



the
IMPACT
INITIATIVE

The Business of Impact.

How social enterprise contributes
to Government's priorities

This report was produced for the Social Enterprise Sector Development Programme, publicly known as The Impact Initiative.

The Impact Initiative is a partnership between the Department of Internal Affairs on behalf of the New Zealand Government and the Ākina Foundation supported by the Community Enterprise Network Trust (CENT).

To find out more about the programme visit The Impact Initiative website:

www.theimpactinitiative.org.nz

COVER IMAGE: DAVE LETELE, FOUNDER, BBM (SUPPLIED)

— “Ehara taku toa i te
toa takitahi, engari
he toa takitini”

(My success is not my own, but from many others)

– WHAKATAUKI, MĀORI PROVERB

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1. Context

Many of the challenges that government seeks to address – such as inequality, poverty and climate change – are also challenges addressed by social enterprises. There is a strong alignment between the impact of social enterprise and the policy priorities of government.

In recognition of this alignment, in 2018 the Department of Internal Affairs partnered with the Ākina Foundation to deliver the Social Enterprise Sector Development Programme (“The Impact Initiative”). The aim of this three-year programme is to help create the conditions for a thriving social enterprise sector in Aotearoa New Zealand, and therefore better support social enterprises to contribute private sector solutions to public challenges.

This report, The Business of Impact, sits within the programme’s ‘Impact workstream’. The purpose of this report is to provide Government with an in-depth look at a representative selection of New Zealand social enterprises, and how they trade to create impact.

The social enterprises selected operate in three areas where New Zealand faces significant challenges:

- Whānau wellbeing
- Mental health
- Waste minimisation

The Programme has developed insights into the impact already being produced, and has identified ways in which that impact can be increased. The insights in this report will inform the recommendations for government action at the end of the Programme.

2. Key Concepts



In order to get the most from this report it is important to understand three key concepts; impact, social enterprise and impact models.

1. IMPACT

Impact is the positive social, environmental, cultural, and economic changes or outcomes that happen as a consequence of an action (as determined by the people experiencing the outcome).

Impact can take many forms, such as:

- Improved employment outcomes for marginalised or differently abled people;
- Creating more connected communities;
- Reducing the waste going to landfill; or
- Increased biodiversity and regeneration of our environment.

Impact can be delivered by social enterprises, charities, governments, or any business or organisation that works to be impact-driven.

IMAGE: WHENUA ITI, SEE APPENDIX (SUPPLIED)

2. SOCIAL ENTERPRISE

Social enterprises are purpose-driven organisations that trade to deliver positive social, cultural, and environmental outcomes. They often reinvest their profits to further fulfil their purpose (or “mission”).

Social enterprises combine the flexibility and agility of a for-profit business with the social/environmental benefit functions of a charity.

- While they are often profit-making businesses, social enterprises can have greater access to communities and are often run by communities, increasing community ownership and resilience.
- They can often draw on community support as well as diverse revenue streams (including their business model, contracts for achieving impact, and philanthropic funding).
- Social enterprises are more agile and responsive to changing community needs and goals. They can achieve government goals without necessarily needing to be funded by government.

3. IMPACT MODELS

(also known as “Theory of Change”)

The core element of each case study in this report is the impact model. Each impact model shows which impact goals the social enterprise is working towards, and how its activities achieve those goals.

An impact model sits alongside a business model and seeks to communicate what activity, delivered in what particular way, will deliver what positive outcome or impact.

They enable an organisation to better understand, measure, and communicate their impact. This in turn enables the organisation to prove and improve its impact, communicate this to stakeholders, and find aligned partnerships to grow its impact.

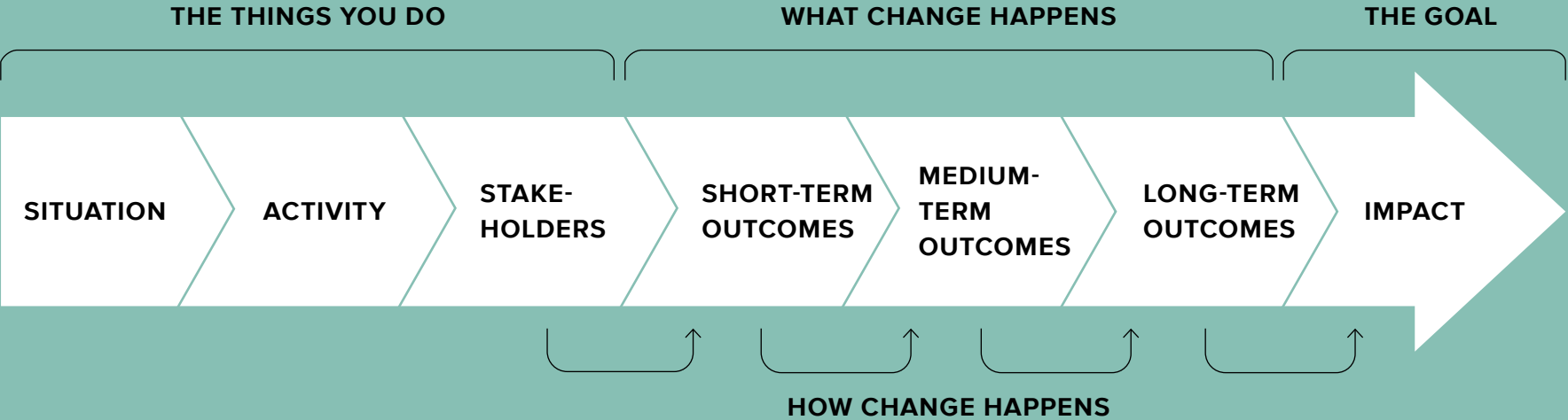
This report uses impact models as our main impact communication tool, because these models provide an appropriate level of detail to engage stakeholders, without requiring that the organisation collects and demonstrates overly rigorous levels of evidence and data.

How to read an impact model

While each social enterprise’s impact model is unique, the models do include some common elements.

The following basic framework is used to develop each diagram. The framework may include all of these aspects, or it may focus on the outcomes and positive impact the organisation plans to achieve.

Each model contains the same headings and follows essentially the same flow, as illustrated in the diagram below. The flow is usually indicated by connecting lines or arrows and can be read from left to right, from bottom to top or in a circular fashion – in whatever configuration aligns most strongly with how the enterprise creates impact.



3. Executive Summary

Social enterprises are businesses that use trade to achieve positive outcomes — or **impact** — in response to community, social, or environmental challenges.

While the social enterprise approach may not be as well-known as the “purely for-profit” business approach to trade, or the charity approach to creating impact, it is not a new concept. For example, Māori (like other indigenous peoples) have long advocated for and run businesses that focus not only on profit, but also incorporate social, cultural, environmental, and/or other sustainability goals into their philosophies.

Social enterprises respond both to market failures, important community-identified goals and urgent social and environmental needs. This means that the impact of social enterprises is often closely aligned with the Government’s priorities.

Through supporting social enterprises, there is a significant opportunity for the Government to achieve greater positive

social, environmental, cultural and economic outcomes. As New Zealand’s economy continues to recover from the effects of the Covid-19 pandemic, the Government could leverage the power of social enterprise to achieve important employment outcomes.

The case studies in this report illustrate how social enterprises are improving health and wellbeing outcomes for whānau, improving mental health outcomes through employment, training and social connection, and how they are reducing waste through networks focused on recycling and diversion from landfill.

The insights detailed in this report were gained through support provided to each social enterprise to create their impact model, as well as from other Programme activity.

In each case these social enterprises are creating impact which takes the form of improved economic, social, and environmental wellbeing across Aotearoa.

Summary of insights

There is unique value in the social enterprise approach.

- Unlike purely for-profit businesses, social enterprises exist to deliver broader outcomes (impact). They contribute not just to the economy, but also create positive impacts for our communities and/or the environment. Social enterprises can reinvest their profits into creating even more impact.
- Social enterprises are often owned and run by the communities they seek to support. This gives them valuable access to priority groups and makes them highly trusted by those communities.
- Social enterprises are often agile and innovative in rapidly changing economic conditions.
- Diverse funding models and the ability to trade can give social enterprises increased financial stability and financial independence, in comparison to charities and for-profit businesses.
- Social enterprises display a strong ability to partner with other organisations, maximising the impact they create.



Summary of opportunities

Social enterprises contribute to government priorities. Multi-faceted government support of social enterprises will, in turn, further progress government priorities:

- Building the impact measurement capability of both social enterprises and government agencies will enable impact to be managed, increased, and communicated.
- Continuing to develop government procurement practice towards social procurement will open up opportunities for social enterprises to deliver goods and services, which will scale their impact.
- Investing in the sharing and collection of data will support social enterprises to efficiently and effectively respond to social and environmental challenges.
- Focusing government funding and contracts on outcomes, rather than activities, will enable social enterprises to access critical opportunities to deliver and scale their impact.
- Expanding investment and funding criteria to consider impact, and by establishing dedicated impact investment funds, will enable social enterprises to scale up their impact.
- Exploring opportunities for the Government to leverage social enterprise as a model to achieve its objectives, which could include the government establishing financially self-sustaining impact-focused organisations.

NOTE: THE UNIQUE VALUE OF A SOCIAL ENTERPRISE APPROACH IS EXPLORED IN MORE DETAIL IN SECTION SEVEN, AND THE OPPORTUNITIES FOR GOVERNMENT SUPPORT ARE DETAILED IN SECTION EIGHT.

4. Case Studies: **Whānau Wellbeing**

This section profiles Māori or Pacific owned/run social enterprises that are working to achieve greater whānau wellbeing. It includes social enterprises working with whānau to achieve whānau-identified goals such as health, education or employment goals and those often holistically achieving outcomes in a number of wellbeing domains.

Iwi and whānau throughout the country are using social enterprise models. Of particular note is Te Pūtahitanga o Te Waipounamu:

“Since establishment in 2014, Te Pūtahitanga o Te Waipounamu has employed a social enterprise model to promote entrepreneurial social investment in Te Waipounamu. The overarching objectives of this approach are to stimulate a Māori social enterprise framework in Te Waipounamu and to achieve positive social outcomes for whānau targeted by enterprises. To date over 170 entities have been funded. Research shows that through the commissioning approach whānau experienced positive cultural, social and economic outcomes.”¹

The profiled case studies: DINE Academy (DINE), Butterbean Motivation (BBM) and TupuToa, are all working on community-identified goals to enhance the wellbeing of whānau in different ways. BBM is tackling obesity by supporting people to become fit and healthy; TupuToa is overcoming employment barriers by growing Māori and Pasifika future leaders, and DINE supports young people to realise their potential as they transition from school to employment. The DINE and BBM case studies are featured in this report, and the remaining case study (TupuToa) is included in the appendix.

SUMMARY OF IMPACT

These social enterprises provide and enable culturally safe environments in which whānau and rangatahi can experience positive change— which is integral to how the activities are delivered and the impact created. This environment supports whānau and rangatahi to connect, to build trust, and to identify and achieve their own goals. These environments foster an increased sense of identity and belonging within Māori and Pasifika communities. Long-term outcomes include improved financial security, employment and education outcomes, physical and mental health, and whānau wellbeing.

Insights for the Government: **Whānau Wellbeing**

To increase the impact of social enterprises that improve Whānau wellbeing, the Government could:

- **Share data:** There is value for the Government in investing in whānau much earlier. Many social enterprises are investing early, and would benefit from any Government evidence that shows that certain early investments work. If that evidence were accessible to social enterprises, they could use it to inform their own programme design.
- **Fund capability building:** Social enterprises generally seem to be achieving significantly greater impact than their limited impact reporting would suggest. They need funders, partners and/or the Government to invest in their impact data collection, analysis, and reporting. In order to grow their impact, to be able to refine and develop their business model, and to effectively communicate their impact, social enterprises need access to the right capability building support at the right time.
- **Grow what is working:** Social enterprises are delivering important services that contribute to government's goals. Government services, including those within Justice, Health, and Education are currently referring people to DINE and BBM, which indicates that those government services are recognising



that the social enterprise sector is best placed to deliver a service that is needed. The Government has an opportunity to learn from these patterns of referrals and to provide funding to the organisation receiving the referral. If, for example, a health provider refers someone who is obese to BBM to help the person to lose weight, the person's need for in-home care bariatric surgery, and eventually dialysis, reduces. Given BBM's ability to achieve this outcome, the Government could provide it with the funding needed to achieve these same results with more patients.

