

difference

A FOUNDATION FOR DIFFERENCE MAKING



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FOREWORD

We owe to genius always the same debt, of lifting the curtain from the common, and showing us that divinities are sitting disguised in the seeming gang of gypsies and peddlers.

—Ralph Waldo Emerson

There is a deeply non-conformist heart beating within the donkey wheel Foundation. There are myriad indelible marks left by those untamed Brunners in their gift to the Universe. A bohemian spirit stoking a passionate concern for those on the margins. An extravagance that welcomes others in and invites them to dream. Crazy ambition and deep connection. No truck with the well-worn path—an insistence on doing things differently, creatively, with the expectation that magic will turn up when least expected.

I never know where a meeting with the trustees of the donkey wheel Foundation will start or end—at what point the agenda will spiral into a soaring new conversation, challenging assumptions, grasping new possibilities, imagining better worlds.

Never was that more true than when the Brunner family were most actively engaged in establishing the Foundation and charting the course for their philanthropy. Claire, Jasmine, John, Nic and Jonny were like whirling dervishes, creative and energetic, with an abandoned wildness. Yet able to turn on a dime, focus, and make courageous decisions when they saw opportunity. The move to purchase donkey wheel house, was as inspired and deranged as could be. Rarely have back-of-the-envelope calculations so underestimated both the costs and the staggering benefits, of a decision taken in a matter of minutes.

That untamed animating spirit still thrills and motivates those now engaged in taking donkey wheel forward. The aching loss of the founders, above all Claire Eliza, has not dimmed the vision, nor the drive of the current Board and staff.

Not content with incremental change or polishing turds, donkey wheel is pressing on hard—challenging the dominant narratives and sterile methodologies of an increasingly corporatised philanthropic sector. How do we reach the most people, how do we give voice to the silenced, the quiet and marginalised, how do we start the most important conversations, how do we make sure that lasting change comes as a result of all this talking?

They are no fools who give up what is passing, to take hold of what must come.

This book offers a behind the scenes peek at the thinking and practices, the relationships and movements that energise donkey wheel's work. It is a rollercoaster journey through challenge, opportunity and relationships that is full of texture and colour. It is not easy to create a new ecosystem that generates and resources initiatives that drive deep and lasting change. This purpose sits deep within the collective DNA of everyone involved in donkey wheel. It anchors everything, as you will see in the stories that follow.

Making a different difference is their goal, their method, their challenge, their life, the centre of their wondrous dance.

“Lifting the curtain from the common”, donkey wheel helps us believe things can get better and shows us how they might.

Trevor Thomas
November 2022

difference

A FOUNDATION FOR DIFFERENCE MAKING

INTRODUCTION



Blue Poles, also known as Number 11, by American artist Jackson Pollock

HOLDING UP

As a 15-year-old, I went to Canberra to participate in The Queen Elizabeth Trust for Young Australians Fellowship. As part of that we were guided around the National Gallery of Australia (NGA) by the then Director James Mollison. Mollison gave us a tour that literally changed my view of art, especially abstract expressionism. Mollison had overseen the purchase of the most controversial painting in the National Gallery. *Blue Poles* remained the most expensive US painting for a decade after the NGA purchased it in 1973 for a staggering \$1.3 million. It was so costly that it required sign off from Prime Minister Gough Whitlam.

As we stood in front of this imposing canvas, Mollison passionately described the painting—but more than that, he encouraged us to “absorb” it. I was smitten; the painting was remarkable, and invoked in me something that most conventional landscapes or portraits simply did not. I have been back many times to just sit and “absorb”.

Jackson Pollock's *Blue Poles* is a painting, but not a conventional painting. Created without paint brush strokes on the canvas. Crafted on the floor, not on an easel. The paint was dripped onto an enormous canvas.

It is reported that Pollock, with his friend Smith, got drunk during the painting session and by the end of the evening they were smashing glass on the canvas and treading it in with their bare feet.

There are actually footprints in the painting if you look close enough. You can even see shards of broken glass on the canvas if you see the original painting. And I'm sure there is blood intermixed with paint. The work is abstract and yet has a certain fractal, almost mathematical construct to it. It is ordered and yet chaotic, random and yet intentional, inviting and yet unapproachable.

Now imagine you were given *Blue Poles* to steward. However, it is unfinished, a work in progress. More than just steward it, you are to continue the creation of this masterpiece. The canvas and the paints have been supplied, the first layers of paint have been applied, dripped lovingly onto the vast area. You are taking on the role of the artist and you are to add your contribution to the canvas, to drip the paint in such a way as to enhance not destroy, to elaborate not change, to take it to the next level, not just start again. This act of creation is a difficult one; you must respect and honour the artists who have come before and set the stage for this next phase of creativity and contribution, while still making it your own and add your unique contribution.

This was donkey wheel for me—full of creativity and beauty, yet unfinished. It had many parallels to *Blue Poles*—in much the same way the purchase of donkey wheel house had been a moment of much controversy and emotion. It was said of *Blue Poles* that the purchase elicited a great deal of reaction; according to art historian Patrick McCaughey, “never had such a picture



Paul

moved and disturbed the Australian public.” Of course, donkey wheel was a smaller constituency, but I was handling something that had much emotion attached.

I started to add my own drips of paint to the canvas, complementing and contrasting to the existing work that had been done and without the conventions of the usual brush strokes on canvas. It was invigorating and challenging. This was familiar work and yet it was new, unique and truly was a ‘different difference’.

But then one day someone thought it was all just too abstract, too creative, and that they had the right to painting. In fact, they had made it clear that the painting was to be got rid of—sold to another owner at best, destroy and obliterated at worst.

In order to defend all that I had bestewarding, I had to hold up the work of art while it was scrutinised in every detail. The problem is that holding up a painting is tiring. At first it is fine—you hold it up into the light and people examine it—but, as time goes on, your arm tires and what felt doable and even comfortable becomes painful. The court case felt like this. After we knew how we would respond, the process itself was a long drawn-out exercise in holding the masterpiece up.

It was exhausting, painful and demoralising. The old saying of “that which does not kill you makes you stronger” is wrong; it should read, “That which does not kill you does not kill you.” The struggle of holding up the painting caused damage, and some of that damage will never repair.

The other challenge is that I felt the burden, the necessity, while holding the painting up, of attempting to continue to paint. Stewardship demanded that there was still work to be done. And so, with one hand holding the painting up to scrutiny, the other continued in a diminished, but deliberate way, to invest, incubate and innovate. To continue to create and contribute to the amazing community that is donkey wheel.

In the sci-fi movie *After Earth*, Will Smith plays Cypher Raige. Raige and his son, Kitai, are stranded on a planet where literally everything is out to kill them. Kitai is on a mission to get the rescue beacon that will save them both.

While at a critical point in the movie, when he is about order his son to abort the mission, Raige tells Kitai about his day of realisation. “And it dawned on me... Fear is not real. The only place that fear can exist is in our thoughts of the future. It is a product of our imagination, causing us to fear things that do not at present and may not ever exist. That is near insanity, Kitai. Do not misunderstand me, danger is very real, but fear is a choice. We are all telling ourselves a story and that day mine changed.”

The realisation that fear is not “real” is reassuring, but the day we received written notice of the intentions that one party had to towards donkey wheel my story changed, and the fear that I had been feeling become a real and present danger.

After two years of holding up the painting in the presence of very real danger, the decision of the judge upholding that what we had done was right and just, even on appeal—which just dragged the whole horrible situation out even longer. We were vindicated. It did not feel like victory, just danger averted.

There are, however, ongoing scares and, if I am honest, there are too many moments of fear. If it is true that “the only place that fear can exist is in our thoughts of the future. It is a product of our imagination, causing us to fear things that do not at present and may not ever exist,” then I need to choose to not fear in order to be the best steward I can be. Creativity is hard; it is different and much more difficult in the presence of fear.

The danger has passed. I can relax my arm and return to putting both hands to the job of creation. My arm is tired, sore and needs a rest. The space is now clear to continue with creativity, but the painting itself has taken some damage; some shards of glass are now forever interwoven into the very fabric of the masterpiece and will now be part of the story, part of its expression. I will be forever grateful for my first 10 years as steward, even if it came at some personal cost. I look forward to continuing to create without fear and I certainly hope without danger.

The masterpiece will continue to be valuable, controversial and simply amazing.





The donkey wheel Foundation is perhaps best known for the heritage building bearing its name at the bustling west end of Bourke Street in Melbourne's CBD. The original donkey wheel, however, is on the other side of the world in a National Trust managed property called Greys Court in Oxfordshire, England.

In the 14th century, John de Grey set out to substantially develop his Rotherfield property. He did what was common for aristocracy at the time and installed the latest technology to supply water to his home and the surrounding village: a donkey wheel. The donkey wheel at what became known as Greys Court played a transformational role in the life of the surrounding community over the centuries by bringing water up from a deep local well. That donkey wheel operated right up until the early 20th century. In 1937, the property was purchased by Sir Felix and Lady Brunner, whose son John would later move his family to Australia.

When the Brunner family set up a foundation in Australia with John's three children Claire, Nic and Jon as the trustees, their decision to name it after the medieval donkey wheel at their grandparents' house in England was illustrative of the approach they would take to philanthropy. The donkey wheel was out of sight, and the family shunned public profile. There was a level of discomfort with their inherited wealth and culturally they shunned mainstream philanthropy. There was quirkiness, passion and a general disdain for conservative convention—so, calling their foundation 'donkey wheel' made perfect sense. In a March 2005, discussion facilitated by **Michael O'Meara**—affectionately known as Mo—they agreed that, like the original donkey wheel, the foundation would be “a forward force turning into a revolution which raises water/life.”

*Find out more
about about
Mo in Profiles
on page 224*

donkey wheel has always prided itself on being unconventional. You may have noticed that whenever we write donkey wheel it is in lower case. This is not a mistake. We have had many debates about capitalising the use of the name—however, in recognition of the founders' deliberately subversive act of keeping the name in lower case we continue the tradition.

Over the years donkey wheel has been referred to as many things. Often people refer to us as the donkey wheel *house* Foundation, which confuses the property purchased by donkey wheel with the Foundation. We have had a senior federal government minister refer to us as “monkey wheel”. The term “donkey wheeler” has become an affectionate term to describe someone who is part of the donkey wheel family. More recently, the flying donkey has become the mascot which many donkey wheelers wish to be emblazoned on everything we touch! While the name may not immediately tell you anything about who we are, it does have a rich history of meaning.

To the Brunner family, the story of the donkey wheel was a story of life-giving change. They were committed to using the resources of the foundation to make a difference, but they were uninterested in doing so in conventional ways. They believed social change would not happen by replicating what others were doing, so the Foundation's tag line became “think different, act different, make a different difference.”

HOW TO READ THIS BOOK

It might be obvious if you have flicked forward that the below sections are not bundled together. Instead, you can 'choose your own adventure' (remember those books?) as you read. If you want a broad sweep of the chronological story, for example, then follow the white pieces. The same goes for each section—if you want to read them, flick through the book by colours.

But what is more likely is that you'll follow the rabbit holes as sign posted by the text in bold which point you to side notes or another section of the book. Scattered throughout the text there are images of formative artefacts. To help you find them later they are listed at the back, where you will also find an extended glossary of terms, along with information on staff and Board timelines.

Whether you have a particular or general interest in the work of donkey wheel, we hope you find the design of the book useful, and also a bit fun.

The book was written at a particular point in time, but the story of donkey wheel continues.

There are different sections. Each section offers a behind the scenes insight into the work of the donkey wheel Foundation from its inception in 2004 up until March 2022.



INTRODUCTORY MATERIAL

There are a few pieces that offer some overarching context and framing. They are colour coded slate grey.

THE BUSINESS STORY

We have always maintained that organisations need a clear answer to the question, “What business are we in?” We have 10 different answers to that question over the period from 2004 until 2022. Read in sequence, this section is as close to we get to a traditional chronological narrative. The colour code is white.

THINKING AND PRACTICES

All action is based on a mental model, a set of beliefs or frameworks that inform our view of the world and therefore what we do. We have identified 15 key ideas that are foundational for our work and offered a detailed examination of them. The colour code is maroon.

PEOPLE

It is of course impossible to name all the people who have contributed to the work of the Foundation over the decades. But we have identified a few key groups of people that we simply could not tell the donkey wheel story without referring to. The colour code is red.

PROJECTS

It has been our habit to identify gaps in the ecosystem in which we are operating, to set up and incubate initiatives that have the capacity to develop a life of their own. We have told the stories of them in this section. The colour code is orange.

PARTNERS

Notwithstanding the ‘projects’ listed above, our default approach is to support and work with partners to make a different difference. There are countless organisations we have supported over the years, but there are a smaller number who have been integral in our efforts to support difference makers. We offer a glimpse of their stories in this section, coded pink.

SUPPORTED ORGANISATIONS

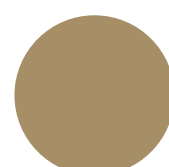
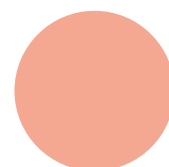
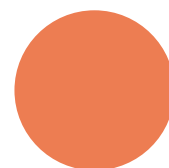
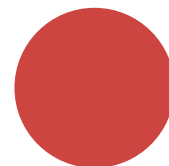
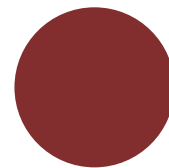
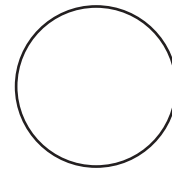
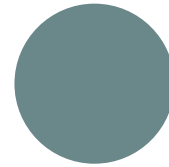
There have been some noteworthy organisations that have received mainly grant funding from us. We write about a few of them in the section with a stone colour.

ALTERNATIVE PERSPECTIVES

We are our own harshest critics. We don't pretend to fully appreciate other people's perspectives on our strengths and weaknesses, but we also don't want to tell a ‘whitewashed story.’ In this section we share some reflections on the less favourable views of our work. This section is coded black.

SUPPLEMENTARY MATERIAL

Despite the number of sections above, some material doesn't fit or, more accurately, sits alongside as reference pieces. The colour code for these pieces is gold.



HOW THIS BOOK CAME TO BE

'Communiversality' can be found in the Glossary on page 227

Read about Craig on page 162

Find Col on page 134

Paul can be found on page 36

In 2015, we published a special (annual) report that covered the previous five years, when the Foundation's vision for a **communiversality** around donkey wheel house became a dynamic reality. Five years on, coinciding with the 10-year mark of Paul's contribution as CEO, we imagined telling the story of the subsequent five years but annexing more fully the time before.

As we got started, the realisation of the effort required and the size of the project inspired us to push back further into the Foundation's early years to ensure a more complete picture. Although the information available in those early years was not as accessible as in recent times, we have compiled a set of anecdotes that together form a picture of the years since donkey wheel was formed until the early months of 2022.

It will be clear to the reader that this is not a thorough chronological history, and as with the telling of any story, it is laden with author biases. But we have done our best to represent events and perspectives as truthfully as we can, and do not shy away from the simple reality that this is a story that we needed to tell for our own as well as others' sakes.

Craig Brown conducted dozens of interviews and turned them into a kaleidoscope of pieces that tell a rich story. Craig also used his editorial skills to shape the content into readable pieces. Not everyone we invited to contribute responded, and some chose to not have their story included.

Col Duthie and **Paul Steele** contributed the non-interview content, and take responsibility for the ideas, imperfect and in flux as they are.

Daniel West took our words and pictures and made them look good, flow and connect across the pages.

A lot has happened already in the time since March 2022—including building momentum around Make it Better and significant evolution of our relationship with Ethical Property Australia—but we had to draw a line somewhere, and the end of March 2022 was it.



ACKNOWLEDGEMENTS

The anecdotes of people and projects and the behind-the-scenes story of the Foundation all spring from the vision and generosity of the **Brunner family**, particularly Sir John and Jasmine Brunner and their three children Claire, Nic and Jon. Nearly two decades after the kitchen table philanthropic agency started scheming to support people to “think different, act different and make a different difference”, the cascading impact of their generosity is being felt by thousands of people who don’t even know about them. This is the way they wanted it. Their intoxicating radical and deep commitment to a better world, paralleled with shunning the limelight and the behind-the-scenes tragedies that made their ongoing involvement in the Foundation impossible, are all part of the donkey wheel story that most people will never know. But this story, the story of a little Foundation that could, is a Brunner story.

More than 50 people gave us their time and thoughts, and a little bit of their hearts and minds, so that this version of the donkey wheel story is told mainly from those outside the Foundation. They are the people for whom this foundation exists, and it is their stories that matter the most. We are extremely grateful to every one of them/you.

We acknowledge that some have not agreed with our approach and actions over the years, and that relationships have soured in a few cases. We are sorry for any pain we may have caused and thank those who chose to engage this process with good will and generosity nonetheless. Your piece is a valuable part of this story so, we thank you.

Mitch Salmon proofed and edited the text with precision and skill.

A number of people read a draft and offered us valuable feedback. The remaining errors and inaccuracies are ours not theirs, but it is a better version than it would otherwise have been. Thank you sincerely.

*Read about the
Brunner family
on page 12*

KNOW WHAT BUSINESS YOU ARE IN

To know thyself is the beginning of wisdom
—Aristotle

In 1983, Paul ran for the student council at Brandon Park Technical School. He was new at the school, and was ambitious and driven. He remembers that he was not after a classroom education, but rather the experiences he could gain outside the classroom. This is what attracted him to run. Being new, no one knew who he was and so he worked out who the most popular kids in the class were and chose one of them as a running mate.

This was unusual, as school council elections did not normally have people running together. It was also unusual that they ran a media campaign. 'Media' back then was handwritten signs and hosting the school's internal radio program. "People heard our voices at lunch time over the PA," he remembers, "and the 'Vote 1' signs around the school with the two names caught people's eye. I could argue that the sign having two names on it was what got people's attention, but it was the fact that David Campbell, my running mate, was well known. His name meant a glance turned into a look. When they looked, they also saw an unfamiliar name on the sign—Paul Steele—but that association meant that I was remembered."

Knowing what he was about and who he was gave them the edge. Paul knew he was an unknown; he knew he could contribute to the school's political system, and he knew he was in the business of winning an election. It would have been easy for him to think the business he was in was "making the school a better place" and, while that was true, he says he had to understand the process and the immediate things that needed to happen. He needed to understand the fundamental business he was in, in that moment. "I was in the business of winning an election. On the day of the election, we won by a landslide." Paul's 'business' then turned to the work of making the school a better place, which he had plenty of opportunity to do in the years he was on the student council.

It is only when we truly know ourselves and then understand what we are trying to do that we can focus the limited time and energy we have. In any

organisation the same thing is true. You must know what business you are in in order to do it well. It might sound obvious, but it is surprising how rare it is for people to be clear. For example, some hairdressers believe they are in the business of cutting hair. The ones who do well appreciate that they are they are in the appearance and confidence business, making you look good and feel good. Bricklayers don't just lay bricks; they build secure enclosed spaces in which we work, live and play. Singers don't just sing; they entertain.

Understanding the business you are in has big implications for the business model. For example, most film lovers think mainstream cinemas are in the movie business, but they're not. The movie is just the marketing material for the popcorn and the confectionary, which is where the profit lies. That popcorn aroma isn't accidental but deliberate. Cinemas are fast-food businesses, not media businesses. This has profound implications for how they recruit and manage their staff and for how they define and attract their customers.

Col lives in a small coastal town that boasts a disproportionate number of cafés. It is common for locals to share stories of bewilderment about how some get it so right and others—despite outward appearances, decor and messaging—miss the mark. Those that get it right understand that in this part of the world the morning coffee excursion and ritual is not about the coffee. Of course, it is at one level, but it is primarily about identity and community. This means baristas learn people's names and coffee orders and position themselves as 'part of' the community, not as a 'service to' the community. Those that understand that and cultivate an environment that supports that, thrive. The others survive based on tourist traffic, which is often once-off custom.

Amazon is a good example of how successful businesses redefine the business they are in if the market environment changes. Notwithstanding the many issues that have become associated



with the business as it has grown, Amazon has fundamentally changed its business model. It started as an online seller of books. But what soon became apparent was the logistics and electronic marketplace that they had built was applicable to so many consumer goods beyond books. Amazon soon became a logistics company enabling people to shop at home for almost anything.

This kind of business takes a lot of computing infrastructure. Soon Amazon found itself with a massive number of servers and excess computing power. It had built infrastructure and software that was useful to others, so their cloud computing offering with associated e-commerce would eventually become their core business. Amazon Web Services was spun out as a separate company, and today earns more than **\$60B in revenue**.

Not-for-profits and social enterprises are especially vulnerable to a lack of clarity about which business they are in. These organisations are mission-driven and are seeking worthwhile changes and outcomes for our communities. In this pursuit the temptation is to grab it all, attempting to do all parts of the value chain in the belief that no one else can do it better and/or that you should not let any value (money) escape. When an organisation understands its particular and unique role, it focuses energy and clarifies what it means to be a good partner. This focus and clarity create the conditions in which the organisation can thrive and deliver.

To discover what business you are in, you only need to answer **two questions**:

- What are we very good at?
- What do we need to do to realise our vision and achieve our mission?

The overlap between these two things is the business you are in. Once this is clear, you can make strategic decisions in line with this. Or you can make a strategic decision to change and be in a different business. These simple realisations

may help your organisation to contribute in ways that are more aligned with your vision, values or resources.

WHAT BUSINESS ARE WE IN AT DONKEY WHEEL?

We commented above that the real business of an organisation can be veiled by the product or service. For example, florists must offer flowers, but they are really selling empathy or beauty. In a competitive market (as per the café illustration above), success comes when a company's marketing and branding and the actual customer experience taps into the communities' felt need.

As a charitable foundation, the obvious thing is to say we are funders. But we have understood that to achieve our mission we have needed to change our business model. In fact, we have identified ten different (although sometime overlapping) phases in the 18 years that this book covers, each with its own business model. It is the story of these businesses that form the backbone of this book.

In summary, the businesses we have understood ourselves to be in have been:

- Granter
- Property Owner and Manager
- Host for Change: Part 1—For Organisations
- Impact Investor—Inward Focus
- Impact Investor—Outward Focus
- Coach and Mentor
- Crisis Manager: Part 1—Legal Cases
- Resetting—as Field Catalyst
- Host for Change: Part 2—Systems View
- Crisis Manager: Part 2—COVID-19

It might not have been obvious to outsiders and, indeed, some of these became clearer to us only in hindsight. The point is not that we reinvented ourselves for the sake of it—more that we found ourselves in dramatically different circumstances which demanded a variance in our mindsets and foci in order to preserve our commitment to our mission of supporting difference-makers.

These two questions are a cut down version of the nine questions contained in the Business Model Canvas, which you can find out more about in the Glossary on page 227.

THE BRUNNER FAMILY



Brunner family Christmas, 2013



Jasmine Brunner (second from right) with Dave Piggott (Board member) and his mother Wendy, Paul and Rachel Reichman, 2013

It is common for wealthy families to name their foundations after themselves. Not so the Brunners, who were committed to staying firmly behind the scenes in their efforts to support social change. Out of the public eye, they were a family with character and personality writ large whose story intertwined with the British aristocracy.

The founding trustees of donkey wheel were Claire, Nic and Jon, the three children of John and Jasmine. (Sir) John was quiet, strong and intelligent. His career spanned the military, media (newspapers) and, most notably, economic advice, which is the role he played within British Treasury and then with BHP after migrating to Australia. Even though he was a progressive thinker, in the context of his extraordinarily visionary family, he was a much-valued conservative but constructive voice.

Jasmine filled the room with the kind of colour that is born of a deep involvement in the Arts. She was the honoured matriarch who never drew attention to herself yet exuded quiet charisma. The rattling of her beads and the chorus of her voice added flourish to donkey wheel, especially in the early days. She watched on with pride as her children used the resources of the Foundation to make the world a better place.

Claire would become the driving force of the Foundation. Her vision and energy defined the heart and soul of donkey wheel for many years. Inherited wealth sat uncomfortably for Claire and, despite the resources available to her, she presented herself to the world stripped of entitlement and power. As did **Nic**, whose unlikely maverick commitment to both social justice and hedonism defies easy categorisation. As for Jon, with his entrepreneurial inclinations, he sometimes found himself on the margins of the Foundation's work, although he was an enthusiastic contributor early on.

The family story has taken tragic turns. Claire became seriously unwell. In 2013, Nic had a kite surfing accident resulting in a brain injury he continues to live with. Jon became increasingly estranged from his siblings. As Claire fought the final stages of her disease her partner and soul mate, Mark, tragically drowned. Claire would pass away in 2015, followed by John Snr in the same year. Jasmine's health deteriorated for a few years before she passed away in 2021.

The remaining **members** of donkey wheel are all Brunner cousins, four sons of each of the four sons of Sir Felix Brunner (3rd Baronet) and Elizabeth Irving (Lady Brunner). Worthy of mention in this context is one of Felix and Elizabeth's sons, Sir Hugo Brunner (father of Magnus, a current member) whose decorations would take a whole paragraph to list. When a **legal challenge** for control of the Foundation's assets emerged in 2016, Sir Hugo was a tower of support. His grace, intelligence and strength shone against the backdrop of vulnerability and mischief. His name will be hidden from public view in the context of donkey wheel's work, but any contribution we've made and will make from 2018 on owes a debt of gratitude to Hugo's diplomacy and leadership.

The donkey wheel Brunners never did things half-heartedly. Their legacy is the antithesis of mediocrity – they are a family whose passion and vision infused their everyday living, and they seeded a little 'foundation that could', a foundation that *thought* of a contribution beyond its means, that *acted* as if their dreams might just come fruition, and in doing so *made a lasting difference* to the lives of those who encounter them. Only they could conceive of a foundation called 'donkey wheel' with such an idiosyncratic motto—*think different, act different, make a different difference*.

To read more about Claire, head to page 50

Go to page 29 to find out more about Nic



Barnabas Brunner (second from right) with current board members Dave Piggott, Paul (CEO), Col (Executive Chair) and Liz Jennings standing outside the donkey wheel building at Grey's Court in Oxfordshire

There is a piece on our members on page 125

The legal case is explained in Crisis Manager Part 1, on page 132



Jake, Nic and Piers Brunner outside Sibling (a Kinfolk Café) during a members meeting in 2018

GRANTER

(2004–2007)

The core criteria are derived from planning meeting notes 7th March 2005

Find out more about Gilbert in Profiles on page 223

Go to page 29 for more on Nic

Read more about The Wheel on page 22

See more about Claire on page 50

Read more about DGR status in Philanthropy and Tax Deductibility on page 16

In 2006, the eyes of the Commonwealth were on Melbourne as Australia's sport's capital hosted the Commonwealth Games. However, not everyone was happy. In 1982, when the Games were in Brisbane, First Nations leaders held rallies to shine a light on the plight of Indigenous people in the wake of British colonisation. That tradition continued in Melbourne with a tent embassy established to bring attention to the inequality experienced by the traditional owners of the land on which the Games were being hosted. This practice has been called 'The Stolenwealth Games.'

One of the challenges for the Indigenous organisers was that the tent embassy had limited visibility to the 3,000 journalists covering the Games. One of the ideas being considered was hanging a huge 'Stolenwealth Games' banner across Princes Bridge, a key thoroughfare for those attending the various sporting venues. It was going to be costly, however.

It was a granting opportunity that ticked many of the boxes for **The Wheel**, the group **Claire** had recruited as the granting committee for the fledgling Foundation. The proposal supported Indigenous rights; it had a creative, artistic edge, and it was adventurous. After *The Age*, Melbourne's broadsheet newspaper, featured an image of the banner on its front page, the story became part of donkey wheel's legend.

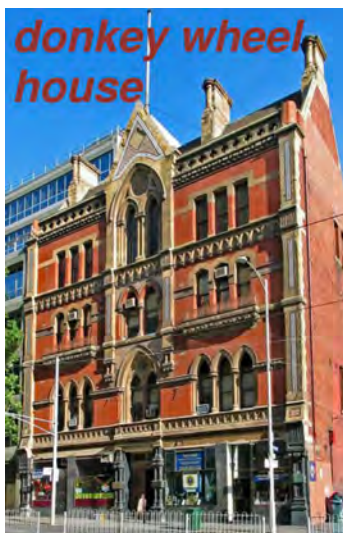
The donkey wheel metaphor was formative in those early years when it came to decisions around funding. The donkey's efforts epitomised challenging, hard work. The wheel (the treadmill on which the donkey worked) stood for different components working together, forward motion for an innovative solution, and water symbolised life and inspiration.

The core criteria for funding were **articulated** as:

- **A CHALLENGING IDEA** that may include unique, unusual and or 'wacky' elements that challenge people's thinking.
- **PARTNERSHIP** encompassing the notion of community working together, 'givers are receivers', connection (possibly corporate/community).
- **INSPIRATION** that the idea lights others up and allows them to see possibility in their own lives—this element may require working with the media, organising forums, anything to get the story out and inspire others.

Gilbert remembers how formative it was for those involved at the time. He says when the granting committee met, they did so much more than review the 10-15 submissions for funding before them. They wanted to 'nourish life' through the power of enlightened philanthropy; it was spiritual. He talks about the time he and **Nic** went to Brunswick to visit someone he describes as a 'hippy with dreadlocks' who was collecting vats of used fish and chip oil and turning it into biofuel. As he walked around the backyard, slick with oil, he said he felt like he was on the front edge of an industrial revolution and Nic was like, "Wow this is exciting."

These were heady times for the Foundation. In the period between its inception through to the end of 2007, the Foundation received 113 applications for funding (all through word of mouth) and had granted nearly one million dollars to 47 organisations, ranging from \$3,500 to \$50,000 per grant. Many of those grants were to organisations who had Australian Tax Office (ATO) **Deductible Gift Recipient** (DGR) status, as the key granting vehicle for the Foundation was a Prescribed Private Fund (now known as a Private Ancillary Fund) for which legislation dictated granting only to DGR organisations. The recurring stories, however, that were talked about in terms of who donkey wheel supported during this time tended



Where did the name come from???



In 16th century England, a village in Oxfordshire had a problem..... how to

get water out of an old 200 foot well. A large wheel and

donkey to turn it were installed. Water flowed and the community was transformed. The wheel is now a treasured museum piece on an estate where the original donors lived. It was part of the fabric of the current donors childhood, and it reflects our love of ideas that inspire us to

**think different
act different
make a different difference**

From a donkey wheel booklet produced 2009

to be the ones that the trustees were deeply passionate about, that didn't necessarily attract a tax deduction. Alongside the Stolenwealth Games campaign, the other two stories that were often mentioned were Mirror Families and The Burning Season.

Mirror Families is a fabulous initiative to create an alternative model to the traditional foster care system which Claire described in a **paper** written with Cas O'Neil as being "in crisis." The Mirror Families model aims to create an 'extended family' to support children staying with their birth family. This model was further refined by Foster Care Australia and later trialled and implemented at Berry Street.

The Burning Season, written and directed by Cathy Henkel and narrated by Hugh Jackman, was a documentary film that exposed the destruction of orangutang habitat in Indonesia. It featured Dorgee Sun on his quest to find a solution to prevent the destruction of the forest. Dorgee put his commercial talents to work and started a carbon trading company, which at the time was an innovative approach to prevent environmental damage. The film was released in 2008, to critical acclaim.

By 2007, it was clear that the work had increased beyond the family's capacity. **Fran** was recruited to be donkey wheel's first executive, and she made an important contribution to the capacities and culture of donkey wheel in this early season. A perfect (mis)fit, Fran's values alignment and relational skills were a tremendous asset.

Three things characterised donkey wheel's business in this season. First, because the Foundation was light on regarding process and procedure, lots of energy was spent building relationships. Through the different phases of the Foundation's evolution, this has remained true; donkey wheel has always been a relational granter. Second, the key contribution to social impact was through granting. And third, there

was lots of dreaming and visioning. While the core activity revolved around granting, it was clear from early discussions that a 'donkey wheel hub' was envisioned; a space where change makers could come to work supported by experts in various fields of business and community development.

This vision was not developed in a vacuum; rather, it emerged from an informal review of the projects that had received grants. One conclusion was the difficulty in predicting the success of a project based on the applications, which were often described as being of poor quality. There were two things that stood out as being significant in predicting the success of a project:

- Time spent with grantees helping them to "think differently."
- When the initiative came from a true social innovator with a clear vision and strategy.

This along with the recurring request from start-up organisations for office space, combined to form the vision that Claire would describe as a "communiversity." The pursuit of that vision would catapult donkey wheel into the next season of its contribution.

The most formative dimensions of the donkey wheel **business model** in this season were:

- **VALUE PROPOSITION:** Providing operational resources (money) and inspiration to think differently.
- **BENEFICIARIES:** Charitable organisations with projects aligned with family values.
- **KEY ACTIVITIES:** Granting and relationship building.
- **KEY RESOURCES:** The Fund, Claire's vision and energy.

Read more about Mirror Families on page 24



Scan here to view Claire's paper

There is a piece on The Burning Season on page 24

Read more about this season of donkey wheel from Fran's perspective on page 18

The Business Model Canvas is described in the Glossary on page 227

Skip to the next season of donkey wheel's contribution on page 26

PHILANTHROPY AND TAX DEDUCTIBILITY

SOME BASICS

The World Vision 40 Hour Famine was a well-known campaign that many Australians in their youth participated in, and in their adulthood got hit upon by eager youth taking part in the campaign looking for sponsors. This awareness and fundraising campaign encouraged young people to go without food for 40 hours and recruit people to sponsor them. It was a popular way for people to give. There were receipt books that participants were given to handwrite receipts when donations were given. In small print at the bottom of each receipt were the words, "Gifts over \$2 are tax deductible." Most people never claimed the tax deduction.

In the world of philanthropy, however, tax deductible status is important.

In basic terms, if I give \$100 to a charity and claim the tax deduction, I do not have to pay tax on the \$100, it all goes to the charity. If you earn around \$100,000 per year your marginal tax rate is 32.5%. This means if you wanted to use the \$100 towards a pair of shoes you would first have to pay \$32.50 in tax and have \$67.50 left to spend. If you give \$100 to a charity then you never pay the \$32.50 tax and the charity gets \$100 (or, if you had already paid the tax, you would get \$32.50 back). In other words, the government has allowed you to give the income tax you were going to pay to the charitable organisation instead.

This is important because what the tax deduction does is move the power of spending that tax dollar from *public control* to *philanthropic and charitable control*. Philanthropy is seen as the act of giving back. Once you have made money, by any means, you can 'give back' and make the world a better place. In Australia, giving has been done primarily on the basis that it is a tax deduction. The Australian Government and, by proxy, the Australian people, forgo tax revenue for the benefit that these donations will create in society, and encourage people to be philanthropic.

While every act of giving could be considered philanthropy, we will use 'philanthropy' to describe organisational giving that happens on a larger scale and will refer to 'charitable donations' as the private giving of families, individuals or businesses to a charitable organisation.

To comprehend how philanthropy works, it helps to have a basic understanding of the legal entities that have been created to make it work.

In Australia there are two important categories:

1. People/organisations who *do* the work.
2. People/organisations who *fund* the work.

The Australian Tax Office rightly applies strict eligibility rules to organisations who can receive donations that can be claimed as a tax deduction. There are two categories of eligibility, Deductible Gift Recipient 1 (DGR1) and Deductible Gift Recipient 2 (DGR2).

DGR1s are generally *doing* organisations. They receive donations from people and organisations and do work that benefits society, or what is defined as 'charitable work.' The giver receives tax deductibility for their donation in recognition of the value the organisation contributes. As per the explanation above, instead of the givers' tax dollar going to the government for public service, it goes to non-government organisations for charitable service.

DGR2s are *funding* organisations. They accept donations for which the giver gets a tax deduction, which they then grant to a DGR1 organisation to *do* the work. This is where donkey wheel sits.

Private Auxiliary Funds (PAF) and Public Auxiliary Funds (PuAF) are DGR2 funds that allow people to give and get a tax deduction now and decide later where the money should be donated. That money can be invested and grow in a tax-free environment. There are minimum granting requirements where a legislated percentage of the fund must be donated to a DGR1 (doing organisation), but most of the funds can be invested to grow over time. This two-tier tax deduction system allows people with wealth to plan their giving over extended periods of time and still receive their tax deduction today.



A CHANGING ECONOMY FOR DOING GOOD

The money in these funds can be invested in just about anything, which is why we believe **impact investing** is so important to philanthropists. We need to ask the question: "Is it right to invest in defence technology and then donate money to peace efforts?" or "Is it right to be investing in companies with holdings in gambling venues and then give money to support anti-gambling campaigns?" For more thoughts on this go to **Thinking about Philanthropy: does it matter where the money comes from?**

The emergence of social enterprises and the increasing popularity of using commercial entities for social and environmental good is impacting the way people 'give' and contribute to society. Tax deductibility is not available for for-profit entities, but we have seen an increased ambivalence regarding the legal status of organisations whose positive contributions to society are integrated into their often for-profit business models.

Traditional thinking was that businesses make as much money as possible, using whatever legal mechanisms at their disposal in the market. Profits are then transferred to governments (via taxes) and to charities (via tax-deductible gifts) for the public good. Perhaps it was inevitable that this would begin to break down given the dissonance in the system: governments and charities provide support services for the parts of the community that are effectively excluded from the dominant economy. It makes more sense to cultivate an economy where businesses not only add economic value but contribute social and environmental benefits to all citizens.

This means that for-profit businesses need to be seen to be as much a part of a 'giving' community as charitable entities. Not only do they contribute to public infrastructure and social services via their taxes but can deliver products and services that are positive for all their stakeholders. Not-for-profits don't pay taxes and don't distribute profits to shareholders via dividends but can redirect surpluses back into their mission businesses.

While not-for-profits do not pay shareholders, they do pay people to do the work in an organisational tax-free environment, and then their profits get applied to mission. In a for-profit, they operate in a taxed environment, they may pay shareholders some of the profits, but generally most profit goes back into the business and contributes to the mission.

Instead of applying all their profits back into mission, some social businesses give away a proportion as an act of real time philanthropy. Instead of 'saving' the wealth generated in the business for philanthropic initiatives later, they give money away as they generate it. Some of these enterprises are run as not-for-profit, some as for-profit, but in real terms it does not matter.

Whether for-profit or not-for-profit, organisations need capital, and capital comes at a cost. On the one hand, dividends are a way of paying for investment capital and is only paid if the businesses can afford it; it's a shared risk model. Debt, on the other hand, is the main way not-for-profits fund their capital needs and they commit to paying a return on the loan (interest) no matter how successful they are—the risk is all with the business. We have worked with hundreds of people who have worked mostly in the community sector who struggle with paying investment dividends to shareholder investors, but don't think twice about paying interest to banks.

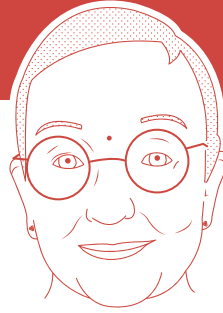
The point is that the traditional categories of for-profit, not-for-profit, charitable are decreasingly useful when it comes to public good. Tax deductibility continues to make sense in parallel to the income tax system as a way to fund public good, but we need to embrace the whole economy as being capable of doing good. We believe every organisation has a responsibility to ensure its environmental, social and governance performance enables it to not only 'take' from the economy, but to 'give back' in at least equal measure.

We've said it before, and we'll say it again: we aim to encourage the idea that you can do good and make money.

*Check out
Impact
Investing on
page 89*

*Does it
Matter Where
the Money
Comes From?
can be found
on page 20*

FRAN WESTMORE



Fran Westmore (her name is now Fran Prem) began at donkey wheel in early 2007 as our Executive Officer, then CEO, and left in 2010.

HOW DID YOU FIRST CONNECT WITH DONKEY WHEEL?

Fran's interview was memorable and contained some classic early donkey wheel elements. "I was interviewed by **Claire, Nic** and **Jasmine** Brunner in South Melbourne at Carnbrae's offices, who were donkey wheel's investment managers. I remember arriving at these very conventional premises wearing my best interview clothes, and being met by a warm, friendly, informal group of people all dressed casually and asking random questions about what I loved. I desperately hoped I would get the gig, because it seemed I could be a welcome misfit with this misfit organisation, and we could do good work together." Fran's lack of a philanthropic experience was not an issue. "I had no history in philanthropy at all, and this was seen as an advantage by the family as I came without the traditional 'baggage' of philanthropy in a conventional context. When I started, we had one room in an office on the corner of Russell Street and Flinders Lane. We shared space with Chris Momot who was the EO with the Reichstein Foundation."

WHAT WERE THE BENEFITS OF WORKING WITH DONKEY WHEEL?

Fran 'misfitted' beautifully into donkey wheel. "One thing I always loved about my job both practically and symbolically was that it was the only job I've had where I could happily work barefoot because no one cared," she remembers. Her role—on the surface—seemed straightforward, but meant dealing with a range of often eccentric and unique individuals and groups, as well as the Brunner family themselves. "I reviewed applications, conducted interviews, summarised the project and provided a recommendation to the Board. The Brunners sought to support projects that were potentially at high risk of failure along with a potentially high payoff in terms of social benefits." This meant that Fran often had to do some detective work to get through first impressions. "Often the best projects were the ones most poorly presented, and we worked with them to mine that gold. Once grants were approved, I oversaw their progress and acquittal."

One of the key elements of the donkey wheel DNA—relationships—was evident at this stage as well, as Fran recalls the processes she went through. "We remained connected to our applicants, helping them along the way when they ran into difficulties or new opportunities." In those days, it was Claire who personified what we were about. "I loved my job and Claire's contribution to the process. Claire's principle with clients was that everyone would leave with something of value from their connection to us. If we could not offer them funds, we tried to connect them to someone who would, or to help restructure their project to make it more attractive to funders. Claire was the most active in this space and I learnt enormously from her open and creative approach. She could always see the blue-sky possibilities in a project." This had a significant impact on the people that they met. "Clients left our meetings feeling supported, inspired and with renewed enthusiasm. Sometimes they cried at finally being understood and valued."

WHAT WERE SOME OF THE OBSTACLES?

With the purchase of the rundown donkey wheel house, however, Fran's role irrevocably changed. "Claire and Nic purchased it at a day's notice, while I was on leave," she recalls. "When I came to work on the following Monday, I realised my job had vanished overnight and a new and enormously daunting role had appeared. I went from being a grants manager to a CEO, responsible for a heritage building, commercial tenants, urgent repairs and restoration, and new plans for donkey wheel's identity. There was little money left for external grants. We moved to the back of donkey wheel house and established our office in a large room there."

If that wasn't enough of a dramatic shift in her position description, the building itself kept challenging Fran. "On the day we moved in a large piece of sandstone coping fell off the roof into the street. The next day the lift stopped working, and we had tenants on the higher floors who couldn't use the stairs. The lift

*Read more
about Claire
on page 50*

*See more on Nic
on page 29*

*The Brunner
family is
introduced
on page 12*



was heritage and finding someone to repair it was difficult. When they finally came, they refused to work on it until the access was repaired and made safe! A previously unknown electricity meter was charged to the previous owner, who hadn't paid the bill, so we lost power during an event in the basement. And on and on it went, always with new and daunting challenges."

Suddenly, the challenges that Fran was facing were feeling beyond her skillset and her passions. "In theory," she explains, "Nic was responsible for the building works, but he was often absent, regularly out of touch or overseas. A family friend was responsible for the tenancies—also in theory— but he was working *pro bono* and often not available due to his business commitments. In *theory*, I was to continue with the grants, but there was little money available for them with immediate, urgent needs around the building."

These challenges were not the challenges of a moment. They were significant adaptative changes that would have—and did—stretch anyone who straddled the years around the purchase of donkey wheel house. Fran was no different, and Claire's vision for donkey wheel house of becoming a **communiversity** demanded much from Fran. "The family wanted the building to become a gallery, so I became its curator. They also wanted to hire out space, so I became the events and space manager. They wanted a social change hub, so I became the pioneer of how to make that happen. They wanted to restore the building, so I became the grant seeker and heritage liaison. They wanted to change tenancies to organisations more in keeping with their values, so I became involved with Kinfolk Café's journey to viability." Predictably, these vastly different and equally pressing needs brought tension and stress into our ecosystem. Fran recalls that she came into conflict with Claire, "because she wanted me to leave these aspects of the building to others and just focus on grants; but the immediacy of need, the urgent problems and the lack of grant funds made this impossible and we both felt frustrated. We were saddened by this disconnection."

'Communiversity' is defined in the Glossary on page 227

Fran gave her all to seeing us get through these trying and distressing early years. "I tried my best, and the family eventually found the money to hire two more staff, but the situation was fraught with difficulty, politics, and way, way too much work." During this time, Fran was living in East Warburton with a five-hour return daily commute. "I regularly slept on a couch at work, especially when we held events, or a Board meeting was approaching. In the middle of this, I moved house and soon afterwards my marriage of 26 years ended, to my great grief." It was not surprising that under these pressures—for both Fran and the Board—relational harmony, so valued in our ecosystem, gave way.

From Fran's perspective, the relationship with the Board broke down when the then Chair (Col) became more involved in operational matters and effectively made it impossible for her to continue in the manner she had been. This led to a mediation process, with the Board agreeing to pay Fran out to leave. She remembers John Brunner Snr's kindness and support in those difficult days. Fran says she spent 12 months recovering from the stress of this fracturing.

This was a painful time for Fran, where she felt disconnected from the people she shared a deep relationship with. "I saw Claire about a year later, and she and I acknowledged that I was out of my depth and destined to fail. It was both sad and wonderful to have this moment of reconnection." To be fair, when Fran speaks of being "out of my depth" there would not have been many people in her position who would have succeeded in that rapidly shifting environment. "I have mourned the loss of my wonderful job and loss of connection to the family, particularly Claire and Jasmine who I grew to love, and whom I love still. I am glad I was able to go to Claire's memorial, and to add my flower to the artwork as I entered. I miss her still, and whenever I meet a visionary making their way in a conventional world, I am reminded of Claire and imagine her cheering them on from wherever her new adventure has taken her."

WHAT DID YOU ADD TO THE DONKEY WHEEL ECOSYSTEM?

Despite those pressures, Fran can look back and see how she contributed to the growth of Claire's vision of donkey wheel house. "I am really proud of the projects we supported. We made a huge social impact and difference through them. My role was to help those projects succeed, and I was privileged to be able to do that with some wonderful projects." In fact, some of Fran's works were like those of a pioneer. "I researched social change hub models and, while on holiday in the UK, I located and met with an organisation that had a hub in Angel Islington and successfully liaised with them to establish the Hub in donkey wheel house. I got the basement gallery set up ready for exhibitions and underway, including a wonderful installation that involved giant sieves and drifting flour. I liaised with organisations to get donkey wheel house known and used in the early days. I helped Kinfolk structure their social enterprise model, get funding and open."

Perhaps, though, Fran's greatest contribution to our history is that she was a dedicated and loyal employee in those tumultuous early days. "I got donkey wheel through the first year of donkey wheel house without disaster and began the projects that have subsequently led to today's donkey wheel house. I brought the family to an awareness of what skills and resources they needed to find."

Fran, despite the ups and downs, can look back and see the fruit of her time in our ecosystem. "I returned to donkey wheel house a few years ago, and a Hub employee showed me around. I was proud of the small role I played in the birth of donkey wheel house and loved the vision it has achieved. There are so many memories, and each is a small pot of gold. The world is a richer place for them, and I am so glad the donkey wheel story is still being told."

DOES IT MATTER WHERE THE MONEY COMES FROM?

Imagine you run a small yet effective charity helping young people who have become homeless find a home, a job and return to a stable life. Your work is hard, but as you continue you start to see underlying patterns and begin to address causes rather than symptoms. Every year you spend enormous amounts of time raising money so you can continue to carry out this vital work; it is rewarding for you to see the changed lives of the young people who have made incredible progress through your program.

Then one day a philanthropist who is excited by your work says they want to fully fund your program for the next five years. For the first time you sense the difference it could make if you could focus all your energy on the program and not have to worry about the huge amount of time you spend raising money. Many conversations are had about how wonderful this will be, and the details of the giving process, reporting requirements, and governance are all worked out.

It is just days before you are to sign the granting proposal, you are sitting in your kitchen and there is an article on the internet about your philanthropist. The blood drains from your body as you read the story of how they made their money before setting up their personal foundation. This money that would massively increase your charity's ability to deliver good for homeless young people is made on the back of the very issues creating the problem.

What do you do?

Philanthropists and philanthropic organisations are used to social status. They have either generated their wealth from entrepreneurial endeavours, so they know how to 'game' the system to optimise their wins, or they have inherited wealth and are used to entitlement. People who work for foundations don't necessarily have the same social status, but they do share the trait of power; the social power inherent in the capacity to write cheques or make decisions about who receives those cheques. Despite their varied backgrounds, philanthropists find each other in their common commitment to generosity, often in the cultural context affirming their social status, such as professional meetings in nice hotels.

We have participated in many gatherings of philanthropists over the years, and despite the broad range of discussions, there has been one topic absent from any workshop, seminar or keynote: the extent to which my foundation's

money was made by supporting a system that contributed to our current social challenges. In other words, where has the money come from? Not just which industry or company, but what labour practices, environmental policies and governance principles supported the generation of wealth. How has the entity that generated your wealth contributed to social and or financial exclusion, either directly or indirectly?

The point is not to suggest that money is either pure or impure. However, an authentic conversation about the means by which wealth is generated is important for the integrity of philanthropy as an agent of good in society. The questions can go to the original source of wealth but have ongoing application to the nature of endowment or corpus **investments**.

It's a genuine question. Does it matter where the money comes from?

We think it does, even if the answer is nuanced. Big money is made on the back of aggressive and entitled corporate behaviour. In the US, where 'big philanthropy' has a much higher profile than in Australia, older foundations like Rockefeller and Carnegie were given birth from companies with questionable histories. Facebook and Google Foundations have huge philanthropic capacity, but we wonder what history will say about their net influence. Rather than point the finger at others, we should talk about our own story.

The donkey wheel Foundation was set up with inherited wealth from the successful business endeavours of British industrialist John Tomlinson Brunner in the late 1800s. His partnership with a chemist formed the most successful chemical company in Britain and it eventually merged with two other companies, which led to ICI's formation in 1926. Brunner's company was known for its progressive employment practices which introduced shorter working hours, sickness and injury insurance as well as paid holidays. Nonetheless, ICI's environmental record has not been exemplary.

For **Claire** in particular, inherited wealth sat uncomfortably. So much so, that she met regularly with other Women of Wealth (WOW) in a support group. But what are you to do? The capital has the capacity to make a positive difference so locking it up under the bed is an opportunity wasted. This ends up being the principle that trumps other considerations for philanthropists who consider the question with integrity. The money is there... isn't it better to apply it for good than not?

*Check out
Impact
Investing on
page 89*

*Read more
about Claire
on page 50*



Cartoon by Signe Wilkinson

But once we see and understand the nature of the system, how unregulated capitalism contributes to many of the social challenges we face, you can't unsee it. So conscious ongoing support for a system that supports social and financial exclusion represents a lack of integrity. It is difficult to claim we are being part of positive change with one part of our operation (our granting) when other parts of our operation (wealth generation) are retarding that change, even if indirectly. We believe therefore that the decision to invest a foundation's corpus in companies that contribute positive social or environmental impact is a matter of integrity, not simply one of financial management. That's why for us, committing to investing 100% of our corpus in responsible investments was not a hard decision. It was simply a matter of how.

For us, like many other endowed foundations, the question of where the money came from is an historical one. This consideration is ongoing for community foundations and agencies who receive donations regularly. At a micro level, tin rattlers at city intersections don't ask drivers how they made their money; but it gets more complicated when a corporate donation comes from gambling profits, to use a pertinent example.

Agencies who are dependent on donations for their survival find it exceedingly difficult to refuse big donations. But many do. Some have policies to limit the percentage they receive from government to mitigate the risk of the uncertainty associated with government policy and spending. Over the years, the responsible investment conversation has become more nuanced. It began with a simple negative screen that eliminated (typically) arms, the sex industry and gambling. Over time it became more sophisticated as our understanding of how negative environmental and social damage happens. Consumers and

investors who were not only concerned with commercial markets but social, environmental and governance issues started to demand practices that aligned with emerging community values, for the sake of integrity.

These questions often do not have easy answers, but one of the concepts that can help navigate the answers is that of offsets. You cannot 'wash away' the problems and issues caused by one activity by providing some of the profits of that activity to do good somewhere else. The offset approach does have some usefulness in CO₂ offsets—you can 'soak up' carbon produced in one part of the system by sequestering it in another part of the system. However, when it comes to most other problems, you cannot. If an activity hurts people in one part of the system, doing something good for someone else in another part of the system does not fix the original issue.

Imagine running a business that produced a product that in the process poisoned people. It would not be acceptable that this impact is somehow offset by helping homeless people get shelter for the night. Profits from gambling are particularly susceptible to these issues, particularly when governments are often the recipients of a large slice of gambling profits.

The consideration of 'where the money comes from' for recipients of donations will ultimately come down to an issue of integrity. By accepting this money, are we supporting a system that is working for or against our efforts? There are no easy answers to the questions, but we urge philanthropists and grantees to look at the issue with open eyes. Don't shrink from transparency and integrity, even if that means there are some confessions to be made or some grant offers to be declined.

THE WHEEL

*We introduce
the Brunner
family on
page 12*

In the very early days of the Foundation, an eclectic group of personality-rich people joined Brunner **family members** to help make granting decisions. Claire affectionately called the group 'The Wheel'. Well, of course she did!

Gilbert, Mo and Megan and the family members were so much more than a granting committee. Megan Evans, a visual artist and good friend of Claire's, was an enthusiastic advocate for social justice and her passion for the Arts was right at home in the donkey wheel environment. Mo (Michael O'Maera) is a facilitator who advises governments and other organisations on youth engagement approaches. Mo facilitated some key workshops for donkey wheel as the young foundation navigated questions about strategy and contribution. Gilbert Rochecouste was the founder and still is the CEO of Village Well, an extraordinary placemaking organisation that has worked with thousands of communities over three decades to connect people and place.

The Wheel shared the view that the system was sick and understood their contribution as a force to "nourish life." Their conversation always pushed into social justice issues. But like many who have been recruited to work within our environment over the years, Gilbert says that his involvement has left a lasting impact on him. He described conversations when The Wheel met as almost spiritual. There was a palpable sense of opportunity - the people who were potential grant recipients, were in equal measures inspiring and odd.

A Board meeting facilitated by Mo in March 2005 resulted in the following ideas and decisions which offer insight into how the directors of the foundation were thinking back then. The extracts are included here to offer visibility of not just the administrative considerations, but the emerging cultural DNA:

- *The vision for donkey wheel included being a "chain of inspiration."*
- *Projects should "challenge" the donkey wheel directors, and challenge/transform everyone involved—with a capacity to trigger change.*
- *Everyone involved should get something out of it and bring something. Instead of just 'calling for funding applications', donkey wheel is asking for contributions to the donkey wheel vision—members want donkey wheel to empower and not take away—therefore a focus on the process of engaging with projects and communities is seen as vital.*
- *Importance of the physical and metaphorical meaning of a donkey wheel—a forward force turning into a revolution which raises water/life.*

The core elements of a donkey wheel project are:

- *A challenging idea that may include unique, unusual and or 'wacky' elements that challenge people's thinking.*
- *Partnership encompassing the notion of community working together, 'givers are receivers', connection (possibly corporate/community).*
- *Inspiration that the idea lights others up and allows them to see possibility in their own lives, this element may require working with the media, organising forums, anything to get the story out and inspire others.*

The donkey wheel becomes a metaphor for these three elements:

- *The donkey: a challenging, hardonkey wheelorking, wacky idea!*
- *The wheel: the partnership of the different components creating a world changing invention.*
- *The water: inspiration/essential element for life.*

The areas identified as being likely funding priorities were:

- *Aboriginal issues,*
- *Aged care, or*
- *the Arts.*

A discussion anticipated the hiring of a project officer who they determined would need the following attributes:

- *Be proactive.*
- *Have capacity for lateral thinking.*
- *Be enthusiastic.*
- *Understanding of the philanthropic sector—the way it works.*
- *Flexible time availability—envisaged that the position would initially be part-time and involve a regular 'office-based time' and flexibility to attend meetings with Directors.*
- *Ability to work with community groups—e.g. capacity building.*
- *Ability to network and inspire individuals, and the corporate/small business sectors to partner donkey wheel projects.*
- *Understanding of legal requirements relevant to the Fund and Trust.*



The following three examples were recorded in an attempt to illustrate the donkey wheel way of engaging with a project.

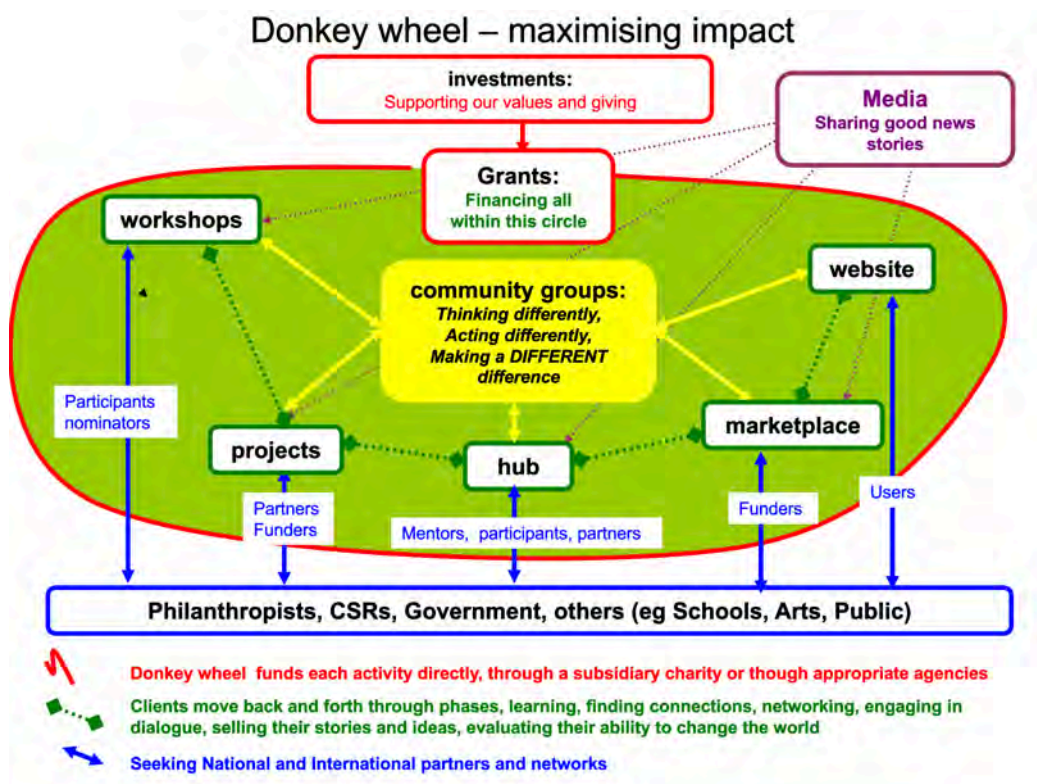
1. An organisation with DGR status applies to donkey wheel for money to build a kitchen to make pies with donated food (ex-restaurants and the food industry). The pies are then distributed to disadvantaged people. donkey wheel has a meeting with the group and explains we will not be funding the kitchen, however, should they develop a program of giving long-term unemployed people the opportunity to gain work experience in the program as cooks, drivers, kitchen hands etc. donkey wheel would be very interested in funding such a program. Organisation works on new submission possibly with input from donkey wheel. donkey wheel funds project and organises media coverage.
2. donkey wheel hears third hand about an Aboriginal town in NT wishing to build a swimming pool. Pool will be self-managed and used to address issues of health and education. donkey wheel meets with the community and offers project management support to raise funds, organise whatever cannot be organised by the community, give support to the community to be able to successfully look

after pool and carry out education/health programs. donkey wheel identifies three corporate sponsors and a TV station keen to document the whole project. donkey wheel funds the writing and distribution of the report/evaluation to be produced to help other communities carry out similar projects.

3. donkey wheel project officer coordinates the setting up of a web based 'introduction agency', paid for by donkey wheel. The website is used by individuals/small business/corporations that have goods and services to offer to community groups in need of same. The project officer is responsible for identifying the suitability of the donors and receivers to be included on website. e.g. a carpet company may wish to donate three rooms of carpet: two community groups apply, the company decides to donate to the women's refuge and develops an ongoing relationship by helping the women with carpeting in their subsequent accommodation.

Claire never understood donkey wheel as a conventional organisation. **Gathering good people together who trusted each other** to talk about what matters and to make a positive difference was what it was always about. The Wheel was just that, and laid an important cultural foundation for the future.

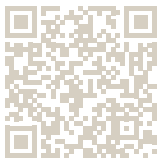
See Vocational Communities on page 204



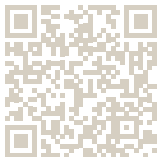
From the archives, circa 2007

MIRROR FAMILIES

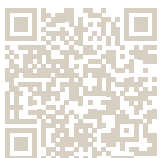
Read more
about Claire
on page 50



Scan to visit
Family by Family



Scan to visit
Berry St Child



Scan here to
view Claire's
paper

Check out
TACSI on
page 128

Mirror Families was so much more to **Claire** than merely a grant recipient. As a foster carer herself, Claire believed the system was broken and saw in Mirror Families an opportunity to care for young people in a different way.

Mirror Families' approach is to increase informal networks to serve as a support to children and their families. This model was essentially developed by the experiences of a foster carer and seeks to create a network of informal (non-professional) support for the family. The model originated from the identified need that families often require ongoing support after the Department of Health and Human Services (DHHS) had ceased involvement.

The Mirror Families model consists of families referred to as A, B and C, each with a designated role of informally supporting the child. Family A could potentially be biological family or a long-term foster care family with whom the child resides. Family B takes on the respite role and may be another foster carer or an extended family member, or even a family friend. Family C's role is as a support or mentor and could be as a student, teacher, carer or friend. The A, B and C families essentially work together as a team to identify specific tasks and roles with a focus on long-term commitment to the child, no matter where they are living (Brunner, 2006). Such concepts illustrate potential opportunities within the sector to continue to explore a diversity of options for children and their families entering the out of home care system. Such options deserve further exploration.

Source: *Berry Street Child and Family Services.*

Many years after we supported Mirror Families, with significant support from the South Australian Government, **The Australian Centre for Social Innovation (TACSI)** developed a peer-to-peer caring program called Weavers, based on similar principles to the Mirror Families program.

THE BURNING SEASON

This was a project that was often talked about in the early days. Claire's experience in the media (particularly film) and the innovative environmental advocacy of Cathy Henckel's film made it a prime candidate for funding. Col remembers one of the first functions he attended as Chair was a dinner in an Afghan restaurant in Brunswick St. Fitzroy after the film's Australian debut.

The Burning Season is a documentary about the burning of rainforests in Indonesia which premiered at the Tribeca Film Festival in 2008. The main characters featured in the film are: Dorjee Sun from Australia; Achmadi, a small-scale palm oil farmer from Indonesia's Jambi Province; and Lone Drøschner Nielsen, a Danish conservationist based in Kalimantan, Indonesia.

Every year Indonesia has a burning season. Areas of rainforest the size of Denmark are cut down and set alight by farmers and corporations to develop palm oil plantations. As well as destroying the habitat of critically endangered orangutans, new scientific evidence shows that deforestation comprises 20% of global carbon emissions, contributing significantly to climate change.

Dorjee, a 30-year-old Australian environmental entrepreneur, sets out to find a solution. Using expertise gained during the dot-com boom, Dorjee forms a small carbon-trading firm and signs up three pioneering Indonesian governors to partner in his venture. His idea involves selling the carbon credits represented by large forest areas in Aceh and Papua to big carbon emitters in the West. Despite the scepticism surrounding carbon trading, Dorjee's quest for a 'big deal' takes him from Sydney to New York, Washington DC, San Jose, San Francisco and London.



Opening screen of The Burning Season

Meanwhile, another burning season is underway. Achmadi, a small-scale Indonesian farmer, sets fire to his newly acquired piece of forest to clear it for palm oil. He, too, must face up to the impact of his burning on the global climate. In Borneo, Danish-born Lone Drøschner-Nielsen rescues and cares for orangutans injured or orphaned by the fires. As she prepares for the release of rehabilitated orangutans back into the wild, the UN Climate Change Conference in Bali commences. Everything hinges on whether all the countries of the world can agree on the wording of a new climate change protocol and whether protection of forests will be included. As the drama of this historic moment plays out, Dorjee relentlessly pursues his deal. Is he a pioneer or a profiteer? What value does his concept offer to the remaining forests of the world and to the challenges of climate change?

donkey wheel provided some grant funding to the project and was a big advocate for not only the launch of the film, but also following impact that could be generated if these kinds of 'deals' could be done. In the scheme of things, donkey wheel's grant was small, but we could see that a new **ecosystem** of sustainable good could be created if this experiment in carbon credits could work.

Sadly, *The Burning Season* did not have the results we hoped for; in fact, some may even say it failed. *The Burning Season* and the passionate work of those involved sowed the seed and informed many initiatives that have gone on to make a significant difference to the environment in much more sustainable ways. It built awareness and tested new ways of working together. Thomas Edison, inventor of the light bulb famously said, "I have not failed. I've just found 10,000 ways that won't work."

We will keep trying. Difference makers like Dorjee are the kinds of people we seek out and support. There will never be guarantees of success, but the predicament in which we find ourselves demands relentless endeavours to make the world better.

*Ecosystem is
in the Glossary
on page 228*

PROPERTY OWNER AND MANAGER (2008–2011)



If there was ever any ‘mythology’ around our history, much of it would focus on the purchase of the former Tramway & Omnibus Company Building at the Spencer Street end of Bourke Street in 2008.

It usually begins something like, “**Claire** was walking past this faded and neglected example of Melbourne’s economic boom of the 1880s...” ‘Faded’ is too kind a word, others would have described it as ‘derelict’. On that winter’s day, inspiration struck. In Claire, it found a willing accomplice. She was beside herself with excitement, and rang her brother **Nic**.

The Tramways Building was desperately in need of major repairs. When Claire walked past that day, the auction was a mere 48 hours later. As reported in many donkey wheel annual reports, there was a lot *not* to like about the building! Among its ‘quirks’, the Tramways Building boasted an unstable façade, a chimney that was falling down, its roof needed major repairs, the ballroom floor was full of holes, rotten floorboards populated the building, its wiring was demonstrably unsafe, the fire stairs were unusable and, to top it off, two days after we moved in it granted us the unwanted housewarming gift of sandstone plummeting from the building!

Not so much a renovator’s dream as a cautionary tale.

Many would see this as an opportunity to demolish a building that, despite its rich history, was burdened by an expensive and problematic future—but the Brunners were not among them. Far from it, they seized the opportunity of developing a vision for a creating a home for emerging social entrepreneurs. With extraordinary speed and vision, they moved to save the building from its perceived fate of being purchased and retooled as a boutique hotel that would only be used by the elite.

The question that immediately arose for most people was: Why buy *that* building? By her own admission, Claire conceded that the building and its issues outstripped what she and her co-

trustee conspirators had contemplated. Yet it had character in spades and shouted potential. As is often the case, a real opportunity not only facilitated the dream, but exploded it onto new dimensions.

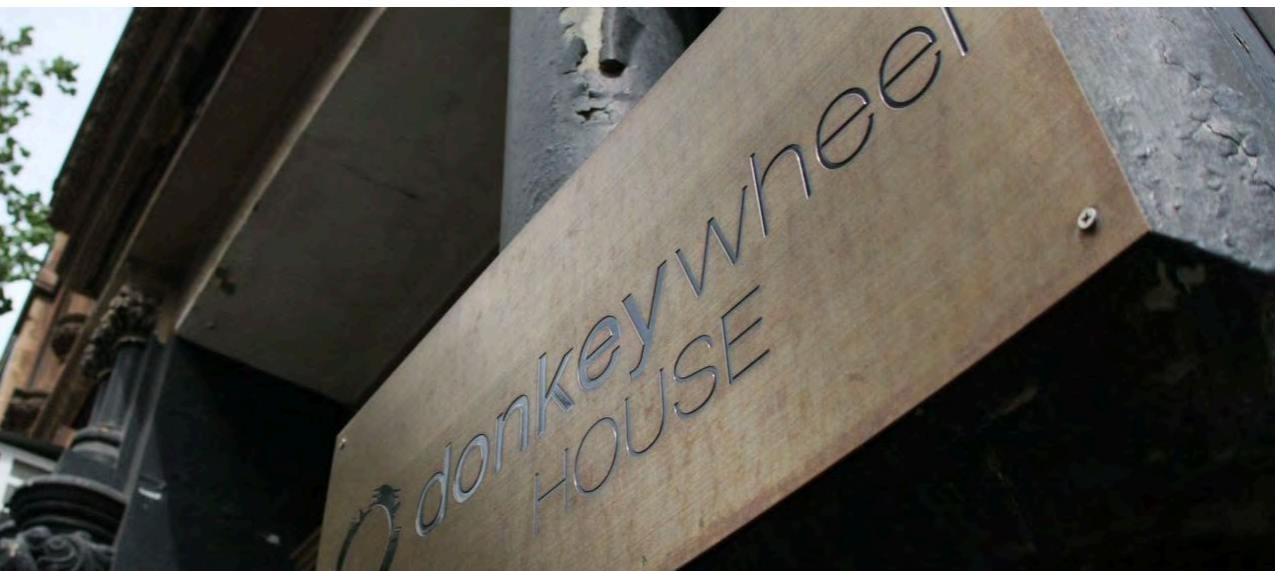
The purchase was driven by courage and vision, seeing a gap and committing to fill it for the benefit of changemakers in the community. There was an obsession with answering the question, “*How* do we help these people who were making a different difference *more* than by just giving them money?” Most of the organisations that we were supporting at that point were boutique, community based, one or two-person organisations, and one of the consistent pain points was space to work from, space that got them out of their bedroom offices and connected them with other likeminded change makers.

This need in the entrepreneurial community and the impending sale of the Tramways Building may have continued to be separate issues and events unless they had intersected with Claire’s passion and ability to not be constrained. Col recalls one of his first conversations with Claire, which outlined her vision for a ‘home’ for Melbourne’s changemakers. “When I first met Claire she talked with odd clarity about a ‘**communiversity**’; a place that passionate changemakers could call home, where people came to learn, to share, to create, to dream and, most importantly, to cultivate initiatives that would make the world a better place.”

However, it was an enormous ask for our Board and staff (then comprising just two people) to make the shift to becoming property managers. Paul, who took on the Chief Executive Officer role in 2010, reflects that “It was completely unreasonable to expect that the staff would be able to do it. Notwithstanding that the Board and staff worked extremely hard to help them make that transition; it was an impossible situation.” Adding to this, the previous Board Chair had resigned over the purchase, as he considered it an irresponsible decision to buy the building, especially in the absence of a detailed plan and suitable timeframe to weigh up the pros and

*Read about
Claire on page
50 or Nic on
page 29*

*‘Communiversity’
can be found
in the Glossary
on page 227*



Signage at donkey wheel house

cons of such a large investment. Paul suggests that this is "one of the important bits of our story: 'we bought the building, and people resigned.' The Chair resigning over the building's purchase triggered a whole Board renewal." Both at a governance and an operations level, there was immense pressure felt by the staff and Board as they worked to manage a building that could be described as a money pit.

Enthusiastic family members made optimistic financial estimates for the much-needed renovations, which came in at \$500,000. That proved to be a massive underestimate of the financial capital needed to provide a space for entrepreneurs. These estimates did not acknowledge the human capital required to resource the renovations, nor the endurance needed of staff in the tumultuous and liminal space before **donkey wheel house** was up to speed with compliance and operational.

For example, making the fire escape compliant would cost \$600,000 alone. What became obvious is that donkey wheel was—as an organisation—completely ill-equipped to manage a property, let alone renovate a property, of this scale. It is hard to imagine the stress and pressure of suddenly being responsible for a multi-million dollar building in various stages of disrepair, with heritage listing and with increasing community expectations of what was going to be the payoff for such a significant cost. For the first time, donkey wheel and its activities were in the public eye.

It was also the major turning point for us in terms of our ongoing operations, as we grappled with Claire's expansive vision of donkey wheel house as a **communiversity**, alongside the stark and demanding realities of making that vision happen, from both a financial and regulatory perspective. It would take Paul's contribution over many years before the vision and the financial and regulatory pieces would come together to produce what we would now recognise as donkey wheel house. Col described the phenomena of donkey wheel house as the result of "Claire's remarkable foresight

and action, which created the probability; it was Paul's masterful commercial and social *nous* that turned it into a reality."

This early season was characterised by a few dimensions:

DREAMING AND PLANNING FOR RESTORATION AND RENOVATION

Fundamental to Claire's confidence in purchasing the building was Nic's prowess as a designer. Nic was known for his creative interior design, with his work featured in various publications. His appetite for ballroom mezzanines, roof top gardens and chic design features was embraced without question.

In recognition of the expertise gap, external providers were engaged to offer proposals on how to move forward with the renovations. This exercise started to reveal internal cracks. The Board struggled with the fees associated with suppliers' proposals. Not only had these not been factored into any planning, but there was also an underlying and often explicit expectation that professional services would be offered to us pro bono.

BEGINNING TO USE THE PROPERTY FOR ITS INTENDED PURPOSE, AND SUBSEQUENT STOKING OF COMMUNITY EXPECTATIONS

While the team started to feel the commercial capability gap, it was full steam ahead to engage the difference maker community. There were a few inherited long-term paying tenants occupying spaces within the property, but there were many vacant areas that became experimental venues. **Unconferences** and art exhibitions breathed life into the cavernous empty floors. Negotiations started with an impressive initiative emerging from YGap (Y Generation Against Poverty), called **Kinfolk Café**. Kinfolk would become our first values-aligned tenant and played a critical role in the community that formed at donkey wheel house.

The donkey wheel house story can be found on page 32

'Communiversity' is in the Glossary on page 227

*α
'Unconference' on page 231*

Keep reading about Kinfolk Café on page 44

More information about Fran can be found on page 18

Polly is introduced in Profiles on page 225

Read more about Paul on page 2 or Dave on page 218

Read about Brad on page 52

Also see comments from Trevor Thomas (page 90) and Kylie Charlton (page 107) about the implications of the purchase on dw's investments.

For more on Hub Melbourne flick to page 67

Not sure what DGR granting is? Check out Philanthropy and Tax Deductibility on page 16

Get up to speed on the Business Model Canvas in the Glossary on page 227

Skip to the next phase of donkey wheel's contribution on page 45

Fran and Claire were working hard at the time to set up a co-working space on the ground floor. The idea was to provide small organisations with desks and meeting spaces in an environment where they could rub shoulders with other difference makers. But the Foundation had bitten off a lot, resources were stretched, and so one of the recurring discussions during this time was, "What business is uniquely ours to do? What is our work as the Foundation and what should we be asking others to do?" This conversation ultimately led us to look for a commercial tenant whose core business would be running a co-working space.

Brad Krauskopf was seeking to bring the Impact Hub co-working model from Europe to Australia, and after lengthy discussions we were delighted when Brad signed a multi-year lease. Hub Melbourne would become an important tenant in donkey wheel house, bringing hundreds of progressively minded people through our doors every day. The small donkey wheel team would never have been able to develop a co-working environment as well as Brad and his team did. It was step in our self-understanding of our role. As **Hub Melbourne** grew it provided significant impetus to the vision of donkey wheel house as a go-to site for difference makers.

We were taking stumbling steps toward realising the vision.

INTERNAL DISRUPTION AS WE FACED THE REALITY OF CAPABILITY DEFICITS

The business model of a conventional philanthropic foundation is straightforward. Invest funds and use the returns to grant money and cover the costs of staffing; budgeting and financial management competencies are not significant requirements. When you own and operate a property from which commercial returns are fundamental to your sustainability, however, this becomes a necessity. The building and its 'Everest' task of renovations potentially called into question our ability to grant, which up until then was our only means of justifying our identity as a charitable foundation. There was enormous pressure to understand and manage the finances.

This scenario created internal tension as the capability gaps became obvious. The purchase of the building precipitated changes at a board level, but this next phase necessarily triggered

a significant change in the operational team. **Polly Caldow**, who had recently finished her role as CEO of the Body Shop, agreed to take on an interim CEO role for three months to extinguish some fires and steady the ship, while we looked for a values-aligned CEO with the experience and competency to lead us through our next phase.

