

# SNAPSHOT 2010:

*Stories of business engagement in the social space*

"Business can't succeed in societies that fail"

New Zealand Business Council  
for Sustainable Development



December, 2010

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## **THIS IS REPORT 3 OF A SERIES ADDRESSING THE SOCIAL ROLE OF BUSINESS.**

**Report 1: The Social Role of Business** - How to leverage business - community engagement for a more prosperous society

**Report 2: Business Guide** - Engaging in Corporate Social Responsibility

**Report 3: Snapshot 2010** - Stories of business engagement in the social space

All reports are available on [www.nzbcsc.org.nz](http://www.nzbcsc.org.nz)

# Snapshot 2010:

## Stories of business engagement in the social space

Over 60% of New Zealand businesses are engaged in some form of community or social activities.<sup>1</sup> According to an August 2010, ShapeNZ survey of business decision makers, the most common practices for corporate social responsibility (CSR) are:

- 40% contribute employee time in volunteering and mentoring;
- 49% contribute to charities and community organisations;
- Two thirds provide training and education opportunities;
- 76% of business decision-makers said they look after the environment and people as well as focusing on profits;
- Flexible working, commitment to ethics and equal opportunities are also considered critical.

### The CSR journey

CSR is normally characterised as a journey and the range of ways business engages in CSR is extensive. The starting point for many New Zealand businesses is through in-house CSR activities and workplace culture before picking up further elements such as community sponsorship, community volunteering, pro-bono services and partnerships.<sup>2</sup> It is clear that businesses are travelling at differing speeds and on different paths as CSR is evolving in their business. These journeys may have a relatively linear path through these categories (as illustrated) whilst others may have hopped through some areas or have interchanged some sections.

CSR practitioners comment on the need for those businesses early on the engagement journey to have better information on both the vision of CSR and how it is embedded into a business, the magnitude of a business' possible engagement and reach into the community, and the impact of this engagement.

As CSR matures in an organisation, different questions emerge. CSR practitioners want to know about how to lift or increase the impact of engagement and to progress to increasingly strategic partnerships. This can be informed by the stories of how other businesses have successfully negotiated these partnerships.

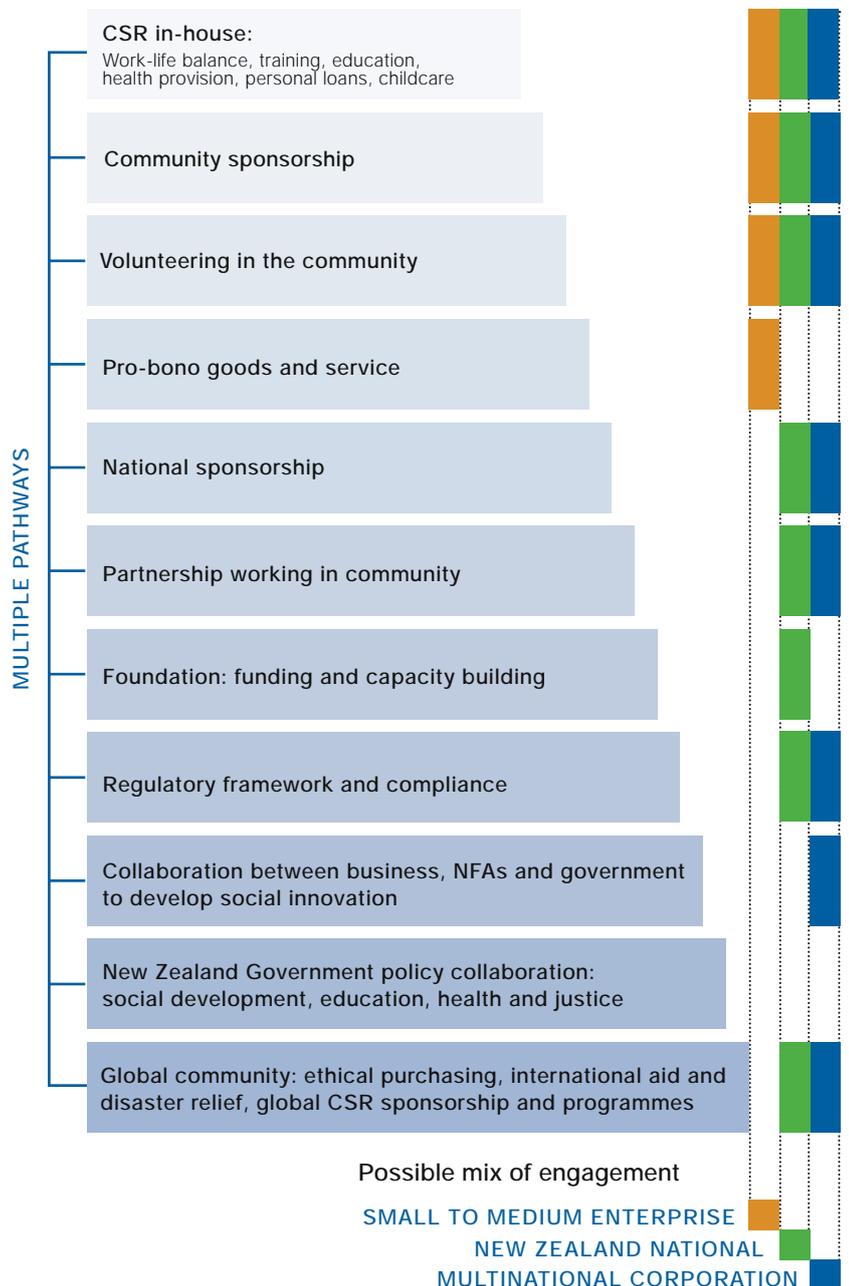
Based on feedback on CSR practices and other research in the field, the stories of business engagement in the community are presented in the following pages. It is not an exhaustive treatment of Business Council member and other New Zealand business activities across the CSR engagement range, neither do the vignettes