Insights for the Government: **Whānau Wellbeing**

To increase the impact of social enterprises that improve Whānau wellbeing, the Government could:

- **Fund outcomes:** Funding should focus on the outcomes and not the activity. For example, DINE reports that it has been denied funding because providing young people with training and work experience in hospitality is not considered to be a high-value employment activity. In this case, focusing on the activity rather than the outcomes ignores the impact of young people being work ready and securing long-term employment in a range of industries.
- **Recognise that culture is inextricably tied to wellbeing:** To truly recognise the contribution Māori have made towards shifting New Zealand society from a welfare state to a wellbeing state Māori constructs of wellbeing need to be acknowledged and incorporated into the Aotearoa New Zealand Living Standards Framework. The framework should, therefore, recognise that:
 - Whānau are a building block of Māori society, and wellbeing and agency for change should reside with whānau.
 - Culture is inextricably tied to wellbeing.²
- **Explore a “by Māori, for Māori” approach:** There are opportunities for the Government to consider who is best placed to achieve impact within Māori and Pasifika communities. In some instances, rather than working alone, the Government could achieve its desired outcomes through enduring partnerships with these organisations. It is important to work to become aware of unconscious bias, and choose to fund a community to work with its community.
- **Partner longer-term:** Short-term, insecure funding partnerships inhibit the funder and organisation from investing together in learning what works and stifles innovation. Providing opportunities for long-term partnerships is, therefore, crucial.

Alignment between whānau wellbeing case studies and government priorities:



SOCIAL ENTERPRISE	KEY OUTCOME AREAS	LIVING STANDARDS FRAMEWORK	
BBM	Improved family health	Family wellbeing	Percentage of people with a score of 7/10 or higher for family wellbeing
	Improved fitness and physical and mental health	Health status	Percentage of adults reporting their health as good or very good
DINE	Young people getting work experience, work ethic, growing in confidence	Employment rate	Percentage of adults who are employed
	Young people being “work ready” and better able to get long term employment	Unemployment rate	Percentage of labour force who are unemployed
	Reduction in NEET rates	Youth NEET rate	Percentage of young people aged 15–24 years who are not in employment, education or training (NEET)
	Improved financial security	Financial wellbeing	Percentage of adults who report they do not have enough money to meet everyday needs
Tupu Toa	Growing future Māori and Pasifika leaders	Ability to express identity	Percentage of adults who said it was easy or very easy to express their identity in New Zealand
	Increased likelihood of Māori and Pasifika graduating	Educational attainment of the adult population (tertiary)	Percentage of adults aged 25-64 with a bachelor’s degree or higher qualification
	Increased employment of Māori and Pasifika in management and leadership roles	Employment rate	Percentage of adults who are employed

4.1 Case Study: **Buttabean Motivation (BBM)**

WHAT IS BBM AND WHAT DOES IT DO?

Led by Dave Letele, Buttabean Motivation (BBM) transforms the lives of Māori and Pasifika through a community approach to wellbeing. The BBM programme is a 13,870 people-strong wellbeing movement through which thousands of people have supported each other to change their lives. Through the founder Dave Letele's magnetic coffee-fuelled energy, the transformed lives of Māori and Pacific people, and the (literally) tonnes of weight BBM participants have lost, it is clear that this social enterprise is doing something special.

BBM runs programmes to help people lose weight and increase their wellbeing in a healthy sustainable way. BBM is focused on educating, supporting and training New Zealand communities wanting to overcome obesity, diabetes, and heart disease. BBM does so by running free boot camps around Auckland. BBM operates within a supportive online and in-person community that is focused on creating positive, supportive, and affirming environments.

In addition to free boot camps, BBM runs an intensive 6-week lifestyle support programme that caters specifically to people whose health challenges prevent them from standing for very

long. BBM's other activities include facilitating a closed, active Facebook community, running an online fitness programme, operating a ZOOM pharmacy, and offering BBM members and their families support with medicine and health literacy.

“The BBM program saved my life. It is more than a weight loss program, this program is life changing!”

– **BBM participant**

BBM'S BUSINESS MODEL

BBM has a diverse funding model that includes:

- An online user-pays fitness programme;
- Intermittent Ministry of Health contracts to deliver the 'From the Couch' programme; and
- Three years of philanthropic funding to cover free boot camps, its South Auckland fitness facility headquarters, and a potential site in West Auckland.

Obesity is New Zealand's leading modifiable risk factor for health loss. The New Zealand Health Survey 2018/19 found that around 1 in 3 adults (aged 15 years and over) were obese (30.9%); 48.2% of Māori adults were obese, as were 66.5% of Pacific adults.³ New Zealand has the third highest adult obesity rate in the OECD, and our rates are rising. In New Zealand, Māori and Pacific people disproportionately experience poor health outcomes and lower life expectancy. When it comes to attending mainstream gyms, many do not feel welcome, are unable to balance family commitments, or do not have the financial resources to do so.

BBM'S IMPACT

BBM members are encouraged by a supportive community to take positive steps and build their mental strength alongside their physical wellbeing, which leads to people enjoying life and experiencing noticeable health benefits, better work opportunities, and a healthy family.



IMAGE: DAVE LETELE, FOUNDER, BBM (SUPPLIED)

BBM PEOPLE ARE FLYING

CONNECTING COMMUNITIES

- Families know their neighbours
- More community leaders

NOTICEABLE HEALTH BENEFITS

- Fitter and stronger
- More energy
- Improved fertility
- No more sleep apnea
- Confidence flying on planes

ENJOYING LIFE

- Always happy
- Ability to buy clothes off the shelf
- Willingness to go out in public

BETTER LIFE OPPORTUNITIES

- Confidence to apply for new jobs
- Returning back to university
- More productive at work and school
- No diabetes

HEALTHY FAMILY

- Proud, positive family dynamic
- Be around for great grand-kids

POSITIVE STEPS

- Grow leaders
- Optimistic about the future/setting goals
- Weight loss
- Confident
- Improved nutrition
- More active
- Heal

MENTAL STRENGTH

- Resilient leaders
- Improved mental health
- Inspire others
- Inspired

SUPPORTIVE PEOPLE

- Stronger family relationships
- Gain control
- Feel respected
- BBM people have a strong support network

PEOPLE START THEIR BUTTABEAN MOTIVATION (BBM) JOURNEY

- Increased engagement in starting a healthy journey
- Optimistic about the future/setting goals
- A supportive environment
- BBM people develop healthy, a friendships

4.2 Case Study: **DINE Academy**

WHAT IS DINE AND WHAT DOES IT DO?

DINE Academy offers pre-employment training programmes. It is run by a passionate team of hospitality and tourism professionals who want to inspire young people and support their entry into the workforce. DINE runs a 1–2-week boot camp for 15–24-year-olds and an annual graduation dinner, which quickly equip young people with work readiness skills, work experience, and confidence.

DINE partners with local stadiums and large hospitality venues to showcase industry and career opportunities, while mentoring and developing the talent of their trainees. DINE trainees are introduced over a few years to a network of supportive employers and tertiary options and have access to ongoing light-touch mentoring and career counselling. DINE facilitates access to flexible employment, which enables young people to stay in education whilst also developing their work ethic as maturing employees.

“It all started with DINE. Now I have two kids and my own house and I work 3–5 days a week. If I hadn’t done DINE, I’d probably just be at home bored, on a benefit”

– DINE Academy graduate

DINE’S BUSINESS MODEL

DINE’s business model currently relies on philanthropic support from impact partners such as the Hospitality Training Trust and Foundation North. Underpinning the programmes DINE delivers is a strong partnership model involving in-kind support from stadiums, hotels, and other industry partners. The Ministry of Youth Development previously contracted DINE to engage young people in training and increase their confidence to enter employment. DINE is open to this type of contract again or re-engaging on longer-term contracts for outcomes with government. They are now also well positioned to secure a trading model—such as delivering programmes in partner schools—that they can depend on.

New Zealand has high rates of youths aged 15-24 years who are not in employment, education or training (NEET rate).

In March 2020, the New Zealand NEET rate for young people was 14%, up from 11.7% in the previous quarter. That rate is likely to increase further due to the anticipated post-Covid global recession.

DINE'S IMPACT

DINE supports young people to be work-ready and to gain work experience and confidence. As a consequence, DINE students are either able to stay in long-term employment in a range of industries or to go on to further education. Young people who have been supported by DINE enjoy increased financial security and related wellbeing outcomes, such as improved housing and achievement of life goals, which make them happier and healthier.

EVIDENCE OF IMPACT

Over the eight years the programme has been running, DINE's 1-week boot-camp has resulted in improved capability, employment prospects, and resilience for participants. Statistics from DINE's 930 2018/19 graduate intake indicate that 68% of the DINE trainees went into ongoing paid employment; 93% DINE trainees say they gained capability skills and/or resilience, and 100% stayed in school during the programme.⁴



IMAGE: SONIA TIATIA, FOUNDER & GENERAL MANAGER, DINE ACADEMY (SUPPLIED)



WE WORK WITH

Young people aged 15 to 24

IN THIS WAY

- We build trust and respect
- Offer hands-on experience
- Cultivate ongoing community
- Inclusive, culturally safe environment

WE DO THESE ACTIVITIES

- Build trusted relationships with community
- 1-2 week training boot camp
- Work experience
- Job placement
- Case management
- Maintain a network of supportive employers
- Provide ongoing light-touch mentoring and career counselling

...SO YOUNG PEOPLE EXPERIENCE POSITIVE OUTCOMES



TWO WEEKS

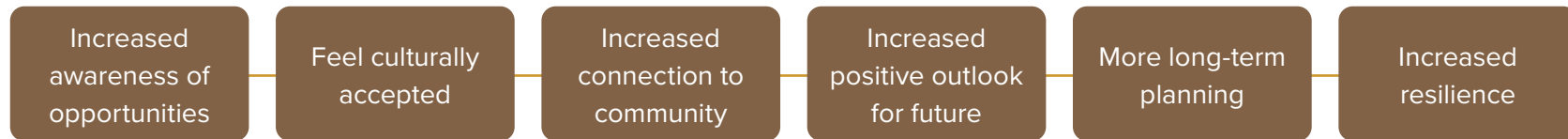
SIX MONTHS TO TWO YEARS

ONGOING & SUSTAINABLE

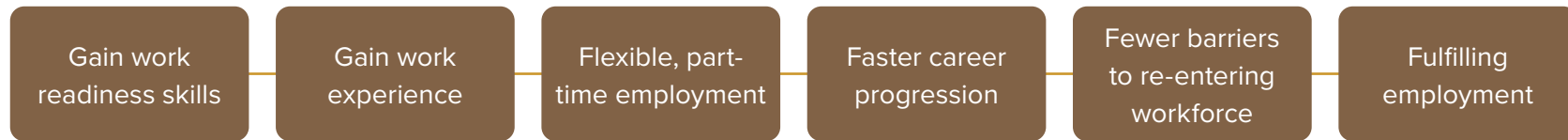
EDUCATION OUTCOMES



WELLBEING OUTCOMES



WELLBEING OUTCOMES



Increased wellbeing

Financially stable

More goals achieved

Improved housing

Healthy and happy

AND AVOID POSSIBLE NEGATIVE OUTCOMES SUCH AS –

- Financial hardship
- Unemployment
- Poor mental health
- Youth Justice
- Social welfare reliance

5. Case Studies: **Mental Health**

Mental health is a clear priority for the Government, with a \$1.9 billion total mental health package over five years announced in the 2019 Wellbeing Budget. He Ara Oranga—the report of the Inquiry into Mental Health and Addiction—identified that New Zealand has reached a critical point and that we need innovative solutions to meet the scale and complexity of that need.

Our communities, our work-places, education systems, and individuals are responding to the need to find innovative solutions to improve mental health, and social enterprise is proving to be a useful vehicle for giving effect to their innovative solutions.

Ākina has worked with five organisations: Coliberate, Emerge Aotearoa, Whenua Iti, Your Corps, and Oak Tree Devanning which are all working to improve the mental health of the people they work with. Case studies of Your Corps and Oak Tree are featured in this report, and the remaining three are included in the appendix.

SUMMARY OF IMPACT

Through various education and employment initiatives these social enterprises see improvement in their participants' sense of purpose, confidence, understanding of self, and connection with others. These changes lead to improved mental health and resiliency in the long term. These organisations are able to connect with the people they support, whether that is young people in the community, people coming out of prison, or employees needing access to mental health services.

Improved mental health for New Zealanders is an urgent need. The number of suicides in New Zealand has reached its highest-ever level, with 685 people dying in the year to June 30.⁵ We now have an increased appreciation of the cost of poor mental health in terms not only to our physical health but also the economy. It is estimated that in 2014 the economic cost of serious mental illness alone was \$12 billion, or 5% of GDP.⁶

Insights for the Government: **Mental Health**

To increase the impact of social enterprises that improve mental health, the Government could:

- **Continue to grow social procurement:** The Government could continue to increase its use of social procurement as a lever for achieving positive impact. Oak Tree has proposed one idea to incentivise government social procurement in the form of an internal government credit system. If Ministry A procures a contract which results in outcomes that help achieve the goals of Ministry B, then Ministry A could receive credits from Ministry B. Thus, for example, the Department of Corrections and the Ministry of Health might both look for opportunities to achieve mental health outcomes through procurement.
- **Share de-identified client data:** The Government could share relevant, useful, specific data to better support social enterprises to design effective programmes. For example, there is little information on the work status of people in the post-prison period.⁷ De-identified data from the Data Exchange or the Integrated Data Infrastructure would enable organisations

to learn if their intervention was successful; for example, has it reduced recidivism, have people remained employed, and have they accessed mental health services. Population-level data is available via portals such as data.govt.nz but this source is often overwhelming for social enterprises, and it lacks the required granularity to learn about the baseline for their particular cohort.

