the more commercial space. These challenges are however often exacerbated for the SEs because they are trying to build a sustainable business model alongside creating social or environmental impact. Figure 3 illustrates the “valley of death” or “pioneering gap” that SEs must navigate to achieve scale. For those operating NFP organisations, their funding options are largely confined to grants or debt which poses even further challenges.

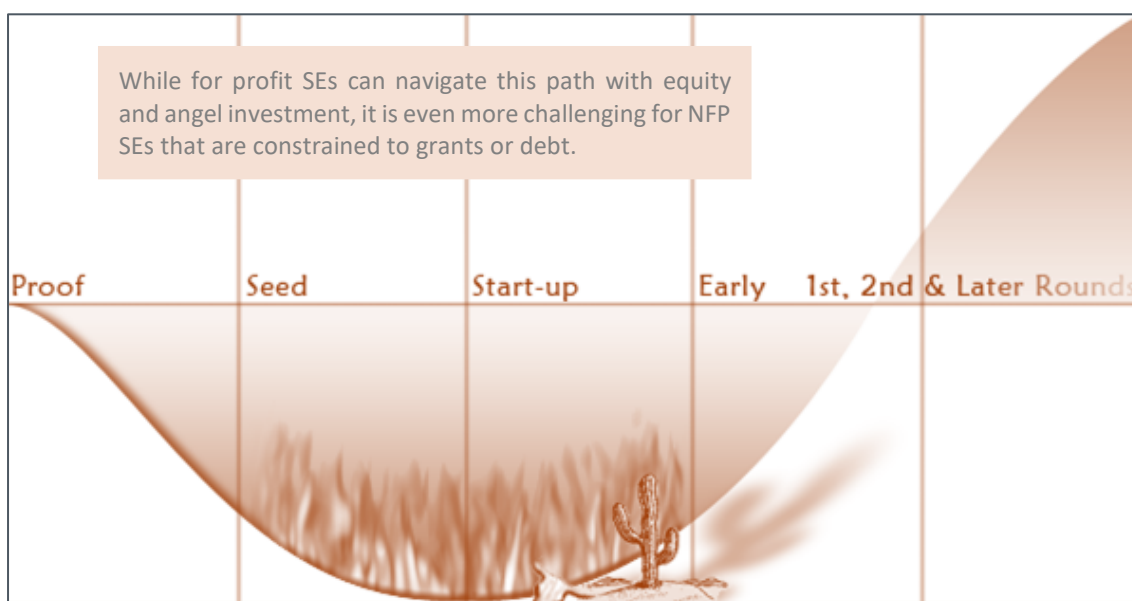


Figure 3 Valley of death

An Australian field scan carried out in late 2017ⁱ supports the requirement for more early stage capacity building. People spoke of "a need to support innovation and the development of investment opportunities from

conception through early incubation, investment readiness and growth in order to develop a stronger pipeline of investment ready opportunities. Some people noted that they thought more needed to be done to support the early stage development and growth of social businesses and social enterprise in order to support that pipeline development and help build out the impact investing field.”ⁱⁱ

Our engagement with early stage SEs has shown that type of capability development required by each varies through their evolution. This suggests that capability development support needs to be flexible to the different social enterprise needs. One successful social enterprise, for example has previously noted how helpful just small pieces of discrete capacity funding (\$15-20K) could have been along the way. Business Advisory was also seen as a key piece of capacity building that was currently not supported in the early stage and currently fell to the goodwill of intermediaries. A number of early stage SEs have acknowledged the value of having an intermediary or mentor alongside them through the early stage process. It was noted that this needed to be more of a partnership than just a “drop in and out” type relationship.ⁱⁱⁱ