indicate this is necessarily best practice in New Zealand. Rather, the vignettes presented are used as stories to provide engagement models for new entrants to adopt and ways for CSR to be extended in business.

Telling and collating these stories of engagement in CSR around categories also provides an opportunity to determine how current engagement can be measured at both an individual business/community activity level, and across regional and national frameworks. The stories also make it possible to collect evidence that reflect the spread of CSR in New Zealand and through impact assessment to evaluate where it could be best utilised.

*It's a matter of seeing what your strengths are as a business and how you can leverage them to provide support."*

*Steve Bonnici,  
Urgent Couriers*





### CSR activities in-house

In-house social policies and practices reflect business goals around being a good employer and seeking to retain staff due to the competition for staff in today's economy. In addition to health and safety, employees seek family-friendly policies and flexi-time together with the option to buy more leave<sup>3</sup>. There is a growing trend for business to ensure employees have a healthy work/life balance<sup>4</sup> and an increased focus on employee well-being.



Business Council member, **WATERCARE** aims to be an industry best workplace through its approach to health, safety and well being. It measures its performance across three objectives: provide staff with safe working conditions; maintain a working environment that promotes staff productivity and well being; develop staff to their full potential. As part of its commitment to staff wellness, Watercare provides a comprehensive occupational health service to all staff covering medical consultation, health seminars, influenza immunisation, skin checks, and assistance for employees suffering hardship in their personal lives.

Watercare provides growth and development opportunities through training, external and internal appointments, and focusing on employment equity and diversity), and in helping staff to achieve their full potential. Watercare has notes reduced staff turnover.

### **RICOH RICOH NEW ZEALAND**

includes environmental harmony as one of the four keystone areas of its employee Code of Conduct.

As part of the company's Employee Assistance Programme, staff members are offered confidential free external counselling to help them cope with any life or work issues they may experience.

Job training is another key practice and generally a standard expectation of a company's responsibility towards its employees. It makes good business sense to continually up-skill employees and provides greater job satisfaction; this can be provided through volunteering opportunities in the community for employees, expanding skills in roles that contribute to both community and business participants.

**TOYOTA TOYOTA** fosters a family atmosphere and encourages involvement in social activities and programmes to support employees and their families' health and wellbeing.

An initiative is a confidential counselling service. This can be conducted off-site and is available to all employees and their families.

In addition, Toyota contributes 4% to KiwiSaver (to employees who were not already in the company group pension plan), and provides free medical insurance to all staff.

Toyota New Zealand is a committed learning organisation. The Toyota Way and Toyota Business Practises Programme, which emphasises continuous improvement, innovation and sharing opportunities to develop, is the foundation for its training programmes.

Toyota New Zealand has fostered a learning environment where corporate and dealer staff are encouraged to continuously up-skill and educate, either through a technical training curriculum or a management development programme and business training curriculum.

New employees at the Thames Logistics Centre are given regular training to ensure that they fully understand operational charts and can read and understand processes and any potential hazards.



### **URGENT COURIERS**

recognises it has responsibility in encouraging its sub contractors to meet their tax obligations as independent contractors. A session on taxation is part of a contractor's training and induction process, and is supported by monthly statements indicating how much of their contractor earnings should be set

## Community sponsorship

Donating money to charities or sponsoring community initiatives is seen as an important and viable choice for businesses when they may not be able to be “hands on” or have the skills to engage in specialist areas.



