



SOCIAL ENTERPRISE IN CHRISTCHURCH

By Lindsay Jeffs, Karla Gunby and Christine Lane

Acknowledgements

Thanks to all the organisations and people who have contributed to telling the story of social enterprise in Christchurch.

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Message from the Mayor of Christchurch

HON LIANNE DALZIEL

In 2017, Christchurch will host a major international conference focused on the global social enterprise sector - the Social Enterprise World Forum. This global event brings together social entrepreneurs and enterprising community organisations from all around the world, and its most recent sessions have involved thousands of participants.

Christchurch was thrilled to win the rights to host the 2017 Social Enterprise World Forum and we look forward to welcoming Forum participants and showcasing the tremendous social innovation and enterprise Christchurch has seen in the post-earthquake environment.

As this booklet demonstrates, Christchurch has long been an incubator and living laboratory for innovative practice, and it continues to be so.

The city collaborates with a number of partners in the sector to assist social enterprises to develop and grow. The case studies in this booklet highlight examples of the effort and teamwork that have gone into creating positive change in our communities through the vehicle of social enterprise.

Christchurch is an ever-evolving city and a natural choice as the host city for the 2017 Social Enterprise World Forum. While we continue to reinvent ourselves, we seek to model the principles of sustainability, innovation and creativity – characteristics at the heart of social enterprise and community resilience.

I look forward to welcoming you to Christchurch in 2017.

A handwritten signature in black ink, which appears to read "Lianne Dalziel".

Lianne Dalziel
MAYOR



Trees For Canterburys humble beginnings

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1 WHAT IS SOCIAL ENTERPRISE?

Social enterprise is not a new thing. From a worldwide indigenous perspective, what we call social enterprise can be traced back many hundreds or even thousands of years, to the days when the 'community' was the social enterprise. A collective undertaking was needed to ensure self-sufficiency in food supply; to cope with the effects of hunger, disease and war; to trade or form alliances to provide resources and tools; and to work within the limits of the natural environment.

Mapping its history in greater Christchurch and New Zealand has been challenging, particularly with the lack of an international or nationally agreed definition of what counts as a social enterprise. The term became widely used from the mid-1990s and its exact meaning has been debated ever since by New Zealand's academics, researchers, government officials and practitioners, along with their counterparts overseas. Without an agreed definition, each person, business, public body, organisation and consumer uses one that reflects their ideology, vision, culture and personality.

The ongoing debate mirrors the changing roles of the private, government and not-for-profit sectors plus the diversity and complexity of contemporary social enterprises. There are some characteristics that are universal. Most people and organisations agree that a social enterprise:

- has a clear social and/or environmental and/or local economic mission stated in its governing documents
- generates a significant proportion of its income from trading goods or services
- re-invests the majority of its profit into the business or to a charitable purpose. Some people insist that a social enterprise does not distribute profits to individuals

- is independent of the government
- is majority controlled in the interests of the social/ environmental or local economic mission. Some people insist that a social enterprise should be owned by members of a geographical or interest community (such as an ethnic or religious group)
- has its assets, if possible, legally protected and permanently retained in trust for the benefit of the community
- is accountable, with transparent reporting to a defined group of interested parties and to the wider community.

With these characteristics in mind, it would appear that in the case of not-for-profit organisations and Māori and Pacifica groups, social enterprise is part of an ongoing tradition. But for private, 'for-profit' businesses, social enterprise is a relatively modern development.

The not-for-profit sector encompasses voluntary organisations, charities, churches, workers' and craft unions, tribal (iwi) authorities, community-based organisations, non-governmental organisations, mutual associations, credit unions, incorporated societies, community enterprises, timebanks, local currency schemes, fair trade companies, worker co-operatives, social businesses, social firms and social enterprises. ■

SOCIAL ENTERPRISE IN EARLY NEW ZEALAND

In early Aotearoa/New Zealand, Māori communities undertook all social and economic work based on the needs of their collective kin group. The earliest inhabitants of Te Waipounamu/ South Island were Waitaha who were largely absorbed via marriage and conquest by Kāti Mamoe in the 16th century and subsequently by Ngāi Tahu in the 17th century. Kaiapoi was the first pā (fortified village) established after Ngāi Tahu migrated from the North Island. It became the tribe's largest and most important stronghold as the headquarters of its leading chiefs. Today Ngāi Tahu is the largest tribe of the South Island and a significant economic powerhouse in its own right.

KAIAPOI PĀ

By the early years of the 18th century, Ngāi Tahu had established a settlement of more than 1000 people at Kaiapoi Pā, which is located near the contemporary Kaiapoi township, 17 kilometres north of Christchurch. In selecting the pā site, Ngāi Tahu determined that kai (food/resources) would need to be poi (swung in) from other places, hence the name Kaiapoi. It is said that it can also be translated as a metaphor for 'economics'.

From this base, the tribe developed a system of food gathering, barter and trading. Goods were transported on foot and by sea. The tribe also made use of the regional waterways of the Rakahuri (Ashley river) and Waimakariri. Goods going in and out of Kaiapoi Pā included eels from Te Waihora/Lake Ellesmere, pounamu (greenstone) from the Arahura river on the

West Coast, tītī (muttonbirds) from Rakiura/Stewart Island in the far south, and tūhua (obsidian) from Tūhua/Mayor Island situated off the coast of the North Island. This movement of resources demonstrates the sophisticated trading networks that existed throughout Te Waipounamu (South Island) and between North and South Island iwi. The survival of this significant trading centre was noted by Europeans as late as 1844.

With the arrival of traders from around the world from the 1800s, a barter system was established exchanging household items, nails, whaleboats and guns for access to resources such as water, food, seals, whales, timber and flax. From 1835 whaling and sealing stations began to be established onshore under the authority of Ngāi Tahu chiefs who also developed their own significant business interests in sealing, whaling and the flax trade. By the 1830s, British settlement trading had become well established with iwi producing crops, pigs, fish and eels, as well as cultivating flax and providing labour and land. In 1834 Māori chiefs in the far north of New Zealand chose a national flag called the United Tribes flag so that their ships involved in the thriving trans-Tasman trade could be recognised by the law of the sea. By doing this they avoided their cargoes being seized or impounded and were allowed duty-free access to Australian ports.

In the years after the Treaty of Waitangi was signed in 1840, Māori lost the majority of their land and property due either to confiscation following the Land Wars (1845-1874) or by legislation such as the Māori

Land Act (1862) and the New Zealand Settlement Act (1863). Between 1844 and 1864, in a series of 10 land purchases, the majority of the South Island was purchased by the Crown from Ngāi Tahu. The largest was the 1848 Canterbury Purchase, commonly known as Kemp's Deed. However, the Crown then failed to honour its obligations under these land purchase agreements. Over the ensuing years the tribal authority of Ngāi Tahu was diminished, people were ostracised from their land, connections were fragmented, and language and knowledge suppressed. In 1865 the Māori Land Court was established, which transferred and privatised ownership of Māori land often regardless of Māori consent and in opposition to Māori customary rights. Despite the considerable setbacks and impact of colonisation, the tradition of Māori economic activity based on a collective approach was maintained throughout the 19th and early 20th centuries. After the settlements of Treaty of Waitangi claims with the Crown in the late 1980s, Māori whānau, hapu and iwi already engaged in business enterprises were given a boost in their capacity to realise economic and social missions.