Case study : Hireup and Early Stage SE Support



A for-profit and for-purpose online platform Hireup was built off the back of the NDIS . It seeks to revolutionise the way people with disability find, hire and manage support workers by harnessing technology and connecting people with shared interests. Still a relatively young SE, Hireup has navigated the path to scale and grow. Jordan O’Reilly, one of the co-founders of Hire-Up, was a recipient of a Myer Innovation Fellowship which provided both funding and mentorship at the early stages of the company’s development. Ultimately this enabled a connection to the intermediary, Impact Generation Partners and receipt of a Impact Investment Ready Growth Grant to help support the capacity building for Hireup’s first capital raising. Jordan and his co-founder and sister Laura O’Reilly have since gone on win a number of other awards. HireUp now has ~200 employees and has made 35K+ support connections, resulting in 3.6m hours of support and savings to its users of \$27.4m.^{iv}

Responding to the impacts of COVID

COVID-19 (COVID) has impacted Social Enterprises (SE), Intermediaries and Investors in different ways. Our existing grantees and intermediaries have reported a slowing in available capital from investors, with many seeking extensions to their capital raising timeframe.

COVID was identified as a major risk in by 69% of grant recipients in a recent internal report. In a number of cases, it has impacted both operations and capital raising in terms of time delays, access to capital, the cost of capital and, in some cases, reduced enterprise valuations resulting in the need for more significant ownership dilution (of the founders).

In our consultations within the ecosystem, we have heard that SEs can be separated into three categories based on their response to the impacts of C-19. These are:

- SEs struggling to stay afloat (and many who are unlikely to survive)
- SEs who are trying to pivot their business models (services/products moving online)
- SEs who are well positioned for the changed conditions and are thriving (e.g. telehealth).

Risks facing SEs include:

- **Financial stability:** intermediaries continue to help social enterprises understand what capital they can sustain, despite the fact many can't pay for their services
- **Payment for services delayed:** COVID related uncertainty has caused projects to lag or caused roadblocks

- **Difficulty brokering new relationships:** investors and foundations are tending to focus on existing relationships.

In addition, intermediaries (often social enterprises themselves) have been supporting for-purpose organisations to respond to the impacts of COVID, often for little or no fee.

It was broadly acknowledged that not-for-profit organisations in particular need additional support. For organisations focused on frontline service delivery, work from home arrangements represent a significant burden on productivity and ultimately on their capacity to fulfil their contracted service delivery obligations. In the medium term, this presents a threat to the maintenance of those contracts and to organisations revenues and cashflows. The implications are beyond the financial. Many of these organisations focus on addressing complex social issues including domestic violence, homelessness, and child and family services.

Many social enterprises are playing an important role during this pandemic and demonstrating that crises like this can fuel innovation and drive new servicing offerings. COVID has transformed workplaces globally with remote and flexible work arrangements expected to last long after the pandemic. Social enterprise Circle In provides an employee engagement platform to enable working parents to feel connected. The demands were significant at the start of the lock down and they were able to respond in just 48 hours to the needs of their clients who were balancing work and family life with the added pressure of home schooling children.

COVID has also had a significant impact on our health care system and for many Australians it has also had an affect on their mental health. Changing daily circumstances and uncertainty about the future has heightened anxiety levels and social distancing has been stressful and isolating. Many impact organisation such as Quirky Kid have adapted and delivered solutions to Australians in these challenging times. The crisis has also created opportunities for social enterprise to grow such as telehealth software platform COVIU and Virtual Psychologist.

Theme 2: Access to Affordable and Appropriate Capital

Social enterprises can often face additional challenges to accessing appropriate and affordable capital. Based on our experience, these challenges can include:

- **Discomfort within some NFPs to take on debt.** In some cases it may be possible for NFPs to take on debt in the early stages of maturity but this is not generally preferred by their boards without concessional elements (long duration, unsecured, back-ended interest payments).
- **Challenges in shifting mindset of larger Not for Profits.** There can be challenges for large not for profits trying to establish their own social enterprise. The NAB-funded capacity building Discovery Grant sought to address this by enabling some funding for ideation and preliminary design to help expand thinking and connections beyond traditional NFP networks.
- **Reputational Risk issues can be a barrier to investment from traditional financiers.** Access to capital can remain a challenge for SEs despite their relative size and maturity. The key issue is often the working capital required for growth. Traditional financiers such as banks are often uncomfortable with unsecured debt. Even with security, banks can be reluctant to lend to a high loan to value ratio

because of reputational risk should default occur and a forced asset sale be required. (Banks may be more sensitive to this in a high impact sector than ordinary small business).