### **MIGHTY RIVER POWER'S** retail

arm, Mercury Energy, has been an official sponsor of the Starship Foundation since 2000. During this time, Mercury Energy and its customers have made significant contributions to the hospital.

In 2004, Mercury Energy and the Starship Foundation launched the Star Supporters Club – an initiative where customers can donate via their Mercury bill to raise money for vital pieces of equipment for Starship Children's Health. Since its launch, the club has raised \$1.5m for new equipment and facilities.



**MIGHTY RIVER POWER** has entered into a significant sponsorship partnership with Waipa District Council to support the development programme for a world-class event centre and community space on the shores of Lake Karapiro.

This sponsorship will see the Lake Karapiro Domain re-named as Mighty River Domain and will enable Mighty River Power to promote the recreational and leisure benefits of the Waikato hydro system to wider community.

The Mighty River Domain is a valued community resource covering 20 hectares. It provides for a variety of sporting and recreational activities, including rowing, waka ama, water skiing, kayaking, canoeing, sailing and triathlons.



### Volunteering – Our greatest asset is people

Many business CSR programmes are not structured for high impact on society at large or the business. Rather, their focus is local delivery with effective impact. Supporting volunteering by staff achieves this.

**Westpac** WESTPAC through its volunteer day programme, supports employees to volunteer by allowing up to one full day of paid leave each year to support the organisations and activities they care about. Active promotion of the programme led to a 57% increase in paid Volunteer Days recorded IN 2009.

Recently released data from charities registered with the Charities Commission, shows there were about 440,000 volunteers working unpaid in the 17,868 charities represented in the report. Taking into account these are just part of the 97,000 NFP organisations Statistics NZ has identified, it confirms other research that at least one third of New Zealanders, over 10 years old are volunteers.

**MIGHTY RIVER POWER**, aligning sponsorship with volunteering – was a premier partner of the 2010 FISA World Rowing Championships and the exclusive sponsor of the Karapiro Crew, the championship’s official volunteer team. The Karapiro Crew was made up of 500 volunteers who played a major role in delivering the championships. Hundreds of people from all over New Zealand and internationally registered their interest in joining the Karapiro Crew.



## Pro bono goods or services

*Contributions in kind: deploy the company's key assets*

Pro bono work is often seen as the “teaching to fish” rather than “giving a fish”. It is regarded as an effective way of supporting social agencies without any cash injection by the business.

The cost, however, is in the expertise being out of the business for that period of time. This is normally found to be manageable and is easy to equate in dollars for social auditing.

**URS** provides sponsorship through a range of resources, including time and expertise, to support non profit organisations and community initiatives. URS supports the work of Water for Survival, an organisation dedicated to improving water quality, sanitation and hygiene in developing countries which is now under the Oxfam umbrella.

**ORIGIN DESIGN'S** philosophy on sustainability revolves around long term responsive partnerships where it is able to help its partners and community achieve what their consumers want through its intelligent design practice.

Sustainability for Origin Design also involves creating a working environment for its employees that answers to their deeper need to make a difference. Origin Design undertakes pro-bono work for Life Flight New Zealand, the SPCA, and the NZ Drug Foundation. The company contributes ad-hoc services to over 20 charities a year.

The truly valuable assets that a company has – its products and services, skilled employees, industry expertise, global infrastructure and its network of connections, credibility and influence – are rarely fully tapped for social progress. Yet these company assets are every bit as powerful in solving social problems as they are in creating economic value for the company. Many NFPs need office resources that companies can share without incurring high costs. Instituting practices that allow employees to share office space, parking lots and other office resources with non-profit partners can augment the impact of their volunteering.

Once a company learns to break down internal barriers and integrate its CSR initiatives with its entire value chain, new and more powerful opportunities for solving social problems will arise.

**URGENT COURIERS** has been a long time supporter of the Auckland City Mission. The company identified its strengths as a business and leveraged them to provide support. It provides a free courier pick up of items donated to the mission by its business customers across Auckland.

**WESTPAC** is committed to improving financial literacy in the community. Launched in 2006, the Managing your Money education campaign continues to expand. In 2009, over 7,400 people participated (3,050 in workshops and 4,300 completed the online tutorial). Westpac now has over 150 trained facilitators.

A school's edition of the original workshop, aimed at students about to leave school, has been developed. Westpac has committed to 45,000 New Zealanders participating in the Managing Your Money programme by the end of 2012.

**Contributions in kind: Mentoring**

Mentoring provides opportunities for employees to be engaged using their own skills to assist directly with individuals working in social agencies. The benefits of mentoring are that it provides opportunities for a professional relationship between the two partners to mutually increase competencies.



