

Backing inclusive spirits

ENTERPRISES employing workers from disadvantaged backgrounds and people with disabilities will be boosted under a \$5 million strategy launched by the Victorian Government.

The Social Enterprise Strategy is billed as the first of its kind in Australia. There are about 5000 social enterprises in Victoria, employing as many as 75,000 people.

Examples include Long Street coffee shop in Rich-



mond North, training refugees and asylum seekers to work in hospitality, and Nadrasca printing in Nunawading, which employs workers with special needs.

Nadrasca was contracted by

the Level Crossing Removal Authority to undertake newsletters to keep residents informed about the level crossing removal program. The authority was so impressed it expanded the relationship.

Launching the strategy, the Government said the social enterprise sector already played a valuable role in the economic, environmental and social wellbeing of Victorian communities.

However, Industry and

Employment Minister Wade Noonan said there was room for it to keep growing and the Government would seek to assist social enterprises via innovation, access to market and building business capacity and skills.

"This is a landmark strategy that supports initiatives to grow jobs, boost market access and support the growth of social enterprises," he said.

The strategy, developed in consultation with stakeholders,

will look at doing simple things such as upgrading relevant information on government websites and in program guidelines to ensure social enterprises were in the mix.

The establishment of the Victorian Social Enterprise Network would support engagement of small and medium social enterprises with governments, intermediaries, buyers and other connections.

The Government is also looking to develop a whole-of-

government social procurement framework, providing guidance to departments and agencies about opening tenders and procurement opportunities for small and medium social enterprises.

The strategy also puts in place an online platform and events calendar to link government and corporate buyers with social enterprises.

economicdevelopment.vic.gov.au/social-enterprise

Investors reward thought for food

CLAIRE HEANEY

FOOD recycling champion Katy Barfield's vision to reduce the amount of food ending up in landfill has won the backing of investors to the tune of \$2.6 million.

Ms Barfield, who founded Yume in 2014, is looking to expand the platform nationally.

Yume gives suppliers an online vehicle to sell produce that has become surplus due to cancelled orders, is close to its use by date or is excess for some other reason.

Food is advertised and bought by businesses such as caterers, restaurants and manufacturers. Products are priced at a minimum of 20 per cent below wholesale price.

Some food that doesn't find a home is channelled to food recovery charities including Oz Harvest, FareShare and SecondBite.

Ms Barfield said the reuse also ensured all the water and power used from paddock to plate wasn't wasted.

Yume received \$100,000 through Impact Investing



Yume founder Katy Barfield. Picture: CHRIS EASTMAN

Australia last year to build an information memorandum to woo like-minded investors aligned with Yume's beliefs and not just concerned about the bottom line.

"We were very careful about who we approached. We ended up being oversubscribed," Ms Barfield said.

She said Yume resonated with people because it was socially and environmentally responsible and supported

primary producers. "It is still early days. It is a marathon not a sprint."

Among impact investors backing Yume are the Vincent Fairfax Family Foundation, Myer Foundation, English Family Foundation and other family offices and high-net-worth investors. Ms Barfield said the investment would be used to fine-tune the operation and appoint key staff.

Applications are open for

Impact Investing Ready Growth Grants, a joint effort with Philanthropy Australia, offering grants of up to \$100,000 to help businesses in the not-for-profit and for-purpose space to attract impact investment.

Also opening this week are Impact Investment Ready Discovery Grants of up to \$50,000, a joint effort of Philanthropy Australia, NAB and foundation funding part-

ners. "In order to address the social and environmental challenges facing Australia, we need a strong and vibrant not-for-profit sector with the capacity to develop and implement high-quality impact investing programs," Philanthropy Australia chief Sarah Davies said.

yumefood.com.au
philanthropy.org.au
impactinvestingaustralia.com

SEEKING RED TAPE RELIEF

A PEAK accounting group is calling on the Federal Government to simplify structures for small business to streamline and reduce regulation and red tape.

Institute of Public Accountants chief executive Andrew Conway said multiple structures were commonly needed to achieve tax outcomes that would otherwise be unavailable through a single entity.

"Small businesses seek measures which promote asset protection, the retention of profits for working capital, lower tax rates, access to capital gains tax discounts, succession planning and income distribution," Mr Conway said.

"When a small business operates through separate legal structures, the current taxation system treats the structures as taxation entities separate from their owners, resulting in a quantum leap in tax compliance and complexity."

He said a simplified small business regime combining the attributes of companies, trusts and partnerships would reduce red tape.

Shiny new rival wrestles with an irresistible foe in Facebook

IT'S hard to avoid Facebook these days. Facebook has become the ubiquitous online platform of our time.

Whether you spend time on Instagram, WhatsApp, Messenger or Facebook itself, the company has successfully created effective ways for users to build communities, communicate and consume content.

But of course, Facebook is an advertising business. And this means it competes with other advertising businesses — the majority of which should be worried.

In the US in 2015, for example, 65 per cent of ad dollars went to TV, radio and print. And yet Americans spent only about half their media-consumption time on



THE SHORT CUT with ANDREW MACKEN

these three platforms. Consumers spent 25 per cent of their media-consumption time on their mobile devices.

And yet only 12 per cent of ad dollars was spent on this platform. There is a clear mismatch here.

Advertisers have been slow to keep up with the evolving behaviours of consumers, but they are catching up.

The mobile ad spend also warrants examination.

In the US, social media advertising revenues have been growing at rates north of 50 per cent each year.

According to a US-based advertising consultant we spoke to, "advertisers should be spending 80-90 per cent of their mobile budget on social".

The reason? Dollars should follow eyeballs. And anyone with children aged 18-35 knows exactly where the eyeballs are today.

Facebook has become just about the most valuable tool an advertiser could ever hope for. Imagine a database of more than 1.9 billion monthly active users globally.

And as each of these users interact with the platform,

Facebook's algorithms are being continually updated, providing advertisers with precision targeting down to groups of about 1000 people.

Advertisers can determine who sees the ad, when they see it, in what format they see it — and can measure results every step of the way to better optimise for the next campaign. Such precision targeting dramatically increases the value proposition of Facebook as an advertising publisher.

Compare this to, say, TV, or print, or radio where the same message is blasted out to whomever might be watching, reading or listening at the time — with results that cannot be measured particularly well.

And for advertisers who may not want to advertise on Facebook or Instagram? It seems Facebook has them covered now, too.

Facebook recently built a network of third-party publishers, collectively called Facebook Audience Network, which allows advertisers to target consumers on third-party mobile apps and sites while still using Facebook's targeting algorithms.

If you are a competitor to Facebook, life is certainly tough. And of course, a hot new competitor to Facebook is the talk of the street and planning its initial public offering — Snap.

If you want to advertise to 12-24-year-olds today, Snapchat is a highly effective

platform on which to do so. But is it a business worth buying? That's up to you.

Here's our observations. In the December quarter, Snap grew its revenues by 29 per cent since the prior quarter.

Facebook delivered 26 per cent growth over the same period — despite being more than 50 times larger.

And Snap has not yet turned a profit. Over the past four quarters, Snap delivered an operating loss of nearly half a billion US dollars.

It's hard to make money in advertising these days.

It's hard, that is, unless you are Facebook.

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