- **Traditional finance system practices create barriers to funding.** SEs have described their challenges in getting bank funding even post MVP because of the perceived lack of track record of the entrepreneur and the lack of interaction between the emerging business areas and credit risk assessment areas of banks. Others have discussed the challenges of breaking into the networks needed to raise the capital and of potential socio-economic bias with those that may best understand the problem (and the way to solve it) locked out of the “finance circles” that could facilitate funding. It was also noted that where funding was made available there were often “strings” attached which reflected the power imbalance. For example, even if venture debt was available this would often be in convertible note form which was heavily dilutive on the conversion.
- **The funding needs to be fit for purpose for the business model.** Different types of SEs require different types of funding. For example, some require concessional loans to enable them to tackle complex social issues, others may require access to commercial finance to become sustainable.

The value to a SE of good support along the way is perhaps best demonstrated by an example, HireUp, (Case Study)

Recommendations 1:

Provide a broader spectrum of social enterprise support from earlier stage to capital raising including an earlier stage social enterprise growth program which is co-funded with philanthropy and/or corporate sponsorship which provides capacity building, mentorship and funding support for SEs before the point at which they would consider investment.

Theme 3: Growing the market for products and services

Victoria’s Social Procurement policy is an excellent example of public policy. This policy further enables both the impact of community sector providers and private sector creation of social value. It enables the Victorian Government to leverage its significant buying power to derive increased value for money in all the goods, services and construction it procures.

An additional benefit of this policy could be in the Government’s encouragement of other anchor institutions to establish their own social procurement policies to further grow the market, creating additional opportunities for social enterprises to participate in the market.

New contracting opportunities for social enterprises are growing. This has been driven by increased demand for contracts that deliver both economic and social value in public social procurement and within the private sector. Barriers to meeting this demand exist because *“winning contracts to deliver public services can be challenging for social ventures, especially for those with little or no track record of successfully competing for such contracts in the past.”*^v

Contract readiness support is required by SEs to be better prepared to compete for and deliver public, private and non-profit contracts. **Contract readiness means the ability to effectively identify, tender and manage contracting opportunities with the public and private sectors.**

The Vanguard Laundry Service example (**Case Study**) is indicative of the type of contract readiness support that may be required but is atypical in terms of their ability to secure it.

Case study: Vanguard Laundry Services and Contract Readiness Support



Not-for-profit SE Vanguard Laundry Services (VLS), needed to win a contract before raising capital. VLS operates a commercial laundry in Toowoomba employing people who are long term unemployed and living with mental illness. According to CEO, Luke Terry, there was a “*clear sequence to the funding*” the first part of which was the anchor contract with St Vincent’s Hospital^{vi}.

VLS had the support for contract readiness from Social Ventures Australia. Alex Oppes, who led SVA’s work has commented that when they were first approached VLS “*was not yet established*”. SVA helped with building a financial model, and contributed an early grant to hire a specialist consultant. They were also involved in guiding the negotiations on the contract. Typically SVA would not be involved at such an early stage but they “*knew Luke very well and banked on the contract*”.^{vii}

The case studies and experience of the UK Investment and Contract Readiness fund (ICRF) demonstrate that support for contract readiness can drive SEs to the next stage of growth and support the demand for social value. One such example was FCMS, a UK SE providing urgent health and wellbeing services that had been previously unsuccessful in securing a large-scale contract. Using a £50K grant from the ICRF, FCMS were successful in securing an £8m contract. Whilst FCMS had a good track record in service delivery, they felt that the ICRF-funded support made a “phenomenal” contribution on the financial modelling aspect of their bid, making it more robust and detailed.^{viii} Efficacy of the contract readiness component of the ICRF was high with every £1 spent on contract readiness delivering on average £23 in unlocked contract wins.^{ix}

Support for technical capabilities and capacity building to help SEs secure contracts drives scale, with or without the related need for investment.