- **Invest in community-led approaches that work:** Social enterprises are innovative and are trying new things, some of which might seem unorthodox such as using the medium of gaming to improve mental health. By funding outcomes/impact rather than activities, the Government will be able to better identify which of these community-led approaches are working. For example, while Your Corps struggles to attract support for running gaming events, it can attract support when it shares its story of impact. The Government could then invest in scaling initiatives that are working in order to achieve impact in such an important area.

Insights for the Government: **Mental Health**

To increase the impact of social enterprises that improve mental health, the Government could:

- **Invest in impact innovation:** Social enterprises are often trialling new and innovative approaches. Many of them would be interested in sharing the insights they gain with the Government, so that, when a model works, the Government can scale the proven model to support more New Zealanders. Innovation teams in government agencies could collaborate more with social enterprises to undertake measurement and evaluation to learn what works and then fund it.
- **Support impact measurement capability:** Before the Government can scale the impact of those community-led approaches that work, it must be able to learn about the impact those approaches are having. Social enterprises, therefore, need funding and capability building support to be able to measure and prove their impact.
- **Increase government focus on impact:** As positive outcomes in mental health benefit many government agencies it can be difficult for social enterprises to know who to engage with. Social enterprises would benefit from government funders clearly articulating their impact goals and making decisions based on impact. Social enterprises would also benefit from increased cross-agency collaboration with portfolios such as Health, Justice, and Economic Development collaborating more and being open to joint funding.
- **Align reporting requirements:** The Government could work to align reporting requirements for funding and contracts that seek to achieve mental health outcomes. This approach could facilitate more cross-agency collaboration; it would reduce the reporting burden on social enterprises, increase their impact measurement capacity, and, in turn, increase the quality of the data the Government receives from social enterprises.

Alignment between mental health case studies and government priorities:



SOCIAL ENTERPRISE	KEY OUTCOME AREAS	LIVING STANDARDS FRAMEWORK	
Oak Tree Devanning	Improved sense of purpose, confidence, understanding of self and connection with others due to employment	Sense of purpose in one's life	Percentage of people with a score of 7/10 or higher for feeling that life is worthwhile
	Improvement in mental and physical health as a result of the above	Mental health	Percentage of adults with high levels of psychological distress
		General life satisfaction	Percentage of people with a score of 7/10 or higher for life satisfaction
Reducing re-offending, better for community	Feeling safe	Percentage of adults who feel safe when walking alone in their neighbourhood after dark	
Your Corps	Reduced number of suicides in NZ	Mental health	Deaths caused by intentional self-harm, age-standardised rate per 100,000 people
	Young people building meaningful social connections	Mental health	Percentage of adults with high levels of psychological distress
		Social network support	Percentage of adults who had face-to-face contact with friends who do not live with them at least once a week
	Improved confidence and self esteem	General life satisfaction	Percentage of people with a score of 7/10 or higher for life satisfaction
Increased face to face social interaction	Loneliness	Percentage of adults who felt lonely at least some of the time in the last four weeks	

5.1 Case Study: **Oak Tree Devanning**

WHAT IS OAK TREE AND WHAT DOES IT DO?

Oak Tree Devanning (Oak Tree) is part of the Pathway Charitable Trust Group. The Trust runs a group of companies and programmes that generate income and provide employment, housing, and support. Oak Tree provides devanning services (unpacking products from shipping containers) and employs people recently released from prison to do this work. The Trust runs a programme to support employees back into employment.

To retain their employment, employees are required to consistently turn up for work and perform well. However, the work is structured so that it is flexible, anticipating the inevitable challenges associated with re-entering the workforce. Supervisors provide a high level of accountability and support to help employees get to work and continue their employment. Over time, employees build new confidence, new skills, and a work history, enabling them to progress internally at Oak Tree or move on to employment elsewhere.

“If I didn’t have their support, I would be in jail”

– Oak Tree Devanning employee⁸

OAK TREE’S BUSINESS MODEL

Income is generated by selling commercial seating and furniture through the Trust’s commercial entities, Alloyfold and Effuzi. The profit from these companies is fed into providing support for the social services that the Trust delivers. Oak Tree operates on the cusp between social services and social enterprise using trading income from their devanning services. Alongside the employment provided at Oak Tree, the Trust runs a programme to support people back into employment.

“Instead of the government spending over \$90 grand to keep us in prison every year, why don’t they invest it on keeping us out?”

– Salvation Army research participant⁹

8: GILBERT, J., & ELLEY, B. (2015). REDUCING RECIDIVISM: AN EVALUATION OF THE PATHWAY TOTAL REINTEGRATION PROGRAMME. *NEW ZEALAND SOCIOLOGY*, 30(4)

9: [HTTPS://WWW.SALVATIONARMY.ORG.NZ/SITES/DEFAULT/FILES/UPLOADS/20161207SPPUTSA-PRISON-GATE-2016_REPORT.PDF](https://www.salvationarmy.org.nz/sites/default/files/uploads/20161207SPPUTSA-PRISON-GATE-2016_REPORT.PDF)

New Zealand experiences high rates of incarceration and a very high rate of reoffending with 45% of those released from prison in 2017/18 being reconvicted of an offence.¹⁰ Recent Corrections data shows that people who find stable employment on leaving prison are significantly less likely to offend in the 12 months following their release.¹¹ However, gaining employment after spending time in prison is usually difficult. Mental health is a key contributor to initial offending and reoffending. A Corrections report from 2016 found that 91% of prisoners have a lifetime diagnosis of a mental health or substance use disorder. Compared to the general population, those in prison are seven times more likely to have a lifetime prevalence of any substance-use disorder, and one in three has a clinically significant personality disorder.¹²

10: CORRECTIONS ANNUAL REPORT [HTTPS://WWW.CORRECTIONS.GOV.T.NZ/__/DATA/ASSETS/PDF_FILE/0008/38852/ANNUAL_REPORT_2018_2019_WEB_VERSION_FINAL.PDF](https://www.corrections.govt.nz/__data/assets/pdf_file/0008/38852/ANNUAL_REPORT_2018_2019_WEB_VERSION_FINAL.PDF)

11: [HTTPS://WWW.CORRECTIONS.GOV.T.NZ/RESOURCES/STRATEGIC_REPORTS/ANNUAL-REPORTS/ANNUAL_REPORT_201415/PART_B/APPROPRIATION_-_REHABILITATION_AND_REINTEGRATION](https://www.corrections.govt.nz/resources/strategic_reports/annual-reports/annual_report_201415/part_b/appropriation_-_rehabilitation_and_reintegration)

OAK TREE'S IMPACT

People coming out of prison experience the mental and physical health benefits and sense of agency that real employment can bring and receive tailored support to make their transition successful. They develop new skills, grow a better understanding of self and identity within the team, and are supported to make positive lifestyle changes. The certainty of long-term employment means they have financial stability and maintain improvements in their mental and physical health.

“Once they have a job, you can see them grow in confidence. That’s something I’ll never get tired of seeing”

– Rob, employer of Pathway clients¹³



PROVIDING REAL JOBS

- Expectations of performance
- Flexible to fit around transitions
- Rewards performance rather than attendance

Supported by the Pathways ecosystem

- Social services support
- Profit-generating businesses

DEVELOP NEW SKILLS

- Work/employment skills
- Technical skills

DEVELOP A BETTER UNDERSTANDING OF SELF

- Self-esteem improves
- Sense of agency increases

SET-UP FOR SUCCESS

- Become financially self-sufficient
- Make positive lifestyle changes

IMPROVED MENTAL AND PHYSICAL HEALTH

LONG TERM EMPLOYMENT

- Employees maintain employment with Oak Tree or others
- Better long-term economic outcomes

BETTER COMMUNITY OUTCOMES

- Reduced re-offending
- Lower government expenses
- Intergenerational change

BETTER HEALTH OUTCOMES

- Improved long-term mental and physical health outcomes

EVIDENCE OF IMPACT

In 2019, Oak Tree hired 208 people: of these 39 were previously receiving a government benefit and 69 had barriers to employment. Approximately 80% were former prisoners.

A 2015 academic study of the programme found that people involved with the Pathway programme are 33.3% less likely to be reconvicted and 42.9% are less likely to be re-imprisoned.¹⁴ These findings are backed up by government research. An Office of the Auditor General Report found that “offenders who find stable employment after leaving prison are less likely to reoffend in the 12 months after their release.”¹⁵ In addition, a Department of Corrections report found that work programmes had a significant statistical reduction in reoffending and were one of the most effective approaches.¹⁶ The annual cost for a sentenced prisoner (including programmes and interventions provided in prison) is \$123,370 per annum.¹⁷ This approach highlights the significant potential savings for the Government in relation to a reduction in reoffending.



IMAGE: OAK TREE EMPLOYEES (SUPPLIED)

14: GILBERT, J., & ELLEY, B. (2015). REDUCING RECIDIVISM: AN EVALUATION OF THE PATHWAY TOTAL REINTEGRATION PROGRAMME. *NEW ZEALAND SOCIOLOGY*, 30(4), P. 15-37

15: OFFICE OF THE AUDITOR GENERAL (OAG) (2013). MANAGING OFFENDERS TO REDUCE RE-OFFENDING. WELLINGTON: OAG

16: [HTTPS://WWW.CORRECTIONS.GOV.T.NZ/_DATA/ASSETS/PDF_FILE/0005/33809/DEPARTMENT_OF_CORRECTIONS_ANNUAL_REPORT_2017_2018.PDF](https://www.corrections.govt.nz/_data/assets/pdf_file/0005/33809/DEPARTMENT_OF_CORRECTIONS_ANNUAL_REPORT_2017_2018.PDF) P. 163

17: CORRECTIONS 2018/18 ANNUAL REPORT: PG 16 (\$338 DAILY COST OF OFFENDERS X 365)
[HTTPS://WWW.CORRECTIONS.GOV.T.NZ/_DATA/ASSETS/PDF_FILE/0008/38852/ANNUAL_REPORT_2018_2019_WEB_VERSION_FINAL.PDF](https://www.corrections.govt.nz/_data/assets/pdf_file/0008/38852/ANNUAL_REPORT_2018_2019_WEB_VERSION_FINAL.PDF)

5.2 Case Study: **Your Corps**

WHAT IS YOUR CORPS AND WHAT DOES IT DO?

Your Corps was founded by James Wards in Gore as a response to the crisis of mental health and suicide that he was seeing in his own community. The mission of the organisation is to forge genuine lasting relationships and reduce the number of suicides in New Zealand by bringing young people together and building communities around gaming.

Your Corps organises and runs weekend computer gaming events for young people across communities in the South Island (Oamaru, Christchurch, Ashburton, Timaru, Balclutha, Gore, Queenstown, Invercargill, Dunedin, and Blenheim).

Gaming is enjoyed by many young people, yet, given that it is generally depicted as a solitary activity, it may seem like an unconventional vehicle for establishing friendships. However, gaming is unthreatening and as such it presents an 'excuse' for Your Corps to get people together physically for a gaming event; from there, they can discover shared interests and build friendships.

YOUR CORPS' BUSINESS MODEL

Your Corps operates on a mixture of trading income derived from events where participants pay for their participation and community grants.

“...it’s a place I can truly be myself and not care what others think, because the other people aren’t too much different from me and I can be as loud or as ‘nerdy’ as I want... [Your Corps] is an important part of many kids lives”

– Your Corps member



IMAGE: YOUR CORPS PARTICIPANTS (SUPPLIED)

New Zealand has one of the highest youth suicide rates in the OECD.¹⁸ Despite many interventions, the rate of suicide has changed very little in the last decade.¹⁹ Suicide has significant knock-on effects for families and communities including an increased likelihood of further suicides and an economic cost to society from suicide.²⁰

18: [HTTPS://WWW.UNICEF-IRC.ORG/PUBLICATIONS/PDF/RC14_ENG.PDF](https://www.unicef-irc.org/publications/pdf/rc14_eng.pdf), P. 22

19: [HTTPS://WELLBEINGINDICATORS.STATS.GOVT.NZ/EN/SUICIDE/](https://wellbeingindicators.stats.govt.nz/en/suicide/)

20: [HTTPS://WWW.HEALTH.GOVT.NZ/SYSTEM/FILES/DOCUMENTS/PUBLICATIONS/THECOSTOFSUIDETOSOCIETY.PDF](https://www.health.govt.nz/system/files/documents/publications/thecostofsuidetosociety.pdf)

YOUR CORPS' IMPACT

Through gaming events, young people learn new skills, grow connections with other people interested in gaming, and develop a better sense of self. These outcomes lead to increased self-confidence and better social connections. Your Corps regularly hears stories of young people who are happier and significantly more engaged after just one event.