EUROPEAN INFLUENCE

In Europe, writers often claim that the starting point for social enterprise may have been the social and economic system based on 'the commons'. This is where the use of land and resources was underpinned by communitarian values negotiated between families or the medieval guilds of workers. Both gave rise to the co-operative movement from the 1840s onwards.

The co-operative movement also played a crucial role in the social and economic development of rural and urban New Zealand following European settlement. Land-based industries such as freezing works and dairy factories were built on co-operative principles as farmers recognised that they needed to act together to process and market



Canterbury Workers Educational Association Box and Books Scheme 1926

their products. Urban based co-operatives in the retail, insurance and banking sectors were also established from the 1880s to the 1930s to provide workers with access to reasonably priced food and services.

Other European commentators view the birthplace of social enterprise as the socio-political movements that were established to counter the negative effects of laissez-faire capitalism in the late-1880s. These movements encouraged the formation of mutual associations; friendly, provident or incorporated societies and credit unions that stressed the importance of self-help and working together for a common social and/or economic purpose.

During the early years of European settlement in New Zealand, family and church-based organisations – alongside the newly forming associations, incorporated societies and credit unions – played a significant role in helping to alleviate the hardships associated with life. Many of these not-for-personal profit organisations believed that trading could be used as a means to

achieve socially inclusive, sustainable and thriving local economies and communities. Although these organisations did not use the term social enterprise, their approach to solving societal problems depended upon running a profitable entity. Examples include:

- Manchester Unity Friendly Society (established 1842)
- TSB Bank (formerly the Taranaki Savings Bank, established 1850)
- Young Men's Christian Association (YMCA) Christchurch (established 1864)
- SBS Bank (formerly Southland Building Land and Investment Society, established 1869)
- Young Women's Christian Association (YWCA) Christchurch (established 1883)
- New Zealand Credit Union Association (members have operated for more than 120 years)
- Nurse Maude District Nursing Association (established 1901)
- Farmers Mutual Group (insurance established 1905)
- Canterbury Workers Educational Association (established 1915)
- Girl Guides Association of New Zealand (established 1923)
- St George's Hospital, Christchurch (established 1928)
- Co-operative Bank (formerly the Public Service Investment Society, established 1928)
- Youth Hostel Association (established 1932)
- Māori Women's Welfare League (established 1951).



*Masterton Brownies 1958.
Girl Guides have been selling biscuits since 1957.*

The common driving principles behind these traditional social enterprises are those of self-help, mutuality, collectiveness, co-operation, localism and social purpose. Social issues such as unemployment, homelessness, housing and safety were considered the collective responsibility of society. Since New Zealand's establishment as a sovereign state in the 19th century, the government played a central role in the development of its natural resources of land, forests, water, minerals, geothermal and hydro power. It was the key developer of infrastructural services such as rail, roads, energy, communications and banking. ■

B

FROM THE 1930S TO THE 1970S

Following the Depression of the 1930s, which caused mass unemployment and a significant drop in household and national prosperity, the New Zealand government introduced measures to protect the domestic market for industrial producers and created a social welfare system for its citizens. The state became the major employer. New Zealand's citizens began to enjoy a relatively high standard of living thanks to the country's agricultural output, guaranteed markets, foreign investment and full employment.

The embedding of the welfare state meant that mutual, friendly and provident associations, common at the beginning of the century, and other not-for-profit sector organisations delivering health, housing, welfare and education, went into decline. However, the co-operative movement continued to flourish with farmer buying groups, such as the Ashburton Trading Society (ATS) established in 1963 and Combined Rural Traders Limited (CRT) established in 1973, entering the market.

In the 1970s these traditional co-operatives were joined by craft-based lifestyle co-operatives and collectives encouraged by funding received from programmes run by the Department of Internal Affairs. New Zealand's population reached three million in late 1973. During this decade Christchurch was evolving and maturing as a city, and hosted the Commonwealth Games in 1974.

During the 1970s urban communes and alternative lifestylers began to make their mark. A community arose in an area of Christchurch called the Avon Loop, whose members (known fondly as 'Loopies') began promoting environmental awareness and self-sufficiency. Many social initiatives were started in this fertile socially aware community.

In 1976, Christchurch opened New Zealand's first environment centre, jointly funded by the Ministry

for the Environment, Environment Canterbury and Christchurch City Council. (It remained open until 2009 when the promotion of green information, goods and services and an eco-shop became superseded by the internet and reduced funding streams.)

Throughout its history Christchurch has been a leading centre strongly linked to the growing environmental, feminist and international fair-trade movements, which began to establish social enterprises. Examples include women-focused bookshops such as Kate Shepherd; environmental groups such Friends of the Earth (FoE), which ran a mail-order bookshop and roof-painting operation; the Maruia Society's retail outlets; and Christchurch's Trade Aid NZ Importers with their national network of shops.

The prevailing social and economic arrangements of a mixed regulated economy was undermined by a massive deterioration in New Zealand's terms of trade due to Britain's entry into the European Economic Community (1973) and the oil crisis of 1973/74. The political response of borrowing money and subsidising exports, coupled with the business sector's reliance on a protected economy, failed to alleviate the problem. By the late 1970s New Zealand was experiencing a general economic slowdown accompanied by rising unemployment. ■

TRADE AID

Helping talented people around the world improve their lives through trade

The Trade Aid store is a familiar feature of the New Zealand high street, offering craft and food products from 60 trading partners throughout the developing world. At the heart of these shops lies the aim of helping talented people around the world to improve their lives through trade.

The history of Trade Aid begins in the early 1970s, when founders Vi and Richard Cottrell first travelled to India to work with Tibetan refugees. On their return to New Zealand, the Cottrells began to import Tibetan rugs to help support those refugees. This soon developed into a broader enterprise that aimed to help struggling farmers and artisans from the developing world gain access to our markets.

From this small idealistic enterprise, the Trade Aid Movement has grown to encompass a group of 31 shops (six in the South Island and 25 in the North Island) that has engaged thousands of New Zealanders as staff and volunteers, and hundreds of thousands as customers. Outside of these shops, Trade Aid Importers supplies about 20 per cent of all speciality coffee beans to New Zealand roasters, and its food products are found in organic shops and supermarkets up and down the country. Chocolatiers

source their chocolate from its factory (founded in 2015 in Sydenham, Christchurch) and manufacturers use Trade Aid sugar, cocoa and drinking chocolate in their own recipes.