The necessary commitment took its toll on Col, and he resigned as Chair in mid-2010. **Paul** was appointed CEO soon thereafter. Board director **Dave** stepped in as the third Chair in as many years.

Kinfolk was open and operating, The Hub Melbourne opened its doors in a limited space on the third floor, and we secured the chimney so that sandstone no longer threatened to rain down on Bourke Street.

TRUNCATING OF GRANTING

One of the **unintended consequences** of the building purchase was the limiting of the Foundation's granting capability. donkey wheel house demanded our full attention and focus, including granting. We were keen to support the emerging cohort of values-aligned tenants so that is where some granting went. We were also fortunate that a partnership with the National Trust enabled our **DGR granting** requirements to be used for the heritage preservation necessary in the restoration.

The most formative dimensions of the donkey wheel **business model** in this season were:

- **BENEFICIARIES:** We started to cultivate a broad network of progressive change makers during this time, but the key beneficiary was the Foundation itself. We were inward looking.
- **KEY ACTIVITIES:** Project management, property management, leasing and developing a sustainable commercial model.
- **KEY RESOURCES:** donkey wheel house, Paul's hands-on expertise and commercial nous.
- **KEY PARTNERS:** Architects, builders and foundation tenants (Kinfolk Café and Hub Melbourne).

It was from this basis that the communiversity that Claire had envisioned began to form.



An empty room in the basement of donkey wheel house

NIC BRUNNER



Nic Brunner was born on 16 January 1960, the second child and eldest son of Jasmine Brunner and Sir John Brunner. With his parents, older sister, Claire, and younger brother, Jonathan, he immigrated to Australia in 1966. With an eclectic career, Nic is probably best known professionally as the designer of Cloudland in Fortitude Valley, Brisbane. Nic was a hands-on designer. "I come from a background of design where I have to be able to 'make it' as well as design it. I can't design and hand it over and I don't design unless I know how to make something," he says. Nic's desire to be deeply and intimately involved spread across to donkey wheel, especially in its early days.

Nic made significant contributions to donkey wheel's ethos, as well as to the aesthetics of **donkey wheel house** itself. Where Claire's fingerprints are often to be found on the projects and people that donkey wheel has partnered with, Nic's are more immediately obvious in the way the building now looks. "The glass work in donkey wheel house was Nic to a tee, and we duplicated that vision through the building in many other areas," Paul reflects.

However, Paul reminds us that to think of Nic's involvement as being purely focused on the building does him a disservice. "It's oversimplifying it to say that Nic's contribution was just around the interior design of donkey wheel house." His contribution went beyond a passion for transforming old buildings. "He was on the donkey wheel Board," Col adds. "But his contribution wasn't through governance. When Nic was involved, there was never a risk that donkey wheel would be 'conventional'. Nic's voice ensured that the Board was always pulled back from convention or stereotype. His was a significant and formative contribution."

That innovative characteristic that Nic provided continues to operate now, albeit in a different context. "I think there's essentially a cultural difference now. Under Claire and Nic's influence, donkey wheel was quirky, almost *renegade*. It's different now—donkey wheel is innovative, within a more conventional frame," muses Col. "What Nic brought was an ambitious design vision for donkey wheel house. Without Nic—and this was before Paul's time—it would have been a yet another not-for-profit ghetto. Nic's the one that would walk into a building and see rooftop gardens and mezzanines; he always had an imaginative and visionary use of space."

Paul's arrival, and the necessity of moving donkey wheel into a sustainable model under the pressure the donkey wheel balance sheet took from buying donkey wheel house, was both a freedom and a turning point for Nic. "He wasn't interested in the mundane mechanics of philanthropy. He tried hard, but he just wasn't interested in following Paul's philanthropic methods. At the end of the day, Nic knew that donkey wheel was operating in a civilised society that needed rules. But he himself was completely uninterested in civilised society. Nic was pleased that we were all involved, because it meant that donkey wheel could survive in that civilised society. He just was not interested in playing that game," explains Col.

Circumstance, however, dealt Nic and those who loved him a savage blow. While kitesurfing with a friend at Altona Beach in February 2015, a freak gust of wind sent him crashing into the shallows. Lifesaving intervention was administered by an off-duty paramedic, and Nic was put into an induced coma due to the magnitude of the head injuries that he suffered. "It's accurate to say that Nic's accident changed everything regarding the Brunner's day-to-day involvement," says Paul, recalling the impact on donkey wheel from Nic's accident, which left him with a traumatic brain injury. Col agrees. "The accident naturally affected Nic's capacity to be involved, but Claire's extraordinary commitment to his care and rehabilitation became the priority for her in the following years."

The implications of Nic's accident disqualified him from ongoing formal roles on the Board and as a member, but Nic has remained interested, enthusiastic and engaged. He played a significant supportive role during the legal case, and enjoys periodic lunchtime catchups with the donkey wheel team, as well as joining in on the rare opportunities we've had of late to convene the members. Many things may have changed, but Nic keeps pushing donkey wheel to think differently about itself, and its place in the world.

The donkey wheel house story is told on page 32

BUSINESS AS A FORCE FOR GOOD

Somewhere along the business road we lost our way. A long time ago, in a dispersed local economy, people traded a valuable contribution to the community and made a living from it. In this (admittedly romantic) village there was interdependence; we needed each other.

Of course, there have always been business models designed to siphon money into the pockets of those holding social and commercial power, inevitably leading to social and economic inequity. The point here is not to lay out the history, merits or otherwise of industrial revolutions and capitalism, but to note that somewhere along the way, big business became primarily a money-making exercise rather than a mechanism by which citizens looked after each other and were remunerated appropriately and proportionally for the value they created and maintained.

For those who see the world through the eyes of those without power, business, and particularly big business, is the enemy. Some understand common business strategies of tax avoidance and labour exploitation as evil. For most people, however, the ruthless corporate pursuit of profit and therefore dividends for passive 'no-skin-in-the-game' shareholders are masked by clever marketing strategies that portray the company as caring, progressive, or whatever quality might endear it to its consumers.

To conflate the motivations and the systemic pursuit of financial-benefit-at-all-costs with the nature of business itself is a mistake. Rather, business *could* be, and we argue *should* be, understood as a commercially sustainable way to add value to the community. A business is ideally a mechanism by which people can offer their talents and skills to society and get paid by whoever is able to for the product or service offered, whether they be other businesses, governments or individual citizens.

While much of what we see in commerce is the singular pursuit of money or power, we believe that most businesses emerge for more noble reasons. They are started and run by people who have developed something that they are passionate about and have found that others find it valuable. It is not the pursuit of money that drives them but the thrill of bringing into the world their product or service. Nothing is more thrilling than other people liking your creation so much they are prepared to pay you for it. It is this passionate creation of value that can be at the heart of every business.

One of the symptoms of having lost our way is the categorisations that have come to be taken for granted: businesses exist to make money, private not-for-profits exist to do good and government/public organisations exist for the public good. These categorisations are unhelpful as they imply too much about purpose that is unrelated to their associated legal structures. Public and government organisations can be mean spirited, and businesses can be motivated by the common good (for example). As this conversation gained more traction, different categorisations emerged (such as social enterprises) which have blurred these lines, but it is our contention that for most intents and purposes, categorisations are unhelpful. Every organisation, whatever its legal structure, should exist to add value to the community and needs a commercially sustainable business model to deliver that value.

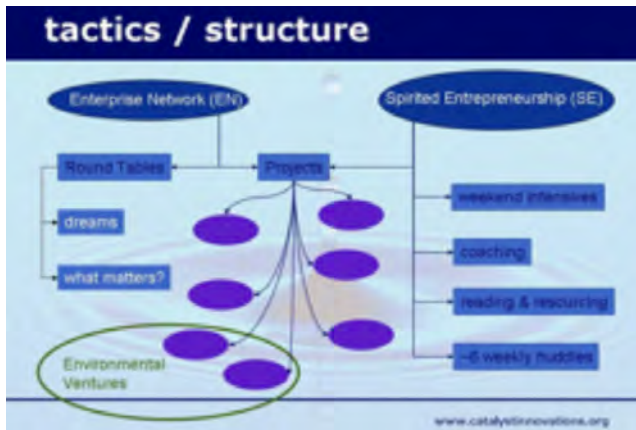
Business *can* be a force for good. More than that, it can be a force for positive social or environmental impact that can be scaled and replicated. Often, an organisation with a well-designed commercial model (such as a business) is the best vehicle to produce a positive social and environmental impact. The mechanisms of business are powerful—the real question is, to what purpose will we put these powerful forces?

Paul and Col became fascinated with the idea of business for good when they worked together in the early 2000s. The term we used back then was 'transformational business' which intentionally had a double meaning. 'Transformational' describes the impact the business has on its operating environment and external stakeholders and captures the effect it has on those working within it.

To promote this way to think about and practice business, we founded an organisation called **Catalyst Innovations** which brought people together in various forms to support each other and to collaboratively work on projects.

From the archives, 2005. Catalyst Innovations had two main streams of activity. One was the Enterprise Network that annexed a series of Round Tables and projects including a start-up called Environmental Ventures which explored the viability of electric tuk tuks in Sri Lanka. Spirited Entrepreneurship was an internship.

Catalyst Innovations was an early incarnation of the kinds of gatherings that would much later have expression in Make it Better which is introduced on page 176



From the archives, 2005. Catalyst Innovations had two main streams of activity. One was the Enterprise Network that annexed a series of Round Tables and projects including a start-up called Environmental Ventures which explored the viability of electric tuk tuks in Sri Lanka. Spirited Entrepreneurship was an internship.

Over time the language evolved to 'generative business' as we were drawn to the ideas associated with generativity. We devoured anything we could get our hands on that illustrated what innovative business practices were out there including copious books with some formative case stories of founders who had broken new ground like:

- *Maverick*, Ricardo Semler, 1993
- *Open Minds*, Andy Law, 1998
- *A Stake in the Outcome*, Jack Stack, 2002
- *One from Many*, Dee Hock, 2005

Then there were others who were starting to write about business being a force for good, a sample of which included:

- *Funky Business*, Ridderstrale & Nordstrom, 2000
- *Change Activist*, Carmel McConnell, 2001
- *Happy Monday*, Richard Reeves, 2001
- *Building a Better Business*, Patrick Dixon, 2005
- *Joy at Work*, Dennis Bakke, 2005
- *Building a Values Driven Organisation*, Richard Barrett, 2006

During this time, we experimented within our own businesses using many of the things we were learning. Our interest wasn't academic; we were deeply committed to making a difference in our own spheres of influence. The organisations we led were laboratories to test the ideas, frameworks and practices we learned about or were developing ourselves.

By the time we were both at donkey wheel the idea of business for good wasn't so radical, and many different people were adding their perspectives to the conversation. When Paul became CEO in 2010, his experience in small and medium businesses as an entrepreneur, in the corporate world as a consultant, and the not-for-profit sector (most notably as COO and deputy CEO at World Vision Australia), gave him a broad pallet of perspectives with which to apply to social change.

There has been a strong tradition of philanthropy supporting not-for-profits, but we knew there were inherent limitations with the business models most community sector organisations relied on. There was the axiomatic idea that social purpose organisations who were dependent on grant income created constraints to scale and impact that are the antithesis of commercial and market nous that pushes naturally *into* growth and scale.

It was not a new idea for a for-profit-business to be a force for good. What donkey wheel became committed to exploring was how a charitable foundation could use its resources to support positive social outcomes resulting from *for-profit* business activity. Grant contributions from donkey wheel as a charitable entity necessarily needed to be directed to charitable (not-for-profit) entities. Our investable resources, however, could be deployed to support businesses designed to achieve positive social or environmental outcomes. This, of course, was the impetus to develop impact investments for our own input and, more broadly, to help cultivate an impact investing ecosystem for others to engage with.

There is little doubt that our economy is in transition. Unregulated capitalism that siphons money into the pockets of the few is attracting greater criticism across the community. A cacophony of voices that challenge GDP as the measure of national health is emerging as alternative models are promoted, including Kate Raworth's popular *Doughnut Economics*.

When we first started advocating for business as a force for good, we understood it as another channel for social change alongside community organisations, not-for-profits and well-run government departments. What has become clearer over the years is that business is changing, not simply as a force for good to battle against a static 'bad', but as part of widespread aspirational transitions to lower carbon emissions and to create a more inclusive economy.

We look forward to both contributing to and being part of this ongoing journey.

DONKEY WHEEL HOUSE

The 2008 purchase of the property at the west end of Bourke St in Melbourne's CBD has had a bigger impact on the donkey wheel Foundation than any other single event.

It was constructed in 1891 as the new office for the privately-owned Melbourne Tramway and Omnibus Company (MT&OC). It held a monopoly over the running of trams on the inner city's cable tram system from 1885–1916, and the office was constructed at one of the city termini. Designed by architects Twentyman and Askew, it is in the Gothic Revival style similar to the more elaborate Olderfleet-Rialto row in Collins Street and stood as an overt expression of prosperity.

The building is of historical significance as an artefact of the origins of Melbourne's tram system. The MT&OC developed Melbourne's first horse tramway system and then, controversially, Melbourne's extensive cable tram system from 1885. It was one of the most extensive in the world at the time and had a profound effect on the development of Melbourne's social life and physical form. The company's success was reflected in this substantial and attractive building, an important remaining element of Melbourne's early tramway infrastructure. The company was very much a 'for purpose' business providing a much-needed public transport system increasing the social capital of city, while still making money.

Melbourne's cable tram network was in decline by the start of the 20th century due to the rise of electrified tramways. The MT&OC was dissolved in 1919, and the Melbourne and Metropolitan Tramways Board (M&MTB) was established to assume control of both the remaining cable tram network and the electrified network. The former MT&OC building then became the new headquarters for the M&MTB. Since its construction the building has been used continuously for office and retail purposes. A small portion of the cable tram track remained buried in the asphalt outside in Bourke Street for some years before it was removed.

The Tramways building was facing an uncertain future when **Claire** noticed it up for sale in 2008. Its pending owner wanted to turn it into a hotel, but decided not to go through with the purchase, and put their contract up for auction. There were several interested parties, who all wanted to demolish the building and only retain the façade.

It turned out the four-storey building's façade was unstable, the chimney was falling down, and the roof needed major repairs. There were holes in the ballroom floor on the 3rd floor and rotten floorboards throughout. The wiring was demonstrably unsafe, and the fire stairs unusable.

We knew nothing about the building's state as the auction was only a few days after Claire discovered it. It was also far bigger than the previous spaces donkey wheel had considered occupying.

We bought it anyway, and almost destroyed ourselves in the process.

The idea of what donkey wheel was, and what it could be, was continuing to develop and expand. Claire was enthusiastic about creating a hub, a place where organisations could come together, share ideas, and learn skills to help them. She wanted donkey wheel to be a catalyst for a 'communiversity', and for that she would need space for workshops, and some office space that organisations could share. **Nic's** interest in architecture and the importance of place, matched with donkey wheel's imperative to be different, had met a unique piece of Melbourne's history in danger of being torn down.

However, the Chair of donkey wheel's Board felt differently.

Michael Henry had been brought on to the Board on the recommendation of John Brunner who felt they needed some stability and guidance. Michael was National Director at Community Aid Abroad (now Oxfam) and assisted donkey wheel in developing its processes and understanding its responsibilities. Claire said that, "I think when he took us on, he thought we were really almost childish in the way we were approaching things, and we needed to grow up and get in the real world. Which was why we asked him to do it."

Claire ran into Michael shortly after she found out the property was for sale. She said to him, "I've found the most amazing building." She described it, and he just looked at her and said it was a "bridge too far" and kept walking. It was just absolutely a 'no.' Claire said she knew at that point that if we were to purchase the building, we would also be looking for a new Chair. It was a sign of the internal disruption that was to characterise the early years of donkey wheel house.

Even though we'd bought the building, there were parts of the it we'd never been into. For instance, the boardroom was locked. It took us a while to get the key and opening that door to find a fully furnished boardroom with the chairs that are still in there now that the wine society (a previous tenant) had left behind. There was just this kind of child-like fascination and dreaming early on. It was intoxicatingly visionary and aspirational.

donkey wheel purchased the building using a considerable percentage of our corpus to do so. We then discovered the repairs required were far

*Read more about
Nic on page 29*



*Scan for
dwh's Heritage
Lisiting*

*Read more
about Claire
on page 50*

a little history

Welcome to *donkey wheel house*. Built circa 1890 for the Melbourne Tramway and Omnibus Company, this wonderful building was designed by architects Twentymann and Askew (designers of the Block Arcade) and built by Thomas Machin. Venetian gothic in style, it is State Heritage listed and considered significant culturally, historically and architecturally.

The Bourke Street façade, while heavily soiled, is still largely intact, but a cast iron post verandah which was a later addition, is now missing.

The interior of the building, and particularly the front, high gabled section, is significantly intact architecturally and provides a wonderful sense of 19th century office life. The lift in the foyer was added in 1926. Another, decommissioned, lift was hydraulic, powered from a pumping station in the (now) Docklands precinct.

In its day, Melbourne's cable tramway system was the largest in the world. A small portion of the original cable tram track is buried in the asphalt in Bourke Street



donkey wheel house

our vision

We have purchased *donkey wheel house* to create a Social Change Hub that has the capacity to become a centre of creative thinking.

The *house* will be both an ethical investment and a philanthropic vehicle - with a "whole of community" mix of community, business and agencies.

Our major focus of activity will be to catalyse and support different thinking in grass roots, small and medium community groups, with a particular focus on Innovative Leaders of Change. We will assist community groups and innovators to expand and develop their ideas, find project funding and develop their capacity to be self sufficient in the long term. To achieve this, we will support the delivery of workshops, events, formal and informal dialogue and networking, project support and funding brokerage, and provide a space for emerging innovators as tenants.

We will fill the *house* with Creative Innovators, Philanthropists, the media, school groups, elders and trainees, government, businesses and the public, inviting them to make the building a place where social change is born and implementation of that change is enabled.

It is also interesting to read perspectives from Trevor Thomas (page 90) and Kylie Charlton (page 107) on the implications for donkey wheel in purchasing the property.

more extensive and expensive than anticipated. "Sandstone fell off the building within two days of us moving in, because when the sun shone the sandstone expanded," remembers **Fran**.

"The lift stopped working and there were people in Countrywide (tenant) who couldn't come down the stairs. We got the lift people to come out and they refused to work on it because the access to the lift machinery wasn't safe. So, we couldn't get the lift fixed until we got the machinery area made safe, and then we couldn't find anyone who would do that."

The purchase irrevocably changed the organisation. It quickly became apparent that the building required far more work than initially anticipated, and the organisation didn't have the required skill set to manage a building.

"Because there'd been so much money spent on purchasing the building, and because Michael Henry had quit and said we were irresponsible, the family really didn't want to spend any more money," recalls Fran. "So, they said do it yourself, you and Maria, and don't worry too much about the building until we decide what we're going to do and just get on with the granting. But when the lift isn't working and someone can't walk down the stairs, you can't say that's not really my problem."

It wasn't long before **Vetty Duncan**, an employee of Nic's, was brought in to manage the building, but it required far more time than she was able to give in her part-time role. Col, as the new Chair, found himself being drawn into operational matters more and more, eventually spending most of his time doing donkey wheel work.

Polly Caldwor worked as a temporary CEO for three months to hold things together while the search was on for someone who was up to the

considerable task of integrating the ownership of the derelict property into a cohesive plan for the Foundation. Paul took on the CEO role and started to navigate away from complete disaster. You can read more about these foundational years in **Property Owner and Manager**.

During our stewardship of the building, there have been significant upgrades as well as an evolution of tenants—ranging from **Hub, STREAT, TDi, Kinfolk Café, Ethical Property Australia (EPA)** and **The School of Life...** all of which were substantial tenancies in that they were more than tenants; they were examples of how donkey wheel operated and collaborated. Collectively, they became the living incarnation of the communiversity idea that Claire championed and drove her to risk acquiring 673 Bourke Street in the first place.

During the period when all these tenants called donkey wheel house home, it was an intoxicating place to be. The place buzzed with energy and vision. As these formative organisations grew, however, their space needs inevitably evolved, so that 'heyday' of the communiversity passed. The COVID-19 pandemic also significantly impacted others' businesses and donkey wheel house found itself with increasing vacancies.

Many social impactful organisations continue to call donkey wheel house home: The Big Issue, Salvos Stores, Helping Hoops, and the newest addition, the V Wine Salon. And of course, donkey wheel itself is regenerating our own use of the space we tenant, with refurbished hosting and facilitation spaces we call the Make it Better Dining Room and Make it Better Lab.

Read more about Fran on page 18

Our role as Property Owner and Manager is unpacked on page 26

Hub, page 67

STREAT, page 60

TDi, page 80

Kinfolk Cafe, page 44

EPA, page 58

The School of Life, page 62

For more on Vetty, flick to page 38



donkey wheel

who is donkey wheel?

The *donkey wheel* Prescribed Private Fund and Charitable Trust was established in 2004 for the purpose of philanthropic gifting. Our goal is to make every action philanthropic in nature where possible, and this philosophy drives our gifting decisions as well as our investment decisions, our expenditure and our activities. The purchase of *donkey wheel house* in late 2008 is a significant commitment to this philosophy.

donkey wheel has funded local, National and International projects with a high potential to create significant positive change for modest investment. We have a passion for social change, constantly seeking ideas that move away from today's problems and instead, create new possibilities for the future. We believe extraordinary change happens when people think differently - and that leaders of change (especially those working at grass roots level) need to be supported and nurtured so that their ideas can take root and flourish. We have therefore always sought passionate leaders with ideas that demonstrate a DIFFERENT way of thinking

why "donkey wheel"????

In 16th century England, a village in Oxfordshire had a problem.....how to get water out of an old 200 foot well. A large wheel and donkey to turn it were installed. Water flowed and the community was transformed. The wheel is now a treasured museum piece on an estate where the original donors lived. It was part of the fabric of the current donors' childhood, and it reflects our love of ideas that inspire us to

**think different
act different
make a different difference**



Contact us

If you are interested in being part of the *donkey wheel* journey - whether to use our spaces as a tenant or for an event, to share your ideas or learn more about ours - or if you can contribute to the work in any way, we would love to hear from you.

donkey wheel house
673 bourke street
melbourne, vic 3000
ph: 61 3 9620 7799
email: difference@donkeywheel.org
ceo: fran westmore



snippets

We believe the large "ballroom" area was the MTOC staff canteen, and it has been suggested it was also the draughtsmen's area - this based on the presence of a large fireproof room (which incidentally seems to have dictated a curved wall from the top to the bottom of the building). Since then it has also been home to a fabric and clothing designer - the dyes can still be seen on the wooden floorboards. The kitchen was no doubt state of the art in the 50's! There is a lift that comes to this floor - access has at some time been plastered over, presumably when the hydraulics were decommissioned. We are unsure of the function of the pulley system on the back wall which is assumed to have been used for supplies at some time. One side of the light well over the stairs was lost when the lift was installed. The other side was replaced with corrugated iron during the second world war for fear of bombs and flying glass.



snippets

Tiling in the foyer is original, and the design is repeated on floors above. The carvings and doors in the foyer are all original, and panels in the entry show the remains of original stencils under the paint. Check out the carving on the newel posts - they carry the MTOC initials. While some fireplaces are still visible, you will also see a number of hearthstones in the main area - there are 23 chimneys in the building. The foyer lift operates to the 2nd floor only - it is in original condition. The wine society were tenants here from an unknown date up to 2008. This floor is home to the *donkey wheel* office.



top floor our vision

The area overlooking Bourke Street will be available for rental to a commercial tenant who meets the *donkey wheel* criteria and values. The large hall will be available for a mix of commercial and community events and functions, attracting a whole-of-community use that might include anything from yoga in the morning, a documentary showing and workshop over lunch and an evening wedding or choral performance (the acoustics are apparently very good). We plan to fit out the kitchen to support commercial catering, but also want the space available as a training kitchen and for community use. We also plan in the longer term to build a roof garden that will combine environmental sustainability with enjoyment and usability for building tenants.

wish List

- Commercial kitchen
- Roof garden
- Renovate toilets
- Reinstate light well
- Toilet block and kitchen in front offices
- Repair window frames
- Repair wiring
- Large projector and screen
- Theatre lighting
- Floor coverings
- Repair plaster and paint
- Repair dado panelling
- Heat exchange system



ground floor

our vision

We have an inherited café tenant, and will make the other retail space available for a social venture - a profitable business with a social purpose. Our long term vision is for an arcade of retail spaces - a mix of social ventures working together to create change. In the shorter term, the large open space will be home to around 20 "hot desks" - work stations made available on a permanent or pay per use basis for grass roots communities starting up, micro businesses with social purpose, visitors from the country or interstate and small funded agencies. Each space will include a computer (if needed), and access to a copier, printer, VOIP phone, internet, library, lounge area, meeting spaces etc. Tenants will have access to workshops, dialogues, events and speakers - all focused on building capacity and thinking differently. Hot desk tenants will be selected for their match to our values and criteria, their match to each other and for their commitment to reciprocal community building.

wish List

- Upgrade/enclose toilets
- Develop courtyard
- Fit out hot desks area
- Sponsor a hot desk
- Upgrade lighting
- Donate to our library
- Photocopier
- Printer
- IT infrastructure
- Restore shopfront to original set-back façade
- Fit out meeting rooms
- Floor coverings
- Restore tiling
- Restore panelling in foyer area



Booklet produced by donkey wheel team, 2009



Can you help?

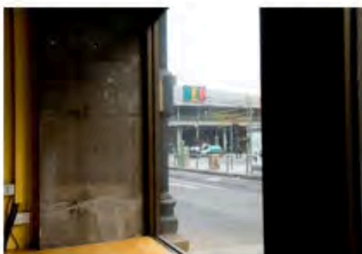
donkey wheel is a relatively small foundation and we have exhausted our funds in the purchase of *donkey wheel* house.

If you can help with time (volunteering at the office or in the building), talent (pro bono trades, consulting, professional help) or treasure (donation of materials, money or good contacts) - we would be very grateful for the help. You will be assisting us to restore a wonderful building for the people of Melbourne, and establishing an innovative and important meeting place for those who are passionate about changing the world.

Do you have any access to resources, contacts, equipment or have a willingness to help out in any of the following areas?

- New (Steel) fire escape
- Roof repair, including slate, corrugated iron, box gutters, downpipes
- Renovation of 2 x lifts
- Repair Chimney
- Repair upper facade, capping where sandstone is crumbling
- New roof access for maintenance/repairs (into and across roof)
- Fire system (will need to upgrade to 100ml fire main, alarm/detector system, sprinkler system, fire separation between floors/stairs)
- Restore the stairway dado
- Electronic security to external doors
- Lift balustrades to stairs from basement
- Install RCDs to all switchboards
- Repair of the hydronic heating system and radiators
- Plan and implement sustainability and green technology
- An historian to tell the building story

More wishes on following pages



snippets

These floors were home to the office staff of the Tramway Company, with those facing onto Bourke Street finished to a high quality for senior management. During the 1990s, the building was owned by a philatelist (his nameplate can be seen in the foyer), and for a time he lived on the 1st and 2nd floors with his family. At the time, he tells us his was the largest apartment in the Melbourne CBD



1st and 2nd floor

These floors are currently tenanted to Countrywide Media



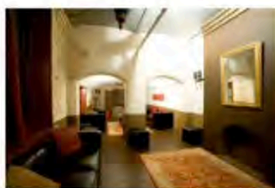
snippets

The basement was originally a storage area for Tramway files, but has been home to Roman Catholic nuns and, recently, the Wine Society and The Cellars function venue. Had we not bought the building it would have become a car park - what a loss that would have been!

White tiled lightwells on all four sides of the basement help create an ambience that is both tranquil and mysterious. The space holds great appeal to artists.

The building is heated by a boiler that was originally coal, then oil and is now gas, fuelling the hydronic system throughout the building. The huge, heavy metal doors to storage rooms are both beautiful and functional, and still move smoothly.

Note the trapdoors in various locations - there are water courses under the foundations. Rumour has it that they may also hide tunnels that linked the basement to St Augustines church - could that be true????



our vision

We believe creative arts play a critical role in enabling different thinking, and we will invite artists of all kinds to share this beautiful space. We will also be open to a mix of commercial and community events from corporate parties to ghost tours to fundraising dinners. We plan to fit out meeting rooms with both a touch of magic and top end technology - again to attract both corporate and community use. All commercial hirers of the space will be required to apply to our "wheel" committee to ensure they meet our ethical criteria. We will offer Community rates for non profit hirers who may also be able to apply for funding if needed, provided they meet our gifting criteria and funds are available. We already have a small donkey wheel club meeting weekly to share skills, knowledge and ideas, and this is only the beginning.

basement

wish list

- Audio conferencing facility*
- Painting and repair of rising damp*
- Basic kitchen facilities*
- Rebuild boiler*
- Fit out meeting rooms*
- Install heating pipes and radiators*
- Upgrade lighting*



PAUL STEELE

Paul Steele has been the CEO at donkey wheel since 2010.

HOW DID YOU FIRST HEAR ABOUT THE DONKEY WHEEL ECOSYSTEM?

"I first heard about donkey wheel when they made the decision to get into ethical investing," says Paul, casting his memory back. "John Altman and I ran a series of dinners that we'd invited **Nic** and **Claire** to. They were exploring this idea... I don't think we called it 'impact investing'... but it was mission related investing. We had a fair few of Melbourne's for-purpose investors come, and Claire and Nic had been at a couple of those. It was around the time that they bought the building.

"After donkey wheel bought the building, we did a planning piece at Ergo, Col's old consulting business, and we mapped out a plan that eventually became **TDi**. We were just having conversations with Claire about donkey wheel at that point and, then it was really a couple years of watching from afar, watching Col struggle under the weight of the building."

Matters evolved when Col approached Paul for advice. "My first real introduction to the internals of donkey wheel was when Col said, 'I need to find a CEO for donkey wheel, who can you think of?' So, I opened my 'mental' little black book, to find who might be a good fit. I remember getting to the end of the conversation and saying—and this might sound arrogant—'But the diversity of skills you need, the only person I can think of is me, and I don't think you can afford me!'

"I was thinking maybe I could come to it for a year or do it part time. Anyway, the Board was running a process. Claire and Nic were being held to this rigorous process, but early on they said, 'We know you're the right person, but the Board has told us we've got to go through this process.'"

WHAT'S DIFFERENT ABOUT WORKING AT DONKEY WHEEL?

Paul recalls the earliest days of being employed at donkey wheel. "It was difficult in that we needed to create an organisation, and there wasn't an organisation pie. What I mean by that, is there wasn't a team of people working together towards a common cause. Essentially there was a support team for Claire; a philanthropic granting team that met with people, realised there was a need and wrote a small cheque for them. Then, through no fault of their own, this team had suddenly inherited a complex building and was told make it work. They had no idea how to do that, which meant that the team breakdown was real. Coming in, one of my first jobs was to make everyone redundant—no one survived the first six months.

"So, what was working at donkey wheel like? By the time we got in at the end of 2010 it was just **Rachel**, who had joined as my Executive Assistant, and me. We really didn't rebuild from there in terms of the internal team for a while. The Board was still trying to find its feet, too. Col's departure was a disruption to the Board. **Dave** was learning to be a good Chair; he had a real commitment to making it work. The Board was struggling to find its place between governance and being 'hands on', which it had been up to that point."

One of the breakthroughs for Paul was focusing donkey wheel. "The moment we defined what business we were in, we could then identify the gaps which led to the creation of the **TDi**s and the **EPAs**, which we needed to fulfil that vision. But we just couldn't do them all in this tiny little organisation. You couldn't have a single organisation that included **TDi** and **EPA**; they're just very different businesses. So, what did it mean to work at donkey wheel?" says Paul, summarising. "It meant to create an organisation. I had the privilege and the challenge of building what we see today."

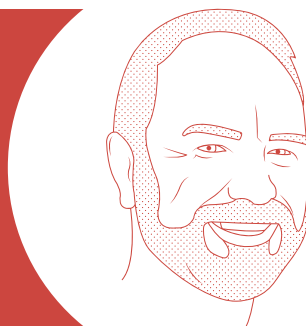
Turn to page 29 for more on Nic or 50 for more on Claire

*Read up on **TDi** on page 80*

Read about Rachel on page 53 or Dave on page 218

EPA can be explored on page 58

CEO (2010–Present)



WHAT HAS BEEN YOUR BIGGEST ACHIEVEMENT AT DONKEY WHEEL?

"My biggest achievement is not a project or a place, it's not even managing to hold on to donkey wheel house for 12 years, which is a significant statement in itself. The achievement for me is the other people in the ecosystem," says Paul with pride. "My greatest achievement was walking the journey with people like **Bec, Bessi, Jarrod, Annie, Pete** and **Adam**. Getting donkey wheel organised the way that it is now has meant that we've been able to support those change makers and create spaces for those people to do what they do. My question is, 'What would have happened if I hadn't had been around?' I don't know, you can't really ever know. I think I've made a good contribution. They're my highlights, and the donkey wheel team, too, because it's another group that I get to help them to deliver the fantastic stuff they do. I'd like to think it's the space and the environment we create within donkey wheel, the space to create something new and give birth to something so that it becomes its own thing."

*Bec,
page 56*

*Bessi,
page 98*

*Jarrod,
page 54*

*Annie,
page 118*

*Peter,
page 76*

*Adam,
page 120*

WHAT'S THE BIGGEST CRISIS MOMENT THAT YOU'VE SEEN AT DONKEY WHEEL?

"The court case is obvious," explains Paul. "But there's a less obvious one. The biggest crisis for me was just before Claire's death, it was **the handing over of donkey wheel from Claire**. Up until that point, Claire was still involved, and we had a good working relationship. She'd have a conversation with somebody, wouldn't promise them anything, and then say, 'Go and talk to Paul.' There was a crisis there for me, and in some ways the court case came in from left field and distracted me from really dealing with that crisis. Instead of a proactive response, it became a reactive response."

Paul reflects that, "I have seen every Foundation or Trust become what their founder wanted when they died, without realising that their founder was going to change and evolve. If Claire had died in 2005, it would be a very different donkey wheel today. The crisis for me was, 'What does that vision actually mean now?' It got consumed by what was the bigger threat, a more emotional, more engaging crisis. For me, that crisis of honouring the people who set donkey wheel up was probably bigger."

*Also see Blue
Poles, Paul's
intro to
this book
on page 2*

WHAT ELSE DO YOU THINK YOU'VE ADDED TO THE DONKEY WHEEL ECOSYSTEM?

"It a reflection of who I am. I think it embodies Claire's vision and the kind of outcomes and outputs that she always wanted. The way that I do the inputs and activities to get to the outputs reflects my ethos, which is a 'who first, what second approach.' The only reason I'm here 12 years later is because I bought all of me to it."

WHAT ARE YOU LOOKING FORWARD TO THE MOST?

"I'm just looking forward to being able to take the last 12 years and the platform that we built and see all the bits work, and to see them fly in some clear air," Paul laughs. "I want to see a flying donkey."

Col explains that from the start, he knew that Paul would make donkey wheel a reflection of his passions. "I told Claire up front," he recalls, "that if you appoint Paul, he will make it his own." That, however, doesn't mean an abandonment of previous DNA, but rather that he expands it. "We all know that Paul brings a level of vision and thinking to problem solving and the trajectory of things that is not only creative but is inspiring to other people as well. When I think about Paul's contribution, the shorthand that Bec Scott uses is, 'Paul puts another zero on it.' Maybe that's an overused anecdote, but it captures Paul's ability to take something that other people might lead or manage and catapult it into a different level. We can see that through the kind of things that that donkey wheel has done over the last 12 years. I think it's his relational skills and relational capacity to bring people together and create an environment that people want to work in."

He also reflects on the unique skills Paul brings to donkey wheel. "On one level it's mitigating against the risks, on another level it's pushing us into spaces that we otherwise wouldn't have conceived of. I think he's at his best at both extremes, dealing with dire problems and exploring expansive vision."

YVETTE (VETTY) DUNCAN

*More on Fran
can be found
at page 18*

"Look, when I first got to donkey wheel house, I thought that they were all hippies. I remember once that **Fran** had a meeting with a bank manager barefoot – I was both amused and mortified at the time. Nowadays, I wouldn't even blink – what does that even matter? But back then I thought it was insanity being normalised and couldn't understand the way that donkey wheel thought, acted or behaved. I couldn't imagine I would ever fit in.

Boy, was I wrong though, because 13 years later and I'm still here! I can barely recognise the young woman who first walked into donkey wheel house – from when I started to now, I'm so much more like the Brunners than that as version of myself."

Vetty fondly recalls her time with Claire. "She had a way of thinking that was incredibly challenging because everything she proposed was difficult or impossible – but somehow... with grit, positivity and resilience it could work. She would pose these endless ideas; 'anything is possible' was one of Claire's mantras, and she instilled in me a sense of hopeful resilience. Everyone else would still be stuck in the system, but Claire would break out of that and didn't give a damn what anyone thought. She was guided by this tireless, inexhaustible energy of what she could see possible – and in making things happen Claire was quite fearless."

I remember one day Nic sighed deeply reading another email from Claire about donkey wheel house, and he looked out the window and then said to me thoughtfully, 'You know the annoying thing about Claire? She says these things and asks all these questions, and you get irritated thinking she is wrong, but in the end... she's always right.'"

Probably because of her ability to handle the significant bumps in the donkey wheel and Brunner road, a special bond formed between Vetty and the Brunners. "I don't really like the term, but for me Nic and Claire were my soul mates. I'm not sure that I will ever find friends like them again. People who have a lot of money can often gather parasites around them who try to use them for their own benefit."

Their deep friendship was forged on mutual respect and trust. "I knew it was a massive thing when Nic gave me access to his chequebook – that was trust. But I knew that he truly trusted me when he asked me to look after something incredibly valuable to him – his sister. When Claire got sick, he was the first person she told, and knowing she needed support he asked me to care for her.

Working with Nic and Claire - was without question the most formative and special time of my life. I wouldn't be who I am without the time, love and guidance they gave to me. I have no idea what they could've possibly seen in me to let me into their lives and take me under their wings... but I will be grateful for it every day of my life. Their vision for donkey wheel has become the guiding star and horizon line of my life, and I am committed to ensuring that I never let them down."



*“We are kept from our goals,
not by obstacles, but by a
clearer path to lesser goals”
— Robert Brault*

GOOD SITES



Melbourne Events Expo, the public release of the Good Sites Brand, June 2011

*Read about
Claire on
page 50*

As told elsewhere, when **Claire** first saw the Tramways Building at the bottom of Bourke Street, she saw more than a neglected property past its prime.

She saw an opportunity.

While the quirky appeal of what would become **donkey wheel house** captured Claire's imagination, this meant that the Foundation not only—and suddenly—became the caretaker of a symbol of Melbourne's heritage, but also a landlord, a property manager, renovators and restorers.

*The story of
donkey wheel
house is found
on page 32*

The desire was to turn donkey wheel house into a vibrant community for doing good, and see it develop as an impact investment. The spaces at donkey wheel house were unique and interesting, but also challenging and difficult to manage. Despite the diversity donkey wheel embraces, its core business or aim has never been venue management.

*Read about
Cherie Ong
on page 74*

The perfect solution would have been to find a dedicated venue management company that specialised in spaces designed to do social and environmental good. The problem was, there were none around that fit the bill. Helping others create organisations is part of what donkey wheel does, so the next step was more in keeping with the donkey wheel ethos. After many attempts of different models of event management at donkey wheel, a solution was found after conversations were had between donkey wheel CEO, Paul Steele, and **Cherie Ong**.

Cherie was keen to see space used for creative and innovative events, especially using underutilised spaces. The conversation with Cherie led to one with Tim Goh (Arrow on Swanson) who also needed the same sort of service, and the concept for Good Sites began to emerge. In February 2011, Cherie brought together a team to help transform the spaces and manage the booking and events. The spaces were soon refreshed, furniture purchased and even a logo designed. A company was born.



Good Sites needed to both find partners with sites and develop a set of clients who wanted to use them. The concept was to create great spaces that the community could access and use for events, conferences and gatherings. This was not only about the events but also the owners of the spaces being able to see their local community access what would have otherwise been underutilised space. Churches, community halls, not-for-profit buildings and local government buildings all had the possibility of being managed as community assets for both commercial and community leverage.

Good Sites was also able to help turn donkey wheel house's unused spaces into function venues which allowed donkey wheel to invite more people into the space, giving them the opportunity to connect with others with similar values and passions.

Good Sites raised money from donkey wheel and Arrow on Swanston as founding shareholders, and that \$50,000 helped fund the initial stages of the business development.

Unfortunately, Cherie moved to Atlanta six months after the formation of Good Sites, and the new Good Sites CEO was unable to connect purpose with commercial reality, so the business closed. donkey wheel attempted to employ a venue manager directly but had difficulty finding someone who could get the nuanced balance right between social good and commercial viability.

On the other hand, **Jarrold Briffa**, had demonstrated his ability to run a business and make a social impact through **Kinfolk Café**, and so when he expressed an interest in branching sideways into event management, a natural complement to the Café business, the Good Sites story developed fresh impetus. The next chapter is told in **Kinfolk Events**.

Flick to page 54 for more on Jarrold Briffa

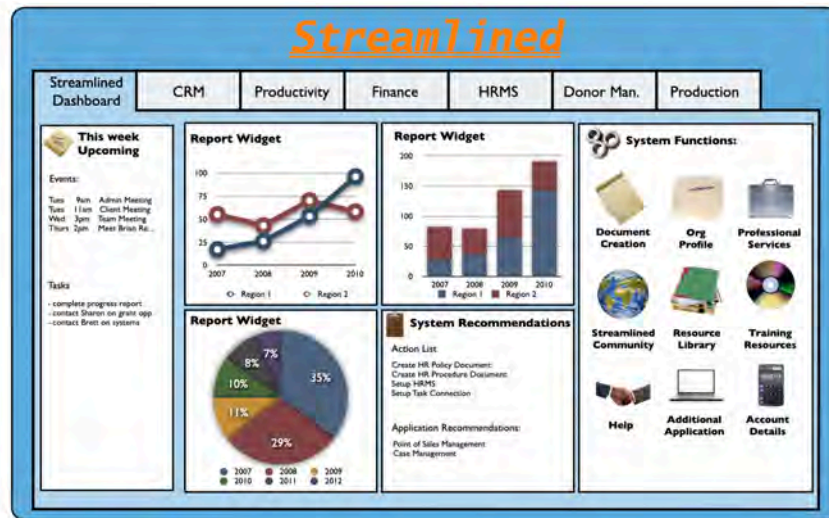
Kinfolk Café can be found on page 44

For Kinfolk Events go to page 113



Melbourne Events Expo, the public release of the Good Sites Brand, June 2011

GOOD SYSTEMS



Documents created as part of the development of GS

Good Systems was created in 2014 in response to the frustration many community organisations experienced with their IT systems and support. Founded by Ric Benjamin, Good Systems' goal was to create a fit-for-purpose application platform that met the core back office needs of community sector organisations.

The initiative began in October 2012 and was initially called Streamlined, a 'business in a box' idea funded by donkey wheel and several trustees from the **Sidney Myer Fund**. Its development was supported both by donkey wheel and **TDi**, partnering with Lizzie Brown from Engineers Without Borders, and Simon Herd from Our Community. Brad Olsen joined the donkey wheel team as the project manager.

Many others joined the project: Bec from **STREAT**, **Sarah Davies** from The Reach Foundation, and Mark Watt from White Lion helped us design what we were doing with a view to becoming customers. Using cloud-based technologies, Good Systems helped organisations work smarter by equipping their staff with the ability to access the information they needed, as well as workflow engines that had the potential to enhance their productivity.

Emerging from the sector and dedicated to the sector, Good Systems aimed to deliver cost-effective solutions to small to medium-sized organisations and to offset costs over time through Good Systems' technology grants. With growing legal and compliance requirements on the sector and the expectations of transparent, professional and collaborative engagement on all those in a community organisation, the lack of adequate IT systems creates a significant obstacle to achieving professional outcomes—especially for smaller organisations lacking the human resources with that skillset.

As a software and services provider, Good Systems aimed to deliver an integrated suite of applications that managed all the core activities

of any community organisation ranging from fundraising, customer/stakeholder relationships, accounting & finance, human resources and project management.

The Good Systems platform aimed to empower staff to undertake their responsibilities more efficiently and effectively, while at the same time simplifying access, guaranteeing availability, security and data backup for all core functions of the organisation.

Good Systems was unusual in that it was a social enterprise software company that was a fully-fledged software business designed for the sector. However, it faced challenges in how it framed its product to its customers as it was selling a whole of business management software to a sector that was, and remains, largely unfamiliar with this approach.

There was also a challenge in framing it for investors, as Good Systems was aimed at a niche market that was not historically well funded. At the time, TDi's Business Model Consultant Isaac Jeffries said, "TDi's business model framework methodology and adaptive approach in personal support helped Good Systems maintain a focus on what needed to be done at every stage of the business process. Working with TDi provided Good Systems with a strong network of like-minded social enterprises on a similar business path. Through participating in TDi's incubator workshops they were introduced to and encouraged to look beyond the day-to-day issues and maintain creativity to solve immediate and emerging challenges."

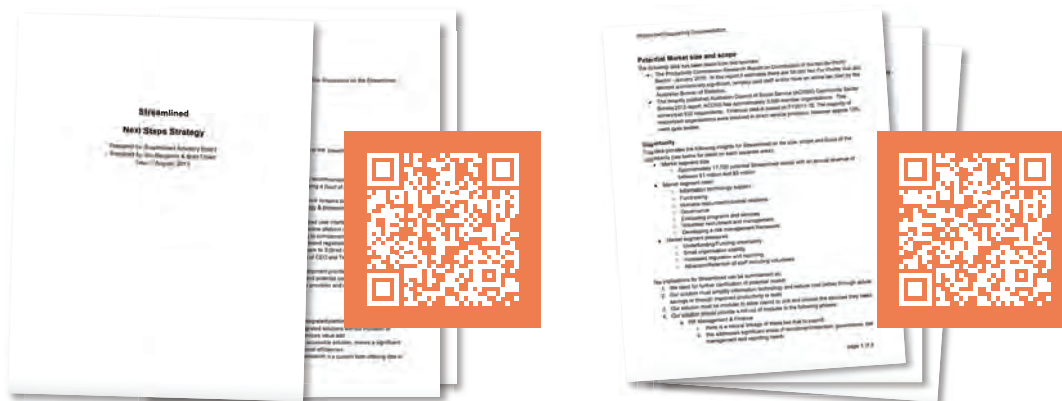
TDi encouraged Good Systems to create a range of licensing and support pricing structures, from licensing with minimal support and a pay as you go approach, through to licensing with unlimited support, thereby allowing clients to select pricing and services that their organisation could afford and met their needs.

The Sidney Myer Fund is listed in Profiles on page 226

Turn to page 80 for more on TDi

STREAT can be found on page 60

Sarah Davies is introduced in Profiles on page 225



Documents created as part of the development of GS

TDi has been long-term advocate for shared services for social organisations, seeing the enormous time and cost savings it could potentially bring. Good Systems now has the chance to make that a reality, easing the hassles that come from starting a social enterprise or charity.

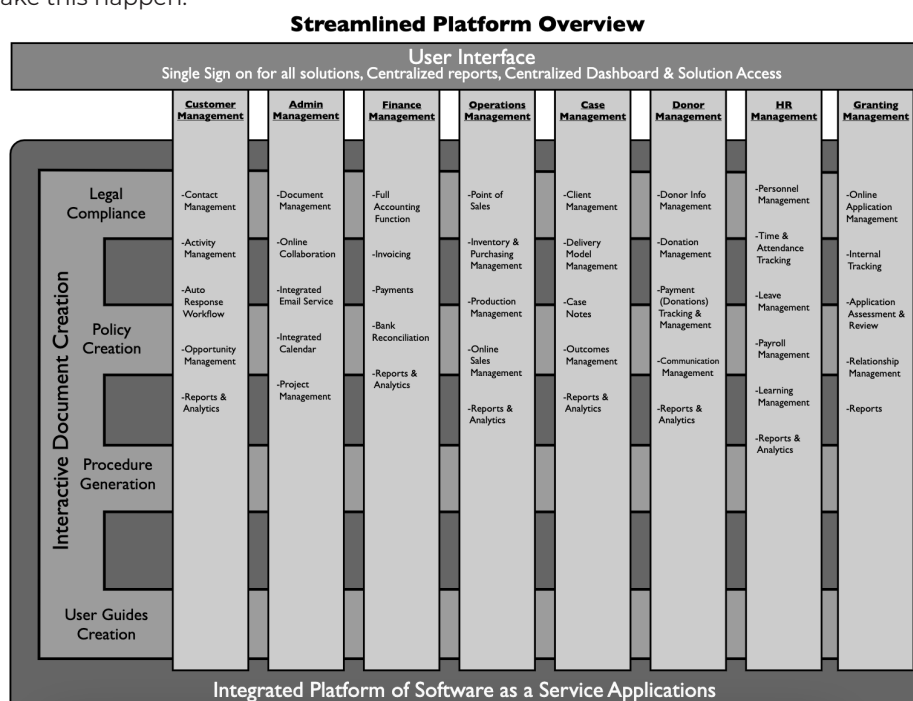
TDi worked extensively with Good Systems on their financial modelling, as well as customer analysis and their implementation planning. Changing an organisation's operation systems is often a huge headache, so helping customers overcome those early 'switching costs' was imperative.

"It was important that we create a financial model that makes it easy for customers to get on board, whilst still ensuring that Good Systems could fund its own growth" says Isaac. "There's enormous benefits for customers who switch, we just need to make the decision to move across to GoodSystems as easy as possible, and that stems back to the service design process."

Despite everything that Good Systems had going for it, it failed to get sufficient market traction to be sustainable. A combination of factors contributed to this including:

- **INERTIA**, the momentum by the sector to continue to do what they have always done;
- **PERCEIVED UNIQUENESS**, the view that each community organisation sees itself as special and needs something unique, and the difficulties this leads to in making changes in administrative processes, and
- **FUNDING**, to truly build a shared service takes capital that the not-for-profit sector (and its supporters) simply could not commit in order to get the size and scale that a Good Systems would need in order to be sustainable.

Change is hard and although the long-term benefits were obvious and desirable, the short-term pain was significant and difficult. We still believe that shared services designed for the for-purpose sector could be a vital part of the sustainability and effectiveness of the sector. We applaud new and emerging efforts to make this happen.



Documents created as part of the development of GS

KINFOLK CAFÉ

We had been looking for an opportunity to do something radically different in the much-explored junction of social enterprise and cafés, especially as we are based in Melbourne, Australia's coffee capital. We were looking for a business that would create significant change in the world and would be a space in which others—with similar passions and mindsets—could meet, dream and fan into flame new and innovative ideas.

Kinfolk Café would prove to be exactly that kind of partner, who would infuse the space at donkey wheel house with not only the smell of fine coffee, but with the values we hold dear.

*Read up on
Jarrod Briffa
on page 54*

Jarrold and others from YGAP (Y Generation Against Poverty) had been working on the Kinfolk concept for some time. They wanted an enterprise staffed by volunteers, which donated all its profits to other organisations doing good in the world. While their original plans focused on events, the space at donkey wheel house gave them the opportunity to run a café. We did not just provide the space, but also a grant to help their dream become a reality.

In 2010, Kinfolk Café opened its doors and put flesh, blood and beans on its ambitions to make a different difference. "Getting the grant was huge," Jarrod remembers. "Even more beneficial than that—and what made the dream become a reality—was that we had the space rent free for seven months before we opened. We could bring people into the space and show them what we wanted to do. Because of this, we had over 200 people contribute to making Kinfolk happen."

The organisations that Kinfolk first began donating to—such as Urban Seed and the Cathy Freeman Foundation—were initially assumed to be the greatest beneficiaries of Kinfolk Café's work. Yet it soon became clear that the primarily volunteer staff that worked at Kinfolk—often young and marginalised people with little training for work—were the people who benefited most directly from this increasingly popular and hip café. What Jarrod soon found was that Kinfolk had built a thriving community, creating a crucial space for social inclusion. Throughout its time at donkey wheel house, the average duration of a Kinfolk volunteer's stay was 11 months, which assisted in building an ecosystem where everyone was valued and included. Paul looks back and sums up Kinfolk's model: "They integrated into their core business the good that they do."

Through this, a distinct shift occurred in how those who encountered Kinfolk viewed philanthropy and social change. "The idea of Kinfolk, and of using business as a vehicle for social change, was to shift the way people use philanthropy from giving, to something that they do every day—like buying a meal or a coffee in a café," recalls Jarrod. What made this even sweeter was that taking our customers' orders, serving their coffee and taking their payment was a volunteer who had often faced social challenges and been marginalised. These interactions at Kinfolk played a huge role in transforming limiting beliefs of people with disabilities or social challenges and helped to create an inclusive and supportive community for those who frequented."

Kinfolk became a Melbourne institution during its time as donkey wheel house's longest-standing tenant. In many ways it was the visible, beating heart of the ethos behind donkey wheel house: a place where people could meet, eat and have conversations about making the world a better place. While, of course, drinking wonderful coffee.

Unfortunately, the COVID-19 pandemic—which disproportionately impacted the hospitality sector in Melbourne's CBD—was ultimately one hurdle too many for Kinfolk Café to survive, and it closed its doors in July 2021.



*Kinfolk founder Jarrod Briffa
seen through the front window
catching up with a friend*



The counter at Kinfolk Cafe

HOST FOR CHANGE: ORGANISATIONS (2011–2015)

The energy in and around donkey wheel house was palpable. By 2015 the building that had been in disrepair only seven years before had not only been tastefully upgraded and restored, but it had become an important place in Melbourne's socially progressive community. **Claire's** vision of a **communiversity** had been realised in ways that even she couldn't have imagined.

She had fantasised about people coming to the building to have discussions about taboo subjects such as 'dying'. Workshops on this and many other compelling topics were happening almost nightly, courtesy of **The School of Life**. She had wrestled obsessively with what it would take for fledgling social enterprises to become sustainable. Almost an entire floor of donkey wheel house was dedicated to helping dozens of organisations a year do just that through the work of **The Difference Incubator** (TDi).

To get to this point, the preceding phase of the Foundation's work included several simultaneous major transitional projects.

DEVELOPING AND EXECUTING A PLAN FOR THE COMMERCIALITY OF DONKEY WHEEL HOUSE

Major capital works had been completed, totalling \$4.7m. This included:

- A new fire escape.
- Renovation of the Ballroom (third floor).
- Roof replacement and HVAC (Heating Ventilation and Cooling system).
- Stairwell, entry and public toilet renovations.
- Electrics—metre upgrades, switchboards and wiring upgrades.
- Lift works.

As restorations to leasable areas were completed, and the common areas were painstakingly renovated under the watchful eye of Heritage Victoria, values aligned tenant leases were signed. This realised the vision of donkey wheel house. After purchasing the property for \$8m in 2008, the capital works and leasing resulted in a valuation of \$14.2m at the end of 2015.

With a healthier balance sheet and a steady stream of revenue, the Foundation was emerging into a more sustainable future.

CULTIVATING A COMMUNITY OF DIFFERENCE MAKERS

The restoration of donkey wheel house was never an end in itself. The Foundation's mission had always been to support difference makers, people who had a vision and capability to make the world better. At the same time as executing a plan to restore the building to full utility, the donkey wheel team worked hard to curate a community of tenants that were aligned to positive social change.

When **Brad Krauskopf** signed a lease for **Hub Melbourne** to occupy a significant part of donkey wheel house, the Foundation moved closer to financial stability and largely outsourced to Hub what had been consuming our valuable time and resources. In October 2010, we ran the first **Two Feet** program (the forerunner of The Difference Incubator, TDi). The program was run in partnership with Hub, who provided a 12-month membership to the 'winner' so that they could continue to work on their idea. It was an exciting time—the 'shark tank' idea was not common then, and so using that format with a group of socially-minded people proved effective. The funding network also didn't exist, so it felt like we were doing something important and unique.

There was an energy that sprung up around the building with the activity around Hub Melbourne and TDi helping putting donkey wheel house on the map as the place that progressive, socially minded, energetic business people came to. It also became a place where we could act as a *host for change* as demand for events, conferences and workshop spaces grew. People were getting tired of the venues that were typically offered by hotels, and the donkey wheel house brand was attractive for those wanting something more progressive.

In response, a new business called **Good Sites** was created in partnership with Arrow on Swanston, led by **Cherie Ong**, which hit its straps after about six months. Using some of the vacant spaces in the building, Good Sites allowed us to temporarily

*For more on
Claire, head
to page 50*

*'Communiversity'
is explained in
the Glossary
on page 227*

*Read about The
School of Life
on page 62*

*For TDi head
to page 80*

*For more on
Brad Krauskopf
flick to
page 52*

*Hub Melbourne
is on page 67*

*On page 78
you'll find
Two Feet*

*Good Sites is
over on page 40*

*Visit page 74
for Cherie Ong*

Animo would become Kinfolk Events, which you can read up on on page 113

host people in the building. This was strategically significant, as before Paul's leadership we had been busy trying to be in *all* the businesses we wanted in the building. That was a draining proposition that meant that the resources of the team weren't focussed on its best contribution. Good Sites meant we could step back from the mechanics behind hosting. In a story all too common for start-ups with strong leadership however, Good Sites was not in a sufficiently strong position to survive when Cherie moved to Atlanta.

As an aside, there was an upside to the business closing. With the spaces in the Arrow Building unused, we were able to facilitate STREAT's use of the commercial kitchen there. We were always looking for upside—when the core was clear and intentional, what appeared to be a set of random connections often precipitated good things happening.

The School of Life is on page 62

Find Kinfolk Café on page 44

The two shop fronts on Bourke Street were the proud homes of **The School of Life** and **Kinfolk Café**, which were establishing themselves as Melbourne institutions. Around the corner, off Godfrey Street, Pop Union was experimenting with pop-up social enterprise retail spaces. Other tenants in the building included STREAT Common Ground, SPELD, The Big Issue and the Human Rights Arts and Film Festival.

At that time, there was also a complex distancing between the team at Kinfolk as it emerged from YGap. Paul took a lead role in helping negotiate a settlement that was acceptable to both parties and began to form a deeper bond with Kinfolk's **Jarrold** Briffa. Paul reflects on how this was an example of how being a host for change can sometimes put you in a difficult space: there were lots of other issues happening there. It was messy, but there's something fulfilling about helping in difficult times—being a host for change wasn't all about doing the fun stuff.

Good Sites closing left a real gap. TDi was doing a good job of providing a home for start-up difference makers; we had a list of difference maker tenants, but in the absence of Good Sites, we couldn't host the temporary users of the

building, such as those wanting one-off meeting spaces. As Paul was helping Jarrod navigate the implication of the split with YGap, an idea emerged.

Jarrold (and Rebecca) created a new business, **Animo**, to run the events spaces on level two and in the donkey wheel house basement. It was a monumental risk to allocate so much space to a start-up company running events, but Paul was convinced the potential rewards outweighed it. There were multiple wins. Animo's potential as a business was one of them, and as it grew and became successful it moved both itself and us into a different space. Animo was later acquired by Kinfolk, and Kinfolk Events was born. The combination of wonderful catering and event coordination bought these spaces to life in new ways.

We had never relished the role of being an events manager, as it was not the core business we were in. But, having felt compelled to play in that space in the early days of donkey wheel house through initiating the Good Sites experiment, to helping with Animo and finally seeing the transition to Kinfolk Events, we saw responses that navigated the available resources and context to finally land in a sustainable business model.

Independently, the organisations using the spaces in donkey wheel house were doing innovative work. They had wanted to make a positive social impact in their spheres of influence but, collectively, their influence was greater. By being in the community that had formed around donkey wheel house they were part of a bustling hub of optimism and activism that was sending ripples across Melbourne, into other parts of the country and in some cases, internationally.

ENVISIONING AND DEVELOPING AN ECOSYSTEM FOR CHANGE

As the community of change makers developed, Paul's sensitivity to the systems that either supported or retarded their success became acute. He had a well-tuned intuition for two things that significantly influenced the trajectory of donkey wheel's contribution over this time.

Read about Jarrod Briffa on page 54



- He knew that a key to an organisation's success was clarity around the business they were doing. Too often donkey wheel had come across passionate and committed people whose ideas for making the world better were based more on hope and naïve belief than on focus based on social and commercial nous. This perspective enabled him to see strengths and deficits that many others couldn't, which translated into a burgeoning role as a trusted advisor and mentor to many social change organisations.
- Paul's inclination was to see things from a systems point of view. So, by seeing the particular role that emerging social change organisations were playing, he found himself identifying gaps in the system that—unless filled—would continue to undermine the success of individual organisations' efforts to affect change.

It was during this time therefore, that our commitment to support change with a systems view emerged. Sometimes, the entities needed to fill gaps in the system were already in existence, so the challenges were collaborative ones. However, sometimes there were no organisations whose core business was to do the thing that was missing. In two significant cases donkey wheel chose to seed and incubate these business inhouse with a view to spinning them out once the path to self-sustainability was clear. Paul knew that neither of these contributions were our core business, so while our resources were being consumed by them, we were ultimately being distracted from what was uniquely ours to do. However, it was not in our interest or desire to spin them out at arm's length. We were keen to nurture and support them and to provide a stable environment for growth.

Our contribution had evolved. From the formative years as **granter**, through **property owner and manager**, we now found ourselves as hosts for change. There was a growing recognition that the key tool in our kitbag was the ability to have transformational conversations. How those

conversations fitted into a cohesive and effective strategy to help facilitate genuine change would become clearer as the ecosystem matured.

There had always been a desire within the Foundation to do more than write cheques. The simple idea of being able to offer a 'home' for difference makers evolved into the lived experience of seeking to cultivate an environment that would increase the possibility that organisations would succeed. We discovered that the dual roles of supporter (granter) and landlord (property owner and manager) were not in fact distinct roles but came together in what would become the sweet spot for our contribution: the role of host for change.

The most formative dimensions of our **business model** in this season were:

- **BENEFICIARIES:** The tenants of donkey wheel house were the focus of our efforts. They became the main recipients of grants and the intentional focus of our coaching and mentoring.
- **VALUE PROPOSITION:** We offered space in a community of changemakers and a unique blend of commercial and organisational development coaching.
- **KEY ACTIVITIES:** Community development, coaching and mentoring, ecosystem cultivation.
- **KEY RESOURCES:** Paul's experience as an organisational leader and entrepreneur, other tenant community expertise.
- **KEY PARTNERS:** Tenants who were particularly active in supporting the change maker community: Hub Melbourne, The Difference Incubator, Good Sites.

The Business Model Canvas is introduced in the Glossary on page 227

For more on Granter, head to page 14

Read more on Property Owner & Manager on page 26

Skip to the next iteration of donkey wheel's contribution on page 68

AN INCUBATION MINDSET

Read about EPA on page 58

In order to grow the difference maker ecosystem, incubation has been core to our work. It has been an intentional approach to achieve three important outcomes:

- Develop 'wrap around' support structures for start-up social purpose business,
- Multiply the efforts and outcomes beyond what donkey wheel could do on its own, and
- Grow and develop new leadership.

The approach has shaped everything we have done but is unrecognisable externally. This book is an opportunity to be transparent about the practice.

WRAP-AROUND SUPPORT STRUCTURES

We are a philanthropic foundation. We exist to support leaders of change. Foundations most commonly do this by financial support, and some extend that support to coaching and/or ongoing engagement where the expertise of the foundation are offered to grant recipients. The advantage of this model is that the foundation can operate as a centralised hub of support and extend its support in many directions and is ambivalent to the age, stage and focus area of the organisation.

We have chosen to offer a greater level of support to fewer organisations, especially to carefully chosen start-up agencies. We know that fledgling projects need an environment that is both protective and supports growth, in the same way a plant nursery incubates new plants in their early development. More than that, we have been intentional about the organisations we have sought to incubate, based on their value to an emerging ecosystem for social purpose businesses.

The story of how **Two Feet** became **The Difference Incubator** (TDi) and how TDi in turn continues to support hundreds of social purpose businesses is told elsewhere. But the decision to house a start-up TDi within donkey wheel house and the implications for relentless and wholistic support is the point of our incubating approach. Ongoing access to donkey wheel and the community of difference makers that were making donkey wheel house their home, was integrated into our support of TDi and our vision for the need for good incubation within the social enterprise ecosystem.

The same was true for **Ethical Property Australia** (EPA). Both TDi and EPA were our offspring. Ultimately, even though we knew that they needed to succeed on their own, we were committed to offering as much support in a controlled environment as we could, so they had the best chance of succeeding. That meant incubation.

As we pen this book, **Make it Better** and **Imagine Australia** are in a similar category. They are being planted and cultivated within donkey wheel and we will seek to provide the kind of support around them so that they could, if we chose to, spin them out.

Relationships of trust form the basis of this style of incubation. We use business tools and processes as needed, but the primary resource is access to people. More particularly, access to the intelligence that can navigate the real-life challenges of social change start-ups that can't be sourced from anywhere other than within the operating environment. From **Kinfolk**, **Good Sites**, through to **STREAT** and **The School and Life**, relationship-based incubation has been what we've done. To a greater or lesser extent, this has applied to most tenants at donkey wheel house.

MULTIPLY THE EFFORTS AND OUTCOMES BEYOND WHAT DONKEY WHEEL COULD DO ON ITS OWN

When Col reengaged with donkey wheel in 2015 and reconnected more broadly with donkey wheel stakeholders, there was some bewilderment with how many organisations Paul was connected to as part of his donkey wheel role. When he drew the entities on a white board and attempted to connect them, people became confused.

At the time we dismissed the confusion as a lack of appreciation of what it takes to change a system but realised in hindsight that what was missing was the underlying appreciation for the difference between empire building and cultivating a healthy ecosystem through distributed power.

When a CEO grows the organisation's role, the staff team grows, it takes on more projects and functions and, as the profile increases, they are lauded and praised for growing the organisation. People assume that means more influence and equate it to success.

You will find:

Kinfolk on page 113

Good Sites on page 40

STREAT on page 60

The School of Life on page 62

Find Two Feet on page 78

TDi can be found on page 80



Brafman and Beckstrom's mind shifting book *The Starfish and the Spider* discussed the difference between the power in organisations with centralised power compared with decentralised power. Drawing on contemporary illustrations (such as the music industry vs Napster and the P2P applications that followed) and in the context of the US and its allies' response to 9/11 and the hunting of Al Qaeda, they explained how a network of terror cells with distributed power cannot be killed by cutting off the head (spider). Rather, like a starfish, cutting off a limb promotes reproduction. We were trying to grow a starfish, not a spider. While we have had 'limbs' die in the process of incubating new organisations, we have not threatened the main entity of donkey wheel, and we have allowed the new entity to grow much larger and be more influential than they would have been if they were donkey wheel-controlled.

GROW AND DEVELOP NEW LEADERSHIP

The other outcome of incubating is the development of leadership. You can't spin out a new organisation unless it has competent leadership. In fact, we have seen that when an organisation does not have competent leadership, it dies. This has meant we have had to be intentional about finding, cultivating and

supporting leadership that can navigate complex change and develop their own team to meet the challenges of growing an organisation that can be independent. Supporting a distribution of leaders who know how to support change is probably the most significant contribution that donkey wheel has made.

We have always been clear about what was donkey wheel's to do, and what was for others. (**Know what business you are in**). So, when we looked at the needs in the emerging social change ecosystem, we found donkey wheel being drawn into meeting those needs. In response, we could have built internal capability that would get stuck internally and be limited in influence by the natural limits on the Foundation's resources. Instead, we decided to fund new entities and incubated them towards maturity. As these new entities matured and 'left home', not only could the small donkey wheel team retain focus on our core business but, importantly, as the organisations grew, the potential for influence and contribution was multiplied exponentially. Our hope and expectation is that donkey wheel is only ever a behind the scenes player, but we also hope that when curious people poke around, they might discern our fingerprints on some creative initiatives.

Head to page 10 for 'Know what business you are in'

CLAIRE (ELIZA) BRUNNER



Claire will always be remembered for coining the term 'Communiversality' which appears in the Glossary on page 227

Claire Brunner was not a philanthropist who needed or even wanted the spotlight. She shunned the limelight and expressed considerable unease with having inherited wealth. The thought of her photo on a wall or something named after her would have made her cringe. Yet her fingerprints show up often and her legacy lives on in anyone who knew her. No one met Claire and forgot her; she had that piercing gaze that stretched you into places that were simultaneously uncomfortable and good for you.

She was born on 14 October 1958 in London, the only daughter and eldest child of Jasmine and Sir John Brunner, fourth baronet, and a sister to Nic and Jonathan. The Brunners were a wealthy family, and Sir John was a cousin to the Duchess of Kent. They immigrated to Australia in 1966, and so began Claire's contribution to making her adopted country a better place.

Claire's working life was suitably eclectic. She started work at Melbourne's Channel 7, where she went on to direct the news. She also directed well-known programs on the ABC, ranging from *Behind the News* to *Countdown* to *Gardening Australia*; one could say that she impacted everyone from children to teenagers to the elderly through her directing. It was through her work with the ABC that she met Mark Pitman, her life-long partner. When she moved on from the ABC, Claire made documentaries for aid organisations in locations such as southern Sudan, Tanzania and reported on the effects of large companies on small Indonesian villages.

Her legacy, from a donkey wheel aspect, can be seen in Claire's continued and unrelenting passion to make a different difference, all the while ensuring that she was never in the spotlight. Claire knew the difference that funding, relationships and collaboration could make when combined. She gathered around her a group of wealthy and likeminded friends—The Wheel—and they actively sought out 'light up' stories that they sensed would make a significant difference and, not only funded them but walked with many

of them on the journey. In 2004, Claire and the rest of the Brunner family established the donkey wheel Charitable Trust to continue this granting journey more formally.

It has been written of elsewhere, and no doubt will be again whenever we tell the big picture story of donkey wheel, but no mention of Claire and her expansive vision can be made without mentioning the day that she walked past the old Tramways Building on Bourke Street and—somehow—saw beyond the four-storey building's unstable façade, its disintegrating chimney, and roof which needed major repairs. She saw past—or through—the holes in the ballroom floor and the rotting floorboards throughout the building. What Claire could see was a space that could be used to form a hub, a place where organisations could come together, share ideas, and learn skills. She wanted donkey wheel to be a catalyst for a **communiversality**, and for that donkey wheel needed space for workshops and offices. It was a quirky building, to be sure, and that fitted in with her personality and Nic's passion for architecture and restoration. It was certainly a fixer-upperer, but the extent of the repairs was unknown as the auction was held only a few days after Claire walked past the building. It was auctioned to donkey wheel for the significant sum of eight million dollars.

As you can read elsewhere, the process of transformation of the Tramways Building into donkey wheel house did not come without cost, both in terms of capital, the stability of the donkey wheel Board in the early days, and to the employees of donkey wheel who were set enormous tasks beyond the usual position descriptions for philanthropy personnel to bringing the property up to code and to it becoming a hub of innovation and social enterprise. The search for and recommendation of light up stories continued, and Claire's vision was refined and put into practice with the appointment of Paul Steele in 2010 as Chief Executive Officer. She served on the donkey wheel Board until 2015, and was able to see her vision and hopes for donkey wheel and donkey wheel house become a reality.

The last few years of Claire's life were dogged by tragedy. Nic, her confidant and partner in finding eclectic ways to make the world a better place, suffered a major kite-surfing accident in March 2012 at Altona Beach. Claire stubbornly sat by his side and insisted that he be given every chance to pull through, despite the forecasts of medical experts, and presented alternative therapies to the orthodox responses to Nic's injury. To her relief, Nic pulled through, but with an enduring brain injury. While she was battling her own diagnosis with cancer, her beloved Mark drowned in December 2014. Claire herself passed away on 9 August 2015.

Throughout this book you will read of the people and projects that still have Claire's fingerprints on them. Many of them may not realise that, but that's the way Claire would have wanted it. So long as she was able to inspire or fund people to make a different difference, she would have been happy—but not content because there was always another person or project to get behind.



For La Claire, on her fiftieth birthday

With love from
John Ashton

On a farm in Henley Oxfordshire, where the water ran too deep
A hole was dug and dug and dug, to two, three hundred feet
“Well how we get this water up then, it won't grow wings and fly,
Me arms, they just ain't long enough,” The farmer was heard to sigh.

In field nearby two donkeys stood, within the line of view
Our man there, his brain was addling: “Two and two makes... Four!,
Forsooth a lateral thought becomes me! A thought both mad and sane!
If water can flow down and down, let's flow it up again!”

“Don't be daft, it can't be done,” naysayers, far and wide
“Too big, too small, too far to fall, it's never yet been tried.”
Undeterred with fire within he lit the candle light
The finest minds in Oxfordshire worked deep into the night.

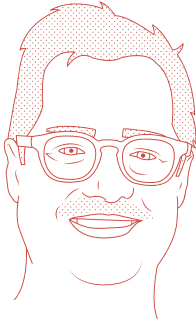
So such it was from Tudor times that flow forward to this day,
That history twists and turns and burns; (ah, such is the way),
The humble donkey, symbol thus, of integrity and grit,
(Far outruns the power of horse) with endurance, sage and wit.

Connecting all from you and me in the global neighbourhood,
You can take the force of evil, and turn it into good.
And so it goes with Donkey Wheel, with hub and spokes and rim
And other metaphors of wheel which turn the cogs within.

So, step right up for Wonkey Deal, we want your ideas NOW!
You wanna start organic farm or invent a magic cow?
Or teach a village how to fish? Build a solar powered brain?
Or a theatre on a mountain top to appease the gods of rain?

Wonkey Deal is there for them, for them whose time is due,
Wonkey Deal will take your dreams and make those dreams come true,
But back in Henley Oxfordshire, put your ear against the ground,
and listen...
A donkey dreaming, wheeling; as the wheel turns round and round.





BRAD KRAUSKOPF

Brad Krauskopf is the founder and CEO of Hub Australia, Australia's largest privately held coworking space provider, providing premium spaces to growing businesses across the country.

CAN YOU TELL ME HOW YOU FIRST CONNECTED WITH DONKEY WHEEL?

"It would have been early 2010," says Brad, searching his memory. "I would have come across donkey wheel house because of some of their outreach events. I think my initial contact would have been **Claire** and **Nic**, when they were actively involved. **Gilbert** may have been the one who made the introduction to Claire and Nic. Then, of course, it was Col Duthie and later, Paul Steele, who put the lease together for us."

WHAT DID THAT EMERGE INTO?

"**donkey wheel house** was the first location of what would later become Hub Australia. Back then it was called Hub Melbourne. We had 211 square meters, which was the front space of the top level of the building," recalls Brad. "We essentially started off in a trial period where we were supported by donkey wheel in the form of rent-free space. That enabled us to focus on building out the community through running events and making connections, which led up to the formal opening in March 2011. From there, we expanded into the whole of level three in 2014."

It was humble but an important beginning for a pioneering organisation needing partnership. "At that time, we were very much considered one of the pioneering co-working spaces in the country, along with Inspire9 and Fishburners. We were able to focus on freelancers, start-ups and impact initiatives."

THAT'S AN OBVIOUS CORRELATION WITH THE WORK DONKEY WHEEL DOES

Brad agrees. "I guess that's why it was a natural first home for us." But, as growth occurred, there needed to be a change. "As our business and our customers evolved, we needed to make the move. Interestingly, we moved just across the road from donkey wheel house to much bigger premises. Over time, the demands of customers in flexible and coworking spaces became significantly more sophisticated and the fit out that we had done at donkey wheel house no longer suited our customers. It was an evolution where what we did no longer exactly matched donkey wheel house, but donkey wheel house ended up serving as a great first home and a safe place to evolve our business."

WHAT WAS IT LIKE IN DONKEY WHEEL HOUSE IN THOSE EARLY DAYS?

"I can give you positives and negatives for that!" Brad laughs. "It was cold. It was drafty. Things didn't always work. But... there was also that camaraderie and that feeling that there was real change underfoot. In coming together, it became a real gathering of minds looking to create a whole bunch of new businesses and impact off the back of the Global Financial Crisis (GFC)."

WAS THAT SENSE OF CAMARADERIE ONE OF THE MAIN BENEFITS OF WORKING IN DONKEY WHEEL HOUSE?

