

SOCIAL INNOVATION IN AUSTRALIA: POLICY AND PRACTICE DEVELOPMENTS

Although it has experienced recent improvements, Australia has historically lagged behind many OECD countries and several of its regional neighbours in its commercial innovation performance. While there is a considerable social innovation activity in Australia, it is not well-enabled by policy frameworks, and is often not documented or evaluated.

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INTRODUCTION AND BACKGROUND

Contemporary approaches to social innovation in Australia have to date focused largely on social enterprise development, new approaches to social finance and social procurement as well as citizen-centred social service reforms.

With its federated political system involving national, state and local levels of government, Australian policy support for social innovation has been patchy, while regulatory conditions continue to trail emerging practice. The absence of an explicit commitment to social innovation was a notable feature of the Commonwealth Government's innovation blueprint [1], released in 2017. Subsequent interpretations of this blueprint refer briefly to social innovation but focus only on financing – specifically, social impact investment – as an area for policy support. Broadly speaking, the language of social innovation has not gained traction in Australian policy discourse as it has in other world regions. The exception to this is in the state of South Australia which, influenced by social innovation leaders from the UK, supported the establishment of the Australian Centre for Social Innovation (TACSI) in 2009. TACSI is a leading intermediary for the demonstration and diffusion of social innovation in Australia, with a particular focus on disrupting disadvantage and enabling community-led innovation.

While the concept of social innovation has not taken hold in Australia, policy support for different practical manifestations of social innovation ranges from strong to weak and varies across states. Given the diversity of social innovation practice, four explicit domains – social enterprise, digital social innovation, co-designed and community-led innovation, and new approaches to social finance – are briefly considered below.

There are an estimated 20,000 social enterprises in Australia, operating in every industry of the Australian economy [2]. With a history of cooperative economics since European settlement, and a demonstrably enterprising not for profit sector, there is well-established practice in Australia in using the market to progress social goals. Social enterprise activity in Australia has gone through various waves informed by socio-historic developments such as the rise of new social movements, global economic restructuring, technological advances, and the march of neoliberalism [3]. Early adopters of neoliberal policy regimes, successive Australian governments have supported quasi-market developments in areas such as employment services and, more recently, services for people with disabilities. These encourage market-based activity of the third sector as service providers within quasi-market arrangements. While there is demonstrable activity in social enterprise in Australia, public policy support has been piecemeal. There is currently no national policy framework to support social enterprise development, and only one comprehensive framework in an Australian jurisdiction, the state of Victoria. National research conducted in 2016 indicates that Australian social entrepreneurs identify major opportunities for social enterprise development in: social procurement; quasi-market development, and opportunities to extend their social impacts through supply chain development. Major

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Social enterprise in Australia

constraints on the development of the field identified by participants included a relatively limited ecosystem for social enterprise development and piecemeal public policy support [2].

DIGITAL SOCIAL INNOVATION

There has been limited systematic effort to map digital social innovation in Australia, although one crowdsourced mapping effort (www.digitalsocial.org.au) is underway. Bespoke acceleration and incubation programmes are not widespread; however, there is some prevalence of open democracy and open access activity through socially-focused hackathons organised variously by civil society networks, universities and governments. Policy emphases on open access of data are increasing, with formalised government commitments to sharing some forms of data and increasing requirements of data access prescribed in government-funded research. In relation to digital activity and collaborative economy, there is evidence of various citizen efforts to utilise blockchain technology in support of social and environmental goals, such as residential sharing of excess solar power and enabling direct democracy and collective decision-making. The 'tech for good' movement seems to be gaining traction in Australia but at the time of writing can best be described as nascent. Collective aspirations regarding the advance of digital social innovation

in Australia are somewhat constrained by the digital exclusion of particular demographic groups [4], and many third sector organisations [5].

CO-DESIGNED AND COMMUNITY-LED INNOVATION

Australia can derive much of its learning about community-led innovation from our Indigenous people, who represent the oldest living culture on earth. With a large geography and sparse population, Australians also have a shared history of collective self-help, particularly in rural and remote areas since European settlement. In recent years, capacity building organisations such as Collaboration for Impact (collaborationforimpact.com) have emerged to support contemporary approaches to collaborating for social impact through effecting systems change. Australian governments are currently investing in collective impact initiatives to enable co-designed solutions to challenges in geographically disadvantaged areas and among marginalised social groups. Peer-led social programmes, such as TACSI's

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Family by Family programme – which engages and trains families experiencing disadvantage to coach and support others with similar experiences – are also gaining policy attention. Overall, though, explicit and comprehensive support for such approaches is not yet well-established in Australia.

NEW APPROACHES TO FINANCING SOCIAL GOALS

Australia has been an early adopter of relational financing instruments such as social impact bonds, although extensive use of these instruments has not been adopted and evaluative evidence of their impacts is minimal at this stage. There is growing experimentation in social impact investment by both philanthropy and mainstream financiers. At the Commonwealth Government level, there has been support for developing the impact investment market, starting with the establishment of a \$40 million Social Enterprise Development and Investment Fund in 2011, and more recent establishment of a sector readiness fund. Government and private efforts to stimulate supply appear to be successful, with investable impact investment product growing from \$1.2 billion in mid 2015 to \$5.8 billion at the end of 2017 [6]. Despite this success, research finds an ongoing mismatch between supply and demand, suggesting

that a wider suite of social finance options rather than impact investing alone is needed to effectively finance social change in the Australian context. Various Australian governments have been proactive in developing commitments to social procurement to stimulate market opportunities for Indigenous-owned businesses, social enterprises and other ‘social benefit’ suppliers. Ambitious social procurement policy goals are currently being implemented and evaluative evidence of their effectiveness is not yet available.

CONCLUSIONS

The story of social innovation in Australia is a mixed one, characterised by substantial but disparate activity, limited and uneven policy and regulatory support, and minimal documentation and evaluation to date. Whilst there are strong examples of social innovation across Australia, we are still a long way from building a coherent social innovation narrative and progressing solutions that match the scale of the challenges that face our society. At the time of writing, a number of major Australian institutions across all sectors are seeking to redress this situation by developing a Social Innovation Declaration that draws on local and international learning in support of a stronger social innovation ecosystem and blueprint for action.

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