Alongside its work in trading goods, Trade Aid aims to raise the level of knowledge of trade justice within New Zealand. Its education programme includes up to 400 public presentations each year, mostly carried out by education volunteers. Trade Aid's curriculum resources on trade justice are used by New Zealand teachers from primary school to university level. Trade Aid's aim is for New Zealanders to be 'agents for change' by becoming informed consumers with an awareness of where the items we use and consume come from and the true cost to the producers and the environment.

Over the past 40 years, Trade Aid has championed a home-grown trading model based on long-term partnerships, fairness, transparency and commitment. As a result, it has helped many people in poor, often remote regions of the developing world improve their lives through trade. ■

TRADEAID.ORG.NZ



PIKO WHOLEFOODS CO-OPERATIVE

A shop with its heart in the community

Piko Wholefoods Co-operative began trading in March 1979 in a small shop in Kilmore Street, Christchurch. The shop aimed to place people before profit and enhance community wellbeing. These social enterprise principles are still firmly embedded today.

One of the reasons for starting Piko was to provide an outlet for organically grown produce in the area. The co-operative's fulltime worker at the time grew most of the vegetables on empty sections in the Avon Loop area. Today the shop stocks organic, GM-free produce from growers all over Canterbury and beyond. The shop's ethos is sustainable, wholefood, organic and local first, with a focus on transparency and information available to customers.

From the start Piko was committed to bulk purchases and simple, self-packaging to keep prices down. Piko has always been a workers' co-operative, operating collectively and providing flexible working hours, part-time work and an interesting alternative to the boss-worker relationship. Knowledge of tasks is shared so that all members understand the different functions and are given the opportunity to learn new skills. Piko's social mission is key to all decisions; all ethical and cultural decisions have to be made by consensus and the co-operative meets monthly giving time to this process, which can be lengthy.

Piko Wholefoods and Crafts Co-operative, as it was known in the beginning, has always taken a political stand. Not party political but political for social change. As numbers and activities grew the Piko group formed Te Whānau Trust ('the family' in te reo) to be an umbrella structure and to co-ordinate its activities in the northeast inner city of Christchurch. This trust was set up to be a charity so that profits could be distributed to the wider community. Over the years Te Whānau Trust has given away tens of thousands of dollars to community groups with similar sustainable, environmental and social concerns.

The original iconic triple-brick-skinned building that was the Piko Wholefoods home for more than 30 years was destroyed in the February 2011 earthquake. Piko spent four years in Stanmore Road continuing to provide organic and wholefoods to Christchurch and Christchurch continued to support their endeavours. In 2016 Piko Wholefoods moved back to its original site and into a new eco-friendly building that generates solar power and is a hub for conscious living. ■

PIKOWHOLEFOODS.CO.NZ



4 THE 1980S

The collapse of the regulated economy in 1984 resulted in New Zealand moving from being one of the most regulated to one of the least regulated economies in the world. Successive New Zealand governments embraced the ideology of neo-liberalism, which considers the market to be the primary means of realising public good and encourages individualism, private ownership, competition, globalisation and a focus on profit. Social and environmental issues were being re-cast from the responsibility of society to the responsibility of the individual.

To achieve the neo-liberal agenda, governments embarked on a programme of selling public assets, deregulating the labour and banking markets, removing tariff protection from New Zealand manufacturers, entering into free-trade agreements and encouraging foreign investment. They promoted the demutualisation of mutual associations and credit unions while undermining the co-operative enterprise model. As part of this change, New Zealand's for-profit business landscape, based on family-owned businesses and national corporations, gave way to transnational and multinational corporations which possessed significant advantages in accessing finance, global markets, technology, skills and economies of scale.

TACKLING RISING UNEMPLOYMENT

In response to growing unemployment in the early 1980s, work trusts were formed by enterprising community agencies and some local councils, with Christchurch being in the lead. Some of these combined to form employment resource centres, which developed

managed workspaces and business incubators or provided training and advisory services to assist unemployed people enter into self-employment using government support packages.

A number of New Zealand local councils set up economic development agencies. In Christchurch, the Canterbury Development Corporation (CDC) was established in 1983 and is one of the longest serving economic development agencies in New Zealand. The CDC drives economic development in various ways, providing business growth services, overseeing sector development projects, supporting innovation and helping business start-ups. It is also involved in developing and monitoring the Christchurch Economic Development Strategy, implementing some of the projects.

Local government was not immune to change during the 1980s as central government began a process of encouraging the amalgamation of local governing bodies. As a result in 1989 the Christchurch City Council took over the functions of four smaller surrounding councils and the Christchurch Drainage Board amalgamating into the multi-faceted single entity it is today. ■

CHRISTCHURCH SMALL BUSINESS ENTERPRISE CENTRE

A community response to rising unemployment

Christchurch Small Business Enterprise Centre (CSBEC) was established in 1983 as a community response to rising unemployment following structural changes in the New Zealand economy. Its remit was to provide a range of services to disadvantaged individuals and communities in the Canterbury region, working closely with work co-operatives and temporary employment providers. When new employment initiatives were developed in the mid-1980s, CSBEC remodelled its operation. In 1986, it began providing a range of services to assist long-term unemployed people into self-employment under contract to New Zealand Employment Service (later Work and Income NZ).

In 1987, the Barefoot Accounting Group was the first of many social enterprises to come out of CSBEC. Barefoot Accounting was created to provide an affordable accounting service to private fee-paying clients. In 1988, CSBEC started to provide fee-based training and advisory support for start-up and existing micro and small business owners, and in 1990 became a 'Be Your Own Boss' programme provider, funded by the Community Employment Group and Work and Income. As well as the private courses, CSBEC provided services for the unemployed through Job Action Workshops, an employment placement service under contract with Work and Income.

In 1999, the centre began to offer business training and advisory services to migrants who had been resident in New Zealand for less than two years and who wished to become self-employed or invest in a New Zealand business. Such courses were provided in English, Mandarin and Korean.

Since its inception, CSBEC was involved in local economic development projects and in 1994 it developed a joint venture company – Canterbury Marketing and Export Trading House Limited – to assist small and medium enterprises wishing to enter into the export market. In 1998, CSBEC established the Canterbury Community Business Trust as a means of separating its social enterprises from its core activities. The trust acted as an umbrella in the establishment of several social enterprises including WormBiz, Graham's Gaelic Bread, The Housing Renovation Project and One-on-One Driving Solutions, which still operates today.

From 1991, CSBEC acted as an umbrella organisation assisting in the formation of many community organisations and provided serviced office space for organisations who provided complementary services. As a result of its operations, in an average financial year, CSBEC earned more than 80 per cent of its income from trading – 40 per cent government contracts; 35 per cent fee-paying clients and 5 per cent rent. CSBEC ceased trading in 2015. ■

WHALE WATCH KAIKOURA

Where the world of nature is revered rather than exploited

Whale Watch was formed in 1987 at a time when Māori were casualties of Kaikōura's declining economy. At this time of difficulty, Ngāti Kuri leaders like (the late) Bill Solomon believed that the local sperm whales held the answer to the unemployment problems of Māori. Legend said their ancestor, Paikea, had journeyed to a new life in New Zealand on the back of the whale Tohorā. It seemed appropriate for Paikea's descendants to again ride on the back of the whale to a new life and prosperity. And so it proved to be.

