



# SOCIAL CAPITAL RESIDENCIES

Preliminary Report | May 2017

*Doing good, better: creating opportunities for South Australia*

Prepared by:

Allyson Hewitt, Primary Thinker in Residence, Social Capital Residencies with the support of the Don Dunstan Foundation and The Wyatt Trust

**DON DUNSTAN FOUNDATION**  
INSPIRING ACTION FOR A FAIRER WORLD



**thinkers**

IN RESIDENCE

• SOCIAL CAPITAL RESIDENCIES •

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## Major Partners



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## Contributing Partners



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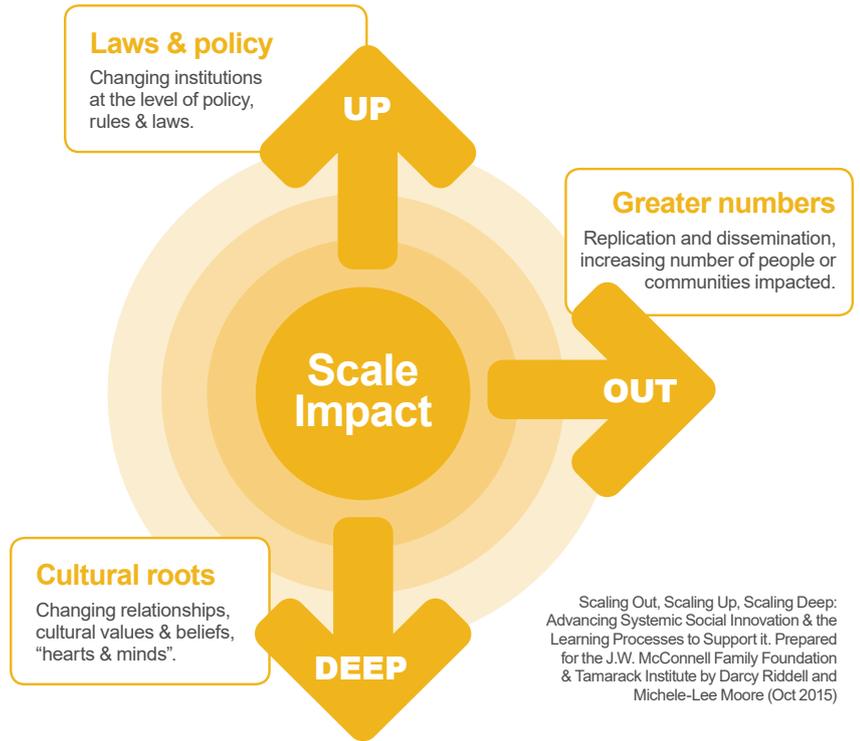
May 2017

# Social Capital Residencies

The Don Dunstan Foundation is proud to have re-launched the highly successful Thinkers in Residence program, which attracts experts from around the world whose knowledge, skills and creative ideas inspire action in the community, government, industry and academia to address some of the significant challenges our community faces.

The current focus of the Thinkers in Residence program is on social capital.

To put it simply, the aim of the Social Capital Residencies is to grow jobs in the purpose economy.



## The Social Economy in SA

The social economy is the fastest growing sector in the South Australian economy, with Australian Bureau of Statistics (ABS) figures showing employment in this area increased by more than 13 per cent between 2012 & 2015.

**13%**   
**Employment Increase**  
Between 2012—2015

**6**   
**BCorps**  
bcorporation.net

**110**  
**Co-operatives**  
Top 10 in SA have a combined annual turnover of \$1.5 billion

**179**   
**Social Enterprises**  
Social Traders Finders Index

**\$9 Mil**   
**Impact Investment**  
Through 1 social impact bond on homelessness  
Probono Australia

Thinkers in Residence Program:

**26** Residencies  
**24** Government (SA)  
**2** Don Dunstan Foundation

**\$200 Mil**   
**New program investment**  
between 2003 & 2013

2017

2018

MAY	JULY	SEPTEMBER	NOVEMBER
Allyson Hewitt VISIT 1	Suzi Sosa	Allyson Hewitt VISIT 2	Vic Strecher

Ilse Treurnicht	Specialist Thinker	Allyson Hewitt FINAL VISIT
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## Overview from Visit 1