Positive relationships build resilience, which leads to better mental health and improved sense of belonging within the community.



EVENTS THAT BRING YOUNG PEOPLE TOGETHER FACE TO FACE TO PLAY COOPERATIVE MULTIPLAYER GAMES.

DEVELOP NEW SKILLS

- Increased technical computer skills
- Increased ability to interact with others
- Increased employability

DEVELOP A BETTER UNDERSTANDING OF SELF

- Increased self-esteem
- Increased ability to interact with others

DEVELOP A BETTER UNDERSTANDING OF OTHERS

- Increased empathy
- Increased connection to role models
- Increased connection to others

CLEARER PATHWAYS

- Increased ability to achieve their goals
- Increased visibility of alternative pathways

BETTER MENTAL HEALTH

- Improved mental health
- Decreased risk of suicide
- Decreased risk of drug/alcohol abuse

INCREASED SENSE OF CONNECTION AND BELONGING

- Improved quality of social connections
- Decreased youth crime

6. Case Studies: **Reducing Waste**

Social enterprises are leading the way in changing how we deal with waste. They are innovators and see themselves as a testing ground to prove a model that works better for both business and the environment.

Work has been done with Mahurangi Wastebusters, All Heart, Abilities, MINT Innovation, and many other waste-focused social enterprises in the Auckland region to understand and illustrate how social and community enterprises are working together to address society's waste problem by shifting our economy progressively towards a circular economy.²¹

New Zealanders have recently become aware of the scale of our waste problem. The public's values are shifting and now we need the right infrastructure to support consumers' increasing preference for alternative options.

Local governments spend scarce financial resources managing open and closed landfills, often for decades. Auckland Council alone employs around 35 full-time staff to manage 204 closed landfills.

SUMMARY OF IMPACT

The social enterprises represented in this report offer a small window into a larger ecosystem of hundreds of organisations partnering and working together to build a zero-waste future for Aotearoa. Each organisation plays a pivotal role in trying to keep as much material from going to landfill for as long as possible. A thriving ecosystem which brings together social enterprises like Mahurangi, All Heart NZ, and Abilities is developing in Auckland and other cities. By working together and with other private sector partners, these social enterprises are having a significant impact on waste minimisation.

Abilities and All Heart NZ both work with corporates and the Government to provide bespoke waste and recycling services. Both Abilities and Mahurangi provide collection points for public and business drop-off. Abilities employ people with disabilities.

Their employees feel part of Abilities' impact story and have a sense of purpose, which helps them to live happier and more enriched lives.

These social enterprises all see education activities as a necessary component of influencing behaviour change in the public and businesses alike so that New Zealanders learn to consume less, re-use more, and properly sort recycling. Diversion rates of waste collected and the number of tonnes diverted per material type, including recyclable materials, are common impact measures reported on.

New Zealand's waste problem is causing harm. Waste isn't just a sector; it is the by-product of the human industrial processes which currently manages resources inappropriately and encourages over-consumption. The levels of waste being sent to landfill increased by 48% over the last decade²² leading to toxic leachate²³ contaminating waterways and groundwater and rotting organic materials in landfills generating harmful methane. We have 8 million pieces of plastic entering oceans every day.²⁴

22: MFE. (2019). REDUCING WASTE: A MORE EFFECTIVE LANDFILL LEVY.

23: THE LIQUID THAT EMERGES OUT OF A LANDFILL EITHER FROM RAINWATER MAKING ITS WAY THROUGH THE WASTE, OR ORGANIC MATERIALS ROTTING WITHIN THE OXYGEN FREE ENVIRONMENT OF A LANDFILL. THIS LEACHATE OFTEN CONTAINS LARGE QUANTITIES OF HEAVY METALS.

24: [HTTPS://WWW.SAS.ORG.UK/OUR-WORK/PLASTIC-POLLUTION/PLASTIC-POLLUTION-FACTS-FIGURES/](https://www.sas.org.uk/our-work/plastic-pollution/plastic-pollution-facts-figures/)

Insights for the Government: **Waste Minimisation**

To increase the impact of social enterprises that minimise waste, the Government could:

- **Allocate waste contracts using the social procurement model:** Central and local government could continue to increase their use of social procurement so that waste management contracts achieve maximum environmental benefit. In particular, local council Waste Minimisation Plans should be outcome focused. For existing contracts, councils could look to negotiate reporting requirements so that waste facility managing contractors are required to report on how different waste materials are being handled. Increased data on diversion rates would inform better decision making by the sector and by government. This social procurement approach can also contribute to the Government's broader outcomes objectives, with waste-focused social enterprises being well placed to achieve employment and other wellbeing outcomes.
- **Use regulations to disincentivise waste generation:** Increasing the cost of waste disposal for consumers and businesses should continue. Increasing charges will motivate people to reduce their waste. The increased revenue should be

spent with recyclers, making recovery and recycling operations more profitable than they currently are. The proposed introduction of a bottle deposit scheme and mandatory product stewardship schemes for other products such as e-waste would have a significant impact.

- **Invest in social enterprises:** Funds that can invest in social enterprises and achieve positive long-term sustainable change should be established. For example, an investment fund could invest in growing a community-based organisation to scale its impact by increasing the number of social enterprise waste management operations it operates. An investment from the Government could scale a financially self-sufficient social enterprise and enable it to achieve positive impact indefinitely without requiring further government funding.
- **Take a collaborative approach:** Collaboration between the Government and the social enterprise sector should be supported. For example, the Government could work with the Zero Waste Network's Impact Project to find a consistent and nationalised approach to data collection and analysis for New Zealand's waste sector.

Alignment between waste minimisation case studies:



SOCIAL ENTERPRISE	KEY OUTCOME AREAS	LIVING STANDARDS FRAMEWORK	
Mahurangi	Public better educated about reducing consumption and waste and how to recycle	Perceived environmental quality	Percentage of people who rated the “overall state of the natural environment in New Zealand” as very good or good
	Reduced waste pollution of waterways	Water quality (for swimming)	Percentage of tested river sites that are safe to swim in under normal conditions
MINT	Reduced leaching of toxic waste from landfills into waterways	Water quality (for swimming)	Percentage of tested river sites that are safe to swim in under normal conditions

6.1 Case Study: **Mahurangi Wastebusters**

WHAT IS MAHURANGI WASTEBUSTERS AND WHAT DOES IT DO?

Mahurangi Wastebusters Ltd. (Mahurangi) is a social enterprise operating in north Rodney, Auckland; its focus is on reducing waste to landfill. Its aim is to support a circular economy and reduce the negative impact of waste on the environment through diverting waste from landfill.

Mahurangi manages two community recycling centres in Warkworth and Wellsford for Auckland Council; it serves 25,000 people and diverts as much material as possible from landfill through reuse or recycling.

Mahurangi handles 19 different waste streams and works with numerous partners to recycle and reuse people's waste. Materials that can be reused are sold in Mahurangi's onsite shops, online, or donated to local charity stores. Recyclable items are sent to wholesalers for further processing.

Mahurangi's model actively enables behaviour change to reduce waste. When people drop off waste, they are assisted by Mahurangi staff, who inform them about sorting waste, recycling, and re-use. Mahurangi also runs regular waste minimisation events and education workshops on topics such as worm farming or upcycling.

THE MAHURANGI BUSINESS MODEL

Auckland Council pays Mahurangi for its waste management services. Mahurangi also earns revenue from the sale of recovered items and this revenue funds Mahurangi's less profitable activities which support community engagement, behaviour change, and waste diversion.

Mahurangi runs as a joint venture with the Zero Waste Network, meaning it is able to leverage substantial technical experience in waste minimisation to ensure the operation is successful.

Mahurangi's business model is used by 60 other community-led resource and recovery centres in New Zealand.

“The magic of Mahurangi Wastebusters, and community enterprises like ours, is that we help Auckland Council spend the same dollar at least twice through the social and environmental benefits we generate. We provide double the waste services we are contracted to, The Living Wage is our minimum wage, we employ three times as many staff as the previous contractor, divert 50% of the waste we receive from landfill, and we prioritise spending with other local suppliers to keep the money in the community longer!”

– MATTHEW LUXON, DIRECTOR OF MAHURANGI WASTEBUSTERS

THE IMPACT OF MAHURANGI

Key outcomes from Mahurangi's work are:

- Diverting waste from landfill. Diversion reduces the negative environmental impacts of landfills for current and future generations and the impact of leachate, CO2 and methane emissions in particular; diversion also reduces the need for new landfill sites.²⁵
- Capturing materials from the waste stream. This activity reduces the need to extract virgin materials from the earth.
- Creating jobs in the recycling and reuse industries;
- Changing public behaviour so that more people take steps to minimise their waste and buy re-used or upcycled products rather than new products; and
- Developing community empowerment and resilience.



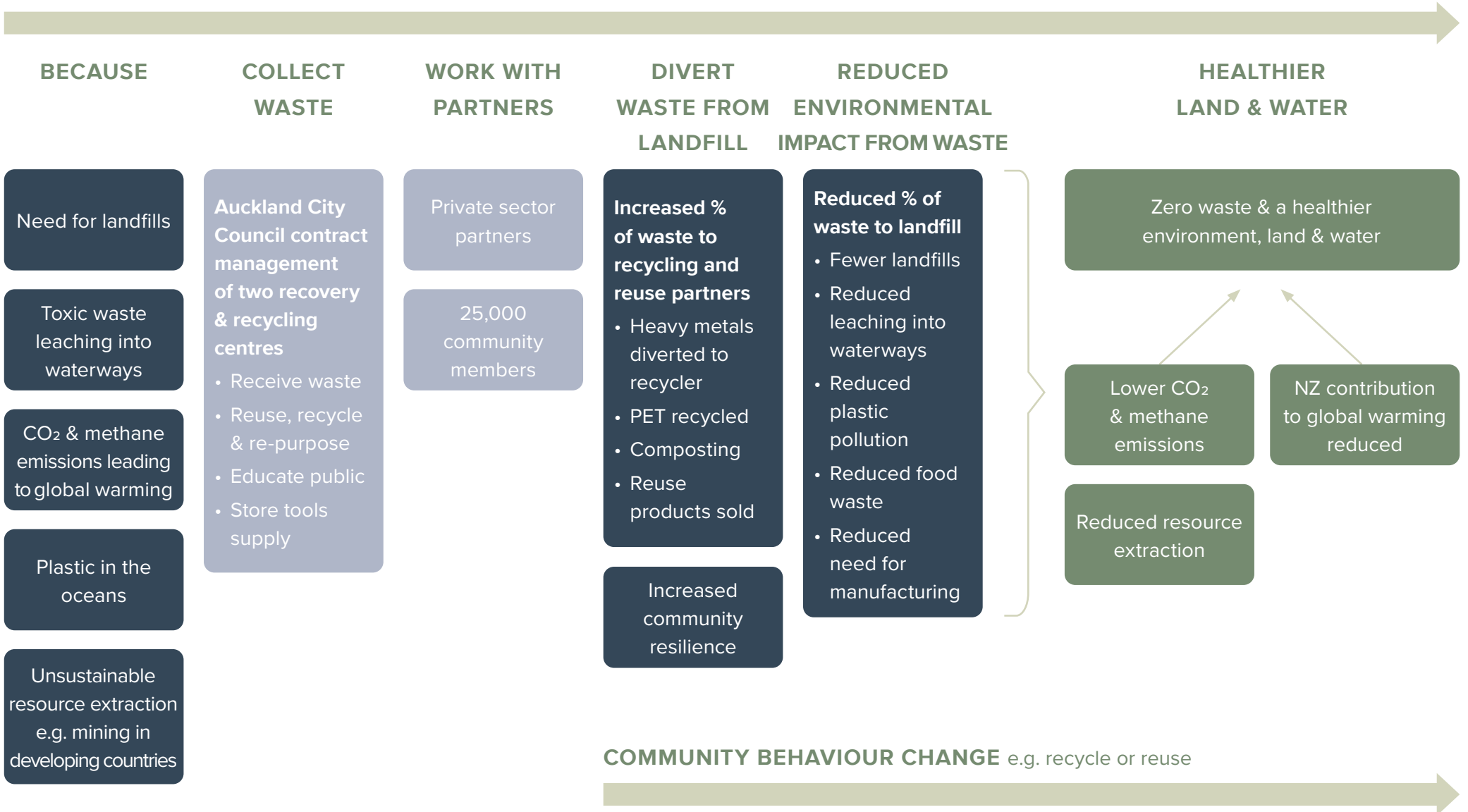
EVIDENCE OF IMPACT

Mahurangi Wastebuster's latest impact report shows that it:

- Employs nine people, paying the living wage and above
- Handles 35 tonnes of material each week and diverts 42% of waste received from landfill.
- Handles 8 tonnes of green waste per week, 100% of which is diverted to make compost.
- Employs nine people.



IMAGE: MAHURANGI WASTEBUSTERS (SUPPLIED)



6.2 Case Study: **MINT** Innovation

WHAT IS MINT INNOVATION AND WHAT DOES IT DO?