The Ngāti Kuri founders of Whale Watch mortgaged their houses to secure a loan to start the business. In the early days passengers travelled aboard a 6.7 metre inflatable vessel carrying eight passengers at a time. In the first year, 3000 passengers made the trip. The venture proved popular and in time, the inflatable was replaced by a larger vessel with an upper viewing deck. Today the Whale Watch fleet numbers four modern catamarans specially designed for whale watching, holding 48 passengers each. Now up to 100,000 passengers can be carried a year.

The success of Whale Watch enabled Kaikōura to become one of New Zealand's leading eco-tourism

destinations. The company has won numerous awards, including the 2014 Australasian Responsible Tourism Award and in 2010 the World Travel and Tourism Councils, Tourism for Tomorrow Community Benefit Award. Whale Watch's success has stimulated investment in the town, including new accommodation, restaurants and an impressive array of cafes and galleries filled with the work of local artists.

A 7.8 magnitude earthquake in November 2016 has had a huge impact on Kaikōura and all its businesses, damaging infrastructure and buildings, though mercifully taking only two lives. It says something about the resilience and strength of the local community that many of the businesses are up and running again, including Whale Watch.

Since the earthquake Whale Watch has been running at 25 per cent of its normal capacity because it can use only one of its four vessels due to work still taking place to repair the marina. (Three vessels are in storage in Wellington until the marina is completed). ■

WHALEWATCH.CO.NZ



WAI-ORA FOREST LANDSCAPES LTD

Helping people grow

Wai-ora Trust was established in 1981 with the aim of 'helping people grow'. It wanted to promote and support projects and community-based businesses that would develop people, the environment and the local community. Over the next decade, various projects were carried out but the trustees soon realised that funding these social endeavours through grants and donations would always be a challenge. Not wanting to be solely dependent on outside funders, they decided to create a standalone charitable company.

Wai-ora Forest Landscapes Ltd was formed in 1996 by merging several of the trust's existing trading departments. Over the previous 15 years, the Wai-ora Trust Nursery had been producing native plants for Canterbury revegetation and, more recently, it had been involved in landscaping and forestry. The merger enabled the company to expand to include waterway and wetland restoration. With the Wai-ora Trust's historical commitment to the restoration of people and environment, the company was able to take up work in the area with enthusiasm and experience.

The company has since expanded and diversified further, competing successfully for tendered work and gaining increased credibility and status in the landscaping trade. Clients include local authorities, civil works contractors, building contractors, project management firms, property developers, farmers and lifestyle block owners.

In 1991 Wai-ora Forest Landscapes was the joint winner of the inaugural Canterbury Resource Management Award and has become a leader in native revegetation with its on-site nursery producing tens of thousands of native seedlings each year. As of 2016 the nursery, along with its ecological restoration and landscaping team, employed more than 40 fulltime staff, as well as part-time and seasonal staff and sub-contractors.

However, like many social enterprises, Wai-ora has had its share of challenges. In post-quake Christchurch, there has been an unprecedented growth in competition as North Island companies and start-ups entered the local market. Surviving in a shrinking market where past loyalties are replaced by dollar values is creating a difficult environment for Wai-ora Forest Landscapes in 2017.

The greatest challenge has been the lack of continued support from donors and grant organisations. As the Trust's asset base has grown in order to compete in an asset-heavy industry – the Trust has been determined to become debt-free – funders at local and government level have decided that Wai-ora does not require funding support to operate. The old adage of being asset rich and cash-flow poor applies well to Wai-ora which, due to the challenges it now faces, is having to consider restructuring and asset sales to continue to support the community it serves. ■

WAIORALANDSCAPES.CO.NZ



THE 1990S

The 1990s proved to be a decade of political and economic change in New Zealand that led to some deep social consequences. Welfare benefits were cut in 1991, Housing New Zealand rentals were assessed and set at the market rate, and the Employment Contracts Act was passed, which increased the number of casual workers.

These major changes were accompanied by rising levels of unemployment, regional economic disparities and poorer health outcomes. In 1990 the New Zealand government established the Community Employment Group (CEG) with the aim of addressing these issues. The agency provided funds to help establish community-owned businesses or social enterprises alongside volunteer and charitable organisations in various sectors, including health, housing, recreation, tourism, waste recycling, local economic development and community facilities. The CEG also funded visits by leading overseas experts to New Zealand to encourage social enterprise and entrepreneurship.

In 1993, the Canterbury Development Corporation (CDC) created the Community Initiative Fund to support not-for-profit organisations to become social enterprises. This was to provide opportunities for those least advantaged in the labour market. Ten agencies received \$50,000 per annum for three years and many still operate today, including Trees for Canterbury, Kingdom Resources Trust and Catapult Employment Trust. Other initiatives included the Community Artist Wage and the Adult Community Employment (ACE) scheme, which provided a wage subsidy to assist the development of community organisations and social enterprises. Christchurch led the

country in co-creation and leveraged off the government employment assistance subsidies with local partnership funding. The benefit was twofold: assistance at the start-up phase of the business and employment opportunities in caring and supporting environments.

The 1990s was also the beginning of the Treaty of Waitangi settlements with iwi Māori. The Ngāi Tahu Claims Settlement Act was passed in 1998. Ngāi Tahu used the economic redress money it received from the New Zealand Government to continue investing in a range of commercial operations such as property, tourism and agriculture. The iwi reinvests its profits in its people through the delivery of programmes including Te Reo Māori (Māori language), cultural revitalisation, marae development, environmental management and educational programmes for rangatahi (youth).

With the assistance of settlement monies many Māori tribal (iwi) authorities were able to realise their long-term aspirations to develop specific social enterprises as a means of fulfilling both social and economic missions. Examples of social missions included increasing iwi members' education, health, employment prospects and wealth through the running of profitable collectively owned businesses. ■

COMMUNITY EMPLOYMENT GROUP

Building employment and enterprise in communities

The Community Employment Group (CEG) was established in 1991 by the Department of Labour as a result of the government reviewing enterprise assistance. It was a merger of existing community-based programmes that championed social, economic and employment outcomes at a time when the national unemployment rate was 10 per cent. It operated until 2005.

The CEG comprised diversely talented regional teams of advisers that helped local communities stimulate, plan and test new and entrepreneurial ways of saving and creating jobs. International and New Zealand models were showcased in a monthly magazine *Employment Matters*.

