

News Release

2 July 2010

SOCIAL ENTERPRISE REDEFINES THE PROFIT MOTIVE

A new way of doing business is being discovered in Australia. Owned by groups of people, charities or clusters of organisations getting together, social enterprises are doing good by doing business. Outlook Environmental employs people with mental illness in community recycling centres, reducing landfill waste. StrEAT gives homeless young people a chance to make money as street vendors of healthy fast food. The Brotherhood of St Laurence has created jobs for unemployed residents of the Fitzroy and Collingwood public housing towers by taking over a private contract for security guards and turning it into a community contact and concierge service.

For these enterprises and thousands like them, profits are counted not just in dollars, but also in terms of people's improved life chances, or benefits to the environment.

Profits can also be returned to communities of owners or service users. When the Yackandandah petrol station threatened to close, local residents got together, created the Yackandandah Community Development Company, and raised the capital to keep it open through an unlisted share offer.

There are thousands of examples of social enterprises like these around Australia. Though they are a longstanding hidden engine of the Australian economy, they have never before been counted.

Research released this week by Social Traders and the Australian Centre for Philanthropy and Nonprofit Studies (ACPNS) at QUT has surveyed 365 out of the estimated 20,000 social enterprises in Australia.

All of them have in common a commitment to reinvesting the majority of their profits, or surplus, back into the fulfillment of their organizational mission.

Findings of the research:

- Social enterprises operate in every industry of the Australian economy but particularly in the fields of education and training, arts and recreation
- The main aims of social enterprises are to create opportunities for people to participate in their community and to develop new solutions to social, cultural, economic and environmental problems
- Social enterprises are intended to serve an extraordinarily diverse range of social groups. Young people are most frequently cited as beneficiaries.
- For nearly 80 per cent of the social enterprises surveyed, the way they do business has to be aligned with their mission, and for most (65 per cent) what goods and services they trade are directly related to their mission.

“Our research suggests that the Australian social enterprise sector is mature, sustainable and internally diverse in both its purpose and organizational structures ” said the principal researcher and author of the report, Associate Professor Jo Barraket from The Australian Centre for Philanthropy and Nonprofit studies at QUT.

Though this social enterprise survey gives us information about key business features of social enterprises, more research is needed to find out how they create employment, what kind of social impact they achieve, and why some succeed while others fail.

A policy roundtable was convened by Social Traders in Melbourne on 30 June to discuss the research findings and future research priorities for this emerging sector.

To download the research

Both the summary report and the final report are available from
<http://www.socialtraders.com.au/about-fases>

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About the FASES research project

The Finding Australia's Social Enterprise Sector (FASES) research project is a joint initiative of Social Traders and the Centre for Philanthropy and Nonprofit Studies (ACPNS) at Queensland University of Technology (QUT).

The research project has produced, in chronological order:

1. A discussion paper: *Defining and operationalising the idea of social enterprise* April 2009
2. A report on workshop discussions and meetings in 2009 with key informants working with or in social enterprises July 2009
3. The FASES survey instrument October 2009
4. A summary report of the FASES research **June 2010**
5. Final Report: *Finding Australia's Social Enterprise Sector* **June 2010**

Both the summary report and the final report are available from <http://www.socialtraders.com.au/about-fases>

6. Social Traders is developing an online Australian Social Enterprise Directory using and building on contact lists of social enterprises generated for this survey research. This is planned for release in September 2010.
7. Social Traders and ACPNS hold a list of organisations which are available for further non-commercial research into social enterprises and their activities. This may be made available to researchers subject to certain conditions
8. ACPNS holds comprehensive survey data from the FASES research project. Parts of this may be used for approved and agreed research purposes. ACPNS is not resourced to respond to individual requests for data analysis.