"Definitely. I guess that's always been the thing about co-working; co-working got its initial momentum from freelancers needing to escape the isolation of home, essentially, after they lost their jobs in the GFC and the freelance economy was born. Then they started gathering in the co-working spaces. There really were a lot of people trying to create a new normal." Being connected to the donkey wheel ecosystem bore fruit for Brad and Hub in this pursuit of a new normal. "Certainly, there continued to be collaboration, particularly with Kinfolk Café and then, later, the School of Life." Brad pauses for a moment. "Both with donkey wheel and co-working in general, one of the things I take some pride in is just how many friendships and businesses that I know formed through initial meetings at Hub while we were in donkey wheel house in those early days. It's not one or two, it's dozens, hundreds, and probably thousands of businesses, and hundreds of friendships. A lot of that happened in those early days at Hub."

WHAT DO YOU THINK YOU BROUGHT INTO THAT DONKEY WHEEL ENVIRONMENT?

"We brought Hub, which became that natural connection point. Hub also had a culture and a business model that was able to *support* that culture. We didn't need a constant handout; we brought a business—a sustainable business—and community into the space. That worked for many years."

There were obvious points of connection throughout the evolution of both Hub and donkey wheel. "What we added were people able to bring additional resources with the same goals as donkey wheel, of trying to connect and bring together all these different communities. To that extent, it was complementary. What ended up happening was that between donkey wheel and Hub, we had the resources to gather all these different people together than either of us would have had if we were operating by ourselves."

Read about Claire on page 50 and Nic on page 29

Gilbert is listed in Profiles on page 223

donkey wheel house can be found on page 32

RACHEL REICHMAN



Rachel worked at donkey wheel from September 2010–March 2013 as Program Manager, where her key roles included managing the varied range of donkey wheel's philanthropic partnerships, engaging with the Australian philanthropy sector, facilitating intentional community building, and supporting the social enterprises at donkey wheel house. She also provided Paul and the donkey wheel Board with excellent governance and management support.

HOW DID YOU FIRST GET CONNECTED TO DONKEY WHEEL?

"I remember my job 'interview' with **Claire** and Paul over coffee in the early days of **Kinfolk**," Rachel recalls. "While I may not have had a 'five-year plan', I was excited for the opportunity to contribute to donkey wheel and see what we could build together. It was an honour to have played a part in donkey wheel's story."

*Read about
Claire on
page 50*

*See Kinfolk
on page 113*

WHAT BENEFITS DID YOU GAIN BEING IN THE ECOSYSTEM?

In those early days at donkey wheel house, Rachel grew her knowledge base and understanding from the wide range of people she engaged with. "I loved interacting with so many different social entrepreneurs, all of them seeking to make a different difference. They brought passion, belief, commitment and grit, breathing life into their vision and social mission. A significant learning for me was gaining a deep appreciation of blended value and social investment that really could generate both financial and social returns for investors."

WHAT WERE THE OBSTACLES YOU SET OUT TO OVERCOME IN THIS CONTEXT?

There were many challenges in the donkey wheel ecosystem. One personal one for Rachel was her eagerness to see change and benefits realised as she engaged with the social investment sector. "I was impatient to see the social change that donkey wheel was funding and empowering. Knowing that these were significant social issues that we wanted to effect change in, I didn't want to wait 10 years! But working with the donkey wheel team and partners, I saw the difference that each small step can make towards transforming lives, societal injustices and systemic problems." Despite the challenges, Rachel embraced the opportunity to support for purpose organisations and entrepreneurs. "I grew through my experience of working alongside these dedicated and hardworking people who were fixated on achieving social impact and making a different difference!"

WHAT DID YOU ADD TO THE DONKEY WHEEL ECOSYSTEM?

However, donkey wheel is never about one-way transactions. Rachel grew, and in doing so, enabled donkey wheel to strengthen its mission. "I believe I brought empathetic leadership combined with pragmatism and determination to steward our resources really well on behalf of donkey wheel. We may not have been the largest philanthropic foundation in Melbourne, but we believed that we could facilitate amazing things through social entrepreneurs, whether they were in donkey wheel house, or around Australia."

Rachel went on to work as Partnerships Director at **TDi**, helping it grow through its formative stages.

*Check out TDi
on page 80*

“

"I grew through my experience of working alongside these dedicated and hardworking people who were fixated on achieving social impact and making a different difference!"

”

JARROD BRIFFA

WHAT WAS JARROD TRYING TO DO?

Jarrold had recently returned from overseas after living abroad. He'd come back to Melbourne looking for new ways to connect with people and his tribe. "donkey wheel house was hosting Trampoline, which was an 'unconference'. It was being run by a few people I knew from uni where I studied for my entrepreneurship degree. I was walking up and down Bourke Street and I couldn't find donkey wheel house, which is this big, old building! I kept walking past where it was until I saw this note on the front door, saying 'You're in the right place.'"

"I often reflect on that because I have spent most of my life since then *in* that place.

"At Trampoline there were sessions run by interesting people. It was there that I met **Fran** Westmore, who was the general manager, and Eva Migdal. We had a lot of discussions around innovative approaches to community development. Out of that we decided to start regular meetings to talk about some of these ideas and to see if donkey wheel could be a hub for some of those changes. I ended up meeting regularly with Fran, Eva and **Claire** and a few other people. Separate to that I was working with a few people on the idea of a social-enterprise café—and it was through those two worlds coming together that **Kinfolk** was born and found its home in donkey wheel house."

The emergence of Kinfolk was not an easy birth. In a context of 'irrational optimism' (as Jarrod remembers Eva dubbing Kinfolk's approach) that optimism needed to be embedded in the less sexy world of strategic planning and business sustainability.

WHAT WERE THE OBSTACLES? HIS PAIN?

"We'd been thinking about the concept of Kinfolk for a while, but were being simplistic as we had no money, no experience and no place. I was super-naïve when I first got involved! I think from that

perspective; the world felt like my oyster and that everything was an opportunity." Jarrod knew, of course, that blind optimism and positivity—while helpful—were not enough to make Kinfolk a reality.

It would be fair to say that Jarrod carried a good portion of this burden on his shoulders. There were long days and long nights just to get some parts of Kinfolk ready for the volunteers who gave their time to set it up. "There were some of us who were barely working and so we had time to invest in this idea. But we had no money and no real resources to get it going, and next to no experience as well. That's what that renovation process was—we had a lot of tradies who were volunteering their time after hours, so we had to work at night to help them out. To get that process done, we had to prepare a lot of stuff during the day so that it was easier for them when they came in. There was a heap of roles we couldn't touch, obviously, but we could prepare the space so that they could come in and just knock out the job.

"That's when I first met **Bec** Scott, for instance, after a run of big days in a row. I was under a table trying to keep the sun out of my eyes and just trying to sleep, and I remember half-waking up and hearing them come in but being too tired to talk. It was an exhausting process setting the place up."

WHAT GAIN DID HE NEED?

"The interesting thing is that once we had a place at donkey wheel and we could bring people from our community into that space and talk to them about our idea, the idea quickly became real and started to take on some life and shape of its own."

WHAT DID DONKEY WHEEL PROVIDE?

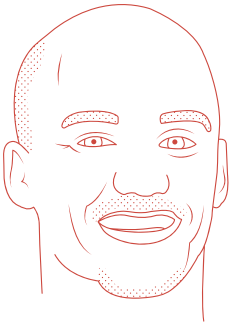
donkey wheel was able to provide Jarrod with substantial backing; this was not limited to finances, but to space, strategy and—importantly—having a supporter who shared his enthusiasm for the project. Jarrod reflects on

*Read about
Fran Westmore
on page 18*

*See Claire on
page 50*

*Kinfolk can
be found on
page 113*

*Turn to page
56 for more
on Bec Scott*



“

I kept walking past where it was until I saw this note on the front door, saying 'You're in the right place.'

”

those early days at donkey wheel, “There’s good intention there, great ideas and good people behind it and there’s a willingness to make it as good as can be. Often donkey wheel has taken the gamble on those sorts of organisations, and that’s paid off. That’s why there’s been some remarkable success stories that have come out of the donkey wheel space in the last 10 years—that willingness to take a gamble on an underdog when others won’t.”

Key to that support was Paul’s arrival as CEO in 2010. The team at donkey wheel had added immense practical support—interim CEO **Polly** and her husband, Bruce, flipped houses, so Bruce was able to come in and assist Kinfolk in making the space workable. Claire and Fran provided Jarrod with networking opportunities. Getting the skeleton of Kinfolk filled in was beneficial, but the questions over developing a strategy to make a sustainable social enterprise remained unanswered even as coffee machines and tables were added to the space. Jarrod was keenly aware of this problem.

“Because of the way Kinfolk had been established—an enthusiastic bunch of volunteers who were largely inexperienced at what we were attempting—there were a lot of things about the way we established the organisation that were potentially fatal flaws if we didn’t resolve them. We’d only been open for two or three months when Paul started at donkey wheel. He took an interest in what we were doing, and we had a session with him where we talked about the vision for Kinfolk and how it could be managed. It was in that pivotal session that we were able to recognise that there were several factors that were going to make it challenging for the project to be long term if we didn’t resolve them. Paul was a fundamental part of that realisation. He played a crucial role in supporting Kinfolk through that.”

HOW DID WE CREATE VALUE?

“There was so much work to do in running a social enterprise, and it was *such* different work to what you do when you’re running a café during the day. It’s got nothing to do with making good food and coffee, creating a good atmosphere and keeping your staff motivated. It requires a totally different skill set, and there was so much work for me to do around that, and I doubt that I would have made it through my part of the journey without Paul and people like him, who were crucial to my support.”

HOW DID WE HELP THEM?

donkey wheel was able to provide two key ingredients to the success of Kinfolk. First, was the physical space and the networking that came with that through the **communiversity** nature of donkey wheel house. “There was so much potential there. That’s why we had groups like **Hub Melbourne** move in there. Those early days when that community was being formed had so many inspiring people who were in conversations about what the community would be like, a lot of those inputs go unnoticed, but have a big impact on the vibe and culture of the place. That was exciting! Meeting people with all sorts of experiences and from different parts of the community and had a range of different sorts of creative responses to issues, that collective learning emerged from getting that group of people together—that was a powerful thing.”

With the space at donkey wheel house, came the strategic thinking, relational investment and wisdom provided from Paul’s relational and innovative approach. “They gave me what I needed,” recalls Jarrod, “as well as the learning that I had to go through as well. I’ve got a lot of time for Paul, because of everything he’s given me during those days.”

Polly is listed in Profiles on page 225

What’s a communiversity? See the Glossary on page 227

Check out Hub Melbourne on page 67

You can read more about STREAT on page 60

For donkey wheel house head to page 32

Read about Vetty on page 38

Flick to page 54 for Jarrod Briffa or page 113 for Kinfolk!

Read up on The Brunner Family on page 12

More on Kate can be found on page 86

See Claire on page 50



Bec is the co-founder and CEO of **STREAT**

HOW DID YOU FIRST GET CONNECTED TO THE DONKEY WHEEL ECOSYSTEM?

Bec's first memory of the donkey wheel ecosystem has stayed with her, and speaks to the DNA we have both inherited and tried to pass on. There was certainly a lot going on to catch the eye. "I remember—vividly—my first visit to **donkey wheel house**. I came through the front door and was met by **Vetty**, who was showing me around. The ground floor was just one, gigantic, cavernous open space—we walked through, and it was very much a building site at that stage. **Jarrold** from **Kinfolk**, who was just starting to build the café, he'd been up all night building, and was lying asleep under one of the benches sound asleep. It was just this scramble of stuff! It became clear from that first visit that what was being done was a labour of love with all hands-on deck. There was a real sense of resourcefulness and making do, lots of volunteers and lots of people rolling up their sleeves. That's the way STREAT likes to work, especially in the start-up stage when it's organic and 'worker-beeish'. That was a lovely first visit."

From this point on, the decision about whether Bec and STREAT would be around donkey wheel was quickly made. The ecosystem was presented to her as 'a future community of changemakers'. That determined who came into the building. "Vetty said, 'You'll come in, you'll have half an hour to meet with the **Brunner family**, and they'll essentially interview you about what you want to do, and they'll decide whether you can have an office here.' **Kate** and I were both there, and **Claire** said, 'Tell us your light up story.' The way they made the decision about who could come into the community was dependent on whether we could light them up with a story of what we wanted to do. So, I told our light up story of the dreams that we had, and what we wanted to do for young people and why we needed to give them opportunities. It resonated, especially with Claire who had spent so many years fostering all these children and young people from tough situations—she knew exactly who we were wanting to help."

Bec recalls an immediate feeling of mutuality. "We were keen to come on the ride. It was certainly pitched as future community of change makers. Claire said that they'd always supported a range of projects—but imagine if we could put all those people in the one building, imagine the sparks that could happen? They wanted to build an intentional community at donkey wheel house."



WHAT WERE THE BENEFITS OF WORKING WITH DONKEY WHEEL?

It would be incorrect to say that STREAT wasn't growing before they entered our ecosystem. They had already outgrown their space on Hoddle Street and needed a new environment that would cater for where they were as well as what they were growing into being. We had the space at donkey wheel house, and STREAT had an ethos that we wanted to support and partner with. "We ended up with this enormous amount of space on that ground floor," Bec says, laughing. "It was an enormous space. We had this gigantic footprint with our youth-training room—it was just this wonderful, cavernous building of possibilities. It felt like the canvas was big enough so you could just dream of big things; nothing was nailed down yet, and everything was a canvas for possibility. That was so exciting for us as a small start-up organisation that had already outgrown our space. We knew we needed something bigger, but we were a tiny organisation with huge ambitions. Finally, we had found the building that was big enough for our ambitions."

WHAT CHALLENGES WERE THERE?

As important as we think space is to host change makers, especially in the early days of a social enterprise like STREAT, it is crucial that Bec had co-conspirators to listen, input and stretch ideas and vision with her. **Paul** was that co-conspirator. "I remember the first meeting Paul and I had, and we ended up drawing this structure of how to scale STREAT on a napkin—I'm still not sure why we were writing on napkins! We drew a model of how scaling could work for STREAT's future. What was clear from that first meeting was that we got on straight away, but it was also clear that Paul was someone who had an appetite for growth like I did. I always felt in the early years of building STREAT that I was the one who was driving that, always looking further, thinking bigger and pushing harder."

These partnerships weren't just outlined in diagrams, but in energy and encouragement. "What was invigorating in meeting Paul was that for the first time I didn't have someone who was directly around me saying, 'Are you sure that you want to bite off that much?'" He's always putting another zero on the end of everything! I like it when I am stretched and pushed. Paul believed that I could go further. Often when you're building things it can be lonely, particularly if you're the entrepreneur. The vision was scaring people, and people can get speed wobbles fast. What I have always loved about Paul is that we can go off into the future together and spend hours dreaming about and imagining the future together. If your teams are made up of operational staff, those conversations can scare everyone shitless."

We were able to provide more than a sounding board, but a safe place in which to dream. "I felt like for all the time that donkey wheel house was home, that the conversations Paul and I had enabled our imagination to *leave* the building. The canvas became so much bigger than the building, it became the whole city, the whole country, even the world—it was a beautiful place to be grounded with a building that would let you grow. That's what having the space enabled us to do; it wasn't just an expansive building with a great community of dreamers, but I had a co-dreamer in Paul, and we could always dream things to the scale of the world."

This led to a deep relationship between Paul and Bec. "Paul, for years, was my speed dial person: 'What do I do? I'm stuck. How do I solve this?' He was a sleeves rolled up, walking alongside us person. In those early days, I suspect that Paul was working over 50% of his time on STREAT. He had building stuff going on, and was juggling that and heritage architects, and Kinfolk was ticking along by then. In 2012, when we were going to expand using impact investment, the decision was made that we would build a subsidiary and go for impact investment. We ended up with four investors, with donkey wheel being the biggest."

HOW DID YOU CONTRIBUTE TO THE ECOSYSTEM?

For us, partnerships are never just one-way. Bec articulates how STREAT was able to help us expand and grow. "In the forming of **TDi**, STREAT was the first TDi 'experiment' that moved through from investment ready to impact investment. We were one of their founding stories, proof that this kind of help was needed in the sector and that it was absent in the sector. We were instrumental as guinea pigs, to show what skills were needed."

Our growth and the growth of STREAT were conducive to each other as they ran in parallel. "The wonderful thing was that donkey wheel kept evolving as we kept evolving; donkey wheel was a tiny little organisation—just as we were—trying to think through what it was going to be. Yes, it had a huge building, but it didn't have programs and it didn't yet know what it was going to be or do. As an organisation, it wasn't defined. Its own development process was linked to *our* development process—as Jarrod, **Brad** and I were working out how to build our organisations, we were helping inform the building of donkey wheel and what it would eventually become."

Bec's energy behind STREAT helped donkey wheel house come alive. "Within weeks this big, empty building had all these teenagers in it—everywhere. At that stage, in addition to donkey wheel, there were only three other social-entrepreneur organisations in the building: there was Kinfolk, us, and then there was the **Hub**, all of us rattling around this building and trying to build our own community."

See more on Paul on page 36

Read about TDi on page 80

Brad can be found on page 52

See Hub Melbourne on page 67

ETHICAL PROPERTY AUSTRALIA

For more on 673 Bourke St head to page 32

Read about Peter Allen on page 76

Flick to page 50 for more on Claire

Haven't heard of The Australia Institute? Head to Profiles on page 221

Keep reading about TDi on page 80

For more on Adam go to page 120

In 2008 donkey wheel purchased the old Tramways property at **673 Bourke Street**, but that was only the beginning of an investment that was significant both in terms of human and financial capital. It took five years and some blood, much sweat and occasional tears to restore the property and develop it to the point where it was a functioning commercial concern. What became obvious to Paul and the Board during this time was that being a property owner and manager was *not* our core business. However, the successful development of donkey wheel house highlighted an opportunity for well-managed property to help fund and support positive social change.

The question that followed that—who could lead this?—was answered through a serendipitous turn of events on the other side of the world. **Peter Allen** was living in the UK but was looking for an opportunity for him and his family to move to Australia. The downside for Peter was that he wanted to keep working with an organisation what was doing similar work to Ethical Property UK, where he been for the past decade. He initially contacted **Claire** after Googling her, who put him in touch with Paul. Ethical Property Australia (EPA) was launched in 2013.

EPA would become a property company infused with donkey wheel values. While managing property was not our core business, it would be for EPA. When EPA was ready (with the help of **TDi's** incubation process), preparations were made for the ownership and management of donkey wheel house to be taken up by this dedicated property company, of which donkey wheel was the majority investor. The donkey wheel difference in property management could now be applied to other properties beyond donkey wheel house, via an effective, ethical and profitable property manager. Through EPA we were able to investigate new opportunities to develop more donkey wheel houses, more communities of organisations working towards common goals who could also save money by sharing resources when they co-locate.

Alongside EPA, the property management company, we helped found Ethical Property Commercial Fund, the mechanism to own the properties and by which other impact investors could invest with donkey wheel, realising our vision of multiplying the impact of donkey wheel house. This fund was designed to meet two of our main goals: encouraging others to make impact investments by providing them with the opportunity, and allowing donkey wheel to divest itself of sole ownership of donkey wheel house. This would then give us more funds to support other organisations and projects, either through investments or through granting. This has created far more opportunities for us to do the work we are best suited to for in the long term and focus on being hosts rather than building managers.

Since its inception Ethical Property has been working to build the foundation for multiplying the impact of donkey wheel house in other property investments. At its formation Endeavour House in Canberra had **The Australia Institute** as its lead tenant, and Spark Space in South Melbourne followed soon after. An innovative partnership with Moreland City Council in Melbourne's inner north saw a fourth property, BRUDI, added to the portfolio via a long-term lease. This model would prove significant in giving EPA a model to develop what it describes as its Impact Neighbourhood strategy.

The Impact Neighbourhood strategy is a comprehensive approach to using property to add social value to a community. It is the brainchild of **Adam Trevaskus** who joined EPA as CEO in 2019. Adam joined a deeply committed team, a team for whom the vision of using property for social good was so much more than a job.

EPA has focused on developing an ethos that adheres to the idea of 'do good, make money', which is a key plank in the donkey wheel philosophy. Their ethics are not just in property investment, but also flow into tenant management



and ongoing relationships with tenants, asset management and community engagement, ensuring that the properties that they manage are spaces which have a positive impact on the communities around them.

The COVID-19 pandemic presented EPA with significant challenges. A campaign to raise capital was launched in December 2019 and was thwarted by the economic downturn that the pandemic precipitated. Alongside that blow, many tenants experienced critical operational threats and as EPA practiced its ethics of tenant care, the cascading impact on returns to unit holders in the Fund and the demands on shareholders in EPA were significant.

For donkey wheel, EPA and the establishment of the Fund have been so much more than just another project. When Claire committed a substantial proportion of our capital to buy donkey wheel house it not only shaped our investment portfolio, but it also shaped our mission. EPA became our strategy to maintain the continuity of that momentous decision while freeing the foundation to focus on our core business of supporting difference makers. While EPA has been operating as a separate entity, we have shared every high and every low and spent a disproportionate amount of time, energy and money managing the risk and ensuring the reward of that extraordinarily visionary decision in 2008 to buy donkey wheel house.

*For more of the EPA story see
Vetty Duncan
on page 38
and Kathryn
Renowden on
page 130*

Ethics group aims for \$100m impact on future

DAMON KINNEY INVESTMENT

Endeavour House in the leafy Canberra suburb of Manuka on the face of it looks like any ordinary office building. But to National Australia Bank, a group of high-net-worth investors and philanthropic foundations, it is a vision of a new future for the multi-billion-dollar not-for-profit sector in Australia.

It is a future where they can move lucrative property assets off their balance sheets, freeing up their cash flow to invest in their core activities.

Endeavour House has been purchased by a little known group named Ethical Property Australia, which raises money to purchase and refurbish properties, and provides asset management and property management services for not-for-profit organisations wanting to co-locate.

The building is being refitted to become a hub for groups in Canberra with environmental or social justice missions at their core.

Independent think tank The Australia Institute has signed up as the first tenant.

But in the eyes of Ethical Property chief executive Peter Allen, its opening in October will be another step in his vision to create a \$100 million fund holding property assets in Sydney, Melbourne

and Canberra that brings together multiple social enterprises and bolsters the growth of the impact investment phenomenon in Australia. Impact investments provide investors with financial as well as social returns.

The space is attracting the attention of some of the nation's biggest superannuation funds, most notably HESTA, which last year made the largest single commitment to the local impact investing market by pledging \$30m to the Social Impact Investment Trust managed by Social Ventures Australia.

"Everything that we do delivers a triple bottom line return of social, environmental and financial," Mr Allen said.

Mr Allen is being assisted by a group called The Difference Incubator (TDI), which is seeking to create investable social enterprises that are financially viable to the point where they can access capital from investors and traditional financial institutions rather than just governments or philanthropists.

TDI founder Bessi Graham said: "The ultimate aim of our work here is to move property off not-for-profit balance sheets. We would love to see those organisations have EPA as their landlord, allowing them to have their cash flow freed up to use in their core activities."

"There are lots of conversations going on with bigger not-for-profits, churches and large groups that have built up quite an asset base around property. It isn't easy as many see the safety and security of owning property, but there is certainly interest in the conversation."

EPA was seeded with an initial \$100,000 grant from NAB's \$1m Impact Investment Readiness Fund, which provides grants to help prepare social enterprises to become investor-ready.

The fund has also backed a number of other enterprises, including a start-up with a disruptive technology allowing Australians living with a disability to choose their own support workers and manage their care online.

After securing NAB's support EPA created the Ethical Property Commercial Fund, an open-ended fund made up of equity from private investors and bank debt which targets a 5-7 per cent return as well as a demonstrable social impact from its investments.

In addition to Endeavour House, the fund also owns Donkey Wheel House in Melbourne, which houses a growing social impact community including Streat, HUB Melbourne, Kinfolk Cafe and TDI. The fund is now worth \$26m and Mr Allen believes it can grow to four times its size in the coming years.

"At the moment we are only in Melbourne and Canberra. Our next project really is Sydney," Mr Allen said.

"We don't tend to look for the building first, we look for the returns first. We have just started that process in Sydney looking at where groups would benefit from being co-located in one of our buildings."

"We want to go out over the remainder of this year and get new investors into the fund."

The fund has two investors, a small syndicate and debt from NAB. We think that the Sydney building will be worth around the \$30m-\$40m mark and have will be five-10 investors.

"We are not seeking to put a limit on that... It is about finding the good projects — we know the investors are there. We are not looking for it to be a closed fund. We would also like another building or two in Melbourne. We would expect it to be worth \$100m or more over the next five years."

TDI's Ms Graham said EPA was a good example that "you can do good and make money."

"One of the appeals of working with EPA is their whole model is about multiple capital raises and attracting the impact investment dollar," she said.

"These guys have only just scratched the surface of the appetite for social impact investment in this country."

Peter Allen of EPA with Bessi Graham of TDI

STUART MEEVOY

Article in the The Weekend Australian, 11 Aug 2016

STREAT

Keep reading
about Bec
Scott on
page 56

More on Kate
Barrelle can
be found on
page 86

For the donkey
wheel house
story head
to page 32

Social Ventures
Australia is
listed in Profiles
on page 226

Read about
Nic Brunner
on page 29

STREAT was created in 2009 by **Rebecca Scott** and **Kate Barrelle** after they had worked at a similar social enterprise, KOTO, for two years. In March 2010 they started in business in Melbourne. It was a very humble beginning with one little mobile street food cart on Federation Square. Between 2010 and 2012, STREAT worked with 41 homeless and disadvantaged young people to place them in long-term employment in the hospitality industry, using coffee carts to support the business.

Bec first came to **donkey wheel house** because she needed a meeting room where she could interview homeless youth to see whether they were a good fit for STREAT's program. STREAT quickly became part of the donkey wheel community, setting up their head office on the ground floor to be one of donkey wheel's first socially-aligned tenants. donkey wheel especially through Paul, worked with Bec to develop STREAT's business model, identifying that the coffee carts' model wouldn't be as successful as a café space. Conversations with the Social Roasting Company, Geoff Harris, Bread Solutions, **Social Ventures Australia**, and others have led to incredible outcomes for STREAT. Many of these conversations occurred in donkey wheel house, and were very much part of the emerging ecosystem of changemakers that would see donkey wheel house become a significant place for innovators.

Bec recalls those early days at donkey wheel house as being chaotic but deeply welcoming and invigorating. Of course, the surroundings at donkey wheel were by no means 'run of the mill', being at this stage full of crates and other idiosyncratic features—such as a slide! Bec recalls how this was fun for her and Kate's young son, Will, as well as the young-at-heart **Nic**. "At the back of the building there was a large ramp or awning that goes over the stairwell. Nic would come in and climb the big stairwell cover that created a slide and climb to the top of it and slide up and down it, up and down... Will was only two at the time and he just thought this great big space that had a slippery dip in it was wonderful! Nic encouraged him to use it as a slippery dip. It became a playground for Will—I have pictures of me working very, very long hours with Will sitting in the middle of donkey wheel house in his pyjamas, sitting in this playground. It was the most exciting place for him."

Anyone connected to us, and our ecosystem knows that things can change quickly, and that opportunities can pop up that you need to grab quickly. Bec was adept at doing this. "Another thing that happened really early—it was Christmas Eve 2010 and we got a 'phone call from the Little Veggie Patch Co, saying 'we have this enormous number of plants'. There had been a huge event where the Stephanie Alexander Kitchen Garden Foundation had set up this edible garden and it was being taken down. So, they had thousands of food plants, plus a heap of apple crates. They asked if we wanted them, but the catch was that we had only two hours to decide! I said, 'yes', of course." Things didn't quite turn out as Bec expected. "I had visions of a ute turning up and unloading plants, but what *arrived* was this enormous truck. There were four huge apple crates and all the plants that went into them, and in the space of two hours the whole of the bottom floor became this unbelievable garden. It was all edible. We gave some away, took some into our production kitchen, and then ended up setting a garden up at the back of donkey wheel house."

In 2012 STREAT acquired the Social Roasting Company, including cafés and its coffee roasting business. donkey wheel facilitated the capital raise and impact investment. "STREAT pioneered one of the first equity investments in an Australian social enterprise, undertaking an acquisition of The Social Roasting Company, which operated two cafés and a coffee roastery. We doubled the size of our enterprise overnight, and quickly had to learn how to run bigger cafés and a coffee roastery. Fortunately, we've been able to grab opportunities quickly when they've presented themselves, and pivot quickly as an organisation. Although our business model looks *quite different* to what we'd envisaged in our feasibility study, our commitment to providing the best support and training opportunities to the most disadvantaged young people in our community has never waned."

Not only did donkey wheel assist with this transition for STREAT, Paul's contribution in terms of relational capital—alongside the trust that Bec had built over the years—helped make what some might have viewed as an ambitious leap into a relatively smooth process. In an article in *Social Ventures Quarterly* (SVQ), the relational aspects at play were vividly portrayed. "Working in the same building, Paul has become one of my most trusted supporters," Bec stated. "Without him, I wouldn't have even known this was possible. Additionally, his advice and oversight was critical in fine-tuning the details of the deal. The trusting relationships enabled the deal to move quickly, even though some of the financial projections and valuations were essentially 'back-of-the-envelope' calculations."



The “trusting relationships” partly emanated from Bec and Paul’s time together in donkey wheel house. As SVQ pointed out in their article, the relational aspect of STREAT’s model and its key supporters should not be underestimated. “As far as the financial returns went, investors either trusted Scott and her ability to deliver, or Steele’s appraisal of Scott’s abilities and business model.”

Later Geoff Harris, an impact investor and philanthropist, donated the use of Cromwell Manor to STREAT, and this became their new head office, flagship café, training facility and bakery. In September 2016, they were able to move into their flagship site, Cromwell STREAT, and STREAT now runs seven interconnected businesses—four cafés, a catering company, an artisan bakery and a coffee roastery.

donkey wheel tells the story of STREAT frequently, and with good reason. STREAT’s success inspires others, both potential social enterprises and potential impact investors, and has contributed to donkey wheel being invited to speak at conferences, which in turn brings more investors and enterprises to us to find out more about what we do and what they could be doing.



The SVQ article in this section can be found here



STREAT's flagship property in Cromwell St, Collingwood



The School of Life shopfront in donkey wheel house

THE SCHOOL OF LIFE

The donkey wheel house story is told on page 32

The School of Life was always going to be a natural fit in **donkey wheel house**.

Alongside its aim “to increase the amount of emotional intelligence in circulation”, The School of Life believes that philosophy should influence work and the workplace. So, leasing the shopfront on Bourke Street to The School of Life was a natural extension of donkey wheel’s wholistic view of the world and of work. As Kaj Lofgren (then Director of The School of Life) says, “This idea of bringing organisations with a similar philosophy together in one place created opportunities for deep impact through collaboration. When we started exploring the idea of The School of Life and bringing it to Melbourne, it was a no brainer that we would look for space in the CBD. That ended up being donkey wheel house. From the very beginning Paul and the team were supportive and encouraging. It felt like a great fit.” The School of Life moved into donkey wheel house in December 2013.

Glancing in the front door, you could have been excused for thinking The School of Life was a boutique philosophy bookshop. But around the corner in the other half of the shop front was a café space where people met to talk, write in their journals and ponder how to live better. In the evenings that café space transformed into a seminar room where people gathered for all manner of classes on how to make changes and find fulfilment in every area of life.

See 'communiversity' in the Glossary on page 227

Paul reflects on the role that The School of Life had in helping to make Claire’s dream of a communiversity become real, as people were drawn into donkey wheel house to engage with classes on philosophy or bought the latest Alain de Botton book or went further back to Freud or Simone de Bouvier. “It was clear that donkey wheel house would be central in creating space for this new world to grow,” says Paul. “Its space was to be the place where the **communiversity** was to come alive.” The benefit to The School of Life was being placed in an ecosystem where people were working with similar aims in mind. “Being in an ecosystem that was inherently supportive and could take that leap of faith with us was incredibly



A cyclist rides past the School of Life

“THE SCHOOL OF LIFE WAS ALWAYS GOING TO BE A NATURAL FIT IN DONKEY WHEEL HOUSE.”

important,” recalls Kaj. “I also worked out of **Hub Melbourne**, upstairs, with a small team of back of house people while we had this beautiful front of house offering on the street, which benefitted both The School of Life and donkey wheel.”

*See page 67
for Hub
Melbourne*

Daniel Teitelbaum, who headed up content production, echoes that idea of symmetry. “It’s a big reason why we wanted to be in the building. We could have chosen the ‘Paris end’ of Melbourne, but it was more about what the donkey wheel house building offered us—just being around people who are interested in the work that we did. I felt at home at donkey wheel.”

At its peak, in one year The School of Life was running over 200 events out of donkey wheel house, which Kaj refers to as a “golden moment—we had classes in there three, four or five nights a week. It was very much humming, and that’s what Paul and I both saw as the opportunity of having us there. There was a kind of vibrancy and an atmosphere of learning that could permeate the whole building.” There was never any sense of dissonance, just two organisations who were helping to bring the best out of each other in a busy CBD setting. “I remember the early days of Friday night workshops where you’d have the footy crowd walking to Docklands and you’d have this learning experience going on, in a complementary way in terms of activity in the CBD. Those sorts of moments were beautiful.”

They were beautiful, indeed, but also supplemented our aims for donkey wheel house. “I think we added a huge amount of energy and activity,” Kaj reflects. “More than just a passive café relationship, which is relatively transactional, The School of Life at its core was a relational exercise—how do people come in, spend time, feel connected?” These thoughts are echoed by Col, who reflected a few years ago that he loved “bumping into those who hang around donkey wheel house and seeing how the community enhances their life and work. I am practically beside myself when I get off the tram outside donkey wheel house and see people milling around the journals inside The School of Life and seriously sipping their coffee inside Kinfolk Café.”

WE LOST OUR WAY

*Read about
Claire on
page 50*

When Col first joined the donkey wheel Board in 2008, **Claire** would always ask what we could do to help fledgling organisations stand on their own two feet. The limitations associated with social change initiatives being donor-dependant were constantly front of mind, and so donkey wheel has always been interested in financial sustainability for those we support.

MARKET ORIENTATION

From 2010, under Paul's leadership, donkey wheel explored the idea that market-oriented organisations would have more chance of being sustainable and would have more opportunities to scale their impact. This was a contested idea and, while things have changed over the last decade or so to a large extent, the not-for-profit sector still retains the classic understanding that the organisations that do good in society are non-profits, and the significant source of funding for them are grants from government or philanthropy. For-profit commerciality is too often conflated with capitalist greed. They are not the same thing.

We have argued that the legal structure of an organisation does not determine on its own whether the organisation is making a positive contribution to society. Some for-profit entities make a significant contribution, and some not-for-profits add little value. Even the term 'not-for-profit' is unhelpful, as all organisations must cultivate commercial sustainability in order to survive. All entities, including governments, rely on debt to scale their impact, yet many social change initiatives dream of growth and increasing impact without robust business models with which to borrow against.

Profitability is like breathing—your revenue must be at least as much as your expenses (over time), otherwise you die. The difference is what happens to the surplus/profit? Does it go into generating more initiatives to multiply the positive social good, or does it simply enhance the lifestyles of shareholders? Business models that are built on strengthening the value delivered to those who pay for it are much more likely to be sustained.

So, we pursued increased impact by applying a market-oriented lens to the social enterprise initiatives we supported.

INVESTMENT READINESS

donkey wheel also believed that the reasons many organisations failed to be sustainable were not about deficits in the business models (although this was often a significant factor) but were also

about the environment in which they operated. The gaps in the social change ecosystem loomed large. The broader infrastructure to encourage the growth of overtly social purpose businesses was immature at best, and at worst non-existent.

One of the gaps was the lack of a mechanism for investment capital (not just grants) to flow to social purpose businesses. Anything that was happening was happening ad hoc, springing from the initiative of committed and creative individuals. On the supply side, the burgeoning rhetoric in support of impact investing from those managing endowment portfolios was not matched by action; very few impact investment cheques were being written. To be fair, on the demand side, few social enterprises were investment-ready.

Instead of keeping our heads down and simply determining who received grant cheques, donkey wheel decided to use all the assets at our disposal—including personnel, time and talents—to help create an environment that would give difference makers a better chance at sustainable success. We decided that supporting the development of an impact investing ecosystem in Australia was a strategically significant role for us. We went all in, not only participating in working groups and collaborative initiatives, but by rolling up our sleeves and building parts of the ecosystem that were missing.

This meant we cultivated relationships of influence beyond conventional philanthropic circles, including government and business. At times we were spread thinly, with limited resources and a huge agenda. We inserted ourselves into domestic and international collaborations, nudged, coached and founded local initiatives to plant the seeds for population-level change.

OUR UNDOMESTICATED VISION

- Was our vision beyond our capacities?
- Has the return on our investments been worth it?
- Should we have stayed in our bunker and kept writing cheques?

The truth is that the donkey wheel vision had never been domesticated. No one involved in donkey wheel's leadership has taken it on because it was safe and routine. donkey wheel has always dared to dream, and so it was not as if we ever sat down and said, 'Are we taking on too much?' From its inception donkey wheel has always aspired to putting our little dent in the universe. Playing around the margins has never been our game.



Cultivating relationships with business and government meant that we could not only think at a systems level, but we could begin to act across the system. But this evolution to act at a systems level required some cultural and operational shifts. There is a saying, “My eyes are bigger than my stomach.” In this case, maybe our vision *is* bigger than our capacity. Yet, what’s the option? Be pedestrian and play it safe?

Nonetheless, there were some people who were in the early orbit of donkey wheel that felt we had lost our way. We understood this explicitly and strongly following a meeting in April 2015.

TENSIONS

At the point Col was re-engaging with donkey wheel, and he organised a workshop to help inform the future direction of the Foundation. There were three distinct groups in attendance, invited intentionally for the diverse perspectives they held and experiences of donkey wheel:

- Current staff and Board,
- Members of **The Wheel**, the original donkey wheel investment committee, and
- Outside voices, including invited guests from the ecosystem in which we were operating.

Col recalls that, naively, he believed that in an environment where questions and concerns about current direction could be asked and answered in a face-to-face and transparent dialogue, and where those feeling some anxiety about what donkey wheel was becoming, would result in an appreciation for the rationale behind the changes.

He was wrong.

There were some strong voices from the past that believed we had lost our way. Following the meeting a lot of effort and time was spent soul searching and engaging with perspectives from outside our network. Col wrote a piece at the time that identified two major sources of tension.

The first related to our lack of direct connection to what had become known as light-up stories. The energy around donkey wheel was fuelled by the stories of community leaders. At the time of the 2015 meeting, we were investing in an ecosystem for change, so for example, we were supporting **The Difference Incubator**, who was in turn supporting hundreds of smaller social change initiatives—but we were one step removed from those stories. We were telling stories of system infrastructure, of impact investing marketplaces,

of networks of collaboration and donkey wheel house’s renovations and challenges. That excited us, but not others in the room.

The second, which Col suspected was the key point of tension, was cultural or even tribal. From within the donkey wheel tent, we believed our trajectory was consistent with the ambitions and intentions of the founders. But what had changed was the culture of the organisation. The nature of the networks Paul had engaged and was operating within could be classed as innovative and commercial. This was different, very different, from the creative and community sector. These sectors also spoke a different language making it doubly hard to meaningfully connect.

Our commitments to supporting commercial sustainability were confused with being too corporate. Col lost a lot of sleep over this misunderstanding and grieved at how cultural fundamentalism causes divisions in our communities. As donkey wheel’s vision moved from supporting individual organisations to systems change, the expertise and intelligences that needed to be invited into the fold started to shift. Instead of being predominantly artistic and quirky, donkey wheel became more commercial and radical.

Did we lose something of the founding spirit in that process? Undoubtedly. The donkey wheel of 2004–08 was free flowing and spontaneous. Claire and Nic’s network of friends and associates were an interesting and creative bunch. There was much beauty and passion. The energy and creative expression filled the room: Gilbert’s coloured suits, Mo’s hats, Megan’s stereotypical artist’s regalia. Jasmine’s beads and glasses were iconic. At the centre of this little community were Claire’s almost minimalist and sometimes apparently erratic approach to life and Nic’s nonchalant and non-conforming flannelette shirts. They infused an eclectic culture that was attractive and quirky.

*For more on
'The Wheel' head
to page 22*

*The Difference
Incubator
can be found
on page 80*

*We go into
depth about
the legal case in
'Crisis Manager
1' on page 132*

CLAIRE'S ANXIETY

As Claire's involvement necessarily diminished due to ill health, she at times expressed concern with where we were at. She was worried, not so much with what we were doing but, as was her nature, she was always looking beyond to other interesting ideas and projects. The opportunity costs associated with following through on long-term commitments we had made were real, and there were times that this sat uneasily for her, heightened by her inability to devote time and energy—she was dependent on others, and it frustrated her when what she identified as priorities were different from those of the operational team.

THE COURT CASE

The other context in which our strategy came under scrutiny was on the margins of the **legal challenge to control the donkey wheel assets**. While unrelated to the court case and the protagonist, some questions were raised about donkey wheel's approach and strategy. One of the key issues at stake was the transferring of donkey wheel house into the Ethical Property Fund. This section is about acknowledging that while, from an internal perspective, we acted with integrity and consistently with the original donkey wheel ambition, some people have not completely understood our actions and our intentions and therefore questioned what happened.

It has caused us some grief to know that the direction donkey wheel has taken has not been universally affirmed. Even more so, we are sorry that grief has been experienced by others who imagined donkey wheel would be something that it is not.



HUB MELBOURNE

Under the leadership of Brad Krauskopf, Hub Melbourne (now Hub Australia) became an integral part of the donkey wheel ecosystem in the years immediately after the purchase of **donkey wheel house**. Through events held in the nascent days of donkey wheel's experimentation with being a host in 2010, Brad met both **Claire** and **Nic** Brunner. Sensing a kindred spirit in Claire's desire to set up the **communiversity**, a series of conversations then followed, leading to the formal opening of Hub Melbourne on the top level of donkey wheel house in March 2011. Brad remembers the Brunners as, "A family that wanted to use their good fortune to put back into the community. The Brunners had a genuine intent to plough back into something that would last beyond them." In Hub Melbourne, donkey wheel found a willing partner in creating space for collaboration to make a different difference to happen.

When we acquired the property, we had always imagined it being a workplace for creatives and social entrepreneurs. But managing workspaces was not something in which we had had any experience, so we were keen to find a partner who knew what they were doing. Brad was perfect, ambitious to bring to Australia the phenomena of co-working which had swept through Europe, but which was only starting to emerge in the Australian context. Hub Melbourne offered co-working and shared office spaces to its members, and donkey wheel house provided a central location that was attractive due to its proximity to Southern Cross Station and ease of access to the rest of the CBD.

In those exciting—some might say 'tumultuous'—early days, 'the Hub' became a sought-after place from which to be based. The flow of people into the building and up the stairwell contributed significantly to the buzz around donkey wheel house. The Hub grew and, in 2014, filled the whole third floor. Brad recalls the atmosphere of collaboration and synergy that filled the building even as the Brunners' day-to-day involvement ended. He suggests that it was fuelled by working alongside and in partnership with some of the key tenants of the day, "There continued to be collaboration when Paul arrived, particularly with **Kinfolk Café** and, later, **The School of Life**." Kaj Lofgren, who was leading The School of Life at the time, remembers the Hub fondly: "I loved the early days of the Hub Melbourne, it was electric, the energy in the place in those early days. Being able to spend time upstairs in the Hub and then come downstairs to The School of Life was a great combination."

The **Two Feet** program also used the Hub as a base for the organisations who were utilising the program, and donkey wheel contributed to the costs of those leases.

Hub Melbourne's rapid growth necessitated a move out of donkey wheel house, which occurred in 2015. Their new—and more expansive—location was on the other side of Bourke Street, just across from donkey wheel in what is now Hub Southern Cross. Paul looked back at that departure as an incredibly positive step for Hub Melbourne and for **STREAT**, who also moved out around the same time in what was a significant changing of the guard. "We were thrilled that both organisations have been so successful and strongly believe that donkey wheel house has contributed to this."

Read about the donkey wheel house story on page 32

See Claire on page 50 and Nic on page 29

'Communiversity' is in the Glossary on page 227

Read more about Kinfolk Café on page 44

For The School of Life, flick to page 62

The Two Feet program is located on page 78

Find more about STREAT on page 60



Coworking in the laneways. Hub bought coworking outdoors and into Godfrey Lane as part of a City of Melbourne activation

IMPACT INVESTOR: GETTING OUR OWN ACT TOGETHER (2012–2016)

*For more
on Impact
Investing head
to page 89*

*See 'Property
Owner &
Manager' on
page 26 to
read more about
the property*

*Read about
Claire on
page 50*

*See comments
from both
Trevor (page
90) and Kylie
(page 107) on
an outsider's
perspective of
the implications
of the purchase
of dwh for
our investment
strategy.*

*We introduce
Ethinvest in
Profiles on
page 222*

Impact investing was never up for debate at donkey wheel. It always made intuitive sense to use all the resources we had, including our investment corpus, to support the change we wanted to see happen in the world. In 2008, two things occurred that catapulted us into the practice of impact investing; but it would take until 2016 before we could report that 100% of our capital was ethically and impactfully invested.

The first event was buying the property at 673 Bourke Street. The purchase was completed with cash from our investment portfolio. It was not 'spare' money—on the contrary the sale price represented about two thirds of the value of our investments. We have discussed **elsewhere** how *arguably* foolish the purchase was from a financial perspective, but it was unarguably about putting our money where our mouth was. We were determined to use everything we could to support change makers—and that included our investment capital.

The term 'impact investing' was not being used at the time, and we were not adhering to an ideology or philosophy. We were simply doing what seemed like common sense. Our very existence was based on the mandate to support positive social and environmental change, so we could not justify investing in companies whose activities supported products, services and/or social systems that contributed to economic inequality, social exclusion or undermined environmental sustainability. In fact, it felt hypocritical to continue to invest in traditional stocks. Our relatively small capacity to grant and the resulting impact to support people struggling within our society felt insignificant compared with the ongoing support we were offering companies to maintain the status quo.

While impact investing was not being widely practiced, a Sydney-based company called Ethinvest had pioneered a radical approach to financial management based on what was called 'Ethical Investment.' The second significant event that happened in 2008 was that the donkey wheel Board appointed **Trevor Thomas** from **Ethinvest** to manage our portfolio with the brief to get our investments aligned with our values. That appointment started a long-term trusted relationship with Ethinvest and Trevor, in particular, that continues to this day.

Initially, ethical investment was about applying a negative screen, which essentially meant getting rid of shares in companies with questionable products and services extending to extraction companies and those promoting the ongoing use of fossil fuels. Ethinvest promoted a more sophisticated view than was common at the time, which tended to simply avoid ammunitions, gambling and the sex industry. Trevor introduced an approach that was about values and a vision for a healthier future, so it wasn't simply about the industry or the product, it was also about the ethics of the company and their commitment to recognise and mitigate their negative impacts on the environment and society.

DEVELOPING AN IMPACT INVESTMENT THESIS: DONKEY WHEEL HOUSE

Across the road from donkey wheel house there used to be an eatery with a cavernous area downstairs that those in the know often used for meetings that required more privacy and peace than the typical echoing noise of a city café. In 2010, not long after Paul had started as CEO, he was sitting downstairs in a corner of that room with Trevor and **Claire** when Claire pulled out a video camera and started filming. "So, tell me," she said, "what is impact investing?" The emergence of the term reflected a growing recognition that negative screening and ethics were only one part of the picture.

In hindsight, it is probably fair to say that donkey wheel did not acquire the property at 673 Bourke Street as part of an impact investment strategy. An investment presumes some due diligence and financial modelling has been performed to assess the returns. Paul's work in his first couple of years included developing a financial model and thesis that would render the property as a good investment in the conventional sense. On the one hand, the Foundation had to be generating financial returns from the property—our survival depended on it. On the other hand, the vision was to support social change and so we wanted to attract tenants who could not only afford the rent we needed to charge but had a robust impact thesis that aligned with our desire to help facilitate positive social outcomes. These tenants needed to feel they were getting great value not only from the rent they were paying but also from the 'communiversity' that was forming.

Paul was determined that the two dimensions of return (financial and impact) should not be in competition but were integrated into the business model. It gave rise to the idea of **'blended value'**, an impact thesis that was neither 'financial first' or 'impact first' (as it is often called) but has both types of returns hard baked into the business model. Neither was dispensable. Ideally, both components are mutually reinforcing.

This was the first piece in donkey wheel's impact investment puzzle.

ETHINVEST MANAGED FUNDS

As the market developed and Ethinvest continued to be on the leading edge of impact investment thinking, they developed a simple framework to categorise investments which would prove useful in helping us achieve our long-term aim of being 100% impact invested.

| HARM | AVOID | BENEFIT |
|---|---|--|
| Companies that damage people or the environment | Companies that do no harm | Companies that do good |
| Red rated companies are directly involved in activities that: | Yellow rated companies are not directly involved in activities that: | Green rated companies are directly involved in activities that benefit society or the natural environment. These activities include: |
| <ul style="list-style-type: none"> Negatively impact the environment Damage non-plantation native forests Profit from alcohol, tobacco or gambling Negatively impact people or animals Are involved in the mining or use of uranium Produce or sell armaments | <ul style="list-style-type: none"> Negatively impact the environment Damage non-plantation native forests Profit from alcohol, tobacco or gambling Negatively impact people or animals Are involved in the mining or use of uranium Produce or sell armaments | <ul style="list-style-type: none"> Renewable energy Recycling Sustainable land and water use Greenhouse gas reduction Education Safe workplaces Positive work cultures Improving the quality of human life |

| IMPACT OBJECTIVES | | | |
|---|---|---|--|
| DON'T CONSIDER (Negative/Harm) | AVOID HARM (Neutral) | BENEFIT PEOPLE & THE PLANET (Positive) | CONTRIBUTE TO SOLUTIONS (Positive) |
| "I am aware of potential negative impact but do not try to mitigate it." | "I have regulatory requirements to meet, e.g. reduction in carbon emissions." | "I want to support businesses that have a positive effect on the world to sustain long-term financial performance." | "I want to help tackle climate change." |
| | "I want to mitigate risk." | "I want a world where all businesses try to have a positive effect on society." | "I want to help tackle the education gap." |
| <p>← COMPETITIVE RISK ADJUSTED FINANCIAL RETURNS →</p> <p>← INCREASING INTENTIONALITY AND MEASURABILITY OF IMPACT →</p> | | | |

Ethinvest's definitions of responsible investments

Once donkey wheel house was achieving a positive blended return we turned our attention back to the rest of the portfolio. The low hanging fruit of selling stock in the 'red' zone had been achieved in the first season of Ethinvest's work with the Foundation, except for a small amount of 'harmful' stock we retained for the purposes of **shareholder activism**. So, from early on, our portfolio was what might be classified as 'responsible.'

Ethinvest's due diligence included sophisticated assessments of **ESG** (Environmental Social and Governance) issues as well as the financial modelling to give us confidence of a financial return. Our instructions to them were to move our portfolio as far to the right on the above diagram as possible, while maintaining levels of returns allowing us to meet our regulatory granting obligations, sustaining enough liquidity for our operational activity and to balance growth and defence.

We were early investors in the **Social Bonds** (Newpin Social Benefit Bond) that came on to the market and supported some impact 'light' opportunities that included property development with strong environmental credentials. We also bought into the Social Ventures Fund, and our appetite for impact investments meant we snapped up everything that passed Ethinvest's due diligence processes (with recommendations consistently aligned with our investment strategy).

For us, being impact invested meant we wanted as many investments in the two right hand columns as possible (Benefit and Contribute). We have retained a small percentage of stock in 'Avoid Harm' to meet our operational requirements, but as the market develops will seek to trade those for 'Benefit' and 'Contribute' stock.

FOCUSING ON SOCIAL; THE ROAD LESS TRAVELLED

However, having our investment in donkey wheel house meeting our expectations and our Ethinvest managed portfolio fully responsible—and mostly impactful—was not enough for us.

From an investment perspective the easier and less risky path would have been to constrain our investments to renewable energy, resource management, health products or even property development with environmental credentials. But from our inception, the Foundation had always supported change makers whose initiatives were designed for social impact. Very few companies were coming through Ethinvest's pipeline that were 'contributing' to social impact.

The ecosystem that was emerging around donkey wheel house and **The Difference Incubator's** (TDi) client base included dozens of social impact projects. We were keen to allocate some of our investment capital to their support, but knew their businesses were not sufficiently mature to pass the tests associated with Ethinvest's due diligence. But via TDi's programs and Paul's coaching we had a deep engagement with many of them and determined to help support the emerging market for alternative investments with a higher risk profile than was palatable for traditional conservative investors which, in our experience, was the majority—even those that purported to be committed to impact investing. This commitment led us to invest in **Streat Enterprises, Ethical Property Australia, Team Wild, Good Sites** and the **Three Sistas** projects alongside the small number of others who were prepared to be on the leading edge of impact investing practice in Australia.

STRATEGY

Within the first couple of years after he became CEO, it became clear to Paul that impact investing offered a much greater opportunity for us than simply being an approach to investment. The development of an impact investing ecosystem around donkey wheel house and across the country **would become core work** for us. A

Read more about Social Bonds on page 230

Read more about 'Blended Value' in the Glossary on page 227

See page 80 for TDi

Discover more about:

Streat Enterprises, page 72

EPA, page 58

Team Wild, page 84

Good Sites, page 40

Three Sistas, page 105

Not sure what shareholder activism is? check it out in the Glossary on page 229

Turn to page 228 for more info on ESG

Read more about this in Impact Investor – Outward Focus on page 94

mature impact investing ecosystem would optimise the possibility of success and increased impact for the change makers we wanted to support. In 2012, Paul developed our first Five-Year Strategy which he called donkey wheel: Impact Investor.

*For more on
the Business
Model Canvas,
see the Glossary
on page 227*

The most formative dimensions of the donkey wheel **business model** in this season were:

- **VALUE PROPOSITION:** Early adopter (high risk appetite) support.
- **BENEFICIARIES:** The beneficiaries of impact investment projects.
- **CUSTOMER RELATIONSHIPS:** Were based on trust but tended to be more transactional.
- **KEY ACTIVITIES:** Developing our impact thesis and cultivating a pipeline of investible projects.
- **KEY RESOURCES:** The Fund, Paul's vision and innovative practice.
- **KEY PARTNERS:** Ethinvest.

donkey wheel Strategic Intent;

donkey wheel's strategic objective for the next phase of its development, is to become a **more mature impact investor, and encourage others to do the same.**

While many foundations focus on the gifting that they make to produce positive social change, donkey wheel will continue to develop how the total corpus of the trust and fund can also be leveraged for positive social outcomes.

The buying of donkey wheel house was the first step on the impact investment journey, and now provides a platform to develop a community of enterprises that provide donkey wheel with an expanded opportunity to impact invest, and see both the social and financial returns that these blended value investments can achieve.

donkey wheel house represents the largest single impact investment and the building and community that is being developed will continue to take considerable time and energy over the coming years. As this investment in space, talent and ideas matures, it will then provide the opportunity to focus again on other impact investment and granting/gifting opportunities.

We will know we have been successful when:

1. donkey wheel's portfolio of investments are 100% mission aligned and demonstrate the viability and desirability of impact investing.
2. Others also self identify as impact investors because of the leadership that donkey wheel has demonstrated.
3. donkey wheel house is a thriving community that is commercially sustainable and creating enormous positive social impact. It is recognised as a blended value operation that people just want to be part of!

You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.

- Buckminster Fuller



Activity 2012-17

Our prime focus will be on donkey wheel house as a space for creative thinking and action, while harmonising the often competing forces of community, commercial, conservation, compliance and creativity. And in line with this, in the coming 5 years we will give attention to the following areas of activity.

Building Tenancy

The objective is to fill donkey wheel house with an tenant mix that will help us balance the 5 C's, creating a community that thinks different, acts different and makes a different difference. This means we will focus our activity on:

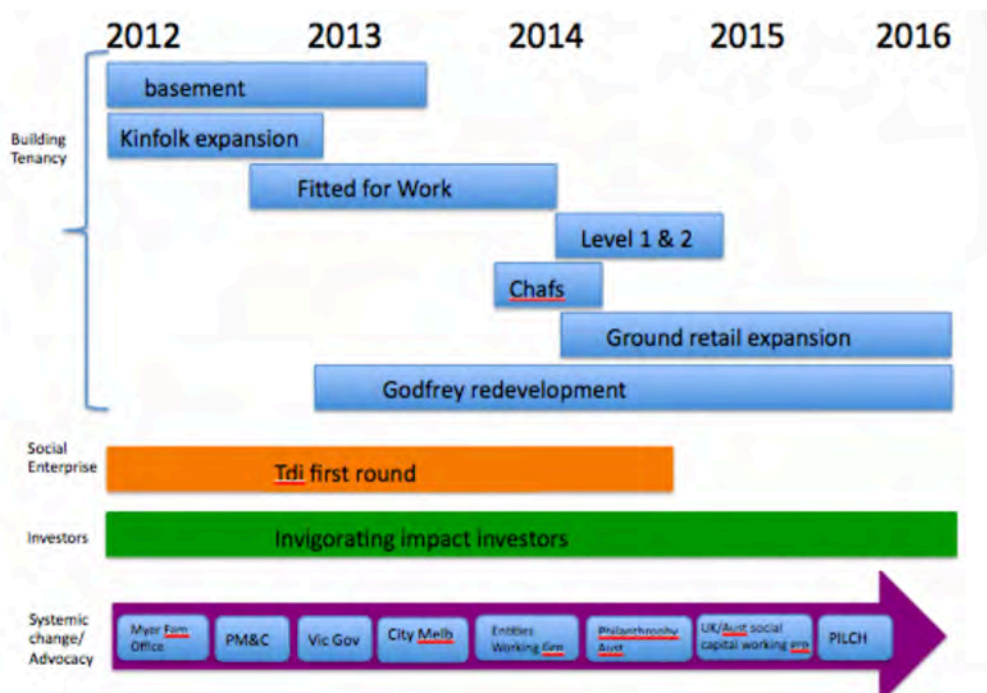
1. Building improvements that deliver financial returns and ensures our duty of care
2. Integrating mission aligned tenants into the community of dwh

This objective is the major challenge in terms of financial needs. We will need to develop creative ways to meet the capital requirements of the building.

Invigorating Impact Investment

We recognise that there are few mature impact investment opportunities in Australia. As such donkey wheel is uniquely positioned to help develop enterprises that are capable of generating both financial and social returns and that are great impact investments. This will provide both donkey wheel and others with the opportunity to make impact investments. This objective will require donkey wheel to do the following:

1. Develop and support the invigoration of impact investors. Building a group of people from philanthropy, government, education and private investors that can work together to invest in blended value enterprises.
2. Develop an incubator to assist and nurture emerging social enterprises and help them be aligned to the Impact Investor who will fund them.
3. Advocate for systemic change that will recognise the blended value of the impact investments and social enterprises. This advocating will have a special focus on changes to the PAF legislation to make impact investing from these funds easier.



To skip to the next season of donkey wheel's contribution, head over to page 94

CONFESSIONS OF AN EARLY IMPACT INVESTOR

CONFESSIONS OF AN EARLY ADOPTER IMPACT INVESTOR

We are proud of our achievements as an impact investor. You can read about our journey toward 100% responsible investment in **Impact Investor—Inward Focus**. It was the school of hard knocks as we walked the gauntlet towards a vision that included using our investment corpus to support the emerging social enterprise ecosystem in Australia. We want to share some of our challenges and failures along the way.

DONKEY WHEEL HOUSE

It is easy to look at donkey wheel house (now part of the portfolio of properties in the Ethical Property Fund) and declare it a successful investment. However, when the Foundation purchased the property, we had not done any modelling, due diligence or risk assessments. These may have provided the confidence that it was a prudent investment, either from a financial perspective or in relation to its social impact. We tell more of that story in **Property Owner and Manager**, including the resignation of the then Board chair, Michael Henry, who described the purchase as “a bridge too far.” Not only did we not do the proper due diligence, but roughly two thirds of our corpus was used for the purchase. It took seven years of extraordinary creativity and hard work before the asset delivered an acceptable investment return.

Our investment in donkey wheel house then became an investment in the Ethical Property Commercial Fund when we transferred the property (see **Ethical Property**). One property has now become four at the time of writing, with the trajectory of returns going in the right direction. However, the challenges associated with managing the business to deliver anticipated returns have been significant. Some of those challenges have been on the property management side and some have been related to unexpected hurdles in raising capital, not the least of which has been the hurdles of the COVID-19 pandemic.

NEWPIN SOCIAL BENEFIT BOND

As an early impact investor committed to getting as much of our corpus impact invested as quickly as we could, we enthusiastically took up offers as they came on to the market. The NSW Government worked with UnitingCare Burnside and **Social Ventures Australia** (SVA) to design a payment by outcomes structure that allowed taxpayers to share in the benefits of successfully delivered out of home care services. It was the first **Social Impact Bond** (SIB) in Australia, and it quickly raised \$7M.

Financially, we and the other investors did well. Reports lauded the success of the bond from an impact perspective (numbers of children returned

to in-home care) and from the perspective of financial returns. We do not mean to question the tone of the reporting or even suggest that there were not significant positive outcomes achieved. However, the bond is essentially designed as a financial instrument rather than being designed to optimise social impact. The point is a simple one. Impact investing in its early stages was immature and you took what you could get. As an early adopter we had to adhere to the idea that perfect is the enemy of the good.

TEAM WILD

Our biggest failure was probably an investment we made in a program to help employ Indigenous people in a tourism venture on the Great Barrier Reef. We have done much soul searching and post-mortem analysis about this investment. Despite learning a lot, Paul says we wouldn't have done much differently if we had our time over again. The main reason was because we were dealing with a fraudulent CEO and, looking back, most of the due diligence we followed we would do again. There are some minor things that we would change, but we acted promptly to fix the situation once we realised what was happening.

THREE SISTAS

We were gutted to discover an even greater level of fraud within the Three Sistas project, which was a property investment providing crisis and transitional accommodation for vulnerable members of the Cairns community. We and other investors had worked extremely hard to get the project off the ground. The courts found the principal licensee guilty of 437 offences resulting in a multiyear jail term. We've learned that when money and mission overlap it makes people passionate, but it can lead to significant financial temptation. When someone is doing good, it becomes even more difficult to question them. The culture of social enterprise can also make awkward conversations around financial accountability and transparency difficult.

STREAT ENTERPRISES

There are two documents on the **STREAT website** reviewing our investment into Streat Enterprises, including a detailed case study by the Centre for Social Impact at Swinburne University. We consider it one of our better impact investments, even though it wasn't financially successful.

We, and three other co-investors, helped STREAT buy the Social Roasting Company and run two of their cafés via a company running alongside STREAT Ltd, called STREAT Enterprises. STREAT has continued to evolve and grow under the dynamic and ethical leadership of **Bec** and her team. The abovementioned reports offer a more detailed and nuanced review of the investment, including findings about deficiencies in the

Impact Investor—Inward Focus can be found on page 68

Check out Team Wild on page 84

See Property Owner & Manager on page 26

Ethical Property can be found on page 58

Social Ventures Australia is listed in Profiles on page 226

Not sure what a Social Impact Bond is? Have a look in the Glossary on page 230



due diligence and modelling of which we were participants. We won't reproduce them here but will mention one factor that applies more broadly.

In our interactions with other investors, one of the recurring conversations was about the difficulty for those in the not-for-profit sector to make the transition from managing donations and grant funding, to managing private investment. Without equity, one option for enterprises is to get a loan from a bank or another financial institution. Under these arrangements, interest payments are prioritised. However, when private investment is made with agreed terms, it is more difficult for associated repayments to enjoy the same level of priority.

We believe there is unrealised opportunity for the not-for-profit sector to get access to capital from impact investors instead of banks. No matter how badly an organisation does in any given time period, they must make their loan repayments to their bank. But with an impact investment in the form of equity from a foundation (for example) you only pay a dividend if you do well (based on the terms, obviously). There is, however, some strong angst about having 'investors' in the not-for-profit sector—people are often more comfortable with donations that have no expectation of a return.

There is an important mindset change that will need to occur in how people in the not-for-profit world view and understand debt versus equity. Interest to a bank is paid before profit, and many not-for-profits today have leases, loans and rentals all of which effectively pay a return to someone for allowing the organisation to use their capital. Mostly this interest is seen as a legitimate and reasonable payment. However, when an investor puts money in as equity it can be seen as 'profiteering' and not good. In reality, they are now partners in the business/mission and there is no return for them unless the organisation succeeds, which makes them much more aligned to the mission and the financial success of the organisation.

OBSERVATIONS

Not so much a confession, but there are a few things we have experienced that serve more as alerts.

1. It is difficult to balance courage and a decent risk appetite with the due diligence that is typically associated with investing, especially when dealing with start-ups.
2. People make the difference, for better or for worse.
3. Investing in social enterprises usually involves navigating mindsets that have developed in not-for-profit operating environments that are more familiar with managing grants.
4. Beware business models that claim impact but overlay bad with good. When this happens, the net impact can be negative. It is worth illustrating given their prevalence: bottled water that donates profits is a classic example. Another one we were invited to consider investing

in was a probiotic for cows that helped them digest grain better. When a cow shifts from a diet of grass to eating grain, the change in diet makes them more susceptible to disease. This vulnerability is managed mostly through antibiotics, which has worrying implications for the ongoing health of the cattle, as well as the people who consume it. The investment opportunity was a good probiotic, fed to cattle with the grain which eliminated the need for antibiotics. We need better and more sustainable methods of growing meat, but feeding grain to cattle isn't one of them. While this opportunity solved one problem by removing antibiotics, it supported a product which was problematic in the first place. When assessing impact, we encourage would-be investors to look at the system implications.

5. What a business does with its profits is insignificant compared to what it does with the rest of its revenues. Cause related marketing is often 'social washing'. Just because a product or service donates some of its profits does not make the enterprise either good or an impact investment. The *impact* of the organisational activity is the first and foremost bar that a 'doing good' or impact investment must meet. There are plenty of businesses in Australia who give generously to charitable causes who do not leverage that generosity as part of their brand marketing. We refer to the kind of business that donates some of their profits as 'real time philanthropy'; giving as you make the money, rather than giving from dividends from wealth generated by a business trade or a big lump of capital. Classic philanthropy happens by making your money and then giving it away later.

Where the money comes from does matter. There are no offsets in social systems. You can't hurt people (or the planet) on one side of the equation and do good somewhere else to balance it out.



Synergy - Team Wild Catamaran.

Keep reading about STREAT on page 60

See page 56 to keep reading about Bec Scott

CHERIE ONG



Awethu House, Atlanta, Georgia, USA—Good Places project

Cherie Ong works to create innovative, sustainable and equitable communities in Atlanta, Georgia. Cherie is the co-founder of Good Places, which develops properties focused on mission and community impact.

HOW DID YOU GET CONNECTED INTO THE DONKEY WHEEL ECOSYSTEM?

The memory is still fresh for Cherie as she recalls how it all started. “I remember that first meeting with Paul. He had just started at donkey wheel. I had just finished at **World Vision**. We knew we were preparing to leave for the US in six months, I think. Paul, being Paul, called and said, ‘Don’t worry that you’re moving to the US. Like, you’ve got six months now when you’re not working. Why don’t you do a short stint with us at donkey wheel—there are projects I could use some help with?’

“He was rebuilding his team and to trying to figure out what was to remain. There were things he’d inherited and others he was trying to create from scratch. And so, me being me as well, I said ‘Six months? I’m moving country, but why not, let’s take on another project—it looks like fun.’”

The fun was in the newness and novelty of what was emerging. “Paul was creating this concept of a social enterprise and property. It was this interesting combination of ‘let’s renovate something together, and dream about what this could be.’ Then there were social enterprises and small businesses, which we’ve always been interested in. We had that conversation, and Paul asked me to think about it.” Cherie laughs. “I always like a challenge, and it was an old building, downtown...”

HAD GOOD SITES ENTERED THE CONVERSATION, OR DID THAT EMERGE ON THE RUN?

“We developed the concept of **Good Sites** while we were there. Paul had known that he wanted to do something with events, because that would generate interest and momentum around the building.” It was then that donkey wheel began to emerge as a host. “We just didn’t really know just in what context those events would occur. We came up with that concept of the building being a socially conscious event space, and then trialled it. We tried *lots* of different things; everything from arts exhibitions to catering. We did one catering event where lots of different refugee caterers come in. So, it was a bit of a trial-and-error process.”

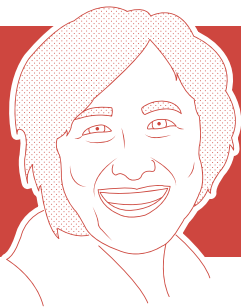
As per the donkey wheel ethos, Cherie recalls some key collaborations, and the balance of making the experiment sustainable. “We did several events with Jarrod and with Kinfolk. It was a combination of making it sustainable with the social mission, where there were distinct objectives.” These events focused on creativity. “I remember there was one event that we took from an Arts perspective. It was a combination of an art gallery, kind of funky with emerging artists. Most of the events were happening in the basement, in the ‘dungeon’, and so we had to get creative. We had to market it as a plus.”

WHAT OBSTACLES DID YOU RUN INTO TRYING TO GET IT UP AND RUNNING?

“A lot of it was doing everything for the first time,” Cherie recalls. “I’m not an events coordinator by any means—I like events, and I ran youth group for church! Our biggest challenge was the fact that it was a new venue, and that socially conscious market was still emerging. It was niche, so it was that delicate balance between making some money and trying to really make it about

*Keep reading
about Good
Sites on
page 40*

*More on World
Vision can be
found in Profiles
on page 226*



Awethu House, Atlanta, Georgia, USA—Good Places project

our mission. It was a great learning process. By the time I left we were making money, enough to sustain somebody to run it.”

One of the hard lessons donkey wheel learned was about having the right people at the right time. Good Sites didn’t maintain traction after Cherie’s departure. “Unfortunately, when we transitioned, a lot of it was driven by that unique intersection between knowing how to balance the two. It was a tricky market.” There are no regrets, though, from Cherie’s perspective. “Honestly, I wouldn’t trade it for the world. It gave me a lot of experience with activating property in general, which is what I do now with Good Spaces. It was an almost eerie precursor of what I was going to do in Atlanta. We took an old building there, similar to donkey wheel house, but bigger. It was like a practice run for what I was about to do.”

WHAT WAS IT LIKE WORKING WITH PAUL IN THOSE EARLY DAYS?

“What Paul does really well is cast a vision and he believes in people. He was entirely supportive and able to see, even if things were not going well, that it’s par for the course, part of the process, while still being incredibly supportive and proud of the journey and what’s involved in taking it to the next level.” This support was crucial in the new journey that Cherie was taking. “So much of it was trial and error. So, the ability to go out there and not get too banged up if something didn’t work, or we weren’t making the money that we wanted to make, was important. It was more about the process and building something long term and sustainable.”

Paul’s belief in people saw beyond their experience and looked to what they can do. Cherie reflected that even though she had no real experience in the field, she felt supported. “In those early stages it was *not* a normal event management role, and I was new. It wasn’t traditional, it involved that delicate balance between, what are we really

trying to communicate, and why are we doing this? How do we create an ecosystem within a building? How do you create that environment? It was learning as we go.”

WHAT DO YOU THINK YOU ADDED TO THE DONKEY WHEEL ECOSYSTEM?

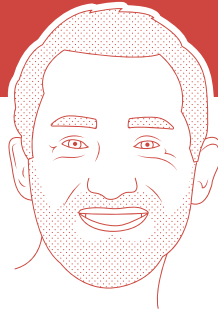
“I feel like when we were first there, the thing that comes to mind, which is kind of ridiculous,” says Cherie with a smile, “is that I’m really good at eBay! I pretty much eBayed every piece of furniture that we had there originally! Vintage furniture, that sort of thing.”

On a serious note, she reflects that, “In terms of events, we laid the foundation to see what works, what doesn’t work. I think that was a lot of the learning process in the beginning is like, how do these places make sense or, how to invite people with a particular purpose? We tried everything. I remember we tried 15 different layouts. We had one room become ‘Fantasyland’, and the next day it would be a conference room. Let’s see how far we can push the use of this space. I do think that some of that early iteration was necessary.”

THERE’S STILL AN ELEMENT OF HOSTING, WHICH RUNS BACK TO WHAT YOU WERE DOING WITH GOOD SITES

“It’s kind of funny, because our company is now called Good Places. So, it changed from donkey wheel house to the other side of the world in Atlanta. I just think that the impact of donkey wheel has been enormous. Especially the experience, not just of what I left behind, but what I brought with me to Atlanta. When we were trying to articulate what Good Places was all about, I couldn’t help but think that a lot of it started way back at donkey wheel.”

PETER ALLEN



*Read about
Claire on
page 50*

Working in the UK for Ethical Property in 2012, Peter Allen heard the name '**Claire Brunner**' in a context that has since slipped his mind. At that time, Peter and his family were also considering an 'adventure', such as moving to Australia. The catch was, he was enjoying his work at Ethical Property and wanted to continue doing it. "We thought this was a good time to go, as the kids were quite young. I was trying to work out what work I would do. I thought, 'Well, I want to do ethical property still. Maybe there's an opportunity to do that in Australia?'"

HOW DID YOU FIRST MAKE CONNECT WITH THE DONKEY WHEEL ECOSYSTEM?

Peter googled Claire and discovered that we were doing something similar to his Ethical Property work at **donkey wheel house**. Finding Claire's email address, he made inquiries about whether we would be interested in pursuing the Ethical Property model in Australia. Claire's response, as Peter recalls, was succinct.

"You should talk to Paul," she emailed back.

So, the journey began. "Over the course of the next year and a half, Paul and I put together a plan to start **Ethical Property Australia** (EPA), I got my visa and then my family and I moved over in November 2013." Peter and Paul's vision for the early days of EPA were, predictably, expansive. "The vision that Paul and I worked on was the idea that we could create more donkey wheel houses, but also that the use of property could be done better in Australia. Paul felt there was a large pool of impact investment money with people wanting to do something in this sector. He also believed that asset backed investments could be used for social enterprise." Social enterprise investment is often risky because it is not assets based. Property is therefore an ideal opportunity to provide investment in an asset people understand. It also gave us another way of doing good at the same time.

WHAT WERE SOME OF THE INITIAL OBSTACLES?

The early days were dominated by the practical and lived experience of taking on the renovation and maintenance of donkey wheel house, which up until then had fallen to Paul. "He was

managing the refurbish, but he didn't want to get funnelled into running the building. His view was, 'Let's create an entity that can run a building and potentially do more.' My initial role was to get the refurbishment finished and to get a better handle on the budget and the costings. We had a good team who knew how to fix up a building but were not across the financial part, so Paul was left to do that. My initial role was to get the building full and get the impact piece working, then to raise money. Paul felt that donkey wheel's mission was much bigger than donkey wheel house itself."

Of course, it's never that simple. There were obstacles aplenty for the man who had just immigrated halfway across the globe with a young family and who was now managing and renovating an historic building. "It was about building relationships with people who already had relationships with Paul, who was handing them on to me, so I had to build those relationships. My primary task was to build those relationships enough so that people had confidence in me and would trust me." Also, there was a refurbishment budget that was presenting challenges and, understandably, Paul was keen to know how much was being spent because there wasn't an endless supply of finances!

The building, of course, wasn't simply an empty shell. It was, as Claire had hoped, also a living organism. "It was full of tenants; not completely full, and some of them were changemakers. It was challenging getting used to the Australian communication style and understanding the terminology. It was quite different to what I expected, but also strangely familiar. One reason we chose Australia to set up EP was because the legal and financial processes and language are similar to the UK. A challenge was being encouraged to think that we're not simply going to replicate what the UK has done but to ask, "If you were starting again, with a blank sheet of paper, what could it be?' Because that led us to answer some difficult questions."

One of those difficulties focused on the fact that, as Peter mentioned, there was not an endless supply of funds to refurbish donkey wheel house and that EPA needed to be sustainable. "The income from donkey wheel house that was being paid to EPA wasn't enough to keep us going. We needed more projects." After an aborted experience with

*A more
thorough
account of
donkey wheel
house is found
on page 32*

*More on EPA
can be found
on page 58*

Three Sistas in Cairns, Peter remembers that they began to look closer to home. “We wanted a sustainable model. But after Three Sistas, we thought, ‘Let’s just do another donkey wheel house: shared accommodation for social change organisations.’” While Peter was coming around to this new idea, it just so happened that in the background John McKinnon and Paul had been working hard to create and develop an opportunity for just such “another donkey wheel house” in Canberra. John was a board member of **The Australia Institute**, as was philanthropist **Graeme Wood**. “So, a month after we agreed to focus on office space for values-aligned tenants, I was formally approached by the Australia Institute and the Graeme Wood Foundation, saying, ‘We want to buy this building in Canberra. We’d like to do what you’re doing in donkey wheel house.’”