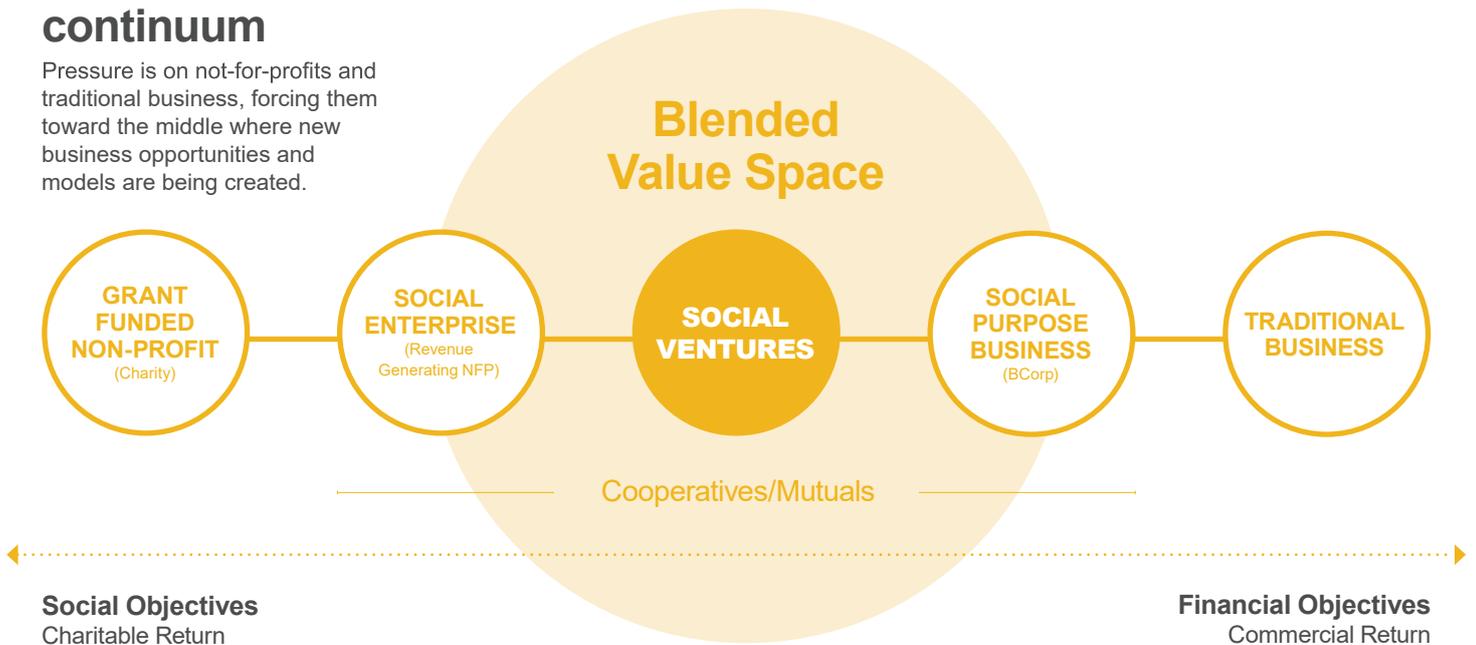
# Allyson Hewitt

Allyson Hewitt, Senior Fellow for social innovation at the highly successful MaRS Discovery District in Toronto, Canada. Allyson has developed and helps lead the social innovation programs at MaRS.



## Return continuum

Pressure is on not-for-profits and traditional business, forcing them toward the middle where new business opportunities and models are being created.



Reference: Return Continuum, Allyson Hewitt. MaRS Discovery District Toronto

## Foreword by Rob DiMonte

Chair of the Social Capital Residencies Partners Group



The Social Capital Residencies continues South Australia's unique approach to uncovering how the state can do better. The history of the Thinker in Residence program is filled with great people, new ideas and ultimately, timely solutions. Our aspirations for the Social Capital Residencies are no different. However, there are some important differences in how this Program is being undertaken. Firstly, it is community-led with 'invested' community partners driving the program and seeking to implement the ideas that flow. Secondly, it consists of a Primary Thinker with other specialist thinkers during the 18-month Program. Finally, the Program not only results in a Report at its conclusion, but also interim reports and monitored prototyping of ideas throughout the 18 months.

This first Interim Report caps off a remarkable visit from our Primary Thinker in Residence Allyson Hewitt. During her three-week visit, Allyson was able to connect directly with over 1,200 South Australians. This comprised over 70 events, five public functions, 11 round-tables and many more presentations and meetings. Her capacity to engage, and her energy and enthusiasm were something to behold. Those who had the opportunity to meet with or listen to Allyson came away buoyed by the possibilities of the Program.

The Social Capital Residencies Program is established to help bring social innovations to scale in South Australia by developing a social innovation ecosystem that supports the growth of investment-ready social enterprises, and to support a growing third 'for purpose' sector of the economy by breaking down the silos between business and social innovation ecosystems. We know that the social economy is the fastest growing sector in South Australia at approximately 13%, estimated to be worth \$32b in Australia with over 200,000 social enterprises employing over 300,000 people; however its growth is slower than other parts of the world. In the UK, which is a more mature social enterprise market, it is reported that social enterprises are thriving and outperforming small and medium-sized enterprise counterparts in turnover growth, workforce growth, job creation, innovation, business optimism and start-up rates. So essentially there is a strong case for us as a state to understand how we can make South Australia and Adelaide a Social Capital.

In Allyson's first visit she was able to quickly capture insights into South Australia's DNA and early observations of the opportunities that lie ahead. She was able to compare and contrast the social innovation developments in Toronto at the world class MaRS Discovery District with what is happening in South Australia, including the vision for the old Royal Adelaide Hospital site on North Terrace.

Perhaps her most telling insight thus far is – do not wait for governments to provide the answers or solutions. The community must lead and invite government to the table.

I would like to thank the hard working team at the Don Dunstan Foundation not only for the incredible job during Allyson's 3-week visit, but also for their commitment to the Program's success.

I would also like to thank all the partners in this process; without their support, enthusiasm and commitment this project simply would not have been possible.

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

Rob DiMonte  
**Chair – Social Capital Residencies**

## Social Capital Residencies – Overview

David Pearson

Executive Director – Don Dunstan Foundation



The Don Dunstan Foundation is a thought leadership organisation, working on collaborative projects to inspire action for a fairer world, and build on the legacy of Don Dunstan.

The Foundation has re-launched the highly successful Adelaide Thinkers in Residence program, which attracts experts from around the world whose knowledge, skills and creative ideas provide guidance to the community, governments, industry and academics.

The focus of the Thinkers Program at the moment is the Social Capital Residencies which are aimed at growing the social capital or purpose economy. According to the Australian Bureau of Statistics, the social economy is the fastest growing sector of South Australia's economy. We believe that much can be done to further grow this industry that not only creates jobs, but also helps solve pressing social problems.

Over the next 18 months, the Social Capital Residencies will welcome some of the world's most prominent experts to Adelaide and South Australia. This report is the first in a series and reflects the insights of our Primary Thinker, Allyson Hewitt, whose first visit to Adelaide was in May 2017.

These residencies will investigate how using different business models, such as social enterprises, co-operatives, mutuals, and for-benefit-corporations (or B Corps) can, not only create new jobs, but also do good at the same time.

The residencies will be a change-making process designed to support not-for-profit and 'for purpose' organisations to attract the private sector, philanthropic and government investment needed to address the most pressing social needs. The residencies will focus on the social services, education, health, creative, technology, and professional services sectors.

**The aim of the residencies is to build on South Australia's founding purpose, to be a better society, while addressing our most contemporary need – job creation.** The ultimate purpose, and hence the name, is for South Australia to be as well-known for social innovation as Geneva is for diplomacy or Tamworth is for country music. We want Adelaide to truly be the Social Capital of Australia.

The core aims of these Residencies are to:

- Help to bring social innovations to scale in South Australia by developing a social innovation ecosystem that supports the growth of investment-ready social enterprises.
- Support a growing social economy by breaking down the silos between the business and social innovation ecosystems. In particular, supporting and inspiring small, medium and large businesses, as well as the not-for-profit sector to improve their social impact.

We are doing this by:

- Mapping the social innovation ecosystem to consider how we can support job creation and 'do good, better'. See Appendix One for the summary of our first effort at this. Supporting a range of initiatives that the partners in the residencies are working on. Later in this Report is a summary of the initiatives that have been started or supported as a result of these Residencies.

- Building awareness of social innovation and the opportunities in the social economy through a wide range of events and activities. To help people understand the various concepts and the many 'buzz' words, you can find at Appendix Two a Glossary to act as a guide. We'll be adding to this throughout the residencies.