**THE HOBSONVILLE LAND COMPANY**

has taken over the management of many of the buildings on the former Air Force Base in the Hobsonville Point development, Auckland.

Over the past year, the company has proactively worked with struggling commercial or NFP tenants, hit by the recession, to find a way together through the current financial situation.

The company is working with several of these groups, for example the Traditional Boat Building School, to find long term solutions that will make them financially viable and enable them to play a not for profit role in the Hobsonville Point community.

In addition to providing support for non-profits from volunteering, participation in capacity training provides another opportunity for business to develop non-profit capacity and capability in their organisations and sector activities.



**THE WAREHOUSE**

is one of New Zealand's largest retailers with 85 retail stores across the country. Every Warehouse store actively fundraises for national and local charities.

In 2009, The Warehouse Support Office in Auckland selected De Paul House as its local charity. The Warehouse staff provide support in a number of ways from gardening and painting the buildings, provision of furniture, clothing, shoes, toys, food and Christmas gifts, to active fundraising.

The Warehouse Support Office also gave six De Paul House staff the opportunity to participate in in-house training programmes during the year to develop their skills and capabilities.

**Contributions in kind: Providing professional skills**

Good governance is the backbone of a healthy and productive non-profit organisation. Like any infrastructure, boards, and chief executives require not for profiting investment to make sure that their skills are honed, relationships are nurtured, and new challenges are overcome. Greater involvement in fostering strong governance benefits not just the non-profit organisation, but the communities that depend on the programmes and services provided by that non profit organisation. Business has expertise to advance governance of individual organisations, train and support improved board performance, and contribute to knowledge in the field of non-profit leadership.



**DELOITTE**

joined the Building Better Schools through Business Partnerships Programme with the aim of providing capacity building in a low decile school. This was achieved as a senior partner of Deloitte attended, the later joined the school board of trustees.

Through engagement with the school and adding value to the management capacity, the educational outcomes and learning culture were improved. The Education Review Office states the students were "proud of their school".



**HAYES KNIGHT**

directors and employees contribute their business and financial nous to organisations like the Promoting Generosity Group (which supports community participation); some sit on NFP boards of their own volition. Hayes Knight provided project management and report writing skills to help the HOPE Foundation for Research on Ageing develop a study of the over-65 market.



## National sponsorship

In addition to national sponsorship programmes around health and wellbeing, like Daffodil Day for cancer, it is sports, arts and cultural events which are often key recipients of business sponsorships on a national scale. These sponsorships are usually evaluated on the basis of providing a benefit or experience to customers.

### INSPIRING KIWI KIDS TO READ



#### THE NEW ZEALAND POST GROUP

has been supporting the Duffy Books in Homes programme since 2002. The programme helps raise awareness and improves literacy outcomes for children and young adults in the local community.

Each year they supply finalist titles – totalling over 1,600 books – from the New Zealand Post Children’s Book Awards to over 550 schools participating in the programme nationwide. Each child receives five brand new books of their choice to take home and keep, making the work of top New Zealand writers and illustrators accessible to large numbers of Kiwi children.



*Awanui School children receiving the Award for Great Effort in Reading and Writing.*

As well as books, writing resource kits and story starter tools are provided to over 2,000 schools throughout the country to help develop writing and creative skills. The children also engage with prominent New Zealand role models who present books twice a year to all schools and spread the message “It’s Cool to Read and Cool to Achieve!”

The programme, administered by the Alan Duff Charitable Foundation, seeks to break the cycle of “bookless” homes. The vision is: To inspire a love of books in Duffy children so they become adults who inspire a love of reading. Since the programme’s inception in 1992, over seven million books have been given to thousands of students from low income homes. Children’s reading scores have improved by up to 35%.

## Giving to endowment trusts

Helping NFPs get out of the funding cycle trap and move towards improved funding sustainability is critical. In addition to financial sponsorship of programmes, business can provide the skills and expertise to support the growth and investment of funds to develop a permanent funding base, the financial bedrock of a non-profit organisation.

### THE FOUNDATION FOR YOUTH DEVELOPMENT

runs a number of internationally and nationally acclaimed programmes catering for children adolescents and young adults: Kiwi Can; Starts; Project K.