WHAT WERE THE BENEFITS OF WORKING IN THE DONKEY WHEEL ECOSYSTEM?

Peter was grateful for the support—both personal and financial—from us. The first three years of his contract were paid by donkey wheel rather than EPA. That security gave him a springboard to explore what EPA could become. It also gave Peter the opportunity to learn from the people and organisations making up our ecosystem. “I learned lots about how you run a business. I did a year with **TDi** in their business model program. That led me to think about the EPA model in a way I’d never thought about before: as a double-sided market. You’ve got your tenants who are paying but also your investors, who are your customers as well. I had never really thought of it that way. We were working it out as we went along. That becomes a challenge. Everybody had the best motives, and we were all in it for the right reasons. It was a mutual support exercise.” Paul, of course, was a pivotal support in those formative years

for EPA. “I was so grateful to have him around. I feel enormous gratitude for Paul in everything he brings to donkey wheel, and how he shared the vision for EPA. He made it happen; we had to put the business case together and get it over the line in the UK, and he had to get it over the line with donkey wheel in Melbourne.”

He also learned a lot from Col. “I’m grateful for his steady hand. When we first set up the fund in 2015/16 and transferred donkey wheel house to EPA, Col was initially the Chair of the trustee company that we’d set up for the fund. His leadership and his support for me was amazing. Combine that with his general intelligence and emotional intelligence, his principles and integrity, I was so grateful he was involved.”

WHAT DID YOU ADD TO THE DONKEY WHEEL ECOSYSTEM?

Peter can reflect on what he contributed to our environment, too. “I think I added a rigour around how we were doing things and the detail that’s needed to make things happen and to get things over line. So, Paul and I complemented each other well in that in that he would have the vision and the idea. I could then say what we needed to do to get it over the line. I think I’m right in saying, that Paul is comfortable with other people doing that. He likes to go off and find the next bright idea. I was a good fit. We complemented each other.”

While Pete’s time has come to an end formally with EPA, he is still connected. “I’m grateful to still be involved. I was chatting with the new finance director of EPA and they were saying, ‘I hope I can still call you because I’ve got more questions.’ I said, ‘Absolutely’. I don’t feel like I’ll ever really leave, and that’s great.”

Read about Three Sistas on page 105

The Australia Institute is a key tenant in Ethical Property's Canberra building and is listed in Profiles on page 221

Graeme Wood is introduced on in Profiles on page 223

Keep reading about TDi on page 80



Settlement of Endeavour House, April 2016. Paul and Peter with the legal team at Trinity law

TWO FEET

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Two Feet was a program we ran to help start-up organisations 'stand on their own two feet.' It was piloted in 2010 and started by Paul soon after he joined donkey wheel. **Bessi Graham**, **Rachel Reichman** and **Claire** all contributed to its design and implementation. The program was the forerunner to **The Difference Incubator** (TDi).

WHAT WAS TWO FEET TRYING TO DO?

"If you look at the first round of Two Feet, it was an interesting mix, and it speaks to collaboration, partnership and asking who's positioned to do this? Some of the components were where we got different people to come in and run sessions speak to this well. There was a gathering on level three, which was the **Hub** space, and we had the **The Big Issue** and we were talking about boards, and who to put on your boards, how that all operated, and The Big Issue's model. Another session that we ran in the basement we got **Social Traders** to lead," Bessi recalls.

"We didn't frame things around the idea that we'd be the best people to run every session because 'we know the answers to everything.' Right from that first round of Two Feet we were saying, 'What are the things these enterprises need to learn and focus on, who can we bring in that can speak to that? It was this experiment around whether we could support them, what it would look like and giving us some insights into other players in the market that might be able to play a role in that broader vision. That stood out as unique."

WHAT WAS GETTING IN THE WAY? WHAT GAIN DID TWO FEET NEED?

"In the 2010/11 financial year, we recognised the importance of continuing the Two Feet experiment beyond the pilot, reporting in the Annual Report that there was 'a gap in the social innovation/entrepreneurial sector and that donkey wheel could play a future role in addressing these needs we discovered through the pilot.'" To help fill that gap, in October 2010, donkey wheel funded \$10k worth of grants for Hub memberships, and \$5k to run the program. Overall, donkey wheel invested \$35k in Two Feet's pilot program.

WHAT DID DONKEY WHEEL PROVIDE?

"We were toying with all these pieces and saying, 'What components can we take from the tech incubator/accelerator model? What doesn't work here?' So, Two Feet in that first round was an experiment of how far we could go, and what does that look like? We would test what was helpful, rather than assume we knew what was helpful. Experimenting gave us the freedom to jump in there and see what worked, and what we'd get out of it," Bessi remembers.

It's important to remember that Two Feet wasn't the only pilot going on in the donkey wheel ecosystem. "Paul talks about the fact that he's not a *serial* entrepreneur but he's a *parallel*

entrepreneur—so, we didn't do Two Feet on its own. Running parallel to that was working with **STREAT**. We figured everything out with **Bec** and Paul on the back of the napkin, mapping out what the model needed to look like, through to donkey wheel being able to do an equity investment in STREAT's café. Their coffee-roasting business was happening as we tested Two Feet out. We were testing with a 'guinea pig' in more detailed one-on-one bits to see what it took to get an organisation to a point where—as a philanthropic foundation—the Board could sign-off on investing, not just *granting*, and they could do that in a way that said, 'We are confident that they can not only achieve positive social impact in the world, but that we can use our corpus for this because they have a sustainable financial model.'"

Claire and **Nic** were not just bystanders with Two Feet. They, Bessi recalls, were passionate and hands-on supporters. "I would get a lift into the city with Claire for every session. She and Nic came to every session and knew *all* the businesses, talked to *all* the people. It wasn't just Paul, Rachel and me doing Two Feet, with Claire and Nic disconnected from it. They were involved in each session. Nic was passionate about different projects—there was one project aiming to make funerals and coffins affordable for people who couldn't otherwise honour their family members, by having different coffins made from environmentally friendly materials."

Space to run the workshops was a pragmatic but vital component of growing Two Feet, and donkey wheel house hosted many important sessions and conversations. This enabled Two Feet to "work with social enterprises to help them design their business model through a series of workshops." The stability provided by donkey wheel, and strongly supported by Paul, Claire, Nic and the donkey wheel team, allowed Two Feet to have a sustainable base. Paul reflects that, "You have to do it over and over. You must have them think, design, plan, prototype and then go back to the beginning and start again. It all takes time. Two Feet was the embryonic vision of what we wanted to do."

WHAT DID TWO FEET PROVIDE?

The success of Two Feet, and how it was able to highlight important pipeline gaps for investing in social enterprises, enabled the birth of one of our success stories, TDi.

HOW DID THIS CREATE VALUE? HOW DID DONKEY WHEEL HELP?

The Two Feet program was a demonstration of donkey wheel's collaboration ability, bringing together many partners and jointly supporting a cohort of difference makers. The value created could be seen in the relationships built, the improved thinking and planning of the projects and the learnings of how people could be supported through a change process.



Here's to the crazy ones, the misfits, the rebels, the troublemakers, the round pegs in the square holes... the ones who see things differently—they're not fond of rules... You can quote them, disagree with them, glorify or vilify them, but the only thing you can't do is ignore them because they change things... they push the human race forward, and while some may see them as the crazy ones, we see genius, because the ones who are crazy enough to think that they can change the world, are the ones who do.

—Steve Jobs

THE DIFFERENCE INCUBATOR

The Difference Incubator (TDi) emerged as a reality in the 2010/11 financial year as the evolution of the Two Feet pilot. Over 150 conversations occurred for this to happen which, in part, showed the significant investment of time and finances on behalf of **Bessi Graham** and donkey wheel.

Keep reading about Bessi Graham on page 98



TDi's first five years' story captured as part of writing "TDi—The first Chapter"



WHAT WAS TDI TRYING TO DO?

Bessi identified gaps that were apparent in impact investment as TDi emerged. One of those, bluntly put, was innovation. “There was a void of innovative thinkers and decisive action in the impact investment space and, after stepping carefully at first so that we could assess the market and appetite, we decided to embrace a leadership role. In new, untested waters, people need someone to lead the way, suggest and try options and provide honest practical insight into the opportunities and challenges we face. TDi and donkey wheel were seeking to provide those things, while at the same time building the market in which donkey wheel could invest to receive blended value returns.”

Looking back at what that needed to be happen, Bessi recalls the ambitious start to the TDi story: “Where Paul and I landed, once we decided that TDi needed to happen because of the gap in the market, we pulled out four pillars to focus on.

1. Invigorating impact investors.
2. Supporting the enterprise itself—the capacity-building development work to help an enterprise become development ready.
3. As we were working with NAB, we wanted to focus on what we called the ‘Social Bank of Australia’. Looking at some of the components of how you got the financing pieces in place that were needed for that missing middle category, so we were having conversations with Grameen. We pitched NAB about having the first grants of this Social Bank of Australia in donkey wheel house.
4. The fourth pillar was a back-office piece, because we saw there was a lot of cost and lack of efficiency happening in not-for-profits more generally. For donkey wheel there was interest in ‘how do you spend money efficiently and not double up’ by having some shared back-office component in place?

In the initial proposal to the Board we were looking at all those areas coming under TDi. We realised that, ‘Good Lord, these are all completely different businesses’. We tried multiple attempts, and from a granting perspective donkey wheel funded one or two of the pieces around shared services called Streamlined (later called **GoodSystems**). We pushed that piece out, but what was interesting was that after initially starting with all the chunks of what needed to happen and putting them under the one umbrella, we then moved to, ‘Actually, that’s a separate entity, who do we partner with?’

Flick to page 42 to read about Good Systems

WHAT WAS GETTING IN THE WAY? WHAT GAIN DID TDI NEED? WHAT DID DW PROVIDE?



On a pragmatic level, donkey wheel initially granted \$50k for the project development of TDi in October 2010, of which Bessi had oversight. On a relational level, we were able to be a support to Bessi as she pushed to get people and organisations to understand her systems-level approach to pipeline funding for social enterprises. Bessi recalls that the past decade “has been a hardcore smacking of heads against brick walls—over and over—to fight for the need to focus on that pipeline development, the raising of capacity so that there were investment opportunities that weren’t asking you to compromise on the financials simply because you had a social or environmental aspect to the investment. That has been a heavy push from both a TDi and a donkey wheel perspective.”

“What donkey wheel has allowed for others, time and time again, was that willingness to be the first funder in something that wasn’t yet fully formed,” recalls Bessi. “So, because donkey wheel had funded that year-and-a-half of work where it was just Paul and I, we were in a position to run two full-day sessions (we talked about them as ‘moving beyond the conversation’) in the basement. We did one on the impact investment side, and one day on the social enterprise pipeline development. What was interesting was that the timing was beautiful; when we ran the second day on impact investment, it was on the same day that donkey wheel had a Board meeting that morning and signed off on STREAT. They were all very excited because we were running this session on impact investment, and we’d proven that we’d been able to get a deal to that point where it could be signed off.”

WHAT DID TDI PROVIDE?

By 2011, TDi gave us a higher profile as an innovative actor in the impact investment sector. It also allowed the team to put legs on some of our core beliefs and start to fill the gaps we’d identified. “Working in the underdeveloped sectors of social enterprise and impact investment has proven incredibly challenging. One of the great benefits of working in this new space is that we have the opportunity to influence and shape the landscape and were able to earn a reputation in government and philanthropic circles as a ‘thought leader’ and more importantly one of a very small group that was actually doing something!” Bessi said, reporting back in the 2011/12 Annual Report. “We saw significant gaps in the market that we had the experience, skills and ability to address.”

In 2012/13, TDi reported that it had made a “significant shift” in the way it presented its vision, leading in part to obtaining extra external funding, including a \$400k grant from the **Sidney Myer Foundation**, which was spread out over two years to “build out TDi’s model. Having the SMF join donkey wheel as a founding partner of TDi was a significant point in our development,” Bessi recalls. Other achievements that built momentum for both us and TDi included the establishment of TDi as a legal entity, the hiring of its first staff and the creation of its board. TDi was well on the way to both making a difference in the social enterprise sector, as well as helping others see the value of donkey wheel’s work and advocacy behind the scenes.

TDi was able to forge a different path to funding social enterprise. Bessi recalls this distinctly. “From the beginning, in the way that we had conceptualised TDi, we were saying that we had to work on that pipeline development piece, and everyone else just kept talking to the investors and focused on what the ‘money’ wanted. We said that there must be a fund that will pay for investment readiness. We had seen in our own business-modelling that few philanthropists ever followed through and funded the capacity building. So, there had to be a fund that would pay for that critical work, or you would never have a pipeline of investment opportunities that speak to what impact investment can unlock. The amount of people who were bewildered by why I spent three years advocating for the set-up of an investment readiness fund, rather than advocating for someone to give me or TDi the money. People were asking, ‘Why don’t you just ask them to give the money to you?’” Bessi, however, was confident that with our support and backing that she and TDi were on the right path to providing a pipeline that could deal with many variations on what social enterprises needed to get off the ground. She wanted an answer not just for TDi, but at a systems level.

“I knew that TDi wouldn’t be the answer for every enterprise that needed investment readiness,” says Bessi. “That’s a fundamental part of donkey wheel’s DNA. It was about saying, ‘Some enterprises will need a lot of legal advice or deep environmental expertise that TDi doesn’t have, so why spend three years advocating for a fund that was *only* for TDi, when we were always looking at a systems level at what was missing, what’s needed and how do we fill that gap?’”

The Sidney Myer Fund has an entry in Profiles on page 226



These questions are never answered quickly if you want to answer them well. “It took three years; we couldn’t get government on board to fund it but did get NAB to do the funding to set up what became the impact investment readiness fund. Then they paid me—through TDi—to design it. Again, we didn’t design it for TDi to get the money, we designed it for what the market needed. I’d written on the whiteboard in our office ‘design this fund so that if you had put ten million dollars of your own money into this, that you wouldn’t start again.’ This fund had to be the answer to the broader piece, it couldn’t just be for one enterprise; it had to be more general.”

Patience paid off for Bessi and TDi. “So, we got that fund off the ground and then the Federal Government decided to—finally—put some money into the fund through the Department of Social Services (DSS). Hallelujah! What I wrote on the corner of that whiteboard played out, the amount of smashing DSS heads around in Canberra reminding them of that, saying, ‘Do not set up a separate fund because there is already a fund that the market is already interacting with, so you need to put your money into that.’ And they *listened*. This is now called the Growth Grants, and it all comes back to that systems-level thinking, designing things for what the system needed and not for one organisation or one philanthropic group. That money is in the Australian market because of those donkey wheel beginnings.” With the benefit of hindsight, Bessi can look back and see how those small beginnings have yielded important results. “I don’t think that that can be underestimated. In that fund, from a TDi perspective, we put the Ethical Property (EP) investment-readiness work through that fund, and it is still the largest investment that the fund has leveraged. That was a \$26.4 million deal we did with EP.”

Bessi draws that experience back to our DNA. “That’s another example of donkey wheel not just doing their own thing. Paul had many trips trying to engage people, and we were in the UK having the conversations that set up **Ethical Property Australia**. With donkey wheel partnering with them, putting donkey wheel house into that portfolio. All these pieces are examples of donkey wheel not being precious, of philanthropy for once not being about ego but focusing on getting the outcome that we want and how does that outcome focus on being about the ‘system’ and not being about one person or one organisation’s problem. That’s incredibly unique in my experience.”

*Check out EPA
on page 58*

When asked about his highlights over the past 12 years, Paul was able to rattle off a few. He ended by simply saying, “TDi is probably the thing that I am most proud of.” In part, this ‘pride’ that Paul speaks of is because TDi has matured from its initial formation. That has not been an easy process, as both Bessi and Paul relinquished their ‘investment’ in TDi, and TDi itself took deliberate steps to stand on its own two feet. It moved out of donkey wheel house and the inherent support structures located within the building. It is the sort of story that donkey wheel takes joy in seeing happen—an entity that we helped get started is now independent and making a difference in the world. This, of course, does not happen because of the drive of one person—as part of the collaborative ethos of donkey wheel, the TDi team has survived one of the greatest challenges any organisation faces: when the founder leaves, will the organisation survive? To say that TDi has ‘survived’ is to underplay the tenacity, innovation and diligence of the team who worked alongside Bessi and those who are still part of the team – people such as **Annie Smits**, Anna Moegerlein and **Isaac Jeffries**.

Keep reading:

*Annie Smits,
page 118*

*Isaac Jeffries,
page 92*

Under Annie’s leadership the survival of TDi was a key challenge. But with many hard and bold decisions, there is no question of survival now for TDi. The organisation has emerged from that challenging time of seeing its founder move on to now thriving in new spaces and with initiatives that are still wrestling with systemic challenges, including a commitment to walking alongside Indigenous entrepreneurs to build sustainable businesses, working in the Pacific to achieve health outcomes that focused on returning to traditional foods and meals, as well as working with the Women’s Business Resource Centre in Port Moresby to run a growth accelerator program called Guria, where each entrepreneur is a supported end encouraged to make their innovative models last.

TDi’s future under Annie and Anna’s leadership team is exciting and they are looking to expand the idea that business can make a real difference to the wellbeing of the communities they are located in.



Team Wild catamaran Synergy prepares to sail



**TEAM
WILD**

We have always been a philanthropic organisation that has not been afraid of investing in social programs and initiatives that have an elevated risk associated with them. Team Wild Yachting, a charity based in North Queensland, was an example of that. They ran a program that supported disenfranchised youth in Cairns, aimed at reducing recidivism among some of Queensland's most challenging young offenders. Team Wild bought a tourism business to the reef, and funded opportunities for youth caught up in the often-circular juvenile justice system. Its patrons were primarily high-paying tourists and honeymooners. There was no doubt that this program was effective. In 2012, when Team Wild lost its accustomed \$250,000 in State Government funding, youth crime in Cairns had spiked by 30 percent within six months.



By 2013–14, donkey wheel had invested in Team Wild in a significant way. We arranged a \$250,000 loan and invested directly \$50,000 in shareholding. These funds were used to buy the catamaran *Synergy* that would give Team Wild a means to create a cash flow that would transition to a sustainable operation, independent of its previous dependence on government funding.

Team Wild also obtained a \$50,000 capacity building grant, allowing them to take part in **TDi's** program. They were also able to benefit from TDi's 'Running through the Business Model Canvas' which helped Team Wild's CEO, David Jackson, to clarify and sharpen his business case. TDi were also able to contribute the financial structure which allowed the for-profit tourism arm to support the not-for-profit youth outreach arm of the business and, importantly, establish much-needed integration between the various components and objectives of Team Wild.

The business plan that emerged out of this collaboration with us and TDi, which included the acquirement of Synergy Reef Sailing, meant that Team Wild were able to secure an \$800k impact investment. It seemed like momentum was building. Team Wild was hailed as an important 'impact investment' and as a real demonstration of 'doing good and making money.'

However, not all investments we have engaged in have successful conclusions. Team Wild did not, and the end came quickly as it ran into significant financial trouble, and administrators were brought in. As we reported in our 2014/15 Annual Report, "We are understandably disappointed that the Team Wild investment ended with the company going into administration. We have taken this opportunity to investigate the circumstances as fully as possible, with an external person performing an autopsy... We are now confident that we acted appropriately, and that it was a reasonable investment to make, particularly given donkey wheel's philosophy of acting in areas that others won't."

We continue to integrate the learnings from investments, such as Team Wild, that have not developed as we would wish.

*Keep reading
about TDi on
page 80*

KATE BARRELLE



Read about
STREAT on
page 60

Dr Kate Barrelle is a clinical and forensic psychologist. Kate is a co-founder of **STREAT**, a social enterprise that provides holistic support, training and work experience to disadvantaged and at-risk young people.

HOW DID YOU FIRST GET CONNECTED INTO THE DONKEY WHEEL ECOSYSTEM?

"It was when we came to Melbourne, and it's hard to separate out the donkey wheel story from the STREAT story because at least for us, our genesis in Melbourne was *very* closely tied in, supported by and influenced by **donkey wheel house** and its people. It was 2010/11 when we moved into the ground floor of the building. That was all connected through Paul and the Foundation. We got to meet a whole sequence of people over the last decade through that."

WHAT WAS IT LIKE IN THE EARLY DAYS?

"Fantastic; it was a great part of town. It was a beautiful building, with a sense of history," Kate remembers with enthusiasm. "It felt very Melbourne, which was nice. For STREAT's trainees, it was the closest thing we had to a head office. We were widely dispersed at the time. It wasn't like now, where we've got our head office adjacent to our training and embedded with our kitchens and businesses. There was the office, and then the training had to happen up the road, and then the café and kiosks were happening up the road as well. donkey wheel house was like the mothership, and we were a very small ship. It was just lovely to be a part of a bigger story."

Kate is quick to point out that STREAT's experience went beyond the facility. "So, it was donkey wheel house, but it was also the *people*, and it was embodied in the building, the intention of the building. It was a lovely anchor, it was like home base for us, and you're little and you're going to

be brave, so you go a bit further out and then come back and lick your wounds and you get encouraged and supported, and maybe get some advice and then kind of head out again to do newer, bigger braver things. It was a safe port to anchor."

WHAT WERE THE KEY OBSTACLES THAT YOU AND DONKEY WHEEL WERE ABLE TO TACKLE IN THOSE DAYS?

"There's a long list of all the things that we wish we'd known that we didn't! Some of the major ones were working out the social enterprise ecosystem, or the for-purpose ecosystem in Melbourne. That included politics—with a little *p*—which involves people, and that was problematic. We were the new kids on the block, and we weren't arrogant, but we were ambitious in terms of wanting to achieve good things and to do them well."

For us, a big obstacle was finding the good people, the *right* people. So, the introductions from donkey wheel and that ecosystem were important. Like a family, they introduced you to people."

PAUL DOES INTRODUCE PEOPLE...

"He's hyper connected, but not in a salesman-like way, but in a genuine relationship kind of way," Kate says warmly. "He's very generous. One of the themes that I see through Paul is generosity, and it's embodied in almost everybody—there isn't anyone I've met at donkey wheel lacking generosity. People there have been so generous with their time, their resources, their social introductions, too, and rarely did it translate into material stuff. Mostly it was around time and ideas. In many ways, that's more valuable than money."

Check out more
on the donkey
wheel house
on page 32



“

That combination of doing intentional philosophy with kindness captures a lot of what donkey wheel is about.

”

Capital, of course, was one of the big obstacles we had. Paul, and later, Col, coming on to our Board (having previously been involved in STREAT Enterprises) was pivotal in helping us structure brand new, truly experimental and innovative ways to be able to fund Cromwell Street going forward with that. Well after we'd left donkey wheel house, physically, after we'd 'grown up', spread our wings and flown the coop a little bit, they were still helpful and I'm eternally grateful for that. I think generosity of spirit in an organisation can be absolutely embodied in the people. I see that today. I see that, all the way through **TDi** to the **Make it Better Table**.

"Through many donkey wheel initiatives," Kate recalls, "I can track threads of generosity, social connection, intent and purpose. The ethical intent all the way through aligned with us. I remember conversations in the donkey wheel ecosystem with people regarding what's the *least* worst thing to do if you're in a bind? Or what's the best option of several, and having to think through the five, six, seven layers of ethics and not just the short-term stuff."

IT SOUNDS LIKE DONKEY WHEEL HELPED YOU INTEGRATE BUSINESS, ETHICS, FINANCES...

"Absolutely," agrees Kate. "It didn't ever feel like **Bec** and I were wandering in the wilderness, trying to work out what the *ethics* were, but there were few people we could have those conversations with at the big picture level. To have people who could go on that journey with us, give us the space and their learnings, that was incredibly valuable."

TO BE ABLE TO DO THE META AND THE MICRO AS WELL...

"There's not many people or places who can span both. So, to have a have a place and have a handful of people at the start who act like guides

and then, as we grew into it a bit more ourselves, there's coaches or fellow journey men and journey women who are your peers. We just wanted to surround ourselves with the smartest people in the room so that we could learn from them. It was a stimulating, exciting environment, because it didn't always go well." Kate pauses. "It was not that things crashed and burned, but so many times we got close to the line, financially, because it's hard to build the type of social enterprise where the work was integrated into a low profit industry. To have people that you could come to was both safe and comforting but, also, they would challenge us and help us look at things without rose-coloured glasses. It wasn't just somebody patting you and saying, 'Oh, you did a great job. Don't worry.' It was more like, 'That sucks. That hurts. Let's look at it.' That combination of doing intentional philosophy with kindness captures a lot of what donkey wheel is about."

WHAT DO YOU THINK YOU HAVE BROUGHT TO THE DONKEY WHEEL ECOSYSTEM?

"Bec has brought phenomenal amounts. Just as an absolute powerhouse in her kind of leadership. So, I have chained my wagon there a little bit." She muses for a moment. "What might be unique and what might not be so available in the mix over the last decade? Particularly in the early days of **TDi**, with **Bessi** and the crew, some of the behavioural science stuff, just being able to have those conversations around interpersonal stuff, human behaviour, behaviour change and, occasionally, at a personal level, sometimes at a staffing level, but mostly at a project and program level. 'Where are we going? How are we going to take our people with us?' If we need to do a project on this, then it's all very well that we've got the strategy, but where's the behavioural change part? Maybe I'm biased because they are the conversations I love to have. That's probably the angle I bring, the people side of things."

See **TDi** on page 80

Read about **Make it Better Tables** on page 178

There's more information on **Bec Scott** on page 56

Keep reading about **Bessi Graham** on page 98

Impact investing is a key concept in the donkey wheel ecosystem. Every investment anyone makes has impact. We forget that too much of investing is often just mentioned as being about a return on investment from financial terms. So, what we mean by impact investing is that we're consciously making a decision about the *impact* that this investment makes. What we're looking for is a positive impact that benefits society, the planet and people. Impact investing means you consciously invest in a way that not only looks for financial return—which it needs to have, otherwise it's just a grant. It also looks to create positive change in the world.

Read about Claire on page 50

ESG is defined in the Glossary on page 228

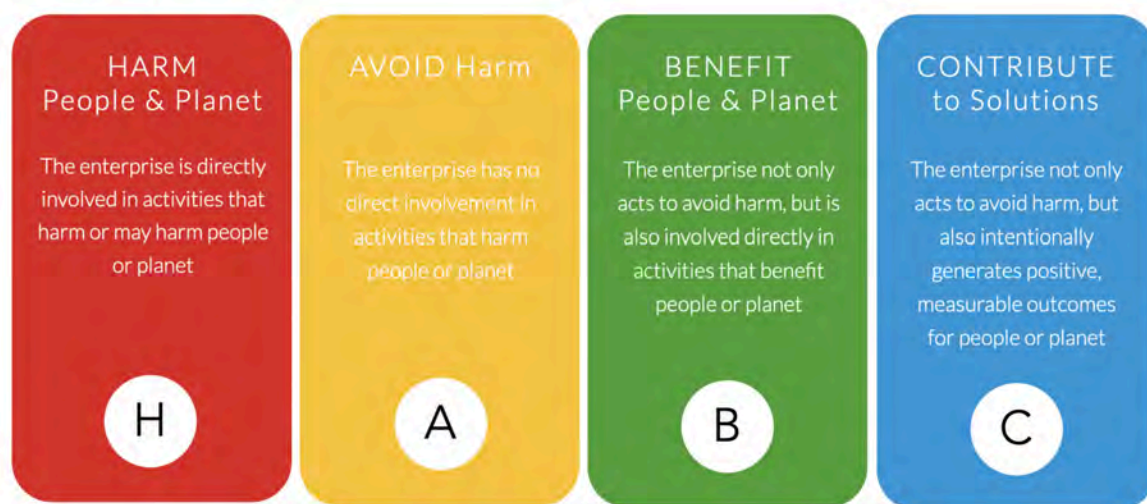
The language and context in which impact investing is now mentioned has changed markedly since 2010. To say it was nascent back then is an understatement. The emphasis has moved from not doing harm to benefiting society. Ethical meant not investing in harmful areas. **Environmental, social governance** (ESG) became shorthand to mean 'ethical'. However, it didn't really talk about impact. So, you could have policies to make sure you weren't doing harm to society, but they didn't necessarily mean that you were making a positive contribution. The prevailing idea of ethical investing across the philanthropic sector in the early days of donkey wheel was that foundations would divest from their portfolios in 'dirty' mining, tobacco and gambling—which, up until that point, was often justified by the practice of offsetting. Then the

philanthropic sector woke up to the fact that they had these investments in drug, alcohol, or gambling organisations and, on the other hand, they were donating to try to solve some of the problems connected to these investments. You can't do offsets in human systems. If you harm someone here, but help someone over there, that's not an offset like offsetting carbon. To return to the first point, *all* investments have an impact, and at donkey wheel we determined that our impact would be positive.

Claire had a massive influence in shifting donkey wheel from ethical investment to impact investment, which came partly from her awareness regarding the industries that Claire's own family's wealth originated from. She had a heightened awareness to making sure that money was 'clean.' 'Dirty' and 'clean' probably aren't the right definitions, but we wanted to ensure that everything was mission aligned. Claire supported this and when Paul started at donkey wheel he understood that intuitively and practically.

The parallel conversation in impact investing is that we *need* business because that's predominantly where investing happens, even when it's in a charitable or social enterprise-type business model. It's still a business. We need businesses—and the people operating those businesses—to aim higher than being 'unethical.' We needed the businesses themselves to make a

IMPACT SPECTRUM



Ethinvest's Impact Spectrum



IMPACT INVESTING: THE BASICS

positive impact, and capital shifts that. That was all good in theory, but 12 years ago we struggled to find actual impact investments.

We needed partners in this to help model impact investment as a preferable and still profitable shift. There were simply not many investors who were in that space, but fortunately **Ethinvest** were, and they were looking for investors to model impact investment. They needed clients who would pursue impact investment with rigour, rather than just set aside one percent or five percent or \$100,000 towards it. We became a bit of a guinea pig with Ethinvest.

We relished the opportunity to engage in this space. That integration of mission and money came easily at donkey wheel. In fact, they're not even separate. For some people, those two things are juxtapositions—it can either be about money, or it can be about mission. Impact investment aligns the two. This became our focus. We've spent over a decade helping people work out how that happens, and we've experienced failure because of that. However, we stoked some sparks of success that led to more sparks in the ecosystem for people to go, "Oh, that's what you mean." In lots of ways, **TDi** was our response to impact investing because there wasn't any capability in the marketplace to understand mission and money. "Do good, make money" is a throwaway line for us, but it's a hard concept for some people to get their heads around. If you're making money, they assume, you're selling out. We have never shied away from the fact that impact investment must deliver financial returns. It must be genuine financial investments—you need to make a return. It's putting capital to work. There's commentary in the marketplace saying if you're getting a social return, you can take less financial return. donkey wheel has not been a proponent of that. We *need* people who make money by doing good.

We're passionate about this element of impact investing. We need *doing* good to be the most profitable thing on the planet. Why do we make the most return off doing the things that are not good for us? We need a paradigm shift. It becomes an easy way out and a little bit sloppy when we say, 'If you're doing good in the world, then you don't need to make a profit.' The converse of that is *not* a good thing.

In line with that, we maintain a strong line connecting financial investment to people, which helps us have a personal connection to the people behind our investments. People matter. Ultimately, impact investing comes down to relationships and people, which some would see as an unusual approach. What many fund managers do is remove you from close contact with the person who's making the impact. To see the best outcomes, you need to be up close as an investor to an entrepreneur. This means asking those questions that are aligned to philanthropic organisations, but in an investment setting. 'Is this a good mission? Are these good people? Are they trustworthy?' You need to find the people who are genuinely engaging in the world to make it a better place.

For those who may be at the start of the impact investment journey or looking to shift to making a genuinely *good* impact in the world, our advice is straightforward, perhaps even challenging. The core thing we've learned is that you should take the same approach to granting as you do to investing. To flesh that out, you do not remove yourself away from the impact. If you do, you're just another financier. That's quite different than being truly involved in the impact. There are other aspects about being deeply embedded that are important. If you want excellent outcomes, you need patient capital. Impact investing loses something if you have a day-trading mindset. You can't invest in somebody for five minutes and expect long-term outcomes.

We'd argue that there needs to be a healthy appetite for risk in impact investment. We're happy to grant money at 100% risk in philanthropy. What we've seen with most charitable foundations is that they are even more risk adverse about investing in impact investment than they are about all the other investments. While there is an awareness of risk at donkey wheel, there is also a commitment to making the world a better place. Of course, you don't want to *lose* the money in terms of investment, but we take risks because it's mission aligned. So, for example, if you've got a no-risk, medium-return investment in tobacco, or a some-risk medium return in, say, out-of-home care. What do you choose? If you want to make a positive impact, you invest in the out-of-home care even if it is high risk.

The core value in our impact investments is that the money given to us must do good in the world.

Ethinvest is introduced in Profiles on page 222

Read about TDi on page 80

TREVOR THOMAS

WHAT WERE YOUR FIRST INTERACTIONS WITH THE DONKEY WHEEL ECOSYSTEM?

Trevor's involvement with donkey wheel spans more than a decade and, in many ways, he is one of the few people who can narrate the early days of our emergence into impact investment. He recalls being in Melbourne for meetings and was asked to speak to our Board about managing the Foundation's investments. "I was invited to come and meet the donkey wheel Board. I met with the Chair, **Jasmine Brunner**, **Claire** and **Nic. Michael Witt** was also in the meeting. We had a general conversation about what could be done and what making a different difference looks like in the investment side of things." It was a meeting of like-minded people, Trevor recalls. "They were looking to formalise and revitalise the Foundation's investment strategy and to get better alignment with the investments that were being made by the corpus, which at that stage was reasonably large—it was prior to the purchase of donkey wheel house, so there was a lot of money to invest." At this stage, we had not engaged as deeply into an ethical approach to investment as we do now. "The corpus was invested in a range of things that weren't particularly aligned values-wise or mission-wise with what donkey wheel was about."

It's crucial to remember, Trevor reminds us, that this was very much before impact investing was a common phrase or practice. "donkey wheel's involvement was early in the piece—they were wanting to cut through the 'greenwash' that they saw happening in the investment industry and wanted to mobilise their capital for good. They were really looking for direct investments that were contributing to change. They just didn't want an ethical portfolio; they wanted to invest so that it would make a difference. That was early on, and that whole sector is now accepted as impact investing. Claire was really excited about that language when it first emerged, five or six years after donkey wheel started talking about it, to see the way that had become a conversation within the philanthropic community, in Australia and globally."

WERE THERE ANY OBSTACLES?

While not exactly an obstacle, the purchase and subsequent renovation of donkey wheel house changed the freedom in which we could engage in impact investment. "The immediate impact," Trevor summarises, "was to take away a lot of the corpus, and a lot more was reserved for renovations. Paul did an amazing job of getting that building up to spec, keeping it open, getting income and making it all work. It was really a phenomenal piece of work. The family didn't know their good fortune in hiring Paul, who could pull that off and keep it all aligned. The investment has been very much in the in the building's shadow. They're still impact first—they're still as impactful as can be—but they've had to be quite liquid because there's been a need to continue to make donations. That's definitely had an impact on the way the investments are made."

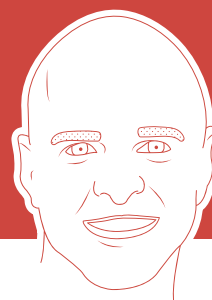
Trevor recalls that in those early days, tailoring an impact investment portfolio was a lot more hands on. "There were few impact investments that you could pull off the shelf. Today, there's quite a range of investments, where you've got clear objectives that are measured and reported on, and your financial outcomes and your social or environmental outcomes are all bound together. Back then, we were really putting things together on a bespoke basis. So, there were investments that we were introducing that were not typical managed funds or strategy investments. They were opportunities that we saw, and we were buying direct shares, and we were using what funds were there as a proxy. We set up a separate business called Australian Impact Investments to specialise in that area. Claire was the first client we signed up and she was extremely excited by that and its purpose to help create the market."

The Brunner family is introduced on page 12

Michael Witt is listed in Profiles on page 224



Trevor Thomas is Ethinvest's Managing Director and Financial Advisor and has worked there since 1997. Trevor has long had an interest in philanthropy and its responsibility to the broader community.



WHAT WERE SOME OF THE BENEFITS FOR ETHINVEST IN WORKING WITH DONKEY WHEEL?

Trevor warmly recalls working with Claire. "Claire *a/ways* pushed you to be better. Claire was an idealist and the pragmatist wrapped into one. She would back something and, if it failed, she would say, 'Let's sit down and work out what we're going to learn from this, so that we go forward and understand what we need to do differently next time to make sure it succeeds.' She was a risk taker and a pioneer and pushed everybody she worked with." As to be expected with Claire, "She wasn't satisfied with pat answers. On investment strategy, for instance, she wanted to push the envelope and mobilise capital for good. It was always a pleasure to deal with her. She pushed you to be to be at the forefront. And if you didn't have an answer today, well, how can we come up with an answer?"

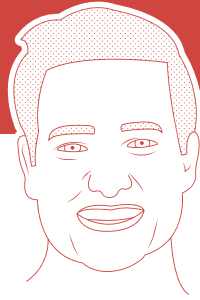
Of course, at donkey wheel, we believe in putting our money where our mouth is, and Trevor recognised that our initial investment helped get others involved. "Having a lump of capital that was available for good opportunities meant that we were able to get into conversations that brought other clients along to invest alongside in some early projects in that impact investment space."

WHAT DO YOU RECKON ETHINVEST WAS ABLE TO CONTRIBUTE TO THE DONKEY WHEEL ECOSYSTEM?

The relationship between donkey wheel and Ethinvest is clearly defined, but according to Trevor has gone beyond a simple contractual arrangement. "We contributed some expertise and some research capability. We put the investment framework around what was being done so that the portfolio that was constructed made sense financially, as well as in terms of impact. We brought market knowledge, awareness, and the capacities of research, and donkey wheel brought a passion for change and a desire to push. We were open to that and thought it was a good thing. That was different from some of the other investment people, who thought that was difficult and put it in the too hard basket."

Like many others, there has been an appreciation that with us, long-term connections rarely stay in a purely 'business' mode. "I've appreciated working closely with Paul over the years to release capital, as he needed it for the building, other donations, and to retain those core investment values intact throughout that process. I would say that it has been incredibly warm personal connections—from Claire onwards—all the way through, and a deep level of trust and respect. This involves a deep level of friendship that has evolved through the commercial relationships. We've had a keen sense of being fellow travellers, journeying together with shared visions and shared values and being excited about what each other are doing. That's been through thick and thin, too; through the good times and the tough times of investment markets crashing and other challenges. So that strong level of connection and personal friendship and relationship was important for me, personally, and as I represented Ethinvest."

ISAAC JEFFRIES



Isaac Jeffries works with entrepreneurs, helping them design strong business models to become financially sustainable.

HOW DID ISAAC GET STARTED IN THE DONKEY WHEEL ECOSYSTEM?

It seems almost trite to say it, but it was a case of 'When Isaac met Paul.' "In 2012," Isaac recalls, "two people uttered the same sentence to me: 'You've got to meet Paul Steele.'" The first was a co-worker from Business for Development, where Isaac was volunteering, and Paul was an advisor.

The second person was Isaac's father who was the CEO of CBM. "Dad met Paul over coffee and drops into the conversation that I've started work in the social impact industry. Paul said, 'Get him to see me.' I then met Paul at **Kinfolk Café** in October 2012 and it turned into a job interview. He said, 'I heard you're working with Business for Development. What do you think of their idea?' I told him what I thought, and Paul said, 'That's what I told them, too.'"

After **Bessi Graham** returned from the US and **TDi** was in its formative stages, she, Paul and Isaac also had a conversation. TDi was awaiting funding, and Isaac remembers not hearing anything for five months. "Then, out of nowhere, I get this call going, 'We're ready to have that chat with you. Can you come in and see us?'"

That marked Isaac's official entrance into the donkey wheel ecosystem.

TELL ME WHAT YOU WERE WORKING ON IN THOSE EARLY DAYS.

Isaac laughs. "I was there to do *anything*. For the first few months, I scraped and repainted the kitchen floor of **donkey wheel house**. I am very, *very* familiar with the building! It was not glamorous. Then I started to meet with anyone in Melbourne interested in social enterprise. Bessi had been featured in an article in *The Age* by **Michael Short** and, for the next six months, we had a stream of people who wanted to meet Bessi but, as a bit of a bait and switch, they had coffee with me at Kinfolk. Our job was to sort out who was out there in the social enterprise world? Who can we talk to? Who needs what we're doing?"

*Keep reading
about Kinfolk
Café on
page 44*

*Head to page
98 to find out
more about
Bessi Graham*

*TDi can be
found on
page 80*

*On page 32
you'll find
the donkey
wheel house*

*Find out more
about Michael
Short in Profiles
on page 224*

He explains further, “We had this shortlist of groups that we thought were going to be perfect for the first cohort of the TDi incubator program. Within three months, half of the entities on that list had either dropped out or gone bust. That’s not a bad representation of what the social enterprise industry was like in 2013.

“The incubator program was designed to be 12–24 months, working with groups who were already established or who could work at a fast pace with the view of getting them impact investment ready for a minimum of \$500k. That was the goal. The idea was that they would pay a smallish fee per annum. We would then have a philanthropist or funder who would then pay the rest.”

WHAT WAS THE BENEFIT FOR YOU OF BEING IN DONKEY WHEEL ECOSYSTEM THEN?

“I was a consultant who was sceptical of the consulting industry,” Isaac reflects. “I looked at some consulting firms, and—to be honest—I really didn’t rate their work. It’s not that they’re bad people. It’s just that the money spent didn’t often match the output. There’s often not skin in the game, not a genuine commitment. My opinion changed when I worked with the donkey wheel ecosystem. There were incredible minds who could completely change your business model in the space of one conversation or one workshop. After that, I remember thinking that my charge-out rate was too expensive, but Paul’s was too cheap!

“You’ve got these people in your ecosystem who are having these mind-blowing conversations that you do not get anywhere else. That was what drew a lot of people towards donkey wheel, its philosophy and its work. They were so far down the track with a lot of these concepts.”

WHAT WAS IT LIKE BEING EXPOSED TO BESSI, PAUL AND OTHERS IN THE ECOSYSTEM AT YOUR AGE?

“They all had war stories,” Isaac remembers. “They had these stories of the things that they’d built and done, and 22-year-old me is saying, ‘I’m not going to get war stories in front of a whiteboard.’ I needed to be involved in setting the direction of businesses, having things work, having things fail. That’s invaluable if you want to help others.

“I was in the apprenticeship phase of my career. The book that made most sense was *Mastery* by Robert Greene. His point was that anyone in history, who has done something incredible, they’ve started with an unremarkable 10-year apprenticeship where they just learned from the best. How could they study, observe, participate and learn from the best people? That’s what kept me around.

I got to travel with Paul, I got to spend so much time with Bessi and see how she operated, how she handled a really challenging time and how she got a superhuman amount of work done. I got to work through facilitation workshops with Col that have massively influenced how we run a lot of our programs at TDi. We got to pull into our programs **Bec Scott** and **Kate Barrelle** from **STREAT**, as well as Jarrod Briffa at **Kinfolk**—it was this amazing collection of people. I feel like I got to be part of something messy and beautiful from day zero. Which is very donkey wheel, isn’t it?”

Another donkey wheel concept is being able to thrive in liminal spaces, and Isaac was introduced to that concept via the ecosystem. “One of the things that was impressed on me early was the idea that ‘We’re going to get you more comfortable with uncertainty.’ That was one of donkey wheel’s core ideas, and it had a big influence on me: how do I get more comfortable with uncertainty?”

WHAT HAVE YOU ADDED TO THE DONKEY WHEEL ECOSYSTEM?

Isaac is modest about this question and can’t but help answer it in a way that reflects on the benefits he’s also had from the ecosystem. “There’s a quote I really like: ‘Stealing from one source is plagiarism. Stealing from many sources is research.’ The reason I can do that is because people don’t know who I’m ripping off. They don’t know the questions that I’ve had from Bessi, from Paul, or from Col. I get to be the archivist and keeper of a lot of those conversations and sessions that that would have otherwise been lost. That has helped me reframe a lot of my work with the donkey wheel philosophy. To use their language, how to keep that ‘different difference’. They’ve always had something unique.”

Keep reading about:

Bec,
page 56

Kate,
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STREAT,
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IMPACT INVESTOR— OUTWARD FOCUS (2012–2017)

*Check out
Impact
Investor—
Inward Focus
on page 68*

*Read about TDi
on page 80*

*Small Giants
can be found
in Profiles on
page 226*

*See Impact
Investing
Australia in
Profiles on
page 223*

*Read more about
Cherie Ong
on page 74*

*For TACSI head
to page 128*

*More on the
Myer Family
Office can be
found in Profiles
on page 225*

*Read about
Kylie Charlton
on page 107*

We had committed to **impact investing as a core strategy** in our support of difference makers. We also shared a vision with others for impact investing to become mainstream. At one level, we needed it to be mainstream so we had other willing impact investors to partner with us. However, we also believed that population level change was possible if even a small percentage of investment capital was redeployed into investible social change projects.

Paul had developed and implemented a plan for donkey wheel to be an impact investor. This gave him a platform of lived experience to advocate for others to do the same. During this season of our contribution, Paul found himself participating in a plethora of initiatives designed to promote the understanding and practice of impact investing. They included:

- Membership of the Australian Advisory Board to the G8 Social Impact Investment Taskforce.
- Advising the NSW Government following the success of their first two social bonds.
- Working closely with Daniel Madhavan and **Impact Investing Australia** (where he was CEO) to develop a supportive infrastructure for impact investing in Australia.
- Running a series of introductory workshops nationwide for Philanthropy Australia. donkey wheel partnered with **The Myer Family Office**, the program also offering an opportunity to work with other leading advocates like Daniel Madhavan and **Kylie Charlton** who would head up Ethinvest's new initiative called Australian Impact Investments.
- Hosting the trustees of The Myer Foundation and Sidney Myer Fund at donkey wheel house to hear about impact investing firsthand.
- Being invited by the Queensland Government to take part in a series of workshops to help them develop a whole of government approach to payment by outcomes and social bonds financing.
- Consulted with Social Finance Israel to help them develop a diabetes bond.
- donkey wheel and **The Difference Incubator** (TDi) worked with Criterion Australia to deliver their 2013 Annual Conference, using our experience to help mostly a not-for-profit audience (including both NGOs and government agencies) understand how to better use finance to further their mission.
- Participating in **Small Giants'** Impact Club.
- Establishing a strong working relationship with the UK Cabinet Office. donkey wheel has benefited significantly from the relationship through exposure to their nuanced facilitation of capacity building and payment by outcomes programs.
- donkey wheel was invited to the Minister for Foreign Affairs' Office and was engaged to assess the applicability of social enterprise and impact investing on the foreign aid budget.
- Through ex-donkey wheel associate **Cherie Ong**, Paul was engaged in a series of discussions with Invest Atlanta, an organisation charged with the revitalisation of the city.
- **The Australian Centre for Social Innovation** (TACSI) worked with Paul to review their activities with a particular focus on the investability of their programs.
- donkey wheel developed an ongoing relationship with senior executives from the National Australia Bank (NAB) following a visit to donkey wheel house and exposure to our work. NAB committed to reviewing their existing portfolio, looking for unintentional impact investments, and committed to creating some intentional new ones, including the Green Certified Renewable Energy Bond, and the development of the Impact Readiness Fund.



Scan to view
'Emerging
Markets
Investment
Fund'



Scan to
view 'Pacific
Readiness for
Investment
in Social
Enterprise'

- donkey wheel and TDi also contributed to reports and papers, including authoring *Impact Measurement: Exploring its Role in Impact Investment* with NAB.

While an emerging conversation in Australia, impact investing had earlier traction globally, notably in the US and the UK. However, the context was different here, and simply importing language and practices from overseas would have been foolish.

In the US for example, where a commercial lens on society is more common, government spending on health and education solutions was often described as an impact investment, whereas here in Australia similar projects were designated as technology investments. On the other hand, in the UK there was a more social bent towards impact investing, supported by significant infrastructure including funds, incubators and capacity builders.

When the impact investing discussion started to happen in Australia, one of the common examples cited was micro finance, which had enjoyed popular acclaim on the back of the **Grameen Bank's** work in Bangladesh. While we certainly have social and economic exclusion in Australia, we don't have the market at the so-called **bottom of the pyramid**. Conversations were had with Grameen Bank about what this new form of social finance might be for the Australian context, and the vision and plan for the Social Bank of Australia emerged but, at the time of writing, had not been realised.

Without government support and infrastructure enjoyed in the US and UK contexts, the emergence of impact investing was in the hands of visionaries who were prepared to bootstrap projects and hope that their efforts would create momentum and eventually a tipping point in the understanding and practice of social finance and impact investing in particular. Paul and **Bessi Graham** found themselves in the middle of this cohort. It was this exposure and experience that led to Paul and Bessi designing and advocating for the Investment Readiness Fund, initially an initiative of NAB to support the sector in funding the cost of getting investment into opportunities. This fund later became the Impact Investment Ready Growth Grant, funded by the Australian Government Department of Social Services as part of the Sector Readiness Fund. This provided capacity building grants of up to

\$100,000 to mission-driven for-profit and not-for-profit organisations, allowing them to secure investment capital to scale their social impact.

In December 2014, NAB (National Australia Bank) issued a green bond in the domestic market, raising AUD\$300 million, which was earmarked for financing a portfolio of renewable energy assets including wind farms and solar energy facilities in Victoria, South Australia, Tasmania, Western Australia, NSW and the ACT. Not only was this the first bank-issued bond to be certified in compliance with the Climate Bonds Standard, but it was also the first time an Australian issuer had brought a 'green bond' to the local market.

It was also during this time that impact investment was also being considered by the Department of Foreign Affairs and Trade (DFAT), with a particular focus on the Pacific and emerging markets. The work that donkey wheel and TDi started with DFAT continues today. TDi began working with South Pacific enterprises to help develop local economies. What became known as the YuMi Program won an award in the Shared Value Awards in 2018 as a notable example of government, private sector and not for profits working together to develop long-term sustainable solutions.

There's no 'one mould' for the work that we do with government and corporate partners to create shared value. YuMi started as an idea between **Carnival Australia**, TDi and DFAT. Carnival described their challenge of bringing local, meaningful, cultural experiences to their customers at ports around the Pacific. TDi, from their experience in the Pacific, observed the continual challenge for local Indigenous entrepreneurs. These entrepreneurs were locked out of the market by big international corporations who they were unable to meet, let alone access contracting regulations. DFAT were looking to 'prove out a new model' for delivering Aid and Development. They wanted to develop sustainable Indigenous businesses that could become a successful enterprise in their own right. These three challenges formed the basis of the question '*what needs to exist in the market to create a different outcome for all parties?*' We developed several responses to emerging contexts: **The Genesis Pacific Impact Fund**, **Fusion Foundation PNG**, **EMIF** (Emerging Markets Investment Fund) and **RISE** (Pacific Readiness for Investment in Social Enterprise).

Read more about
Grameen Bank
on page 223

Find 'Bottom
Of the Pyramid'
in the Glossary
on page 227

Keep reading
about Carnival
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Read more
about Bessi
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The Genesis
Pacific Impact
Fund and
the Fusion
Foundation PNG
can be found
on page 223

See EMIF on
page 222 and
RISE on
page 225

Head to the Profiles section on page 221 for McKinnon Family Trust, Small Giants, Rosemary Addis, Christopher Thorne

Read about Dan Madhavan on page 108

See Trevor Thomas on page 90

Find Ben Gales on page 106

See 'Blended Value', 'ESG' and 'The Business Model Canvas' in the Glossary on page 227

Skip to the next season of donkey wheel's contribution on page 110

Our role was to speak out in support of the opportunity and to encourage others to buy in. We had a particular focus on advocating for impact investing among the philanthropic community where, in our view, the appetite to break new ground and take more risks should have been higher. We invested a lot of time and energy to this end. The series of seminars we helped lead around Australia with Philanthropy Australia and The Myer Family reached two to three hundred people, but our experience was that while everyone wanted to talk about impact investing, few foundations put money in.

In those early days there was a small number who were investing, and we got to know them well. They included John and Sue (**McKinnon Family Trust**), Danny and Berry (**Small Giants**), as well as kindred spirits like **Dan** (Madhavan) and **Trevor** (Thomas). There were also other significant advocates including **Rosemary Addis**, **Christopher Thorne** and **Ben Gales** who collectively gave impact investing its choir.

As energetic and committed as this coalition of the willing were, and as frustrating as the slow uptake was, the marketplace for impact investing simply didn't exist, so those who needed proven systems and processes found it hard to participate. Many of the organisations that were interested in attracting investment funding were coming out of the NFP sector and found it hard to shift their mindsets from spending grant money to being stewards of other people's investment capital. Sometimes, the efforts to do so were clumsy, such as putting investment capital into channels that were designed for grant funding.



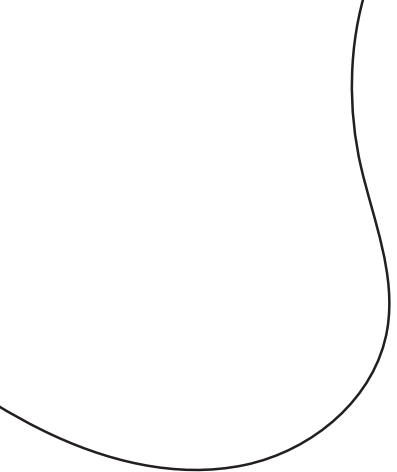
We have always been doers rather than theorists and so, under Bessi's leadership, supported by Paul and donkey wheel, the TDi team rolled up their sleeves and worked intensely to create a pipeline of investment ready **blended value** enterprises. Hundreds of start-ups received bespoke programs and coaching, which not only helped raise the commercial intelligence of social entrepreneurs but gave us extraordinary data and lived experience regarding the state of the sector in Australia.

The investment market has come a long way in 10 years. Driven by investors there is movement as fund managers are having to develop products that satisfy their clients requests whether through an **ESG**, Responsible or Impact framework. This groundswell of consumer demand is gradually moving impact investing into the mainstream and the infrastructure that was completely absent in 2012 is emerging.

Is there still work to do? Yes. As far as we've come, there is still a long way to go. On the one hand, we could be philosophical, noting that early adopters are rarely part of the scene when the bell curve gets into the mainstream. It has been a frustrating journey but, as Paul says, "It was so bloody obvious and so damn simple. Everything should have been an impact investment by now!"

The most formative dimensions of the donkey wheel **business model** in this season were:

- **BENEFICIARIES:** Other impact investors.
- **VALUE PROPOSITION:** Follow someone who is already doing it.
- **CUSTOMER RELATIONSHIPS:** More broadcast communications than has been typical for us. Lots of advocacy and campaigning.
- **KEY ACTIVITIES:** Walking the talk, storytelling.
- **KEY RESOURCES:** Integrity and practice.
- **KEY PARTNERS:** Other early adopters (impact investors), Philanthropy Australia, Australian Impact Investments, Impact Investing Australia, Australian Advisory Board to G8.



*"You cannot get through a single day without
having an impact on the world around you. What
you do makes a difference, and you have to decide
what kind of difference you want to make."*

—Jane Goodall

BESSI GRAHAM

Read about
Benefit Capital
on page 222

See TDi on
page 80

Find Claire on
page 50

For Two
Feet head to
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Bessi Graham is the CEO and co-founder of **Benefit Capital** and co-founder and past CEO of **The Difference Incubator (TDi)**. Bessi was also the architect of the first investment readiness fund for the impact investment space in Australia, now run by Impact Investment Australia (IIA) as the Growth Grant.

WHAT WAS BESSI TRYING TO DO?

Bessi Graham became involved with us through a meeting with **Claire** Brunner which led to the creation of Two Feet. “I met Claire at her place, and we went to a little café around the corner and had a chat where she ran me through donkey wheel’s vision, what they were trying to do, and Claire told me all these things that I could be part of at donkey wheel. Fantastic! Then she gets to the end of this long chat and says, ‘We just hired a CEO, and we should introduce you to him. If he likes you then you can help.’ That was different to what we’d been talking about.”

That new CEO was Paul, of course. “Although I knew many people who knew Paul, we’d never met. Just after Paul started, we met at Kinfolk. The main piece we talked about was what became the **Two Feet** program which, in turn, became TDi. donkey wheel wanted to get their heads around what support social entrepreneurs needed and how they could leverage that into donkey wheel house. Two Feet then became the way donkey wheel funded the first members of Hub, because they were part of Two Feet. The conversations that happened... well with Paul, all conversations lead to something bigger! The beginnings of these conversations were exciting because we were having conversations with people wanting to do something. Even though it was only six weeks in, Paul already had his fingerprints and influence over *everything*.

These conversations weren’t about doing a discrete, disconnected project. Everything, right from the beginning, was connecting into and leveraging off what was going on in that building and that vision. Right from that very first conversation what was clear was that under Paul’s leadership he was saying ‘How did the entirety of whatever donkey wheel was contributing to, how did it all connect and collectively have more impact beyond just funding?’”

Bessi learnt early on that with Paul at the helm, donkey wheel was determined to make a different difference. Words soon became action.

WHAT WAS GETTING IN THE WAY? WHAT GAIN DID BESSI NEED?

Bessi, like so many of us, desired to be part of a collective of like-hearted people. “The first book Paul got me to read was *Outliers* by Malcolm Gladwell. There’s this key idea deeply embedded in *Outliers*. ‘No one is a self-made man.’ That goes for any social innovation changemaker systems and broader change processes. No organisation, no philanthropist is self-made. You’re not claiming impact, you’re not even claiming outcomes or outputs as an *individual*—you’re going to have to play with the other kids to get things done.”

Part of what characterised donkey wheel was the absence of a cut-throat competitiveness that characterised some aspects of the philanthropic sector. We believe that there is enough funding for innovative ideas that are well presented. “Instead of having that scarcity mindset—the belief that there’s this limited pie and if someone else gets funded then I won’t get funded—donkey wheel’s mindset has always been to reject that scarcity approach and say, ‘We can do this part of that desired outcome but we’re going to need to partner with so-and-so to get the other part of that outcome done.’ That, in the ten years I have been interacting with donkey wheel, has been hammered in awfully hard by Paul as the approach that help sets it apart.”



WHAT DID DONKEY WHEEL PROVIDE?

Bessi realised that she had found a place in donkey wheel where she ‘fitted’. “I always felt I wasn’t a neat fit. I wasn’t a neat fit in not-for-profit land, I wasn’t a neat fit in government, and I wasn’t a neat fit in corporate. I saw good qualities in each, and I was always doing cross-sector collaboration where different sectors worked together on problems, but what was unique at donkey wheel was the ability to ask, ‘Who else is doing this? Well, let’s not recreate that.’ Even with those first conversations about what turned into TDi, if at any point we had found an organisation that we could just partner with or use their programs, then donkey wheel would have funded that rather than establish TDi. It didn’t *have* to be donkey wheel.”

Bessi suggests the ability to not push ahead with a new ‘product’ that someone else was providing is a sign of “a lack of ego, which I think is a big part of Paul’s influence. It’s the opposite to the way in which philanthropy usually operates. That piece was clear to me from our first interaction.”

With that lack of ego, donkey wheel offered Bessi a sense of freedom to experiment, to fail and to learn from failure. “If you go back to that appetite for ‘failure’, and a proper naming of what your job is, realise you don’t need to do everything. If the philanthropic sector more broadly adopted that approach and said to the organisations that they were granting to or investing in, ‘We’ll reward the honest articulation of “What are you good at?” and “Who could we partner with for other projects?”’ We could then say, ‘Let’s fund you to do what you’re good at’ but not put them in a position where they’re pretending to be capable of something that’s not actually in their skill set.”

WHAT DID BESSI PROVIDE?

Anyone who has spent time with Bessi knows that wherever she is, she adds immense value. That has been evident in her time of working in our ecosystem. Bessi has always been a crucial partner at donkey wheel, someone whose contribution is beyond words.

“With some aspects of partnership, there’s a humility needed that means you don’t need to know *all* the answers. I always saw my job as needing to intellectually engage with the system-level stuff: where are the gaps, what do we need to do, what’s missing and how do we fill that gap? I didn’t have to personally fill all the gaps or have all the answers. My job was to intellectually understand that—to see the patterns, to see what was missing, and then find who had the skills to fill that, or who we could partner with or who we needed to hire? Across the board for philanthropy and the charitable sector, that’s a lesson that people must learn. Paul and I did a forum on this from a TDi perspective, called ‘Failing to name the real problem’ and we talked about the fact that people always say that the ‘biggest problem in the social enterprise sector is the lack of access to capital.’ We kept saying, ‘No, it’s really not—the biggest problem is a mindset issue.’”

HOW DID THIS CREATE VALUE? HOW DID DONKEY WHEEL HELP?

“The donkey wheel motto sounds a bit clichéd or possibly a bit silly when you first hear it, but I have found that it is the most useful framing, and it is lived out in the way that donkey wheel operates. Having that consciousness of asking, ‘How do we help people think different, so that they can act different and ultimately make a different difference.’ That piece is not just a stupid, oh, ‘how do we say different as many times as possible in the name?’ You can formulate a theory of change around that in the way that things are thought about, designed and run from a donkey wheel perspective.”

10 PRACTICES

to Support Good Governance that you Probably Haven't Thought About

There are few professional roles more coveted and yet more poorly understood and executed than board membership.

Board roles are sought after as they are perceived, from within a traditional hierarchical view of organisations, as the pinnacle of the pyramid. What professional with an ounce of ambition doesn't attribute some status to being atop of the pyramid?

But board roles are poorly understood because, notwithstanding the excellent training courses available, the governance mindset is different from the operational one in which most have spent their careers. Because of the unhelpful perception of a board's status, most new directors presume a governance role is a step up from a senior management position, rather than a distinct parallel and specialised corporate function. It follows that if the role of a board member is misunderstood, poor execution follows.

Governance boards are strange beasts. There is the weird conflation of ultimate responsibility without operational responsibility. There are few instances in society where the buck stops with us but the actual activity for which we are accountable is done by an agent. It is this weirdness that precipitates the common dysfunction of governance boards, where directors know no other way than to offer operational advice, rather than do the strange governance dance with the CEO to balance board aspirations and CEO (and organisational) capacity.

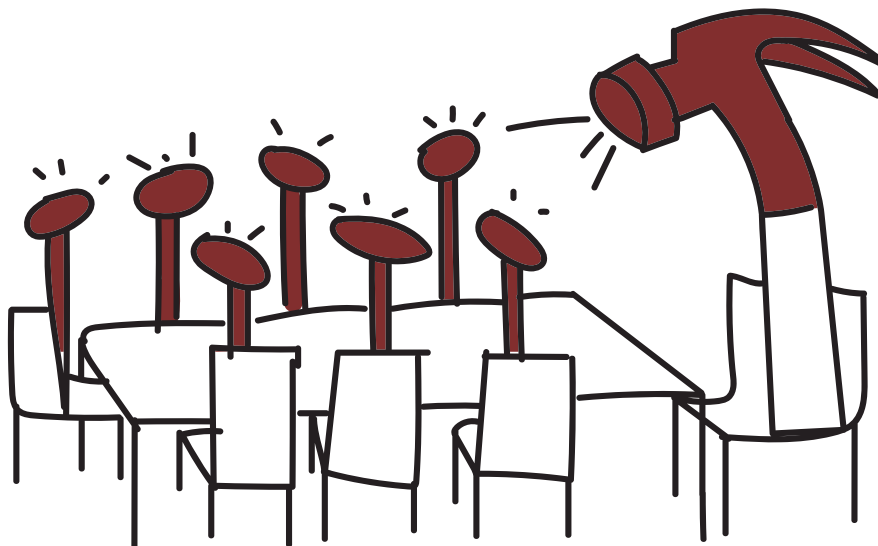
There is one other familiar forum where this strange dance happens: professional sport. The coach is held accountable yet doesn't play. The role of the coach is not to broadcast their perspective on how to play well, but to get the best from the team, inspiring them to play better than they otherwise would. It is also the role of the coach to manage some of the contextual responsibilities

so the players can focus on what they do best. The analogy will break down if we push it too far, but think about the coach as the chair, the board as the coaching staff, the CEO as the captain and the staff team as the playing group. The reason the relationship between the chair and the CEO is critical, is similar to the reason the relationship between the coach and the captain is critical. The captain is immersed in the game and in their role as captain, rallying the team to play as per the team's strategy. It is the captain's lived experience of the game that informs the strategy.

So, what then is good governance? How do boards look after the outward facing contextual responsibilities and relate to the CEO and their team in ways that help them perform better than they otherwise would? Many general principles exist to guide good governance. However, each organisation operates within an environment with its own idiosyncrasies and characteristics, requiring particular ways of thinking and acting from its directors. If we return to the sporting analogy, teams need different styles of coaching depending on the stage in their development and the dynamics within the playing group. Similarly, an organisation needs a board that will meet the needs of the where they are at and the specifics of their circumstances. The evolution and agility of an organisation needs to be mirrored by its board.

ENTREPRENEURIAL ORGANISATIONS

From the perspective of entrepreneurial organisations that want to create impact at the systems level (which is where a lot of our governance experience comes from) products, services and indeed the organisation itself, are simply a means to a broader goal. This differs substantially from most other organisations, where sustainability and growth (i.e. self-preservation and increased market power) are—in practice, if not rhetoric—the main game.



There is a particular kind of leader driving these organisations. They are always looking beyond the *immediate* to the broader context; always reaching out to others who are seeking similar broad outcomes to explore collaborative possibilities, always discerning gaps in the system and scheming how to fill them, always exploring new ideas and easily letting ideas go if they don't get traction—because it is never about the idea, product or service *per se*, but its capacity to affect a particular social or environmental outcome (see **Field Catalyst**).

While we think the practices below are generally applicable, the ideas have formed mostly in the context of entrepreneurial organisations. That is where our lived experience is, so we note that as a disclaimer.

BEYOND THE STANDARD ANSWERS ABOUT GOOD GOVERNANCE

So, what is good governance? The standard answers can be found in many board charters, handbooks or course outlines. These won't be reiterated here other than to say they will typically include references to strategy, risk and compliance. But despite the axiomatic acceptance of these as the standard answer to what good governance looks like, our experience is that 'ticking these boxes' rarely produces good governance.

There are a couple of common indicators that a board is not functioning at its best.

Firstly, high achieving entrepreneurs think fast and run hard. It is extremely difficult for boards to keep up, so board meetings often become a forum where the CEO keeps the board updated, and it is the nature of the dynamics that boards essentially end up deferring to the perspectives of management. This is not a bad thing *per se* as management—and CEOs particularly—are more immersed in the crucial issues. Boards

will naturally feel good about their association with progressive initiatives, but for boards to add value at times when management needs board intelligence to shine, board meetings will be characterised by robust debate in an environment of high trust. When a board is not functioning at its best, a CEO will rarely be stretched or challenged by this robust debate.

Secondly, boards become, for all intents and purposes, the top level of sign-off for operational activity. The symptoms of this are board papers that report activity and 'sell' management's perspectives and recommendations to the board. These papers can take a huge amount of management time and energy. Discussion often looks and feels like directors engaging topics from their own perspectives, sometimes in the best interests of the organisation, but sometimes not so much. A 'good' board meeting in this scenario, from management's perspective, is getting things signed off so they can get on with their plans with the comfort of board endorsement. From the board perspective, directors feel good about the meeting if they have added some intelligence from their professional competence or experience. So how then do we know *if* a board is adding value? If our analogy with professional sport holds, then it follows that the test of whether a board is adding value is whether the organisation is performing better as a result of the board's contribution. Simple.

Of course, what is *not* so simple is the question of attribution. How do we know the difference between the lived reality and a hypothetical control reality without any board contribution? There is a plethora of board effectiveness tools, but our hunch is that the most reliable data point is the perspective of the CEO (assuming competence and good relationships). It is the CEO that has the best sense of the net value of the board.

Find Field Catalyst on page 144

LIGHT TOUCH AS STRENGTH

It's provocative to say so, but we wonder whether most of the time, the appropriate board role is to do and say as little as possible beyond the required regulatory and procedures. A board's contribution becomes more important in times of uncertainty, change or challenge, when the CEO has a genuine need for advice and extra intelligence. When boards don't appreciate this, every board meeting becomes an opportunity for board members to contribute or question. Often this kind of 'encouraged' behaviour drains the energy and resources of the CEO rather than adding value.

Many boards succumb to the need to be seen to be doing governance, and directors feel the need to be seen to be asking hard questions. This especially happens when things are going well. The director can feel the need to highlight potential issues or find issues for the management team to work on. Sometimes this can lead to looking at important but not urgent issues, but all too often it creates 'busy work' for the management team that distracts them from getting necessary work done.

So, if the real test of board effectiveness is that the organisation performs better, what are the practices and attitudes that support this?

10 FOUNDATIONAL PRACTICES TO HELP BOARDS ADD VALUE

Of the 10 practices below, most are generally applicable, with two highlighted (noted with asterisks*) as specifically relevant for entrepreneurial organisations. Overlayed on each of these is the discernment to know when to speak or introduce a line of discussion, and when to keep quiet. In other words, these practices assume a board member's ability to use discretion. Two common scenarios when this discretion is not used are:

- When a board member sees an opportunity to demonstrate professional intelligence by a comment or question, without considering whether the contribution is about helping the organisation perform better in the broad scheme of things (rather than simply help them feel good about their contribution).
- When the organisation is humming along with 'regular' opportunities and challenges that management is on top of, in which case there is genuinely nothing of real value for the board to discuss. However, the board, out of responsible duty 'fills up its meeting' with interesting discussion that has no bearing on organisational performance. The board might feel good, but it is a waste of time.

The ten foundational practices are:

1. MEANINGFUL SUPPORT FOR THE ENTREPRENEURIAL CEO

A primary function of the board is to have the back of their CEO. This is especially so when the organisation has emerged from the entrepreneur CEO's vision and mission, with the entity essentially a platform for their contribution. (This is less so the case when the founder has moved on, because the organisation develops a life of its own independent of the founder CEO.)

There are a few things that affect the morale of an entrepreneurial CEO more than the sense that their board mistrusts them. This dynamic is subtly but profoundly different for a CEO who has 'inherited' the mission of an organisation.

Founders naturally have their DNA all over their organisations. The organisations are formed as an expression of their values. For founder CEOs, a board's perspectives on the organisation's values, strategy and direction are—understandably—taken personally.

Ultimately, it is the board that is accountable for the organisation. Good governance dictates this, and it is a sound mechanism. However, there is an embedded ownership of an organisation for founder-entrepreneur CEOs, and boards need to recognise this as a valid human dynamic rather than pretend otherwise alongside the dogma of a CEO's accountability to their board.

Of course, the board's job is to sense-check and risk-check the CEO's leadership, but effective governance also understands the unique contribution of a founder CEO and supports them in developing the platform to accommodate their evolving contribution.

2. TURN UP AND BE PREPARED

Entrepreneurial organisations are frequently (private sector) not-for-profits, and so the board directors are typically volunteers. However, remunerated or not, it is a fundamental responsibility for directors to commit the time to turn up prepared, by having digested the papers and understood the current key challenges and opportunities.

Assuming it is a time when the organisation needs board input, some of the most constructive board meeting discussions occur following appropriate offline conversations, whether in subcommittees or otherwise. The principle here is that directors arrive at the meeting having properly digested the papers, so they are clear about the key issues and have distinguished the difference between important, urgent and less consequential matters. Taking the initiative to get across the main issues before the meeting helps keep the meeting's discussion focused.

Some directors pride themselves at thinking on their feet, which can be a proxy for 'I don't need to read the papers in detail.' Failing to do so is a sure way to hinder effective and focused discussion.



3. USE PROFESSIONAL INTELLIGENCES AS A LENS

While skills matrices have limited value in ensuring constructive discussion, it remains useful to ensure specific intelligences are heard. These include but are certainly not limited to financial, marketing, strategy, legal, etc.

Boards should include intelligences that complement those of management so that fresh perspectives and value are added. There is no formula to determine which intelligences need to be represented, but boards without the intelligences that are central to the formation and execution of strategy will struggle to make good decisions. (See **A New Board Framework**)

A New Board Framework can be found on page 172

4. EXPRESS HUNCHES BASED ON DOMAIN KNOWLEDGE

One of the wisest pieces of advice we have heard about director competency was this: "Think about one of the trickiest strategic challenges the organisation might face. You want a director who can add value to a discussion about how to respond to this issue."

The kind of intelligences that add value in an entrepreneurial organisation will include multidisciplinary or generalist ones. The experience and nous to have 'trustworthy hunches' about what might work, or about when things don't feel exactly right, are nuggets of gold for organisations pressing into the unknown.

It is difficult to share hunches on a board. Hunches don't have a good evidence base; if they did, they wouldn't be hunches! Sometimes hunches say more about the hunch-er and what they are experiencing, rather than the issue. Nonetheless, effective boards will give permission to directors to express hunches in a safe environment where the board is sufficiently mature to appreciate the difference between a hunch and an opinion with more empirical data. The domain knowledge of directors is one of the factors that separates trustworthy hunches from unhelpful emotional responses.

5. APPLY RISK INTELLIGENCE AND SCENARIO THINKING

One of the most significant contributions a director can make is to be alert to risks and to add value to the discussion about risks and how to mitigate them. It is a primary function of the board to monitor and manage risks. But even with a sophisticated risk matrix and register, directors who add value to the discussion have a good intuitive sense of how to navigate the tension between risk and reward. The relative risk appetite and domain knowledge of the board combine to significantly affect the relationship between the board and CEO.

| | BOARD RISK APPETITE LOWER THAN CEO | BOARD RISK APPETITE HIGHER THAN CEO |
|-------------------------------------|---|--|
| DOMAIN KNOWLEDGE RELATIVELY HIGH | Robust debate/healthy | Probably looking for a new CEO |
| DOMAIN KNOWLEDGE RELATIVELY LOW | Rubber stamp after discussion, with directors sometimes feeling powerless | Toothless board |

Entrepreneurial CEOs typically have a very high-risk appetite. A board can add value, not necessarily by reeling in that risk appetite, but by articulating scenarios that may not be on the radar of optimistic entrepreneurs. Anticipating contextual and organisational scenarios needs to be foundational board work.

6. GET COMFORTABLE WITH EMERGENCE AND NON-LINEAR STRATEGY

The nature of systems change is that it is non-linear. The path toward the desired outcome is never in a predictable line and, therefore, the organisation experiments its way forward. Ideas and initiatives are discarded as quickly as they are raised.

The board will rightly monitor the way the organisation is using its resources and should ask questions about the optimisation of those resources. The entrepreneur, however, often moves towards a solution that is not set, and boards should allow the CEO the freedom to have many balls in the air at once.

The board should also encourage the CEO to refine, and hold consistently, a narrative that ensures clarity and cohesion for both internal and external stakeholders.

7. THINK OF THE BOARD AS A HEALTHY TEAM

Like any group of people who work together, a board is a team. And a team is a mini society. The effectiveness and health of the board is dependent on the emotional intelligence of the directors; that is, the directors need to have an ability to read and manage both their own emotions and those of other directors. Alongside emotional intelligence, fundamental human characteristics like respect, kindness and humility are the foundation of healthy boards.

Importantly, the values central to the organisation's mission should be expressed, modelled and promoted by the board.

8. EXERCISE HEALTHY SKEPTICISM

All participants in a board meeting, in particular the CEO, need to believe that divergent views and alternative thinking will lead to better outcomes. This is rarely the case. Instead, board meetings can be a competition of ideas that have been formed *before* the discussion. In short, debate is good. More than that, a board without healthy debate will suffer from group think which more likely than not will reflect the perspectives of the CEO.

The trigger for good debate is healthy skepticism. For boards to become proficient at debate, directors need to be comfortable with offering perspectives they do not necessarily hold personally. If not, debate is personal. Boards can be much more confident in their decision-making processes if there is a sense that a variety of options have been explored, even when it appears there is only one obvious response.