Also in this Report you will find some preliminary recommendations and initial insights from the various areas of focus from Allyson's first visit. Both Allyson and other Specialist Thinkers in Residence will add to this over subsequent visits.

I encourage you to get involved in any of these efforts by:

- Attending and encouraging others to attend our events
- Subscribing to the Social Capital Residencies mailing list on our website
- Sharing with your friends and colleagues any of the materials on our website, including the videos of all of our major events
- Getting in touch with the Don Dunstan Foundation team about how you or your organisation can be involved in the residencies generally, or any of our partner organisations about collaborating with them in the initiatives they are working on.

The success of these Residencies will ultimately be the result of the efforts of the partners in it. I encourage you to get involved, and to take action for a more prosperous South Australia and ultimately a fairer world.



David Pearson  
**Executive Director – Don Dunstan Foundation**

## About Allyson Hewitt – Primary Thinker

**Visit 1:** 1 May – 21 May 2017  
**Visit 2:** 18 September – 6 October 2017  
**Visit 3:** Mid-2018



The Primary Thinker for the Social Capital Residencies is Allyson Hewitt, Senior Fellow, Social Innovation, at the highly successful MaRS Discovery District in Toronto, Canada.

Allyson has developed and helps lead the social innovation programs at MaRS, including the national initiative – Social Innovation Generation (SiG); the social finance programs of the Centre for Impact Investing; the MaRS Solutions Lab (a lab designed to tackle complex challenges); and Studio Y, an initiative designed to support youth in thriving in the new economy.

Allyson has also been instrumental in growing the social innovation ecosystem; conducting public education; and influencing public policy, and she is currently leading an initiative to develop a pro bono marketplace for Canada.

### **About the MaRS Discovery District in Toronto**

MaRS Discovery District is one of the world's largest urban innovation hubs. Located in the heart of Canada's largest and the world's most diverse city, MaRS is uniquely placed to lead change. They bring together educators, researchers, social scientists, entrepreneurs and business experts under one roof. Founded by civic leaders on an old hospital site, they have a mission that is equal parts public and private — an entrepreneurial venture designed to bridge the gap between what people need and what governments can provide. Their purpose is to help innovators change the world.



## Preliminary Recommendations

To support growth of the social economy in South Australia we still need to:

**1. Continue to map the social capital ecosystem in South Australia.**

The process of mapping the social capital ecosystem in South Australia is as important as the outcome. Involving the many and diverse players across the ecosystem in mapping will: build social capital; build social innovation; build enterprise literacy; establish a common language; and provide new opportunities for collaboration and partnerships to emerge.

**2. Develop the business case for corporates to participate in the social capital ecosystem.**

There are a number of corporates in South Australia that could help us to develop a business case that would show the value of participating in the social capital ecosystem. This analysis should outline the benefits and risks involved in engaging with the ecosystem, but also the costs of doing nothing or holding the status quo.

**3. Support the work of Social Capital city network.**

Social Capital city network has brought together brilliant minds which are working together to grow the social capital community in South Australia. We need to support their work to bring more voices around the table, and better connect across industries and sectors.

**4. Find, develop and support intermediaries and weavers able to knit together parts of our economy.**

Further to the work of the Social Capital city network, we need to find the right intermediaries and 'weavers' who can connect the various parts of our economy that interact with each other.

**5. Strengthen the notion of Adelaide as a test city – thus building on the city's strengths.**

Adelaide's scale is ideal for prototyping and piloting new ideas and initiatives. It's a place where people can experiment and innovate in developing solutions to society's challenges.

**6. Tell South Australia's stories of excellence.**

We need to support more vehicles like the Don Dunstan Foundation Showcases that allow us to celebrate and share stories of excellence in the social capital ecosystem in South Australia. These messages have to be shared within South Australia and beyond.

**7. Leverage the old Royal Adelaide Hospital site redevelopment for social impact.**

The old Royal Adelaide site could become the place where we form a critical mass of social innovation activities – working across the sectors of science and technology, food and wine, smart city technology, well-being, health, ageing well, public sector reform and social enterprise. If we get it right, this could become a high-profile model for the world.

**8. Continue to support the not-for-profit players in the social capital ecosystem, particularly those impacted by self-directed care in disability and aged care, to find user-centric approaches to create greater social impact.**

The National Disability Insurance Scheme (NDIS) is having a profound impact on service providers in South Australia. We have already uncovered opportunities for shared services and other approaches that would result in a better impact for both the organisations providing the support and the customers using the services. Further work needs to be done to explore the opportunities in ageing well.

**9. Work with South Australia’s leading universities to find more opportunities to work together and lead the world in how this is done**

There are already some great collaborations happening and yet they are unknown to many both inside and outside our universities. Adelaide could model higher education collaborations by establishing initiatives like ‘MaRS Innovation’ that have resulted in better commercialisation opportunities through shared platforms.

**10. Work with the burgeoning start-up community in Adelaide to support them in their efforts to grow ventures with both a social and economic impact.**

As we build the social capital community we need to specifically support the development of the pipeline of new ventures that create social and economic impact. This includes supporting social enterprises, B Corps, co-operatives and examining opportunities for new corporate business models.

## Partners’ Initiatives

As a result of their participation in the Social Capital Residencies, several partners are already prototyping some interesting and important initiatives. We encourage you to get in touch with them about partnering in these efforts.

<b>Beyond Bank</b> <a href="http://www.beyondbank.com.au/">http://www.beyondbank.com.au/</a>	Keen to support efforts to grow the number and awareness of B Corp and cooperative business in South Australia.
<b>Business Council of Cooperatives and Mutuals (BCCM)</b> <a href="http://bccm.coop/">http://bccm.coop/</a>	Seeking to actively promote and grow the Cooperatives and Mutuals sector in South Australia through information and workshops.
<b>Community Living Australia</b> <a href="http://www.claust.com.au/">http://www.claust.com.au/</a>	Exploring shared services models with other disability organisations in relation to workforce training and recruitment as well as back-of-house operations.
<b>Freerange Future</b> <a href="https://freerangefuture.com/">https://freerangefuture.com/</a>	Supporting a South Australian B Corps strategy to grow the number of B Corps in SA substantially by 2020.
<b>Health Industries South Australia</b> <a href="http://www.healthindustries.sa.gov.au/">http://www.healthindustries.sa.gov.au/</a>	Seeking to work with life sciences companies at MaRS to create connections for South Australian businesses in relation to medical devices and clinical research trials.

