

Community benefit clause in Dandenong signals new opportunities for social enterprises **Nina Howard, February 2011**

In 2009 the Victorian Government's land development agency, VicUrban, had the foresight to insert a community benefit clause into their bid document to develop a new eight-storey Government Services Office in central Dandenong. This clause was not prescriptive, but as a condition of being awarded the building contract it required developers to demonstrate the community benefit they would provide above and beyond the construction of the building. This is an example of the growing number of government, corporate, and other purchasers that are realising the enormous potential they have to add social and environmental value to their purchasing processes.

Grocon was selected via a competitive tender process to build and own the Government Services Office. When completed in late 2011, the Office will locate several Government offices in one new building located in the heart of the 170 hectare Revitalising Central Dandenong (RCD) project area. The RCD initiative is being delivered by VicUrban, in partnership with the City of Greater Dandenong.

This week Grocon, Australia's largest privately owned construction and development company, is calling for Expressions of Interest from social enterprises to a ground-floor retail space in the new Government Services Office. The successful social enterprise/s will have the opportunity to enjoy substantially reduced rental rates for a period of up to three years.

This is not Grocon's first foray into creating community value in their building construction and development activities. In 2010 Grocon completed the 11-level [Common Ground Building](#) in Elizabeth Street Melbourne "at cost", passing this financial benefit on to the social housing developer [Yarra Community Housing](#). Common Ground is a supportive housing model that tackles homelessness, and Grocon is also completing similar projects in Sydney and Brisbane.

Grocon's engagement with VicUrban and social enterprise in Dandenong illustrates the powerful opportunities available to private companies to directly benefit the economically disadvantaged areas, like Dandenong, where they do business. This business strategy further enhances Grocon's reputation as a socially responsible and ethical company and employer, building its competitiveness in the wider construction development market segment.

Grocon's Dandenong development offers for social enterprises a unique opportunity because it will assist with limiting the costs involved in the financially challenging set-up phase (though it's important to remember, that cheap rent alone is not enough to make a social enterprise work).

In the case of Dandenong, the benefits will lie in the social and economic development value generated by the social enterprise tenants.

In a similar vein, philanthropic groups and others have helped social enterprise by giving them access to operating spaces. [Donkey Wheel Foundation](#) owns an old iconic Melbourne CBD building (Donkey Wheel house) and leases space to social enterprise tenants, while [Yarra Community Housing](#) deliberately targets social enterprises to occupy their retail space and provide benefit to their tenants.

This trend towards government, corporates and smaller not for profits quarantining rental spaces for social enterprises at reduced or no rental rates seems to be gaining momentum.

The Government Services Office is one of the first major developments in the 15-20 year revitalisation of central Dandenong and VicUrban will continue to consider local social and economic benefit when assessing future development proposals within the project area.

The partnership between VicUrban and Grocon demonstrates how government and other buyers can use structures like community benefit clauses to encourage developers to identify and deliver initiatives that will benefit the community – through this partnership a social enterprise ‘incubator’ model has been adopted.

Who knows what community benefit ideas other developers might have planned for Dandenong and other regeneration sites? Could this mean social enterprises operating from the base of every new building in Dandenong? And what does this mean for other constructions across the country?

For more information see:

- [Government Services Office – Dandenong, Incubator Space – Social Enterprise Request for Expression of Interest](#)
- Social Traders online Social Procurement library:
<http://www.socialtraders.com.au/social-procurement>
- National Social Procurement Report:
http://www.socialtraders.com.au/sites/www.socialtraders.com.au/files/SP%20in%20Australia_0.pdf