



**New Zealand
Community Economic Development
Conference Trust**

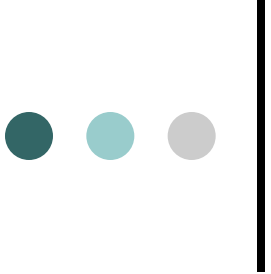


***How the public sector can support
community economic development
through enabling social enterprise***

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- Getting to social enterprise
 - What is social enterprise
 - Social enterprise & community economic development
 - Australian context – past and present
 - Why social enterprise in Parramatta
 - PCC's social enterprise program
 - Churchill Fellowship findings
 - Useful & appropriate roles for local government
 - Going forward



Getting to social enterprise . .

- Early years – socially enterprising community
- Business studies – arts and livelihoods
- Not-for-profit sector – sporadic resourcing
- Prime Minister's Community Business Partnership – unsustainable as not core; doesn't fundamentally change practice
- Sinclair Knight Merz – empowering communities
- Hybrid model sitting across sectors with potential to change the way the world does business through the power of trading with a purpose

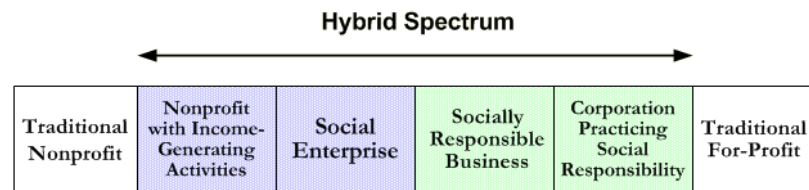
Contested territory . .

Social enterprises are businesses that exist to pursue social and/or environmental objectives, rather than to realise profit for owners or shareholders.

Social enterprise is a descriptive term for the range of businesses pursuing social goals rather than a legal form in itself.

Characteristics:

- Social/environmental mission core to purpose and operational decision making
- Limited distribution of surplus - generated but not distributed, available to develop the public benefit business further.
- Mixture of capital inputs – often supported by grant /subsidised income but has a healthy percentage of trading revenue
- Generation of a social return in addition to a financial return, and commitment to demonstrating this
- Favour democratic decision-making structures and demonstrate accountability to their stakeholders, rather than just to shareholders



*Spectrum developed by Virtue Ventures
- www.virtueventures.com*

- Mission Motive
- Stakeholder Accountability
- Income reinvested in social programs or operational costs
- Profit-making Motive
- Shareholder Accountability
- Profit redistributed to shareholders



SE & CED . .

- A joint vision that connects healthy businesses, community organisations and public sector agencies is necessary for CED to thrive
- Social enterprise isn't THE answer - part of a spectrum of activity
- But potential to be central to CED strategies:
 - Facilitating & catalysing commitments to the 'bigger vision' (anchor orgs etc)
 - Strengths based and empowerment focused
 - Combines social and economic goals
 - Ongoing growth isn't the primary driver
 - Business methods are core – strategic planning, financial management etc
- * In some communities individual wealth creation is critical and an appropriate goal – but isn't social enterprise



Australian context . .

- Social Entrepreneurs Network, early 00's
- Social enterprises in a number of sectors with strong identities, eg. some:
 - Disability, Aboriginal, arts & cultural, and environmental enterprises
 - Group Training organisations
 - Community based childcare providers
 - Co-operatives and Fair Trade groups
- Activity nationally – no connection across these areas, no common voice
- No identity as an alternative to mainstream business models – seen as part of community sector



Recent developments . .

- Commonwealth Dep't Education, Employment & Workplace Relations *Jobs Fund* (\$650 million) and *Innovation Fund* (\$140 million)
- Communities NSW *Community Builders* last round actively sought social enterprise applications – activity in other States also
- *Finding Australia's Social Enterprise Sector* (FASES) research project
- Establishment of a Social Enterprise & Innovation team in the Social Inclusion branch of DEEWR
- SE Roundtable hosted by Commonwealth Gov't in Dec
- Productivity Commission's Draft Research Report into the *Contribution of the Not-for-Profit Sector*
- Establishment of Social Traders in Victoria in 2008 – \$10 million seed funding, half from Victoria government and half from a foundation
- Chair in Social Enterprise & Social Entrepreneurship at QUT's CPNS and Chair in Social Investment at Swinburne University
- 2nd Social Enterprise World Forum held in Melbourne in 2009



Why social enterprise for Parramatta?

- Evidence base in UK & US that delivers practical, innovative and sustainable approaches to social issues, with an emphasis on increasing wellbeing for those who are disadvantaged
- Assists with delivering on triple bottom line objectives of 20 year strategic plan – *Parramatta Twenty25*
- Period of growth and economic prosperity
- Parramatta ranked ninth on ABS's Socio-Economic Indicators for Areas (SEIFA) index for Sydney
- Many newly arrived residents and lower socio-economic households – key pockets of disadvantage
- Danger of marginalised groups being 'left behind'
- Proactive and strengths focused strategy, fit with new (late 2005) community capacity building model



PCC's social enterprise program . .

- Since January 2007
- Development focus - aims to incubate, grow and attract social enterprises into the region
- Five key strategy areas:
 - Identification and development of SEs & SEs
 - Mentoring & other business support
 - Seed funding
 - Procurement & facilities
 - Impact measurement & analysis
- Plus, importantly, broad sector development
- Patience!



Churchill Fellowship . . .

SE development services commonly assist with:

- Diagnostics
- Organisational development
- Establishing values, mission & social objectives
- Stakeholder engagement methods
- Strategic & business planning
- Marketing strategy & implementation
- Identifying & securing capital & investment
- Contracting & tendering
- Consortia & partnership working
- Social impact assessment & reporting



Useful & appropriate roles for local gov't ..

- Assistance with navigating internal processes around procurement and DAs
- Inclusion of social and environmental value criteria and evaluation processes in procurement tenders and contracts
- Leveraging supply chains and partnership arrangements
- Access to free or subsidised space, especially during incubation periods
- Innovation around asset transfer possibilities
- Assistance with developing local networks and peer-to-peer learning opportunities
- Provision of small seed-funding, particularly focusing on the concept-testing and business planning stage



Going forward . .

- Australian Social Enterprise Stories project – business, not just about money
- Social Procurement in Australia – partnership research project
- Social Enterprise Sydney – practitioner’s voices, engagement
- Westpac partnership - mentor matching
- Australian Centre for Excellence in Local Government – starting discussions on asset transfer
- Major shopping centre developer – ‘meanwhile’ uses
- Impact focused financier relationships – Masters research



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