The foundation that facilitates healthy debate is trust. Without trust, debate can have the reverse effect and drive divisions within the board. It is therefore imperative that boards invest time and energy into building relational and professional trust.

9. BE A COLLECTIVE LISTENER, ENGAGE IN GENUINE DIALOGUE AND EXERCISE JUDGEMENT

Directors of effective boards will be good listeners. They will suspend judgement when new ideas emerge, rather than assess them through existing beliefs. Constructive listening will interrogate an idea or thesis to understand it fully before presuming to respond. Collective listening is the ability to discern the trajectory of the mood and content of conversation as a whole rather than just the collection of the individual parts. The 'partner skill' to collective listening is the authentic exchange of ideas—dialogue.

An important learning of the board is that the 'wisest person in the room, is the room'. So, ensuring a diverse, capable and emotionally intelligent group of people is an important role of the board's work. We also need good decision-making processes to ensure we are not solely rubber stamping management recommendations, nor are we simply allowing the loudest voice to dominate the decision-making process.

Effective boards do not depend solely on frameworks to make their decisions. Policies and tools such as risk matrices offer significant input into a board's decision-making process, but ultimately the directors and the board collectively need to exercise judgement. The director's job is to listen deeply, understand, ask questions and make decisions. Directors need to have the courage to make decisions as if it were completely up to them. Make the call. Exercise judgement.

10. HOLD THE CHAIR ACCOUNTABLE FOR BOARD PERFORMANCE

The chair is largely responsible for the culture and effectiveness of the board. Managing time, distilling the important versus the non-consequential, summarising, facilitating a decision from a discussion are all important skills for the chair to possess.





THREE SISTAS

Every organisation has stories that are painful. Sometimes they can be destructive, but they can also prove to be at least educational when they are reflected upon. Three Sistas falls into that category for donkey wheel and our partners. While there are lessons from the experience, Paul points out there was probably not a lot that would have been done differently, as we were victims of fraudulent and criminal behaviour. "We know that you need deep and significant relationships of trust in order to get anything done. And so, we build on that. However, when you're seeking to build that with people who are fraudulent, it is hard to tell the difference between someone's passionate authenticity and fraud."

In 2013/14, Ethical Property Australia (EPA) began working with Three Sistas in Cairns to build a new facility to accommodate Indigenous people visiting from Cape York for health care. Without options for affordable accommodation, people with much-needed health care would be discouraged from seeking it. EPA, through the Ethical Property Three Sista's Fund (TSF), sought to raise over \$2.5 million to develop an apartment building which would provide temporary accommodation. Three Sistas, at the time, also provided transitory and crisis accommodation for socially disadvantaged families, and displaced and homeless people in Cairns.

From a governance perspective, Three Sistas seemed a good fit for the donkey wheel ecosystem. It was a Certified B Corporation, a leading indicator in terms of governance. **TDi**, with donkey wheel's support, put together a team of investors to help fund the Three Sistas project. Upon doing their due diligence on the ongoing viability of the project, TDi and donkey wheel soon realised that the project was not sustainable and pulled out. At this time, there were no solid indications that anything was being done in an illegal or an unethical manner. Seemingly minor irregularities occurred in the running of Three Sistas, which had been loaned some money from donkey wheel post the closure of our commitment to the project. Paul reflects that he "felt good about the fact that we pulled out of the medical transfer accommodation at a very early point and, to be fair, it was more about the project not working rather than saying these people won't work."

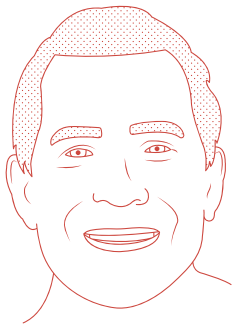
Unknown to us at the time was that egregious fraud was taking place, which subsequently led to criminal convictions (see side note).

Despite a difficult situation, we have not shied away from trust-based partnerships and investments. The team, Paul suggests, has learned that despite the best due diligence being performed, people who set out to defraud can usually cover their tracks well. "The thing we've learned," says Paul, reflecting, "is probably to escalate processes when the little things happen consistently. You need to tighten up the accountability and transparency. I don't think it would fix the problem. It would just mean we would fail quicker."

*See TDi on
page 80*



*Scan for QLD
Gov Article*



BEN GALES

Ben Gales is Chief Strategy Officer at the Paul Ramsay Foundation, and prior to that has worked as ED at the NSW Treasury, and as the CEO of Social Enterprise Finance Australia (SEFA).

HOW DID YOU FIRST GET CONNECTED INTO THE DONKEY WHEEL ECOSYSTEM?

"It would be through SEFA, when I took on the CEO role in 2013," Ben begins. "Whilst SEFA is Sydney based, it has a national mandate and, at the time, we were very focused on social finance loans. Through SEFA, I would come to Melbourne quite a bit. One of the key players and hubs was **donkey wheel house**, with Paul and **Bessi Graham**. I would probably be in Melbourne at least once a month, if not more. I could guarantee that on every single one of my trips I'd be meeting people or grabbing a coffee at **Kinfolk**, or **School of Life**, or be seeing **Bec Scott** or **Brad Krauskopf**." Ben becomes almost wistful. "There was this whole beautiful ecosystem of organisations around donkey wheel house. It was just an absolute delight, to compare notes to learn to see what was going on, get people's advice and insights from this phenomenal community asset and network. One that, as you sat in Sydney, you were hugely jealous of."

WHAT WERE YOU HOPING TO ACHIEVE WORKING ALONGSIDE DONKEY WHEEL?

"So, there were a few things in terms of what SEFA was trying to do. Our objective is to support social sector organisations, social enterprises but also to support the wider ecosystem, and understand the ecosystem," Ben explains. "Whilst donkey wheel house is a building, it's a collective of individuals who get together, and you've got some—I've already named some of them—phenomenally smart individuals there. We were comparing notes on what was going on in the market, what was needed, some of the key challenges for organisations on how to approach things, how to structure deals, how to partner with philanthropy. There was just a phenomenal amount of learnings."

For Ben and SEFA, it wasn't a transactional relationship. "Were there any direct deals that we did as a result? I'm not sure there were. So, in terms of what I and what SEFA got out of it, it was more around the wealth of knowledge in that building. Just phenomenal. There were an unbelievable number of quality people around donkey wheel house. The learnings were incredible. There were flow-on effects from those learnings into a whole bunch of investments we did in the Melbourne ecosystem."

CAN YOU GO INTO A BIT MORE DETAIL ABOUT SOME OF THOSE LEARNINGS FOR SEFA?

"I always thought Bessi and Paul were phenomenal people to be around," Ben says, fondly. "They had insights into how you implement the structure of a social enterprise, the financing structure of the enterprise, there's the governance of an enterprise. Across each of those, there was an absolute wealth of experience. We did some co-investments with Paul and Bessi, but not in those organisations that were in donkey wheel house. It wasn't just osmosis, there's some concrete lessons that we learnt. I wouldn't directly attribute this all to Paul, but I think about how **STREAT** was structured. There are so many lessons in terms of how you structure something to isolate the risk, how you do a capital stack, how you partner with a philanthropist, and philanthropic organisations."

This connection into the donkey wheel ecosystem had some direct influence on the work SEFA did. "But then I think about some of our transactions, like Tender Funerals, where we partnered with the Vincent Fairfax Family Foundation. Absolutely, there were lessons that I got from Paul and from the people in the donkey wheel house ecosystem. None of us wanted to reinvent the wheel. There's that phrase, 'standing on the shoulders of giants'—you want to learn from other people who have done this before. I would squarely put Paul and that whole crowd of people, as phenomenal entrepreneurs that you want to learn from, and it was great—is great."

The ripples from this connection keep flowing out. "I now work at Paul Ramsay Foundation. I look at the building that the Foundation has established in Yirranma Place here in Sydney. There are echoes of donkey wheel house in terms of trying to create a social sector community asset. So, interesting parallels."

WHAT DO YOU THINK YOU CONTRIBUTED INTO THAT ECOSYSTEM?

Like so many others, Ben is modest about his contribution. "I've no idea. I'm sure at times, we must have supported events and spoken there. I got a lot out of it. I came and bothered them a lot. Paul and I would chat and, maybe, there's some shared learnings. I was certainly there enough. I hope I've contributed something rather than just being the guy who comes and gets a coffee!"

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Bessi Graham, page 98

Kinfolk, page 113

School of Life, page 62

Bec Scott, page 56

Brad Krauskopf, page 52

STREAT, page 60



Kylie is the Managing Director at **Australian Impact Investments**.

HOW DID YOU FIRST ENCOUNTER THE DONKEY WHEEL ECOSYSTEM?

Kylie has had both an informal and a formal connection with us for quite some time. “I came back to Australia in 2009, and have interacted with donkey wheel since 2014 when I joined Australian Impact Investments. That’s the more formal connection, of course, but I was aware of their work beforehand, simply because 10–15 years ago we were at the beginning of making that impact investment ecosystem when most people in that sector knew each other, which is still largely the case today.”

WHAT WAS THE IMPACT INVESTING SCENARIO LIKE IN THOSE EARLY DAYS?

Like **Trevor Thomas**, Kylie was a significant person in our progress as a fully-fledged impact investor back in the era when impact investing was emerging on to the scene in Australia. “My primary involvement with donkey wheel has been around how they progress their impact investing portfolio.” Of course, that progress looks different now to what it did a decade ago, as does our role in promoting impact investment. “When you think back over that period, the opportunity and the level of sophistication in the impact investment industry in Australia were a lot less than what is today. So, donkey wheel has really been part of the development of the sector as one of those early champions who are willing to go *first* to establish proof of concept and demonstrate that financial return and impact could be simultaneously achieved.”

WHAT WERE THE CHALLENGES?

“In the early days,” Kylie remembers, “the key challenges from an investment perspective were that donkey wheel had certain financial objectives and requirements. Identifying opportunities and constructing a portfolio to meet these objectives alongside their impact goals was challenging—not only from the perspective of what your opportunities were available in the market at the time, but also those which provided them the characteristics that they needed to achieve all their objectives, whether that be around liquidity or yield on investments, impact priorities, etc.” Of course, investment liquidity was limited after the **Brunners** purchased donkey wheel house. “They made decisions which cut off various opportunities and made the challenge harder because a sizeable portion of money was

dedicated to donkey wheel house. So, in some ways that decision to invest so much capital there took away optionality on your other investments. donkey wheel house enabled that safe space for them to create the hub, a safe space to bring different organisations together which were like minded, but it did limit their investment opportunities, because they needed to still be able to make grants, and they needed liquidity to both make grants and meet operating expenses.”

WHAT WERE THE BENEFITS OF BEING IN THE DONKEY WHEEL ECOSYSTEM?

For Kylie, there were both personal and professional uplifts to working alongside us. “As an organisation, donkey wheel was one of the first to publicly declare an impact investment strategy,” she recalls. “That was positive in terms of holding themselves accountable for what they were doing with their investment portfolio which was incredibly positive for the sector. It was also positive for Australian Impact Investments and Ethinvest—and for me personally—to be able to work with someone who was influencing where they thought the impact investment sector was moving. It was really valuable to be able to point to the example of donkey wheel to help drive the conversation about how foundations can align all their resources, particularly their capital resources, with the purpose and values of the organisation.”

Being at the forefront of impact investing in Australia is not something that Kylie undervalues. “donkey wheel put their money where their mouth was. They followed their vision. Reflecting on that, they were influential in terms of those early conversations about how foundations align with their resources. For me, personally, it was important to be connected to strong strategic thinkers, and a group which was heavily focused, aligned and passionate about what they were doing. That is always an exciting group of people to work with.”

WHAT DO YOU THINK YOU ADDED INTO THE DONKEY WHEEL ECOSYSTEM?

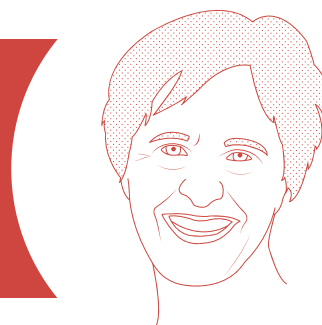
“We added a level of discipline to their investment process and practice,” Kylie reflects. “You need to balance passion and enthusiasm with discipline. I particularly feel that about the role of Australian Impact Investments, which managed the pipeline for donkey wheel on the impact side, embedded this discipline, keeping them cognizant of the fact that decisions made today have a domino effect on the decisions that you make in the future.”

Read about Australian Impact Investment in Profiles on page 221

Trevor Thomas can be found on page 90

Keep reading about the Brunner Family on page 12

KYLIE CHARLTON



See IIG in
Profiles on page
224 and YGAP
on page 226

Find Bessi
Graham on
page 98

Rosemary
(Addis), Impact
Investing
Australia, the
Australian
Advisory Board,
the Impact
investment
Readiness fund
and NAB are all
listed in Profiles
on page 221

Check out TDi
on page 80

Dan Madhavan is co-founder and Director at Ecotone Partners, where they believe capital has a significant positive role to play in shaping the future for people and the planet. Ecotone strives to be a trusted partner for others that share this vision

Dan is passionately curious about how business and finance can be utilised as tools for building a sustainable and equitable future. Before Ecotone Partners, Dan was CEO of **Impact Investment Group** (IIG), one of Australia's largest impact fund managers, he also has been the chair at **YGAP**.

HOW WERE YOU FIRST CONNECTED TO DONKEY WHEEL?

Initially, as Dan remembers, there was a “false start” to connecting with us in mid-2014. He was emerging from his “corporate life” and sent through to donkey wheel an “unsolicited random email” that went unanswered. “To be fair,” he says, grinning, “I didn’t give them a lot of space between that email and when I *did* get connected to Paul and **Bessi Graham**. I had started doing some work with **Rosemary** at **Impact Investing Australia**. Paul and I connected because he was on the **Australian Advisory Board**, and one of the initiatives we were trying to start up was the **Impact Investment Ready Growth Grants Program**. **TDi** were involved from the beginning with **NAB** in designing that program, so I met them both in a short space of time.”

HOW HAS THE RELATIONSHIP PROGRESSED?

Dan measures the relationship both relationally and spatially. “There’s a ‘place’ dimension to all of this—donkey wheel house—and there’s also a relational dimension. There’s stuff that doesn’t necessarily happen in the building but has happened *because* of the people in that building. From a relationship perspective, we’ve bumped into each other on a regular basis. I’m pleased to say, and this goes both ways, I’ve used donkey wheel as a sounding board. I like to think there has been instances where they’ve used me in the same way, which is nice. From a relational perspective, our work has meant that we’ve often collaborated.”

The relationship also has a mentoring aspect to it. “There’s been times where I’ve been working on projects, and I’d be interested to get Paul or Bessi’s perspective.” Space at donkey wheel house has been an important part of this, but it’s more than just a familiar place for Dan. “The people at donkey wheel have deliberately provided a physical space for those conversations. And, at the same time, created the space to explore ideas, and challenge each other. It is really a safe space to hold those conversations. The building and the physical space have both challenges and limitations. It’s really important, though. There is something about ‘place’ that we all relate to. If you think about your most treasured memories, they have an element of place attached.”

DAN MADHAVAN



WHAT ARE SOME OF THE OBSTACLES YOU'VE WORKED TO OVERCOME WITH DONKEY WHEEL?

Dan highlights the fact that for most of the time that he's been connected to us, he's felt like he's been working "on the frontier." This has been the key challenge that we've helped him overcome. It can be lonely work, and donkey wheel's presence has brought him into conversations with others also working on the frontiers. "That's exciting work, but it's complex. There's no path to follow. You can get stuck sometimes, and that is not something you can move on your own. So, donkey wheel has given me the opportunity to put my 'stuckness' in the middle of conversations. That can sometimes be on a technical level, but often it's been on a philosophical or a conceptual level. A notable example in the early days was, 'Can you do good and make money?' There's been both a physical space and a safe space to have those conversations."

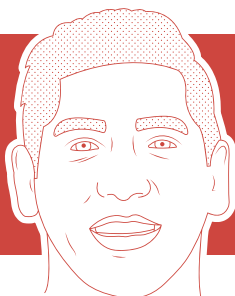
What we provided Dan with, in part, is to be a 'companion' on the way, and an opportunity to be part of a community of like-minded people who are on that journey and, at times, take part in rigorous conversations. "We've been able to traverse uncharted territory for the last decade, with other people who are also trying to figure it out. It's been valuable; donkey wheel has facilitated a community of people trying to figure out a different way of doing things. It's not about agreeing on everything. I've had plenty of 'robust discussions' with Paul and Bessie. Those conversations are really helpful."

WHAT ARE THE BENEFITS OF WORKING WITH DONKEY WHEEL?

"The easy answer for me is personal growth," says Dan. "While that is an easy answer, it's not an easy answer to live out. It's the most obvious answer for me, though, particularly in a work context—in terms of what we choose to get up and do every day, with this limited time we have on this big rock." He adds, "What donkey wheel has helped with my personal growth is by developing a community of people having similar conversations."

HOW HAVE YOU BENEFITTED THE DONKEY WHEEL ECOSYSTEM?

Dan has contributed an extremely important aspect to the donkey wheel ecosystem: himself. "Each of us brings a couple of elements. We bring our own experiences, our own thoughts, and ideas. That is a contribution in and of itself because they are *yours*, and they are different from anyone else's. If you can bring that with respect and with authenticity, you move the whole conversation forward with your contribution. That would be the first thing." Dan pauses before adding. "The second thing is you bring your own relationships into that space. You are connected to a whole bunch of people who may not otherwise be directly connected. I know someone that you could talk to, for example, and we add those networks of relationships to the community, which becomes more networked and robust. That's definitely something."



COACH & MENTOR

(2013–2017)

The Business Model Canvas is explained in the Glossary on page 227

For 'the process' see image over page (111)

Stephen Said is introduced in profiles on page 226

Find Good Systems on page 42

Read more about TDi on page 80

Impact Investor—Outward Focus can be found on page 94

See 'Chockie' in the Glossary on page 227

Everything starts with a conversation. Not empty talk, but a conversation; an exchange of heart and mind, a connection that leaves all parties richer for the experience. Real conversations don't happen in an echo chamber, they feed off a context and environment that challenges and infuses hope, that seed an idea. Or not. Sometimes they go nowhere!

In 2015 we attempted to map out the **process** that made sense of the ecosystem we had cultivated. It started with conversations. Exploratory, ad hoc, curious. Yet the very first step of the process had conversations at its core—bringing people together, working on the business model, raising capital, finding spaces for people to work from, difference making and telling stories. Everything had conversations at the centre, to the point that at the time we described the donkey wheel method as 'Conversations'.

With everything else that was going on in this period, there was one kind of conversation that was central in all our efforts to support change makers. Our experience across commercial, not-for-profit, and government sectors combined with Paul's own journey as an entrepreneur and investor, got bundled into a particular brand of problem solving, meaning that his main role was as coach and mentor. Often when asked what he did Paul would respond, "I do coffee, really well." That conversation over coffee was often the most valuable thing he could do for someone struggling to work out the next step in their journey.

Our partnership with **The Difference Incubator** (TDi) meant that there was a constant flow of business founders and organisational leaders wrestling with organisation and leadership issues. Beyond the walls of donkey wheel house, Paul's connections started to have global reach (see **Impact Investor—Outward Looking**).

To the outside eye, it may have appeared we were light on for structure and processes, but this should not be confused with a lack of intention and discipline. We have been purposefully curious, prospecting for kindred spirits and always alert to the kinds of people Claire described as **Chockie** soldiers, people who passionately and take on social change challenges with their whole being but needed some sort of support to get the job done. The nature of the network that

emerged was highly relational, and trust played a foundational role in the way we worked. As it does today.

We never had a cookie cutter approach. While TDi's programs leaned heavily on the **Business Model Canvas**, the value that the donkey wheel and TDi teams offered was their commitment and their ability to listen deeply, to understand the challenges and opportunities, the operating environment of those who were seeking help which usually with the question, "Paul, can we get a coffee?" The demand became ridiculous. We rarely said no... because you never knew what may emerge, what ideas or practices might surface to help us support difference makers. **Stephen Said** once commented, "Paul is brilliant. He has helped me so many times helping me to move important projects to the next critical stage, by listening, asking the right questions and drawing the answer from inside of me into the light. The highest recommendation I can give is that I have connected him with others who have also been stuck and needed a nudge."

Alongside coaching and mentoring that was business strategy oriented, we were also working to cultivate operational support for emerging organisations. One of the initiatives that emerged early on was Streamlined: Business in a Box, that evolved into a business initiative called **GoodSystems**.

In hindsight, there were a few things that flavoured the coaching and mentoring that defined this season of our contribution:

1. Paul was starting to see everything in social change through a systems lens. While engaged in a particular business challenge or opportunity, he was always mapping it onto the system in which it operated and trying to figure out what needed to happen to create the conditions for success.
2. The relationships were dynamic and responsive, built on trust, rather than process-oriented or structured toward particular outputs. There were some exceptions to this, but we have been most at home in responsive coaching relationships.



"There were fantastic, vehement, excited, extraordinary conversations taking place in coffee shops, up tree houses, out of the way places, in places that impacted the conversations... if you can think creatively, you can sort out anything yourself. And that, for us, was the most important aspect of what we'd like to contribute to the world."—Claire

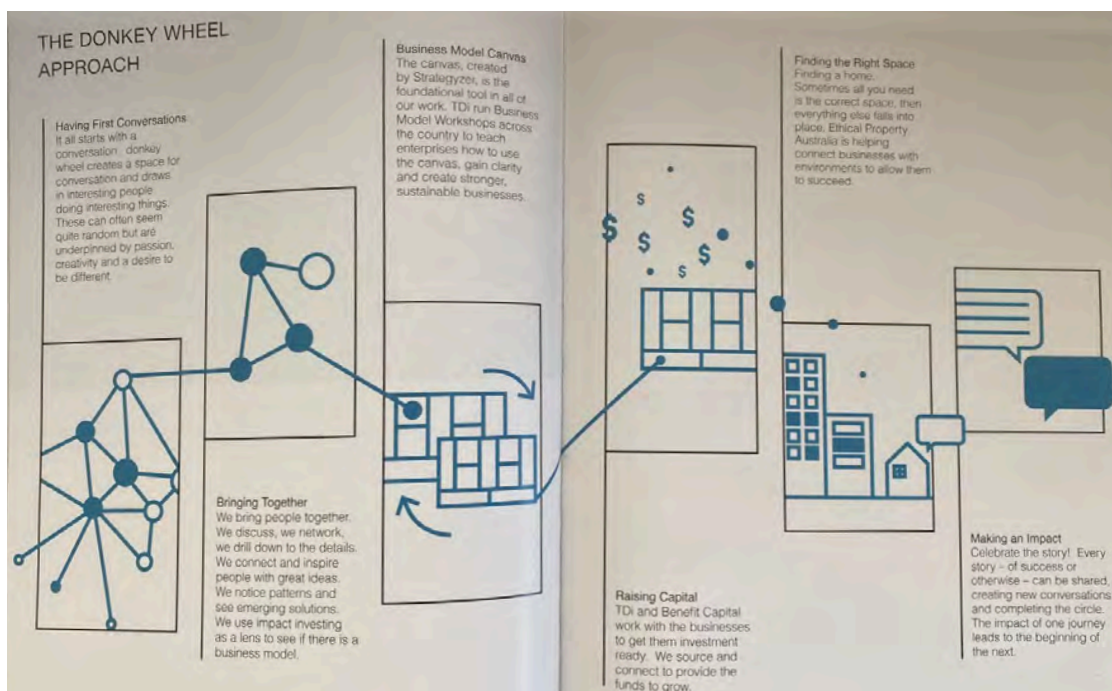
Read about
Claire on
page 50

3. donkey wheel's legacy of a can-do attitude, coupled with Paul's sometimes magical problem-solving capacities, typically offered people pathways and ideas that they were not getting elsewhere. Some approaches to coaching and mentoring emphasise 'listening and empathy' to the point that advice is rarely offered. That wasn't us. We were on a focussed mission to help create the conditions for change agents to succeed and if we believed something needed to happen a particular way, we advocated for it. This was particularly true for organisations and people who we saw as a critical part of the evolving ecosystem.
4. There was always a leadership development edge. We recognised that the most critical thing in an organisation's success is the leader, and the donkey wheel and TDi teams provided coaching that was people-centred.

donkey wheel's leadership has always been and, as we continue this trajectory, always will be focused on working as coaches and mentors. It's been in our DNA, and we have always considered the expertise and competencies of our personnel as a key resource to be deployed in our mission. But in this particular season, as the ecosystem burgeoned around us, it was the dominant activity.

The most formative dimensions of the donkey wheel business model in this season were:

- **BENEFICIARIES:** Social entrepreneurs, organisational leaders.
- **VALUE PROPOSITION:** Relational support and advice, creative intelligence.
- **CUSTOMER RELATIONSHIPS:** Relational trust.
- **KEY ACTIVITIES:** Coffee and whiteboard conversations.
- **KEY RESOURCES:** Experience and personal attributes (Paul).
- **KEY PARTNERS:** Paul cites the support and permission of the Board as an important factor in this work. Their trust in the approach when the outcomes were not clear in the beginning made a big difference.



The 'donkey wheel process' as captured in the Special Report, 2015

donkey wheel Impact Investor!

Strategic Intent: 2012 – 2017

An outline of the strategic objectives and activity for the next 5 years

donkey wheel Impact Investor!

Strategic Intent: 2012 – 2017

Introduction

donkey wheel has undergone a period of radical change in all areas of the organisation over the last few years. Over the next 5 years, we will continue to consolidate the transformation of donkey wheel the philanthropic grant maker into donkey wheel the impact investor.

The first and most significant impact investment of donkey wheel is donkey wheel house. This investment demands a significant amount of time, energy and money, it is an investment that will enable the successful delivery of the vision of generating blended value in both financial and social returns on investment.

donkey wheel, as the curator of the community within the building, will achieve this blended value return, through developing the people, processes and technologies in a nurturing, co-creating and inspiring space called donkey wheel house.

It is through the community nurtured in this space, that we will see impact investment thrive and the emergence of positive social outcomes as a mandatory requirement for every enterprise.

The next 5 years are years of consolidation, as we deliver on the decision of the past and encourage the bringing forth of the future we desire. We at donkey wheel will need to balance five critical 'C's'

- Compliance
- Commercial
- Community
- Conservation
- Creativity

The world we have made is a result of the level of thinking we have done. Thus for creative nations we cannot have a measure level of thinking at which we cannot think.
— Wayne Gretzky

Our Balancing Act

The overlapping imperatives that define our space for creativity



Keeping these C's in mind we will:

- Create a unique "blend different" space in donkey wheel house
- Encourage and enable "act different" groups primarily within the members of the donkey wheel house community
- Ensure that a "different difference" is made in our community as an act of "love for people"

The fruit of donkey wheel success will be grown on other people's trees. We will nurture, feed, care for and even prune, but it will be other passionate different thinkers, actors and difference makers that ultimately will produce the outcomes that we desire and consider success.

"The key to success is to risk thinking unconventional thoughts. Convention is the enemy of progress. If you go down just one corridor of thought you never get to see what's in the room leading off it."

— Trevor Baylis

Activity 2012-17

Our prime focus will be on donkey wheel house as a space for creative thinking and action, while harmonising the often competing forces of community, commercial, conservation, compliance and creativity. And in line with this, in the coming 5 years we will give attention to the following areas of activity:

Building Tenancy

The objective is to fill donkey wheel house with a tenant mix that will help us balance the 5 C's, creating a community that thinks different, acts different and makes a different difference. This means we will focus our activity on:

1. Building improvements that deliver financial returns and ensure our duty of care
2. Integrating mission aligned tenants into the community of each

This objective is the major challenge in terms of financial needs. We will need to develop creative ways to meet the capital requirements of the building.

Invigorating Impact Investment

We recognise that there are few mature impact investment opportunities in Australia. As such donkey wheel is uniquely positioned to help develop enterprises that are capable of generating both financial and social returns and that are great impact investments. This will provide both donkey wheel and others with the opportunity to make impact investments. This objective will require donkey wheel to do the following:

1. Develop and support the invigoration of impact investors. Building a group of people from philanthropy, government, education and private investors that can work together to invest in blended value enterprises.
2. Develop an incubator to assist and nurture emerging social enterprises and help them be aligned to the impact investor who will fund them.
3. Advocate for systemic change that will recognise the blended value of the impact investments and social enterprises. This advocating will have a special focus on changes to the PAF legislation to make impact investing from these funds easier.

"Without respect, independently thinking and judging personalities, the upward development of society is impossible, as the development of the individual personality without the nourishing soil of the community." — Albert Einstein

donkey wheel Strategic intent:

donkey wheel's strategic objective for the next phase of its development, is to become a **mature impact investor, and encourage others to do the same.**

While many foundations focus on the gifting that they make to produce positive social change, donkey wheel will continue to develop how the total corpus of the trust and fund can also be leveraged for positive social outcomes.

The buying of donkey wheel house was the first step on the impact investment journey, and now provides a platform to develop a community of enterprises that provide donkey wheel with an expanded opportunity to impact invest, and see both the social and financial returns that these blended value investments can achieve.

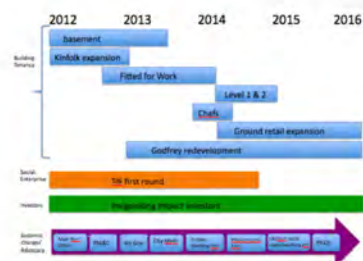
donkey wheel house represents the largest single impact investment and the building and community that is being developed will continue to take considerable time and energy over the coming years. As this investment in space, talent and ideas matures, it will then provide the opportunity to focus again on other impact investment and granting/raising opportunities.

We will know we have been successful when:

1. donkey wheel's portfolio of investments are 100% mission aligned and demonstrate the viability and desirability of impact investing.
2. Others also self identify as impact investors because of the leadership that donkey wheel has demonstrated.
3. donkey wheel house is a thriving community that is commercially sustainable and creating enormous positive social impact. If it is recognised as a blended value operation, that people just want to be part of!

"You never change things by fighting the existing reality; to change something, build a new model that makes the existing model obsolete."

— Buckminster Fuller



Skip to the next part of the donkey wheel story on page 132

The 'donkey wheel process' as captured in the Special Report, 2015



KINFOLK EVENTS

With the purchase of the centrally located donkey wheel house, one of the key issues donkey wheel had to wrestle with was how to best use this new – but heritage – site. donkey wheel's journeys have often started with a conversation, and we have always firmly believed that bringing people together is the best way to spark social change and innovation. We wanted to turn donkey wheel house's unused spaces into function venues, allowing us to invite more people into our space and giving them the opportunity to meet with others with similar values and passions.

Despite our diverse initiatives, our core business is supporting change makers who are making a different difference. We looked for a partner to handle the complexities of venue management.

The ideal would have been to find a dedicated venue management company that specialised in spaces designed to do social and environmental good. The problem was, we just didn't know of any! With the creation of **Good Sites**, and our partnership with Arrow on Swanston, we took the first steps to outsourcing events management. When **Cherie Ong** moved to Atlanta, we subsequently had to close Good Sites. Once again, we found out the critical role that key leaders and difference makers have – those sorts of people are not simply replaceable.

We then took a more traditional route by employing a venue manager directly but had difficulty finding someone who could get the balance right between social good and commercial viability.

Jarrood Briffa, partnering with Bec Villanti, was the right person to take on the challenge. Jarrod, as a founder and manager of **Kinfolk Café**, was based in donkey wheel house and had demonstrated his ability to run a business while making a social impact. He and Bec created Animo Pty Ltd and agreed to manage the unused spaces in donkey wheel house. They also took on the lease for more space on the second floor, which increased the number of functions they were able to run. Animo was then acquired by Kinfolk, giving birth to Kinfolk Events. Kinfolk Events tapped into the

growing need in the Melbourne CBD for event spaces that were more than soulless corporate boardrooms or hotel venues devoid of natural light. They recognised the increasing appetite for spaces that felt conducive to creativity. These spaces included the Platform, a bright and airy space catering for up to 25 people, and next door to that is the Depot, where larger gatherings can be held, encompassing conferences, seminars and workshops.

Thousands of people used the event and catering services that we offered and, especially after the Hub and TDi moved out, Kinfolk Events facilitated a steady stream of people coming into the building, including people from corporate and government offices who otherwise would not have come, keeping alive the buzz around the realisation of Claire's **communiversity** vision.



An event in the Kinfolk Events Space known as Platform.

Check out the Glossary on page 227 to find out what a 'communiversity' is.

Read about Good Sites on Page 40

Cherie Ong can be found on Page 74

For more on Jarrod Briffa head to Page 54

On page 44 you'll find more on Kinfolk Café



JACQUI RALLEY

Jacqui Ralley worked at donkey wheel as Paul Steele's executive assistant from 2015–21. She left to study accounting.

HOW DID YOU FIRST HEAR ABOUT DONKEY WHEEL?

Jacqui's track to donkey wheel was through an *actual* interview, rather than an impromptu one. "I'm old school," she explains. "I saw an ad on Seek, simple as that. It was only a nine-month maternity leave position, which is a stupid thing to leave my permanent part-time job which was almost walking distance from my house for. I was caught by the word 'grants' and started reading about Paul, not donkey wheel because there wasn't a lot of information about donkey wheel, but there was about Paul. I thought the role sounded interesting, and I could do it."

I knew of the building, but not that it was called donkey wheel house, because a friend of mine had been involved in helping set up **Kinfolk Café**. So, I didn't know much about donkey wheel when I applied. I was quite surprised when I got there. donkey wheel at that time was literally the role I was applying for, and Paul. That was it. Not very big. It was as simple as that—and the rest is history."

WHAT WAS DIFFERENT ABOUT WORKING AT DONKEY WHEEL?

"It was a weird setup, initially," she recalls. "I took the job because I liked Paul, without realising fully what I was going to do. I ended up doing nothing that I thought I was going to do! Initially it was an EA role and managing the grants program, but it didn't end up like that. We were based in **TDi** (The Difference Incubator). There was only two of us, and Paul wasn't always there, but having TDi around meant I almost felt as much a part of TDi as I did donkey wheel."

Jacqui relished the permission to be independent. "It worked well, being allowed to do my own thing. I had a stubborn independence, which worked for Paul. There wasn't a structure, your day wasn't set in stone. Anything Paul didn't do, I did, which I understand for some people isn't how they work, but it suited me really well."

Of course, this would mean being almost as versatile as Paul! "Within a week of being there it was: 'We're going to do a five-year annual report with a lot of historical stuff.' I said, 'I'm not a writer in any way, shape or form.' So that was my first task. That is a little bit different to managing a grants program, but why not?"

One of the key differences that Jacqui recalls was the intent behind donkey wheel. "Everything donkey wheel does, and Paul and Col do, has a good intention. Sometimes the intention might not materialise in the way they planned it, but it's refreshing to work somewhere where you've got the end goal of making the world better."

*Read about
Kinfolk Café
on page 44*

*See TDi on
page 80*



WHAT DO YOU THINK WAS YOUR BIGGEST ACHIEVEMENT AT DONKEY WHEEL?

"The Canada trip—it was indicative of how donkey wheel does things. Paul had been and saw the value in it, and thought, 'Let's take more people to do what I did.' I was given a list of people's emails to contact and devise the trip, and a list of who's going. I'm asking, 'Okay, and to do what?' All I knew was half these people were based in Montreal, and half in Toronto. I had no relationship with any of them. All the relationships were with Paul. He did introduce me to some of them." It's fair to say that the above description shows the trust that Paul had in Jacqui—and it was a trip that so many people benefitted from.

"It was a testament to good choices by Paul of who we should meet and the character of the people we met there, that it came together. That was a big one. It was a lot of stress and there were times of thinking it wouldn't come off. That was my biggest achievement."

WAS THERE A CRISIS MOMENT?

Given the time frame of Jacqui's employment, the crisis 'moment' is no surprise. "That other question about what's different about donkey wheel," she reflects, "is that they don't put restrictions on themselves. It's forever evolving and changing direction depending on what's needed. Part of that mindset could have exacerbated **the court case**."

The news about the impending case occurred soon after Jacqui had started. "I had been at donkey wheel maybe four weeks, and I'd met Col once as he'd just come back as Chair of the Board. Paul had headed off on a significant overseas trip. We received a lawyer's letter saying that donkey wheel was going to be taken to court. I kind of knew the history of the family and I knew all the background, but I didn't know all the intricate family dynamics.

It was an exercise for me to not take sides but to do what was asked of me. I spent an awful lot of time in the storeroom in the basement, going through dusty old boxes from 15 years before, going through handwritten notes on meeting agendas, trying to find evidence of decisions that were made ages ago. This was on top of the fact that **Claire**, who I had never met, had passed away about a month before I started.

"It put a lot of undue stress on Col and Paul, personally," says Jacqui, thinking back. "It felt like the first two years of my time at donkey wheel that the case stopped everything. It made Paul and Col second guess everything they did, and everything had to be justified and a lot of money and time was wasted on dealing with lawyers. So that was fun. I mean, it was *not* fun."

WELCOME TO THE DEEP END?

"I don't mind being thrown in the deep end, it's kind of what I do. It meant what I *thought* I was going to do never really materialised. Because there was a level of, 'What can we do to keep operating whilst this is going on, with protections against the future?'"

WHAT DID YOU THINK YOU ADDED TO THE DONKEY WHEEL ECOSYSTEM?

"Sometimes I think nothing, sometimes I think a lot. Maybe what I added is almost indicative of what donkey wheel *itself* adds, which is a lot of my job was stepping in and doing stuff until it could be handed over. I turned up thinking I was going to run a grants program and ended up working on the law case." Jacqui can pull a thread of her contribution to donkey wheel, and it revolves around passing things on when they're ready to be received. "Trudy left TDi, so I took on the finances for TDi. I started doing board support for TDi until they had their own person set up. When **EPCL** was set up, I took over doing the governance of that until they were in a place to hand that over.

I was a support to bring things up to a level where they could be passed on and donkey wheel does that a lot with supporting organisations. You provide that support to get them to stand on their own two feet and then you're still there for them, but you kind of give them a push—say come off your training wheels and go off and do your own thing."

Modestly, she baulks at the idea of a legacy. "I wouldn't say I left a particular legacy—outside of the kitchen renovation, obviously! I'm not a legacy builder. I've no interest in that. I always said I'd support people building a legacy, rather than any sense of it being for myself."

*Keep reading
about the
Court Case
on page 132*

*Read about
Claire on
page 50*

*Read about
EPCL in Profiles
on page 221*

WHY WE STOPPED GRANTING TO FRONTLINE ORGANISATIONS

(sort of...)

Keep reading about the Brunner Family on page 12

Find Granter on page 14

It's an odd thing to confess for a charitable foundation.

In donkey wheel's earlier seasons there were many internal discussions about what our granting criteria should have been. The reality was that the projects we were most enthusiastic about supporting in those early days aligned with the interests and values of the **Brunner Family** and were being led by someone who was energetic and passionate about their cause (see also **Granter**).

In early 2018, we developed a worksheet to help us assess both investment and granting opportunities, which offered some visibility of the criteria we applied to potential recipients. As an aside, we note that this is unusual, but also consistent with our approach of using all our resources for philanthropic purpose. We used the same criteria to determine if we would grant to an organisation that we used to invest in an organisation. The Board did not have a separate investment committee or a granting committee to help with decision making about resource allocation. We had the directors look at investments and granting to see if it aligned with our mission, using the same criteria for both areas.

We included the following as one of 21 assessment questions, included here to demonstrate the kinds of initiatives that had historically attracted our granting attention:

IMPACT AND EFFECTIVENESS

5. Donkey wheel support has not been constrained by commitment to a particular sector. However, historically, we have gravitated to support for:

- Children and young people
- Environmental sustainability
- Indigenous well-being
- Social inclusion
- In addition, we have had a bias toward creative industry, the arts, and film.

Does the project sit within areas that donkey wheel has traditionally supported?

☐ Yes ☐ No

Under Paul's leadership, our focus and appetite turned to impact with a systems view. We are a small foundation with limited resources; however, we know enough about mathematics to know that scale and reach is a multiplication thing, not an addition thing.



The addition mindset works like this:

- If we have \$250k to grant, we need to determine how best to distribute that between organisations making an impact. We could give 25 grants of \$10k each, or 10 grants of \$25k (or any combination we choose). There is nothing wrong with this approach—indeed, the proliferation of agencies needing support means that this approach is needed.

A multiplication mindset works like this:

- Which agencies are in turn helping others to help themselves? If we supported intermediary agencies, or initiatives that are innovative and inspiring others, our limited dollars could reach much further, and we could support the infrastructure that builds an ecosystem.

In recent years, as our capacity to grant beyond donkey wheel house re-emerged, our inclination to support organisations working at the systems level increased. More precisely, we have looked for opportunities to support projects that themselves are designed to support other change agencies; **The Difference Incubator, The Australian Centre for Social Innovation, Progress Labs, The Foundation for Young Australians** and others. Sometimes there might be an innovative project that we enthusiastically get behind. An example is an initiative to integrate hospitality businesses into the delivery of food relief to be tested in the Geelong region which, if successful, has the potential to offer a new model of food relief.

One of the implications of doing this is that the stories of social impact are at least one step removed from donkey wheel. For example, the successful campaigning of the Pride Cup, Democracy in Colour or Original Power is not our story to tell in the same way as it might be if we had funded them directly. Instead, we have supported Progress Labs which in turn has helped them succeed. (We have supported some of the individual campaigns with seed money to help drag in other funders.) It also means that when we do get to tell the stories of those we have supported directly, there are fewer of them. This approach is not so good for our own PR.

So, while we have maintained some level of granting for innovative front-line services, we have chosen to pursue a granting approach that has the following key characteristics:

1. Larger amounts,
 2. Multiyear,
 3. Untied within an organisation or initiative, and
 4. Focus on agencies that are supporting ecosystem development.
- (Also see **Thinking about Philanthropy—Six Recipient Centred Principles**)

We are committed to supporting change that has a systems view with our limited resources. That has meant hard choices about where to allocate funds and our decision has been to look for needs further up the value chain, where support is often harder to come by.

Keep reading about:

TDI, page 80

TACSI, page 128

Progress Labs, page 127

The Foundation for Young Australians, page 208

'Thinking about Philanthropy—Six Recipient Centred Principles' can be found on page 136



ANTHEA (ANNIE) SMITS

THE BEGINNING

Annie's story of how she first encountered our ecosystem is slightly different to many in this book. When Annie first met Paul, she was the Senior Minister at Urban Life, a church in Ringwood, and was pondering some serious life choices. "I had engaged Paul as an executive coach. I was making some significant decisions about next steps, both personally and from a career perspective. I think my first interaction with the donkey wheel ecosystem was when I met Paul in a coaching session at donkey wheel. And I'm like, 'What is this place?' He began to unpack some of the story. I was thinking, 'Oh, my gosh, this is amazing. Where has this idea around social innovation and delivery, and an ecosystem and social innovation along with it, where has this been all my life?'"

Paul coached Annie for about six months. "This was a really significant interaction for me. Along the way, I was introduced to **Bessi Graham** and the **TDi** model which we implemented at Urban Life by putting some of our team through the **business model workshop**." For Annie, this was a pivotal moment in both her career and her life. "I was thinking, 'Where's this been all my life?' This would have helped me 20 years ago. It helped me articulate and bring together a whole bunch of ideas and gave them a frame that was enlightening. We ended up applying the canvas to Urban Life, which was so helpful."

As with many people, meeting with Paul never quite ends up the way you think it will. Annie sensed her time was ending at Urban Life and had informed the church leadership of her discernment. They were resistant. "I rang Paul and

said that I'd really like some time to think about what's next. The church Board was still resistant, but I knew that I'd done what I needed to do at Urban Life. I just needed to think about where to from here and what next, and what's a healthy interaction for me to have with my 'other' life." Annie arranged a meeting with a convalescing Paul at donkey wheel house. "I turned up at donkey wheel. On my way in, Paul texts to ask if I minded Bessi joining us."

The proposed conversation around Annie's future directions morphed into a pseudo-job interview with Paul and Bessi. "I realised after about an hour—I think I'm in a job interview.' At one point Bessi looks at Paul, and Paul says, 'Yeah, let's do it.' Then they offered me this job at TDi. The funny thing was, I texted my husband on the way home to say I've just been offered a job. And he said, 'I didn't even know that you were going to a job interview!' That sums up a lot of my interaction with the donkey wheel ecosystem—I just turn up and find myself in the middle of something that I didn't know existed!"

WHAT WERE THE CHALLENGES?

With the confidence that Annie had gained from her coaching with Paul, and the invitation to join the team, she found herself in an organisation that was charting new courses as to how social innovation organisations could be prepared in order to be sustainably funded.

"TDi was still early in its inception. It had been around for two or three years but didn't have a lot of staff. It had these big, audacious plans." Those plans were based on TDi's confidence in their mission, but that took a hit with the collapse of

*Read about Bessi
on page 98*

*See page 80 for
more on TDi*

*Find out more
about the
Business Model
Canvas in the
Glossary on
page 227*



“

I FEEL LIKE DONKEY WHEEL CREATED THIS PERFECT SPACE FOR ME TO COME AND BE FULLY WHO I AM.

”

Team Wild. “I think I’d been at TDi for maybe a week,” Annie remembers. “Paul said to me, ‘I’ve got a job for you. I want you to go and sort out this Team Wild thing.’” This required Annie flying to Cairns for face-to-face meetings with Team Wild management, where she both discovered and called out unethical and criminal behaviours. It was quite the introduction to TDi and the surprises that our ecosystem can produce on short notice. “That was my ‘Welcome to TDi!’”

WHAT DID YOU GAIN FROM THE DONKEY WHEEL ECOSYSTEM?

There is an extensive list of people who have encountered Paul and felt like they have been seen in a way that no one has seen them before. This was Annie’s experience when her confidence was wobbling as she neared the end of her time at Urban Life. “There was this point where I was insecure. I remember being coached by Paul, and just saying, ‘What am I going to do next? I feel like I have nothing to give and nothing to offer.’ He just said to me, and this has stayed with me all these years...

“He said, ‘Are you serious?’

“‘What do you mean?’

“Then Paul said, ‘I could line up 10 people here tomorrow that would employ you just like *that*.’ He said it in such a knowing way that it made me curious—*why* do you know that? That statement for me, it just opened me up—even from a faith perspective—convincing me that I have got to make this jump. I’ve just got to trust that there’s been a whole thing being worked out in me. Little did I know that I was going to go and work for

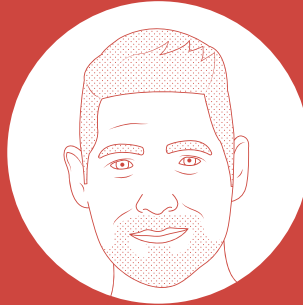
Paul! He says he didn’t know that when he said that.” Annie reflects on this experience with Paul. “I just felt like I’d been fully seen, fully known. That’s not to say that we haven’t been without our moments of disagreement. I can tell you about some stories in that space! But he can see things in some people that most people don’t. I feel quite privileged in that.”

That journey was reinforced when Annie took on the task of leading TDi after Bessi left. “TDi brings all of that together into something really special for me. I feel like donkey wheel created this perfect space for me to come and be fully who I am. I think it has helped lots of other people find their way in what they’re trying to create.”

WHAT DID YOU THINK YOU ADDED TO THE DONKEY WHEEL ECOSYSTEM?

“I think that I was able to put legs on TDi. I don’t have these ‘vision-ray’ abilities that Paul and Bessi have, that vision for what things *could* look like. I feel like I was able to genuinely take that vision and put real legs on it. Especially the last three years, because when I took over, we had six-weeks cash in the bank and not a great pipeline. I think what we’ve done since then is build a bloody good business model. I feel like I’ve done what Bessi and Paul envisioned. I was able to come in and do it—keeping in mind that very few people can do what they do. They are incredible visionaries, and they see the future with such clarity. I can’t. I haven’t seen that at a more micro level than with Paul. I love working with him because he goes to this place of possibilities. But... then I’m like, ‘Shit, it’s my job to *build* that or to help that person build that!’”

Read about Team Wild on page 84



ADAM TREVASKUS

Adam is the CEO of Ethical Property Australia.

WHAT WAS ADAM TRYING TO DO?

The first time Adam encountered **Ethical Property** (EP) was through **Col**. The two of them had met at **World Vision Australia**, where Adam had been a contractor and Col was in a consultant role. "Obviously, we connected to a degree," recalls Adam. "A few years later Col reached out to me and said, 'We're looking for someone to come in as a MD-designate role to help with the structure of EP to help it scale and grow. I'm talking to you, Adam, because reflecting on the kind of person that we want I felt that we need someone like you. So, can you recommend anyone who's a bit like you?'"

Rather than recommending someone else, Adam put his hand up and let Col know that he was keen. He took the role and, in February 2019, Col and the Board offered him the position of permanent CEO at EP on the back of Adam championing the "concept of creating a platform, which attracts impact funders and impact partners to us, to achieve their goals—with us—and to benefit the stakeholders and beneficiaries that we were targeting. All of that came together in a six-month period."

Keep reading about 'Ethical Property' on page 58

You'll find more on Col on page 135

World Vision Australia is in the Glossary on page 226



WHAT WAS IN THE WAY?

This was a bold step, as Adam wasn't necessarily experienced in the property field, or in impact investment that focused on property. "I was employed to take Ethical Property to the next level, immersing myself in property as an asset class. I hadn't done that before—which was good fun." His appointment required both parties to embrace an element of risk.

Such risks are always mitigated at donkey wheel because people become part of an ecosystem that seeks to see people grow and become the best versions of themselves. Adam wasn't left on his own to explore his growing capacity in this field. "I was helped by Col and Paul; they introduced me to that whole space, and from that point onwards they were incredibly encouraging in terms of developing a vision for EP. They shared with me their original vision for EP, and so I got the context about how I needed to create something that was more than simply based on a rental model. In other words, not just trying to fill a building, and fill occupancy and generate returns, but to develop something that becomes a platform for social change using the building's environment. That, with the free reign that I was given to use my imagination, was incredibly helpful."

WHAT GAIN DID THEY NEED? WHAT DID DONKEY WHEEL PROVIDE?

Like so many others, Adam benefitted from the willingness and availability of Col and Paul to have ongoing, strategic conversations. "I only know donkey wheel as Paul and Col, really. I think it's the vision that they have for systems-level change that encouraged me to think big. That encouragement comes from the ability to inspire; unless you're inspired, you don't really end up using your imagination all that much. I have taken that approach as the one that will help EP to create and build *its* network for impact. It's not about selling a vision, it's about 'How do you inspire people?' How do you stop people being overwhelmed by potential consequences and risk, and how do you get them to think about possibilities? That's something that Paul and Col are good at doing—encouraging people to think about the possibilities. The **Make it Better Tables** is a manifestation of that. It's about bringing people together to consider possibilities, and then encourage people to have a go at doing something."

HOW DID DONKEY WHEEL HELP ADAM?

Adam recognises that there is an encouragement to experiment that exists in the donkey wheel ecosystem. For him, one of the catalysts for further experimentation was the **Make it Better Trip** in June 2019 to Canada. "That trip provided me with inspiration. That's crucial to helping someone like me imagine, 'What can I take from this trip in terms of the learnings, and how can I turn that into practical action?' If I look back at that trip and to what I committed to *doing*—to create a social innovation lab, to recruit regional, national and international ecosystems to converge around the social innovation lab, and to look at how we can scale up, scale deep and scale out; to develop a social change network or campus and setting up various faculties that aligned with social mission—all those things, they are all in some way, shape or form happening now. That all stems from that trip, which was invaluable. Some of the reflections around social innovation, for example, that change is fuelled by having diverse, multi-sectoral relationships and collaborations happening. I tried to bring that home with me. The idea of creating a coalition of the willing to converge around big challenges, that's something that we can see happening in Brunswick."

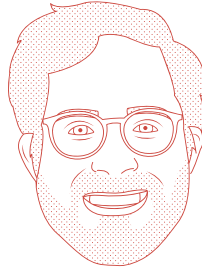
The Canada trip has left a lasting impression on Adam and on EP. "This idea that *nothing* is ever too big if you can address it collectively is crucial. When we went to **McConnell**, one of the biggest learnings was about how short-termism is really the enemy of long-term impact, and that its short-term perspectives that cause a lot of problems. Bringing that lesson home means I am now trying to encourage people to think about the long-term perspective. It's a great example of how donkey wheel's initiative of getting us there and meeting a whole new international network of players who have more experience than we do, listening to their stories—that has impacted on my thinking and beliefs."

It has also been the support—both relationally and financially—from donkey wheel that has helped Adam progress EP into new territory. "None of this would have been possible without the support of having two donkey wheel members on our Board and having the financial support of donkey wheel up until March 2020. They were funding our growth, despite the risk associated with funding an enterprise that was trying to scale up, trying to get traction in terms of capital raising and increasing its portfolio. They had faith in the vision and the plan and supported it financially until March. From then on, we've leant on government support to fund our activity and support our community. Again, having Paul and Col there throughout has been important to see us through this incredibly challenging COVID-19 period."

Flick to page 180 for Make it Better Trips

The McConnell Foundation is listed in Profiles on page 224

Find Make it Better Tables on page 178



NICK MORAITIS

There is a consistent theme to how people first encounter donkey wheel as an entity—usually through a meeting with Paul and/or Col, and that meeting often goes in a different direction or to what was expected. Nick Moraitis, who headed up **Australian Progress** and now leads the **Foundation for Young Australians** (FYA), supports that theme with his memory of first sitting down with Col.

Find Australian Progress on page 127

Keep reading about the Foundation for Young Australians on page 208

There's more info on Kinfolk Café on page 44

HOW DID YOU FIRST COME INTO CONTACT WITH DW?

"I think Col and I met at **Kinfolk Café**," Nick recalls. "I'm not sure how we originally connected but I was blown away by his enthusiasm, vision, his interest in social change and what I was doing. He was primarily focused on getting to know me and me getting to know him, which was so unusual for a foundation. They are normally focused on the grant form or some other mission-oriented aspect. Instead, Col was focused on who I was as a person, how I fitted into the story of donkey wheel, how what we were doing linked people and created community and created change. It was so much more than an organisational transactional conversation." The relationship between Nick and us quickly developed. "Both Paul and Col think relationship first and outcome second, which is rare in the philanthropic space."

HOW DID WE HELP?

There were two parts to how we helped Australian Progress: financial and partnering with them along the way. "donkey wheel really understood that the heart of what we were doing was about backing individuals, helping them create viable organisations that could support movements for change, and that advocacy could be a lever for significant social change and systemic solution," Nick remembers. The partnering was also wrapped into the way we supported Australian Progress. "I didn't necessarily expect donkey wheel to jump on board right away, but they did. They said, 'Great, we'll give you a third of the funding for the program if you can find the other two thirds.' That was both really galvanising and inspired other donors to come on board."



Along with the confidence that came from our support, there was a sense of reality settling in for Nick. "It was also scary for me because one third does not equal the whole project! They were quite insistent that we couldn't start with *just* the one third, we had to wait until we raised the other two thirds before we could do the work. They were quite helpful in reimagining how the program was structured to get work underway as soon as possible." As we embraced what Australian Progress was aiming to do, Nick points out that the partnership also brought others on board. "The donkey wheel approach is to say, we really back organisations that we work with, we want them to succeed, and we want to double down on that support to make sure that they thrive. In fact, donkey wheel's funding was leveraged into added support from two other partners who were part of the donkey wheel community, and they agreed to match that funding. donkey wheel was critical to Australian Progress."

Nick goes on to outline how our partnership both made a difference to Australian Progress and how we differed to many other philanthropic engagements. "It was a really good push-pull conversation with donkey wheel. They weren't saying, 'Yes, we've read your grant application and we like it. You can have the money, here's your cheque, and goodbye.' donkey wheel engaged with the idea of what we were trying to achieve. They understood the resource requirements that we needed and wanted to be a pivotal linchpin in making it happen. They also had some creative and thoughtful ideas for how we could improve the model of the program based on their experience and fundraising strategies. I felt like we were true partners in making progress in those early stages."

The support was both designed to be both a security and a challenge. "I wouldn't say it was like a fairy godmother relationship, it's much more strategic. It's more of a mentoring relationship. They are more like the Yoda model, not the fairy godmother model. They're there to push you to be the best you can be. Col bit the bullet by supporting me. As I said, Col and Paul think relationship first, outcome second, which is rare. They also have a lot of experience in the non-profit sector and with a diverse range of entrepreneurial organisations, and they think and act *very* swiftly."

WHAT WERE THE OBSTACLES?

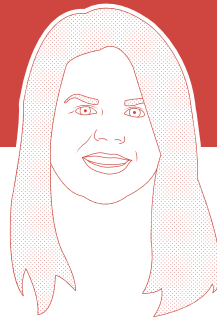
The support was needed. Nick highlights that at the time there was a hesitancy to invest in advocacy in the way that Australian Progress was pitching. "We were trying some new things in terms of philanthropic investment in advocacy. This wasn't a proposal to back some causes and invest in those policy campaigns. We were saying that we needed infrastructure, so we're going to invest in the idea of an incubator and we're going to put out a call to see who has a campaign that needs backing. So, it was quite novel for Australia. That's why it needed a partner like donkey wheel who was familiar with the idea of venture investment, but also didn't have a narrow policy vision."

HOW DID NICK HELP US?

In such a partnership, it was to be expected that Nick would make a difference to the way we operated as well. "I feel like the alignment between Australian Progress and donkey wheel was a brilliant way of connecting donkey wheel back into a large ecosystem of the non-profit landscape. That's the value that Australian Progress provides to philanthropy, in general." He went on to say, "It's hard to describe—in terms of achieving donkey wheel's mission—what Australian Progress contributed. However, I think it has contributed in so many diverse and distinct ways. We encouraged donkey wheel to support a cohort of leaders of non-profits and social change in Australia who feel that it's possible to *actually* try something new, when in the early 2010s, the only option was to go to work for an established NGO."

Through Australian Progress and, particularly, Progress Labs, we were able to join with Nick and his vision and partner with and support a diverse range of organisations advocating for social change and a different difference.

CAROLYN CURTIS



*Keep reading
about TACSI
on page 128*

Carolyn Curtis is the CEO of **The Australian Centre of Social Innovation (TACSI)**, which was formed in 2009 as an initiative of the South Australian Government. TACSI now operates as an independent social enterprise working on projects and initiatives across Australia.

HOW WERE YOU FIRST IN TOUCH WITH THE DONKEY WHEEL ECOSYSTEM?

*Read about Bessi
on page 98*

"It all kind of meshes," Carolyn recalls. "I mean, my first interactions were with Paul and **Bessi Graham**, but not really in the capacity of their donkey wheel work, I don't think. My interactions with donkey wheel in terms of the actual Foundation, there hasn't been a huge amount. However, we've just done a piece of work for them around the social innovation ecosystem in Australia, and how we could strengthen that."

WHAT WERE SOME OF THE OBSTACLES?

Through the work done with donkey wheel, Carolyn was able to clarify one of the key issues facing those in the social impact space. "What we know, though, is that the systems aren't really in place to support collaborations at scale when it comes to social impact." But the work TACSI has done with donkey wheel has highlighted areas of collaboration and hope. "That's where philanthropy can play a vital role—in supporting collaborations."

WHAT WERE THE BENEFITS OF WORKING WITH DONKEY WHEEL?

Paul worked with Carolyn and the TACSI team in a secondment capacity in 2017. "It was very beneficial in that we could really access his connections, his different experiences, his view on the world," Carolyn remembers. "Also, we were able to benefit from his experience around social enterprise. It was a valuable time. The interactions and the partnership work we have done has always been rich." She is hopeful that these partnerships will grow in the post-COVID lockdown environment. "I'm sure we'll continue to partner with **TDi**, and we will partner where we can with donkey wheel."

*Head to page
80 to find
more on TDi*

WHAT DO YOU THINK YOU AND TACSI HAVE ADDED TO THE DONKEY WHEEL ECOSYSTEM?

Carolyn reflects on the idea that when TACSI first engaged with "donkey wheel, TDi and all those other parts of the ecosystem, they had a strong business and business modelling mindset." What TACSI added was "a strong social impact mindset. I suspect one of the influences or positive impacts we had was to bring a stronger social impact and a systems lens into how donkey wheel was thinking and operating."

There are concrete examples of the partnership being productive and innovative, including two papers being sponsored by donkey wheel engaging with the issues around collaboration in the social innovation ecosystem. "Those papers really reflect what donkey wheel feels quite passionate about. I think the hardest thing has been—particularly during COVID—is to think about how you mobilise and create ecosystems around some of those big and pressing social issues. TACSI certainly plans to continue that work. Once we figure out what that looks like, we'll certainly be reaching back out to donkey wheel and to Paul to keep them in the fold."



MEMBERS

Technically, members of a Company Limited by Guarantee 'own' the company, but that ownership does not come with any property rights. If the company becomes insolvent, members agree (guarantee) to pay a pre committed amount (often small). Members are essentially the guardians of the company, holding the board to account on strategy and management issues. In the normal course of events, members receive reports, sometimes in the context of member's meetings.

donkey wheel members act as the guardians of the Foundation on behalf of the **Brunner family**. The original members were the founding trustees—Claire, **Nic** and Jon—but it has been a tumultuous journey for our members over the last ten years.

Nic's acquired brain injury disqualified him from membership, and as Claire's illness progressed she nominated her trusted friend **Jane Tewson** to replace her. It was the technicalities associated with Jane's appointment that led to the **prolonged legal case** for control of the assets of the Foundation.

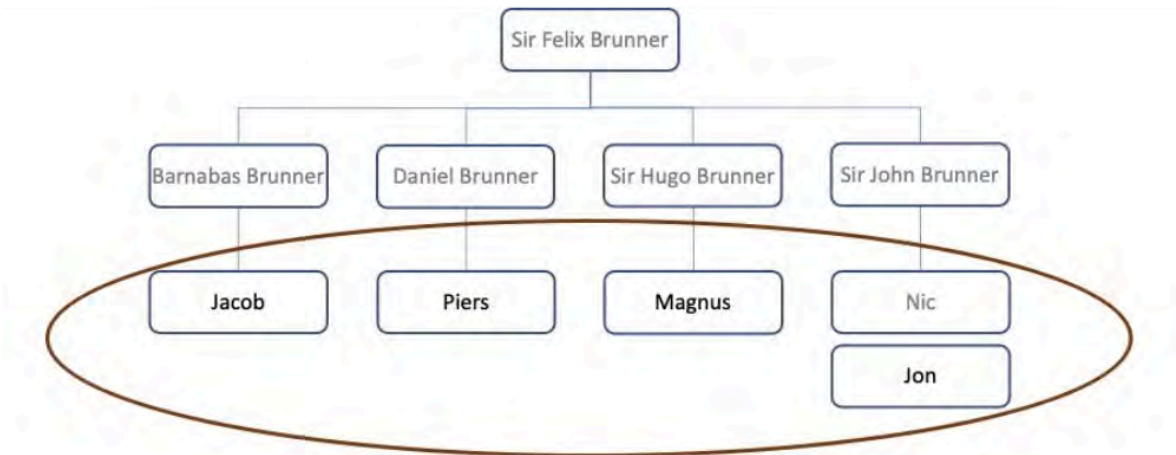
Following the court cases, the membership of the Foundation was strengthened, and the current membership is made up of cousins representing the four sons of Sir Felix Brunner, who was Claire, Nic and Jon's grandfather. We are grateful for the family's commitment and willingness to support the Foundation.

Jake, based in Hanoi is Head of the International Union for Conservation of Nature's Indo-Burma Group covering Vietnam, Cambodia, Lao PDR, Thailand, and Myanmar. Piers is in Hong Kong and is the CEO for Knight Frank in Greater China. Magnus is a professional photographer who has lived for many years in New Mexico, USA. Jon continues as a member and lives in Melbourne. Nic is an honorary attendee whenever the members come together. We are grateful for the opportunities to host members in Melbourne and look forward to being able to do so more regularly following the restrictions of 2020–21.

Keep reading about the Brunner family on page 12

Read about Nic on page 29

Jane Tewson is introduced in Profiles on page 224 and also features (alongside the legal case) in Crisis Management 1 on page 132



donkey wheel members 2021

When Nick Moraitis and Col met up at **Kinfolk Café** in 2016, it was a classic meeting of like-hearted people meeting at the right time. Nick wanted more than the standard cheque-writing philanthropy that he and Australian Progress had experienced up to that point, and we—through Col—were looking to make a different difference at a systemic level. Col had written in that year's Annual Report that our new strategy was in play, and Australian Progress was the social innovation organisation we wanted to partner. "We believe that with our relatively limited resources," Col explained, "we can multiply our impact by supporting organisations which in turn have significant capacity and potential to impact *many other* social purpose initiatives."

Australian Progress' concept of Progress Labs, where various advocacy initiatives go through a two-year incubation process, was the perfect vehicle for us to support one organisation who could—and in this case, did—go on to make a different difference in various spheres and sectors. Nick recalls the 'pitch' he made. "I brought to Col the idea of the Progress Labs incubator program, which is all about saying, 'how do we build a new cohort of non-profit organisations and back funders who are seeking to tackle advocacy issues in new ways?' That was a bit new for donkey wheel who had been mostly in the more classical social enterprise space, focused on organisations with social purpose that had a business model that underpinned them."

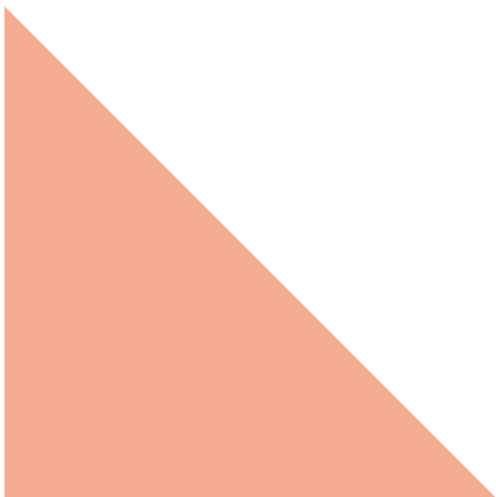
It was a pitch that resonated with Col and the rest of the team.

On a purely financial level, donkey wheel promised \$100,000 per year for three years to back Progress Labs. It was, however, deliberately not everything that they needed to be operational. We were responsible for a third of their funding

on the condition that Australian Progress raised the other two thirds. Paul and Col, being who they are when they see a good idea and a quality person, worked hard to ensure that the rest of the funding came in. Nick laughs when he remembers attending conferences with the two of them. "It was literally the case that they would wander around the conference, meeting other philanthropists. Then they would bring them over to me at the coffee station and say, 'OK, Nick this is so-and-so and we've just discussed that they could fund Progress Labs today!' They were extremely helpful at curating other donors and backers' support."

Prior to our partnership with Australian Progress, Nick recalls that there were limited avenues for innovators and entrepreneurs who wanted to focus on systemic advocacy. "What we've shown through this work—of which donkey wheel has been a key partner—is to demonstrate that, if you're an innovative entrepreneur with a vision for systems change, that's also something that is legitimate and possible. Entrepreneurs of that nature couldn't find many ways of having a sustainable career. The career path, the only sustainable way of working on a cause in the early 2010s, was to work for an established non-profit organisation. If you wanted to have a life and be paid for the work you're doing and be sustainable, the main option was to work in increasingly stultified organisations, because there was so little in terms of a fundraising landscape and support structures for a non-profit start-up."

Our way has never been to do things in isolation, but to create and/or fund spaces where people who have similar values and goals can get together and encourage one another. Nick saw this happen with his work. "It's also about building a supporting cohort of leaders of non-profits and social change in Australia who feel





AUSTRALIAN PROGRESS/ PROGRESS LABS

like it's possible to try something new." The first cohort of Progress Labs found its feet when Australian Progress moved into donkey wheel house. "The vision that we and donkey wheel had was to create environments where non-profit organisations and innovative changemakers could come together, connect, work together and collaborate. So, we moved in as Australian Progress to donkey wheel house and used it as a co-working space. We based the first cohorts of Progress Labs at donkey wheel house. We used the beautiful upstairs ballroom space and the basement for all the planning sessions of the first cohorts of Progress Labs."

The result was that through this partnership what we had dreamed of our influence being—diverse and exponential—came to fruition. "There are results in the world for some of the changes we advocated," reflects Nick. "Progress Labs has had a wide field of systemic influence on everything from protecting country for First Nations people through to energy efficiency laws in the ACT through to the way in which a rural football club is embracing the diversity of their community." The legacy of Progress Labs is also seen in both how to fund an organisation that has a systemic approach and influence, and how that influence can be spread. "I think what we've shown through this work—and donkey wheel has been a key part of demonstrating—that if you're an innovative entrepreneur with a vision for systems change, that approach is legitimate and possible."

After three years of supporting the cohorts going through Progress Labs, the COVID-19 pandemic hit and Nick—having just left Australian Progress—was concerned about its future. "I was leaving, handing over to my successor, and COVID-19 happened. That was fundamentally scary for our business model—most of what we ran were in-person events and we were reliant

upon event income. We were very reliant upon philanthropic giving. The situation was dire." At donkey wheel we had anticipated that pandemic restrictions would create difficult times for our partners and had allocated some grant funding for emergency support. Nick recalls, "I had a brief conversation with Col and Paul, and they unconditionally provided an additional grant to support our continued operations and to bolster the organisation at a vulnerable time."

For Nick, the grant was further evidence of our DNA on display. "When it comes down to it, donkey wheel's approach is to say, 'we really back organisations that we work with, and we want them to succeed.' They doubled down to make sure that Australian Progress thrived. That grant leveraged into added support from two other partners who were also part of the donkey wheel community, and they agreed to match that funding as well. donkey wheel was critical to Australian Progress. In that moment, which was incredibly stressful for me, I personally felt like a weight was lifted, thanks to them jumping on board."

Nick and Australian Progress are evidence of the relational nature of our approach.

TACSI

The Australian Centre for Social Innovation (TACSI) helps to develop, test and spread innovations that change lives.

WHAT JOB WAS TACSI TRYING TO DO?

We have worked with TACSI in diverse ways over the years but were thrilled to deepen the partnership, bringing together the complementary work of both our organisations.

There was a sense that TACSI was tiring of going on the journey alone. “Really, we need to build a coalition of actors and institutions to develop a bigger ecosystem of social R&D,” Carolyn Curtis explains. “We as a society spend billions on peripheral matters, but we invest next to nothing in the most pressing social issues of our day.”

WHAT WAS IN THE WAY?

“The whole process is slow moving, and I’m a fast-paced person. Pushing the argument for what we were doing beyond TACSI, and to establish a better, bigger argument for what we were doing just takes time. Paul and I both struggled with that.”

WHAT GAIN DID THEY NEED?

“Many other sectors in Australia have highly developed ecosystems to support innovation. Areas like technology, agriculture and medicine have all had a conscious and funded effort to build the support required to produce innovation. The social sector has suffered from underfunding and is underdeveloped regarding innovation. The ecosystem will need capital, capacity building and collaboration.”

WHAT DID DONKEY WHEEL PROVIDE?

We were able to offer TACSI, and especially Carolyn, an “ongoing relationship with Paul, who played a key role in supporting our strategy.” There was also the often-underestimated resource of one organisation partnering with another so that common questions could be asked in a welcoming environment. “There was a real alignment with donkey wheel—they were asking the same questions that went beyond establishing individual providers.”

HOW DID DONKEY WHEEL CREATE VALUE?

“Journeying with donkey wheel provided us with a wonderful opportunity,” Carolyn reflects. “They’ve enabled us to think big. Not too many organisations work outside the ‘project paradigm’. donkey wheel was prepared to think bigger, and that was going to take time. There was no big, shiny project at the end that they were going to be able to put their name on. This was going to take time. We need more of that kind of thinking – how do we fund the intangible? Also, how do we fund the ‘boring’ things, like infrastructure?”

There is a firm belief at donkey wheel that there is no point in getting hung up on the concept that there is a limited ‘pie’ and that the pie will always mean that resources are scarce. We believe that the success and growth of one organisation does not necessarily mean the ‘slices’ of the pie automatically get smaller for everyone else in that sector. “A lot of organisations are putting up propositions for new projects, and we all end up competing for small part of the pot. No one else but donkey wheel was talking about making the pot bigger. Paul was the only one we could get to have that conversation.”

HOW DID WE HELP?

Our partnership with TACSI has developed over the years as we identified and designed the elements for a healthy ecosystem to support social innovation. Importantly, we were able to help TACSI by seconding a significant amount of Paul’s time to walking alongside TACSI and stretching their thinking. This was helped, in part, by the similar approaches and philosophies within our own ecosystem. TACSI have a similar disposition to **TDi**, for example, in the way they approach their work. TACSI have extraordinary skill and experience in a user-centred design approach to ensure that programs and interventions address the concerns and needs of the beneficiary, while TDi bring skills and experience in designing sustainable business models that allow social sector organisations to deliver both a social and a financial return. The relationship between TACSI and TDi was further enhanced when Carolyn joined TDi’s Board and helped oversee the transition from founding CEO, Bessi, to the current CEO, Annie.

The arrangement between donkey wheel and TACSI was informal, which Carolyn summarises as “Paul spending time with us, and then we would go away and evolve some of that thinking—it was a very organic process.”

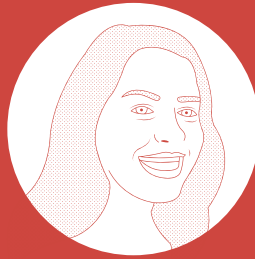
In February 2018, with our support, TACSI produced an initial report on building momentum for social innovation in Australia.

*Keep reading
about TDi on
page 80*



The Australian Centre for Social Innovation





KATHRYN RENOWDEN

Kathryn has worked at donkey wheel house in several roles at The School of Life and Ethical Property Australia since 2014.

WHAT WAS YOUR ENTRY POINT INTO THE DONKEY WHEEL ECOSYSTEM?

Kathryn's start at The School of Life occurred through word of mouth and initially encompassed a range of activities. "I heard about it through a friend who works in the impact investing sector," she said, thinking back. "He said that The School of Life were looking for an 'eclectic' person—or a person who had a diverse background—to help open the School of Life shop, which was not just a retail shop for The School of Life books and products, but also a café that would run their evening workshops and weekend master classes, as well as other events. That sounds enough of a range, but there was more. They needed someone to also run offsite events, major events and to also order books from publishers, set up accounts, do a bit of graphic design, and knew about retail and hospitality." While this seemed a stretch for most people, it aligned with Kathryn's skill set. "I'd been working at the Wheeler Centre in an administrative role, but I really loved books, culture, debates and the Arts."



WHAT WERE SOME OF THE OBSTACLES?

The School of Life opened in March 2014, but it wasn't a straightforward start, as Kathryn recalls. "I remember how breathtaking the building was, but I was taken aback by the shop. We were opening in a month when I joined, and the space for The School of Life was a gutted shop and they had already pre-booked maybe at least three months' worth of programs so, come rain, hail, or shine, it was happening. A baptism of fire, you might say." It also meant that Kathryn had the opportunity to embrace and manage the fluidity that was the early days of The School of Life. "I did all these things I'd never done before; like applying for council permits, and food and liquor licences. I was learning as I went, and every time I came to an obstacle or a dead end, I just kept pushing through or persisting or finding ways around things, but we did pull it all together. Amazingly, we had to hire lots of people as well in that time. So, *that* was my introduction to the donkey wheel ecosystem."

Kathryn stayed for three years at The School of Life, before moving on to another part of the donkey wheel ecosystem—again, through word of mouth. "My roles had changed over time at The School of Life. As we grew, I went from having three titles to then one, and then finally curating the bookshop, which I really enjoyed. School of Life had a lot of changes and tried on many hats, and it was challenging, and they had to pivot again. They offered me a redundancy because they were scaling back a lot and were operating differently." This was a significant moment for Kathryn. "It was the first time in my life that I hadn't worked since I was 14. I had to decide what to do." Then **Vetty Duncan** offered a lifeline. "Vetty, who I knew well by then, approached me and said 'Oh, EPA needs an admin support person.' I thought I might give it a shot, and I wanted to do something different to what I'd been doing. That was my link in with Ethical Property. My new job was made much easier because I already knew lots of the tenants and how the building worked."

