

In the field of social enterprise there is a range of naturally occurring ‘types’ that emerge from common approaches, ideals, and social purposes. Social Traders, working with a number of experts, have developed this series of Social Enterprise Info Briefs to capture the unique characteristics of each social enterprise type.

Community Enterprises

What are they?

Community enterprise is an umbrella term for social enterprises that are developed by local individuals or groups to respond to local issues and opportunities. Through the provision of goods or services, community enterprises directly benefit the community in which the enterprise is situated.

Community enterprises are often collectively-owned businesses that meet local needs by serving communities of place, typically where private sector or government services have been withdrawn or where there is a conspicuous gap that needs to be filled. They take a range of governance forms and, in many ways, cross over most of the other social enterprise types.

Why do we need these?

Community enterprises provide grassroots responses to local issues. Their diverse and fluid form reflects the fact that community needs differ dramatically from one locality to the next. They are driven by a belief that innovative solutions to community problems should be driven, led, and owned by local community members.

What outcomes do they achieve?

A range of outcomes may be achieved through community enterprises, given they are diverse and incorporate characteristics of many other social enterprise types. Some outcomes include training and employment of community members, reinvestment in the community, and serving as an accessible, local source for goods and services required by the local community.

Community enterprises are sometimes created through a community buyout. Community buyouts are driven by a motivation to retain a needed service or business in a community. In rural areas, the loss of key services and local businesses can have a significant impact on the entire community’s quality of life. By retaining a petrol station, a pub, a shop, a bookshop, a radio station, a bank, a theatre, or a mechanics shop, the jobs, turnover and the service or product itself will be retained in that community.

Some community enterprises help communities celebrate cultural events or promote tourism as an engine of economic development through festivals and events. Others use more conventional approaches where ongoing trading activity (the provision of goods or services) is used to generate support for a community-based social purpose.



How do they perform financially?

Community enterprises generally operate on full cost recovery models. Whilst some are volunteer-run, others are fully commercial with paid employees. Some community enterprises actually pay board members and adopt for-profit business structures.

Community enterprises are less likely to be attached to and supported by benevolent parent organisations. To achieve their social objectives they must be viable businesses and, as such, competitively satisfy a market need in their community.

Prominence in Australia and overseas

Community enterprises are very common. They have been in operation for centuries. One of the first recorded social enterprises was a community grocery store established in 1844 by the Rochdale Pioneers in the UK (1). This store would be considered a community enterprise, as well as being a co-operative. The Rochdale Pioneers created a model to address local community need through cooperation and aggregation. The principles of cooperation and aggregation remain prominent today in community enterprise models such as the Bendigo Community Bank and local opportunity shops across Australia and around the world.

It makes sense that unmet local needs leads people to take action. Community enterprises provide community members with flexible opportunities to develop locally-owned businesses to capitalise on community assets or address local concerns.

Examples in Australia

To capture the diversity of community enterprise in Australia, a few examples are provided below:

- The Roxy Theatre - *Community-run theatre located in a venue that was formerly a theatre that had been closed for 30 years* - <http://ouyen.vic.au/roxy-theatre>
- Nundah Community Enterprise Co-operative - *Provides training and sustainable employment in local park maintenance and catering for people with disabilities* - <http://www.ncec.com.au>
- FM99.3 Community Radio Station – *Run largely by volunteers, FM99.3 focuses on local events, arts, sports and civic affairs, to entertain and inform the North Shore community* - <http://www.fm993.com.au/>
- Merrepen Arts Festival – *A major regional event showcasing Indigenous arts and culture* <http://www.victoriadaly.nt.gov.au/OurServiceCentres/NaiiyuDalyRiver/tabid/427/language/en-AU/Default.aspx>
- Yackandandah Community Development Company - *Community buy-out of a petrol station* - <http://www.yackandandah.com/ycdco/>



- Endeavour Foundation's op shops – *Thirty-five op shops across Queensland that raise money to support services for people with disabilities in their community*
http://www.endeavour.com.au/business_services/recycled_clothing.html
- Northcote Rental Housing Cooperative – *Member-managed community housing co-operative*
http://www.goodcompany.com.au/community_groups/community_group_list/northcote_rental_housing_cooperative

References, Research and Resources

1. <http://archive.co-op.ac.uk/pioneers.htm>

Health Wellbeing and Community Enterprise: The role of local government, by Jo Barraket and Verity Archer in partnership with the Victorian Local Governance Association. Published by the Centre for Public Policy at the University of Melbourne
<https://wiki.qut.edu.au/pages/viewpage.action?pageId=89757743>

Growing community enterprise: An evaluation of the Community Enterprise Development Initiative, by Sharon Bond. Published by the Brotherhood of St Laurence
http://www.bsl.org.au/pdfs/Bond_Growing_community_enterprise_CEDI_evaln_2008.pdf

Community Enterprise Workbook, Brotherhood of St Laurence, 2007
http://www.communityenterprise.org.au/resources/CEDI_WORKBOOK.pdf

For further information

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