As well as giving advice, planning assistance, networking experts and success stories, the CEG also funded local not-for-profit projects through a series of programmes, some of which were spearheaded in Christchurch, such as *Business Grow*, *Company Rebuilders* and the *Mature Employment Service*. The national programme mix included *Be Your Own Boss* training, marae-based development (*Mahi A Iwi*), *Pacific Women Small Business Development*, *SportWorks* and *Community Employment Organisations*.

This period was rife with emergent social enterprise ethos (profit reinvestment with quadruple bottom line reporting) and produced numerous Canterbury examples such as: the *Small Business Enterprise Centre*, *Wai-ora Forest Landscapes*, *Kaiapoi Community Care*, *Trees for Canterbury*, *Pacific Underground* and *Hurunui Recyclers*. Many have survived or advanced into new forms. ■



In 2018, Pacific Underground celebrates 25 years of Pasifika arts through performances, events and workshops.

PROJECT LYTTELTON

A vibrant sustainable community project creating a living future

Project Lyttelton is a community group in Christchurch's port town suburb of Lyttelton. The organisation's mission for the past 15 years has been to create a vibrant sustainable community. Today Project Lyttelton is known all around New Zealand and even internationally among the sustainability sector.

Anyone who is keen to champion an idea is encouraged to do so. If it fits with the organisation's mission, a supportive team is put in place. Project Lyttelton tries to incorporate the ability to generate an income into each of its projects. Some projects are more adaptable to this than others. Over the years many projects have been undertaken and still continue.

- Lyttelton Farmers' Market – This is a weekly market operating all year. It has a steady source of income from stall fees. It is well supported by local stall holders and promoted across the city.
- Lyttelton Harbour Timebank – New Zealand's first timebank. It was set up 10 years ago and played a significant role during the earthquakes to support the affected community and mobilise local resources.
- Seasonal festivals such as Lyttelton Harbour Festival of Lights.
- Local Garage Sale – The whole community donates the goods for sale. The shop is open four days a week and is staffed mostly by volunteers. Any

community group can apply to run the shop for a day and take the proceeds.

- Food Resilience and its associated Grow Harbour Kids – A programme for children to create a children's kitchen garden network through local schools and preschools.
- Waste Matters Project – Active primarily at the Lyttelton Farmers' Market, with the goal of reducing waste to landfill through various initiatives.
- LIFT library – Open to members, offering more than 300 books on matters of resilience.
- Community Garden.
- 'Gather' – a combined social enterprise venture with two other not-for-profit groups in the city, setting up as a café within Ōtākaro Orchard.

Project Lyttelton is consciously growing a strong sense of interconnected community. It recognises that solutions to many global issues can often be addressed at a grass-roots level. It believes that collaboration, partnerships, generosity of spirit and openness of heart and mind to innovative and creative ways of doing things, and following your passion, enlivens the space you live and work in. ■

LYTTELTON.NET.NZ



NGĀI TAHU HOLDINGS CORPORATION

Leading Aotearoa's investors with an active, inter-generational focus

Ngāi Tahu have always been an entrepreneurial people with a long-term commitment to past, present and future generations. This inter-generational vision and approach to business sets Ngāi Tahu Holdings apart. As the investment company of the Ngāi Tahu Charitable Trust, with Te Rūnanga o Ngāi Tahu as the sole trustee, the corporation was created to serve iwi interests. It is essentially a family business underpinned by strong, enduring relationships whose profits support the improvement of health, education, environmental and cultural outcomes across its more than 55,000 registered tribal members.

With investments spread across five subsidiary companies, its achievements post-settlement have resulted in an asset base that now exceeds \$1.2 billion. Direct investments in the private sector, along with venture capital and private equity funds, are managed through Ngāi Tahu Capital.

For more than 800 years the culture and identity of Ngāi Tahu have been shaped by an enduring relationship with the land – a relationship that Ngāi Tahu Property seeks to honour in all its developments and investments. Alongside an extensive portfolio of residential and commercial developments in Christchurch, Lincoln, Queenstown and Auckland, it has 52,000 hectares of rural land in Canterbury and the West Coast.

Translating Ngāi Tahu values into the rural landscape is now the business of Ngāi Tahu Farming, which embraces sophisticated technology to care for the environment in the management of its dairy, dairy grazing, sheep and beef grazing, and high-country farming operations.

Ngāi Tahu Seafood is a quota owner, operator and supplier of quality seafood to a highly competitive global market. Lobster, Bluff oysters and mussels are marketed and sold under the premium Tahu brand, continuing a tradition of economic sustenance from the bounty of the sea.

The tribe's history of skilfully guiding explorers across Te Waipounamu lays the foundation for a thriving tourism business grounded in the value of manaakitanga – looking after manuhiri (visitors) in accordance with Ngāi Tahu customs and hospitality. Ngāi Tahu Tourism's 11 businesses, including Shotover Jet, Guided Walks New Zealand and Franz Josef Glacier Guides, provide unforgettable experiences that connect people to the land and culture.

Ngāi Tahu values are woven through Ngāi Tahu Holdings and its subsidiaries, ensuring the business fabric reflects the tribal fabric. Its story is powered by purpose, summed up in the tribe's vision Mō tātou, ā mō kā uri, ā muri ake nei – for us and our children after us. ■



PATHWAY CHARITABLE GROUP (PATHWAY TRUST)

Helping people to make a fresh start

Yes is a powerful word. Pathway says yes to people when they need it the most. Yes to employment, yes to somewhere decent to live and yes to supporting someone to make a fresh start.

In 1997, Pathway began with a handful of Christchurch guys who shared a belief and a unique idea. The belief was that people can make positive life changes when given the right tools, and the idea was to run a business to both fund and develop these tools. By mid-1998 Pathway Trust was incorporated.

Over the years Pathway's services have grown to include a comprehensive prison reintegration programme, employment opportunities through various social enterprises, job-seeking support for men leaving prison, accommodation provision for individuals and families, and a retreat facility. From the beginning, social enterprise has been at the core of Pathway's funding and outreach services.

In 1998, Pathway purchased a chair-manufacturing plant and established Alloyfold, Pathway's business arm. The goal was dual: to generate jobs for Pathway's clients and to fund the Trust's social objectives. The company designed, manufactured and sold a signature indestructible aluminium chair, which was promoted to US markets. It was an overnight success and soon Alloyfold could not keep

up with demand. It became clear that if Alloyfold was to continue to grow, manufacturing would need to be relocated to the US.

This, of course, took abroad the jobs previously available to Pathway clients. But Pathway did not forget its mission. Innovating again, it created a new enterprise to employ its clients, establishing Oak Tree Devanning in 2002. A social enterprise in its purest form, Oak Tree is a professional container devanning company that offers jobs and training to people with barriers to employment. Oak Tree now employs around 100 people in Auckland and Christchurch, counting as clients some of NZ's largest businesses.