Contract Readiness also cuts across another aspect of Impact Investment, Social Impact Bonds (SIBs). SIBs require significant technical assistance in the tender process and often involve high transaction costs. This can act as a deterrent to already highly stretched social sector organisations and specialist intermediaries to provide the services to enable bidding into these contracts. Support through a well designed contract readiness program could ease this burden and encourage participation.

Recommendation 2:

Establish a contract readiness fund to provide much needed capacity building support for social enterprises tendering for contracts to support their growth. It would also be highly complementary to government social procurement policies.

Impact Investing Australia has recommended the Australian Government has a role to play in supporting the development of blended finance models in the for profit for purpose sector. Our recommendation is for the development of a broader and multi-function social enterprise growth fund (\$15m + \$5m administration)

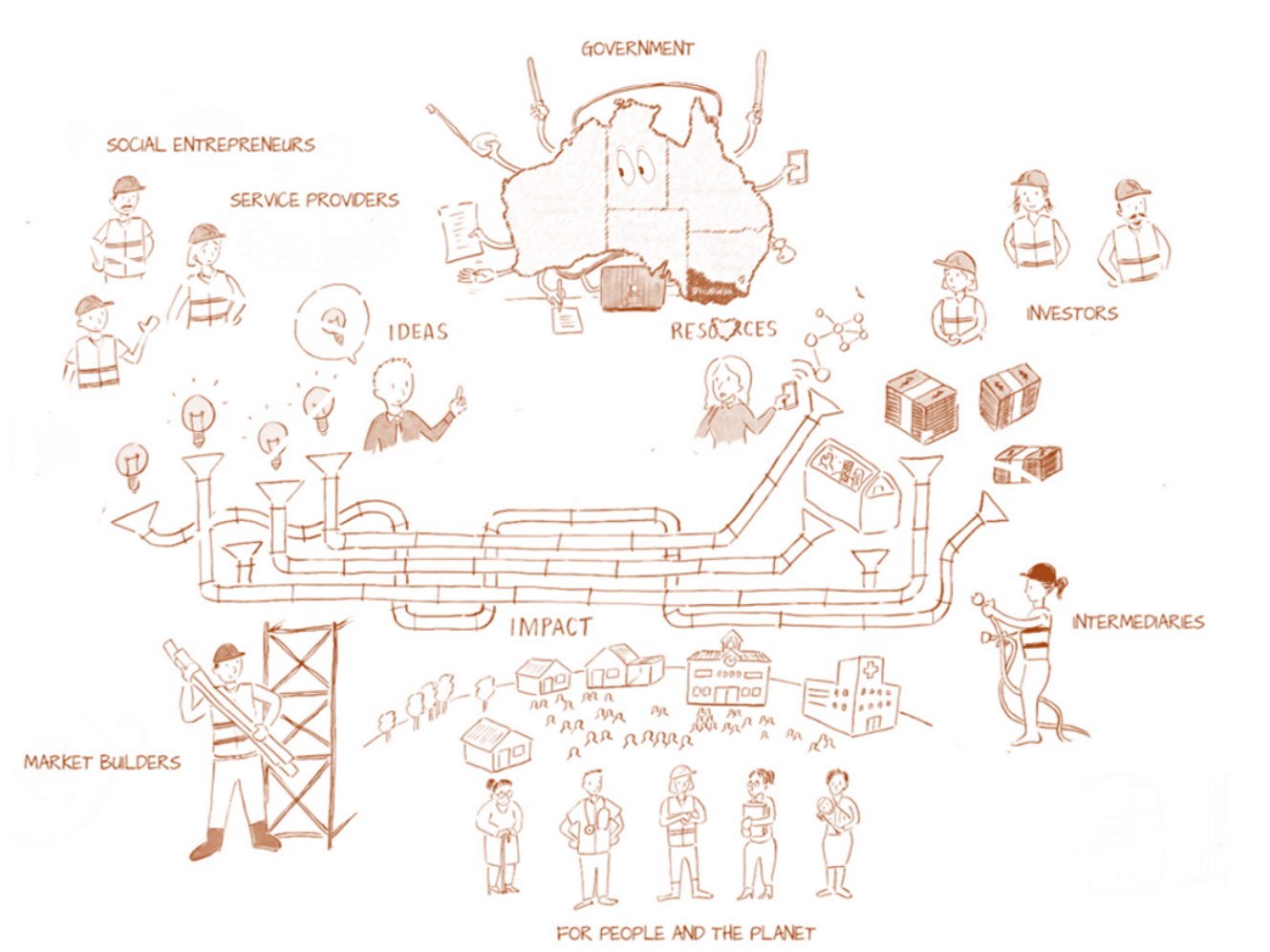
similar to the Access Foundation in the UK which is co-funded with philanthropy and/or corporate sponsorship and provides capacity building, mentorship, contract readiness support and earlier stage capital (eg. grants, concessional loans, equity) for social enterprises prior to the point at which they can raise more commercial investment. This could also support earlier stage Impact investment fund design. ^x