Mint Innovation (MINT) is an innovative New Zealand start-up that has designed a world-first process for extracting valuable metals from waste without harming the environment. MINT uses biometallurgy to recover valuable metals including gold from electronic waste from various feedstocks. The company has developed recovery processes that use inexpensive chemicals and naturally occurring microorganisms to bind and concentrate specific metals under environmentally benign conditions.

MINT's vision is to deploy facilities in cities around the world to enable them to extract value from their waste streams locally. Recyclers could then use this revenue to fund recycling efforts.

“Metals recycled by MINT have a lower carbon footprint, as well as reducing the environmental degradation associated with mining and other forms of extraction. Buyers around the world now have access to green recycled metals”

– Alex Parker, MINT Innovation

MINT'S BUSINESS MODEL

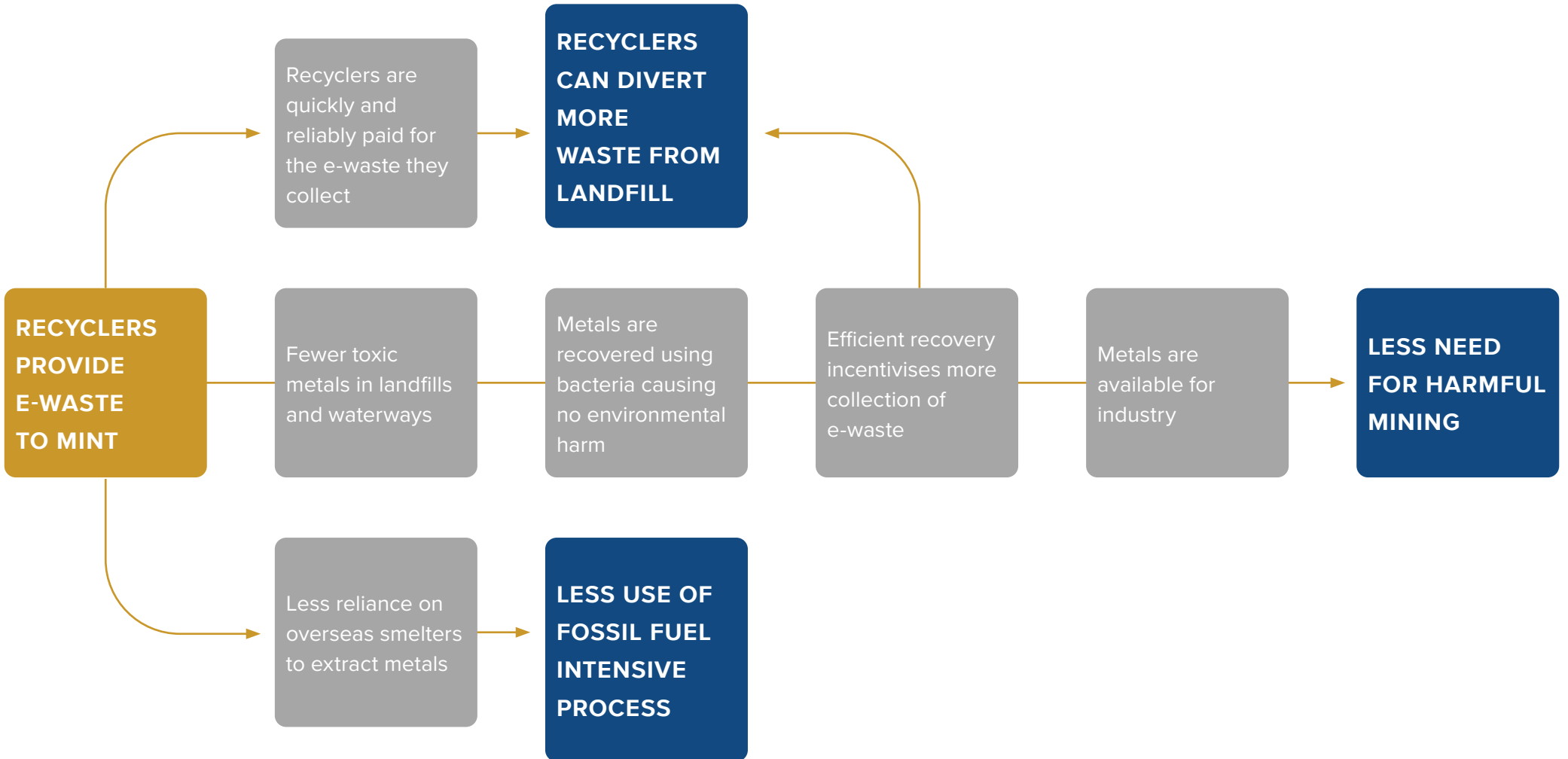
MINT utilises a toll refining model. MINT takes recovered materials from recyclers and processes the materials to extract valuable metals. MINT then sells those metals to a refinery such as the gold mint. MINT retains a toll, which covers costs and a margin, and then pays the remaining value back to the recyclers.

MINT'S IMPACT

Our way of life and our economy rely on certain metals. Gold, for example, is a vital component of printed circuit boards that run virtually all our technology. MINT extracts gold and other valuable metals from waste without harming the environment. Consequently, there is the potential for less need to disturb the environment to extract metals through mining; less damage to the land and waterways from dumping toxic waste metals into landfills, and less harm to the environment from current fossil-fuel intensive extraction methods. In addition, MINT provides a revenue stream to recyclers so that they can continue their important waste diversion work.



IMAGE: JOREN ANGELES, MINT INNOVATION (SUPPLIED)



7. Insights into the value of a social enterprise approach

SOCIAL ENTERPRISES ARE WELL-RESOURCED TO ACHIEVE IMPACT

Unlike pure for-profit businesses, social enterprises exist to deliver broader outcomes and so contribute not only to the economy but also to our communities and the environment. They are able to justify undertaking low-return activities to achieve impact. They can reinvest profits back into their impact. With a strong impact story, social enterprises can attract grant funding and/or investment, build a community of customers who care about their impact, and leverage engaged volunteers to grow their enterprise and their impact. As consumers shift their spend from businesses that are not having impact, to businesses that are new money is made available to achieve positive impact.

SOCIAL ENTERPRISES ARE OFTEN RUN BY AND FOR THE COMMUNITY

Social enterprises are embedded in our communities. Many social enterprises are owned and run by the community they seek to benefit, making them deeply trusted and giving them greater access to priority groups. They may have unique access to some individuals who are not connected to government services.

Community ownership also often translates deep commitment into positive long-term change. Social enterprises can be vehicles for communities to take ownership, implement community-identified solutions, and build community resilience and self-determination.

Community-run social enterprises are often whānau-focused and run in a culturally safe, strength-based, and holistic way. They may be well positioned to network with local government, community services, and corporate partners.

THE SOCIAL ENTERPRISE APPROACH IS AGILE AND RESPONSIVE

Trading income gives social enterprises an element of financial independence which enables them to invest in innovation, research, and development. (Note: this income generation may sit alongside tied funding in the form of philanthropic funding or government contracts for services, which social enterprises value greatly). This financial independence means social enterprises can adapt quickly. They can adjust as the market changes to respond to customer demand, and they can improve their offering as they learn more from the community about what works to achieve positive impact.

One example of this adaptability can be seen in how quickly BBM's fitness and wellbeing programme pivoted during the Covid-19 lockdown to provide essential items to respond to significant whānau need.

SOCIAL ENTERPRISE FUNDING MODELS OFFER INCREASED FINANCIAL STABILITY

More so than traditional charities, social enterprises can have diverse funding models which enable better financial stability. Social enterprises may draw on a combination of trading income, philanthropic donations, or government contracts/grants. They may also attract in-kind support such as volunteer time or use of public or private facilities. Examples of effective diverse funding models include:

- Early philanthropy and/or government support for the social enterprise until its business model is strong and established, at which point the trading income is sufficient to achieve the positive impact indefinitely. Impact investment might then facilitate the growth of the social enterprise, increasing its reach and impact.
- Philanthropy and/or government supplement trading income to fund additional wraparound services. A social enterprise's trading income reduces the need for philanthropic/government funding, meaning more impact can be achieved.

-
- The ability to trade is also essential to being able to achieve certain employment outcomes. Social enterprises operate out of real commercial workplaces (as opposed to training centres), which means they are well placed to teach work skills, provide employment to priority groups, and create an environment that builds respect and confidence alongside a credible employment history.²⁶

SOCIAL ENTERPRISES DISPLAY A STRONG ABILITY TO PARTNER

Social enterprises often collaborate to achieve impact. They are well placed to partner with industry, as demonstrated by some of the enterprises in this report, namely DINE, TupuToa and Oak Tree Devanning. Collaboration supports effective waste diversion, for example, because collaboration is necessary to move waste material along the supply chain and keep it from going to landfill. Both Mahurangi and All Heart NZ (along with many other organisations) collect e-waste and give it to Abilities to disassemble. Abilities then sends the disassembled parts to Remarket. which, in turn, passes them on to MINT. MINT then uses biotechnology to extract gold and other metals from them.



26: BARRAKET, J., QUIAN, J., & RISELEY, E. (2019). SOCIAL ENTERPRISE: A PEOPLE-CENTRED APPROACH TO EMPLOYMENT SERVICES. CENTRE FOR SOCIAL IMPACT, SWINBURNE UNIVERSITY, MELBOURNE, AUSTRALIA. [HTTPS://WWW.CSI.EDU.AU/MEDIA/WESTPACFOUNDATION_CSI_REPORT_AUG2019.PDF](https://www.csi.edu.au/media/westpacfoundation_csi_report_aug2019.pdf)

8. Opportunities to support social enterprises to progress government priorities

Building the impact measurement capability of both social enterprises and government agencies will enable impact to be managed, increased, and communicated.

- **Continue to build Government impact capability:** There is an opportunity for more of government to focus on impact, and in doing so, to make decisions that are more likely to lead to positive impact. This approach means:
 - setting clear impact priorities (e.g. for a government fund or agency),
 - understanding impact models and getting clarity on how certain activities lead to those impact priorities,
 - understanding how to measuring measure and assess whether or not impact is happening impact, and
 - using those insights to continually make decisions that maximise impact.
- **Align reporting requirements:** Aligning the requirements for reporting of funding and contracts that seek to achieve the same outcomes. This approach could enable the government to aggregate its data to learn more about its own impact. Data aggregation could facilitate more cross-agency collaboration and, by reducing the reporting burden on social enterprises, would increase their impact measurement capacity. This approach would also likely increase the quality of the data the government receives from social enterprises.
- **Fund capability building:** The Government could fund social enterprises to grow their impact capability so that they can demonstrate the impact they are having and learn from their impact measurement in order to increase their impact. To do so, social enterprises need access to the right capability building support, at the right time. It is important to note that if the Government does hope to achieve positive impact via, or in partnership with, social enterprises, then the Government's own ability to understand the impact of that partnership will be enhanced by the social enterprises' having enhanced capacity to report their impact to the Government.

Continuing to develop government procurement practice towards social procurement will open up opportunities for social enterprises to deliver goods and services, which will scale their impact.

- **Continue to grow social procurement:** By procuring services such as catering, cleaning, and waste services, the Government's own procurement practices could unlock huge opportunities for social enterprises, in turn enabling those enterprises to scale their impact. The approach taken by Oak Tree and Mahurangi Wastebusters reinforced this insight.

Investing in the sharing and collection of data will support social enterprises to efficiently and effectively respond to social and environmental challenges.

- **Share de-identified client data** from the IDI, the Data Exchange, or some other source. Access to this data will enable social enterprises to learn if their intervention has been effective in achieving longer-term impact, for example, reducing recidivism. Social enterprises will then be able to make adjustments to improve their programmes.

- **Share evidence of what works** to achieve positive outcomes (e.g. evidence-backed intervention logics). Sharing this evidence with social enterprises will increase the likelihood of their designing programmes that will achieve the desired outcome.
- **Gather data from social enterprises** to learn the value of social enterprises, what role they are playing, and how their impact could be grown. The Government could work to gather both qualitative and quantitative data about social enterprises and make the findings accessible to government decision makers.

Focusing government funding and contracts on outcomes, rather than activities, will enable social enterprises to access critical opportunities to deliver and scale their impact.

- **Focus on outcomes:** The Government could move more of its overall spend to outcomes rather than activities. This change could include funding initiatives that can demonstrate that the outcomes being achieved are aligned with the Government's goals. Such a change could also mean funding following referrals that government agencies are making to social enterprises in recognition of the role those social enterprises are playing in achieving outcomes. It would also be useful to develop intervention logics that show which short-term outcomes lead to which long-term outcomes and then funding initiatives that can demonstrate that they are achieving the short-term outcomes that evidence says is highly likely to lead to longer-term outcomes that are aligned with the Government's goals.
- **Fund social enterprises:** Despite the potential for social enterprises to achieve the Government's goals in an effective, cost-efficient way, a number of government funds are not accessible to social enterprises. For example, contestable funds may be available only to charities or to organisations satisfying outdated criteria. The Government generally pays government agencies to deliver services. However, there may be opportunities for government to fund the formation of a social enterprise, possibly in partnership with community organisations, or for social enterprises to participate in more contestable contract rounds, particularly ones focused on delivering services within communities. The Government could constantly challenge itself to consider whether the Government itself is best placed to deliver the work or if a "for community, by community" response would work.