Alloyfold has continued its early trend of rapid growth and is now a leading commercial furniture distributor. Its range includes more than 150 commercial seating and furniture products, including stadium and auditorium seating, church seating, cinema seating, venue seating and hire and rental products. Operations have grown to include New Zealand, Australia, USA and the UK with the head office still based in Christchurch. ■

ALLOYFOLD.COM

PATHWAY.ORG.NZ



In the 2000s, the Community Employment Group (CEG) became increasingly active in encouraging social entrepreneurs. In 2001, in conjunction with the Commonwealth Association for Local Action and Economic Development (COMMACT Aotearoa), it hosted the inaugural Social Entrepreneurs conference in Wellington, which was attended by more than 200 people from around the country.

The kea (a native New Zealand bird) was chosen as the symbol for the conference. In his keynote address to the conference, then Social Services Minister Hon. Steve Maharey said: 'The kea is inquisitive and creative to the point at times of almost being annoying. It is intrepid, assertive and at times shows a breath-taking disregard for authority. One could argue that these also suggest the qualities of a social entrepreneur.'

To encourage social enterprise development the CEG established the Social Entrepreneur Award Scheme, allocating \$750,000 per year in scholarships for social entrepreneurs to undertake domestic and overseas study trips.

Other government agencies also provided support and in 2001 the Department of Internal Affairs made available \$950,000 to support the activities of social entrepreneurs working with at-risk young people. Each entrepreneur was supported for three years and received active guidance and support from the department's staff.

During this same period local government was also actively addressing the issue of high unemployment and in early 2000, a group of seven mayors from around New Zealand gathered in Christchurch to establish the Mayor's Taskforce for Jobs. There were 200,000 unemployed at the time – representing 6.1% of the workforce. The Mayor's Taskforce for Jobs signed a formal agreement with the CEG to work together on common objectives with CEG's field officers working directly with mayors participating in the taskforce.

However, government support for social enterprise and social entrepreneurship proved to be short-lived. In 2005, CEG's 67 field officers and \$19 million of funding that had been available to support community organisations through grants and capacity-building initiatives, was dis-established due to adverse media reaction and political criticism to some of the projects that were funded. Its surviving programmes were transferred to other government departments such as the Ministry of Social Development, which had a focus on welfare and the labour market rather than community economic development or the environment.

The loss of central government funding and support services severely restricted the growth of social enterprise in New Zealand for the remainder of the decade. This was also the time that the Canterbury Development Corporation moved away from employment-related activities, particularly community development related activities that were naturally of a social enterprise nature, leaving the sector largely unsupported.

In addition, New Zealand governments, especially since 2008, moved towards contracting out more of their service delivery in areas such as education, health, employment and justice to the not-for-profit and private sectors. While this approach provided new opportunities for New Zealand's social entrepreneurs to develop social enterprises and for not-for-profit organisations to establish trading arms to create income-generating activities, lack of suitable finance became a major impediment to the growth of the sector. ■

OLYMPIA GYMNASTIC SPORTS

Financially independent and performing well

Olympia Gymnastics Sports was born from an amalgamation of three clubs in 2003. Kudos Rhythmic Academy, Avon City Gymnastics and Aerials Trampoline came together to share resources and run a fulltime gymnastics facility, including paid administrative staff. Olympia was one of the first clubs to operate a fully appointed board structure, in a deliberate move away from a parent-committee model. The name Olympia was chosen to signal that all four types of gymnastics that are represented at the Olympic Games (men's artistic, women's artistic, rhythmic and trampoline) would be catered for in the one facility. Olympia's commitment to professionalism was recognised when the club was the first to receive a Sport Canterbury Club Mark Gold award in 2004.

In the early days of the merger, and for the club's financial survival, it was necessary to maximise the facility's usage. Recreational programmes were the main source of income and these were extended from only four days per week after school, to every day, including a mix of daytime and after-school availability. Later, further programmes were created that engaged the community as a whole (school pupils, pre-schoolers, at-risk youth and special-needs groups). Competitive athletes are able to maximise equipment and floor time by training in and around

these programmes. In the December 2016 upgrade of the building, additional facilities have been provided for people with disabilities, this has opened up a new revenue stream as special needs groups now have an accessible venue for their programmes.

Producing international gymnasts requires high performance coaches, with proven international recognition and results. The first such coach, Alex Pozdniakov, was employed in 2005. To support the ongoing financial resources required to maintain this level of expertise in the club, the board grew in its strategic development. Along with the general manager, they leveraged business acumen, while still holding onto the grass roots of community values and maintaining a culture of a family-friendly club with volunteers being a key resource.

Olympia has grown from a membership of about 300 to 1300, and a staff of 20-25 part-time administrative and coaching staff to a team of six fulltime and 52 part-time staff. Olympia's progress as an organisation that applies commercial strategies to improve its resources and capabilities has allowed the organisation to maximise its social impact while maintaining financial sustainability. ■

OLYMPIA.ORG.NZ



Olympia Gymnastics



7

AFTER THE EARTHQUAKES

It is impossible to reflect on any aspect of life in Christchurch without mentioning the devastating earthquake of February 2011. In the case of social enterprise, the earthquake had a profound effect. Social enterprises already in place were challenged to respond to the sudden and urgent needs of the community while others were established as a direct consequence of those dreadful two minutes of shaking.

On Tuesday 22 February 2011 at 12.51pm, a magnitude 6.3 earthquake ripped through Christchurch, killing 185 people and injuring several thousand more. The earthquake's epicentre was near Lyttelton, just 10 kilometres south-east of Christchurch's central business district. In the weeks following the earthquake about 10,600 people left the city due to uninhabitable homes, lack of basic services and the continuing aftershocks.

The earthquake destroyed many older brick and mortar buildings previously damaged in the larger less widely damaging September 2010 earthquake. Electricity was restored to 75 per cent of the city within three days, but underground water supplies and sewerage systems have taken years to restore in some areas and work is still ongoing. It seems that Christchurch will forever be identified with the orange road cones that are a common feature around the city, with work still ongoing. Christchurch's central business district remained cordoned off for more than two years and more than 1200 commercial buildings have been demolished in the six years since the quake.

Early on, a number of organisations emerged to help keep the city vibrant. One of the best known among locals is Gap Filler. Though not a social enterprise itself, Gap Filler has been a facilitator of social enterprises and has served as a creative urban regeneration initiative, bringing forward a wide range of temporary projects, events, installations and amenities in the city. These

short-term and comparatively small-scale projects were far less risky than new permanent developments in a still shaky city. They opened up opportunities for innovation and experimentation. It was an example of Christchurch-style resilience: trying new ideas, pushing social boundaries, adopting participatory processes to get everyday people involved in recreating their city.

Life in Vacant Spaces (LIVS) is a trust, created by Gap Filler in June 2012, to make it easier for individuals to make temporary use of vacant sites and buildings in Christchurch. Their mission is to cut through red tape, making vacant space available to creative Christchurch enabling hundreds of temporary activations. Some of these have been social enterprises, for example Cultivate Christchurch, a centre for urban agriculture, and Kākano, an inner city café, garden and cookery school, empowering whanau and the wider community.