Of course, there were surprises that donkey wheel house had in store for those managing the property. "I'd say the main challenge—this was early on—was when the façade had to be bolstered, restrengthened and all the scaffolding went up the front. That was difficult for the tenants, especially the ground floor ones—it caused a bit of heartache and grief, but it was also something that just had to be done for safety." Difficult, but needed—and achieved with as little disruption to the activities of donkey wheel house as possible. "There were tiles coming from Italy, and other pieces coming from overseas. It just took as long as it took, but that was hard. It's amazing that that project could be completed in that context while people were working there."

WHAT WERE THE BENEFITS OF WORKING IN THE DONKEY WHEEL ECOSYSTEM?

Across both EPA and The School of Life, Kathryn has benefitted enormously from being connected to donkey wheel and its ecosystem. "So, a lot of people I've met from School of Life, and—I'm not exaggerating—I made some really like close friends; one of whom was a housemate after School of Life." On a broader level, there was the exposure to those working to make a different difference in the world. "In the building, there were organisations doing important work from the Climate Council to The Big Issue, to Cogent, who are doing inspiring work. They attract good people who are community minded. I do not take that for granted. Within the Ethical Property team, I find our team very supportive."

WHAT DO YOU THINK YOU ADDED TO THE ECOSYSTEM?

Like many people who have spent time in donkey wheel house, Kathryn found this a difficult question to answer! "I would say a love of arts and culture, a love of community-minded organisations and small not for profits." On a personal level, she added, "I try to be helpful, to problem solve and to be quite hands on and available. I enjoyed that. I do like supporting and helping people, even with basic practical building things or tenancy issues."

*Keep reading
about Vetty
Duncan on
page 38*

CRISIS MANAGER 1

(2016–2017)

THE CRISIS

These were years we'd rather not remember. An existential bomb exploded behind the scenes. The Foundation found itself a pawn in what would turn out to be a long, painful and expensive legal case.

Following **Claire's** death, the Board acted on her wishes to appoint her friend and respected social change advocate, **Jane Tewson**, as a member of donkey wheel. At the same time, spurred on by their lawyer, one family member set out on their own to seize control of donkey wheel and its assets. The strategy they employed was to challenge two things:

- The process by which Jane was appointed, and
- That, contrary to company records stating that they had resigned five years previously, they themselves remained a director of the company.

In support of the company, **family members** from around the world rallied, at considerable personal cost. Many hundreds of thousands of dollars were spent on legal fees, and the strategic cost to the organisation was crippling. Two years were effectively lost as the court cases progressed and despite the Board and management being vindicated, the psychological cost was substantial.

The court found that:

- "The admission of Ms. Jane Tewson as a member of donkey wheel Ltd. is not invalid by reason of any contravention of a provision of the Corporations Act or a provision of donkey wheel Ltd.'s Constitution."
- The family member claiming to still be a director had "ceased to be director of donkey wheel with effect from 30 June 2010" (as per company records).

These judgements were then appealed, meaning we had to endure the appeals process, creating more uncertainty, stress and cost. We were relieved when the Appeal Judge found that "no material error is established" and the result was "that the appeal must be dismissed." It felt vindicating when the Appeal Judge also recognised that "membership of a charitable organisation involves no pecuniary benefit but rather carries

heavy responsibilities." We had certainly felt the weight of those heavy responsibilities during that time.

There were many times when donkey wheel staff and Board considered walking away due to the personal toll the legal cases took on them. However, the commitment to donkey wheel's vision and a determination to protect the legacy of those who had shaped the Foundation provided the incentive to stay the course.

Following the court case, the membership structure of the company was strengthened to include representatives from families directly associated with the donkey wheel founders. The governance practices of the company contributed significantly to building a cohesive defence. However, lessons learned from the experience include:

- Record keeping and attention to governance process and detail can matter a lot.
- Integrity and transparency matter even more. The ability to commit to simply being truthful without having to omit or spin realities helped us keep our mental resilience.
- Knowing that you have done the right things does not take away the stress of court processes and proceedings. And,
- Some things are worth fighting for.

Veiled behind this account are intensely personal stories of uncertainty, fear, vulnerability, problem solving, anger and determination. The donkey wheel Foundation may have been under attack, but the staff, Board and members experienced significant personal trauma. There were times when our safety and security felt vulnerable. Even if it turned out that threats to personal and property safety were partly imagined, the toll was substantial.

Jane became a member of donkey wheel to fulfil the wishes of her friend Claire but reluctantly found herself the pawn at the centre of the dispute. It was a trying time for her, with the intimidation she experienced coupled with the burden of responsibility she felt to Claire. donkey wheel remains extremely grateful for her commitment to stay the course until the matter was resolved. If she had not done so, everything the founders had worked for would have been lost.

Keep reading about Claire on page 50

Jane Tewson is introduced in profiles on page 224

Find more on The Brunner Family on page 12



As CEO and Chair, Paul and Col experienced the greatest impact. At one level, the emerging new donkey wheel strategy to help cultivate a much-needed social innovation ecosystem was under threat. The implications—as we saw them—were not just for our immediate network and sphere of influence, but for the social sector across the country. We were working with **The Australian Centre for Social Innovation** (TACSI) on early stage and foundational initiatives, and while no one contribution is indispensable, there were few people at the time who were working at a systems level to cultivate an environment that would enable **social innovation** (what is now referred to as Social Research and Development) to occur at scale. We were sick to our stomachs at the thought of the opportunities lost and the implications if the work was thwarted.

There was something deeply personal about the whole affair. Both as individuals and as a company, we value trust and honesty. Our work within the donkey wheel environment had tried to express these values and while we inevitably fall short of our elevated ideals on occasions, we knew we had conducted ourselves with integrity in these matters. When this was challenged, it cut deeply. If we could not be trusted, then it felt like the core of our professional being was being gutted. Paul especially found this difficult.

In hindsight, it is easy to say that we were always destined to win, given the spurious claims. However, it didn't feel like that. The future of donkey wheel, everything that had been achieved and, indeed, our personal and professional reputations, were all on the line. Experiencing this level of uncertainty over an extended period was crippling. The Supreme Court Judge in the original hearing didn't give much away during the trial proceedings—understandably—and this, combined with him taking a full twelve months to bring down his findings, didn't help our coping mechanisms.

But all the way through the crisis, Paul was doing what Paul does best: formulating solutions to problems. This included formulating what was to become our key legal defence argument right through to strategies to protect the work of donkey wheel if we lost the case. We are grateful to our legal team who helped us navigate the justice system with competence and rigour. We also know that at the end of the day, the deepest appreciation of the problems and therefore the

insight to develop a response rested within, rather than without. So, without Paul's grasp of the issues and the obstacles to be overcome and his special ability to navigate a way through, donkey wheel may not have survived the ordeal.

Much of this account is guarded and veiled. We have chosen this approach out of respect for the Brunner family. We will, however, garnish the story with one anecdote that illustrates the circus-like nature of the affair.

Pre-trial, there were many 'gatherings'—mediations and conferences with lawyers that defied anything any of us had experienced; rooms full of lawyers and related parties, with the cost per hour boggling our minds. On one such occasion, the donkey wheel Board and members were present with multiple teams of lawyers. It was a huge table in a packed room, with most people 'on the clock.' One elderly Brunner family member had travelled at their own expense from the UK to be present at this critical meeting. They had recently arrived at Tullamarine Airport and had made their way to the CBD meeting on public transport—an extraordinary and gracious effort. Halfway through the meeting, which had taken an unfathomable effort to coordinate, the other party abruptly announced they had to leave, because "the chopper was waiting to take him (and his team) to their next commitment." Everyone in the room was dumbfounded, aghast. The contrast in attitudes and approach could not have been starker and more character revealing. It was sad and laughable all at once.

The most formative dimensions of the donkey wheel **business model** in this season were:

- **BENEFICIARIES:** Family, the 'idea of donkey wheel'.
- **RELATIONSHIPS:** High trust.
- **VALUE PROPOSITION:** Protect and sustain the family vision and legacy.
- **KEY ACTIVITIES:** Legal processes, problem solving, stakeholder engagement.
- **KEY RESOURCES:** Governance practice, compliance history, integrity.
- **KEY PARTNERS:** Extended family and Jane Tewson, legal team.

Keep reading about TACSI on page 128

Social Innovation is explained in the Glossary on page 230

The Business Model Canvas has been an incredibly helpful tool for us over the years. Find out more about it in the Glossary on page 227

Skip to the next iteration of the donkey wheel story on page 140

Col Duthie has had two stints as Chair of the donkey wheel Board. The first was from 2008 to 2010, and then he joined again as Executive Chair in 2015.

HOW DID YOU FIRST HEAR ABOUT DONKEY WHEEL?

"It was through **Trevor Thomas** in 2008," Col recalls. "We had worked together on an international development agency board and had become friends. In 2008 **Ethinvest**, where Trevor's still the Managing Director, won the account to manage donkey wheel's investment portfolio when they went ethical. He called me and said, 'Col, I've met these interesting people with a vision to build a community of change makers. I think you should meet them.' At the same time, he said to Claire, 'Claire, I know this bloke that might be able to help you do what you're doing and what you're setting out to do.' I had a meeting with **Claire** and **Fran**. At the end of that first meeting, Claire said, 'Our Chair has just resigned, will you come and be Chair?' I said 'yes'."

WHAT'S DIFFERENT ABOUT WORKING AT DONKEY WHEEL?

"I will say being a **vocational community**, which I know is jargon, but it's people first," says Col with conviction. "We're a flexible workplace. It's interesting to see how long it takes for people to realise that we mean it. We do care about the whole person, but a flexible workplace doesn't mean that we're a workplace that takes our foot off the pedal. We are fiercely committed to our purpose. We expect people to bring their best to the job, but we really do treat each other as whole people. Flexibility means we allow people to figure out how you can do better than anyone else at your job while integrating it into your life."

Col reflects that "We are in an incredibly privileged position of being able to do work that we believe in and we're passionate about—that's by design rather than by accident. That makes it special and different, too, that we're doing work that means we bring our best to the table. We want to provide a platform for people to come and make their best contribution to the world, which is fabulous. People find that unusual—but what is it about workplaces where people can't be and bring their best selves?"

WHAT DO YOU THINK YOUR BIGGEST ACHIEVEMENT IS WHILE YOU'VE BEEN HERE?

"I think my biggest achievement is probably helping keep Paul around longer than he might otherwise have done," he says with a smile, partly concealing the seriousness of the response. "Like all of us, I've had an influence on the culture around donkey wheel. I could point to some of the things that I feel that I've been able to do. If I take a step back and say, 'What's the difference that I've made? What's the thing that I've bought that is uniquely mine to bring?'" He pauses, briefly. "I might be overplaying this, but I think Paul and I do have a relationship that enables us to bring the best out of each other. There's no question that the shape of donkey wheel over the last 12 years has been shaped around Paul's contribution and I hope that what I've done is help provide some behind-the-scenes support."

WHAT WAS THE MOST SIGNIFICANT CRISIS THAT YOU'VE ENCOUNTERED?

"I mean there's the monthly, weekly problem solving, running a BAL with key players infected by COVID etc but we've had a couple of existential ones. Clearly the **court case** was a threat to our very existence and our vision, and the personal nature of that... it wasn't just an objective thing that happened, that we managed from a business strategy perspective. It was deeply personal."

"I had a big role in managing the court case, alongside Paul. But in the early phases of that Paul was overseas, so there was some of that which fell heavily to me around managing the stakeholders."

WHAT DO YOU THINK YOU'VE BROUGHT TO THE DONKEY WHEEL ECOSYSTEM?

"Three things. The first one goes to governance and being involved in the donkey wheel Board provided an opportunity to experiment with the Board, the size of the Board and think about how the Board could add value, and we're still on that pathway. I don't think we've necessarily got it ideal but we're framing the Board to be appropriate for the organisation that we've got, and its supportive of the CEO through the different ups and downs. Since I joined the Board again in 2015, we haven't had clear air. We *literally* have not had clear air."

Find Trevor Thomas on Page 90

Find out about Ethinvest in Profiles on page 222

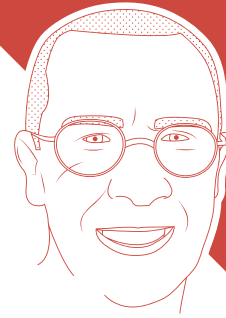
See Claire on page 50 and Fran on page 18

Keep reading about Vocational Community on page 204

Read about the court case in Crisis Manager 1 on page 132

COL DUTHIE

Executive Chair



You know that the early phases of that were—Claire's moving away from the Board and her passing, the court case, and then COVID. We've been holding it together without an opportunity to fly.

"The second one I've already mentioned, which is supporting Paul. When I came back to donkey wheel, the 'heyday' of donkey wheel house was just starting to fade. There was a period before I came back where **TDi** was firing, **Hub** was getting lots of people through the building, **Kinfolk Events** was starting to take off, **STREAT** was still in the building, but when I came back onto the Board some of that had dissipated. I felt like I provided a bit of a proxy support for Paul when some of those other leaders started to move away. So, I think my peer support was timely, alongside the relationship we have had as Chair and the CEO and being around the staff team.

"The third thing is Make it Better, and being able to help shape that and put my heart into it has been a good contribution. That has been my sweet spot and has brought together many of my skills and competencies developed over the years."

WHAT ARE YOU LOOKING FORWARD TO THE MOST?

"Clear air," says Col, starkly. "I'm not naïve enough to think that there won't be other complications. Since I came back on the Board and into the team, as good a work as we've done we've always had a major distraction—not just a minor distraction, but a *major* distraction."

Paul's feedback emphasised the vital role Col has played. "I think it's been less behind the scenes than he gives himself credit for. We have a creative relationship, not just a *doing* relationship. What I mean by that is I think all the ideas get refined through both our relationship, and then the broader team, and that is an amazing contribution. I couldn't have imagined going through the court case without him. I don't know that I would have stayed around post the court case. I had an obligation to see the court case through, but getting to the other side of the court case in 2018, was it worth picking up and keeping going? Well, yes, because of the relationships and, primarily, because of Col."

*Find TDi on
page 80*

*Read about
Hub Melbourne
on page 67*

*See Kinfolk
Events on
page 113*

*Check out
STREAT on
page 60*



RECIPIENT-CENTRED PRINCIPLES FOR PHILANTHROPY

Despite the rhetoric, our experience is that much of philanthropy is driven by donor centricity. We committed to exploring a different path.

1. FUND THE BORING INFRASTRUCTURE

When Paul was Deputy CEO at World Vision Australia (WVA), there was a conversation he would have at nearly every event he attended. Whether a family or corporate event, a conference, a donor meeting, even concerts, as soon as someone found out he was with WVA, they would say that they “did the 40 Hour Famine” (WVA’s youth fundraising and awareness campaign) when they were young, and how their family sponsors a child. This positive conversation was almost always followed with the BBQ-stopping question, “How much money actually goes to the child?” or, conversely, “How much is spent on fundraising and administration?”

One of his answers to the question of how much would go to the child used to be, “nothing.” Which was true—it was not like the \$40 per month sponsorship was put directly into the hand of a child! While this line of enquiry can come from good intentions, the questions are in fact the wrong ones. Much of philanthropy is about the bright and shiny. We have sat at the board table with many trustees and philanthropists whose primary concern is, “Where is the impact? We want the biggest impact for our dollar.” Often, these questions are proxies for, “Where are the feel-good stories about us making a difference?” Because of these drivers, leaders in philanthropy are attracted to frontline service provision where their money can be directly connected to the outcomes of a child’s life change, a family who is lifted out of poverty, or a community who is thriving. It is understandable that when we give, we want to know that it is going to the people who need it and that it is making a difference.

A better set of questions relate to the effectiveness and efficiency of the service delivery. It surprises us how people ask these questions about the overheads of charitable organisations, but typically never ask it of governments or of companies. Imagine if you only gave Coca-Cola your money for their product if they kept administration and

marketing below a set level—keep in mind that administration and marketing accounts for more than 75% of the product’s cost!

At donkey wheel, we have realised that effective philanthropy needs us to fund the boring!

Organisations that do good need good people, good processes and good resources to do the job well. While there are always frontline people with amazing stories to tell of transformed lives, there are also the ‘spreadsheet people’ with intelligence guiding and directing that activity to ensure good outcomes. Behind-the-scenes roles like accounting, transport, logistics, staff care, computer and IT and communications are fundamental to frontline services.

We must fund the basic infrastructure of an organisation, not as some percentage of the program, but as the vital support structure to ensure service delivery occurs. Healthy and effective administration makes the program better.

2. FUND FOR THE LONG TERM

Social change is complex work. The organisations whose mission it is to support it, take on huge challenges. Those challenges require time—time to design responses and time for the product or service to generate impact.

How frustrating is it then, to annually apply for small amounts of money from multiple sources? Never mind the significant effort and time expense to service fundraising and associated donor engagement aspects of the organisation.

From a donor perspective it is nice to spread your support broadly. There is the benefit of being associated with many projects, and if the grant is not ‘too big’, it mitigates the risk of perceived waste if the initiative doesn’t go well. These, however, are more examples of donor centricity.

We have tried to put ourselves in the shoes of recipients. What kind of funding makes their jobs easier? We have realised that effective philanthropy needs long-term commitments.



This requires us to be a partner for more than a one-off small grant: multi-year funding gives the grantee security to take risks, scale up and test and refine their approach. It also saves them having to invest more time in recurring fundraising.

3. FUND LARGER AMOUNTS

Hand in hand with multi-year funding is the need to offer larger amounts. It is nice to feel the rush of giving to as many organisations as possible but making lots of grants to lots of different organisations necessarily means offering smaller amounts. While this looks good in an Annual Report, it is not helpful for the grantee.

We're not pretending it is easy to consolidate granting, as the obvious implication is that some organisations will miss out. Giving a bigger number of smaller grants provides ongoing support for a system that we believe is donor-rather than recipient-centred. As a relatively small foundation, our experience is that concentrating our granting on a small number of strategically aligned recipients helps incentivise healthy practice from both grantor and recipient.

It helps the recipient be clear about the broader outcomes they are seeking to achieve by lifting the conversation beyond a piece of the project that benefits from a smaller grant. It helps the donor, because it forces us to be clear about the nature of the impact we choose to support and take the 'risk' based on our due diligence on the people and project.

4. TRUST THE PEOPLE (OTHERWISE DON'T GIVE TO THE ORGANISATION)

If you don't trust the people you are giving to, then don't give. This is the most important part of any due diligence that a philanthropist can do. You will not always get it right—we have certainly bet on people that didn't deliver as we'd anticipated. We believe the assessment of the organisation's leadership capacity to deliver on their mission is the most important aspect of a decision to grant. It is mostly about trusting the people.

Coming back to 'funding the boring', sometimes the posture philanthropists take is insulting to organisational leaders. Framing the 'fund the boring' principle another way, we must trust that organisational leaders know how to best run their organisation effectively and efficiently. That doesn't mean we don't engage in some coaching and advice if we've got intelligence or experience that adds value, but telling them *where* and *how* to spend money is the epitome of donor centrality. If we don't believe they are competent enough to make wise financial management decisions, then don't give to them. They have skin in the game. They are the ones that know what it takes to deliver. They are the ones who have most to lose from poor financial management.

If you trust the leadership, funding the boring is the starting point. Then untied grants given to trustworthy leadership should be the objective of granting. Too often grants are tied to specific programs or outcomes. If you trust the leadership, trust they will deploy the monies to bring about mission impact in the best way. Things will change and leadership needs flexibility to get things done. Granting in ways that can support this agility is vital.

5. NO ADDITIONAL REPORTING REQUIREMENTS

Another dimension of donor centrality is the development of application and acquittal processes specific to each donor. The effort required from recipients is multiplied by the other two common practices described above: lots of granters and lots of single grants.

We decided to only ask for reporting that grantees were going to do anyway, because it was helpful for their organisation. The decision to grant is based on our confidence that they manage their business to deliver on impact and financial commitments. To do that, we assess the way they report both internally and publicly, whether for operational, governance or public relations purposes.

Keep reading
about Craig
on page 162

Our other commitment is not to tie our funding to artificially quarantined projects or parts of their operating system, which means that we can simply ask for reports that they are already producing. Hopefully, this is good for them because they don't have to create new reports, and we think it's good for us because we don't incentivise reporting that unnecessarily and sometimes artificially separates 'our' piece of 'their' business.

The other reporting practice we have employed in recent years is to invite recipients to participate in a brief interview where we ask them to describe their need and how our engagement added value—or not. This interview, conducted by **Craig**, our in-house storyteller, helps us understand and tell our own story, by referencing the difference making that happens by those we support.

6. APPROPRIATE ATTRIBUTION

Perhaps the dimension of donor centrality we find most offensive is the claim philanthropists make regarding impact. You would think by the way some talk, that *they* are the ones who have made the difference. This is arrogant on two main fronts.

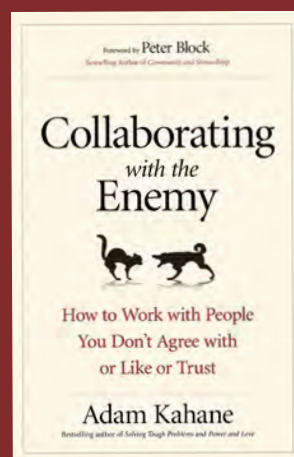
Firstly, social change is tough work. While claiming that change is attributable to the foundation who wrote the cheque is true in some sense, it is true in a very different way of the people who did the *actual* work. The case when such an attribution could be claimed is only when if *they* hadn't written a cheque no one else would have done so, which is rarely the case. Or perhaps when a commitment to grant leveraged funding that otherwise wouldn't have been forthcoming—that is, the first cheque created incentives for others to write one. Even in these cases, the attribution for the funding ("Made possible by...") is not the same as the attribution for the impact ("Difference made by...").

Which leads us to the other common overreach when it comes to attribution claims from philanthropists. Change, when it does happen, happens in the context of complex systems. The causes and effects of positive change have tentacles that reach in many different directions and have many different players. Even if we were to map all the different factors in a successful social program, there would be other unseen infrastructure and support mechanisms—long stories going back decades that culminated in the sets of competencies and contributions that came together. When philanthropy overreaches in claims of attribution it denies the systemic nature of change and reflects an unhealthy need for recognition.



STRETCH COLLABORATION

HOW TO WORK TOGETHER
WITHOUT AGREEING
ON WHAT IT IS YOU
ARE WORKING ON



A conventional understanding of collaboration requires us all to be on the same page and headed in the same direction—to agree on what needs to be done and then all working together to make it happen. In other words, we assume that collaboration *can* and *must* be under control. We too often think that we all need to be in agreement in order to get something done.

Consensus-based solutions are built on common ground between existing responses and therefore typically fail to engage system-level challenges. When we start with the premise that population-level change is the goal of our collaboration, then there is an imperative to look for multiple responses rather than common ground.

Adam Kahane, the best-selling author and an authority on systemic transformation and collaboration, argues in *Collaborating with the Enemy* that collaboration is becoming increasingly important, but also increasingly difficult.

Adam Kahane is
listed in Profiles
on page 221

We have found his concept of “stretch collaboration” extremely informative and helpful. Stretch collaboration describes an approach that embraces discord, experimentation and co-creation.

| | Conventional Collaboration | Stretch Collaboration |
|--------------------------------------|---|--|
| How we relate with our collaborators | Focus on the good and harmony of the team (<i>one dominant whole</i>) | Embrace conflict and connection (<i>multiple diverse wholes</i>) |
| How we advance our work | Agree on the problem, the solution, and the plan (<i>one best possibility</i>) | Experiment our way forward (<i>multiple emergent possibilities</i>) |
| How we participate in our situation | Change what other people are doing (<i>one super-creator</i>) | Step into the game (<i>multiple co-creators</i>) |

Kahane writes that it is possible to get things done in complex situations even with people we don't agree with, like or trust. Conventional collaboration often fails in this scenario, and we need to accept and shift to processes that could be messy, uncomfortable yet stimulating. A few stretch collaboration principles that we are particularly drawn to include:

- You don't have to agree on the problem or a solution, but you need to commit to experimenting forward.
- You can't be part of the solution if you don't recognise you are part of the problem.
- You can't change what other people are doing, but you need to step into the collaboration process.

Make it Better, in all its various forms, is our current effort to emphasise connections rather than consensus, to cultivate stretch collaboration without seeking to define common ground.

Check out
Make it Better
on page 176

RESET AS FIELD CATALYST

(2017–2018)



For more on
the legal case
see Page 132

Impact
Investor—
Inward Focus,
page 68

Impact
Investor—
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page 94

Coach &
Mentor,
page 110

If the term
'blended value'
doesn't make
sense, check
it out in the
Glossary on
page 227

Read about
'the first
major season' in
Property Owner
and Manager
on page 26

Visit page
128 for more
on TACSI

See Carolyn
Curtis
on page 124

DESIGN BETTER FOR SYSTEMS CHANGE

The **legal case** was an ever-present dark cloud during 2017. In parallel with the effort and cost associated with the trials, a new strategy for donkey wheel was emerging.

The previous strategy, and therefore our activity, was shaped around impact investing (see **Impact Investor—Inward Focus; Impact Investor—Outward Focus; Coach and Mentor**). Our efforts had helped to build sustainable businesses with **blended value**. One of the observations from the hundreds of initiatives we saw was that there was very rarely any design work done on the social impact. We and others had developed expertise at designing businesses with an impact component, but the space we were operating in had essentially been working with business entrepreneurs. Service designers and social researchers were typically only engaged for monitoring and evaluation or case studies. We recognised that if we were to see real change among the cohorts we were purporting to serve, we needed to do a much better job at designing the impact dimension of projects.

Unlike other sectors, innovation did not have a well understood process in the social sector, let alone a supportive ecosystem. Individual organisations were doing their best to be creative, but there were few that we knew of in Australia who were looking at social innovation at the systems level. One who was passionately concerned about systems-level social innovation was **The Australian Centre for Social Innovation** (TACSI).

The legal case thwarted our capacity to generate new activity, but our visioning gained momentum. In a move consistent with the emerging clarity around the need for the development of social innovation ecosystem, Paul spent twelve months on secondment at TACSI to work with **Carolyn Curtis** and her team.

At the time, the language of 'social innovation' was shorthand to express the need for better ways of doing social change with an emphasis on input from those with lived experience in the design process. It became clearer to us, however, that our calling in the next phase was to figure out how to better design for change at a systems level. During Paul's tenure, the **first major season** was getting the building sorted, and the next was supporting individual organisations and projects that were part of the growing social change ecosystem. In a real sense these were reactive foci. There was no escaping the imperative to act in response to the cacophony of demands around property and people. As we emerged from the court cases it was, in hindsight, the first time we could take stock and determine our own focus, notwithstanding the pattern of recognising and responding to gaps in the system.

By the end of 2017 Paul had done just that and had formulated a strategic intent to give us clarity from then until 2022.

A FELLOWSHIP?

Another significant event happened that would turn out to be transformational for us. An endowment from a Brunner family member's estate was gifted to the donkey wheel Foundation. While the legal case was progressing, the funds were held in trust in the UK. We had been planning to develop a fellowship, a program to support a small number of innovators over a 12-month period. The idea had been to house them in our office and connect them to the people and resources they needed to turn a social innovation into reality.

We planned to use the endowment to support the fellowship, proposing that it would bear the family name. In typical Brunner form, while they loved the concept, they didn't want a bar of it being named after them! In the meantime, we started to get nervous about the idea of a significant portion of our resources being channelled to one or two people and projects. Paul commented one

What?



Granting

Change Projects
through
Social Entrepreneurs



Investment

Scaling Impact
through
Investment Opportunities



Eco System Development

System Change
through
dw as field Catalyst



Brunner Fellowship

Grass Roots Ideas
through
Social Intreneurs

Slide from the Strategic Intent pack, 2017

day that the selection process felt like searching for a needle in a haystack. In his usual way, Paul then declared that instead we needed to build a haystack of needles.

The haystack of needles would become the **Make it Better community**, the most significant program of activity that the Foundation has embarked on ourselves, rather than supporting others to do.

FIELD CATALYST

Every now and again someone offers a perspective that helps bring clarity to things that had previously been hard to grasp. It happened significantly for us in an article that appeared in the *Stanford Social Innovation Review* in October 2017. It was called **How Field Catalysts Galvanise Social Change**. With extraordinary clarity, the authors described the contribution we felt we were making. Some of the ways the authors helped us were:

- Describing elements of a field (what we sometimes described as an ecosystem),
- A shared identity that's anchored on the field,
- Standards of codified practices,
- A knowledge base built on credible research,
- Leadership and grassroots support that advances the field, and
- Sufficient funding and supportive policies.

They go on to list four characteristics of field catalysts:

- Focus on achieving population-level change, not simply on scaling up an organisation or intervention,
- Influence the direct actions of others, rather than directly acting themselves,
- Concentrate on getting things done, not on building consensus, and
- Are built to win, not to last.

And suggest three things that field catalysts think about:

- They think about how their field—fractured and fragmented though it may be—can achieve population-level change,
- Field catalysts think about a road map for change, and
- What will it take to marshal stakeholders' efforts?

Finally, what do field catalysts actually do?

- The first thing catalysts do well is to help the field meet its evolving needs by filling key 'capability gaps' across a range of disciplines.
- The second thing that field catalysts do well is that they appeal to multiple funders, and
- The third thing field catalysts do well is that they consult with many but make decisions within a small group.

We recognised our contribution in the social enterprise and impact investing field as that of a **field catalyst**. We knew that what was needed in the field of social research and development, social innovation, and designing better for system level change, would require the same set of obsessions and commitments of us.

INCUBATING CAMPAIGN CHAMPIONS

The relational nature of the donkey wheel engagement means we often come across people who want to make the world a better place, and it becomes clear we could help them. **Nick Moraitis**, CEO of The Centre for Australian Progress at the time was one such person. Australian Progress (for short) was developing a program to incubate campaigning organisations. We had loads of experience in building sustainable organisations, but how do you craft a *campaign* that makes a difference? **Progress Labs** was a plan to do just that. Over three years we provided some of the

The Make it Better community ties in with 'Host for Change 2' on page 160

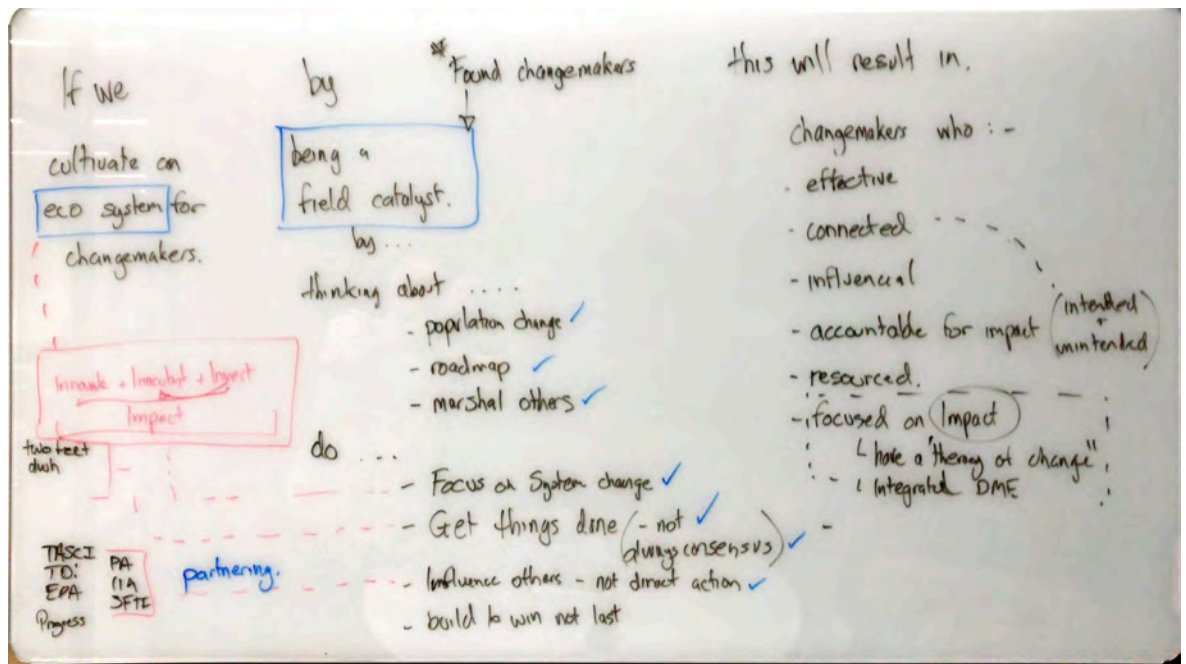
Scan for: How Field Catalysts Galvanise Social Change



Check out field catalyst in the Glossary on page 228

Read about Nick Moraitis on page 122

Read about Progress Labs on page 127



Whiteboard discussion on our Theory of Change, 2018

funding to run several cohorts of people with important social change campaign missions through the Lab. We also sat alongside the team at Australian Progress to help them think about sustainability and business models.

The highlight of our involvement was the pitch days when we got to watch the evolution of the ideas, the growth in the campaigners and the impact of their work. This is not easy work, because the results of your efforts in these fields are not immediately obvious. If you are at the front lines of a social or environmental problem, where you can see the lives of people improve in direct response to your action, there is some level of instant gratification. For example, if you work in providing food security for hungry people, then your work has some result every time you provide the person with a meal. However, people who attempt to change the system that created the hunger in the first place have a long, hard road before they see results. Campaigning requires a long-term commitment with few directly attributable results and is less 'sexy' work in regard to obtaining funding. We were truly inspired by the work of the participants of Progress Labs— incredible people tackling challenging issues.

If you haven't already, find out more about the Business Model Canvas via the Glossary on page 227

Skip to the next iteration of donkey wheel's contribution on page 160

EMERGING

In February 2018 we hosted a thank you lunch for the many people who had supported us through the trying legal case. We were grateful that we not only had our long-time friends from the ecosystem present but also representatives from our legal team who had become fascinated by the work of the Foundation through the process.

The air had begun to clear, but in truth it took most of 2018 before we felt ourselves beginning to emerge from the trauma.

The most formative dimensions of the donkey wheel **business model** in this season were:

- **BENEFICIARIES:** donkey wheel—we were inward focused. We also reinvigorated our granting with a commitment to multi-year support for key partners. In this season we supported TACSI and Progress Labs, an initiative of The Centre for Australian Progress.
- **KEY ACTIVITIES:** Research and development, visioning and planning.
- **KEY RESOURCES:** Our own resilience and determination, support network.
- **KEY PARTNERS:** TACSI.



“What if we used this disruption as an opportunity to let go of everything that isn’t essential in our life, in our work, and in our institutional routines? How might we reimagine how we live and work together? How might we reimagine the basic structures of our civilization? ... That’s the conversation we need to have now. With our circles of friends. With our families. With our organizations and communities.”
- Otto Scharmer

FIELD CATALYST

(The Power of Naming)

Occasionally an idea emerges that makes sense of things that previously didn't have a label, let alone a category. In many cases, we are blissfully unaware that the idea or concept exists until it is named. Sometimes that naming transforms us and, when personified by someone, we can be led by that person's ideas and actions.

Shortly after Paul and Col started working together in the early 2000s, we encountered Peter Senge, Joseph Jaworski, Betty Sue Flowers and Otto Scharmer's book, *Presence*. *Presence* is a core practice in **Theory U**, a process used to navigate us toward innovation in the context of complex challenges. The concept not only explained some things that we were doing intuitively, but it offered us a framework to design our work.

Nassim Taleb's *Antifragile* has also been an example of an idea that ushers in a new way of understanding the world, especially in uncertain times. Antifragility is an attribute where trauma and stress result in increased strength (as opposed to 'robust', which is the ability to withstand trauma). The corollary of the antifragile thesis is that unbreakable things can unravel in the face of so-called **black swan** events (another of Taleb's concepts).

Not quite as life changing, but profoundly useful, was The Stanford Social Innovation Review's 2017 article, **How Field Catalysts Galvanize Social Change**. According to its authors Hussein, Plummer and Breen, Field Catalysts share four characteristics:

- Focus on achieving population-level change, not simply on scaling up an organisation or intervention,
- Influence the direct actions of others, rather than directly acting themselves,
- Concentrate on getting things done, not on building consensus, and
- They build to win, not to last.

The article also articulates what Field Catalysts think about:

- First, they think about how their field—fractured and fragmented though it may be—can achieve population-level change.
- Second, field catalysts think about a road map for change.
- Third, thing that field catalysts think about is what it will take to marshal stakeholders' efforts.

It then explains what Field Catalysts do well:

- The first thing catalysts do well is to help the field meet its evolving needs by filling key 'capability gaps' across a range of disciplines.
- The second thing that field catalysts do well is that they appeal to multiple funders.
- The third thing field catalysts do well is that they consult with many but make decisions in a small group.

This idea of donkey wheel as 'field catalyst' felt like the right fit. It deeply resonated with who we were and, more importantly, with who we wanted to become. It also helped us clearly communicate the role we were playing to others.

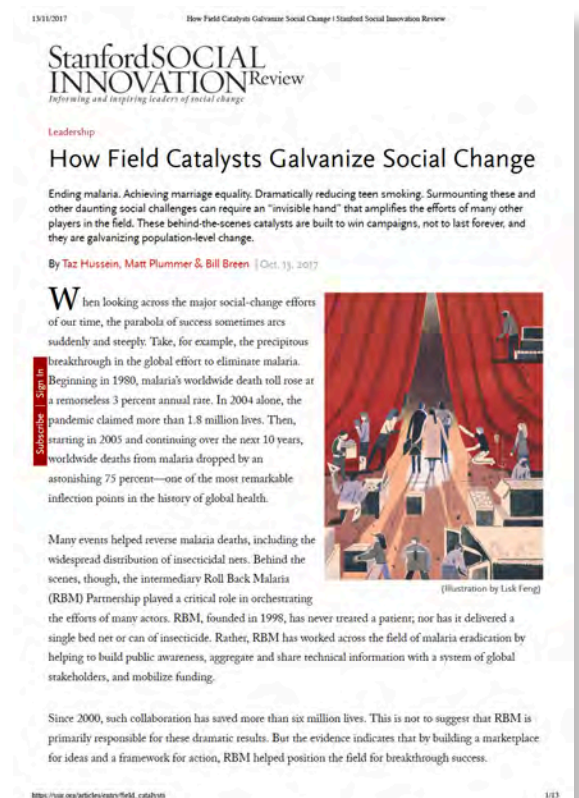
These characteristics of a field catalyst became a guiding set of questions to ask when we were implementing strategy. For example, when we set out to create a new partnership or program, the question, 'Are we building to win, or to last?' is an insightful one. This question can change the nature of what we are doing, help us keep our eye

Theory U is described in the Glossary on page 231

Read about donkey wheel as 'field catalyst' on page 144

Black swan events are described in the Glossary on page 227

Scan for: How Field Catalysts Galvanize Social Change



Screenshot from the Stanford Social Innovation Review article, 2017



Four Types of Field-Building Intermediaries

| TYPE | WHAT IT DOES | EXAMPLES |
|------------------------------|--|---|
| Field Catalyst | Deploys different capabilities, quietly influencing and augmenting the field's efforts to achieve population-level change | <ul style="list-style-type: none">■ Roll Back Malaria Partnership■ Campaign for Tobacco-Free Kids■ The National Campaign to Prevent Teen and Unplanned Pregnancy■ Freedom to Marry■ Community Solutions |
| Capability Specialist | Provides one supporting capability to the field | <ul style="list-style-type: none">■ Civitas Public Affairs■ MDRC■ NAACP Legal Defense and Education Fund |
| Evidence-Action Lab | Focuses on research and development, advising policy makers, and helping the field's practitioners learn, improve, and scale solutions | <ul style="list-style-type: none">■ Ariadne Labs■ Character Lab■ ChildObesity180 |
| Place-Based Backbone | Coordinates local and regional cross-sector stakeholders and supports them in collectively transforming a fragmented field | <ul style="list-style-type: none">■ Memphis Fast Forward■ Chicago Jobs Council■ StrivePartnership |

The Bridgespan Group has identified four types of field-building intermediary organizations, but we are beginning to discover other types that overlap with one or more of these four, yet have their own distinct characteristics.

A table from the Stanford Social Innovation Review article, 2017

on the goal and not get sidetracked by sustaining activity for activity's sake. While all the characteristics are helpful and important, the focus on getting things done, rather than building consensus, has also been incredibly helpful. We are very much committed to collaboration, but the push for consensus as a prerequisite for action is an unhelpful one for a field catalyst.

We learnt this the hard way.

In the early days we convened many gatherings, particularly of social entrepreneurs. The aim was to get consensus on what needed to happen for social enterprise to be an effective tool. Although these gatherings felt good and many connections were made, the outputs we wanted never eventuated. People just had too many ways of understanding the problem and too many differing views on 'the solution.' There is an almost automatic self-protection in play that means many often build to *last*, not to *win*. These views and approaches are predicated on the belief that we have the best solutions and therefore we must last in order to deliver our solution.

Before grasping the role of field catalysts, we used other language to describe what we did. We talked about focussing our attention on system-level change. We decided to focus our support on intermediary, infrastructure type of organisations who in turn supported front line agencies, rather than support a small number of initiatives. We described applying a range of resources (financial, real estate, human) to achieving an outcome—whatever it took. We felt unconstrained by a particular response. **(See the evolution of the business donkey wheel business model via the white section)** We found ourselves ambivalent about perpetuity or sustainability without a parallel conversation about impact. While we engaged ideas, theories and concepts enthusiastically, we have been deeply pragmatic. It's not that we haven't ascribed value to academic rigour, process polish, of theoretical thoroughness, it is just that we have been singularly focussed on achieving an outcome.

The entrepreneurial, can-do mindset has always sat comfortably at donkey wheel. More recently we have unpacked the **difference between improvisation and scripted organisational practice**. Conventionally, management practice follows a script mindset. The strategy and operational plan becomes the script, and the CEO is the theatre director whose job it is to corral the actors (staff) so that they act in accordance with the script.

We noticed our *modus operandi* was more akin to the practice of improvisation. We start with what we've got and draw on our competence and experience to be responsive to our dynamic environment, always attuned to the response of those we exist to serve while maintaining a fierce alignment with our values.

These entrepreneurial, pragmatic and improv approaches found a natural home in the role of field catalyst as defined by Hussein et al. The field for us was the ecosystem that annexed impact investing and social change. Our goal has been to cultivate an environment with the conditions that made success for social change agents a greater possibility.

See the evolution of the business donkey wheel business model via the white sections of the book starting with page 94

See page 166 for Philanthropy as Improvisation and page 170 for Strategy as Improvisation

SYSTEMS CHANGE AND ATTRIBUTION

It has become fashionable to work for systems change, and with good reason. We know that many of the challenges we face are complex and interconnected, so working on one piece of the puzzle never delivers the population-level change that we desperately need. So, we like to say we're working at a systems level. But what does that mean?

Defining the system is always problematic because any system sits within other systems. Whether it is an environmental challenge, a violence or an inequality problem... whatever it is, it is *always* connected to another system. As someone has suggested, when you try to draw a boundary around the system and consider other influences, you eventually end up with the universe.

Rather than talk about a systemic solution, Paul says we need to work on solutions that have a systems view. In other words, if we really think we (as individual players) can change the system, we are deluded. That doesn't mean we shouldn't be constantly looking at how our efforts relate to the broader environment in which they operate. There will be consequences of our activity—both intended and unintended, positive and negative. There will be healthy momentum that we can ride, and there can be impediments and barriers that prevent us achieving our goals. There are some things we innovate to work around, and some obstacles that we try to remove. There are entrenched practices, and there are disruptive so-called '**black swan**' events. There is regulation and legislation and there are community attitudes. All these things are parts of any system we choose to engage.

Recognising the forces that need to work together to shift systems is humbling. Yet we desperately like to claim credit for change, and so have developed sophisticated monitoring and evaluation frameworks that try to tease out the outputs, outcomes and impact that can be attributed to particular inputs. We affirm interventions based on an evidence base—that

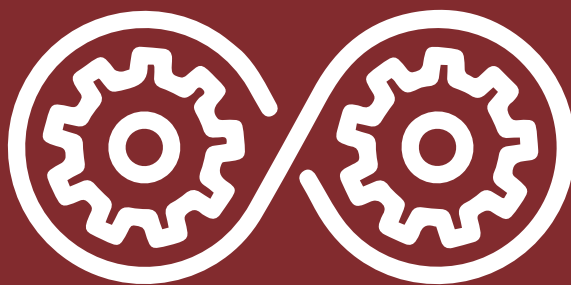
is, objective data that demonstrates a connection between an activity and a positive social outcome. The social research industry is now well developed, and the process to even embark on a project, including the ethics sign off, is rightly rigorous and detailed.

We have seen it done well, but fear that in most cases it has become an area of expertise like so many others, where we've lost sight of the intention. Researchers and monitoring and evaluation experts become more concerned with the technical perfection or beauty of their work. The desire for community transformation that first drove the initiative gets swamped and common-sense pragmatism can be the victim.

We need a different way to assess the value of our contribution.

1. **WE NEED TO LET GO OF OUR NEED TO BE RECOGNISED.** We tell donors that their \$20 has changed a child's life (mostly this is rubbish). As philanthropists, we like to attribute the success of a social program (almost exclusively) to our generosity (also, mostly rubbish). It's one thing to say, well if I didn't do X, Y wouldn't have happened. But that's entirely different than claiming attribution for the multitude of things that will surely have happened for a positive change to have occurred. We act as part of a complex system. We can act in line with a momentum in a particular direction... or not. However, very, very rarely can a single player claim a direct correlation between their input and the resulting impact. We are simply not as important as we think we are.
2. **WE ACT IN CONCERT.** We are players in an orchestra. We can play in tune, in rhythm... or not. We have control over our inputs, but that is about it. They go into the mix with a myriad of other inputs. Even our own inputs, however, are not of our own making. We did not

*For more on
'Black Swan'
see page 227*



choose our DNA. We are where we are because of a complex set of experiences and inputs from others. There is no such thing as a self-made person or a self-made organisation. So even our own contributions are an interesting recipe of other inputs. We can identify what we have done, but from there the story is a collective one and, told with integrity, it includes many other inputs. For example, think about two iconic acts that are told in the American Civil Rights movement. Rosa Parks' defiant act on the bus and Martin Luther King's speech were no doubt significant, but were 'notes' in a chorus that needed a context to facilitate traction.

3. **IMPACT MEASUREMENT HAS ITS PLACE.** Indeed, we need to understand whether we are making progress as a result of an activity or, more precisely, we need to understand the cause and effect of activity within systems. In some circumstances we can do proper scientific research to test a thesis, but in many—if not most—cases we will need to take a long-term view of trends. Our interventions will need to be understood more as nudging. Some disruptive initiatives will make waves, but in order to shift whole systems a plethora of changes need to happen in concert. The impact story can therefore be told about the whole system but linking the attribution to our input should be done with modesty.

CHANGE WITH A SYSTEMS VIEW

The Australian Centre for Social Innovation (TACSI) has done excellent work on the nature of working for change within systems. Their work describes the difference between innovation efforts that seek to work around obstacles in an existing system, and those efforts that are aimed at the obstacles themselves. The nature of our work at donkey wheel has often been to find pathways that work around and set up alternatives to an

existing system. Paul's entrepreneurial approach has led us to fill gaps and create alternatives rather than just address existing infrastructure issues.

Peter Senge, an early and clear voice on the need for systems thinking, has been at pains to help us appreciate that the idea is not to understand a system. Rather, he says, our job is to try to understand how unintended consequences happen within a system. One of the ways this affects our approach is that we always try to extrapolate from our initiatives and appreciate the implications, both positive and negative. We understand that poking at and disrupting a part of a system will always have a ripple effect.

Make it Better is our attempt to connect many systems and help people have conversations that make connections beyond their normal view of the system. We spend a lot of time and energy connecting and curating conversations that are happening in different parts of the system. We know this is working well when we are asked to connect the person we are talking to other people in different parts of the system.

This perspective on supporting social change is not something we chose conceptually over another point of view. In the piece on **Vocational Communities**, we explain how our approach is unashamedly a reflection of the people on the team. For example, Paul's view of the world is relentlessly bird's eye, and by this we don't mean 'big picture' in the way that people often use that term. By having a systems view we mean that his, and therefore donkey wheel's perspective, involuntarily annexes the environment in which an organisation or project exists, considering scenarios of consequences that ripple out or, more likely, thinking about the parts of a system that, unless engaged, will hinder impact.

We are not saying this is better or worse than other perspectives, it is simply a statement of self-reflection that helps us understand why we see what we see and act accordingly.

Peter Senge appears in Profiles on page 225

Head to page 178 for Make it Better Table

Read more on Vocational Communities on page 204

Read about TACSI on page 128



A graphic recording of a Better Ageing lab discussion on the ageing system in Australia



ROLLERCOASTER

WHAT WAS ROLLERCOASTER TRYING TO DO?

The aim of Rollercoaster Theatre, an independent, not-for-profit theatre company, is to challenge society's misconceptions about disability. Rollercoaster formed to counter the lack of employment opportunities within the Arts for people with mixed abilities. Rollercoaster's work provides a platform for its ensemble to create theatre and film—defying expectations, challenging stereotypes, and raising the profile of performers with mixed abilities. The company's performances are shown in various settings, ranging across theatre venues, corporate functions, community events, educational forums and film festivals. Rollercoaster seeks to address the profound social isolation many of the ensemble experience and to significantly increase their level of self-worth, purposefulness and personal autonomy and agency.

WHERE DID THE CONNECTION WITH THE DONKEY WHEEL ECOSYSTEM BEGIN?

Jarrood Briffa caught up with Paul at the end of 2019, where they talked about life, the universe and everything. Jarrod shared that he had taken up the role of Chair at Rollercoaster. "I learned about Rollercoaster a few years back when an actor that my partner worked with, put on a show at the Spiegel Tent. The ensemble of actors who were performing the show all had a disability. Rosie and I, we see a lot of theatre. This was one of the most moving and authentic pieces of theatre I'd seen that year. The actors had written a lot of their pieces in the show, so it was an opportunity to hear their perspectives on some of these critical issues and how it impacts them. It was done in such a creative and artistic way that was beautiful to watch. I was deeply moved by the performance, and so was Rosie. Extremely moved by it.

I remember connecting with Sarah afterwards, and about six months to a year later she asked me if I was interested in joining the Board. It seemed like a wonderful opportunity because it was so obvious the company had so much talent and immense potential, so much potential for changing the conversation about *disability* by demonstrating how inspiring and talented these people in the ensemble were, with disabilities—you weren't watching disability theatre you were watching *good* theatre. I thought it was a powerful way to change the conversation about disability through art."

WHAT WERE THE OBSTACLES? THE PAIN?

Rollercoaster was effectively operating from one philanthropic grant to the next. In that business model there is always a certain amount of anxiety about the future that draws energy away from operating in the present, let alone executing long-term planning and creative expression.

"The reason I wanted to come on board as Chair was to help the company to develop their art, their skill and their talents, through a sustainable revenue stream to support the company long term."

WHAT GAIN DID ROLLERCOASTER NEED?

"To that point, Rollercoaster had been solely reliant on gifting and philanthropy, and while they had some wonderful philanthropic supporters, I wanted to help them transition towards a more sustainable revenue stream where they could leverage the talent that they had in the organisation to develop new incomes."

*Keep reading
about Jarrod
Briffa on
page 54*



Rollercoaster performs on stage

WHAT DID DONKEY WHEEL PROVIDE?

Jarrold recalls yet another conversation with Paul leading to a different thought process and approach. “I had a chat with Paul about new income streams, and I was telling him about how inspiring Rollercoaster was—what they were doing was amazing. We had some great ideas to start to transition towards more sustainable income streams. I sent Paul some links to the Tropfest film, which had come runner-up. It was another case where we didn’t have a business plan – we just didn’t know how we were going to make the transition. What there *was* plenty of was will, talent and a bunch of good and creative people. donkey wheel took the gamble—again.”

HOW DID DONKEY WHEEL CREATE VALUE?

“Since then, we’ve been working with Paul to see how we can develop a sustainable income for the company. It’s been a journey—and we were working on a heap of stuff in 2019, but when COVID-19 happened it halted a lot of things. But, in the best of times and the worst of times, there’s opportunities.”

HOW DID DONKEY WHEEL HELP ROLLERCOASTER?

We are always at our best when grappling with problems in a creative way—and there are few better at doing that than Paul. “But we’re coming to a point now, with the use of technology and adapting our programs to being delivered over that medium, that we could be potentially delivering the programs to people with disabilities all over Australia. There is scope for how we as a company can grow through this period. It’s

exciting to have people like Paul to work with on that, to develop a business model that will give us the best chance of success.”

Paul’s backing and the history of consistent support from our ecosystem has been a factor that has helped Jarrold have the bravery to tackle complicated challenges, such as the ones at Rollercoaster. “The funny thing is, I still know that I’ve got *no* idea what I’m doing! The other thing I know is that I have known that before. I know that I have found ways to get around that, and the only thing that gives me confidence in that from a leadership perspective is that I’m transparent about that. The people around you don’t necessarily take confidence in the fact that you always know what to do. The confidence comes from knowing that you will be there to do what you can and support them and so you can all find out how to solve this or achieve what you want to achieve.” That attitude to treating people well and bringing them along on the journey also part of our DNA.

Jarrold reflects, “The journey in terms of knowledge, is a never-ending journey and there’s no end point. I’m out of my depth daily with the stuff we’re doing at **Kinfolk** and Rollercoaster. But I also feel that if you’re transparent and work hard, and honest and open with people, you can usually find ways to overcome those challenges. That’s the thing that gets you out of bed on most days, that you’re trying to solve the next challenge. You’re trying to work out how to bring people together a little bit stronger and everyone and do their best work, and it’s usually these things that you don’t really know how to do. That constant learning makes it even more worthwhile.”

Turn to page 113 for more on Kinfolk

WRESTLING WITH OUR POSITIONS OF POWER

Our lived experience is in the world of privilege. We engage injustice, social and economic exclusion from a position of safety. To what extent is that a problem?

LITTLE OR NO LIVED EXPERIENCE OF SYSTEMIC DISCRIMINATION

Col's brother lived in Abu Dhabi for a couple of years, and he was fortunate to visit them there. One of his enduring memories was of the experience of racial discrimination against Europeans. It is not something that privileged white people get to encounter very often, so the emotional response was significant, even when the issue (police responses to speeding) was insignificant. Col says that he doesn't pretend for a minute that this trivial experience of racism gives him any real foundation for empathy with those for whom racism is a normal part of life, but it gave him cause to ponder how oblivious we can be to our own privilege.

As philanthropists we are 'here to help.' But how is that help hindered if we have never experienced what it is like to be excluded from the privileges of the economy around which our society is built? At one level you could say that all we do is write cheques, but there are few foundations, including donkey wheel, who say what we do is as simple as that. We presume to develop strategies and make formative decisions about the allocation (collectively) of huge amounts of money and resources. For the most part, we allocate that money to leaders of change, people who are in many respects just like us.

The popularity of design thinking has helped put the end user or the beneficiary at the centre of product and service design. A phrase we use at donkey wheel is 'not for them without them' which is a variation of the phrase 'not about us without us.' The principle is that responses to social challenges are significantly better when the intended beneficiaries help with the design. This help corrects a blind spot that has hindered social progress for many years, where so called experts develop solutions for communities without meaningful engagement with them.

To illustrate this point, think for a minute about policy formation. Politicians develop policies for the whole community but often have only ever had the lived experience of the educated elite. When they develop policies that apply to 'people like them', the policies always assume best intentions and maintain the status quo. For example, in the coast towns of Victoria (indeed, all of Australia) long-term residents are becoming homeless because properties previously available for rent are being upgraded by their owners for Airbnb use. The voices are pretty much unanimous that this is not only unjust, but it is also undermining the fabric of local communities. Despite the opposition, it is unimaginable that governments will legislate to disincentivise this trend because it is 'people like them' (and often it *is* them) who own the properties in question. If you are one of that tribe and do well within the rules, you are lauded for gaming the system to your advantage. Simply put, housing policy advisors or makers haven't ever been homeless themselves or had the threat of homelessness hang over them.

Contrast this with policies associated with the long-term unemployed. The explicit explanations from our current (2021) government ministers for why the policies are so punitive (under the language of mutual obligation) point to the small percentage of the community who seek to rot the system. In other words, those who game the system for their own advantage are vilified. Hmmm. Sound familiar?

The point is that we are inclined to trust people like us and, without lived experience of disadvantage, unconsciously design solutions assuming everyone sees the world through the same lenses as us. Then we wonder why people don't take up the opportunities on offer to improve their lives!

NAÏVE ABOUT THE POWER INEQUITY

Over a nice weekday lunch Col recently caught up with representatives of a new foundation. One of them commented that since he took on the Executive Officer role, people who had been dismissive of him in the past were suddenly keen to catch up with their 'ol' mate'. It is almost impossible to disentangle authentic friendship from donor/recipient relationships when there is



Bessi Graham presenting while CEO of The Difference Incubator, 2014

a cheque book involved. One of the early donkey wheel team members referred unkindly (but legitimately) to the “bottom feeders” she saw hanging around the **Brunner family** when they set up the Foundation.

The power dynamic, however, is not primarily the responsibility of the potential recipient. Most foundation representatives are naïve to the power they hold in their relationships with grantees. Being friendly, accessible and interested is not the antidote. Think about just two ubiquitous practices in philanthropy that systemise this power dynamic. (See also **Thinking about Philanthropy—Six Recipient Centred Principles**)

- Grant application processes: Recipients are constrained to fit into the timing and criteria set by funders, rather than funders adapting to the rhythms and requirements of recipients; and,
- Pitching: Perhaps in no other forum is the power dynamic less healthy than in the pitching context—social change leaders effectively have to sell to a ‘market’ of funders, sometimes in competition with each other.

With this dynamic it is extremely difficult for fundraisers to criticise funders. Whether government or non-government, funders don’t take too kindly to criticism—especially with large funders, where getting them offside might amount to organisational suicide. What kind of system is it where this wielding of power gags authenticity in relationships that both parties like to call a ‘partnership’?

UNCONSCIOUS COMPLICITY WITH THE ROOT CAUSES OF SOCIAL AND ENVIRONMENTAL PROBLEMS

Philanthropists, even left-leaning ones, typically have entitled lifestyles. We are used to privilege; it is the water we swim in. Furthermore, the foundational wealth of philanthropists has been generated within the economic system which has facilitated the inequality, marginalisation and exclusion that social purpose philanthropy seeks to alleviate. It is laudable that the wealthy want to give back to help make the world better. How does

someone with access to wealth and privilege offer their resources to help create a more healthy and equitable society without expressions of power and privilege that are at odds with the values of the agencies they support?

We have never been to a meeting of philanthropists where there is an open conversation among funders about the business practices, products and services that have generated the wealth that enables them to generously give. (See also **Thinking about Philanthropy—Does it Matter where the Money Comes From?**) Imagine the reverse scenario to a pitching event where potential grantees were in the audience and potential funders had to pitch their integrity credentials to the recipients? They would be expected to cover the nature of the product and service, alongside their environmental, social and governance performance. We reckon it would be a bit uncomfortable.

WE’RE HERE TO HELP, AS LONG AS IT DOESN’T HURT

Anand Giridharadas’ provocative book *Winners Take All* was a scathing critique of the social change movement of which we are a part. One of his basic criticisms is that those of us from the privileged elite only consider solutions that maintain our lifestyles and positions of power in society. Among his many targets, Giridharadas takes aim at those that claim to want a better world but want that world to be one in which they are comfortable and can continue to have power and status.

At donkey wheel we have had a variety of reactions to the content of the book. Part of Col’s reflection has been to consider the sphere of influence for which he is prepared to sacrifice. Family is easy, a no brainer. But as the circle expands from there, where would we draw the line? If I had a choice, what would I be prepared to give up if I knew it was what was needed to help catalyse change? Am I committed to acting for change whatever it takes? Or, am I committed to being known as acting for change?

Read about the Brunner Family on page 12

‘Thinking about Philanthropy—Six Recipient Centred Principles’ can be found on page 136

For ‘Thinking about Philanthropy—Does it Matter where the Money Comes From’ head to page 20

It is true that participating in modern society means inherent compromise. There is no purity. We rally against the fossil fuel industry while wearing clothing made with plastic fibres. Navigating our way with integrity can be tricky but it is helpful to acknowledge our hypocrisy. But the impossibility of purity should not be an excuse for laziness. Either we are committed to being part of a healthier future economically, socially and environmentally, or we are not. Words mean little if our lifestyles perpetuate the problems we are seeking to fix.

We wrestle with these things explicitly at donkey wheel. The point of this chapter is not to point the finger at others. On the contrary, we recognise that we are not immune, and despite our ongoing commitment to act with integrity, we are part of the culture and unhealthy systemic practices in philanthropy of which these things exist.

Those in control of the fat cheque books get to decide where funds are invested and spent, but what gives them (us) the right to make those decisions when they (we) have likely never experienced the underbelly of inequality or discrimination? This is our lot. Governments make the most substantial funding decisions for our societies but philanthropy is also accountable. What makes the philanthropic contribution more problematic is its individualised approach. While there are meaningful attempts at collaboration (such as Mannifera), the impact of these is trivial in the scheme of things. It is beyond the remit of Philanthropy Australia, Australia's peak body for philanthropy, to determine the collective impact of philanthropic support. Even if it wanted to, the fierce independence of the philanthropic community would render any such attempt futile.

The point is not even to argue that this would be good thing necessarily, but that there is extraordinary power that lies with philanthropists and the effects of this power are rarely acknowledged.

It has become a normal and typically unquestioned part of the social enterprise environment to host so-called pitch events. These are events where social entrepreneurs pitch their projects to

potential funders. There is a whole industry based around this. There are people who can help you do a better pitch. There are companies whose business it is to run pitch events. However, the power dynamic that it generates feels wrong.

We have also seen this power expressed unconsciously in our own circles. We have seen the way people have moved in the orbit of the Brunner family. Fran Westmore, one of the early executive officers of donkey wheel, had a good radar for people who were in the network for personal gain. There is no doubt that those of us on the current donkey wheel team will have at times been unconscious of the power dynamic in our interactions with people and may have misinterpreted motivations and relationships because of it.

How then have we navigated this dynamic at donkey wheel?

One of the things we have done is to find those agencies whose view of the world is informed firsthand by those with lived experience of disadvantage. We have keenly supported those who are meaningfully engaged with the systems that perpetuate disadvantage.

Another is to recognise our role as supporters, and not impose ourselves into the operations of projects we support. We have turned down invitations, for example, to sit on steering committees because we choose to trust those we support. They know their business better than we do. This also means we try to keep reporting requirements as simple as possible. Our default position is that we should not be receiving reports that would not be useful for the business itself.

This does not mean we don't work with agencies to improve their business models to ensure our support is optimally leveraged, but we have always tried to correlate our governance and operational support to be aligned with the significance and substance of our support. At the extreme end, our most substantial investment of time and money has been with Ethical Property, where we currently retain two director positions on the board.



GOOD DESIGN AUSTRALIA

Social Impact Award



Col and Bessi (centre) at the Good Design Australia Awards Ceremony at the Sydney Opera House, 2018

For too long, social impact products and services were designed by those in power with no lived experience of the problem they sought to solve. This has been true for government departments and non-government organisations (such as international development agencies) alike. Even with the rise of social enterprise, much of the effort has gone into designing sustainable commercial models, rather than the social mission of the enterprise.

User Centred Design (UCD) has been a welcome antidote to the almost imperial mindset that has dominated the social sector without criticism for decades. UCD not only compels the designer to design with the user in mind, but it also engages the user directly, ensuring that lived experience of the problem is the most formative input into the design process.

CEO of Good Design Australia (GDA) Brandon Gien recognised the emergence of design for social impact within the design community and so inaugurated an award dedicated to illuminating the best examples of this in Australia and, indeed, globally. In partnership with **Benefit Capital**, donkey wheel has loved working with Brandon and Rachel Wye from GDA to promote and embed the social impact category into these prestigious international awards. We helped design the award criteria, chaired the judging jury and provided some sponsorship for the award over four years from its inception in 2018.

In 2018, the first year we were involved, the number of entries in the social impact category was less than 50. At the awards ceremony at the

Sydney Opera House, **Bessi Graham** and Col were struck by the consistent message from people associated with almost all the categories (industrial design, architecture, technology, etc) of an intention and hope for social impact. And yet, despite the rhetoric, we knew that virtually no effort was invested in designing for that social impact. Our commitment to supporting a specific award for social impact only increased.

One of the privileges of participating has been to have visibility of the extraordinary design work across so many social impact areas. Award winners have ranged across such areas as legal access in Victoria, maternal and child health in Ethiopia, and addressing sexual harassment on a Sydney University campus. Entries also spread across product, technology platforms and services, and were as varied as the efforts people are putting in to respond to pressing social challenges.

Over the four years we were involved in the Good Design Awards, we were thrilled to see both the number and quality of entries grow substantially. We, of course, cannot claim credit for the impressive development of the award—most of that falls to Brandon and his commitment to put social impact front and centre as part of these awards. We are proud, however, of the contribution we have made to shaping the award and to sharing the journey with GDA from when designing specifically for social impact was marginal within the design community to, now, when hundreds of for-purpose organisations are using designers not just to develop their marketing or IT platforms but to help design the social impact product or service itself.

*Read about
Bessi Graham
on page 98*

*For more on
Benefit Capital
head over to
Profiles on
page 222*

Read up on
GWYL in Profiles
on page 223

Keep reading
about the
Canada Trip
on page 180

Bill Mithen is the Chief Executive Officer of Geelong's leading philanthropic organisation, the **Give Where You Live Foundation** (GWYL).

WHAT WAS YOUR FIRST INTERACTION WITH THE DONKEY WHEEL ECOSYSTEM?

"My first interaction with donkey wheel was with Col who, to be honest, I didn't know was a connection," Bill remembers. "We met at an Australia Post design day, and Col was a consultant to that process. Australia Post had a foundation, and they didn't really know what to do with it. They got a group of people together and asked, 'What can we do?' We ended up in a breakout group together and hit it off."

Col certainly left an impression on Bill. "I thought, 'God, he makes sense.' I was trying to manoeuvre their thinking a certain way, but Col kept blocking me, and quite rightly! We had a good chat after that. It wasn't until 12 months later that he made contact again, out of the blue, and said 'Look, I've moved to Barwon Heads and I'm talking to people and your name keeps coming up. You won't remember me, but we met at this thing.' I *did* remember him. We grabbed a coffee and kept talking. It was then that he mentioned donkey wheel. I knew donkey wheel house, and I knew Kinfolk, but I didn't get all the connections."

WHEN WAS THIS?

"About 2015, 2016? It started with Col, who I aligned with, and I thought, 'He's obviously smart, insightful and I'd like him to be involved with GWYL.' Col spoke to the Board and staff, when we were having different people come to expand our thinking, which was really good. I approached him to go on our Board, which he did, then managed to get him to become Chair." The connections then began in earnest. "He introduced me to Paul, and Paul also came and spoke to our Board. We had a really good session about our strategy, and Paul talked about donkey wheel's strategy, what they were trying to achieve, and he introduced the idea of field catalysts to us."

AND THE MAKE IT BETTER TABLE (MiBT)?

"I caught up with Col just before the **MiBT** began. He loosely explained it and said, 'I really would like you to be involved in the start-up of it.'" This idea also got Bill's attention. "I thought, 'That's fantastic, that sounds awesome.' I went to the first couple. That opened things up. There are these other people thinking about similar things

and then the **Canada trip** came from there. The MiBT was where the ecosystem of donkey wheel hit me in the face."

HOW HAVE YOU BENEFITTED FROM WORKING IN THE DONKEY WHEEL ECOSYSTEM?

Bill's enthusiasm went up a notch. "It was the Canada trip. It was an important event, not just for me, but for GWYL because of what it did for me. The process of just being away with a group who are engaged, interested, smart and wanting to investigate and interrogate things differently was brilliant. Spending 10 days in their company, it really makes a difference. I wouldn't have a lot of those conversations normally, but because you're there for work, we all had an aligned interest, and you dig into those conversations. The second part of it was the fact that it was so well curated by Jacqui and Paul that we saw all these elements, from giant things to really small things. In overseas jurisdictions, there's lots of good work going on, so it gives you a sense that we *should* be doing more, thinking more, trying more, more than that, because here are some heroic people doing it. The actual concepts that came out of it for me were critical for the next step in the GWYL journey, which was to finalise where our strategy was going."

He pauses a moment, and then shows me a notebook. "I have this notebook that I took to Canada. It sits on my desk and has done so for the last two years. I go back to it regularly. It gives me inspiration, to know that's what we should be trying. There are all these little notes that I've written to myself in there. I look back at it and there's a lot of those thoughts that have transferred into our new strategy. It was a significant trip. I will be *forever* grateful to have been invited and paid for - it was amazing. I would say it set a trajectory for GWYL. That's extraordinary, to have done that for you by another organisation."

TELL ME ABOUT THE PARTNERSHIP WITH DONKEY WHEEL WHEN COVID-19 HIT?

"So, it was March 2019, literally 12 months after the first MiBT," says Bill with clarity. "We were at Barwon Heads at Col's place working through that. So, Canada will always be huge memory, but the second thing that sticks in my mind is that month, those six weeks where we worked around the clock. It was a crisis like we'd never experienced before. I suppose the only thing you could liken it to is if you ever worked in an emergency response to a natural disaster."

Head to page
178 for more
on the Make it
Better Table

BILL MITHEN



The flurry of activity was on the back of a roller-coaster of feelings. “So that was simultaneously exciting, energising, scary, frustrating; it was all those things, but what was fantastic for me and GWYL was to have a partner like donkey wheel that provided cover. You feel like you’re not alone and you’re not trying to push some idea that *you* think is a good one but maybe no one else does. At least somebody else in the world thinks it’s worth pushing as hard as you are, and you trust their view, their opinion, their intellect and their ability to think through whether it’s a good idea or not, and if it’s not, to change it.” Bill reflects for a moment. “It was a really important time for GWYL and probably the first time that we’ve ever done anything as intensely focused in the moment as we did in that instance and lobbied as hard with government, employers and bureaucrats.”

There was a definite sense of urgency. “We did it because we were trying to solve what we could see was an impending disaster, one that no-one else seemed to see. But sure enough... it happened. But I felt like we were genuinely trying to make a difference. I don’t know that we did, but that doesn’t diminish what we did do or what we achieved. It was full on, and then we got some funding that donkey wheel threw our way to help progress the idea so that we ended up with something at *least* like what we initially had in mind. It’s affirming to have a partner that is prepared to put their money where their mouth is, behind a good idea. There was a nice idealism to it, but Paul and Col have a sense of where you’ve got to bring it back to doing something.”

WHAT HAVE YOU ADDED INTO THE DONKEY WHEEL ECOSYSTEM?

“Probably not much,” Bill says bluntly, before elaborating. “What I think doesn’t really matter. I hope I’ve been able to be a similar kind of sounding board to other people or had some opinions and views that might have made people reflect or think differently or change their view. Hopefully I’ve been able to add a bit of experience in different bits and pieces, that’s helped somewhere along the line. Hopefully I’ve been able to affirm people’s actions and ideas that they want to progress and seek to change. What I’ve added is probably somebody else’s story to tell.”

*Read more about
what the work
that the GWYL
Foundation and
donkey wheel
did together in*

*Jobs and Food
Rescue,
page 190*

*Keep the
Lights On,
page 193*

*Crisis
Management 2,
page 198*

Read about the Australian Communities Foundation on page 221

Turn to page 80 for more on TDi

More about donkey wheel house can be found on page 32

Read about Bessi Graham on page 98

There is some input from Annie on page 118

World Vision Australia is listed in Profiles on page 226

The basics of Impact Investing are outlined on page 89

Olivia (Liv) Clark-Moffatt is Director of Engagement and Innovation at **Australian Communities Foundation**, and before that was the Head of Australia Consulting at **The Difference Incubator**.

HOW DID YOU FIRST GET INTRODUCED TO THE DONKEY WHEEL ECOSYSTEM?

Liv's story differs from many others as there was a longstanding connection with both Paul and Col prior to her introduction to the donkey wheel ecosystem. "I've known Col and Paul for probably 30 years. We found each other as leaders experimenting in emerging ideas, and we'd come together through the Christian spirituality space, but were heading towards the margins of that as leaders of something new," Liv recalls. "I can still remember my first visit to **donkey wheel house**, which was my first connection to donkey wheel," she says, which occurred soon after Paul started at donkey wheel. "The building was still being renovated, and everything was in the basement. While I went there just to see Paul, there was some early workshops emerging around different ideas that were always happening with Paul. I can still remember my first time; it was really cold!"

Liv's main interest and allegiance connecting to our ecosystem was as a support person to Paul after his time at **World Vision Australia**. "I was glad for Paul because he had a terrible time at World Vision. I hadn't seen him so low. He was unwell physically, but it was also the mental and emotional wounds." She soon picked up on the momentum that was building. "I was really excited for their vision and what they were doing, taking on **impact investment** and being a voice that brought that sophisticated thought back to Australia. They probably felt they were playing catch up compared to the international scene but bringing back rigorous thought is one of the things I admire about Paul—he reaches for all of it!" She describes herself in those formative years as an "occasional cheerleader" who connected in when her time at Baptcare and raising a young

family allowed. "I wasn't overly involved. I can claim nothing except that I was happy to hear about the inspirational activity that other people were doing."

HOW DID YOU GET MORE FORMALLY CONNECTED?

It wasn't long before Liv felt the pull to be more involved in what we were doing, and for us to recognise that we wanted her on board. "I was only formally on staff (with **TDi**) for two years. I loved the work, but I just couldn't make it fit the salary and the lifestyle that I needed as a divorced single mum with younger kids. Even though the boys were half the time with their dad, I just couldn't get the travel and the long days at TDi to fit with the times I didn't have the kids." It was enjoyable but complex as TDi, by that time, was going through a significant transitional stage which necessitated a paradigm shift post-**Bessi**.

"TDi needed a lot of infrastructure pruning," Liv recalls. "Paul and Bessi's fantastic vision was bigger than the capability in the system, especially once you took them out. **Annie Smits** and Anna Moergerlein did an amazing job bringing their strengths to re-shape it.

"Within three months we had made massive cuts, letting staff go, dropping days of work and setting absolute sprint financial targets. And we grew the business in the two years I was there. Annie, Anna and I—I think we did an amazing job of moving it into a robust surplus quickly. We went from three months of having a reduced team, through to a half million-dollar surplus within two years. Which is what's enabled TDi to survive the first waves of COVID-19."

Liv reflects that it was a mixture of fulfilment but also tinged with a sense that she didn't get an opportunity to fully revel in TDi due to the environment she found herself in, of an organisation growing beyond its foundations.

OLIVIA CLARK-MOFFATT



"It really was those middle years of a business for TDi—on one hand, you've got to keep the genius that founded you, you've got to keep what you're known for, and what your niche is in a crowded accelerator and social enterprise market. But you've also got to get some rigour and systems in place. So, for me, I didn't have the long conversations or the slow thinking that I would have liked at TDi. I didn't have time to do a lot of learning in the impact investment space. However, the clients we worked with were fantastic, as was the work we delivered."

WHAT WERE THE BENEFITS OF WORKING IN THE DONKEY WHEEL ECOSYSTEM?

Like a few others, Liv highlights the way that we have created a place known for the encouragement and hosting of innovators and difference makers. "I think that donkey wheel incarnated a physicality, which in Australia is especially so important because, is there another place in Australia like the donkey wheel ecosystem? I don't think so." For her, it goes beyond the space. "It's wonderful to be relationally connected to a highly intelligent, reaching for it all, set of values. Part of the reaching for it all is keeping an abundant mindset and not giving into fear and scarcity. As well, there's donkey wheel's commitment to demonstrating commercial acumen and being real about significant social change."

"It feels like a real privilege to work in an organisation such as TDi that was incubated and spawned by donkey wheel and it has their DNA all over it. We were able to make it sustainable and profitable because all the DNA was there, and the reputation was there."

It wasn't all work for Liv, of course. "I'd say most of the benefits are around tribe, I'd say it's a demonstration project, I'd say it's people who are systems thinkers. The donkey wheel ecosystem is small, but I reckon it is enough of a universe to be an emergent ecosystem. There's enough there for it to be a powerful systems agent and move, and not be a collection of demonstration projects. The people are good fun, and I've had some of the best bottles of wine, and the best conversations that end in laughter until I cry with these people."

WHAT DO YOU THINK YOU HAVE ADDED TO THE DONKEY WHEEL ECOSYSTEM?