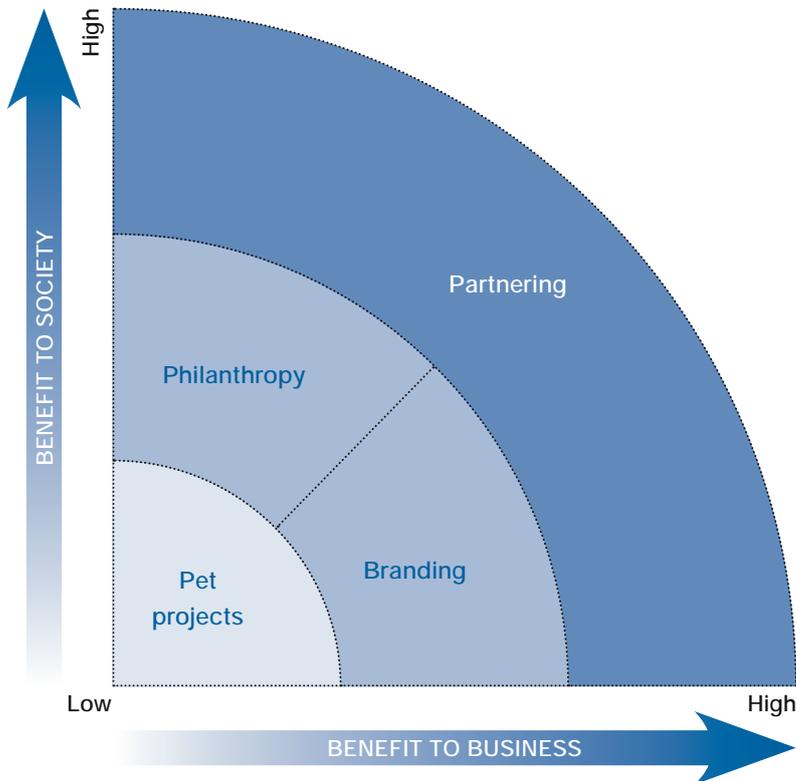
Originally founded as the Project K Trust by Graeme Dingle and Jo Anne Wilkinson out of a frustration at the high level of negative youth statistics in New Zealand and a desire to demonstrate Kiwis can-do both in terms of generosity for the work and outcomes for children in the programmes. Their work is recognised and admired by many of New Zealand’s top companies, who generously sponsor specific programmes on a year-by-year basis. Many of the programmes have been monitored and robustly evaluated in research collaborations with Massey and Auckland universities.

Despite its success, neither the Foundation nor its programmes are eligible for education funding through the Government. In order to keep generating this level of success in the community, The Foundation for Youth Development identified its need for support for the core organisation where programmes are planned and new development can take place. Generally this work has been underpinned by philanthropic grants, but to provide long term sustainability, and certainty for all their programmes the Youth Development Endowment Trust has been launched and supported by key partners.



*“I became an inaugural benefactor of The Youth Development Endowment Trust because our children are our future. To this end, as responsible citizens we need to ensure the next generation of New Zealanders has the knowledge and skills necessary for our nation’s positive growth.”*  
*(Gary Paykel, Fisher and Paykel)*

## Partnerships working in the community



### Partnerships for employment

Opportunities for internship (co operative education) in New Zealand companies are well established for university students with a professional career ahead. Those in low decile education areas with less chance of work experience can struggle to find placements. Migrants without the knowledge of how New Zealand operates its recruitment processes have found more challenges than they predicted.

**THE WAREHOUSE** "Red Shirt" programme works in association with schools in the community they operate in. Students complete the Customer Service Award programme in stores, gaining 25 credits each towards Level 2 NCEA. The benefits are dual – students individually work 80 hours in-store over the course of the programme, and in so doing achieve their credits and gain valuable work experience and work readiness.

Corporate social responsibility: the landscape

### OPPORTUNITIES FOR MIGRANT EMPLOYMENT IN GREATER AUCKLAND (OMEGA)

Omega is a NFP collaborative initiative designed to increase the employment of qualified migrants in Auckland – in jobs that match their skills and experience. Omega recognises the unique barriers new Kiwis face when entering the New Zealand labour force, and have launched a series of practical programmes to address these, while at the same time helping organisations benefit from the talents and skills migrants bring with them. Initially funded by The Tindall Foundation, it is now supported by BNZ, Genesis Energy and ANZ, and another nine shareholders from industries where skill shortages constrain Auckland and New Zealand's growth.

Skilled migrants are an important source of talent to address short and long term skill shortages experienced by almost 40% of New Zealand companies. Yet barriers such as a lack of information, inadequate recognition of international qualifications, lack of upgrading opportunities, lack of networks and social capital, and lack of opportunities to gain New Zealand work experience are often the experience of migrants seeking work. Omega is an example of a systematic business led response involving all stakeholders and all levels of Government working together.

Omega has matched 103 skilled migrants with professional New Zealanders. Through this mentoring programme, of those who have completed the programme, 70% have gained jobs that match their skills and experience in their profession at the appropriate level. Omega reports that significant investment in additional pro bono support from over 60 companies has been achieved.