Expanding investment and funding criteria to consider impact, and by establishing dedicated impact investment funds, will enable social enterprises to scale up their impact.

- Many of the social enterprises highlighted within this report are operating strong and profitable business models that could significantly scale both their business and its outcomes if given an injection of capital. Organisations like MINT and Mahurangi could be suitable for debt or equity impact investment, while others like DINE could be suitable for a government outcomes-oriented investment. Others may be ready for similar impact investments in the future once they have increased their level of impact investment readiness.
- In order to invest in the long-term value that social enterprises can offer, the Government could:
 - Expand funding/investment criteria.
 - Develop a dedicated impact investment fund and identify existing funds with a mandate to invest directly.



IMAGE: TUPU TOA INTERNS, SEE APPENDIX (SUPPLIED)

the
IMPACT
INITIATIVE

The Business of Impact, Appendix: Social enterprise case studies

WHAT IS TUPUTOA AND WHAT DO THEY DO?

About the name: 'Tupu' is about flourishing, thriving and growing into who you were meant to be given the best conditions and 'Toa' means courage.

TupuToa seeks to ensure corporate Aotearoa is representative of our country, by developing and empowering our people and building the cultural capability of their partners. Their programmes aim to address the persistent inequalities facing our communities and disrupt intergenerational disadvantage. TupuToa works to reduce entry and advancement barriers which are biased against Māori and Pasifika communities and support organisations in successfully recruiting and onboarding Māori and Pasifika peoples.

TUPUTOA'S BUSINESS MODEL

TupuToa run a national internship programmes to inspire and capture a growing number of Māori and Pasifika young people (210 in 2019) so as to prepare them for an internship alongside university and tertiary study. They cultivate an environment where young people can dream big and rediscover their unique cultural perspectives. TupuToa run diversity and inclusion training for partner organisations (90 partners to date and counting) to enable workplace readiness to receive TupuToa interns. TupuToa interns are placed in some of New Zealand's leading organisations to learn and experience the corporate setting first hand.

After graduating, TupuToa alumni take up graduate positions in corporate organisations that best match their interests and aspirations. Many remain connected to the TupuToa community as alumni. TupuToa run leadership training to instill the right skill sets in their alumni so that they are better positioned to take up management positions.

TUPUTOA'S IMPACT

TupuToa are removing barriers for Māori and Pasifika young people entering the corporate workforce and enabling a collective belief in their own ability to create positive change in the world. After graduating from study, interns take up jobs in some of New Zealand's most influential organisations which enables them to support their whānau and communities. To date they have placed over 450 interns into corporate and public sector roles, with more than 80% securing graduate jobs after their internship.

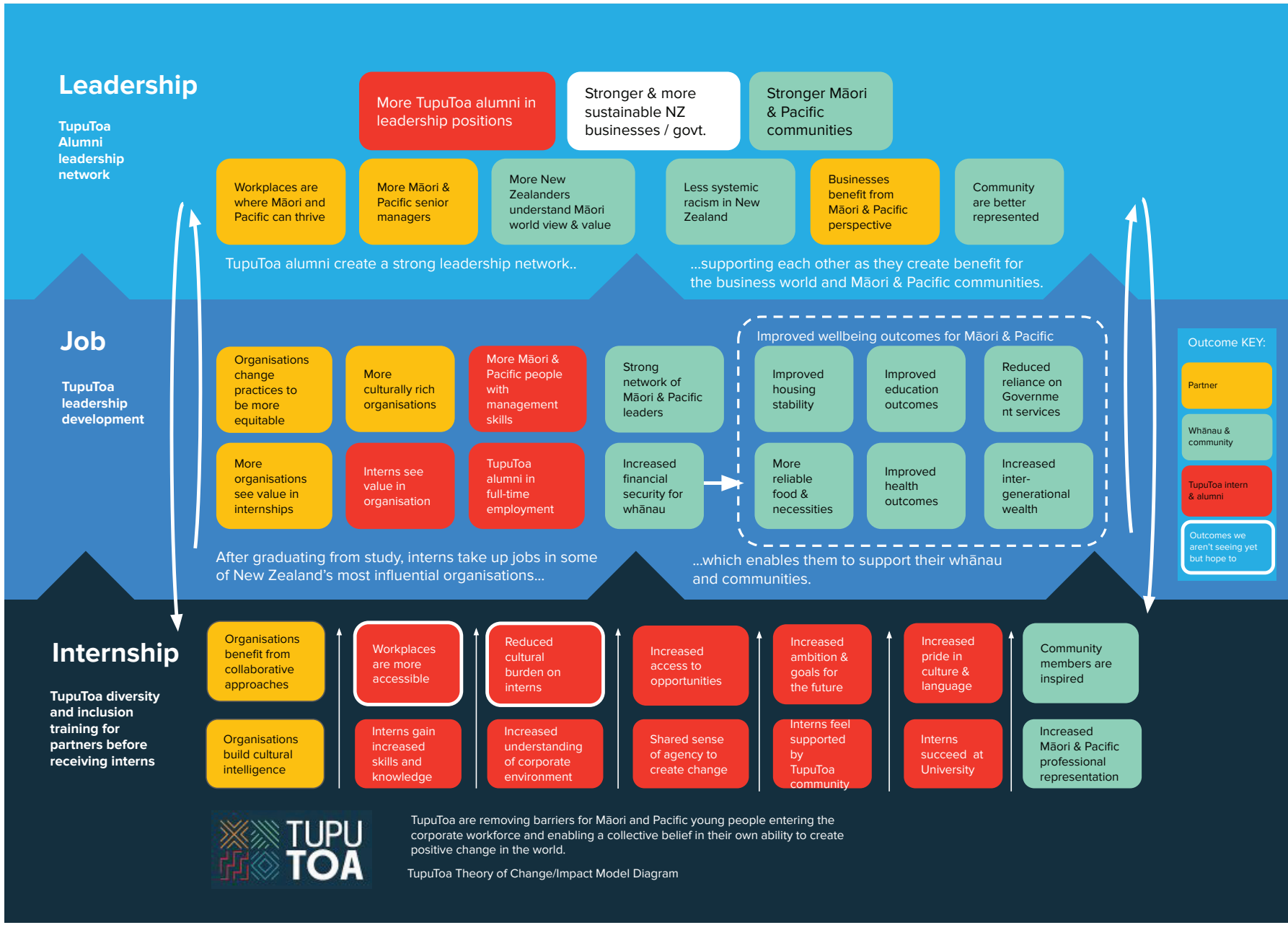
TupuToa alumni create a strong leadership network supporting each other as they create benefits for the business world and Māori & Pasifika communities.

Two interesting feedback loops:

1. TupuToa alumni fill leadership positions and influence workplaces to be more accessible and culturally diverse.
2. TupuToa alumni increase the wealth of Māori & Pasifika communities and influence community aspirations.

EVIDENCE OF IMPACT

TupuToa's research shows that only 17% of New Zealand's top 60 firms have an executive who identifies as something other than European/Pākehā. Although Māori and Pasifika comprise around 22% of the general population (a figure which is projected to rise to 30% by 2033), they are largely absent from the leadership of corporate New Zealand. No NZX listed company has a Māori or Pasifika CEO. This lopsided demographic creates a knowledge gap, deprives businesses of the well-established benefits of diversity, and inhibits business growth. New Zealand's future economic and social prosperity requires the development of a new generation of Māori and Pasifika business leaders who are able to recognise and seize opportunities in increasingly diverse markets, both nationally and internationally.



WHAT IS COLIBERATE AND WHAT DOES IT DO?

CoLiberate's purpose is to enable the emotional and mental health support capability of Aotearoa, New Zealand. They work with organisations to develop sustainable staff-wellbeing strategies, deliver customised wellbeing workshops and equip people with Mental Health First Responder skills.

COLIBERATE'S BUSINESS MODEL

CoLiberate's primary offering is a mental health first aid course. CoLiberate is a social enterprise operating as a company. To date they have trained over 1000 Mental Health First Responders at over 250 organisations across New Zealand. They charge organisations a fee to deliver training to their staff and have a number of follow-up offerings to ensure change is effectively integrated in the organisation.

Their course enables people to:

- Confidently assist someone experiencing mental distress.
- Recognise developing mental illness.
- Understand early intervention and long-term support strategies.
- Understand stigmatizing language and how to be a zero-tolerance stigma legend.
- Look after yourself while supporting other people.

COLIBERATE'S IMPACT

CoLiberate's approach is centred around building care and capability across organisations and communities. They create resilient networks for support in workplaces to keep business safe, and people thriving. Their capacity building programmes focus on enabling people to respond well to inevitable mental health challenges at work and beyond.

The programme gives people new tools, new confidence and new perspectives. Participants go out into the world and use the tools with their colleagues. They are able to provide support to others and over time, this support leads to more people receiving early intervention and a reduction in the impact of unwellness.

All this work culminates in reduced absenteeism, fewer deaths by suicide, and people who are more engaged with work and life.

EVIDENCE OF IMPACT

At any one time, one worker in six will be experiencing depression, anxiety or problems relating to stress.¹ Given this fact, there is a clear business case for providing better mental health support in the workplace. Research shows that workplaces that prioritise mental health have better engagement, reduced absenteeism and higher productivity, while people have improved wellbeing and greater morale.²

Unhappy, dissatisfied or disengaged employees are more likely to take time off, turn up but not be able to work, leave a workplace, and/or suffer injuries. An Australian analysis found workplaces who take effective action to create mentally healthy workplaces can expect a return on investment of \$2.30 for every dollar spent.³

While many organisations have a plan for responding to common first aid problems such as cuts and grazes, sprains and strains, broken bones and even heart attacks, they are a lot less equipped to recognise and respond to the mental health equivalent.

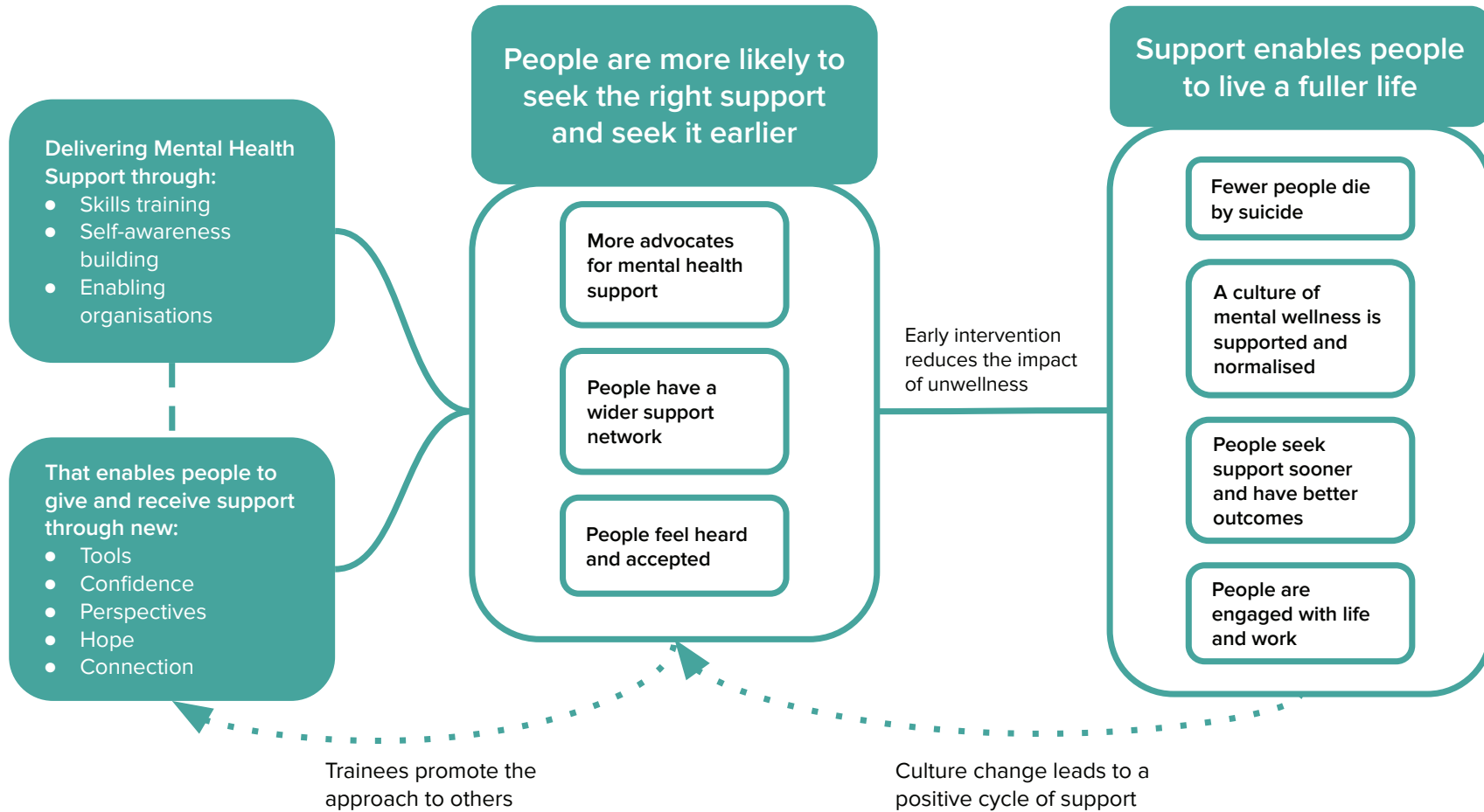
1: [HTTPS://WWW.MENTALHEALTH.ORG.NZ/ASSETS/WORKING-WELL/FINAL-WORKING-WELL-FS-THE-BUSINESS-CASE-FOR-WELLBEING-APPROVED.PDF](https://www.mentalhealth.org.nz/assets/working-well/final-working-well-fs-the-business-case-for-wellbeing-approved.pdf)

2: THE EXECUTIVE CONNECTION. THE HIDDEN COSTS OF IGNORING EMPLOYEE MENTAL HEALTH

3: PRICEWATERHOUSECOOPERS. (2014). CREATING A MENTALLY HEALTHY WORKPLACE RETURN ON INVESTMENT ANALYSIS.