<p><b>Helping Hand</b>  <a href="http://www.helpinghand.org.au/">http://www.helpinghand.org.au/</a></p>	<p>Investigating the opportunities to improve the management of workforce diversity and potentially commercialising the insights.</p>
<p><b>Meals on Wheels SA</b>  <a href="http://www.mealsonwheelssa.org.au/">http://www.mealsonwheelssa.org.au/</a></p>	<p>Investigating a pipeline of small, lean, experimental programs focused on increasing social interaction around meals, and improving food security for community members who tend not to access Meals on Wheels' services.</p>
<p><b>RAA – Royal Automobile Association of South Australia</b>  <a href="http://www.raa.com.au/">http://www.raa.com.au/</a></p>	<p>Investigating the potential of an Innovation Station to actively embed innovation in their daily, and future business operations.</p>
<p><b>Scope Global</b>  <a href="http://www.scopeglobal.com/">http://www.scopeglobal.com/</a></p>	<p>Investigating ways to better use the skills of their large returning international development aid volunteering alumni.</p>
<p><b>The Stretton Centre</b>  <a href="http://strettoncentre.com.au/">http://strettoncentre.com.au/</a></p>	<p>Supporting the review of their business development goals along with the development of a Stretton Fellowship to explore the economic benefits of social procurement for local jobs.</p>
<p><b>The Australian Centre for Social Innovation (TACSI)</b>  <a href="http://tacsi.org.au/">http://tacsi.org.au/</a></p>	<p>Mapping of the Social Innovation Ecosystem for South Australia.</p> <p>Working with the Office of the Public Sector on an Innovation Lab.</p> <p>Working with a select group of service providers to better manage the impact of the NDIS.</p>
<p><b>Volunteering SA-NT</b>  <a href="http://www.volunteeringsa.org.au/">http://www.volunteeringsa.org.au/</a></p>	<p>Looking for ways to take the significant amount of expertise and intellectual property that have been developed in South Australia in working with volunteers, and commercialise it by exporting it to others around the world.</p>
<p><b>Regional Development Australia (RDA) – Barossa</b>  <a href="http://www.barossa.org.au/">http://www.barossa.org.au/</a></p>	<p>Identify and integrate social impact measurement into ways of reporting and understanding the value that Regional Development Authorities have.</p>

<p><b>Economic Development Board (EDB)</b>  <a href="http://economicdevelopmentboardsa.com.au/">http://economicdevelopmentboardsa.com.au/</a></p>	<p>Bringing together stakeholders to highlight the economic and social impacts of developing an 'Ageing Well' policy and platform.  <a href="http://ageingwellrevolution.com.au/">http://ageingwellrevolution.com.au/</a></p>
<p><b>Department of Communities and Social Inclusion (DCSI)</b>  <a href="https://www.dcsi.sa.gov.au/">https://www.dcsi.sa.gov.au/</a></p>	<p>Are seeking innovative ways of delivering community services through supporting social enterprises.</p> <p>Also, looking at how new ways of procuring services like maintenance could help provide employment opportunities for long-term unemployed public housing tenants.</p>
<p><b>Mental Health Coalition – SA</b>  <a href="http://www.mhcsa.org.au/">http://www.mhcsa.org.au/</a></p>	<p>Investigating the potential of an Impact Investment initiative focusing on Mental Health services and support.</p>
<p><b>Business Models Inc.</b>  <a href="http://www.businessmodelsinc.com/">http://www.businessmodelsinc.com/</a></p>	<p>Is supporting many of the partners in the residencies to prototype initiatives and develop new business models.</p>
<p><b>Wyatt Trust and Fay Fuller Foundation</b>  <a href="http://wyatt.org.au/">http://wyatt.org.au/</a>  <a href="http://fayfullerfoundation.com.au/">http://fayfullerfoundation.com.au/</a></p>	<p>Exploring new Impact Investment opportunities for South Australia and how philanthropy can do its work with more impact.</p>
<p><b>Institute of Public Administration Australia (IPAA)</b> <a href="http://www.ipaa.org.au/">http://www.ipaa.org.au/</a></p>	<p>Providing leadership in Public Sector Innovation through intrapreneurship advocacy and capacity building.</p>

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*RAA has 700,000 members in South Australia – our challenge and opportunity is to engage them effectively in designing our future services for greater social impact and meet our members needs.*

Penny Gale  
General Manager, Engagement and Innovation, RAA

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## Insights



It is a rare opportunity to be invited to a place where you have the time and space to think. The chance to attend over 70 presentations, meetings and round-tables and connect with over 1,200 people directly has been a privilege. It has been an absolute pleasure to hear about what is happening in and around the social economy in Adelaide.

I look forward to following the journeys of our partners and other key stakeholders as they endeavour to create and grow both their economic and social impact.

## Context

### Adelaide: What the world needs

It is my belief that Adelaide can offer something the world desperately needs – space to think and have genuine conversations before we act. One of my favourite quotes comes from Albert Einstein who said: ‘*if I had an hour to solve a problem I’d spend 55 minutes thinking about the problem and five minutes thinking about solutions*’. We tend to do the opposite – we rush to the solution. The Thinkers in Residence Program is one example of how Adelaide gives people that time and space to say ‘what is the problem that we are trying to solve’ and ‘why’?



Opening Showcase – Allyson’s first presentation in Adelaide

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*Adelaide and South Australia offers the world a place to solve complex challenges by working across the public, private and community sectors while putting individuals at the centre of our challenges. The Thinkers in Residence program is helping to realise that opportunity.*

Allyson Hewitt  
Social Capital Residencies – Primary Thinker in Residence

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## The Current State

Adelaide is proud to be listed as one of the ‘world’s most liveable cities’.<sup>1</sup> There is however, an impetus for change driven by the need for jobs growth, particularly given the declining manufacturing sector. In contrast, demand in health care and social assistance is on the rise. This presents us with a significant opportunity to better understand and grow the social economy in South Australia.

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<sup>1</sup> <https://www.economist.com/blogs/graphicdetail/2016/08/daily-chart-14>

When I first arrived in Adelaide I was struck by the strong level of dependence on government, particularly state government. There are real pros and cons to that dependency. While government has been an innovator, is a large employer, and the employer of choice for many, innovating *within* the public sector, despite the best of intentions, remains challenging.