CASE STUDIES OF ESTABLISHED SOCIAL ENTERPRISES

Contact for more information

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Chris Ennis (Consultant) - CERES, Brunswick VIC www.ceres.org.au

CERES (the Centre for Education and Research in Environmental Strategies, pronounced 'series') is a model for an ecologically sustainable society. It runs on renewable energy, conserves and recycles its water and waste, grows organic food, and teaches diverse audiences about environmentally friendly ways of living.

Social enterprises supporting CERES include the CERES Café, the CERES plant nursery, organic farm and market. CERES was started 27 years ago and now employs 150 people (equivalent to 45 full time positions). It has had 470,000 contacts with people a year, making it the most visited community environmental centre in Australia.

Christine Sammut (Manager) – Community Contact Service Brotherhood of St Lawrence, Fitzroy VIC

www.bsl.org.au/Services/Employment-and-training/Community-Contact-Service.aspx

The Community Contact Service was started in 2005 to give employment and training opportunities to public housing tenants on the Fitzroy (Atherton Gardens), Collingwood and Richmond housing estates in inner Melbourne. It offers a concierge, information and recycling service on the estates.

Trainees on the program are employed over a 12-month period, during which they complete a Certificate III in Community Services Work. This accreditation and on-the-job support give trainees the skills required to gain and maintain employment beyond the life of their traineeship.

James Murphy (Founder/Manager) – KereKere, Carlton VIC www.kerekere.org

KereKere is a coffee vendor located at Melbourne University that lets customers decide how the profits are distributed – either to the owner, the environment; cultural projects or social charities. KereKere also provides employment for young people facing barriers to finding work – they are given a job, trained in 'the art of coffee production' and supported by the organisation to work through their barriers. In addition, KereKere sells its own brand of organic, fair-trade and rainforest alliance coffee.

KereKere has been operating successfully for a number of years and will be launching a food kiosk at Melbourne University later this year.

KereKere is a Fijian custom in which a relative or neighbour can request something that is needed and it must be willingly given with no expectation of repayment.

CASE STUDIES OF NEW SOCIAL ENTERPRISES

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Simon Griffith – Shebeen Melbourne VIC www.shebeen.com.au/

Shebeen will sell beers and wines from the developing world. The profit from each drink sale will support a development project in that drink's country of origin. Buying an Ethiopian beer supports Ethiopian development projects, buying a Peruvian beer makes a difference in Peru. And every purchase supports low skilled immigrants and refugees that are employed and trained on the job. Who Gives A Crap™ will sell environmentally sustainable toilet paper. All the profits from this will be donated to environmental projects in Australia, and water sanitation projects in the developing world. Who Gives A Crap™ recently won a place at The Unreasonable Institute in Colorado.

Tracey Allen – Red Cockatoo Blue Mountains, NSW www.redcockatooaustralia.com

Red Cockatoo is a small and growing social enterprise working closely with artists in Aboriginal communities across Australia to produce Eco Gift Cards - Australia's first environmentally friendly Aboriginal art gift cards. Our current range includes cards from these Aboriginal communities:

- Blue Mountains Mob - Blue Mountains World Heritage Region
- Papunya Tjupi Arts - Central Desert west of Alice Springs
- Warringarri Arts Centre - Kununurra - East Kimberley region

Red Cockatoo also work closely with Aboriginal artists to commission design work (e.g. logos, posters etc) for government agencies, community organisations, individuals or private sector businesses.

Kevin Crouse – Mars Hill Café Parramatta, Sydney www.marshillcafe.com.au

An initiative of Kevin's Mars Hill Café, the Mars Hill Espresso Carts aims to provide employment, job skills, life skills and mentoring to local youth and young adults in the Parramatta area. The goal of the project is to run a sustainable business that can fund more coffee cart projects with the same focus as well as helping to finance the activities of Mars Hill Cafe Inc. - the supervising organisation and founding project. Kevin won Federal Government funding to launch the Mars Hill Espresso Carts. He has been able to employ three extra staff in 2010 and will have a further four staff positions and ten work experience positions available by 2012.