The interim report of the Australian Government Social Impact Investing Taskforce suggests that the Taskforce's final report could include a recommendation for additional government support for social enterprises seeking access to early stage funding.

Recommendation 3:

That the Victorian Government encourages efforts by the Australian Government to adopt this initiative and contribute funds to the national fund if established. If this policy is not adopted at the Federal level, the Victorian Government could lead efforts to establish such a fund in conjunction with other States and Territories

Theme 4: A more cohesive and connected ecosystem



Source: Views from the Impact Investing Playing Field in Australia on What's Happening and What's Needed Next, <http://www.australianadvisoryboard.com/publications> ; Achieving lasting impact at scale, Little, M, Dartington University, 2012

The growing social challenges facing Victoria are too large and complex to continue to be supported by government budgets, the social sector and philanthropy alone. Impact investing as a tool in attracting private capital to address these social issues has seen some initial Victorian government support for social enterprise development, social procurement and social impact bonds. Notwithstanding these excellent first steps, the impact investing market is yet to reach scale and deliver meaningful impact toward key social priorities for Victoria. More market building needs to be done to develop capacity, education and training, awareness raising, support intermediation and to demonstrate innovative socially focused business and financing models.

Within Government:

Our international experience and networks across the GSG have evidenced significant precedent in the establishment of a dedicated Office within government to build capacity and embed a whole of government policy for impact investing. This is particularly relevant for post-COVID recovery when alignment between

governments and departments will accelerate policy efficacy. Examples include: the Government Inclusive Economy Unit in the UK, The Dutch Innovative Finance Taskforce in Ministry of Foreign Affairs of the Netherlands and the Office of Social Impact Investment in NSW.

Centralising impact investing (including social enterprise, social procurement and social impact bonds) in one department and with a responsible Minister would give the Victorian Government the ability to both anchor its impact investing knowledge in one place and coordinate the agenda across departments and liaise across jurisdictions. It could enable a clearer line of sight to opportunities to mobilise private capital toward the social and economic outcomes required to accelerate recovery, build capability and attract new talent. Finally, the approach could provide a strong base for engagement with other key impact investing stakeholders such as business, social enterprises, investors and community to drive more effective collaboration around the steps required for effective post-COVID impact investment.

Recommendation 4:

Create a dedicated and cross-departmental Office of Social Impact Investment within a central department. This could build public sector capacity and create a go to place within government and across jurisdictions while ensuring impact integrity is maintained as the market develops.

Outside Government:

The cross-sector nature of impact investing requires a centralised and co-ordinating entity for all the stakeholders (including government) and a stable funding mechanism to support this market building activity. IIA has implemented and co-ordinated some important market building activities but the lack of a stable funding base exacerbated by COVID continues to be a major constraint. Market building will need to continue in the short to medium term to raise II awareness and build related capability in other sectors to complement government action and reduce dependency over time. A funded Impact Investing Institute could be a centre of excellence from which to drive collaboration; bringing together the work of cross-sector entities for pro-active and collaborative engagement with the government. The recently created Impact Investing Institute in the UK, which combined the UK NAB and the UK Social Impact Investing Taskforce (2016) is a working example of this government funded model.