Through establishing a network of organisations working with migrant workforce, Omega has also been able to draw on and inform how to establish a strong "talent pipeline" for New Zealand businesses. Transfield, one of Omegas business partners, integrated 250 new Kiwis into New Zealand lifestyle, generating \$170m in new revenue.

### Working in cross-sector partnerships

The term 'partnership' in CSR is often used loosely to apply to any relationship between a company and a non-profit organisation or Government agency. One criticism of these partnerships is that they are no more than large cash contributions accompanied by joint press releases. International studies suggest the most effective solutions to social problems are those that engage non profit, business and Government agencies in cross sector partnerships where each sector concentrates on what it does best.

### Partnership aimed at making a difference at community and family levels

Providing access to life skills learning in addition to a range of "job-related" skills and learning can be facilitated by business. Business sees this as an investment in both their employees and their families and the wider community.

**TOYOTA AND PARENTS INC** Increasing parenting skills is the key driver behind Parents Inc who reaches over 100,000 parents and an equal number of high school students every year with its range of programmes, aimed at making a difference in people's lives.

Toyota has established a partnership with Parents Inc for the past five years and are pleased to be aligned with an organisation that has a genuine, passionate commitment to put families first.

Through their nationwide seminars, people gain the insights they need to live healthy and meaningful lives. The seminars develop and reinforce skills to take control of the atmosphere in the participants own homes, families and relationships.

**SKIP** is a community based programme supported by the Ministry of Social Development. It gives practical parenting information and skills so parents can have strong relationships with their children.

SKIP promotes positive parenting which uses effective non physical discipline to set limits and boundaries.

**THE WAREHOUSE** partnered with SKIP to help make a difference in New Zealand communities by promoting positive parenting messages. Working together provided an opportunity to promote positive parenting messages to The Warehouse staff and customers.

In September last year as part of a joint project between SKIP, The Warehouse and "DIY Father" (a NFP) facilitated work-based discussions to enable them to get together and talk about what it means to be a Dad were held with fathers working at the Distribution Centre (DC).

These sessions led to Dads sharing their stories and photos which helped to create a new resource celebrating fathers. Over 20,000 copies of the resource were distributed free throughout Warehouse stores to celebrate Fathers Day 2008.

The project was so successful The Warehouse extended it to include follow-up parenting sessions for the 150 men working at the DC. The sessions ran during June 2009 facilitated by SKIP parent educators.

DC mums also attended sessions in June to share their ideas and experiences of motherhood. Their stories and photos will become a resource for other New Zealand

mums and distributed throughout Warehouse stores to celebrate Mothers Day 2010.

Comments from participants demonstrated the impact at a personal level –

*"I have been a dad for a long time but now I realise I have to give more"*

*"It was good to learn how to show and express feelings like how to tell your child you are proud of them"*

*"Attending these DC Dads sessions made us all realise the effect we have on our children and how we can alter the way our kids grow up"*

*"It was great to think about how, as a father, we can look for ways to improve and better ourselves."*





*“Those who lead  
give sight to  
those who follow  
and those behind  
give light to those  
ahead”*

*whakatauki  
(proverb)*

**Tangata whenua partnerships**

Seeking opportunities for positive partnership on social, environmental, commercial and cultural endeavours, recognising the importance of adopting more inclusive approaches and growing understanding of issues that are important to Maori are key elements for business, particularly those businesses that have engagement with these communities.

Social sustainability relationships between business and tangata whenua are developed at all levels within the Maori community. Maori partners recognise these developments contribute to enabling them to participate in economic growth and extend their own programmes of health and education initiatives for their communities.

The whakatauki (proverb) provides the context for the role and responsibility of **WATERCARE'S MAORI ADVISORY GROUP**. The group monitors and provides input – from the collection, treatment, delivery, storage and affordability of water, to its use by the public and industry.

The same applies to treatment as wastewater, by-products and disposal. The group advises Watercare on Maori cultural issues and discusses subjects with special importance to Maori, challenging company employees to avoid, remedy or mitigate situations.

**bnz** **THE BNZ** supports the award of Maori Farmer of the Year in regions throughout the country.

**MIGHTY RIVER POWER'S** geothermal development programme is part of the company's strategy of looking at a wide range of renewable generation options to meet New Zealand's growing demand for electricity.

The programme is aligned with the Government's energy strategy aimed at security of supply, with a system that is reliable, resilient, sustainable, and has low emissions. All of Mighty River Power's geothermal developments are owned and/or operated in partnership with Maori, with different commercial arrangements for each plant. The company has recently commissioned the \$435m Nga Awa Purua Geothermal Power Station, north-east of Taupo – a joint venture with the Tauhara North No 2 Trust.