Coliberate Theory of Change/Impact Model Diagram



WHAT IS IGNITE AOTEAROA AND WHAT DOES IT DO?

Ignite Aotearoa provides a wide range of community-based mental health, addiction, disability support and social housing services nationwide. Ignite Aotearoa is a new social enterprise focussed on strengthening the wellbeing of Aotearoa by broadening access to online support and coaching. It is backed by Emerge Aotearoa, one of New Zealand's largest providers of social services.

Ignite has developed a multi-part solution to address some of the systemic issues facing mental health in New Zealand. There are two key streams to the approach - one is supporting people, and the other is transforming the system.

IGNITE AOTEAROA'S BUSINESS MODEL

Firstly they are working to increase the availability, flexibility and visibility of support pathways. They have developed a digital wellbeing platform that provides clinically curated resources, a personalised wellbeing plan and enables access to book virtual support and coaching. The support provided is broad and includes peer support, clinical support as well as finance and career coaching.

IGNITE AOTEAROA'S IMPACT

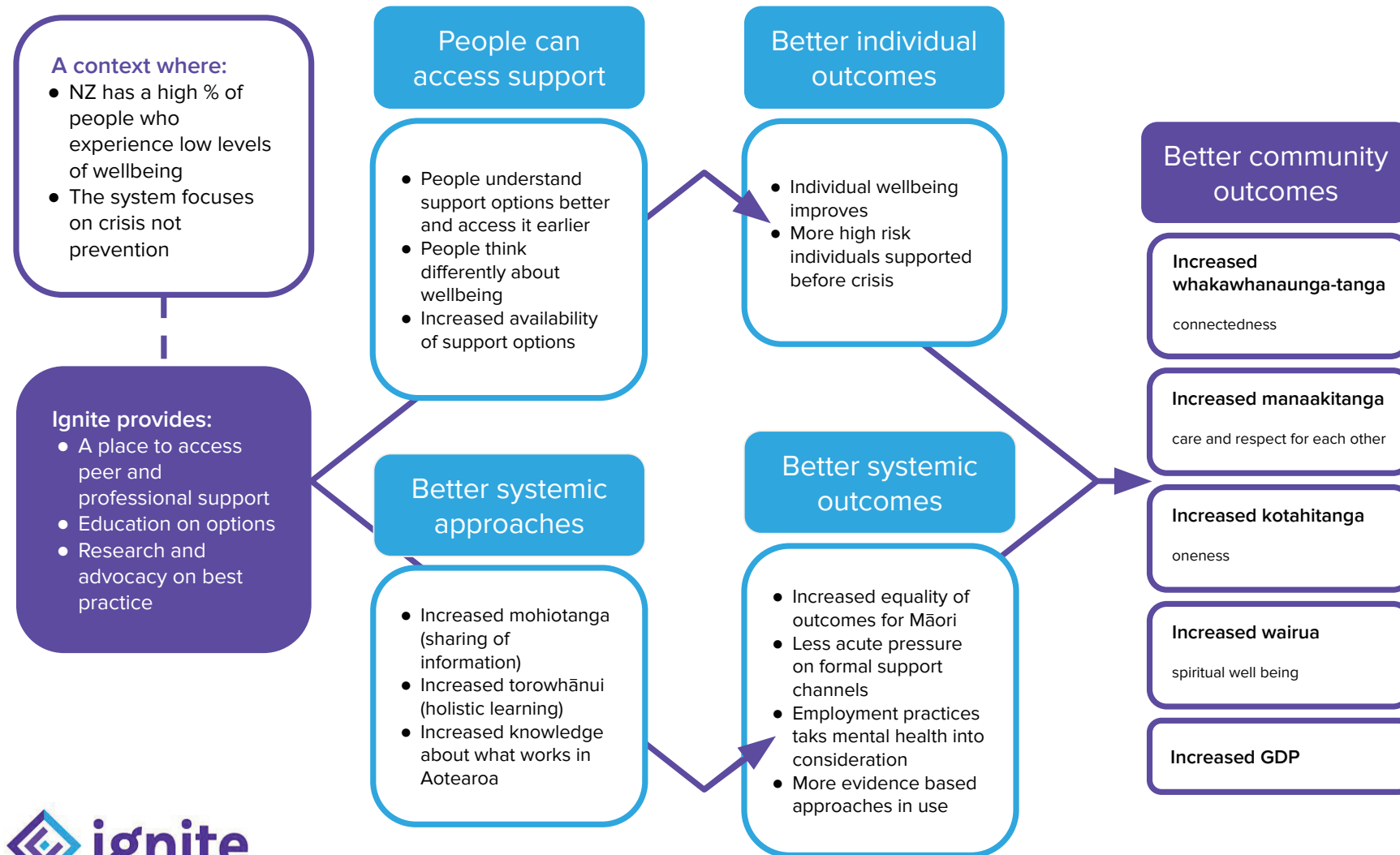
As a result of increasing the accessibility of support and offering choice and flexibility about when and how people can access it, people are more likely to engage with it and seek it earlier. This will lead to better outcomes for individuals and communities. Ignite are also undertaking research and developing insight papers on the effectiveness of new models and advocate for evidence-based best practice to be used. Over time, this will lead to improved understanding and delivery of effective support.

EVIDENCE OF IMPACT

Our nation's ability to effectively support New Zealanders mental health is a well recognised challenge. The number of suicides in New Zealand has reached its highest-ever level, with 685 people dying in the year to June 30.⁴ It's estimated that in 2014 the economic cost of serious mental illness alone was \$12 billion, or 5% of GDP.⁵ Mental health is a clear priority for the current government, who identified it as a key part of the first Wellbeing Budget and then increased funding by \$6 million dollars in September 2019. He Ara Oranga, the report of the Inquiry into Mental Health and Addiction clearly identified that New Zealand has reached a critical point and that we need innovative solutions to meet the scale and complexity of the need.

4: [HTTPS://WWW.STUFF.CO.NZ/NATIONAL/HEALTH/115290090/SUICIDE-RATES-UP-ON-THE-
PREVIOUS-YEAR-LATEST-FIGURES-SHOW](https://www.stuff.co.nz/national/health/115290090/suicide-rates-up-on-the-previous-year-latest-figures-show)

5: [HTTPS://WWW.TREASURY.GOV.T.NZ/PUBLICATIONS/WELLBEING-BUDGET/WELLBEING-BUDGET-
2019-HTML#SECTION-7](https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2019-html#section-7)



Ignite Theory of Change/Impact Model Diagram

WHAT IS WHENUA ITI AND WHAT DOES IT DO?

Whenua Iti Outdoors deliver experiential learning programmes that focus on personal and social development in the outdoors to achieve positive change in individuals and communities. The dream for Whenua Iti started in 1985 when Hazel Nash (the founder) bought land in the Moutere valley to provide outdoor education experiences for young people. Since then the vision has grown to over 30 programmes and over 10,000 participant days in 2018.

WHENUA ITI'S BUSINESS MODEL

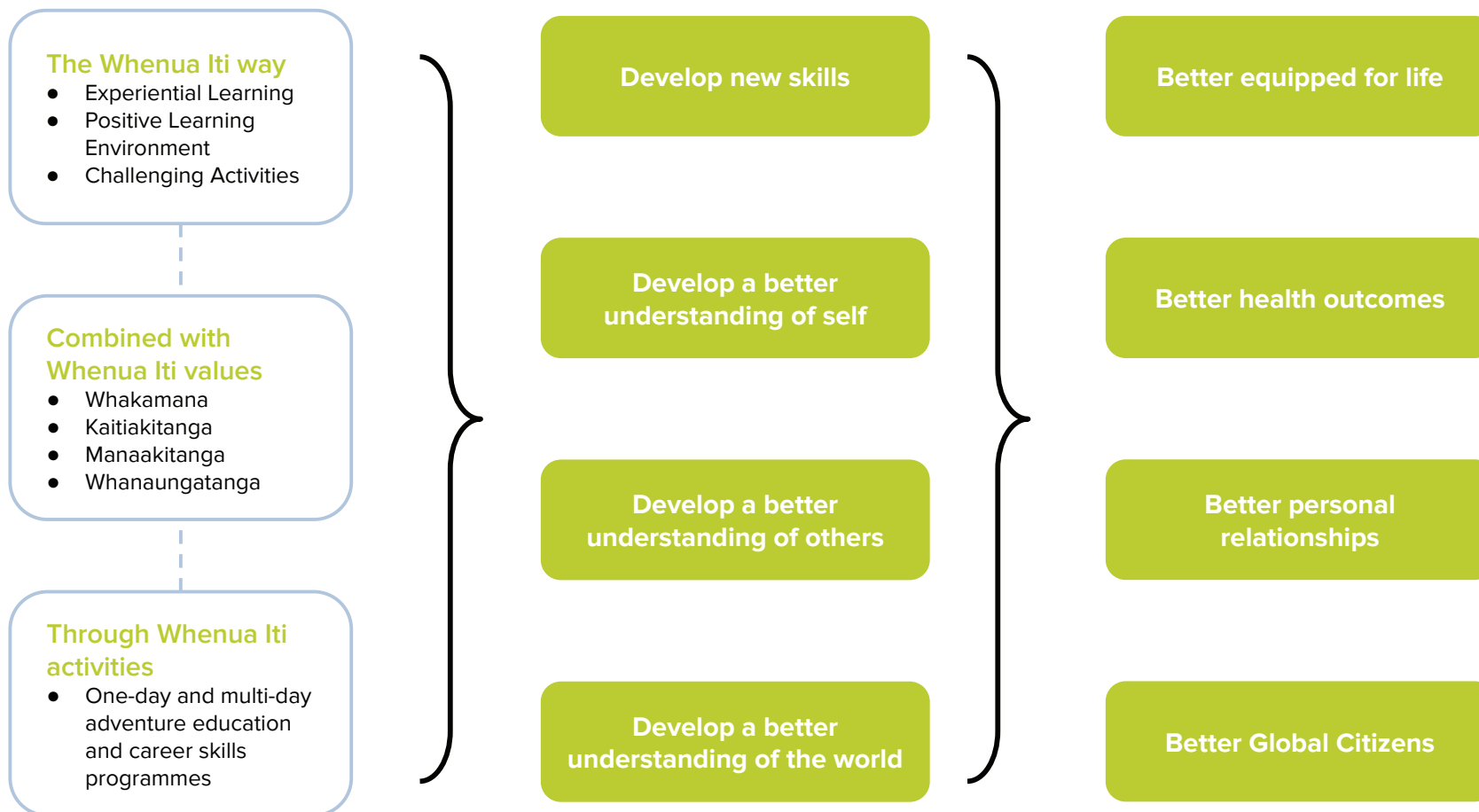
Young people participate in single or multi-day Whenua Iti programmes that include activities like kayaking, abseiling and tramping. Through this, young people get to experience personal growth through challenging situations by reflecting on themselves, their leadership and their relationship with others. There is a strong focus on mental health and connection to the land. These experiences can be recognised in the traditional school system through NCEA credits.

WHENUA ITI'S IMPACT

Whenua Iti also run programmes that contribute directly to employability for young people. Their programmes focus on providing both essential skills and personal growth which lay pathways into Civil Defense, Uniformed Services and Adventure Tourism.