Indicative components of an Australian Impact Investment Institute could be:

- 1) *Knowledge Hub* – driving education, training and thought-leadership.
- 2) *Eco-system & Capacity Building* - market development initiatives such as the provision of technical assistance, to build capacity and networks.
- 3) *Collaboration toward innovation & scale* – the Institute could co-ordinate organisations to pool resources, innovate and/or aggregate solutions or investment products to drive scale.

Recommendation 5:

Fund an independent Impact Investment Institute. This would bring together the key market actors already based in Victoria and mirror the example in the UK and provide a centre of excellence outside of government to help inform policy, drive market awareness and build broader sector capability.

Many of Australia's key actors in the impact investing market operate in Victoria. The Victorian Government has an opportunity to fund a Centre of Excellence which, through a focus on collaboration, will work to harness the collective power of these and other key actors.

Theme 5: Effective social impact and performance measurement

As the social enterprise and procurement market matures so too should the expectations around the clarity and validity of impact measurement and the attribution of impact to social enterprise activity or procurement practices.

The Victorian Government can contribute through incrementally advancing expectations of enterprises and vendors in validating their claims for social impact and in establishing new norms or helping to create new norms within the broader market.

Interest in more effective impact measurement practices is growing within the private sector and the for-purpose sector. There is also clear policy support at the Commonwealth level including the recent commissioning of a study by DSS specifically focused on outcome and impact measurement for social impact investing.

Recommendation 6:

That the Victorian Government seeks to harmonise and influence its efforts around those at the national level. This is important because many of the major enterprises and vendors with capacity operating within the Victorian economy and offering services to government also operate nationally. Harmonising policy and regulatory approaches to impact measurement and reporting across jurisdictions decreases compliance costs for the market, and also sends a stronger, more consistent signal that meaningful impact measurement is the new norm.

Impact measurement and management capacity building is a challenge for both SEs and providers with many mainstream providers still developing expertise in this area. SEs often struggle to identify metrics and there are often gaps in processes and culture which put at risk impact integrity and delivery. Current accelerator and incubator programs focus largely on business model fundamentals and sustainability rather than impact.

Recommendation 7:

The Victorian Government could consider funding for training/accelerator programs that target specific impact aspects e.g. organisational structure, culture and diversity considerations, impact measurement and management frameworks and related process design. These could be made available to both SEs and providers as appropriate.

Conclusion

Impact Investing Australia welcomes the leadership of the Victorian Government's social enterprise strategy and social procurement framework. We look forward to an opportunity to support the Government build upon these strong foundations measures to harness the potential of Victoria's for-purpose ecosystem and regenerative economy through impact investing.

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- ⁱ Hill, R & Addis, R, *Views from the impact investing playing field in Australia on what's happening and what's needed next*, Australian Advisory Board on Impact Investing, 2017.
- ii *ibid.*
- iii Ziegner, J; McCutchan, S and Hu, J, *Paving Pathways: A review of the Impact Investment Ready Growth Grant*, 2018
- iv Hireup website, <https://hireup.com.au/about/> accessed 16/12/2019
- v Brown, A., & McAllister, K., *Ready, willing and able: an interim review of the Investment and Contract Readiness Fund*, Boston Consulting Group, 2014
- vi Ziegner, J; McCutchan, S and Hu, J, *Paving Pathways: A review of the Impact Investment Ready Growth Grant*, 2018
- vii *Ibid.*
- viii Ronicle, J & Fox, T, *In Pursuit of Readiness: Evaluation of the Investment and Contract Readiness Fund*, UK, 2015
- ix Ronicle, J & Fox, T, *In Pursuit of Readiness: Evaluation of the Investment and Contract Readiness Fund*, UK, 2015
- x McCutchan, S., & Curatolo, S., *Pre-Budget Submission 2020-21*, Impact Investing Australia, 2020