Liv weighed up her answer, not just in terms of contributing to a business, but also personally. "So, I am a skilled facilitator, I can help non-innovative systems do their best to innovate healthily. I think what I bring to the donkey wheel system is someone who sits in a good position in the adaptive leadership, technical management overlap. And so, you can take some of the handoff of the highly chaotic, innovative ideas and do some work with them, to bring them into the realm for others, to help their sustainability and putting them in a systems framework." She has implemented those skills in the **Better Ageing Lab** as it kicked off in 2022.

On a personal level, Liv refers to a role she saw herself playing in the early days of her involvement with us. "Hopefully, I'm a cheerleader. At times, I've been a useful and—hopefully—confidential and mature person to talk to people and say, 'Look, these are the strengths and the gifts of the ecosystem. These are some of the shadows and these are some of the ways to be aware of that, but you've got to go with their genius, their gifts, their generosity and their wisdom.' Hopefully I've been a good friend and, certainly, a cheerleader for donkey wheel."

Turn to page 183 to continue reading about the Better Ageing Lab

HOST FOR CHANGE 2 SYSTEMS (2019–the present)



Col must have said something shocking—Ash, Craig and Jacqui listen on in the recently refurbished Make it Better Lab

In this pivotal moment of truth for our species, a whole wave of radical conversations is inevitable. For these conversations to really make a difference, we must break through our personas and our inauthentic poses.

—Terry Pattern

Under what conditions might these radical conversations happen? How and where? Who needs to be involved, and what skills are required to enable them? What attitudes and practices will people need to develop in order to participate in these radical conversations?

Right from the beginning of setting up in **donkey wheel house**, Claire decided that hosting entrepreneurs, thinkers, artists and changemakers was a key component of the environment. The original concept behind buying the building was to not only be a physical host but also to be an intellectual and relational host. Claire wanted the **'communiversality'** to be a collaborative learning environment. If we were going to make a different difference, we needed different ways of learning, and the communiversality was the way to do it.

What wasn't clear was what the business model to support this would look like. How would we maintain commercial sustainability and at the same time focus our limited resources on what we needed to do as a charitable foundation? In line with Claire's vision, the 2010 master plan for the building was designed to create an atmosphere conducive to change and innovation. In the beginning, it had been presumed that one of the effective ways to support change agents was to run co-working spaces in donkey wheel house. "It was very clear to me," Paul remembers, "that running a co-working space [business] would have swamped us and prevented us from our core business." He reconfigured some proposed tenancies and steered us away from the business of property management, to focus on what was uniquely ours to do.

As well as donkey wheel house becoming a permanent home for difference making organisations (who took out tenancies or

memberships at Hub Melbourne), demand also emerged for event, workshop and conference facilities. **Being clear about the business we were in** helped us avoid another distraction—becoming event managers, a time and energy intensive business. Instead, we helped set up and fund a new business called **Good Sites**.

We understood our role as helping to cultivate an environment that would help the users of donkey wheel house to be effective difference makers. We knew that it not only involved being in the space with them but creating a dynamic and supportive environment that would facilitate their effectiveness.

A NEW PHASE

As we emerged from the **trauma of 2016–2017**, we developed a new strategy. A key initiative was what would become known as **Make it Better**, a platform comprising a variety of gatherings, all with a particular purpose and design.

What we desired to create was something we hadn't experienced before. We knew of nothing like what we envisioned. We wanted to cultivate an environment that invited leaders of social change to relate differently to how they were accustomed. We wanted them to get to know other difference makers from diverse sectors and parts of the community. We wanted the interactions to be authentic and honest. We knew that most of the time we engage in work environments we have an image we project that usually involves putting positive lenses on our work. We wanted everyone to take their capes off and leave them at the door. We wanted them to be comfortable looking into each other's eyes, asking and answering questions of consequence. We wanted them to figure out how to work together, to conceive of and develop responses to tricky challenges that would make the world better. We wanted them to not only become more effective as difference makers, but we also wanted them to be better *people* as a result of being involved in Make it Better.

See Know what business you are in on page 10

For 'Good Sites' head to page 40

The donkey wheel house story is elaborated on page 32

Read about Claire on page 50

We touch on this 'trauma' on page 132

See 'Communiversality' in the Glossary on page 227

Check out 'Make it Better' on page 176



We thought a lot about the environment we wanted to create. We engaged an interior designer, we considered and chose music, scent, plants, furniture and lighting for an intentional mood. We experienced 'flow'—that feeling when you know your competencies converge and effectiveness comes naturally. We went as far as renovating our old, shared office space, making it into a dedicated Make it Better Dining Room, which would double as our team workspace. We renovated the adjoining kitchen to upgrade its catering capacity into what's now called the Make it Better Kitchen. We adapted an adjacent vacant room into the Make it Better Lab.

We sought to bring together two sets of resources and capabilities. In the first instance we were creating a physical environment that encouraged and supported the interactions we wanted to facilitate. We also knew that between us we had the social intelligence and facilitation competency to stimulate good communication.

As we evaluated and fine-tuned what we were doing, we thought about the role we were playing. Were we convenors? Were we facilitators? Yes and no. We were not simply using the space as a resource for us to execute a plan, we found ourselves wanting to honour the space by our use of it. This sense was true of the new Make it Better spaces, but extended to all of donkey wheel house. We returned to the idea of hosting, to best capture the role we felt we were playing.

We know we need people, place *and* process to bring about change. These elements are fused together by a host that has relational credibility and the trust of those who have gathered. As hosts for change, we understand our role as curating an environment to optimise the success of difference makers.

While we are committed to supporting individual difference makers, Make it Better is also designed to support change at the systems level. This happens in at least two ways.

- The network brings people together from across the community who do not normally think together. Funders, entrepreneurs, researchers, media, consultants, financial people and community people. Private and public sector. Our thesis is that when relationships of trust are established across these traditional silos, the possibility of authentic collaboration is enhanced.
- Make it Better Labs are designed for systemic responses. We are providing the rare opportunity for people to work on a system with others who care deeply, rather than simply work hard at their part of the system.

As the beginning of this section identifies, we have always played a hosting role, but our focus and intention in that has evolved with the changing nature of our contribution. In this phase we are focussing on being the best hosts we can be to facilitate change at a systems level.

Our appreciation of what this takes is always developing, but we know that we must support change at three different levels.

1. We know that innovative products and services must be developed. Sometimes these are designed to operate within the existing system to navigate around the current dysfunctions, and sometimes they are intentionally disruptive, seeking to cultivate alternative systems.
2. We know that population level change is facilitated by an evolution of community beliefs and aspirations, alongside policies and regulations that incentivise the desired change. Therefore, education and advocacy are critical dimensions of cultivating difference with a systems view, and
3. We also know that the institutions, systems and processes that support a system, what we might call the 'regime', must transition in parallel.

Hosting change is therefore not simply about supporting innovative entrepreneurs. It also involves getting behind advocacy and campaigning and working with intreprenuers who are embedded within the regime that supports the system.

The most formative dimensions of the donkey wheel **business model** in this season were:

- **BENEFICIARIES:** Difference makers, and in particular, members of the Make it Better Community.
- **RELATIONSHIPS:** High trust and intentional—analogue, hands-on experience; mystery, sensuality, intimacy.
- **VALUE PROPOSITION:** A platform for change that includes various kinds of support and connections.
- **KEY ACTIVITIES:** Make it Better Gatherings, Funding.
- **KEY RESOURCES:** Hosting competency—Col and Paul, donkey wheel house.

Find out more about Business Models via the entry in the Glossary on page 227



MiB 'Menu', 2022

Skip to the last chapter in the donkey wheel business model, Crisis Manager 2, on page 198

CRAIG BROWN

Craig Brown has contributed to donkey wheel since 2016 as a contractor and began as the donkey wheel storyteller in 2019.

HOW DID YOU FIRST HEAR ABOUT THE DONKEY WHEEL ECOSYSTEM?

"I can go back about 12 years when my friend Paul took on a role at this place that I'd never heard of," says Craig, reminiscing. "He was coming out of his previous employment and was taking on the CEO role at donkey wheel, which I hadn't heard of at that point, so I was obviously unaware of what donkey wheel did. I can sometimes look blankly at Paul, and this would have been one of those times of me going, 'OK... that sounds interesting, but... What do they actually *do*?' I guess I was a bit worried, because it very much felt that it was resting on Paul's shoulders. I came to know very well what donkey wheel does—supporting difference makers—but that it's done in relationship and dialogue with people, rather than using a set formula."

WHAT'S DIFFERENT ABOUT WORKING AT DONKEY WHEEL?

Craig answers enthusiastically. "I love working at donkey wheel because it's not this delineated nine-to-five role. It's a role that *requires* all of you and *respects* all of you. I remember sitting down with **Bessi Graham**, when we were first talking about the **Fusion** project, before I started at donkey wheel. I respect Bessi, immensely, and I remember thinking that she believed that I could do what she was asking me to do. I've got that sense with Paul and Col too, there's always been this belief that what you bring is important. The work never felt like an obligation. It's always felt like a privilege."

WHAT HAS BEEN YOUR BIGGEST ACHIEVEMENT AT DONKEY WHEEL?

"I think we were sitting at STREAT—me, Col and Paul—on this warm day in early 2019, talking about this idea for the **Make it Better Table**, and just being involved in that conversation right at the beginning and seeing it come through the way it has." He pauses, admitting that he hadn't given it much thought. "That's not *my* achievement, but that's something that I feel like I've contributed to, and probably a nice bookend to that was facilitating a recent MiBT at the last minute. It has grown so well that the DNA is being passed on, so that Jane, Ash and I could carry it." He laughs. "I am hoping that getting this book finished will be my greatest achievement!"

WHAT'S THE BIGGEST CRISIS MOMENT THAT YOU'VE SEEN AT DONKEY WHEEL?

"There's two, one on a micro level and one on a macro level. On the micro level was the decision to go for a walk on that first morning in Montreal," he says, referring to his early exit from the **2019 Canada trip**. "That was one of the lowest moments of my life. I'm on a trip that I was looking forward to immensely, I break my patella, have to go home and feel like I've let people down."

*Read about
Bessi Graham
on page 98*

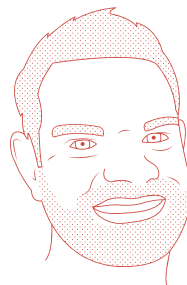
*More on the
Fusion project
in Profiles on
page 223*

*Make it Better
Table can
be found on
page 178*

*We go into
detail about
the Canada Trip
on page 180*



Story Teller



"On a macro level the other crisis moment was the pandemic. We were getting momentum with so many initiatives, and it felt like we were going to lose that momentum. But we adapted and pivoted to different ways of working, which is what I would fully expect donkey wheel to do because flexibility is as a key characteristic of ours. I wonder about some of the things that we would have done that we didn't get to do because of that."

WHAT ELSE DO YOU THINK YOU'VE ADDED TO THE DONKEY WHEEL ECOSYSTEM?

"I've always seen myself as a writer, and I think I do that really well, but what donkey wheel has drawn out of me is being a storyteller," he says, getting reflective. "I sometimes ponder what 22-year-old Craig would think about getting paid to write 'corporate' stories, even though we're not corporate. Then I think, 'Stuff him.' He was a dreamy 'I just want to write books, that's the only way I can be a writer' type. What I've brought is that passion for writing, that passion for storytelling and the joy of it. There is a joy in it for me, but it's a two-way street where you're encouraged to express that."

WHAT ARE YOU LOOKING FORWARD TO THE MOST?

"I am looking forward to the future with donkey wheel." He warms up. "We've weathered this storm. We've done *more* than weather it, you know, like we've launched the **BAL** out of the very heart of it, so I think I'm really looking forward to how the BALs go. I'm really looking forward to kicking off **Imagine Australia** and the retreat centre. I'm really looking forward to lasting more than 24 hours on a freaking trip one day! The future is opening up and I'm looking forward to working with this team. We've got a good team. That generates more enthusiasm, more energy and more optimism about the future."

Paul and Col reflected on Craig's input as part of the donkey wheel storytelling journey. "I remember Paul saying that part of his vision was that we would be good storytellers," says Col. "Especially around the impact of what we're doing, and that's what Craig has bought, and now we're actually realising that because we have someone who is dedicated and skilful enough to do it. Being the donkey wheel storyteller is not incidental. It's always been an important part of what we wanted to do, and he's kicking goals in that area."

Paul's feedback looked to the future. "Craig's helped us find our way that allows other people understand we've done in donkey wheel has been help other people understand what we do. What he's helped us do is move from writing words to capturing the human stories of what we do. I think we're only at the very beginning of that genius."

See Better Ageing Lab on page 183

Find Imagine Australia on page 206

ASHLEE STEELE

Engagement Manager

Ashlee Steele has worked at donkey wheel since 2020 as our Make it Better Engagement Manager.

HOW DID YOU FIRST HEAR ABOUT THE DONKEY WHEEL ECOSYSTEM?

Ash laughs, knowing full well that her introduction would be different to others. "I first heard about donkey wheel approximately 12 years ago, when my father started his new job of standing around and looking at **this building** for hours on end!"

DID YOU HELP OUT WITH ALL THIS STANDING AROUND AND LOOKING?

"No, I but I did a lot of dancing around and cleaning of the building."

WHAT'S DIFFERENT ABOUT WORKING AT DONKEY WHEEL?

"For me there's that familiar feeling of an extended family Christmas working at donkey wheel," says Ash reflectively. "I think in other jobs you feel like, maybe, you're just a number or you are just the sum of your responsibilities. But at donkey wheel, there's this real family feel to it. The responsibilities you have are not so much obligations, it's more than that. It's more like you're bringing passion and you're doing things that you want to do to make everybody else's lives better."

WHAT HAS BEEN YOUR BIGGEST ACHIEVEMENT AT DONKEY WHEEL?

This is a complicated one for Ash, as when she officially joined the team was at a historically critical moment. "My biggest achievement, and the next question about the most significant crisis moment, they kind of morph into one answer. I started running events at **Make it Better** during the beginning of a lockdown, which was a crisis, but the fact that we were able to pull in the tactile and intimacy elements of Make it Better onto an online platform was important. I think we provided some pretty interesting Make it Better Tables despite the crisis of the pandemic

and being online. For me it was something that provided a secure amount of sanity during a really weird time."

WHICH SEGUES, OF COURSE, INTO THE CRISIS MOMENT, AS YOU SAID...

"Because we were both in a health crisis, and a social connection crisis as well," she replies, recalling that difficult time of lockdowns. "People were really lacking that social connection so to be able to provide that, even though it was on Zoom it was—maybe not a relief?—but being able to provide some networking time for people to talk about how they were feeling was necessary. We also ran a meditation session, so there was an opportunity to provide care to people in the Make it Better network. But also, it was an opportunity for all of us to connect as well."

AND THERE WERE ALSO THE DELIVERIES THAT YOU DID, OF GOODIES FOR PEOPLE TO HAVE DURING THE ZOOMS, WHICH ALSO HELPED A LOT. WHAT ELSE DO YOU THINK YOU'VE ADDED TO THE DONKEY WHEEL ECOSYSTEM?

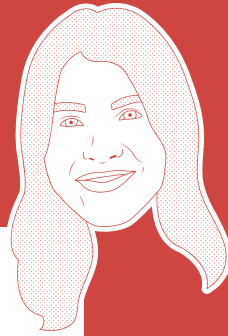
"Youth!" Her laughter here was infectious. "No, I'm kidding, but I think I bring a really strong energy towards building relationships and it's something that I find is important and I think that it's a significant connection to the Make it Better menu, so I don't think it's necessarily something different that I bring. It's a significant element of why I enjoy working for Make it Better. It's a passion."

WHAT ARE YOU LOOKING FORWARD TO THE MOST?

"OK, I know I said 'youth' before as a joke, but I am looking forward to being someone who will be around for a lot of the future of what we're doing now. I personally find that exciting, and even if that's not me directly working with donkey wheel, the changes and the movements that come out of this are something that's going to affect my adulthood."

*More about
'this building'
on page 32*

*Find Make
it Better on
page 176*



YOU'RE LIKELY TO BE THE ONLY ONE OF US AROUND TO SEE THE FRUITION OF IMAGINE AUSTRALIA, FOR INSTANCE?

Ash laughs again. "Yes, that's right."

The donkey wheel team did our interviews as a group, so there was an opportunity for some running commentary. Col's summary of Ash's contribution was particularly powerful. "Ash's comment about youth—even though it was in jest—I think there is an energy there. And her ability to manage the tech, that's been an incredible support. With what she's done in [Microsoft] Teams, for example, it has been awesome. The attribute that overlays all of that, and which I've really appreciated is... you might frame it as enthusiasm, but I think it's her 'can do' attitude. Where there's a there's a sniff of a task to be done, Ash doesn't only just do that task, but she adds value in a way that maybe some of us hadn't imagined. I really value the passion Ash brings that means that she owns a task and make its her own and does it to her best, rather than just getting the job done. That's bought a vibrant energy around Make it Better. I think that sits alongside that engagement piece."

Later, Craig reflected that Ashlee's contribution was one that has "spread across the whole of the Make it Better ecosystem. It's hard to pin her influence down to a single characteristic, but Ash has such an amazing competency level that is varied and adaptable. Whether it be doing the tech for a **BAL** when she has been thrown into that at the last moment, or organising the efficient delivery of our comms, or adding her input into vital conversations, Ash shines and is able to help donkey wheel shine as well. She's also great fun to work with."

*Read about
the Better
Ageing Lab
on page 183*

PHILANTHROPY AS IMPROVISATION

Adapted
from 5 Basic
Improv Rules



Paul loves waterfalls and goes out of his way to enjoy the beauty and awe of being present in these natural wonders. Waterfalls in software development, however, are much less attractive. Paul also spent decades of his life in the software development industry developing solutions and used waterfall as the project management process. Waterfall methodology is linear, where stakeholder and customer requirements are gathered at the beginning of the project, and then a sequential project plan is created to develop solutions meeting those requirements. It's called the waterfall method because each phase of the project cascades into the next, flowing steadily down like a waterfall. The process feels like you are in control, but you don't know the results until the end. You often get exactly what you asked for, but it's just not what you wanted or needed.

A waterfall project is a fixed, linear plan. Everything is mapped out ahead of time, and stakeholders interact at the beginning and end of the project. Agile, however, is an iterative process, where new priorities and requirements are injected into the project on regular basis, after short bursts of work and customer feedback sessions.

Philanthropy often employs a waterfall method. As the people with the money and the mandate to 'solve' community problems, the philanthropist's first question is on what focus will they have. We choose a problem area and determine that's where we'll focus our time and money. We then gather the clients, stakeholders, experts and other interested parties to design a plan of 'intervention.' This can involve the identification of organisation who are doing good things in the area we are examining. Once the 'plan' has been developed, grant agreements issued and agreed to, metrics for measuring the impact documented, we write the cheque. This then starts the execution phase: the money is used, activities undertaken, and then the reviews and grant acquittal occur.

This is an oversimplification of the process, but this is both the intention and the actuality of many acts of philanthropy. It is not just about how the work is done, it is about the thinking and the mindset.

How could philanthropy be more agile and use project methodologies that evolve to meet the complex and changing needs we are called to address?

At donkey wheel, we have taken a different approach, which we like to think of as 'Improv'.

The rules of improv... for philanthropists.

1. DON'T DENY

Denial is the number one reason most improv scenes go bad. Any time you refuse an offer made by your partner your scene will almost instantly come to a grinding halt. Good improv taps into the positive momentum others have generated.

Player A: "Hi, my name is Jim. Welcome to my store."

Player B: "This isn't a store, it's an airplane. And you're not Jim, you're an antelope."

Philanthropy can impose its own agenda (strategy) which can be tightly scripted. Instead, we believe philanthropy's role is to plug into the signals and trends that are emerging within the social environment, to discern gaps and/or support initiatives already in motion.

2. DON'T ASK OPEN-ENDED QUESTIONS

Make it as easy as possible for others to succeed, help them create value as effortlessly as possible.

Open-ended questions (like 'Who are you?') are scene killers because they force your partner to stop whatever they are doing and come up with an answer. When you ask your partner an open-ended question, you put the burden of coming up with something interesting on your partner—you are forcing one person to do more work than you are willing to do.

Philanthropy can ask a lot from change agents (e.g. grant application forms, reports etc). The effort required to respond often adds little value to the actual work of social change. At donkey wheel, we believe in engaging meaningfully with change agents to understand their work and making their engagement with us as energising and as effortless as possible.



3. YOU DON'T HAVE TO BE FUNNY

You don't have to be right. Listen deeply and provide invitations to good next steps.

The hidden riddle of improv is that the harder you try not to be funny the funnier your scene ends up. Why? The best kind of improv scene you can do is an *interesting* scene, not necessarily a *funny* one. When you do an interesting scene, a surprising thing happens... the funny comes out all by itself.

It's best to stick to your character, stick to the story that is being told, and to stay within the reality of the scene you are playing.

As philanthropists, we only engage with partners with whom we already share purpose and values. The way forward is not about mapping out a perfect path, but about leaning into our values and purpose and trusting that impact will flow.

4. YOU CAN LOOK GOOD IF YOU MAKE YOUR PARTNER LOOK GOOD

Aim to help others succeed; it's not about your brand but theirs.

When you are in a scene, the better you make your partner look the better the scene is going to be and the better *you* are going to look. All too often, players enter a scene, and you can just tell they have some innovative idea about the character they are going to play or an idea they want to do. This can be wonderful, but guess what? Your partner probably has no idea what's going on in your mind, and so has no idea how to react. No matter how brilliant your idea might be, it's practically worthless if the scene goes bad.

Too often, philanthropists want to tell the story of their impact. Yet it's not about us, it's about those on the front line of social change. It is about the people most affected by the change. Success is always a combination of many factors, so single origin impact is a myth, and we should always be careful when claiming attribution.

5. TELL A STORY

See patterns in the chaos. Tell the story of how things are connected and related, and most importantly how the world could be!

Storytelling is probably the easiest rule to remember but the hardest one to follow. The real magic of improv is when we see the players take totally random suggestions (like a plumber and a cab driver selling shoes in a nudist colony) and somehow make it work. If all these unrelated elements are going to come together then it's going to happen in the context of an interesting story. That's what the players are going to try and do, tell us all a story.

The opportunity for philanthropists is to connect dots that may not be visible from the perspective of the change agent and tell that story. Our role is to tell a broader narrative, one that is intentional about trajectory but not a scripted outcome.

IMPROV REQUIRES A FEW PRECONDITIONS (MINDSETS)

BE PRESENT: there is no script provided beforehand so that you can prepare and then rattle off your lines. You must be present in order to appropriately respond to the emerging situation.

In every interaction you need to focus yourself as part of the performance. You are not there solely to watch from the distance, nor are you the director yelling precise commands to the actors on what they should be doing. You are there as a member of the cast, working out in real time how this story will play out. In order to do this well you have to be present, listening and observing for clues for when it would be best for you to contribute and when best to let someone else run with the dialogue. This is one of the reasons that our best contribution cannot be made into multiple acts at once. We limit ourselves to a few larger and longer performances where we can be present and participate in more than financial ways.

This moves philanthropy from an administrative financial exercise to a relational one. Being present means listening deeply and intentionally within the environments within which we seek to contribute. Assessing grant applications from an office is the antithesis of 'present philanthropy.'

TRUST: you *must* trust the other people in the improv. Sometimes you must trust without a reason to, trusting your partner even when there

"In a high-trust relationship, you can say the wrong thing, and people will still get your meaning. In a low-trust relationship, you can be very measured, even precise, and they'll still misinterpret you."

—Stephen M.R. Covey,
The SPEED of Trust: The One Thing that Changes Everything

Also see
Strategy as Improvisation
on page 170

is no case for trust yet. All human interactions happen at the "**speed of trust**", and trust builds quality into the outputs of those interactions.

We have been plagued with imperialism in philanthropy. Putting trust at the centre of our practice is about allowing those to whom we are granting to set the priorities and the agenda. Emergency granting during the COVID-19 pandemic gave funders a taste of 'trust' when the time frames didn't permit the usual application or assessment processes. Trust philanthropy integrates this approach in all our granting, delegating the responsibility for spending entirely. The interplay between funder and difference maker in this scenario takes on the same dynamism as the energy between improv actors.

OPEN MINDEDNESS: you must be willing to learn and see/experience new and unfamiliar things. The actors need to go in new directions, not just regurgitate old lines.

Open minded philanthropy will never commit automatically to old answers to old problems because it turns out they are often the cause of the new problem. We seek to solve problems and participate in creating a better world, so we must suspend judgement. This suspension allows us to see possibilities, partners and opportunities that we otherwise may have excluded based on preconceptions.

AGILITY: willingness to change in response to new data, wisdom and stories. Actors think on their feet and change directions in an instant as the prompts point them. Agile philanthropy cannot be wedded to a 'strategy' that persists in a particular direction without continual and intentional calibration with the current circumstances.

WILLINGNESS TO FAIL: good improv actors embrace the possibility of failure with gusto because they know the greater the risk the greater the possibility of nailing it.

Risky philanthropy similarly embraces a willingness to be wrong, to fail, and to not reach the stated goal or outcome. Our instinct is to resist the risk of failure, in fact our traditional governance practices mandate it. But philanthropy has a special role to play in social finance when other forms of funding are disqualified due to their need to be confident of returns. Without philanthropy coming to the party when the risks are higher, many if not most social impact projects will never move past boutique experiments in doing good.

At donkey wheel, we know we need to work in concert with others to build a better world. We find improv a helpful way to think about the process of developing solutions, projects and organisations. It is a mindset that reminds us that the dynamic partnerships we have with other actors is the way we create new and wonderful stories. These stories are not scripted, but rather something we co-create in real time.



"It really boils down to this: that all life is interrelated. We are all caught in an inescapable network of mutuality, tied into a single garment of destiny. Whatever affects one directly, affects all indirectly. We are made to live together because of the interrelated structure of reality."
—Martin Luther King Jr

STRATEGY AS IMPROVISATION

Imagine that the roads in your neighbourhood constantly changed. Their width changed, they moved, intersections disappeared, and new highways emerged without warning. Planning a car trip would be a pretty interesting exercise. In fact, it would be almost useless to look at a map before you left, because chances are that by the time you left your driveway, your anticipated route might no longer be viable.

In this kind of scenario, imagine what it would mean to be a good driver. The set of skills you need would include, in addition to improved driving skills, the ability to constantly check the terrain and adjust your driving to accommodate not only the changing roads, but the chaos associated with every other driver doing the same. It's tiring just thinking about it. There is so much more security and certainty in driving on roads that stay the same, notwithstanding changing traffic conditions.

Consider a play. Good actors take the script and learn it, add their own touch to the parts, but the set is stable and predictable. What if there was no script, only clues or starting points? Imagine if the set experienced both gradual transitions and sudden changes? The actors would need to draw on a different set of skills—improvisation.

Music is perhaps a more familiar domain for improvisation. Instead of following a score where the notes are predetermined by a composer, musicians listen and feel for inspiration and direction from the evolving (musical) environment. They immerse their whole beings in the sensations of the music and draw on their own well of competence to contribute. Jazz musicians are particularly good at this.

Improvisation is not a free-for-all. In fact, alongside some natural talent, improvisation draws on a deep competency born of discipline and experience. Inclinations are not random and ad hoc but come from an intelligence that understands the possibilities in real time. It is mostly terrifying. There is no script and no certainty. All you've got is your wellspring of real time inclinations and the competency to execute them with flow.

STRATEGY

Good strategies capture the choices and tactics to deliver on the aspirations of an organisation. They come in many different forms, with a variety of ways to bundle what have traditionally been called vision, mission, values, goals, objectives and key performance indicators (KPIs). It has now become fashionable to be sceptical about the value of strategic planning—with good reason. Organisational strategies rarely deliver their promised value; improved performance, when it exists, is rarely attributable primarily to the document that is produced at the end of a strategic planning process.

Strategy has, for the most part, been seen as a script. The organisational leader assumes the role of director and their role is understood by everyone as corralling the staff (actors) to work in alignment with the script. The reason most organisational strategies are rarely implemented as intended is because understanding it as a script is a fundamental misunderstanding of reality. Despite strategic planning being an unquestioned practice of modern organisations, the associated mindset is at odds with the real world. We even oxymoronically have tended to develop 'strategic plans', as if the environment was predictable and knowable. Of course, much *is* knowable, but frustratingly the future environment, the one that matters, is unknowable. As the famous Erwin Rommel quote goes, "No plan survives contact with the enemy." We can add, "No strategy survives contact with the real world."

By criticising strategy per se, we are in fact taking aim at the wrong thing. There are two main problems: Firstly, the strategy ends up being a plan that assumes a stable predictable future. While 'strategy as script' offers us a sense of security, it is fantasy. The stage is not a static set in a controlled theatre, it is on the street in the hustle and bustle and chaos of the real world. And so, secondly, leading the execution of strategy is more like improvisation than acting from a script.

This is a critical thing to understand because the skill set is different. In our experience most leaders treat the development of a strategy (and definitely a so-called strategic plan) as if it



is script writing, and so the execution of strategy is like acting out the script. A good strategy will be like an improvisation brief. It will set the parameters in the same way a jazz leader will set the tune and rhythm. Importantly, leadership in a fluid organisational environment will draw on the same improvisation (improv) competencies asked of actors, musicians, sports people and facilitators. Here are four competencies that we can apply to strategy.

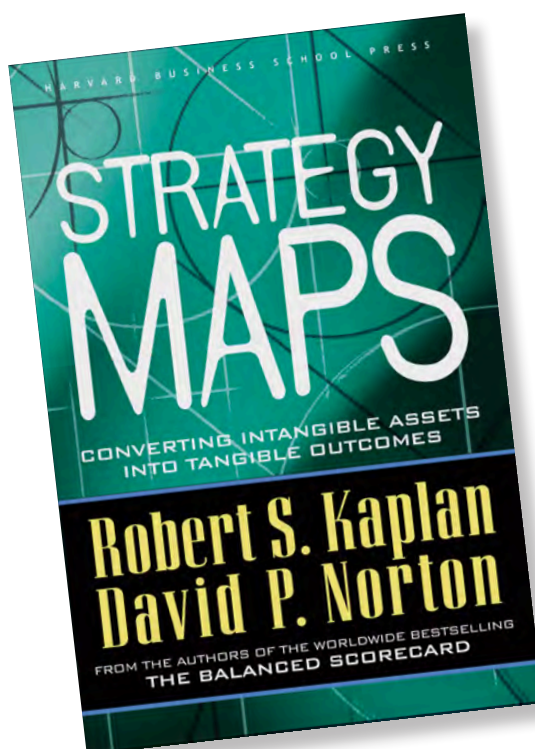
- Good improv draws on intelligence that has been developed through discipline. Unless a musician can do basic scales with their eyes closed, they are unlikely to be free to improvise. In an organisational context, strategic leadership has market and domain intelligence that is born of thankless and behind the scenes work in the detail. There is a deep knowledge of the workings of the organisation and context from having laboured there over long periods.
- Second nature inclinations come in part from natural talent, but also from experience. In the same way our physical bodies develop muscle memory, the involuntary performance of common movements, real-time leadership responses need to be the same. Hunches and inclinations don't sound very robust when compared to an 'evidence-based' approach, but they are gold in situations that require agile decisiveness. Strategic leaders have a lot of confidence in their reading of a situation or context but, far from being dogmatic or stubborn, will test it like an hypothesis, continually refining it based on feedback.
- Over time we understand patterns and can recognise events and circumstances in a broader context, so we react not so much to the thing itself, but to the broader pattern it represents. Improv therefore requires an appreciation of 'categories of responses' and their likely outcomes. In other words, we have a degree of confidence that 'if A happens, it will result in B.' It's not a scientific understanding of cause and effect, it's just that we have lived and worked long enough that we recognise patterns of action and reactions. This allows us to improvise with confidence rather than scattered reactions with fingers crossed.
- Improvisation also requires deep listening—not necessarily to the loudest external noises, but by immersion in the environment to the extent that egos melt away and people become one with what is going on. We act from within rather than without. In this sense, improv is less about the external world and more about what we process internally. Strategic leaders will have awareness (or at least

a desire for an awareness) of what is going on behind the scenes—what is unseen, not just what is visible. There is knowledge that what gets acted out has its genesis in thoughts and emotions. Strategic improv therefore is tuned into trends and groundswells, the things that when they burst into the visible world, often take lesser leaders by surprise.

WHAT DOES THIS MEAN PRACTICALLY?

Here are a few implications. Strategy as improv:

1. Is less about the process to set it, and more about the ongoing attention to the internal and external operating environment;
2. Is less about planning, and more about values and outcomes;
3. Is less about stability and process, and more about clarity and direction;
4. Has a higher bar when it comes to trust and collaboration among the team, and a lower bar when it comes to directive leadership; and,
5. Understands that an organisation is more like a fit, responsive and creative athlete rather than a well-oiled machine.



As helpful as this and books like it might have been for some... not this!

BETTER GOVERNANCE

Head over to page 100 to read '10 Practices to Support Good Governance'

Read about the AICD on page 221



Scan to view:
The Four Principles of Purpose Driven Board Leadership



Scan to view:
Making Boards Fit for Purpose

Elsewhere we have written about **ten practices to support good governance**. In addition to these practices, we also propose a radical new meeting structure to improve the effectiveness of boards.

There have been many gains made by professionalising board member contributions, mainly through the work of the **Australian Institute of Company Directors** (AICD). However, there have been very few people or organisations who have questioned the AICD frameworks and guidance or genuinely sought an answer to the question of how boards add value. Interestingly, some people are now beginning to question whether the model of board operations we all have assumed is the benchmark or gold standard is delivering what it aspires to.

Even the voices associated with the AICD have started to 'reframe' governance and the board's role. The AICD Company Director Magazine in March 2021 contained an article entitled *Governing Culture*, in which it specifically discussed the idea of boards needing to develop the notion of Minimal Viable Governance (MVG) that would allow them to 'govern' the organisation and give them the time and freedom to add value.

One of the most respected social sector publications in the world, the Stanford Social Innovation Review, has looked at the board's role in purpose driven organisations in **The Four Principles of Purpose Driven Board Leadership** by Anne Wallestad (March 2021). A 'competitor' to the AICD, Better Boards, investigated the question of how boards need to fit their organisations and not merely assume a generic and homogenous framework with the article **Making Boards Fit for Purpose**, by David Castles (July 2020).

Despite the considerable effort that goes into developing risk matrices, it appears that the risks most likely to precipitate existential crises for organisations don't make it onto risk registers. When they do, their fruition is rarely anticipated.

In our own experience of boards, one of the drivers to reconsider how boards are structured is the regular confusion between what we will call 'governance' and 'advice'. This conflation looks different in each board environment but is commonly felt by both management and directors, even if it is not diagnosed or articulated.

A PROPOSED BOARD FRAMEWORK TO IMPROVE EFFECTIVENESS AND INCREASE VALUE-ADD

This new framework is designed to improve board effectiveness via:

- **SEPARATING** 'advice' and open-ended strategy discussions from governance work,
- **SIMPLIFYING** and formalising the agenda, which ensures greater clarity regarding the board's core regulatory governance responsibilities and discussion required for each agenda item, and,
- **EXPANDING** the voices of stakeholders and expert voices into board deliberations.

These reforms are designed to deliver the following outcomes, which will in turn deliver greater value to the organisation.

- Focus board members' lines of enquiry, enhancing governance contribution and improving core governance so management operates with confidence that the board is taking the weight of accountability.
- Ease the load on management in the lead up to board meetings by clarifying the areas on which management reports need to focus.
- Enable broader community, stakeholder and expert engagement. This allows a range of 'experts' to participate in some critical board discussions without burdening them with the time commitment of becoming a board member. This will offer the organisation access to the best and most relevant thinking and experience to complement that of the board.
- To potentially eliminate the need for sub-committees, the operation of which often leads to duplicated effort from both management and some board members.



a new board framework

TWO PILLARS OF THIS FRAMEWORK

Board meetings are intentionally separated into two distinct parts.

Part one is formed around three formal standing resolutions which are put at each board meeting.

- **STRATEGY AND IDENTITY:** That the board is individually and collectively satisfied that management is prioritising activity that contributes to delivering the mission, that the organisation is being true to its values and purpose and is alert to existing or emerging risks.
- **PEOPLE AND CULTURE:** That the board is individually and collectively satisfied that management is doing all that is reasonable to cultivate wellbeing within the staff cohort, optimising energy levels and contribution, and is alert to existing or emerging risks.
- **FINANCIAL HEALTH AND COMPLIANCE:** That the board is individually and collectively satisfied that management is managing the financial wellbeing of the organisation (balance sheet, P&L and cashflow), is meeting the regulatory and other compliance obligations and is alert to existing or emerging risks.

These three resolutions capture the essence of the board's responsibilities. There might be some other matters that the board needs to consider but, essentially, the board's role is to ask questions and seek clarity that enables them to affirm each of these resolutions. The formalisation of these is designed to focus directors' attention on their own governance accountability, rather than on offering operational advice. The primary posture of the board in this part of the meeting reflects their individual and collective governance responsibility.

They also help the board to concentrate on the role of governing as distinct from the operational management role. The questions direct the board's focus to the systems and process that are in place, and how the management team is navigating the challenge, rather than delving into the problems or challenges themselves. This approach, when used well, can therefore

help bring greater clarity to where lines of responsibility between management and board lay. It can ensure the board is concerned with not only the immediate presenting issues but consider whether the organisation's skill is being developed to deal with new and emerging challenges.

Practically, this part of the meeting should be succinct and transactional. More open-ended discussions need to be accommodated in the second half of the meeting, or in other forums.

Part two of the meeting changes mode, which in our experience is best achieved by changing rooms and seating arrangements. The posture of directors in this part of the meeting is to seek to understand more deeply the perspective of the CEO and management as it relates to strategic issues, and to offer advice and other intelligence as relevant.

These discussions will have the following design elements:

- It will be over drinks, or a meal.
- Convened and perhaps facilitated by the Chair, but the content to be led by the CEO.
- A forum where board members can add their professional perspectives and offer advice, without confusing their governance role. Without the separation of the meeting, director suggestions can be confusing for management—with what authority is the board offering 'suggestions' about operational activity?
- Involve invited participants; people who add perspective and advice. Some may be once off contributors, there may be a regular cohort who become 'critical friends and advisors'. This is a key dimension of this new meeting structure. It facilitates access to the 'best thinkers' on a variety of relevant topics, without the significant hurdle of these people taking up formal board membership.

Our experience is that the combined time required to run both parts of the meeting are similar to the time taken to run a single meeting under a more conventional model.

ENABLERS

There are a handful of prerequisites for this framework to be effective, noting that these have always been true, but are worth highlighting.

- Relationships of trust. The board must have an inherent trust in the CEO and trust in the information that is being supplied to the board.
- Professional competencies that add value and perspective.
- Domain knowledge that is alert to opportunities, challenges and that gives rise to hunches (inclinations that often lack an empirical evidence base but are of significant value).
- Emotional intelligence that values listening and understanding over advocacy or representation.
- Governance nous (alert to operational inclinations).

TEMPLATE AGENDA

While appreciating the different needs of organisations, we have included a template agenda that shows how a meeting might look under this new framework.

PART 1

A. Looking back

- Minutes of previous meeting
- Action item register

B. Current Business

CEO Report

Senior Manager Report & Engagement as relevant

Standing Resolutions (as per above)

- People and Culture
- Finances and Compliance
- Strategy and Identity

C. Other matters that require reporting or resolution

D. Looking forward

- Upcoming activities of note
- Next meeting (confirmation)

PART 2

E. Topical strategic discussion over food and drinks (with invited guests)

PAPERS

How do papers fit within this framework and meeting structure? Under this framework, papers fall into three broad categories:

- Those that support resolutions. These (must read) papers will be developed to give visibility and intelligence to the board that will enable confident support of the resolutions. Typically, these will include a CEO report and financial reports. This framing should help the CEO develop their reporting in a way that supports the resolutions. It can focus the reporting to ask the question, 'does this reporting help the director confidently answer the question being asked by the resolutions?'
- Those that offer background and/or additional information. These papers are for interest and/or noting and are optional reading.
- Papers or externally sourced articles or material that supports the strategy discussion in Part 2 of the meeting.



*"In this pivotal moment of truth for
our species, a whole wave of radical
conversations is inevitable. For
these conversations to really make a
difference, we must break through our
personas and our inauthentic poses."
—Terry Pattern*

*p7 A New Republic of the Heart,
North Atlantic Books 2018*

MAKE IT BETTER

Read about the Two Feet Program on page 78

The term 'blended value' is explained in the Glossary on page 227

Sensual. Mysterious. Intimate.

In 2005, Kevin Roberts released *LoveMarks, the Future Beyond Brands*. In it he described the phenomena that was emerging where brand loyalty was being transcended by a relationship that he dubbed a 'lovemark'. He suggested that the key to achieving this kind of relationship with customers was a combination of these three attributes: sensuality, mystery and intimacy. When Paul and Col first read the book, it was more than interesting. There was something in the thesis that resonated deeply as they experimented with ways of doing business that humanised commercial entities.



The cover of Kevin Roberts' book, LoveMarks

Fast forward 12 years...

The funds that formed the donkey wheel Foundation were a one-time endowment from the **Brunner family**. However, in 2017, some funds from a Brunner family estate in the UK were earmarked for donkey wheel. This occurred when Paul was planning for an internship program which could support a social innovator over a 12-month period. While partnerships with other foundations were being explored so we could cultivate a small cohort, we were conscious that allocating a significant proportion of our available funds over a year to one change agent would be a high-risk venture. There was a strong imperative to get the selection criteria right. Paul commented it felt like looking for a needle in a haystack.

So, he instead started thinking about building a stack of needles.



A haystack of needles

Not since the **Two Feet Program** had we delivered a service ourselves, but we sensed it was time to roll up our sleeves to develop what we sensed was a much-needed platform. Based on our experience in exploring what it takes to support social innovation, the following drivers gave impetus to what we called Make it Better.

1. We recognised a critical need for design in social change projects. We had worked hard to support entrepreneurs to build sustainable business models that had social or environmental impact baked into them. This is what we refer to as **blended value** business models.
2. Further, we observed a consistent pattern where the early days of purpose driven business ideas had three main players. Entrepreneurs, obviously. Next were the intermediaries who offered coaching and incubation support. And then funders. It was only later (if at all) in the life of the project that impact was monitored or evaluated. It was unusual for the intended beneficiaries of the social impact to be engaged in the design of the business.
3. We wondered what it might look like for a diverse set of intelligences to be engaged in the formation of new projects. How would it effect the effectiveness of the initiative if intended beneficiaries, researchers and designers were all engaged in the early stages? And what if perspectives from other sectors and parts of the community were included—public and private, large organisations and small, not-for-profits and for-profit mindsets?
4. And we knew that if we were going to see the population-level changes that we all hoped for become real, it would not be sufficient for social change agents to succeed on their own. We needed to be able to join with the momentums of different initiatives and to tap into the energy and groundswells of multiple initiatives all at once.
5. We therefore started to think differently about collaboration. Our experience had been that collaborative efforts typically leveraged a common and agreed goal. Infrastructure and commitments were formed around that goal, but efforts were almost always thwarted by the imperative for people to focus on their jobs *within* their own organisations rather than across the systems in which they operated. We wanted to experiment with ways to connect people in relationships of trust, rather than shared commitments to agreed outcomes.

We stood in the basement of donkey wheel house and imagined how we would start to build this community of difference makers. The basement

On page 12 you'll find more information about the Brunner family



A theory of change is explained in the Glossary on page 231

Flick over to page 113 for Rinkfolk

is a catacomb-esque, dungeon-like space that felt perfect for the environment we wanted to create. As we stood there playing with ideas, we knew we wanted to create a space that disrupted the mindsets of participants, not for its own sake, but because we knew that vulnerability and authentic engagement were key to our **theory of change**. The problem was that most leaders are used to being the experts, the ones who wear the capes, the 'superheroes' among their peers. We wanted them to leave their capes at the door so their primary posture was one of curiosity rather than advocacy.

As we stood there, Paul and Col were drawn back in time... to the power of the combination of sensuality, mystery and intimacy.

Sensuality: we worked with a Rosie Lockhard to help us think about touch, light, smells and sounds. We talked with **Kinfolk** about taste. We purchased tables, seating and mats, as well as sourcing lights and plants. We tried to engage the physical senses as meaningfully as we could.

Mystery: The basement was perfect. The dark stairs wound around the back of the lift and below ground level to a windowless space that invited curiosity and a sense of mystery. Riskily, we decided not to communicate the 'agenda' before a gathering. We would invite people based on the promise of an experience, not because of a topic or agenda.

Intimacy: How would we encourage people to be present, to look each other in the eye? One thing we decided was to go low tech. No PowerPoint presentations, for example. We invited people to check in their devices on arrival. In fact, we *insisted they give up their device*, providing individual drawers for them to place their device. This created some level of separation anxiety, but at the same time allowed the opportunity for meaningful and uninterrupted engagement. Yikes. We went old school, with coloured pens and pads on the tables. It felt risky—how would we avoid it being a bit not-for-profit naffy? We wanted it to feel professional, but authentic.

On March 20, 2019, we launched with a group of 30 change agents who we already knew, people who we trusted to test our ideas. It was a landmark evening. As we experimented our way forward and continually sought feedback, one thing came back more strongly than we had anticipated. We

had expected that the key outcome would be new projects. We were working toward this in the way we designed Make it Better, but also expected that that prospect would create an incentive for people to be involved. And while that did feature in people's feedback, their key motivation for people coming back was the support they received as leaders. Several participants were explicit, "There is nowhere else we can go where we can be this honest about what's really going on for us both as leaders, and our organisations."

We were away.

As 2019 progressed we developed gatherings to meet the diversity of opportunities and needs that arose among the community. Being face-to-face gatherings, the realities of 2020 and 2021 have frustrated the Make it Better menu of gatherings, and while some momentum has been lost, we anticipate regenerating with renewed energy when we can. Each of the following gatherings that form the Make it Better (MiB) platform is discussed in its own piece. There is also a snapshot of the gatherings in a **menu** that we produced at the beginning of 2020.

| GATHERING | If you... | What is it? | Duration | Who covers costs? |
|-----------|--|--|---------------------------------|--------------------------------|
| TABLE | ...want to meet other difference-makers who care. | A dinner party with like-hearted people. | Two hours. | donkey wheel. |
| CLINIC | ...have a personal challenge. | A structured and safe listening process to access the wisdom of peers. Most likely held on retreats in 2022. | Two hours. | donkey wheel. |
| CHARRETTE | ...have a project challenge. | A facilitated process to access the wisdom of peers. Most likely held on retreats in 2022. | Three hours (including a meal). | donkey wheel. |
| RETREAT | ...are ready for deep connections and inspiration. | Space for slow conversations, reflection, sensing emerging realities and emerging ideas co-designed by participants. | Three days. | donkey wheel and participants. |
| TRIP | ...are ready for an adventure that challenges you in your context. | Expansive, curated, and rich experiences based around a question or theme. | Two weeks. | donkey wheel and participants. |
| LAB | ...need to design responses to a significant challenge. | A co-design process, led by skilled facilitators. | Up to 18 months. | donkey wheel and sponsors. |

What do you sample first? We want you to try something that is to your taste, and that will be healthy and fulfilling. An excellent appetiser is the Make it Better Table, which is offered every two months. That will give you a taste of what we're on about, and what has inspired the rest of the menu.

For more information, check out <http://makeitbetter.org.au/> or contact Paul Steele (paul@makeitbetter.org) and 0438 399 800 or Col Duthe (col@makeitbetter.org) and 0488 888 260 with an idea or an issue that you're wrestling with, and they'll be able to direct you to the most appropriate gathering and connect you with the people who will be best suited to help you make a difference.

We'd love to connect with you.

make it better

The Make it Better Menu, 2020

Check out the Make it Better subsidiaries:

MiB Tables, page 178

MiB Charrettes, page 182

MiB Clinics, page 182

MiB Classes, page 179

MiB Trips, page 180

MiB Retreats, page 184

MiB Labs, page 183



The first ever Make it Better Table

MAKE IT BETTER TABLES

*Read about
the donkey
wheel house
on Page 32*

When people are invited to a Make it Better Table for the first time, they don't know exactly what it is they are coming to. In most cases, they are there because some they trust invited them.

They are asked to arrive at **donkey wheel house** 15-30 minutes before the scheduled start time. When they walk in, the 'first timer' greeting ritual includes having a polaroid headshot taken. They are then invited to check in their digital device which is placed in a small drawer on which their photo is stuck. A little bit awkward; "What have I got myself into?"

With beverage of choice in hand, it starts to feel more normal. At 4pm everyone is asked to find a seat at the table. There is a spread of food to enjoy and plenty of drinks to accompany it. No 'around the table' introductions are done, you will not even say where you are from. People at the table are there as themselves, as an interesting and interested person, not as a position or title.

The session begins with a reflective and thoughtful acknowledgment of country. The host reminds us of the table 'rules.' We are invited to engage the conversation in ways that often don't come naturally, so we have a few tips on how to participate. The rules have gone through a couple of iterations. Initially they were:

- It's a dinner party with friends. Engage the conversation as if you were with a bunch of friends having dinner together.
- Whoever comes is the right people. There is a special opportunity presented by the unique group who are gathered. We commit to being fully present with the people who are there, rather than concerning ourselves with those who didn't turn up.
- Suspend judgement. To listen deeply, we commit to responding to each other without drawing on our pre-packaged contributions. We try to ask more questions to help us understand the other, rather than help them understand us.
- Chatham House. We commit not to attribute comments and to respect any confidentiality.

At a planning retreat in January 2022, they were updated and refined to:

- Leave your cape at the door: no job titles
- Slow down: it's like a dinner party with friends
- Be present: whoever comes is the right people
- Be curious: you are not them
- Share courageously: it's a safe Chatham House

The host then poses a question, designed to help us appreciate perspectives from others that we have not heard before. Responses to the questions typically invite a level of vulnerability and often related to our experiences as leaders of change. Over the next two hours we dialogue and explore the topic, enjoy the food, wine, and company. The session promptly concludes at 6pm, but not before the host gives updates on projects and opportunities for people to participate in proposed or existing Make it Better initiatives.

Make it Better Tables are the backbone gathering for the community and have been held every two months, aside from when Melbourne was in lockdown due to the pandemic.



MiB 'Rules' Poster



Isaac Jeffries leads a group on level 2 at donkey wheel house

MAKE IT BETTER CLASSES

Members of the Make it Better community are smart people. Their individual bags of expertise go far deeper than other community members experience in the context of a **Make it Better Table** – which is where most of them meet for the first time.

Every now and again a competence emerges, or a framework is repeatedly referred to, that sparks the interest or curiosity of others. When that happens, we offer an opportunity for a Make it Better Class, a session where a particular idea or tool can be shared and discussed.

In 2019, the year in which we built the foundations for Make it Better, the only Class we had the chance to run was on **Theory U**. **Michelle Halse**'s deep knowledge and experience with the framework enabled her to cover a substantial amount of material simply and succinctly.

We anticipate the demand for MiB Classes will grow as the community reconvenes and grows post COVID-19 restrictions.

*See Make it
Better Table
next door on
page 178*

*Read about
'Theory U' on
page 231*

*Michelle Halse
can be found
one page 196*

MAKE IT BETTER TRIPS

"If we're going to do this work in a way that's truly transformational, we have to be prepared to transform the way we ourselves work and create the capacity and the space for our partners to do that as well."—Stephen Huddart



Meeting with Violaine Des Rosiers Co-CEO Maison de l'innovation sociale, Montreal

*Read about
Jacqui on
page 114*

*Wasan Island
is in Profiles
on page 226*

*Keep reading
about Jessie
Taylor on
page 216*

*Read about
Olivia
Clark-Moffat
on page 158*

*MaRS is in
Profiles on
page 224*

*Learn about
Make it Better
on page 176*

*The McConnell
Foundation is
in Profiles on
page 224*

Since they started working together in the early 2000s, Paul and Col have conspired to organise trips that were designed as learning experiences. These learning excursions were designed around people, people who have walked the journey before us, people whose ideas have the potential to change the way we see the world, and people whose lived experience is so different to our own that they challenge our assumptions about what is right and true and expand our imagination. While some people plan travel based on places, we curated encounters with people who we believed had something to offer us.

One of the first incarnations of doing this for others was called Project Watershed. In the context of our small consulting practice, we developed a leadership development program that included a curated set of conferences that exposed emerging leaders to the best business leadership we knew of. Steve Hopkins worked with us to design and sell the program, but we didn't get traction.

That didn't stop us.

Our vocational journeys were separate for some years, but we continued to share an appreciation for the value of well-planned travel for learning.

It was perhaps inevitable then that when we designed a platform to support difference makers, the **Make it Better** project, it would feel incomplete without Trips. Paul's work in Canada alongside **the McConnell Foundation** provided the platform for our inaugural MiB Trip in June

2019. **Jacqui** did an extraordinary job planning the logistics and Paul's connections provided the smorgasbord of intelligence and experiences that made the trip one of the most significant professional development experiences that participants had ever experienced.

With a team of 10, our itinerary took us first on to Montreal, then to Toronto which included a side (but crucial) trip to **Wasan Island**. No trip runs according to plan 100 percent of the time, but Jacqui's planning withstood everything from injury through to managing a group of independent thinkers. The MiB Canada Trip has become the stuff of legend for the participants, from "the pretty flawless logistics" (**Jessie Taylor**) through to the calibre of people that were engaged with. **Olivia Clark-Moffat** reflected on the input from the Canadian systems. "It was great being exposed to the Canadian social innovation system and the philanthropic system. People were about sustainable social change—'do good, make money'. The Canadian social innovation budgets were an ocean of money compared to what we have, so they are not facing the same harsh necessities. We consistently met people doing some hard thinking about big problems similar to here in Australia."

From the McConnell Foundation through to old Montreal restaurants to the **MaRS Discovery District** in downtown Toronto—which is North America's largest urban innovation hub, covering 1.5 million square feet—through to Wasan Island, the MiB trip was a pivotal experience for the participants and served to validate the direction



that donkey wheel was heading. Jessie said that, “It was particularly worthwhile. The impact of the tour will percolate and bear fruit for a long time. The themes and lessons and idea exchange in a group that was like-minded and diverse was so beneficial.” **Bill Mithen** reflected that, “Professionally, it was one of the best things I have ever done—the combination of dedicating time and space to thoughtfully process the information we received, the curation and design of the trip, the scope of it and the high-level strategy behind the places we visited.”

*Read about
Bill Mithen on
page 156*

While you can plan for locations and people to meet, one of the encouraging elements that emerged was a sense of comradeship and collaboration as the group worked through the information and principles that they were learning together and developed ways to put that into practise when they got back home.

While the aim was to have further trips in the short term that built on the experiences learned from the MiB Canada experience, but the COVID-19 pandemic put pay to building momentum with more curated trips. We have had to relegate those aims to a time where travel is less likely to be interrupted. It is still very much a part of the MiB menu to facilitate trips that expose different groups of people to what other social innovators and entrepreneurs were doing around the world.

Yet, it has not all been loss. In the enforced COVID pause, donkey wheel has become even more committed to creating MiB retreats that allow people time away to engage with meaningful conversations and other people seeking to make a different difference. Wasan Island, a social innovation retreat owned by the Breuninger Foundation, a German not-for-profit, located on Lake Rosseau, Ontario, has been at the core of our dreaming. While we can't replicate the location, we are aiming to replicate some of the experience and impact Wasan had on the MiB trip team, even if it was just for one day.

In other trips, the donkey wheel **Board** has travelled to the UK to participate in the Big Path Impact Investing Conference and experience. These moments of inspiration, exploration and reflection are pivotal moments for many people in their engagement with making the world a better place. We also hosted a small group to attend the Big Path Capital Conference in Chicago that extended this experience to others.

*More information
on the Board
can be found
on page 213*

We will over the coming years and design and run more trips to help people understand the world, themselves, and others better in order to make their contribution better.



*The MiB Trip participants on Wasan Island with Volker Hann, Director
Wasan Island & International Projects Breuninger Foundation*



*Jane Engel and Stephen Huddart from the McConnell Foundation
brief MiB Trip participants on the Cities of the Future*

MAKE IT BETTER CLINICS

Keep reading about Michelle Halse on page 196

See Make it Better on page 176

For more on 'Theory U' head over to page 231

Scan to view the Case Clinic:



Michelle Halse is a valued friend of Make it Better. One of the first ideas we had for a **Make it Better Class** was to have Michelle do an introduction to **Theory U**, a framework that had been formative for a few people in Make it Better, but about which many participants had no awareness or knowledge.

We forget exactly how it happened but, at some point in the planning, Michelle suggested that instead of simply talking *about* Theory U we could illustrate its use by applying it to a real-life challenge. The suite of tools developed based on Theory U is extensive, and the one that Michelle chose for that first class—a **Case Clinic**—was so impactful we adopted it as an MiB staple.

Clinics guide a team or a group of peers through a process in which a 'case giver' presents a case, and a group of three-four peers or team members help as 'consultants' based on the principles of the U Process and process consultation. Case Clinics allow participants to:

- Generate new ways to look at a challenge or question and,
- Develop new approaches for responding to the challenge or question.

Clinics are used when someone in the Make it Better community is struggling with a leadership issue, and they sense that the way forward is not as much about the issue itself but how they are dealing with it. In other words, it focuses on them as a leader rather than on the problem itself.

As per the U Process guidelines, a Clinic runs for two hours and is structured and creative. The few times we have run Clinics have been extremely useful for the Case Giver but have also offered incredible value to the 'consultants'. We look forward to Clinics becoming a regular response to challenges and opportunities encountered by members of the Make it Better community.

MAKE IT BETTER CHARRETTES

Keep reading about:

MiB Tables, page 178

Jessie Taylor, page 216

Jane Hadjion in Profiles, page 224

MiB Labs, page 183

MiB Clinics, page 182

Imagine Australia, page 206

From the outset we imagined the two core Make it Better (MiB) gatherings would be Tables and spin-off problem solving workshops that would make headway on projects that were stuck or needed to generate momentum. We ended up calling these workshop 'Charrettes'.

Charrette /ʃa'ret/ : a public meeting or workshop devoted to a concerted effort to solve a problem or plan the design of something.

As with other gatherings, the topics and momentum are generated by a member of the MiB community. The initial process has been that the issue or problem is explained at a **MiB Table**. Attendees are then invited to sign up to attend the Charrette, which will typically be a once-off workshop over dinner. Examples of Charrette topics in 2019 included 'How to generate household level conversations about Human Rights' (**Jessie Taylor**) and another on a 'cross industry model for the circular economy' (**Jane Hadjion**).

As the menu of gatherings grew to meet needs within the community, **Labs** became the container for longer term design projects within MiB. A difference maker's own organisation or work environment usually supports them in developing organisational responses, but it is common among community members that they get engaged and interested in projects that don't fit within their 'day jobs'. Charrettes are designed for these times and ideally explore the possibilities for ideas to turn into projects.

As with the **Clinics**, people attend a Charrette to support a fellow MiB difference maker. Domain expertise is not mandatory, in fact we are more interested in getting intelligent and different perspectives rather than provide a forum for the sharing of predetermined and predictable responses. It is anticipated that some Charrettes might develop into a full-blown project, which is what has happened with **Imagine Australia**, which emerged from the Human Rights Charrette. Charrettes in that sense are catalysing. They may offer insights, may evolve into a series of workshop, might spawn a new business, or may need to become something more substantial.



MAKE IT BETTER LABS

At the heart of **Make it Better** is an ambition to help support change that has been designed with a systems view and a thoughtful design process. MiB Labs is one of the key ways we do this.

MiB Labs are an intentionally slow process to develop innovation initiatives by engaging across a particular area. The overall process is based on **Theory U** and guides participants through phases that invite deep listening, creative thinking and prototyping of emerging initiatives. Unlike many initiatives that bring people together, MiB Labs are not about collaborating to deliver a predetermined outcome. Fellow participants (or simply Fellows) are invited to participate without anticipating what solutions or responses might emerge. Innovation happens when our thinking is challenged by alternative ways of seeing and doing.

The first MiB Lab was developed in the wake of the Royal Commission into Aged Care Quality and Safety. **Chris Gray** had been working to support innovation for ageing people for a long time before he became involved in Make it Better. The opportunity to bring people together to think and act across the sector, rather than simply supporting individual initiatives, was compelling—so, Chris and Col began exploring the possibility of a Make it Better Lab.

On 21 April, 2021, we hosted a co-initiating drinks event with 15 invited guests with an interest and/or experience in better ageing. We pitched the idea and workshoped potential questions that a Lab could answer. There was overwhelming enthusiasm for the possibilities, so we pressed ahead.

At the time we envisioned a series of 12 half-day sessions spread over 18 months. **Anna Donaldson** and **Stephen Johnston** joined Chris on a team that also included a secretariat from donkey wheel. We set about inviting people to be Fellows (participants in the Lab sessions) and Co-Chairs (offering sector wide advice into the Lab).

COVID-19 restrictions thwarted our efforts to start as planned in early August 2020. At the time of writing, **Olivia Clark Moffatt** and **Melina Chan**, both long-term friends of ours and who had joined the Lab team, have lead a redesign of the Lab to accommodate the uncertainty associated with face-to-face gatherings. This first Better Ageing Lab launched on 2 February, 2022, in a reduced time format that allowed for density limits that were in place at the tail-end of COVID-19 restrictions.

It was a resounding success.

As we learn and evolve this methodology, we will apply it to other areas as change makers look for support and collaborations to develop system solutions that have been well thought through and have sector-wide collaboration and support.

Keep reading about Make it Better on page 176

See page 158 for Olivia and page 187 for Melina

Read about 'Theory U' on page 231

More on Chris Gray can be found on page 188



The overview document that shaped the first MiB Lab

Anna Donaldson and Stephen Johnston appear in Profiles on page 221



Liv up front at a Make it Better Lab, 2020

MAKE IT BETTER RETREATS

It is the nature of our busy lives that time away from routine activities is rare. Our work culture and contemporary lifestyles mean that it is difficult, if not impossible, to create the space we need to reset and regenerate, or to step outside the clutter of our weekly work to think intentionally and slowly about the bigger picture or issues that, in our busyness, we push to the side.

Our health and wellbeing depend on creating space to pause. There is no shortcut.

We don't apologise that MiB Retreats don't fit easily into most people's idea of what is doable. A minimum of four days/three nights is necessary to get beyond the too-typical pattern of two-day conferences and events that don't enable the time for us to take our capes off and explore relationships or issues below the surface.

We are working towards the aim of running a dedicated retreat facility. Until then, we'll be looking for spaces and environments to hire that enable:

- A sense of journey upon arrival—of leaving and letting go, and of arriving and preparing for what comes next.
- Earthy comfort, not sanitised glitz.
- Immersed in and open to the natural environment.
- Spaces for meals and conversation together, and places for individuals to reflect.

*Wasan Island
appears in
Profiles on
page 226*

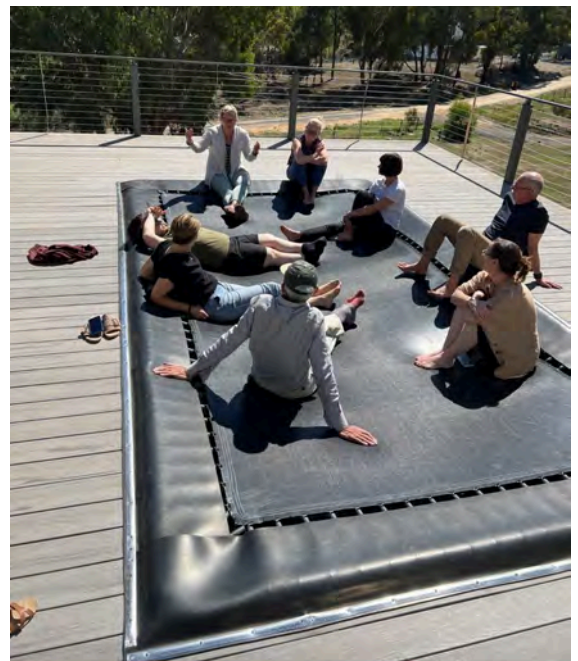
Our vision for retreating catapulted forward when we visited **Wasan Island**. Paul has attended multiple gatherings on Wasan and was keen for others from the MiB community to experience it during our **MiB Trip to Canada** in 2019. Funded as a partnership between three foundations, the retreat centre has become synonymous with innovation in Canada. We fell in love with the design of the space and the events program, balanced between those of interest to the three foundations and public interest topics. Attendance is by invitation-only and is funded by the foundations.

*The Canada Trip
is mentioned
on page 180 in
greater detail*

At the beginning of 2020 we planned for our first retreats. One of the first we wanted to run was a five-day retreat on Five Personal Disciplines for Difference Makers, based on a systems view adaption of **Peter Senge's** disciplines as described in his paradigm shifting book, *The Fifth Discipline* (1990).

*If you don't
know who
Peter Senge
is, check him
out in Profiles
on page 225*

Five days is a big commitment. We engaged some friends to help us design the retreat to make it work for intended participants. We debated the value of pre-determined topics versus an 'open space' style retreat where participants determine the topics once there. We explored the idea of allocating mornings for 'regular work' so people could stay connected in their day jobs. We wondered about financial



A few snaps from the Make it Better Retreat, March 2022



models that included us covering the cost of invited guests with them in turn inviting another attendee. Unfortunately, the ongoing impact of the pandemic throughout 2020 and 2021 meant that this retreat and others on the drawing board stayed there.

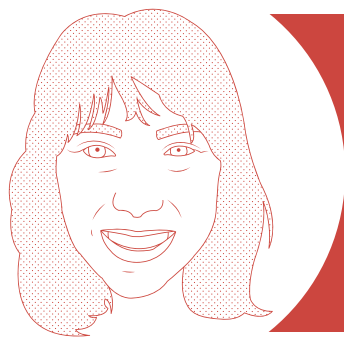
The pandemic, for all its discomfort and isolation, delivered opportunities that aspects of a retreat can: we were forced to pause, forced to confront ourselves and our reality, and we had time to think. We were even more committed to the retreat concept, and at the time of writing were able to have run two, both held at The Hive in Hepburn Springs. The first, in January 2022, heralded the resumption of planning for key activities for the MiB menu. It was a chance, also, for the relatively new composition of the MiB team of Paul, Col, Ashlee, Jane and Craig to gather. We invited a few trusted friends for their input and found our time away productive and invigorating.

We held another one, this time focused on those in the donkey wheel ecosystem, in March 2022. Col and Jane ran this, with help from those in attendance when Paul and Ashlee had to pull out due to COVID impacts. Despite this, the retreat was a success over its (new) three-day format and encouraged us that this is a space that we want to make a priority.

We look forward to having a purpose-suited facility in the future that will facilitate the deep engagement with topics and with others that is the prerequisite for the experience of and outcomes from MiB Retreats.



A few snaps from the Make it Better Retreat, March 2022



*Find more on
the Better
Ageing Lab
on page 183*

*Read about
Pat Allan on
page 210*

*An Un-What?
Find out in
the Glossary
on page 231*

*The donkey
wheel house
story is found
on page 32*

*Keep reading
about Jarrod
Briffa on page
54 and Kinfolk
on page 113*

*Find MBO in
Profiles on
page 224*

Melina (Mel) Chan is Coaching and Development Lead at SecondMuse, and is part of the Facilitation Team for the **Better Ageing Lab**

HOW DID YOU FIRST GETTING INVOLVED IN THE DONKEY WHEEL ECOSYSTEM?

Mel lights up with enthusiasm. “What a juicy question. I love that question.” She continues, “I got the opportunity to connect with Col through my RMIT entrepreneurship degree in the early 2000s. It was the first undergrad entrepreneurship degree in the Southern Hemisphere, and it was a huge experiment.

“I had had the chance to work with Paul on an affordable housing project called Inhabit Communities that was a partnership between a commercially run caravan park, the Hobson’s Bay City Council and us, which was **Managed Business Outcomes** (MBO) at that stage. That was my first connection to Paul, and we stayed connected. I ended up working with MBO for a couple of years.”

Despite moving overseas, the connection into the pre-donkey wheel house ecosystem was ingrained in Mel. “I finished my university degree and went on to work with World Vision and moved to Cambodia in March 2008 on a 12-month-placement. I wanted to be able to help keep my community alive in Melbourne, however.”

As is the case with many of us, plans change. “My work was not done so I stayed in Cambodia four more years. I was doing cool social enterprise and innovation community-building stuff, which was awesome. After my 12-months deployment, I had to come back to Australia, do the paperwork, and then wait to get the green light on health checks and everything to go back. It ended up taking three months, so I found myself rattling around Melbourne in 2009 for those three months. It was about that time that a close friend of mine opened a place called Inspire9, which was a software development company, and they started having barbecues and holding workshops and teaching people to code.

“In the early days, **Pat Allan** and Steve Hopkins and I had an idea for what we called the Trampoline **Unconference**. Trampoline was an opportunity for people to come and share what was amazing to them. The idea was born while donkey wheel was seeking to activate the space in **donkey wheel house**. Trampoline became the way that I stayed connected with and kept my community connection alive in Melbourne while living in Cambodia. I would come back every six months, host an Unconference with people and go back.” That connection was intertwined with the community that was forming around donkey wheel house. “I think **Jarrod Briffa** came to that first Trampoline, then he connected with Paul and Col, and they ended up opening **Kinfolk**.”

AND SO, THAT WAS THE BEGINNING?

Mel has a soft spot for donkey wheel house. “It was the beginning of that journey with donkey wheel house. I see that building as a physical manifestation of Melbourne’s social impact community. It’s a home for that community. We hosted unconferences there and TEDx, too, it’s amazing what a building can do.”

A PHYSICAL PLACE WHERE YOU FEEL WELCOME...

“Yeah, it’s a physical place where you can see yourself and feel connected. I have worked in donkey wheel’s neighbourhood in the city as a bartender, in pretty sketchy clubs and bars! It was kind of dull and lifeless and a bit harsh. However, Kinfolk, for example, just lit up a corner of that neighbourhood and made it warm, inviting and welcoming. It was encouraging to see some success stories come out of donkey wheel house.”



MEL CHAN

AS YOU STARTED THIS JOURNEY WITH DONKEY WHEEL, WHAT WERE YOU WERE HOPING TO ACHIEVE?

"Well, back in 2008 with the Trampoline Day Unconference, we wanted to foster a sense of community. There was a quite powerful software development kind of community, a class of workers who enjoyed privileges that a lot of workers didn't enjoy then—they could work remotely, for example, they could set their own hours, and I had a curiosity about them because they had extra time, space and flexibility. Is this why the open-source community had been an emergent success in that field? So, they had unconfereces, they had open source, and I was keen to bring some of *their* ways of working as a community, sharing and learning together, into the social impact community."

WHAT ARE SOME OF THE BENEFITS OF WORKING WITH AN ORGANISATION LIKE DONKEY WHEEL?

"One of the things that I've appreciated most about donkey wheel's role in my life, and my vocational journey, has been its longevity as well as the recognition that change takes time. It extends beyond somebody's time working for a particular company, or beyond the three-year funding of a particular project. We know that change takes time and systems change, in particular, takes time. So that's one of the things that I've appreciated the most about working with donkey wheel."

Along with the long-term commitment of the people in the donkey wheel ecosystem, there is a genuine humanity that comes with being connected. "There's also an exceptionally beautiful element of what it means to be human that Paul and Col are really good at bringing to life. What a lot of people *think* would be really nice thing to do, they actually *do*! So, being able to attend a 50th birthday party or sending handwritten notes, these small things really help to make a person feel seen and appreciated. People are sometimes locked into thinking it's all about social projects and lean budgets, so we don't have the time or resources to do those kinds of human things. I appreciate that they make the time to do these things."

THE FEELING OF BEING SEEN, THAT'S AN UNUSUAL RESPONSE TO WORKING WITH OR ALONGSIDE AN ORGANISATION. THAT'S SIGNIFICANT

"I think so. There is something as well about this long thread of connection to me, particularly in that I was only 21 when I first connected, so that's 20 years. That's interesting, because sometimes my career path just feels like a hodgepodge. There's method to the madness, though, and there is a thread, there's a through line, and part of that is donkey wheel."

NOW, ALMOST TWO DECADES LATER, YOU ARE ABOUT TO EMBARK ON A NEW JOURNEY WITH DONKEY WHEEL

Mel is not resting on past experiences as she is deeply involved in the Better Ageing Labs (BAL). "I'm super excited to be involved in the BAL project that is seeking to extend significant efforts and resources and bring people together face to face. That's something that I think is special and, and a place where I can contribute a lot of the skills and experiences I've collected over the years. I'm excited for that."

WHAT DO YOU RECKON YOU'VE ADDED TO THE DONKEY WHEEL ECOSYSTEM?

"I hope that one of the things that I've been able to contribute is a level of connectivity. So, I introduced a couple of folks that have ended up working through that constellation or brought people together, been able to bring people together through the Unconferences hosted in this space. I'm certainly a weaver or a dot connector. That's my jam. That's what I love and what I'm passionate about. I guess I'm always looking to do that, whether it's at the **Make it Better Tables** or in conversation with people."

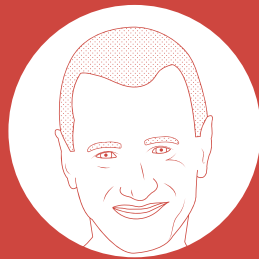
"I feel like one thing that I think that Kinfolk was especially good at was creating lots of opportunities to weave back in and contribute, so I was bringing groups of people along to their events. I feel I brought some deep and rich conversations about the humans, I guess."

*Read up on
Make it Better
Tables on
page 178*

Read about
Dave Piggott
on page 218

Make it Better
Tables can
be found on
page 178

Find more on
the Better
Ageing Lab
on page 183



CHRIS GRAY

Chris is an entrepreneur and funder who works to support better ageing. He worked alongside donkey wheel to design and launch the **Better Ageing Lab**, an 18-month effort to cultivate innovation for better ageing in Australia.

HOW DID YOU GET INVOLVED IN THE DONKEY WHEEL ECOSYSTEM?

Like so many others, Chris' introduction was via a personal touch. "**Dave Piggott** was the connection when both of our businesses were acquired by Telstra Health. My role was changing, and I was considering how I wanted to work. We also have our foundation, 5Point Foundation, so connecting with other foundations was the first step."

Being a more recent connection to the ecosystem, Chris experienced the **Make it Better Tables** (MiBT) as a 'warm up.'

"I asked Dave to introduce me to Col and Paul. The first conversation we had was about understanding what the donkey wheel Foundation was doing and explaining what our foundation was doing. We had a great first conversation, a *great* conversation, and Paul's simple suggestion was to join the MiB Tables. That would help explore where we could take the relationship, which was absolutely the right thing to do." It was a meeting that initiated a beneficial working relationship. "I'm not a systems thinker, but the donkey wheel team are. That's what I picked up straightaway—they're people who think differently to the way I do. donkey wheel thinks across systems at a high level. It was a great combination to bring my thinking and complement that with the skill sets that I saw at the MiBT."

WHAT DID YOU WANT TO ACHIEVE AS THE CONVERSATIONS WENT ALONG?

"I was open minded and wanted to explore," Chris explains. "When you're at the MiBT, you talk about what's on your mind and some other issues. There were people talking about things that were so interesting to me because I hadn't been exposed to them."

When it came to Chris' turn to share what was on his mind, it came naturally. "The main thing on my mind was ageing and ageism in Australia. We must challenge how we think about the elderly, and we also have a challenge with our ageing population, but there seems to be no urgency around making changes to deal with that. The model for ageing in this country was set back in the early 20th century. It's the same model being rolled out, just with tweaks. We need to rethink how we age as a nation and the way we value older people, how we connect with older people and how can they input into society now that we live longer and die quicker. How do we rethink all of that? There was engagement around that, and you had other people thinking about that for the first time."

WHAT'S BEEN SOME OF THE BENEFITS OF WORKING IN PARTNERSHIP WITH DONKEY WHEEL?

There was blended value when Chris connected with donkey wheel. "They're not subject matter experts on ageing, which is great, because what they bring is being subject matter experts in **Theory U**, the way we're going to approach this problem, the way we're going to suspend judgement, and the way that donkey wheel engages in systems thinking. When you're in the industry, it's always about 'What's the urgent thing that we've got to solve?' The important concept, however, is how we rethink the model, how we reimagine ageing in Australia."