*David Pearson presenting at a Thinkers in Residence event*

These challenges include:

- A lack of joined-up government, as costs borne in one area (e.g. health promotion) result in cost savings in another (e.g. health). As a result, there is often very little space for disruptive innovation that works across departments.
- Some public servants feel responsible for saying 'no', seeing it as their job to minimise risk. In some instances, innovation may be actually punished as efficiency savings, resulting from innovative efforts often being clawed back.
- Senior management and politicians are often told what they *want* to hear, not what they *need* to hear.
- Not-for-profits often feel obliged to 'play nicely' with government rather than advocating for change or pushing innovation for fear of negatively impacting their chance for ongoing funding.
- Decisions are too often tied to short-term election cycles.
- The speed and short-cycling (of grant/employment/policy tenures) creates little flexibility or opportunity to develop or advance innovative ideas over the long-term.

The Social Capital Residencies program is a great asset, not only for the broader community, but for the Government of South Australia. It provides the environment for 'thinking big' about what kind of South Australia we want for current and future generations.

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*The South Australian Government is focusing on democratic innovation, exploring how social impact can be supported by government.*

Gail Fairlamb  
Department of Premier and Cabinet

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## The opportunity on the return continuum

Too often, there is a view of social objectives and financial objectives as being on opposite ends of a continuum. At one end, the traditional model of dependence of many not-for-profits on grants and donations is shown. At the other end, profit-driven businesses that focus on a single bottom line of profit are shown.

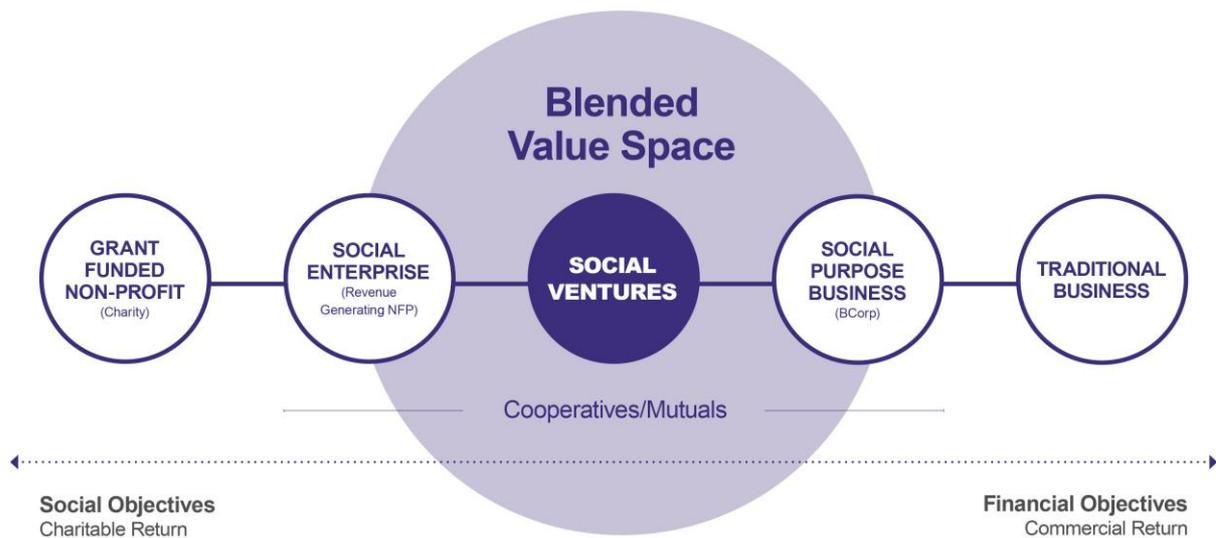


Figure 1. The Return Continuum

Today we see that pressure is being put on both ends of the continuum. Not-for-profits and traditional businesses are both moving toward the ‘**messy middle**’. This is the exciting **Blended Value Space** where new business opportunities and models are being created. Mission-first organisations need to think about generating income, or setting up social enterprises; while money-first organisations need to establish their social licence to operate, and consider creation of shared value programs, corporate social responsibility, or embracing new corporate structures such as B Corps.

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*It is in the messy middle where values are blended that social innovation accelerates.*

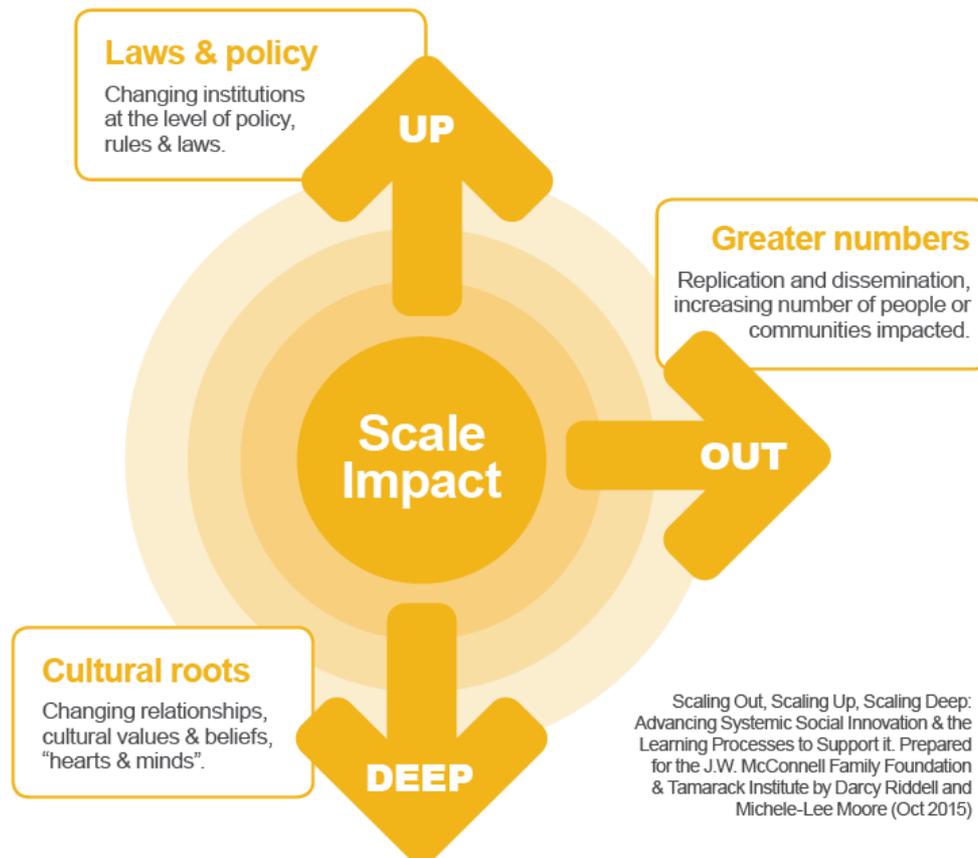
Allyson Hewitt  
Social Capital Residencies – Primary Thinker in Residence

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## Scaling up, out and deep

In order to achieve sustainable social change, we need to operate at scale. To do this we need to think about scale differently:

- Scaling out – where you increase your reach through replication and dissemination;
- Scaling up – which includes impacting laws and policy as a lever of change; or
- Scaling deep – ultimately impacting culture, values and beliefs.