The partnerships with Maori reflect the fact that Maori, in most cases, own the land that sits across the top of New Zealand's geothermal resources, are environmental guardians of the resource and are actively participating in the utilisation of the resource.



**MERIDIAN** supports the Aoraki Bound programme which brings together Ngai Tahu culture and the expertise of Outward Bound. The programme is designed to reinforce the Ngai Tahu people's identity and offer all cultures, communities, organisations and individuals better understanding of Ngai Tahu culture.

## Business funded foundations

### Establishing a foundation or trust aligned to a community project

However interdependent the NFP and business sectors may become, the economic motivations of business will never align perfectly with the altruistic mission of NFPs. For some businesses, their social enterprise efforts are likely to be better driven out of a separate structure, such as a corporate foundation. This has benefit for NFPs as it provides financial stability rather than participating in the annual “funding round” approaches and with this the ability to engage and build long term solution programmes.



### PROGRESSIVE ENTERPRISES

formed The Fresh Future Children's Hospital Appeal as a vehicle to target part of its community involvement. With the generous support of customers, suppliers and 18,000 enthusiastic staff, Progressive raised over \$2m for dedicated children's wards in hospitals throughout the country.

**MERIDIAN**, as do other energy generators in the sector, recognises the special contribution generation communities make to their hydro and wind operations and to New Zealand's electricity sector. Specific community funds have been established for communities around generation assets. Funds are administered by community representatives and Meridian appointees. Funds are allocated on a set of objectives reflecting Meridian's intention to assist sustainable community development.



### FAIRGROUND FOUNDATION

is a non profit organisation that is funded by **ECOSTORE** to create a healthier, more sustainable world through leadership and 'on-the-ground' action. Fairground Foundation was originally set up to create community level projects that could really make a difference in people's lives and to the world we live in, particularly in the areas of health and sustainability.

Fairground has been involved in award winning projects like Growing Organic Kids - an initiative around setting up organic gardens in schools. The project aimed at helping school kids create their own organic garden, providing children with real hands-on experience in growing an organic garden. They gain experience in the art of composting and recycling, and an understanding of sustainability, zero waste and other organic principles.

It has earned ecostore a Green Ribbon Award. The citation reads:

*“Ecostore deserve recognition as they have shown strong commitment to raise environmental awareness within the community and inspire people to change – without seeking any direct benefit as a business.”*



## Adding value to business beyond compliance

There are a variety of purely economic reasons why a business would engage in social sustainability. It is about going beyond compliance and building a more holistic perspective of value to business and the societies where that business operates.

State Owned Enterprises (SOEs) must follow the State Owned Enterprise Act which states:

The principal objective of every State Enterprise shall be to operate as a successful business, and to this end...to be an organisation that exhibits a sense of social responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

The Meridian example demonstrates a business' CSR approach gets more sophisticated as it adopts a wider external stakeholder view.

One of the ways **MERIDIAN** achieves is through sponsorship of community and nationwide initiatives which provide benefit to the communities it operates in, and to New Zealanders as a whole. Sponsorships are also evaluated on the basis of providing a positive difference to its communities and New Zealand as a whole. Sponsorship ranges from The Royal New Zealand Ballet to Canterbury Rugby, Wind Sculpture Walkway in Wellington, through to Strawberry Fare in Waimate and the Warmup Babies Homes initiative retrofitting energy saving equipment into households where children are at risk.



## Social Innovation: Collaboration between business, NFP, and Government

### Future workforce training and support

Given the average age of the maintenance engineering workforce in New Zealand is

over 45 years, the risk to large processing and production plants is significant.

A partnership based approach was initiated to resolve the tension of future workforce issues and the need to increase the range of employment opportunities for local communities.

**MAINTAINNZ** is a non-profit charitable trust based in Kawerau, Eastern Bay of Plenty.

The trust works with industry, unions and education providers to invest in people and skills, and drive productivity within New Zealand's primary dairy and wood processing industries. Kawerau, although surrounded by significant employment opportunities The partners are Norske Skog Tasman (NST), the Engineering, Printing and Manufacturing Union (EPMU), Fonterra, Kawerau College, Auckland University of Technology (AUT), and NZ Trade and Enterprise (NZTE).

Their mission is to become industry's one-stop shop for advancing maintenance training, education and best practice facilitation.