EVIDENCE OF IMPACT

Whenua Iti work with young people who traditional mainstream education doesn't work for. The traditional education system fails to meet the needs of all students so alternative approaches are valuable. The rate of young people not in education, employment or training (NEET rates) has remained mostly static for the last decade. Solutions like Whenua Iti provide an alternative path to employment for these individuals. Whenua Iti believes that education is now less focused on holistic development of young people which is something they seek to integrate into their approach.



WHAT IS ABILITIES GROUP AND WHAT DO THEY DO?

The Abilities Group is a non-profit, incorporated society based in Glenfield, Auckland. They were established in 1959, and have been dedicated to enriching the lives of people with disabilities through meaningful work ever since. Today they have a workforce of 144 people, of which 120 are people with disabilities.

ABILITIES GROUP'S BUSINESS MODEL

For the last 60 years, Abilities has been providing meaningful employment for people with disabilities through packaging, bagging and assembly services under contract to large companies. More recently, they've also started providing waste and recycling solutions for both government and private organisations such as District Health Boards, and The Warehouse Group. They also run a waste drop off service for members of the public, and through these interactions educate the public about waste and recycling. Occasionally, Abilities will also host school and business visits to educate kids and businesses about waste management and recycling.

ABILITIES GROUP'S IMPACT

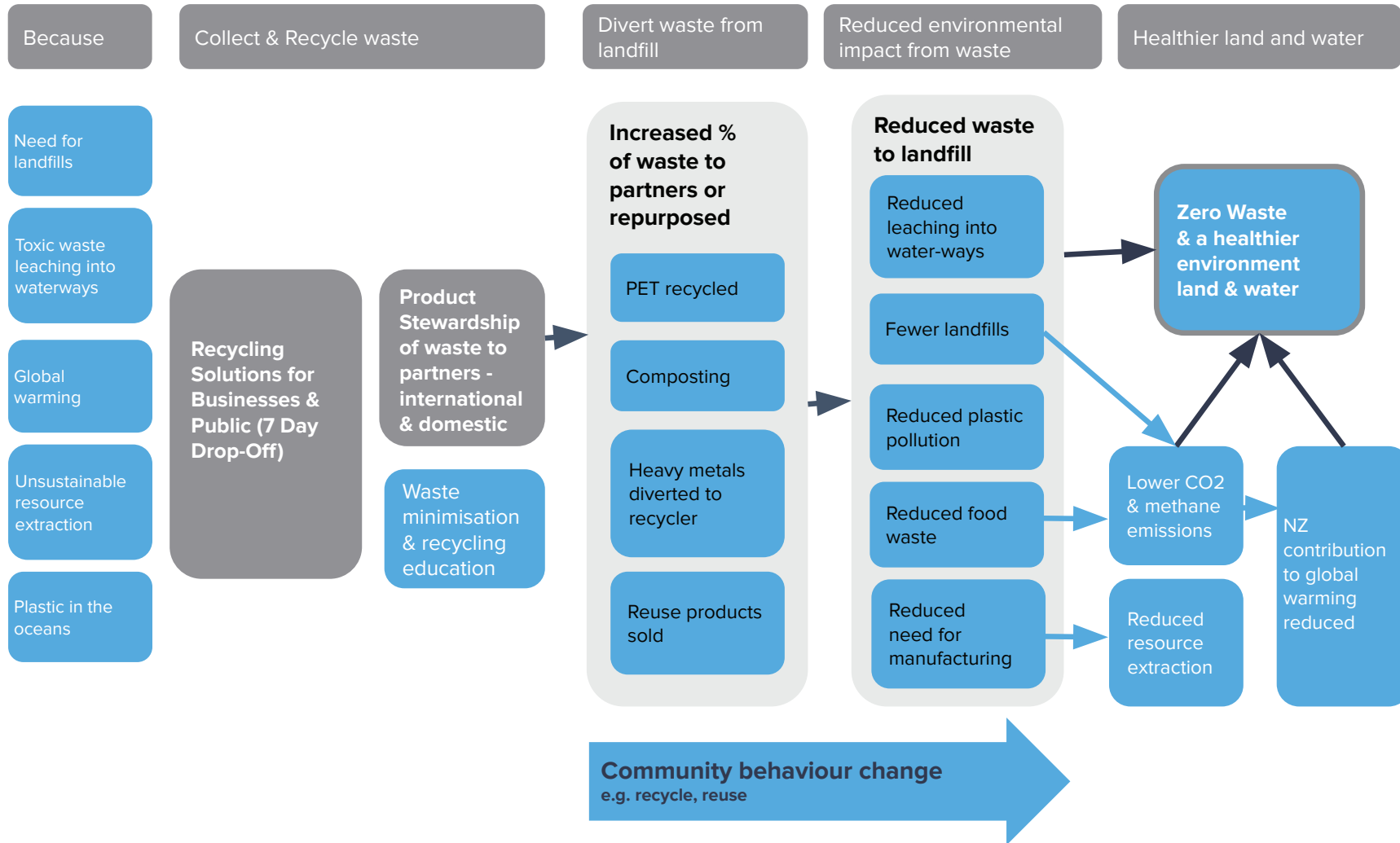
Abilities are addressing two distinct areas of concern.

1. People with disabilities face significant barriers to employment. Those with intellectual disabilities are particularly affected because they require more on the job training (often repeat training), support and supervision. Without the right environment, people with disabilities often struggle to remain in employment or have equal opportunities to succeed.
2. There are growing amounts of waste going to landfill. Most of this waste (88%) is corporate or building waste, including plastics, metal, timber, building materials and polystyrene. Waste, like plastics and polystyrene, often end up in our waterways or the ocean, breaking down into smaller particles ingested by fish and other marine animals.

Abilities motto is “Caring for Our People and Your Environment”, recognising the dual impact for people with disabilities and the planet.

EVIDENCE OF IMPACT

- Meaningful jobs for people with disabilities enables more people to feel part of the community, have a sense of purpose, happier and live more enriched lives. Increased financial stability. Increased self-esteem and confidence. Increased skills and capabilities.
- Continuity of employment. Abilities has many long-serving staff, some of more than 30 years.
- Diversion of waste from landfill, 4,000 tonnes of recyclable material every year, reducing negative social and environmental impacts of landfills for current and future generations and also reducing the need for new landfill sites.
- Recycling of materials from the waste stream reduces the need to extract virgin materials from the earth, and creates jobs downstream in the recycling and reuse industries.
- Behaviour change for members of the public with more taking steps to minimise their waste.



WHAT IS ALL HEART AND WHAT DO THEY DO?

All Heart New Zealand is a social enterprise based in Albany, Auckland. Established by Joseph Youssef in 2016, All Heart's motto is "Thinking Sustainably, Supporting Communities". All Heart enables corporates to redirect and repurpose their waste while supporting communities throughout Aotearoa and globally. They achieve a circular economy solution for unwanted corporate furniture and equipment. Their reduce service partners to further develop the sustainable, ethical and social aspects of procurement and supply chain management.

ALL HEART'S BUSINESS MODEL

Redirect: All Heart redirects companies' redundant corporate furniture, IT equipment and end of life or line products to community groups. These items are then used in community groups day to day operations or sold by them so they can expand the services that they provide to their communities. This diverts material away from landfill, and gives it another life to be of use to community organisations with limited cash flow.

Reduce: All Heart works with companies who want to reduce waste generated, act more sustainably and leverage the sustainable, ethical and social aspects of procurement and supply chain management.

Repurpose: All Heart receives and finds solutions for items that are not in a reusable state and can't be redirected to community organisations. Some items can be refurbished or repaired and then sold by All Heart. Mostly, however, the materials are melted down, broken down, cut up or shredded to create new products by third party providers.

ALL HEART'S IMPACT

Waste is a growing problem in New Zealand, particularly corporate waste and waste from the building industry, which combined represent 88% of total waste to landfill. Too many companies are producing too much waste, which then results in environmental and social harm to New Zealand in the form of landfills, litter and the pollution of water-ways. Much of the waste going to landfill could be recycled and used in other products, thereby reducing the need for primary extraction such as mining and forestry. This often happens in developing countries in appalling conditions, which amount to modern day slavery.

EVIDENCE OF IMPACT

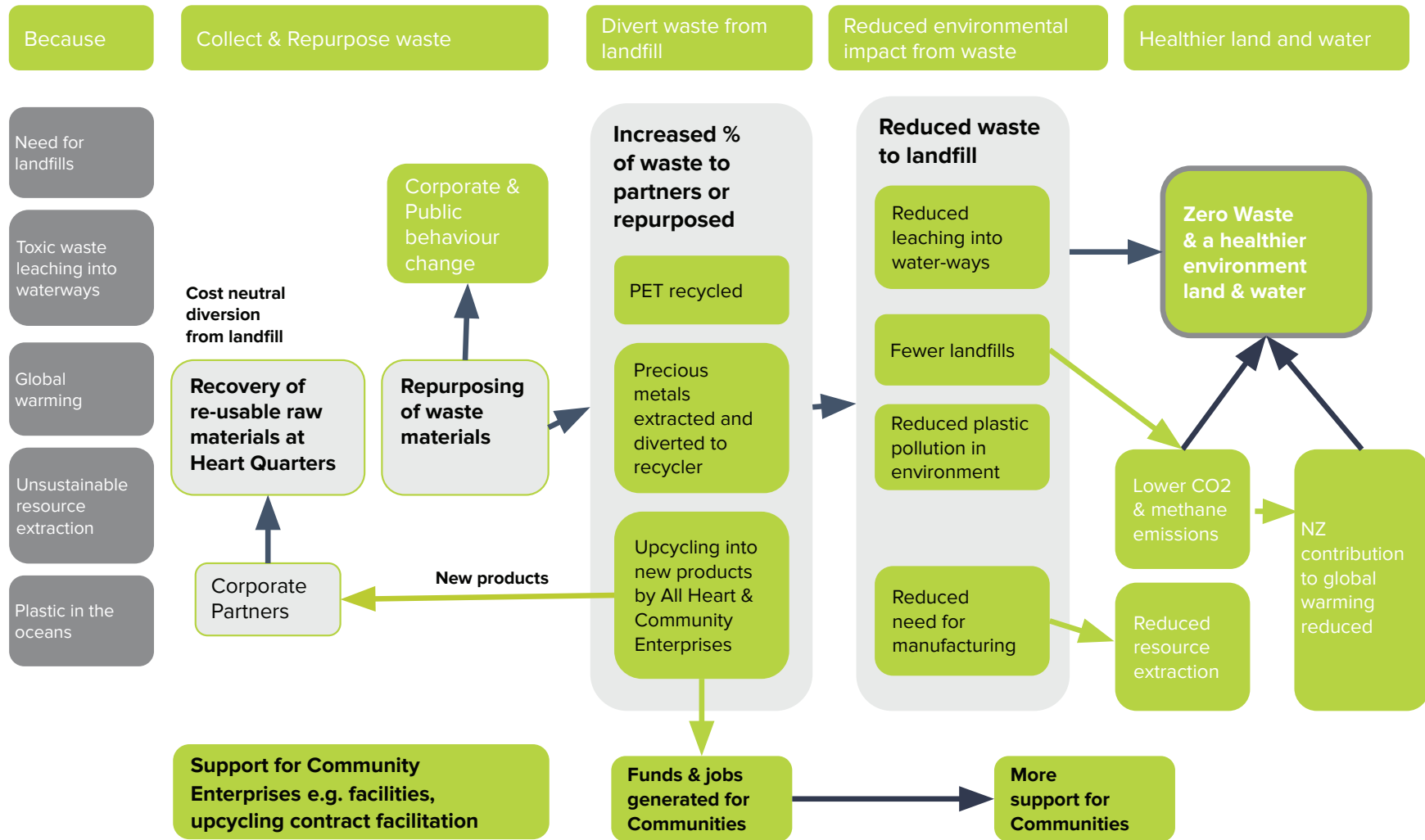
Since 2016, All Heart has diverted 2.5m tonnes of redundant corporate furniture and equipment away from landfill, and redirected it to over 310 community groups. As a result, the community groups have either saved or raised (from selling the equipment) \$6.6m.

These community groups generate important impacts, such as:

- **Education:** Over 43,000 learners and 4,000 teaching staff have been supported by these community organisations.
- **Relief of Poverty:** Over 20,000 families have been supported, 1,327 houses provided and over 7,860 people are receiving meals.
- **Wellbeing:** Over 2,800 people are receiving healthcare, 1071 are receiving employment support and 28,680 are receiving well-being services.

Repurpose and redirect

Like the redirect service, All Heart's new repurpose work diverts useful waste from landfill and generates a circular economy by turning waste materials into new products. All Heart's corporate clients are offered an environmentally sustainable and cost neutral solution to their waste problems, improving their corporate image among customers and staff.



the **IMPACT** INITIATIVE

The Business of Impact was produced for The Social Enterprise Sector Development Programme (The Impact initiative). Insights and findings from this report will form a crucial part of the Programme recommendations being developed with The New Zealand Government to articulate the need for ongoing support of the social enterprise sector.

For more social enterprise stories, refer to the case studies in the appendix or visit:

www.theimpactinitiative.org.nz/case-studies