**Figure 2. Scaling Out, Scaling Up, Scaling Deep**  
Based on the work of Darcy Riddell and Michele-Lee Moore

Each of these approaches brings different benefits and challenges. Ultimately our goal should be to scale deep, to create culture change, to contribute to changing values, hearts, minds and behaviours so we can see that things are actually being done differently. We must keep these *multi-layered approaches* in the forefront of our minds if we want to achieve substantive and long-lasting change.

### The value of working at multiple levels

At the MaRS Solutions Lab we have developed a 'Periodic Table of Systems Change' (Fig.3). This is an approach that **blends design and systems thinking to address complex social challenges**. We consider work that pulls the market levers; prototypes before moving to scale; impacts on policy; and work that addresses the adoption of innovation.

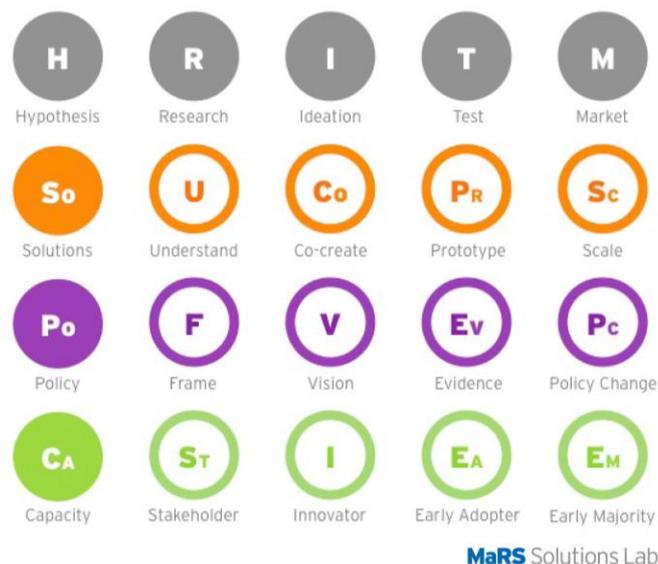


Figure 3. MaRS Solutions Lab's Periodic Table of Systems Change

A lot of time is spent in the process of defining the problem. Right now, we risk solving the wrong problems, as we don't take the time to understand the problem from different perspectives. Back to Albert Einstein who said that 'no problem can be solved from the same level of consciousness that created it.' If we are not having hard conversations with people that challenge what we're thinking, including end-users, then we will remain stuck with the same kind of thinking that caused our problems in the first place.

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*'No problem can be solved from the same level of consciousness that created it.'*

Albert Einstein

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Prototyping gives us the chance to start small, to learn, fail, and pivot in a risk mitigation environment. It also gives us much needed flexibility, or agility to pivot if things don't appear to be working; and critically engage end-users in the co-creation process.

Designing programs in ivory towers doesn't work. We have to think differently about how we do this work. Evidence is necessary but it is not sufficient. We need to create the ability within these institutions to receive and implement innovations. While we are building the supply of innovation (new ideas, programs, ventures, or services) we also have to understand the demand side – *will these existing institutions be ready and able to adopt these new innovations?* Our work is to ensure alignment between both the supply and the demand side of the innovation equation.

## The Hard Work

### Embedding innovation

Through the Social Capital Residencies, we are seeking to bring new perspectives to the table, to engage the divergent perspectives of different sectors, and arrive at convergent action. Thinking as a system and working more collaboratively can assist us in achieving sustainable social impact and positive economic outcomes.



*Allyson presenting at the Social Impact Measurement Network of SA event*

We have evidence of the Government's vision for South Australia as a hub for innovation. The *Adelaide Smart Cities Project* and the *Fund My Community Program* are examples of leadership in corporate and community engagement in democratic government. Similarly, the plethora of co-working spaces and start-up incubators demonstrate the motivation of the academic and entrepreneurship networks to collaborate to bring out the best Adelaide has to offer. In order to make *sustainable* change we need these multi-sectoral collaborations. No one group created can solve all our social challenges by working alone.

### Corporate engagement

Many corporations are driven to positively contribute to society – both locally and globally. Their ability to think systematically and roll out change at scale has significant value to those of us who want to grow social capital.

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*'Business has a big part to play in making South Australia the Social Capital. We need to meet this challenge with strong values and good purpose.'*

Nick Crowther  
Managing Director, Freerange Future

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This shift in corporate mindset is also reflected in the growth of For Benefit Businesses or B Corps. B Corps have redefined success as 'not only being the best *in* the world, but to be the best *for* the world.'<sup>2</sup> They voluntarily raise the performance bar relating to governance, transparency, and environmental and social impact. Currently, Adelaide has only six B Corps and yet there is potential to drive social change by increasing the awareness, number and scale of B Corps throughout the state.

### Not-for-profits

Through the Social Capital Residencies, we are working closely with not-for-profit service providers. Many not-for-profits feel inhibited by the current system of grants and funding. We want to look at the situation afresh and highlight opportunities to think and act more like a system. In systems thinking we start by putting the client at the centre. This helps us to focus on what is really important – the needs of the client and not our organisational needs.

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<sup>2</sup> <http://bcorporation.com.au/what-are-b-corps-0>

Another benefit of 'systems thinking' came to light during discussions with several not-for-profits in the care sector. It was identified that many shared the same part-time employees often duplicating Human Resources processes, induction and training, and rostering. For the employee, it's a revolving door of temporary contracts, shifting policies and procedures, and employment uncertainty. By re-designing 'back-end' operations, multiple service providers could reduce overhead costs, provide more stable employment conditions, reduce staff turnover and re-focus on service delivery rather than on the operational deliverables like Information Technology and Human Resources.

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*Working in partnership to push the boundaries where risk is recognised and mitigated but not seen as a barrier will see us build a sustainable future.*

Mark Kulinski  
Chief Executive Officer, Community Living Australia

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### **The National Disability Insurance Scheme (NDIS)**

The introduction of the National Disability Insurance Scheme (NDIS) has been a massive disruption to the sector. Using a consumer-directed care model, service providers must re-centre the client as a customer rather than a service user. Whilst some service providers are struggling to adapt to the change, others are demonstrating agility and innovation. Incubator programs such as the NDIS Impact Accelerator, run by Business Models Inc., provides opportunities and is a test bed for much-needed new approaches.