SOCIAL ENTERPRISE IS RECOGNISED BY CENTRAL GOVERNMENT

Central government was beginning to take a closer look at social enterprise nationwide. In January 2013, Mapping Social Enterprises in New Zealand: Results of a 2012 Survey was released by the Department of Internal Affairs (DIA). By adopting the definition used by Social Traders in Australia, this paper significantly broadened

the accepted definition of social enterprise. It stated that a social enterprise demonstrates three elements:

- a social, cultural or environmental mission
- a substantial portion of its income derived from trade
- the majority of its profit/surplus reinvested in the fulfilment of its mission.

In June 2013, the DIA issued another paper entitled *Legal Structures for Social Enterprise*, reviewing the applicability of existing New Zealand legal structures for social enterprises. Social enterprises currently fit



An Ākina workshop.

themselves into the existing set of legal structures such as charitable trust boards, incorporated societies and limited liability companies. Unlike most other countries, no new legal structure was recommended in the paper.

In early 2014, the New Zealand government announced a Position Statement on Social Enterprise, acknowledging the value of the growing social enterprise sector and supporting collaborative action to ensure social enterprises meet their full potential. The paper recognised that emerging social enterprises face a range of challenges, including the need for business advice and funding tailored to their hybrid social/commercial nature.

As a result, additional funding was unlocked to expand development services for high potential social enterprise across New Zealand. This led to the formation of the Ākina Foundation, formerly known as the Hikurangi Foundation. Ākina's original mission was broadened to support a range of social enterprises and social entrepreneurs throughout the country.

With its headquarters in Wellington, Ākina has expanded with offices in Christchurch and Auckland. Ākina now offers full end-to-end social enterprise support services, including market development, investment, consulting and in 2016 it won the bid to host the Social Enterprise World Forum 2017 in Christchurch. As part of this global opportunity, Ākina has been working closely with Christchurch City Council and local partners to design a world-class event.

Rātā Foundation is Aotearoa New Zealand's largest philanthropic organisation in Te Waipounamu, the South Island. In 2013 the foundation committed a \$25 million fund to help communities deal with the aftermath of the Canterbury earthquakes and their ongoing effects. Out of this fund \$2.5 million was distributed to local organisations to set up social enterprises. To receive funding, these organisations participated in a multi-

stage process, which included mentoring and partner support. Rātā Foundation continues to support this sector to build the capacity of social enterprises and support community organisations that are developing social enterprise activity.

Another social enterprise agency is Te Pūtahitanga o Te Waipounamu, the Whānau Ora Commissioning Agency for the South Island. The agency is accountable to the nine iwi of Te Waipounamu ('Te Taumata'); a General Partner Limited Board, and the Minister for Whānau Ora. Te Pūtahitanga o Te Waipounamu are stewards of an approach that seeks to empower whānau to identify and meet their own needs. The approach is premised upon building whānau capability to independently address and manage their own lives – to be 'self-determining'. There are more than 115 unique whānau-driven enterprises that focus on both growing whānau capability and building integrity, innovation and ownership at the local level.

Insecure and decreasing government and philanthropic funding are causing many not-for-profit groups to look at social enterprises again as a funding stream that fits with their mission. As a result, in November 2014, the Christchurch City Council and the Social Enterprise Institute partnered to run a one-day workshop on 'Exploring Business Opportunities for Community Organisations'. Sixty organisations from around the Canterbury region attended the event, sparking various conversations within groups about the myriad opportunities that were around them. In May 2015 the Christchurch City Council made a decision to open its Discretionary Funding criteria to include applications from social enterprises. It also has its Community Loan scheme open to social enterprises.

Local social enterprise professionals and social entrepreneurs have also seen the need for a more established network and in March 2015, the Social

Enterprise Ōtautahi network was launched. It meets regularly to collectively strengthen social innovation and social enterprises in the city.

In 2016, agencies working with social enterprises began meeting together to assist the sector grow and in May 2017 held a two-day retreat to look at the support being offered to social enterprises. Out of this came a number of working parties looking at different aspects of support for social enterprises in the city.

In August 2017, Steven Moe from Christchurch firm Parry Field Lawyers released "Social Enterprises in New Zealand: A Legal Handbook". It outlines the different legal structure options available when establishing a social enterprise. It is based on the firms learnings, working with social enterprises and guiding them through some of the unique but critical issues they need to think about. ■

KILMARNOCK

A dynamic workplace for people with disabilities

From its humble beginnings as the Canterbury Sheltered Workshop Association in 1957, Kilmarnock has developed into a successful business and leading national service provider with more than 80 staff, most of whom have an intellectual disability. Kilmarnock was founded by Christobel Robinson, who firmly believed in the transformative power of education.

Originally the organisation followed the conventional path of a disability service and had working hours of 9am-3pm and holidays based on school terms. Its first contract was with a local shoe retailer in the 1950s.

The organisation continued through the years to operate in a dwindling commercial environment with reduced support from the government. On 22 February 2011 it lost its largest contract with the Returned Services' Association (RSA) to make the ANZAC Day poppies. This also happened to be the day of the major Christchurch earthquake and it marked a turning point. With the loss of revenue from the RSA and the disarray caused by the earthquake, Kilmarnock needed to implement some serious changes. Survival instincts kicked in and the team was able to completely transform Kilmarnock into what it is now.

Flipping the disability business model on its head, Kilmarnock is quickly becoming one of New Zealand's leading social enterprises. In the past few years Kilmarnock has won the Champion Charity and ACC Workplace Safety Award at the Champion Canterbury Awards, gained ISO9001 Quality and National Programme Food Safety certifications and is quickly being recognised as a leading contract manufacturer in Canterbury. Customers such as Fonterra, The Gough Group, Murdoch's Manufacturing and Air New Zealand use their services and Kilmarnock is recognised for its quality and attention to detail.

Kilmarnock's philosophy has hardly changed – everyone is uniquely valuable and deserving of compassion, support, empowerment and respect – but the way they go about it has. Kilmarnock is leveraging business excellence to show their community the true value and skill of people with an intellectual disability. ■

KILMARNOCK.CO.NZ



MINISTRY OF AWESOME

The starting point to make things happen

Ministry of Awesome has grown in leaps and bounds since it was founded in 2012. In the post-earthquake environment the organisation was able to find its niche helping early-stage entrepreneurs and small businesses grow and thrive in a recovering city.

Originally established as a charitable trust, the founders moved to a more financially sustainable business model as a social enterprise. The challenge was how to stay relevant in a rapidly growing ecosystem. Ministry of Awesome quickly saw the power of using profit as a source for doing good and understood its important role in providing a growing community with affordable, accessible and awesome support. By reacting to a public need, Ministry of Awesome pivoted to a model that did not depend strictly on grant funding and gave them the flexibility to have a say on what they did.