In the 1990s, the EPMU carried out skills analysis research on the staff working in NST sites in Kawerau. The average age of workers was 47 and, combined with the limited amount of apprenticeship training, indicated a large skills shortage in the short and medium term. Fonterra in Edgecumbe was facing the same issues. Being a small town, Kawerau had the added challenge of attracting and retaining skilled labour. The key issues were:

- An increasing shortage of qualified maintenance personnel across New Zealand;
- The lack of relevance of available education and training options; and
- The lack of industry-based education, training and employment opportunities in the local area.

Fonterra management felt it was important to have a maintenance best practice programme. Fonterra recognised that not only they and other companies in this area, but the whole of New Zealand could benefit from an organisation that could provide "maintenance training qualifications and also the expertise and implementation strategies for developing reliable manufacturing operations".

MaintainNZ was established in 2004 by local partners NST, EPMU, Fonterra and Kawerau College. The aim was to develop a National Centre for Maintenance Excellence – a training and education centre aimed at improving manufacturing productivity through the application of best practice maintenance training and education.

Addressing a common skill shortage and getting productivity up to an international level was not achievable with the current workforce or training programmes. A common agenda and understanding emerged among all members of the MaintainNZ network. In establishing MaintainNZ, together they have:

- Built maintenance best practice capability to influence operational efficiency;
- Developed the availability of a skilled workforce for employment to eventually replace the current ageing workforce;
- Up skilled existing trades people; and
- Influenced trades training to produce people with skills and talent relevant to the needs of industry.

## Global community partnership

### Partnership in social development through education

Several internationally based corporates have established global programmes around education and training, particularly in the areas they have business activities through resource procurement or manufacturing sites.



**MWH** funded the development of an

e-learning suite at the new Carter Observatory, Wellington. Through this funding a dedicated space has been created to allow school groups to engage with latest technology while they learn more about space.

The sponsorship is part of MWH global purpose of Building a Better World. Central to this aim is the MWH ambition to leave a positive legacy on the communities in which it works.

### Partnership in social development through supply chain focus

Fair trade initiatives are often used as examples of how these partnerships can transcend local or national communities. Starbucks uses partnerships to foster environmentally sustainable coffee production along its supply chain. It does this through partnership with international NFPs who bring an understanding of sustainable production expertise for local conditions and a capacity to work with small farmers.



**CADBURY COCOA PARTNERSHIP** in Ghana was set

up after research showed that there was a 40% drop in production of the cocoa farmers' harvest, combined with fewer people wanting to become cocoa farmers as this seemed less attractive to the next generation.

The partnership works closely with cocoa farmers and aims to address farmer productivity to attract more people back into the industry.

## Ethical purchasing policies

Businesses also engage in social sustainability programmes to manage risks that may threaten the long-term sustainability of their operations. Ethical sourcing programmes are an emerging feature of New Zealand product sourcing as business seeks to take reasonable steps to ensure off-shore factories operate in an ethically and environmentally responsible manner. This is particularly noted in developing countries, and it is possible to assist factories to improve standards over time.

**THE WAREHOUSE** is one of New Zealand's largest retailers with 85 stores and has over 2,800 merchandise suppliers sourcing products from more than 60 countries.

The Warehouse Ethical Sourcing Programme was begun in 2004. China is by far the most significant of these countries. Along with its contract to supply, The Warehouse expects that suppliers will adhere to The Warehouse Supplier Factory Workplace standards. These standards concern workers' rights to a safe and healthy workplace, to fair pay and other basic human rights and also a factory's responsibility to manage its impact on the environment. Minimum standards are specified to be achieved when manufacturing for The Warehouse.

Suppliers manufacturing goods for The Warehouse have inspectors from The Warehouse visiting their factories to carry out workplace inspections (paid for by the supplier) in order to verify compliance with their Workplace Standards. Corrective actions, plans and follow up inspections are conducted where required. Suppliers achieve an overall status score.

An important ethical and risk management function of the programme is the termination of relationships with factories which have failed minimum thresholds and are unwilling to support corrective action plans.

## Endnotes

<sup>1</sup> *Categorising CSR activities is problematic, and so the categories selected for discussion in this section are not definitive, but illustrative*

<sup>2</sup> *conducted by Boston Consulting Group; Ethical...*

<sup>3</sup> *Collins, 2006*

<sup>4</sup> *DoL, 2007*



New Zealand Business Council  
for Sustainable Development

Level 3, Building 10, Corporate Office Park, 666 Gt South Rd, Penrose, Auckland

Tel: 64 9 525 9727 Fax: 64 9 580 1071

Email: [office@nzbczd.org.nz](mailto:office@nzbczd.org.nz)

Web: [www.nzbczd.org.nz](http://www.nzbczd.org.nz) [www.shapenz.org.nz](http://www.shapenz.org.nz)