David Pearson presenting, and Allyson Hewitt at the Disability Round table

With a change of such significant proportions, it is expected to take some time before the sector stabilises. This is a prime opportunity for service providers to re-evaluate their value proposition and possibly create new business models, develop authentic client engagement platforms, and give consideration to the future of work in the sector. This includes addressing the ageing

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*We need to build on our existing strengths. We are exploring ways to have greater social impact through and beyond the delivery of a meal.*

Sharyn Broer  
Chief Executive Officer, Meals on Wheels

*We must recognise the strengths of our clients, so participation becomes an extension of organisational culture.*

Susan Emerson  
Helping Hand Aged Care Inc

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demographics of middle and upper management; how can the sector effectively transfer this knowledge, while remaining current and sustainable. The good news is that there is a range of organisations, such as TACSI, that are able to support these organisations through the transition.

## Universities

Adelaide is fortunate to have active academic institutions offering an impressive array of programs and services across sectors. Universities have been particularly successful in attracting international students, who may be an under-utilised source of talent. Each of our universities has outstanding entrepreneurship programs with incredible resources for South Australia. While shared activities exist many people don't know about them, what they do, or what they are capable of doing, or most importantly how this can help them. This is an opportunity to be realised as we re-conceive our universities 'beyond walls'.

## Financing the social economy

In South Australia, there are many private sector assets that can be unlocked for public good, including both philanthropic and impact investments. World-wide there is a trend to outcomes-based financing, such as Social Impact Bonds; but this requires not-for-profits and social enterprises to better demonstrate their impact. There are great examples of how this works in the UK and in Canada; and that more work needs to be done to determine the opportunity to unlock these private assets for public good.

## Diversity and Inclusive Innovation

To be reflective of South Australia's demographic realities, we must ensure innovation is inclusive. This includes working to engage the talents of those who live and work outside of Adelaide. For example, one of Canada's greatest innovations, the Women's Institute, is a rural innovation. As we work to grow the social economy and address local and global challenges, we need to ensure that we are listening to all ideas and solutions, especially to those from traditionally marginalised communities such as women, Aboriginal and Torres Strait Islander people, migrants and other populations. It is through the engagement of this diversity of opinion and experience that we will begin to see change that lifts as it climbs.

## Need for curation

Innovation requires intentionality. In order to make inclusive innovation work, we need real and serious curation. Realising that there are silos between and within sectors we need to find and promote intermediaries and network 'weavers' to bring together the parts that don't connect or even talk to each other. Innovation happens everywhere, but it accelerates on the margins. Through the Social Capital Residencies, the Don Dunstan Foundation, with the help of the residency partners, will be supporting the connections across these industries to develop systems that can support these connections and opportunities into the future. How we do this in an ongoing way will be something we need to explore further.



*Welcome sign for the Women in Social Innovation event*

# Opportunities

## Start-ups

South Australia has a burgeoning community of start-ups, enabled by a range of incubators and accelerators, most of which are positioned in academia. Currently these opportunities are not as easily accessible to citizens not attached to universities as they could be. There is an opportunity to amplify the effectiveness of these resources by creating new access channels and pathways into the innovation and entrepreneurship space.

Adelaide has a reputation of being a close-knit community, i.e. one to two degrees of separation between players, and yet the pace of change is described as 'glacial'. Re-imagining a sector or sectors as a system which shares resources can bring tangible and intangible benefits to multiple levels of the broader community. Business and government should also imagine ways in which they can share market intelligence and expertise which could save funds for all parties, better develop navigation pathways, and reduce duplication.

Through the Social Capital Residencies, we are undertaking an exercise to map the Social Impact Innovation Ecosystem to assist this cross-collaboration, in a similar way to that done by Paul Daly of Adelaide Smart Cities.<sup>3</sup> Appendix One provides a summary of the first effort to start this exercise. Further efforts will be taken in subsequent visits.



Figure 1. Adelaide Entrepreneurial Ecosystem



Figure 2 Social Impact Innovation Ecosystem - Design Workshop #1

## Talent

It is well-known that South Australia suffers from a 'brain drain', particularly of young professionals. What are we doing to grow new talent and create leaders for tomorrow? How do we create an environment that entices young South Australians to stay, or to return with their wealth of skills and experience?

At MaRS, we have created Studio Y, a youth leadership program that is designed to help train and shape future leaders. There is an opportunity to do something similar in Adelaide, focused on fostering the various skills needed for the 21<sup>st</sup> Century. This doesn't just mean the hard skills like artificial intelligence and advanced robotics, but also soft skills like influencing, systems and design thinking, and cross-sectoral collaboration.

<sup>3</sup> <http://investadelaide.com.au/news/adelaide-entrepreneurs-design-startup-ecosystem>

As mentioned earlier, Adelaide has been successful in attracting foreign students but may not be taking full advantage of this opportunity, for example to link to the diaspora to help grow the South Australian economy. Another example of where we are not capitalising on our assets is Scope Global. Scope Global is a specialist project management company delivering international development and international education programs throughout Asia and the Pacific. Currently there are 6,000 Scope Global alumni in Australia, 500 of whom are based in South Australia. The fact that there is nowhere for them to utilise what they have learned and use the expertise that they developed from their global experiences is a missed opportunity for South Australia.

### **Royal Adelaide Hospital – Creativity**

One of the greatest opportunities to overcome this fragmentation could be in the development of the existing old Royal Adelaide Hospital (RAH) site. There are many great minds working on what this site could become for Adelaide, but we do no one a favour by thinking small. There is the potential that this could become South Australia's site of 'inclusive innovation'. Innovation that includes not only economic and social impact but the creative industries as well.

The creative industries in this city are so strong so you could bring these disparate sectors together **for profit, for purpose and for participation**. A place that is not just focused on ideas or research, but that goes the next step to focus on implementation and knowledge translation – providing space for the integration of innovation that is economic, social and cultural.

### **'State of Mind'**

Adelaide legend, Gill Hicks, feels we should call South Australia 'The State of Mind'. I agree and this aligns my opening statement about Adelaide being a place to think, to try new ideas. Whilst South Australia does an amazing job of looking globally for innovation and best practices, Adelaide could brand itself as a place where people can experiment and innovate in developing solutions to society's challenges. This, along with the concept of inclusive innovation, could be a unique differentiator for Adelaide, offering a place to engage end-users in creating economic, social and cultural impact. To be the place that offers space for local and global leaders to come together to solve our complex challenges. The place the world needs.