Ministry of Awesome started by creating and running their own projects but soon realised this was not helping the community help itself nor was it

sustainable for the team. Today, they are one of the city's most connected group of people and work hard to open their networks to those in need. Whether someone has a new idea or is looking to scale up their idea, they can get the support they need from Ministry of Awesome.

Current initiatives include weekly and monthly networking events as well as workshops and hyper-accelerator labs upskilling entrepreneurs or would-be entrepreneurs. By operating a co-working space, Awesome HQ, and delivering contracts for local economic development agencies and schools they were able to diversify their revenue streams. One of their most popular events is the weekly 'Coffee & Jam'. Ministry of Awesome is the 'starting point' for things to happen in the city, bringing the enthusiasm to Christchurch like no one else. ■

MINISTRYOFAwesome.COM



FOODTOGETHER

Value. Community. Freshness. Convenience.

Foodtogether was established in response to the February 2011 earthquake. Reverend Craig Dixon, who had started a fruit and vegetable packing hub 25 years earlier while vicar of the Anglican Parish of Bryndwr, realised that a food co-op throughout Christchurch would offer several positive outcomes. It would not only ensure the distribution of affordable, fresh produce but it would address the social isolation that had resulted in the disrupted, post-quake city. With the support of the Anglican Diocese of Christchurch, and in partnership with Christchurch District Health Board, Rev. Dixon quickly got to work extending the co-op concept around Christchurch.

Today the scheme has fruit and vegetable packing hubs throughout the city. Eight church halls and community centres turn into packing hubs one day a week, when bulk fresh produce from the markets is delivered. Volunteers sort the produce into pre-ordered/pre-paid bags, which they take to nearby distribution hubs situated in schools, businesses, community centres and homes for people to collect.

Initially referred to as the 'Fruit & Vegetable Co-ops', these packing hubs supply produce to well over 2000 families each week. The bulk purchase of the market produce, the use of volunteers to pack and distribute the food, and the sheer number of pre-paid orders make these co-ops self-sustainable. The

Foodtogether brand was established in October 2014 by The Healthy Life Trust whose mission is to tackle issues of food security (access and affordability), education (promoting healthy eating) and social isolation (encouraging community involvement and volunteering). The trust purchases produce on behalf of the packing hubs, offers support and advice, and assists in the setting-up of new hubs.

Foodtogether has been very successful in improving the lives of families, individuals and communities in the area of food security, health and nutrition. Surveys have shown that the consumption of fresh fruit and vegetables has increased significantly through this programme. Foodtogether programmes have now extended to Dunedin, Wellington, Hamilton and Auckland. In line with its promotion of healthy eating and healthy lifestyles, Foodtogether sponsored this year's 'City2Surf' run by providing fresh fruit to all participants and it is testing an initiative called 'Real Honest Fast Food' where chillers sell small containers of fresh fruit as an alternative to unhealthy snacks typically offered by vending machines. Foodtogether is proof that communities can initiate and grow self-sustainable social enterprises, effectively addressing specific localised need. ■

FOODTOGETHER.CO.NZ



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THE FUTURE OF SOCIAL ENTERPRISE – NEXT STEPS

As this overview demonstrates, the social enterprise sector is dynamic and ever-evolving. The case studies have grown out of their respective social, economic, cultural, political and technological environments.

The support for social enterprises throughout the decades has come from a wide variety of community governmental and non-governmental players. The innovative local stories shared here demonstrate how communities using commercial methods can support social, environmental or local economic goals. However, the future for social enterprises in New Zealand will depend not only on business acumen but on external and internal economic, political, social and environmental forces.

Central governments around the globe have the responsibility of setting the regulations, legal framework and overarching policy direction in which social enterprises can operate. Government policies can inhibit or encourage the scale and number of social enterprises. We have seen the impact overseas when central and local governments have changed their procurement policies, compliance and operational actions to better achieve social, environmental and local outcomes. Such policies can directly influence large corporations so that they take a more socially responsible stance when bidding for contracts by searching out and supporting social enterprises as second- or third-tier contractors.

Other areas in which both central and local government can assist social enterprises are asset transfers and long-term leases of buildings and yards. Asset transfer, through transferring the ownership of land or buildings



One-on-one Driving Solutions.

to a community organisation at less than full market value, could help to empower communities by building their asset base.

What the most 'appropriate' legal entity for social enterprises in New Zealand remains a question. While successful social enterprises manage under the current legal framework, it continues to be an area for further review and advocacy, especially if social enterprises take up a bigger market share.

The nation's philanthropic foundations have a big influence on the sector. A large number of social enterprises are incorporated societies and have relied on grants. Is it possible that to increase their influence philanthropic foundations will shift away from being just grant makers to investors? Smart giving will not be based on donations motivated by 'doing good' but instead will be a form of venture philanthropy in which the donor/lender works closely with the emergent or established social enterprise to build its capacity and capabilities. The parties will need to negotiate agreed outcomes that can be measured to ensure that real results are achieved efficiently, effectively and with collective impact. The financial tools required could range from grants for feasibility studies; grants or loans for start-up capital and loans for fixed asset purchase. Philanthropic foundations will need to continually increase their levels of collaboration with other funders including central and local government, banks and private lending agencies.

Is there a need for a representative national peak body and regional networks? As the sector grows, the need for local hubs, peer exchange, innovation, collaborative or co-operative marketing or production and potential joint business opportunities increases. Christchurch appears to be on the verge of starting such a regional network.

Opportunities are increasingly present for large or multi-national companies who have been operating in a model of profit maximisation, competition and free trade, to be able to demonstrate corporate responsibility and contribute to the community by working with social enterprises.

The not-for-profit sector itself will need to devise new approaches, not only to attract new forms of funding and support for its social enterprise initiatives, but to consider how best to use the considerable financial and human resources at its disposal. According to Charities Services, the New Zealand not-for-profit sector has \$63.6

billion in total assets; 99,953 fulltime employees; 90,392 part-time employees and 43,717 fulltime equivalent volunteers. How to tap into these rich resources will need strategic and creative thinking. Apart from focusing on growing the level of self-generated income, the sector will need to find new ways of operating to make up for the dropping levels of grant funding. Ideas include increasing the degree of collaboration between not-for-profits and for-profits entities; discovering new means of sharing property and technology; devising better ways of ethically reducing costs and driving up efficiency; considering merger and acquisition opportunities; and adapting to new technologies. Such approaches have led to peer to peer marketing, loan pools, crowd funding and alternative currency systems.

In the short-term, there will be an increased blurring of the line between for-profit and not-for-profit social entities. For the not-for-profit sector the question will remain whether the hybrid social enterprise model is the best way forward to address the myriad social or environmental problems facing the world or whether social enterprise needs to reclaim its roots whereby the community is the social enterprise.

In the medium-term social enterprise in New Zealand should be able to build on its current upward trend and thereby assist in the meeting of social, economic and local goals as well as the development of a productive and competitive local and national economy. ■