### **Next Steps**

These insights and recommendations are the result of my first visit. The Don Dunstan Foundation team would love to receive any feedback you have on these. I'm looking forward to my next visit in September/October 2017 where I will have the opportunity to refine these insights and recommendations further, and to support the growing number of initiatives of the partners in the Social Capital Residencies.



*Allyson Hewitt delivering her first visit's Oration – 'South Australia - positioned for leadership in the social economy?'*

## Our Specialist Thinkers

The Social Capital Residencies is committed to seeking a diversity of global opinion and expertise to help Adelaide and its regions develop a social impact economy. The following identities are our specialist Thinkers in Residence who will build on the work done by the Primary Thinker as well as inject their own observations, expertise and recommendations.

### **Suzi Sosa, Austin, Texas, United States of America**

3 July – 11 July 2017

Suzi Sosa is the Co-Founder and Chief Executive Officer of Verb, a global social enterprise producing large-scale competitions focused on pressing social and environmental issues.

Suzi directed the university's social entrepreneurship program at the University of Texas, including creating and teaching graduate and undergraduate courses and leading the Dell Challenge, which engaged more than 25,000 student social entrepreneurs from over 100 countries.

Suzi has been involved in the social entrepreneurship space for more than 10 years, and co-founded several Austin non-profits focused on social innovation and entrepreneurship, including Innovation+ and Austin Women Entrepreneurs.



### **Dr Vic Strecher, Michigan, United States of America**

13 November – Early December 2017

Dr Strecher has been a Professor in the University of Michigan School of Public Health since 1995. He founded the Centre for Health Communications Research and has been leading investigator on over \$45 million in grant-funded studies.

With the University Dr Strecher founded HealthMedia Inc. in 1998, a company that develops and disseminates award-winning tailored health interventions to millions of users. Currently, as Director for Innovation and Social Entrepreneurship, Dr Strecher is helping the University of Michigan disseminate research to the real world, improving the public's health nationally and globally.

Dr Strecher received his PhD at the University Of Michigan School Of Public Health in 1983.



**Further specialist thinkers are currently being considered.**

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# Appendix 1 – Social Innovation Ecosystem Design Workshop #1 – Summary

## **Growing the Social Innovation Ecosystem in South Australia Ecosystem design Workshop 1**

### **Context/Why**

In 2012, Paul Daly of Adelaide Smart Cities created the first iteration of the Adelaide Entrepreneurial Ecosystem Map.<sup>4</sup> This ‘map’ identified some of the elements of the ecosystem across the various phases of entrepreneurship. This map has been invaluable to the entrepreneurial community, helping the various elements to work together like a system. A similar map of the social innovation ecosystem in South Australia is needed.

### **Purpose**

The Social Capital Thinkers in Residence Program’s purpose is to connect various sectors to build a thriving social innovation ecosystem in South Australia, which in turn, would help to grow the social economy that creates jobs and builds the social capital of South Australians. Recognising the success and usefulness of Daly’s work for the start-up community, the Don Dunstan Foundation with the help of Primary Thinker Allyson Hewitt and The Australian Centre for Social Innovation (TACSI) held the first of a series of workshops, inviting people from various sectors to begin to map the Social Innovation Ecosystem of South Australia, to ensure we have the right foundations and enabling factors in place locally to support a thriving ecosystem.

### **What happened**

The first workshop, held in May 2017, attracted 47 individuals from State and Local Government Departments, academia, not-for-profits, social enterprises, co-working spaces, philanthropy and community, who came together to begin to explore what a social innovation ecosystem could look like for South Australia. The workshop used Daly’s Entrepreneurial Ecosystem map as a starting point, encouraging those in the room to explore which elements needed to be added to the map to capture not just the entrepreneurial ecosystem, but the entire social innovation ecosystem of SA.

Eleven elements critical to developing an innovation ecosystem had been identified prior to the workshop and provided to the working group that then explored how these could relate to developing the foundations of a social innovation system locally by answering four key questions for each element:

- What else would you add to help explain this element?
- What examples already exist in South Australia?
- What inspirations from elsewhere should/could we learn from in relation to this element?
- What questions do you have about this element?

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<sup>4</sup> [http://coworkingsa.org.au/wp-content/uploads/2016/11/Adelaide-Entrepreneurship-Ecosystem-Map\\_March2016.pdf](http://coworkingsa.org.au/wp-content/uploads/2016/11/Adelaide-Entrepreneurship-Ecosystem-Map_March2016.pdf)

Groups then spent time working on various forms of systems maps, finding the connections between different elements, and identifying what was working well, what was working less well, and what elements were key to creating and enabling a thriving social innovation ecosystem.<sup>5</sup>

### **Take home**

The key messages from the first Workshop included:

- There is a hierarchy of the elements identified, some are critical and form the foundations, while others are nice to have but not essential
- There could be a timing or timescale dimension to the elements, with some being more or less important depending on the lifecycle stage of the innovation or enterprise
- The spaces between the elements are as essential as the elements themselves, i.e. culture, leadership, agency and others

### **Next Steps**

Workshop One was designed to look at the macro level of what elements needed to be included in a social innovation ecosystem, and to create a common definition for each element. This work will provide the foundations for Workshops Two and Three, which are planned for Primary Thinker Allyson Hewitt's second visit in October 2017, and third visit in early 2018. These workshops will delve further into where the gaps and opportunities are in South Australia and explore how we can move beyond our own organisational and sector agendas to build the levels of collaboration and rigorous engagement needed to create a thriving ecosystem (Workshop Two); and then reflect on what has been learned through the residencies and look to what still needs to be done (Workshop Three).

The Playbook of the Social Innovation Ecosystem Design Workshop #1 is available on the Don Dunstan Foundation Social Capital Residencies website.

**<https://www.dunstan.org.au/projects/socialcapital/>**

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<sup>5</sup> The outputs from these discussions have been captured in a playbook compiled by TACSI with the help of some of the workshop attendees; this can be found on the Don Dunstan Foundation website

## Appendix 2 – Social Capital Residency – Basic Terms Glossary

The Social Capital Residency – Basic Terms Glossary was designed to provide a reference for language definition and consistency. It is a separate document and may be found on the Don Dunstan Foundation website. <https://www.dunstan.org.au/projects/socialcapital/>