Chris describes the process which, to people unfamiliar with the way donkey wheel operates, might seem counter-intuitive. "When you work with donkey wheel, you take a step *back* to rethink and reimagine what could be the vision for ageing. You've got skilled people leading you through that. Through my work and our foundation, 5Point, we bring together some subject matter experts on ageing, and they've got the same feeling when they go to donkey wheel, that they're taking this giant step back and receiving input into the situation in order to reimagine the way forward."

This process of taking a step back to get a better understanding of the systems involved helps initiate both collaboration and innovation. "Once we've highlighted those problems, we can take those problems back and share them with government, share the way we want them solved with entrepreneurs, we can take them back to the aged care providers, we can take them back to other foundations who are looking to fund innovation in aged care."

"I love innovation and, particularly, solving a problem. This is an industry that is ripe for innovation. It is so stark that we've got big problems coming and the only way through is with innovation. It's so ripe for it, yet we haven't got this high-level thinking around reimagining aged care. donkey wheel brings that reimagination so that we can take that out and start saying, 'Well, here are the priorities that we want to solve.'" This doesn't just happen at a systems or corporate level, but on a personal one. "donkey wheel encourages me to change the way I think about this. I must change the way I think about older people, I must change the way I play my role in all of this."

IS THIS THE FIRST TIME YOU'VE PARTNERED WITH PEOPLE WHO AREN'T SUBJECT MATTER EXPERTS ON AGEING?

"Yes, and there's a readiness for that. We've been through all the Commissions that don't do anything. We've been through reviews; we've been through so many things and we're not seeing innovative breakthroughs. The Royal Commission's terms of reference included innovative models of care, with the use of technology. But, after all that effort, it was just more of the same without innovation. After that Royal Commission, there was just a readiness to say, 'That didn't work—again.' We need to do something different." Innovation isn't easy, of course. "When you set up with donkey wheel, Col and Paul tell you this is going to get messy before it gets better. It's challenging to unpick your thinking and then put it back together again."

THE BETTER AGEING LAB EMBRACES THIS DISCOMFORT

"I think people will be patient with that," Chris predicts, "because all these other things haven't worked. What we're seeing here is something that is ripe for innovation. That is a political problem that hasn't been solved. And so, the only way to solve this is not through the way we've been doing things in the past but with innovative thinking and innovative solutions. I think that's why donkey wheel provides part of the puzzle."

WHAT DO YOU THINK YOU'VE ADDED INTO DONKEY WHEEL ECOSYSTEM?

Chris is convinced that this is a collaborative effort. "I think bringing a problem to donkey wheel and helping them understand that this is not only a national problem, but a global one. They also realised that they needed the subject matter experts, the people who wanted to see innovative solutions and innovative thinking so that we could reimagine ageing. What they were seeing in me, I think, was that I could bring some of the industry experience and the way things have been tackled before and to connect with other stakeholders." For Chris, it has been about "helping bring the right people together, helping to share their understanding of what ageing could look like, and being part of that discussion. It also helped me to identify that the real problem that we need to solve is ageism, because once you solve ageism then funding models change, the way we look after the elderly, the way we think about the elderly, the communities we develop—all of that changes."

'Theory U' is in the Glossary on page 231

JOBS AND FOOD RESCUE / RECOVERY

*Check out Crisis
Manager 2 on
page 198*

*GWYLF is in
Profiles on
page 223*

*Read about
Bill Mithen on
page 157*

*Kerry Farrance
in introduced
in Profiles on
page 224*

The story of how this initiative emerged is told as part of **Crisis Manager Part 2**. We note that the partnership with **The Give Where You Live Foundation** (GWYLF), and in particular with CEO **Bill Mithen**, gave this project momentum that we could not have generated on our own. **Kerry Farrance** from GWYLF researched and pulled together the infographics for the brochures in next to no time.

In this piece, we'll summarise what the campaign was trying to achieve. What started out as Jobs and Food Rescue evolved into the Jobs and Food Recovery initiative as 2020 progressed and, at the time of writing, is an initiative of the GWYLF called Community Choice.

We've included, for the record, three items:

- The proposal, as articulated in March 2020, as a record of our thinking.
- The brochure, rapidly created by Kerry from GWYLF.
- An article that appeared in the Geelong Advertiser.

PROPOSAL

FUND FOR THE PROVISION OF FOOD FOR VULNERABLE PEOPLE DURING THE COVID-19 CRISIS

EXECUTIVE SUMMARY (20th March 2020)

KEY POINTS

The rapid progression of the COVID-19 pandemic across the nation has, among other issues, given rise to four key social challenges. This proposal will simultaneously address:

- Ongoing and reliable employment for the hospitality workforce;
- The diminishing numbers of volunteers and reduced supply of donated food in the food relief sector;
- Vulnerable people in society not being able to access a consistent supply of food; and,
- The social connections and mental health of the community.

VALUE PROPOSITION

At this time of crisis caused by the COVID-19 pandemic, donkey wheel's connections across the social capital network has enabled us to identify three groups of people adversely impacted: vulnerable people needing food provision, workers in the hospitality industry, and those involved in providing food relief. Another emerging issue is social isolation leading to social disconnection for vulnerable people in society.

We realise that we are not the only people giving thought to these issues, but believe that we are well positioned to design and catalyse an effective program to mitigate some issues that are becoming more critical by the day. We have observed with our own eyes the impact this is having on our partner café, Kinfolk, which has seen a 90% drop in business. Kinfolk is not alone in this environment—it is one example of a growing number of businesses facing closure.

THE CONTEXT AND THE PROPOSAL

Our proposal calls for a funding mechanism that will enable the redeployment of the hospitality workforce and ensure the continuity of food relief. As social isolation becomes more prevalent, restaurants and cafés are experiencing a significant reduction in business, to the point of either temporary or permanent closure. Indeed, we are already experiencing this in Victoria.

The staff in this sector are skilled at preparing, cooking and delivering food. Without intervention, their skills will not be used, and they will experience a growing anxiety about accessing funds and/or food. Many of them will be forced on to Newstart, or other forms of assistance.

Those restaurants and cafés will have eating areas, storage areas and kitchens sitting idle.

Those charities and not-for-profit organisations who rely on excess food and donations from restaurants, cafés and supermarkets to support vulnerable people in our community will no longer be able to support those who need it the most.

The trickledown effect is frightening.



We are proposing that a joint fund is established between Federal, State and Local Governments, providing access to food and meals for people in need.

1. The allocation of funding through the existing cashless debit card system of Centrelink or a system like the Victorian food voucher system, which allows participants to access meals or food parcels;
2. These meals and/or food parcels are prepared at approved hospitality venues or food relief organisations, thereby keeping them open (in a reduced capacity), keeping some staff employed and creating a safe environment for social connection. We envision that these meals could come in packs of three or five, for example. And,
3. Meals and food parcels could be picked up in person, or delivered by existing providers (such as Uber Eats), again keeping those people employed. Delivery would be crucial for members of the community with a disability, those who are self-isolating and self-quarantining, or the infirm or aged.

The strength of this approach is that it deals with a number of key challenges simultaneously. Unlike a strategy where government funds the delivery of services, a food voucher system leverages existing business, relief and community assets. On the one hand, as with the NDIS design, it allows recipients to make meaningful choices, and on the other, it invites suppliers to self-select into the program based on their agility and capacities. By redeploying hospitality employees, enabling an alternative supply chain for food relief programs and utilising cafés and restaurants as connection hubs, multiple side effects of this crisis can be mitigated.

The benefit of this proposed funding is that people remain employed (and therefore able to access food for themselves and stay off welfare); that restaurants and cafés stay open and provide a subsidised service to their immediate communities; that the most marginalised and vulnerable in our community have their food needs reliably provided; and an opportunity for social cohesion and connectivity is provided.

SPECIFIC FUNDING OPPORTUNITIES

GEELONG

- 175,000 meals per week;
- 700–800 hospitality workers avoiding welfare.
- Cost: \$36.4 million over six months.

A food voucher system already exists in Geelong, facilitated by the Geelong Food Relief Centre. Our partner, the Give Where You Live Foundation (GWYLF), supports the Centre through their Feed Geelong program and is strongly connected across the food relief network. GWYLF therefore has the ability to help multiple agencies pivot in the direction of this proposal. This network is a prime example of a food relief network that

would be able to effectively serve its immediate community with a scaling up of targeted and emergency funding.

Part of the redeployment of staff will be to recruiting, educating and managing suppliers within the program, including hospitality businesses, food relief agencies, food supply and delivery businesses, as well as system and process design and implementation.

According to Feed Geelong, currently 15,000 meals per week are being provided to families in need. If the need expands to 10% of the population (25,000) the network will need to provide 175,000 meals per week at an approximate cost of \$1.4 million per week, or \$36.4 million over six months.

MELBOURNE

- 105,000 meals per week
- 400–450 hospitality workers avoiding welfare.
- Cost: \$21.8 million over six months.

donkey wheel is a social innovation leader, and has been a trusted coach and mentor within the hospitality social enterprise sector. Our network and circle of influence includes some of the most significant players in the sector. Our primary channel of influence in Melbourne will be through this ecosystem.

Kinfolk Café is an example of a CBD hospitality business with embedded social impact in its business plan. Kinfolk Café is ready and able to repurpose its kitchen and café space near Southern Cross station and redeploy staff to provide meals to meet the increased demand. donkey wheel has been in discussion with Kinfolk about the logistics of meal preparation. This social enterprise would have the capacity to produce 1000–2000 meals a day across its café and catering businesses and would employ 30–40 people otherwise on Newstart.

Anglicare and Salvation Army^[1] data reported from mid-2008 to the end of 2009 an increased demand for emergency relief. This is consistent with the onset of the GFC. The forms of assistance that experienced the most demand included the provision of food vouchers. The consistent comparisons to the Global Financial Crisis, and projections that the economic impact from the COVID-19 pandemic will be worse, means that the demand for emergency relief in the City of Melbourne will rise dramatically and quickly.

Funding can be directed to the existing food voucher system in the City of Melbourne. According to the City of Melbourne Urban Health and Wellbeing Profile 2016, there were over 100 Community Food Programs operating in the City of Melbourne. This report highlighted that 10,000 people were experiencing food insecurity.

If the number of people needing emergency food relief increases to 10 percent of the population, that would mean providing 105,000 meals per week with 400–450 hospitality workers redeployed and avoiding welfare. Our estimate of the cost of this would be \$21.8 million over six months, in the City of Melbourne alone.

This funding would be able to repurpose existing food relief infrastructure, and cafés and restaurants that are already established in the local community.

ESTIMATED OVERALL NUMBERS [2]

The number of Australians on welfare is approximately 5 million. There are another 2.5 million people that could be classified as 'vulnerable' due to underemployment and the impending recession. The cost of this proposal, estimated to last for six months, is 4 billion dollars. This provides the most vulnerable 2.5 million people a sense of certainty about their food supply. Approximately half of the 4 billion dollars would go towards wages to employ people who otherwise would end up on welfare.

[1]https://melbourneinstitute.unimelb.edu.au/assets/documents/hilda-bibliography/other-publications/2013/HomeLetal_Welfare_agencies_and_provision_of_emergency_relief_op_43.pdf

[2]The numbers in this paragraph are the result of conversations with people in the relevant sectors, and are estimates only. If this proposal progresses, a rigorous accounting measure will be employed.

Y MAN: plumber Patton. Picture: ERGUSON

MEGA FOOD, JOBS PLAN

GREG DUNDAS

UP to 800 Geelong cooks, chefs and hospitality workers would save their jobs by feeding the hungry and homeless under a plan to combat "frightening" forecasts about the economic impact of the coronavirus.

Give Where You Live Foundation chief and G21 chair Bill Mithen is leading the call for intervention to protect hospitality jobs and meet the growing demand for food relief because of the pandemic.

Eateries are closing their doors and laying off workers because of social isolation policies being enforced, but Mr Mithen says there is a way to keep kitchens operating and many of their staff working.

The rescue plan he put to State and Federal MPs and community leaders across Geelong yesterday proposes those workers be employed cooking basic meals for those who cannot afford to put food on their tables.

The meals would be accessed by a smart card or voucher system.

Mr Mithen forecasts 175,000 meals would be needed each week in Geelong when the pandemic had a stranglehold on the local economy. He says \$36 million would employ up to 800 people in eateries and the supply chain to meet that order.

Without that stimulus, he forecast the Geelong economy will take a \$500 million hit.

The proposal has been put forward by the GWYLF and

Paul Steele, of social change agent Donkey Wheel Foundation.

It estimates it would cost \$4 billion to roll out the proposal across Australia, and has suggested that money needs to come from State and Federal governments.

"It's a lot of money but it doesn't sound unreasonable given the state of stimulus that will be needed to keep our economy going," Mr Mithen said.

"We need to keep the hospitality sector alive. It will suffer job losses, but if we can inject money at the front end hopefully we can stem the bleeding."

"We think this is an innovative way to inject money into the hands of people who are definitely going to need it and will spend it."

"It's about using the existing supply chains, assets and labour and feeding the people who will need it most."

While finer details are being worked out, Mr Mithen said the broader vision needed serious consideration.

In dealing with the economic response to the COVID-19 pandemic, he urged governments to mirror the World Health Organisation, which adopted a "speed beats perfection" approach to fighting the health impacts.

"The flow-on effects to the economy are happening just as fast (as the health impact)," he said.

"The longer we wait more businesses will close, more people will lose their jobs and more people go hungry."

Article in the Geelong Advertiser, April 2020

GIVE WHERE YOU LIVE FOUNDATION **donkeywheel**

JOBS & FOOD RESCUE

KEY CHALLENGES:

| Hospitality Sector | Community |
|---|---|
| <ul style="list-style-type: none"> • Job losses in the hospitality sector • Job losses in the supply chain • Increased unemployment & demand for welfare support • Increased stress & social isolation of staff | <ul style="list-style-type: none"> • Overstretched community services • Decimated volunteer numbers • Zero supply of donated food • Increased stress & social isolation • Reduced access to food for those in need |

EMPLOYMENT

The hospitality sector currently employs over 69,000 people across Victoria. Conservative estimates are that over 25% could be impacted by job losses, equating to

17,287 unemployed

ECONOMIC IMPACT

Negative impact on the Victorian economy of

\$4.1 billion

VULNERABLE COMMUNITIES

Conservative estimates are that 10% of the population will be in need of emergency food relief in the coming months. The demand could be over

250,000 meals per week

SOLUTION

A joint fund of \$4 billion for 6 months to

| | | | |
|--|---|--|---|
| <p>Enable people to access meals or food parcels via a smart card</p> | <p>Meals & food parcels prepared by Cafes, Restaurants & Food Relief Centres</p> | <p>Meals & food parcels delivered by existing delivery services</p> | <p>Using existing skills, capacity & equipment within the hospitality sector</p> |
|--|---|--|---|

which means...

| | | | |
|---|---|--|------------------------------------|
| Those in need receive meals & food parcels | Jobs are kept & businesses stay open | Support for hospitality suppliers | Decreased economic downturn |
|---|---|--|------------------------------------|

Jobs and Food brochure



KEEP THE LIGHTS ON

The story of how this initiative emerged is told in **Crisis Manager Part 2**. We note that the partnership with **the Give Where You Live Foundation** (GWYLF) and with CEO **Bill Mithen** in particular, gave this project momentum that we could not have generated on our own. **Kerry Farrance** from GWYL researched and pulled the infographics together for the brochures in next to no time.

In this piece, we'll summarise what the campaign was trying to achieve. We've included, for the record, four items:

- The initial proposal summarised in text form (April 2020);
- The one-page brochure;
- The revised proposal (May 2020); and,
- An article Bill wrote for the *Geelong Advertiser* published 3rd April 2020. While not directly motivated by the campaign, the context of the pandemic provided incentive to get his provocative thoughts into the public domain.

UPDATE: FRIDAY APRIL 17TH

The proposed **Keep the Lights on Fund** (a partnership between donkey wheel Foundation and Give Where You Live Foundation) was designed to be a centrally aggregated fund contributed to by philanthropy and matched by government. We designed it for aggregation to occur at a national or state level, and for the distribution of funds to be completed through the Australian community foundation network, ensuring funds were distributed on the ground in regions, cities and towns to the charities at the coalface working with vulnerable people.

A key component of the Keep the Lights On initiative was technical assistance alongside financial support, offering pro bono or reduced cost strategy, financial and/or legal advice to help navigate the crisis.

As the days and weeks have passed since mid-March when we launched initiative, governments, particularly the federal government, have released more policies and funding packages. We have therefore seen this proposal shift to more of an active campaign to encourage philanthropy to distribute above and beyond what is required from a regulatory perspective. That is, we want the decision to access funds tied up in endowments and corpuses to be a mission-based decision, not an economic based decision.

Our motivation has been to get much needed cash into the operating accounts of community organisations across the country. These organisations play a critical, if often under acknowledged role in our society and the threat posed by the pandemic is existential. Unless we act now to preserve these organisations, we risk coming out the other side of this with a decimated community sector. The negative consequences of losing the services offered by these agencies are unimaginable for our nation.

We would still welcome an aggregated fund but feel like, sadly, we may have missed the timing window when state and national responses of scale were being formed. While we hold on to the possibility that government may pick up the idea, our focus has now pivoted to the following:

Firstly, get on with doing what we can in our own spheres:

Give Where You Live

- The Give Where You Live Foundation board has made the decision to access funds in our corpus to distribute eight emergency grants to organisations directly responding to the COVID19 crisis. The total quantum of these grants will represent approximately 10% of our corpus and will be issued this week.
- We have issued two small grants in an emergency response in partnership with the Erdi Foundation.
- We have sought matched funding of our emergency grants from the Anthony Costa Foundation and asked them to fund these over and above their normal 5% distribution.
donkey wheel Foundation
- The donkey wheel Foundation started giving untied grants to strategically important organisations back in early March.
- We have worked closely with key agencies in our network and continue to offer 'keep the lights on' grants.

Check out Crisis Manager 2 on page 198

GWYLF can be found on page 223

Read about Bill Mithen on page 157

Kerry is introduced in Profiles on page 224



KEEP THE LIGHTS ON

Australian charities employ over 1.3 million staff, rely on the contributions of over 3.5 million volunteers, and contribute 8% of Australia's GDP. They are vital to our economy and our communities. However, many charities are now facing a real battle to survive. Fundraising activity is grinding to a halt leaving many charities struggling. Smaller charities have limited capacity and resources to survive in the current crisis.



57,000 AUSTRALIAN CHARITIES



1.3 MILLION EMPLOYEES



\$19 BILLION INDUSTRY

80%

of charities are small - medium with annual revenue less than \$1 million

1 in 4

charities depend on giving & philanthropy for 50% or more of their income

"Create a Community Sector continuity of service enabling Fund to ensure continuity of service delivery, secure jobs, prevent loss of jobs or income, guaranteed paid special leave for all workers, and to enable ramp up of services for people in need as well ensure that services remain viable to assist with the recovery from the pandemic."

ACOSS

250,000

estimated loss of jobs across Australian charities

\$41 billion

negative impact on the Australian economy

SOLUTION

A Community Sector Continuity Fund that supports agencies to keep their lights on, and beyond the current crisis can regenerate and support the recovery and rebuilding of community.

Key features of this should include:



FUND...

PAFs and Charitable Trusts to step-up and contribute funds to a centralised pool.



CRITERIA...

Agreed criteria that meets the needs in community.



GOVERNMENT...

State & Federal Government matched funding.



DISTRIBUTION...

Decentralised distribution of funds through the network of community foundations.



FUNDING...

Funding support to small - medium sized agencies to ensure ongoing financial viability.



SUPPORT...

Pro bono technical support & strategic advice on how best to adapt and survive in the current environment.

To ensure that charities are provided the funding & support needed to be able to keep their lights on.



donkeywheel

Keep the Lights On brochure



Secondly, we continue to call on other Trusts and Foundations to grant above and beyond; to grant the equivalent of 10% of corpus. We know that despite the government and philanthropic initiatives to date, many agencies who support our most vulnerable community members, are teetering on the brink of existence.

We are hoping that through doing the above, we will provide a small example to the philanthropic sector and others may follow. We will therefore make it clear that we have accessed our corpus and issued grants.

We have had an op-ed piece published in local media in Geelong and will be pushing this piece out on social media and possibly through the Philanthropy Australia network. We encourage Trusts and Foundations to sign Philanthropy Australia's Pledge.

Thanks again for your interest.

- Bill Mithen—CEO, Give Where You Live Foundation
- Paul Steele—CEO, donkey wheel Foundation
- Col Duthie—Chair, Give Where You Live Foundation, Executive Chair, donkey wheel Foundation

During the heights of the COVID-19 pandemic, PA issued a pledge calling on philanthropic organisations to streamline their processes in order to better help organisations in need.

THE FALLACY OF 'IN PERPETUITY'

Bill Mithen

Now, right now, is the time when regulators and trustees of charitable trusts should question the notion of 'in perpetuity' or, forever. As the economics of this crisis start to take hold, charities are already closing. Many more will follow leaving our most vulnerable community members even more vulnerable. 'In perpetuity' doesn't help them—forever is now.

For 27 years consecutive years the Australian economy has grown. It grew through the Queensland floods in 2011, the dot com crash and subsequent European recession in the early 2000s, and even through the global financial crisis in 2008.

Of course that is all about to change. That economic growth world record will come to an end with the Prime Minister noting on the weekend that the discussion regarding a recession is now simply academic.

A 27-year period of growth and prosperity has resulted in an unprecedented period of wealth accumulation. A Credit Suisse report in 2017 identified there were 3,000 people in Australia who were regarded as High Net Worth Individuals having a net worth exceeding \$65.5m. This economic growth and wealth accumulation have driven an explosion in the development of public and private charitable trusts. Nearly all of these eponymous trusts have been designed to be there 'in perpetuity', or, forever. They've been established as a legacy, to continue to support their range of causes for ever more.

To ensure that these trusts do not just simply accumulate assets, the rules governing them require an annual quantum of grants equivalent to at least 5% of their assets in the case of private trust, and 4% in the case of public trust. Of course, in recent times these trusts have accumulated assets at a rate that far exceeds the rate of distribution. And, in some cases, those that established trusts continued to add further money as individuals and companies continued to grow wealth.

There are now over 3,000 of these funds in Australia and they hold in excess of \$12 billion in assets. But in a time of crisis, in a time unprecedented in our generation, in a time when humanity is experiencing one of its most significant public health crises, in a time of rapid and devastating economic turmoil and destruction where lives will be changed forever, what are the merits of this notion of 'in perpetuity'?

Philanthropy Australia reports that one in four charities rely on philanthropy for 50% or more of their revenue. Charities employ more than 1.3 million people and engage over 3.5 million volunteers as well as contributing over 8 per cent of Australia's GDP. These charities are at the coal face. They're helping women and children fleeing domestic violence, they're helping the homeless, feeding the hungry, helping those under the devastating grip of addiction and supporting those with disabilities and mental health challenges. They are connecting communities and people and reducing social isolation, they're helping young people with their education, they're providing services and friendship to the aged. They are working in schools, community centres, hospitals, neighborhood houses, men's sheds and support groups across the country. They provide the fabric of support for the most vulnerable and the soul of our community.

It is a time like now when we need to provide support more than ever. It is a time when we need to be courageous and, if necessary, change the rules and guidelines that are getting in the way. Legacies will be built during this time not by what money is stored but by what assistance is given. It is a time to focus on your mission not your falling asset base. It is a time when we should give and help and act.

MICHELLE HALSE

Michelle Halse is the Director of Living Collaborations and is an accredited Partnership Broker with over 25 years' experience in designing and facilitating collaborations in global health, international development and social innovation.

HOW WERE YOU FIRST INTRODUCED TO THE DONKEY WHEEL ECOSYSTEM?

Michelle has been on a long with journey with many people in the donkey wheel ecosystem. "Essentially, it's been through long-standing relationships. I knew Paul when we worked together at **World Vision** and was aware of his move to donkey wheel and stayed loosely connected through that extended World Vision community. Col was also a very long-standing relationship, even before I knew Paul. I was working in management consulting around the time that Col was running **Ergo**.

"We were learning similar frameworks, methodologies and philosophies around group process and facilitation. When I was at World Vision, people asked me to recommend facilitators, and I always said, 'Call Col'. Through Paul and Col, I got to know **Bessi Graham** and her team at **TDi**, and then **Annie Smits** and so on. I also knew Olivia from a church connection, way back."

It was a small world, for Michelle, in terms of connecting and reconnecting with people at donkey wheel. "So, it's six degrees of separation. It's people in a constellation of deeply shared values and of going on a similar life journey."

HOW DID THIS ALL DEVELOP AND GROW?

"I was living in London in 2015–17. I had been running my business, Living Collaborations, for a few years and then we moved to London. So, I joined a co-working space, which was an Impact Hub in Brixton. It was a dynamic, fabulous place and so inspiring and encouraging for someone growing a business. They also shared with me an interest in **Theory U** and U Lab. At that time, Col was on a trip, and he came to see me at the Impact Hub in Brixton. His eyes really lit up as I showed him the Hub and the way we were hosting U Lab, which was bringing together a community of stakeholders in the food system. When I came back, Col and I connected again, and he shared with me the ideas around **Make it Better**."

It was through Michelle's expertise in Theory U that another thread emerged for her to partner with donkey wheel. "At the time, I brought all that Theory U experience with me, and I had been hosting a hub in Melbourne for the latest U Lab. All that was going on and then Col came to see me. We were bouncing around these ideas. Col, of course, knew these methods but I'm not sure it had featured as being so foundational. As we've gone along with Make it Better, many of the practices have been embedded in the various offerings."

AS YOU PARTNERED WITH THE DONKEY WHEEL ECOSYSTEM, WHAT DO YOU THINK THE CHALLENGES HAVE BEEN?

"I've felt a strong alignment with the vision and shared intention of the Make it Better team, because they have a similar kind of intention and purpose that I've built into Living Collaborations. My work isn't dedicated to any one particular social issue. It recognises that we need courageous leaders, tackling issues that concern them deeply, but who know that nothing

Find more on 'Theory U' on page 231

Make it Better is located on page 176

World Vision is in Profiles on page 226

Ergo appears in Profiles on page 222

Read about Bessi Graham on page 98, TDi on page 80 & Annie Smits on page 118

happens on its own. My practice is about building effective collaboration for tackling these complex things together."

There are affinities for Michelle in not only the ethos of donkey wheel but the questions that get asked of the challenges we face. "I've been working in long-term programs around innovation in the Asia Pacific region, focused on entrepreneurial ecosystems on impact investing, development, finance, blended finance, that kind of thing. The underpinning link is: *what does it take to do this together?* We pay attention not just to structures but to dynamics, people, processes and practices. How can everyone contribute, holding the idea of collaboration so that this important vision and purpose has some hope of being realised? That's the crux of my work."

HAS ONE OF THE BENEFITS OF WORKING ALONGSIDE DONKEY WHEEL BEEN FINDING LIKE-MINDED PEOPLE WHO EMBRACE A SIMILAR PROCESS AND METHODOLOGY?

Michelle agrees. "There's a definite feeling of kinship with people who know that *how* we do the work matters. That makes a huge difference in intentionality to some things visible and some things invisible, about how we proceed and, also, that *who* we are matters. That is not something that you encounter everywhere. You must create the conditions so that people get liberated to be who they are, as well as to do what they do. That's been another theme in my work. I wanted to be free to be who I am, to express my purpose, but also to connect with people at that level, where they're living the life of meaning and purpose and expressing their uniqueness and their talents to make a difference in the world. So, that's been lovely. The chance to deepen and continue long-term relationships is so valuable in life, as is meeting new people. It's a sense of belonging

to a group, no matter how informally, but it has a sense of belonging, connectedness and shared intentions."

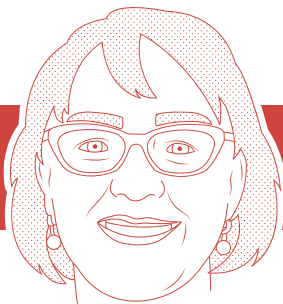
The benefits for Michelle also are aligned to who she is a person. "I'm thinking of the Make it Better Tables offering moments of reflection and time to pause. It's been a real grounding of place and experience. It's also important to remember the *why* and the *how*. It's also been challenging to have a provocative moment of potential discomfort, like, 'I don't want to engage with that question.' It's good to have that, though, especially when I'm often holding space for others, to be held in that space myself."

WHAT DO YOU THINK YOU'VE ADDED TO THE DONKEY WHEEL ECOSYSTEM?

"Sharing stories with Col as the thinking for Make it Better was emerging, just being helpful in some of the early shaping. Then talking about Theory U and then introducing the case and clinic methodology—that was a lovely opportunity to experiment and to see that become part of the menu. It's a powerful methodology that can unpack and offer a breakthrough experience for people.

"Back when Paul and Bessi were setting up TDi, I formed an informal partnership with TDi around promoting and hosting the Partnership Brokers training. We had this light touch relationship, but that meant Bessi and then Annie came on that training, and I was one of the trainers building their partnership-brokering practice.

"More recently, helping with reflecting on the value proposition and the evolution of what we do, who we really need to be and how it needs to shift, evolve and sharpen. The sense of exploring ideas, teasing things out and offering reflections."



CRISIS MANAGER 2

(COVID-19) 2019–2020

JOBS AND FOOD RESCUE

The sound of an emergency vehicle siren always grabs our attention. The sound of multiple sirens at once heightens our awareness and, depending on our experiences, can solicit anxiety, curiosity and other emotional, physical or mental reactions.

As the COVID-19 coronavirus became a pandemic and the unimaginable became reality, there were a cacophony of sirens going off. Not the emergency vehicle ones, but ones associated with threats to life as we knew it. Movement, working habits, food security and, of course, health.

On Thursday 19 March, 2020, Paul, Col and **Craig** were scheduled to meet in Barwon Heads (where Col lives) to start planning for the book you are now reading. Col had returned from the Sunshine Coast a couple of days earlier and the world was unravelling around us. Instead of book planning, we sat at an outside table at Starfish Bakery in 'war room' mode. Paul was at his problem solving best and had conceived a response that we believed would do two things simultaneously:

- Ramp up the food relief response. So many of the existing food relief agencies were facing existential crisis as their volunteer workforce of mostly older people was forced to stay at home, and their supply chain of left over and donated food dried up.
- Hospitality venues were closing their doors as the stay-at-home orders became widespread.

What we dubbed the '**Jobs and Food Rescue Plan**' was a plan to help local hospitality participate in food relief through government funded meal vouchers. As well as community members who were already dependant on food relief, we anticipated that job losses would result in an increased demand for free food and meals. The extra demand would then translate into stemming the job losses from hospitality.

We frantically scribbled down ideas and started reaching out to our network, pacing the footpath on our phones while ordering coffees and food as the hours passed. One of the first phone calls we made was to **Bill Mithen**, CEO of the Geelong-based Give Where You Live Foundation (where Col was also Chair) and, when we eventually retreated to Col's place around the corner at lunch time, Bill joined us to continue the strategising face to face. Our efforts seamlessly became a collaboration between the donkey wheel and Give Where You Live Foundations.

The next couple of months we worked as intensely as any of us ever had. We met by Zoom every morning to regroup for the day, report progress, share action lists and brainstorm. In those early days when there was still a novelty factor; we wore different hats and played with Zoom functionality for fun. But we were acting on instinct, not dissimilar to the (super) human reaction in the face of emergencies that you often read about.

It was insane. We deeply believed we were onto something. We researched, we designed and redesigned, we communicated, we lobbied, we rallied. We knew that what we were campaigning for had the potential not only to be a significant response to the emerging needs in the pandemic but had the possibility to disrupt and positively transform the food relief sector. We developed **brochures** and published a website to help harness support. We sowed seeds of collaboration with other agencies and intermediaries as we reached out to state and federal governments.

We had mobilised early but discovered that the machinery of bigger agencies and government were not as agile as we were able to be as a small group of (effectively) free agents. We found ourselves increasingly frustrated with our inability to engage meaningfully with key decision makers. In parallel, we saw government reach out to providers who had their hands out for support for the existing food relief system and community sector intermediaries. On the other hand hospitality and workplace agencies were also organising and lobbying, so we were maintaining conversations with multiple people at once, intently prospecting for indications of traction with decision makers willing to listen to creative responses.

Our unbridled enthusiasm and optimism started to be invaded by whiffs of impatience and frustration. Everyone who heard about the initiative was supportive. Those who had reason to dig deeper and understand the ideas and thinking were even more positive.

The conservative Federal Government turned **Keynesian** and announced **Job Keeper** which was welcomed universally in principle, notwithstanding the gaping holes in eligibility for some workers including casuals who make up so much of the hospitality workforce. There was a sense from then on that as far as the Federal Government was concerned it was 'job done'. But we were getting some traction with multiple channels in the Victorian State Government. Funding announcements were also made at a state level but, from our perspective, they were through well-worn paths into a system that was

*Read about
Craig on
page 162*

*The brochure is
on page 190*

*See Jobs and
Food Recovery
on page 190*

*'Keynesian' and
'Job Keeper' are
in the Glossary
on page 227*

*Read about
Bill Mithen on
page 157*



already cracking before the pandemic, let alone in the fragile condition it found itself in with a decimated workforce and supply chain.

Disappointment seeped into our work, but we kept at it. We wondered if it might have been better if the State Government had said “no” much earlier—we felt like we were being strung along but with no sense of whether our efforts were being well spent. Instead, they kept saying “yes”. We would hear nothing for weeks, then get a request to put together more documentation overnight, and then hear nothing again. In parallel, we had generated another campaign we called **Keep the Lights On**. Between the Jobs and Food Rescue Plan and Keep the Lights On, we worked at an incredible and unsustainable intensity for about six weeks.

It felt like longer.

The Jobs and Food Rescue plan evolved. Bill's profile and networks within Victoria became a significant asset. We started to look ahead and recognised the utility of our proposal to help both the food relief and the hospitality sectors get back on their feet *after* the pandemic, which at the time we understood to be months rather than years. Remember when we thought 2021 would be a return to a ‘better normal’? We rebadged it as the Jobs and Food Recovery Plan and when Bill recruited the support of **Christine Couzens**, we maintained an advocacy voice into government. We had originally conceived the plan as a national opportunity. When we failed to get the attention of decision makers federally but did get traction at the state level, we imagined a Victorian pilot. We then modified our pitch to the State Government with Christine's backing as a local MP, to be a Geelong pilot for (potentially) a state program.

Our commitment to good service design precipitated a series of online conversations with local food relief and hospitality stakeholders, convened with **Kerry Farrance**'s relational kudos and **Michelle Halse**'s facilitation expertise. We had imagined the online sessions might have generated some momentum for the project, but as good as the sessions were, we struggled in a time of ‘Zoom fatigue’ to develop the levels of trust and buy-in we had anticipated. There were some good lessons for us as the ideas for Make it Better Labs percolated. In late 2020, after countless hours of engagement and multiple iterations of proposals, the Give Where You Live Foundation received a State Government grant to test the program. donkey wheel followed up our collaborative efforts with a grant to support the commitment for ongoing co-design.

One of the local opportunities was to think about how an existing food voucher program supported by the GWYLF in the Geelong region might function better by being integrated into the Jobs and Food program. A pilot was subsequently run in the leadup to Christmas 2020 to test the hypothesis that “the food relief sector is more effective with the inclusion of hospitality.” In other words, greater accessibility, diversity and less centralisation will result in better community outcomes.

The realities of 2021 slowed the research and piloting effort, but by mid-2021 nearly thirty community service organisations, hospitality venues and potential users of the program had been meaningfully engaged, and discussions with technology partners and potential joint venture agencies were well advanced. By late 2021 the initiative was rebadged Community Choice and, with several partnerships secured to develop a digital platform and cultivate distribution channels, was finally getting traction.

KEEP THE LIGHTS ON AND EMERGENCY GRANTS

While we were immersed in generating momentum for the Jobs and Food Rescue Plan, the community sector organisations in both our networks started closing. This was devastating on two levels. The immediate tragedy was that with a community under more stress than it had arguably experienced since World War II, the very agencies that supported those on the margins and built community assets were being gutted of personnel and funding resources. We, along with others, became deeply concerned for the future of the sector. Without substantial intervention we feared for the sector's very survival.

We went to our creative drawing board again and designed responses that involved philanthropy and government. We called on philanthropy to go over and above their gifting obligations and we called on government to incentivise this extra granting by foundations through matched funding and temporary regulatory variations.

We quickly produced collateral and a campaign website and support flowed. We worked alongside **Sarah Davies** who was the then CEO of **Philanthropy Australia**, **Maree Siddey**, the **Australian Communities Foundations** CEO and **Ben Rodgers** from **Australian Community Philanthropy**. We imagined a centralised fund with localised distribution through community foundations who knew their communities.

Head to page 193 for Keep the Lights On

Christine Couzens appears in Profiles on page 222

Find out who Kerry is in Profiles on page 224

Read about Michelle Halse on page 196

Check out who all these people and organisations are in Profiles on page 221

See Bill's
piece here:



You can find
Make it Better
on page 176

Bill wrote a piece for the *Geelong Advertiser* challenging the notion of perpetuity for foundations. We were experiencing not just a 'rainy day', but a torrential downpour. We argued that now was the time for foundations to return to the community the capital growth they had enjoyed from favourable government policy over many years to ensure there was a healthy charitable sector to support on the other side of pandemic. We argued that it was the time for philanthropists to dig into their corpuses, to give not just above and beyond, but to give expression to their reason for existing by becoming the lifeline that charities needed.

The response was completely underwhelming. In fact, we were disheartened that many were advocating for the opposite: that governments should release them from their granting obligations so they could *preserve* their capital in the face of potential lack of investment performance. The argument was that they wanted to survive and be strong on the other side of the pandemic. Each to their own, but it made us sick.

Meanwhile, the Job Keeper stimulus package was being rolled out, and made a huge difference to many of the agencies we had been concerned for. It certainly alleviated much of the pain that we had been anticipating, but we knew for many it still wasn't enough.

So, we simply did what was in our power to do. We (both the GWYL Foundation and donkey wheel) reached out to organisations in our network that we knew would need funds to stay alive and functioning. We didn't ask what we could afford to give, we just had a stab at what we thought they needed. We didn't add to their pain by asking for applications, we simply told them the money was coming and that they could do with it whatever they needed.

It was an existential time for many community sector organisations. We think it was, in parallel, an existential time for philanthropy. For what purpose and for whom do we exist? Was our instinct for self-preservation, or to act sacrificially for those with whose care we are charged? As per above, we felt like the sirens were wailing and our instincts were to jump in and help, not with reckless abandon, but with considered instinctual action.

We wish we could have done more. We know that whatever transpires we did everything we could to help charities keep the lights on.

MAKE IT BETTER GATHERINGS

2019 was a pivotal and foundational year for us. We emerged from the crisis of the legal case over the control of donkey wheel assets and developed a new strategy, of which **Make it Better** was a key component. During 2019 we had initiated gatherings, cultivated a distinct way of operating and foresaw a suite of gatherings emerge. We experimented our way forward and a stable community started to form around the gatherings.

When we were unable to meet face to face, we found ourselves in a tougher place than most. The value we offered was based on slow and transparent conversations. We were extremely reluctant to 'pivot' (the word of the year) to online. We resisted.

The 'backbone' gatherings were the Make it Better Tables, a late-afternoon discussion forum over good food and beverages. If we were going to do anything, we decided we would try to sustain the community by taking our April round of tables online. We hand delivered food and drinks to everyone around the Melbourne metro area. It went well. We were still in the 'novelty' season and people were keen to reconnect.

When June came around, we didn't want to do the same old thing, so engaged a specialist to help us do online meditation together. It was good, but not great.

By the time August came around we, like everyone else, suffered from Zoom fatigue and, while it was good to connect for those who logged on, we determined afterwards that face-to-face was core to who we were, and we would hold off until we could meet properly.

At the time, we had been expecting 2021 to be a year of regained momentum. Instead, as the Delta variant spread, we found ourselves in and out of lockdowns. We scheduled Make it Better Tables and, apart from the April round of Tables, duly cancelled them. While Craig developed a higher-profile social media presence to keep people connected, our 'way' is to be in a room, drink in hand, looking each other in the eye and reaching out and into each other's hearts and minds. It was a tough season.

One of the projects that did get some momentum during 2021 was the **Better Ageing Lab**. **Chris Gray**, a participant in the Make it Better Community helped us initiate a series of innovation and design workshops to develop

Read about
the Better
Ageing Lab
on page 183

Find Chris Gray
on page 188



innovations toward better ageing in Australia. In the wake of the **Royal Commission into Aged Care Quality and Safety**, there was an appetite to address some of the systemic challenges and opportunities. **Anna Donaldson** and **Stephen Johnston** joined the organising team and we set out recruiting participants for what would be a series of workshops over an 18-month period.

Olivia Clarke-Moffatt and **Melina Chan**, both long-term friends and collaborators of ours joined the facilitation team, and we scheduled the inaugural Co-Chairs meeting for late July, with the first Lab Session in mid-August. Then... we went into lockdown again. We pressed ahead with the Co-Chairs meeting online and hoped that we would be ready to do the Lab face to face in August. It wasn't to be. So, we hoped and planned for September. It wasn't to be.

As we tired of the roller coaster emotions and effort, we reset our expectations as the realisation that the crisis of 2020 was not even close to being over by September 2021. We redesigned and regrouped to start face-to-face meetings in 2022 when possible.

At the beginning of 2016 our world was thrown into chaos and crisis. It took us two years to regain our mojo and we went into 2020 with extraordinary energy and vision. We believe we not only survived the initial crisis in 2016–17 but managed to sustain a valuable contribution. But to have spent 2020 and 2021 in crisis management mode again has been deeply challenging. We have effectively had only one of the previous six years free of major crises or their impact.

IMAGINE AUSTRALIA AND OTHER INITIATIVES

Make it Better is not the only initiative that has been hamstrung by being in crisis management mode. This book reflects on the previous (nearly) two decades of contribution from donkey wheel. It comes at a reflection point for the Foundation where we have thought deeply about how to set course for maximum impact over the next decades. Part of that will be developing and maturing Make it Better. A major initiative conceived during this time of crisis management was the Imagine Australia Project. Similarly, to the Better Ageing Lab, we had anticipated that the second half of 2021 would see multiple gatherings, partnerships developed, and significant momentum generated. Good progress was made, but the inability to meet in person and engage the opportunity meaningfully has stymied efforts.

MAKE IT BETTER FACILITIES

The aberrations of 2020 and 2021 also offered us opportunities. One of them for us was to build our capability to be **hosts for change** by renovating the space we occupy on the ground floor of donkey wheel house. During the early months of the pandemic, the office space we had previously shared became exclusively ours, and at the same time an adjoining room ideally suited for our Make it Better Labs became available. So, while we were all working from home, we did some cosmetic renovations in the office space, upgraded the kitchen to enable us to cater more effectively and put our stamp on the Lab space. We had previously used the iconic basement area in donkey wheel house for Make it Better gatherings, which we loved. Rosie, who had done the interior design of the basement for us helped us again with what became the Make it Better Dining Room, Make it Better Kitchen and Make it Better Lab.

This improved capability is designed to help us be as effective as possible as hosts for change. We imagine the facilities being used and becoming known as places of meaningful connections. We have borrowed from Kevin Roberts' (former CEO of Saatchi & Saatchi's) book, **Lovemarks** and have designed a space characterised by intimacy, sensuality and mystery. We have created a space that we hope will be a safe haven, a studio and workspace—a home even—for those whose commitment and passion is to make the world better.

The most formative dimensions of our **business model** in this season were:

- **BENEFICIARIES:** Recipients of emergency grants, charitable sector, donkey wheel.
- **RELATIONSHIPS:** Advocacy, coaching and support.
- **VALUE PROPOSITION:** Protect and sustain the sector, Make it Better facilities as safe home for leaders of change.
- **KEY ACTIVITIES:** Problem solving, advocacy, granting, renovating, visioning.
- **KEY RESOURCES:** Experience of crises, problem solving, resilience.
- **KEY PARTNERS:** Give Where You Live Foundation/Bill Mithen.

See Hosts for Change 2 on page 160

Anna and Stephen are introduced in profiles on page 221

Read about Olivia Clarke-Moffatt on page 158

Read about Melina Chan on page 187

For more on Love Marks, see the introduction to Make it Better on page 176

Want to find out more about the Business Model Canvas? Check it out in the Glossary on page 227

Scan for Royal Commission into Aged Care Quality and Safety



JANE COUTTS

Operations Manager

Jane Coutts has been the Operations Manager at donkey wheel since September 2021.

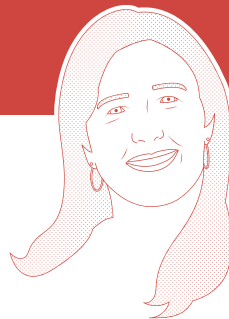
HOW DID YOU FIRST HEAR ABOUT DONKEY WHEEL?

"Twelve months ago I was chatting to my next-door neighbour, Carol, who was working for **Bessi Graham** at the time. I mentioned that my hours had been cut in my job in the building industry, thanks to COVID, so I was looking for a new job. She said, 'You need to talk to Paul.'"

Throughout the donkey wheel story, these six words often precede radical change!

"So I came in for my first interview, or coffee, or chat—call it what you like—and it went for way longer than I thought it would, which was a good thing. I felt like I was just having a coffee, not an interview, and I came away from that thinking, 'Well, even if I don't get this job, I really want to talk more to Paul and learn more about donkey wheel.' That was cemented after the second interview when I came in and met the rest of the team. I left that day thinking I really, really, *really* want to work there now."

*Read more about
Bessi Graham
on page 98*





CAN YOU REMEMBER YOUR FIRST IMPRESSIONS OF WHAT DONKEY WHEEL DID?

"I kind of thought it was a cult," says Jane with a smile. "I really didn't get it. And I went home, and I said to Carol, 'What do they actually do?' She couldn't explain it that well either!"

WHAT'S DIFFERENT ABOUT WORKING AT DONKEY WHEEL?

"It's the people. I still struggle with my elevator pitch when people say, 'What do you as an organisation?' I say, 'It's great people doing fantastic work.' While that's a simplistic answer, it's true. I feel like it's a big family, where everyone's respected and you can comment without being criticised." Jane pauses. "You're valued, and I think donkey wheel is one of the very few companies or organisations that understand the 'swings and roundabout' ethos—because lots of places say they do, but they don't. I don't feel like I'm coming to work but coming to a family function without the fights!"

WHAT DO YOU THINK YOUR BIGGEST ACHIEVEMENT IS WHILE YOU'VE BEEN HERE?

"I think bringing the in-house hosting, catering and hospitality, *into* the house and trying to make our guests feel like they're coming into our home not a function centre. That's been the main achievement. It's not what I thought I was going to be doing—I've gone down a whole different pathway to where I thought I was going to be, which is a good thing." Jane at this point, is reminded about the second MiB retreat that she and Col had to run on their own—at the last minute. "That was a big achievement. I was exhausted at the end of it. You just do it, and you make it work. It's like Nike's 'just do it' motto. I don't think that the retreat participants even realised that there should have been two more other people assisting us. I don't want to do it like that ever again, and I left the retreat shattered. Col and I, though, we figured it out."

WHAT WAS THE BIGGEST CRISIS THAT YOU'VE ENCOUNTERED?

"COVID disrupting everything has been the biggest hurdle," Jane says matter-of-factly. "Starting a new job in lockdown was hard, so my first day at donkey wheel I was at home! It was six weeks before I got to come in and 're-meet' all of the team. So that was challenging because I didn't know what the hell I was doing. I was sitting at home sometimes thinking, 'Wow, should I be doing more? I don't know what to do.' I didn't really know how everyone worked at donkey wheel. It was challenging. I'd left a structured job where I could have been at home and not seen anyone for six months, and it wouldn't matter because I knew what I was doing, and it had a predictable structure to it."

WHAT DO YOU THINK YOU'VE BROUGHT TO THE DONKEY WHEEL ECOSYSTEM?

"My passion for hospitality, which comes from a lot of years in the industry. As well as that, I've brought some of my organisational skills from the office management side of it into my role. I've said this to Paul," she says, laughing, "that it's combined my whole working life except being a swimming teacher into one role!"

WHAT ARE YOU LOOKING FORWARD TO THE MOST?

Jane chimes in quickly. "Getting the retreat centre and getting that up and running. I'm really excited about that. I think it'll just bring everything together. It'll be our own space. It's our own home for us to host the community we work with."

Craig reflected that Jane doesn't just "bring a hospitable atmosphere. I think she embodies hospitality and welcome and inclusion and love and appreciation for people. We did the hospitality aspect well before Jane got here. It is just gone to another level that it needed to because of the new season we're in."

Col agreed but was also eager to point out that Jane has more than one card up her sleeve. "It's easy to focus on Jane's hospitality. But her 'to do list' prowess, for want of a better term, of just getting in and doing stuff efficiently and quickly has been fabulous. We know that if something's on her list to do, there's never a doubt that it'll get done. That creates a lot of certainty for me, a lot of stability and security around what needs to happen. Let's not underplay that contribution."



The donkey wheel staff team in the make it Better Dining Room at the start of 2022

VOCATIONAL COMMUNITIES

See 'Know what Business You're In' on page 10

It is critical to know precisely what business you are in (see **Know What Business You are In**). But our ability to succeed in that business will depend on many factors, the most critical of which is the people.

In his popular and oft quoted book *Good to Great*, Jim Collins unpacks a concept he calls “Who first... then what”. He says it is important to get the right people on the bus and in the key seats before figuring out *where* to go. He says, “Great vision without great people is irrelevant.”

At donkey wheel we not only agree with this idea, but we have also taken it further. The conventional view is that the foundational element of a business is the organisation. The overall purpose of the organisation is broken down into a complex set of functions that fit together like a machine. Human Resource technology expresses these as job descriptions that ideally fit together like one big, beautiful jigsaw puzzle. People are then recruited based on their fit with one of those pieces of the

puzzle. This view of organisations has dominated management intelligence for decades and has been extremely helpful.

However, organisations are not machines. They are living ecosystems, made up of people who do not behave like robots programmed to do a job (description). Organisations are dynamic organisms who bring so much more value than what can be captured in a CV or expressed in a job description. They bring talent, motivation, love, passion, competence and intelligence. So often working to job descriptions means people leave much, if not most, of what they have to offer at the door.

Imagine a scenario where the purpose of an organisation evolved based on the people who were part of the team. Imagine if, rather than the foundational element being the organisation, the foundational element was the community of people.

Who first... then what.

The implication of this, and one that we practice, is that we have sought to develop a network of exceptional people, some of whom we have employed not simply because they have skills that we deemed to be useful, but because we wanted them on the team. Once on the team, the organisation is happily shaped by their competencies and passions. Of course, this does not mean that an organisation should be devoid of an overarching reason for being—a crystal clarity about what business we are in. But, once that is settled, find the best people, and set them loose.

This mindset is particularly true for entrepreneurial environments where improvisation, being agile and responsive to needs as they arise, is the name of the game. We have been clear that we support people (difference makers) rather than organisations. We understand that organisations involved in social change are effectively platforms for entrepreneurial difference makers to contribute. With **Bec Scott** as the CEO, **STREAT** was always going to be more than coffee carts. With **Jarrold Briffa's** vision and drive, **Kinfolk** was always going to become more than a café. The Difference Incubator was destined to grow beyond the Two Feet program, not because of some masterplan developed in a vision workshop, but because it was being led by **Bessi Graham** and a team of courageous, responsive women including current CEO **Anthea Smits**. **Ethical Property Australia's** path was unknown until the competencies, passions and intelligence of **Peter Allen**, Vetty Duncan and then **Adam Trevaskus's** leadership was allowed to shine. People first... then *what*.

This has also been true of donkey wheel itself. The Foundation was initially a vehicle for **Claire**, **Nic** and others in the family to contribute. Under Paul's leadership, donkey wheel became a vehicle for him to make a mark, consistent with our reason for being and the trajectory of the organisation but shaped by his nous and passions. The same can also be said for Col as **Make it Better** develops.

While Jim Collins encouraged businesses to think people first, we coined a term that captures what we have tried to do over the years: vocational community.

A vocation is more than a job. It is often associated with a 'calling' and can have a spiritual connotation. A vocation is a contribution that expresses who we are. We bring our whole selves to it, and it is purposeful. So, a vocation facilitates us contributing our best to society.

A vocational community is therefore a 'container' that facilitates people living out their vocations collectively, recognising that we can achieve more in concert than we can individually. In a conventional business, sustaining and growing the entity is seen as the main game. The purpose of the organisation is the master; everything else falls in line with that purpose including people and the roles that they play. The different functions are mapped out and role descriptions are developed for which people are recruited. In this model, people are a resource to help the organisation succeed, hence the idea of a 'human resource.'

A vocational community doesn't dispense completely with this approach. Indeed, clarity of purpose will always be a key when people work together, when there is a recognition that more can be achieved together than individually. An organisation that understands the value of 'people first', however, and embraces the idea of being a vocational community, will benefit from a culture that sees the entity as a mechanism for people to make a positive contribution to society. People will genuinely be embraced as the organisations' 'most valuable asset' rather than as a 'resource.'

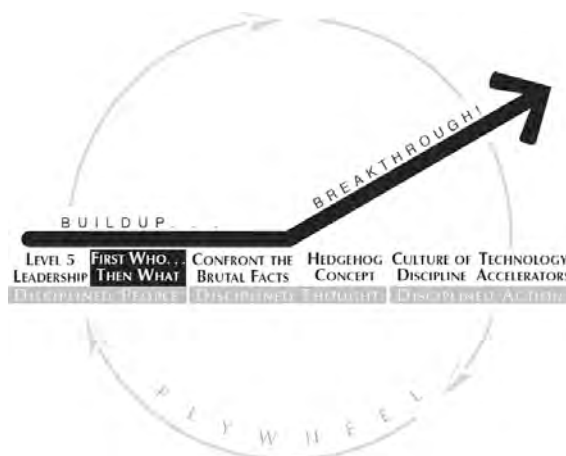
What does this look like in practice? The **following attributes** point to a vocational community:

- People have authority to make decisions about the most important aspects of their role. This is more than delegated power, it is the autonomy to create and be more than a cog in the organisational machine.
- People can bring and be themselves—styles, relational connections and their hobbies; and,
- Activity is purposeful and is connected to a greater positive contribution for which the community exists.

Unfortunately, relatively few people have ever experienced work in an environment with these attributes. The dominant organisational model is better described with the antitheses of these. The assumptions behind traditional organisational practices include:

- Bosses know best and therefore make the most important decisions;
- Non-professional aspects of people's lives are a distraction at work; and,
- People's role at work is to play a predetermined role in an organisational hierarchy in service of the organisation's mission.

Once you have experienced a vocational community there is no going back. At donkey wheel, we are proud to have practiced this approach over many years, as Paul and Col have explored, experimented and lived out these ideas since they started working together in the early 2000s.



Good to Great, Jim Collins

While developed independently, some of these ideas are explored through a different lens in Reinventing Organisations by Frederick Laloux

Keep exploring these topics:

Bec Scott, page 56

STREAT, page 60

Jarrold Briffa, page 54

Kinfolk, page 113

TDI, page 80

Bessi Graham, page 98

Anthea Smits, page 118

EPA, page 58

Peter Allen, page 76

Adam Trevaskus, page 120

Claire Brunner, page 50

Nic Brunner, page 29

Make it Better, page 176

IMAGINE AUSTRALIA

BACKGROUND

Discontent with Australian politics has been brewing. In pubs, boardrooms, factories and supermarkets, many people seem to agree government leadership is absent without leave. Instead of leadership, we get political spin with the primary driver being the maintenance of power. We get politicians focused on polls, not policy.

However, it is not just about political leadership. Our whole society is showing cracks as ideas and practices that were developed in and for the 20th century buckle under the pressure of multiple global crises. Trade wars, climate change, pandemics, digital and real-world tribalism are broadening those cracks.

After our **MiB Trip to Canada** in 2019, there was a groundswell among some friends of donkey wheel to form a new political party. It was a natural response to the desperate need for alternative voices in Parliament. As we explored and reached out, pondered and debated, a different idea began to form that quickly morphed into a significant project.

We wondered about what it might look like to take what we were learning about authentic dialogue in the **Make it Better** context, and translate it for application in loungerooms, community clubs, places of worship and town halls. We were curious about how to help people exchange perspectives on some of the fundamental challenges we face as a society. Jess Taylor was a passionate and key advocate of this idea.

In the lead up to the 2020 US Presidential election, Paul found himself curious about the centrality of the US Constitution—the way that it was a foundational document for civic dialogue and, in particular, the regular reference to ‘constitutional rights.’ These civic—but not often civil—debates operated in direct contrast to the Australian Constitution, which is rarely part of public dialogue or debate in Australia.

At the same time Victoria was in COVID-19 lockdown and, to amuse himself, Paul set out to do his own national budget. How would we spend \$800b a year if we were in government? We wondered what it might look like to have a guiding document that informed the national budget, apart from precedent and political ideology. We imagined a scenario where the Treasurer’s budget speech was an apologetic for the expenditure as determined by a ‘living’ constitution that was values based.

And so, Imagine Australia was born.

THE PROJECT(S)

The Australian Constitution is 120 years old. Given its importance, it is surprisingly unknown to most Australians. In the introduction to the Pocket Edition (2020), it is described as “containing little of the soaring rhetoric which is familiar in the constitutions of many other lands... It is a practical, matter-of-fact, unpretentious but effective document.”

This pragmatic document is very much of its time, despite alterations through referenda over the years. There are valid questions about its relevancy for modern-day Australians, let alone the Australia of 2050. While the Constitution is useful in terms of how Parliament enacts laws, for example, it does not work well as an aspirational document spurring us on to become the nation we want to be, or even representing the diverse views and cultures active today.

donkey wheel wants to change that.

BOTTOM UP

We are not proposing a rewrite of the Australian Constitution by a select group of experts. What we are talking about is creating a new constitution, one that inspires us to become the Australia we imagine, and to articulate the values needed to make that happen.

Many constitutions were drafted by exclusive groups of white men who were considered legal or political experts. They represented only a small

*Keep reading
about the
2019 Canada
Trip on
page 180*

*Make it Better
can be found
on page 176*

*Read about
Jess Taylor
on page 216*



segment of their nation. That is a flawed process. What we're considering is a truly democratic process that emphasises co-design over politics and values the input of Australians from all walks of life as they imagine the future of our nation. We see a process that would embody the very communiveristy that Claire had imagined donkey wheel to be.

Important aspects of this process will include:

- A diversity of voices.
- Focusing on values rather than the maintenance and explanation of Parliamentary procedures.
- Listening to the voices of those most often silenced in the writing of a constitution—women, the young, the Indigenous, new Australians, and those marginalised by their economic or social standing. This process will be 'by the people, and for the people'.
- Catalysing a movement with sustainable momentum, not establishing an organisation.

What will this look like? We don't want to be prescriptive, but we have carefully considered what process can best capture the above characteristics.

- There will necessarily be a multiplicity of initiatives and projects.
- donkey wheel will be a field catalyst, but it will need to have the backing of many existing (and some new) organisations with a broad and deep reach into Australian communities.
- It will be a decades-long process that will include a movement of movements, referenda along the way and, ultimately, a new constitution.

While the outcome of this project may be the design of a new constitution, the real objective is more important. The last few years have highlighted the increasing divide between people and their differing political and ideological views. The rise of fake news and social media, with a lowering of trust in our leaders and the widening

wealth gap in our society, has led to people feeling anxious and rapidly losing the ability to engage in dialogue on ideas we disagree on.

We want to help Australians have better conversations that matter. We want to encourage people to learn to use dialogue to understand and engage diverse views, and to use design-thinking tools as a process to create together and not just defend long-held beliefs. We want to create opportunities for one on one, small group and large group conversations that genuinely reflect the diversity of Australia and give people tools to together create the society we want.

This is not a project designed to go and collect people's opinions, this is a project to help people hear others' views and together create new ways of being in the space that is created by that dialogue. This is all about everyone being part of the communiveristy

At the time of publishing, we have engaged key partners to help design the initial pieces of work.

WHY DONKEY WHEEL?

Who are we to presume to act in this space? We've been dedicated to tackling systems change at many levels for some time now. We know the benefits of co-design and are experienced in achieving sustainable outcomes through that process. We are prepared to invest in the hard work needed to catalyse the momentum of this project to contribute to a new era of public discourse, both now and into the future.

We are at a point in time for donkey wheel where we look around and wonder how we can contribute to real change. While there are other initiatives that overlap with this space, this is a genuine opportunity to act for the collective good that we believe we are well positioned to embrace. We look at each other, swallow hard, and ask "Why not?"

Hang on for the ride...

FOUNDATION FOR YOUNG AUSTRALIANS

donkey wheel is committed to systemic change, rather than tinkering at the margins, so it is not surprising that we have funded and provided support to the Foundation for Young Australians (FYA), where Nick Moraitis has been the CEO since 2020. Nick has been a part of the donkey wheel ecosystem for many years, most notably in our partnership with the Centre for **Australian Progress**.

FYA is committed to “removing barriers by creating and scaling projects where individual young people are put in decision-making and leadership positions.” They “back them to design solutions, including them as equal partners in the design of systems and services... to create change, by building the strength and sustainability of youth-led movements to progress and win campaigns.” FYA are also committed to engaging with “First Nations young people and their communities to work towards self-determined First Nations justice.” Over the past two years, we have been proud to have contributed to FYA through granting and conversations, particularly focusing on the Student Representative Council Expansion Project and **Imagine Australia**.

As planning for our Imagine Australia project has developed over the past 18 months, we have acknowledged that a project of this scale requires resources and partners from across a broad spectrum of Australian society. We anticipate that the Imagine Australia project will be running for decades, rather than years, therefore it is imperative that we partner with an organisation that is focused on giving young people a platform to design and implement the changes they see as important for their wellbeing and those who come after them. FYA is a natural partner for this.

We anticipate that our partnership with FYA will grow significantly in the coming years, resulting in positive changes for all Australians, but particularly for young Indigenous and non-Indigenous people.

*Keep reading
about the
Centre for
Australian
Progress on
page 127*

*Reading about
Imagine
Australia on
page 206*



*Never doubt that a small group of thoughtful,
committed citizens can change the world;
indeed, it's the only thing that ever has.*
—Margaret Mead

PAT ALLAN



Pat Allan was recently the CTO of Limbr, a social enterprise focused on making mental health care more accessible and acceptable, and also works as a web developer and event organiser.

HOW DID YOU CONNECT WITH THE DONKEY WHEEL ECOSYSTEM?

Pat's connection to donkey wheel is a long one. "Some friends and I had an idea for an event we called Trampoline, which we held in March 2009. Trampoline was an **'unconference'** where we invited people to share anything that they found amazing. We deliberately wanted a lot of cross pollination, with ideas from different industries and sectors.

"It was probably late in 2008 that we had this idea, and we needed a space to host it in. The two other people organising it with me, Mel Chan and Steve Hopkins, the three of us had worked at **MBO** for Paul and Col. Steve just happened to be catching up with Col. Steve mentioned that we were looking for a space, and Col said, 'We've just bought a building on Bourke Street, so let's go check that out, shall we?' We were some of the first people to walk in the doors of donkey wheel house as donkey wheel house."

Pat remembers that for the first of many Trampolines, they "used the basement, [and] the top floor—which was a big open space, which we called that the ballroom. We used the space that became **Kinfolk Café**. Jarrod Briffa came to the first Trampoline, saw that space and went, 'Hey, yeah, I need that.' I mean, the building needed some renovations," he laughs. "The basement could be quite fragrant, and the floorboards of the ballroom space up on the top floor were sometimes a little sketchy."

There were roughly 100 attendees at the first Trampoline, who basically christened the use of donkey wheel house as a host of events as we now know it.

HOW WOULD YOU SORT OF DESCRIBE YOUR CONNECTION SINCE THOSE EARLY DAYS?

"It's through the **Make it Better Tables**, that's what gives me a reason to come visit, I guess. But going back, also Kinfolk, just coming to the café was also definitely a thing. **School of Life** a few times, I think we used their space when we when we returned to donkey wheel house for another Trampoline. So, it was all these occasional reasons to come by. It's kind of became a second semi-regular spot to come by, see people, and come back for events and so forth."

IF YOU GO BACK TO YOUR MBO DAYS, AS WELL, IT'S BEEN QUITE A JOURNEY

Pat reflects that, "I'm not entirely sure how much I've engaged with donkey wheel as an organisation because of those friendships with Col and Paul. All the people who I get mixed in with there, it's just like, I love the building. I love it so much more because of that history, those connections, those good times."

The connection to donkey wheel for Pat has been anchored in relationships.

"The depth of those friendships is amazing. To have all these people as supporters and to hear their wisdom regularly, to get their perspective... like, it was six, seven years ago, I was at a stage of life wondering, 'Maybe I should take a break from contracting and join something, because I've been a contractor for most of my career?' I started talking to someone who wanted to start a mental health social enterprise. I was, thinking, 'Maybe...'

"I remember sitting with Paul at School of Life and talking it through.

"He said, 'That sounds like it's right up your alley. Why *aren't* you doing this?' Then he asked me, 'Can you have that conversation?' I said I could, and he told me to go and do that.

"To get that kind of career wisdom, those ways of thinking differently, it's been a significant influence on me."

WHAT DO YOU THINK YOU'VE ADDED TO THE DONKEY WHEEL ECOSYSTEM?

"Somewhat indirectly," Pat muses, "but I guess I've helped introduce people to donkey wheel and donkey wheel house just through running events. And suddenly, that's turned into a thing, and I'm not sure whether **Hub** was already a twinkle in somebody's eye for using that space, or if it was through Trampoline that really helped kicked things along. I feel like the co-working scene and Trampoline both sprung up at the same time and had a lot of overlap."

The space and the relationships are interwoven for Pat. "I still think of donkey wheel house whenever I'm thinking of events. Can it be done? But it's just keeping that human connection, not just the space and the memories. It was the relationships that really kept me connected. I'd like to think that my relationships help keep other people connected as well."

Unconference is defined in the Glossary on page 231

MBO is in Profiles on page 224

Check out Kinfolk Café on page 44 and Jarrod Briffa on page 54

Visit page 67 for more on Hub Melbourne

You can find Make it Better on page 176

Go to page 62 for School of Life



| ROOM | 10:30 | 11:00 | 11:30 | 12:00 | LUNCH | 2:00 | 2:30 | 3:00 | 3:30 | 4:00 | 4:30 |
|-----------|---|--|---|---|---|--|--|--|--|--|------|
| BASEMENT | PETE PAINTING IN 3D | PETER HACKING BULLIES | ROD EMOTIONAL FREEDOM | LAURENCE MAGICAL BOOKS | ROSS GOING WITH CONFESSION | MATT LANGUAGE LEARNING | STEWART SQUAD DECKS | ROSE TACKLING THE MIDDLE CLASS | JONNE CHANGING OUR PARENTS | PAUL SAVING LIVES | |
| CHAMBER | PETER SPENCE INTERGENERATIONAL LEARNING | DAN HOW TO BE FUNNY | DANIEL THE EDGE THEORY | MATHEW THE KID VS A DYNAMITE | MICHAEL IT'S BUSINESS TIME! | SUSTIN - HUI NEW PAPER DIGM OF INT. DESIGN HUB | EMILY CRAFTING A MILITARY HISTORY | EMMA CRAFTING YOUR OWN PAPER | TOMMY ABOUT BRITISH PAPER | SAM GLOBAL SUSTAINABLE CARRIAGE | |
| BALLROOM | KEITH THE IDEA MONOPOLY? | CHRIS AFGHANISTAN | SAM SMART ENERGY | JOHN BEING A BETTER CIVILIAN | KAVAR STORY THE BURNING AT THE STAKE | MERLIN SOCIAL MEDIA AND DIG. CREAT. | LUKE DECISION SUPPORT SYSTEM | SEAN IMPROV WORKS AND | ANDY IMAGINING SUSTAINABLE THINGS | GARETH SIMPLICITY & DESIGN | |
| STUDIO | JANET SOCIAL MEDIA & MENTAL HEALTH | STEPHEN GROWNSWELL PROBLEM SOLVING | STEE HOW TO WRITE A STORY IN 10 MINS | DINA DAN HOW TO JUGGLE | PAUL CO-WORKING AND WORKING TOGETHER | KIM WHAT IF THE INTERNET WAS SUSTAINABLE | SPIN EXPANDED CRAFTING PROBLEM SOLVING | NATASHA OFF LINE VS ON LINE PER PAPER | BEAN INSIGHT MEDIATION | DAVID AM I A ROBOT? | |
| SHOPFRONT | TIM KNOWLEDGE SIGNALS | STEVE DELIVERING FORUM & MEDIA LEARNING | SARAH MORRIS TECH & USERS FOR VOLUNTEER WINS | NICE IMPLICATIONS TO POLITICAL SYSTEMS SOCIAL MEDIA | STEPHAN L CO CHANGE IN AGENTS IN BEHAVIOUR | PAT OPEN SOURCE BEYOND TECHNOLOGY | PAUL KIN FOLK CRAFT 2010-2011 | DAN SMALL IS THE NEW BIG | GEORGE CAN SOME HARDWARE | KATE FUTURE OF SOCIALISM | |



The earliest Trampoline events



WILL DAYBLE

Will Dayble was most recently the CEO at the Citizens' Climate Lobby, has worked as a lecturer, as well as founding businesses and social enterprises across various sectors.

HOW DID YOU GET CONNECTED INTO THE DONKEY WHEEL ECOSYSTEM?

"It may have been at Hub, 10 or 11 years ago, meeting Jen Stewart, **Brad Krauskopf** and the Hub crew. It was through the **Do Lectures** that I met Col. I remember having wine and food with Col in the middle of a rainy forest, rugged up. Col was great. It's the usual experience that I think many people have with Col, which is you really enjoy spending time with him. He's a great listener, and a good human."

CAN YOU REMEMBER FIRST MEETING PAUL?

Will laughs. "I can't. I don't have *any* memory of first meeting him. My memory of Paul is basically a series of lunches over the years. Like, almost always when there was something difficult I had to deal with in a work context, where I had no bearing or framework to deal with it. I would eat with Paul and get his advice. Usually, I would get useful personal advice on what I thought was a business challenge, and then I'd go back to work the next day and do something about it. Putting my early memories of Paul together is more like a series of eating experiences, one after the other."

WAS THAT A COMMON EXPERIENCE FOR YOU? AS YOU CONNECTED WITH OTHER PEOPLE?

"I mean, I've had I've had quite a few long lunches in my time. I've participated in and instigated a lot of long lunches in my time. But there are very few of the same quality with people like Paul or Col."

WHAT'S BEEN THE BENEFITS OF WALKING ALONGSIDE A GROUP LIKE DONKEY WHEEL FOR YOU?

"I think it's mostly personal for me," Will reflects. "I am certain there has been various kind of business advice that has been useful. For example, I got Col to mentor a general manager that we hired and that made that person a better manager. That's like an almost boringly pragmatic utility of having clever people around. So, the main benefit is sense-checking important life decisions, knowing that the kind of work we all do makes up an inextricable chunk of my life, my personality and my work as a result."

THERE'S THAT SENSE THAT DONKEY WHEEL GETS THAT WORK IS INTEGRATED INTO WHO WE ARE

"What's the joke," says Will, searching, "that boys will literally start a social enterprise instead of getting therapy? I don't want to overcomplicate it or romanticise it. If I was a plumber, and there were plumbers that were more experienced than me, I'd talk to them about plumbing and that would be awesome."

WHAT DO YOU RECKON YOU'VE ADDED INTO THE DONKEY WHEEL ECOSYSTEM?

This question genuinely causes Will to stop and wrestle with it. "It's not something I've ever investigated, because I don't need to. I think in some ways, it's kind of beside the point to overthink or investigate what value has been given or taken. The container of the question is too small for the truth of the answer. It's not a binary thing, is it? There's this ebb and flow and fluidity to the relationships. It is very hard to pin down."

The reflection leads to an important realisation for him. "There was a period back in the day where **Benefit Capital** nearly bought my old company. I wonder what would have happened if they did? None of my companies have taken any kind of money from donkey wheel. It is always true that money completely distorts relationships no matter how everybody in the situation tries... so maybe I'm lucky that there's never really been any financial interaction between me and donkey wheel, despite us being so clearly aligned in what we want to do."

THAT COULD BE IT. AS CINDY LAUPER SAID, "MONEY CHANGES EVERYTHING"

"I've not thought of the relationship like that before. I've said it before, that we work in a similar sector. We care about similar things. And there are people that are more experienced than me at some things and I'm more experienced than other people with other things. I've had those relationships and money has been involved. And they don't last as long, and they don't feel as good and they're often not as honest. **Money kills honesty.** Maybe I've been lucky to not really have any kind of financial interactions with donkey wheel. I think maybe, as I said, I say 'donkey wheel' to collectively refer to a *style* of people? Generally speaking, they are the kinds of people that I'll go for a walk in the park with and end up talking about life, work and everything else."

Keep reading about Brad Krauskopf on page 52

Check out 'Do Lectures' in Profiles on page 222

See 'Benefit Capital' on page 222

Read more about how money changes relationships in 'Wrestling with our positions of power' on page 152



The donkey wheel board at Sibling Café in 2018

THE BOARD

Michael Henry was the Chair of the Foundation's Board in 2008, brought in by John Brunner senior to help with the fledgling foundation. Michael is a respected business leader whose career has spanned international development, the Arts, education and has been a senior advisor to government. When Claire told him the Foundation had used its corpus to buy a derelict property, he described it as a "bridge too far" and resigned. The subsequent struggle to keep the Foundation financially viable in the years that followed suggest he was a prudent man.

We have been grateful for the voluntary contribution of some great Board members over the years. **Michael Witt** served the family and Foundation for many years until he resigned in 2016. Michael was a steady and diligent voice who always acted with competence and a strong commitment to good governance.

When Col joined the Board in 2008, he recruited David Wilson (then Melbourne City Councillor) and Gordon Caris (Senior Corporate Services Executive in the Victorian State Government) to bolster independent governance. **Dave Piggott** (IT entrepreneur) also joined not long after the property was purchased and, later, Liz Jennings would bring her financial nous to the mix. Following the **court cases**, **Jessie Taylor**, a long term and trusted friend of Claire's, joined the Board and injected a fresh dose of social justice and legal expertise into our deliberations.

In the early years, the Board functioned as a professional voice alongside the Brunner family's vision and passion. When Paul became CEO,

the Board evolved into a more conventional governance role—although for a small organisation the Board has tried not to be a top-heavy burden for the Foundation's operations.

Governance is a curious function in an entrepreneurial organisation with ambitious and visionary management, of which we are an example. At donkey wheel, we have considered a variety of ways for the CEO to be supported (and challenged) by the Board, including adding an advisory board of peers alongside the governance Board.

The solution we have landed on, which we believe achieves our desired outcomes more effectively than other models we have come across, is outlined in **Better Governance—A New Board Framework**. Since we started piloting this approach at donkey wheel, half a dozen other organisations have started using it, with excellent outcomes.

We have opted to keep our Board lean and consistent. As Paul commented to someone recently, the Board feels like part of the broader donkey wheel team, with a very particular set of responsibilities. It is a natural and regular thing for the Board and staff team to be together.

The longevity of our directors' involvement enables a deep understanding of the nature of our work. The weaving and often bumpy journey of the Foundation over the years has benefited greatly from a small team of Board members who have invested enough time, energy and expertise to have real skin in the game.

Michael Witt appears in Profiles on page 224

'Better Governance—A New Board Framework' page 172

For more on Dave Piggott, head to page 218

Find more info on the court cases on page 132

Read about Jessie Taylor on page 216

See Board and Staff timelines on page 220



LIZ JENNINGS

Board Member

*Read about Paul
on page 36*

*For more
information on
the Brunner
Family, see
page 12*

*Go to page 29
for more on Nic*

*Read about
Claire on
page 50*

Liz Jennings has been a member of the donkey wheel Board since 2011, when **Paul** invited her to join after they had worked together at World Vision. Liz, like so many others, has a vivid memory of her first encounter with both the **Brunners** and donkey wheel house. "I went and spoke with Nic, and he showed me around the building. There was still a *lot* to be done, but I was so inspired. Nic was really inspiring. I loved the creativity. I am a great believer in the value of creativity, and I suppose that's what I was really attracted to. Then **Nic** spoke about all the ideas he had for the building." Even at that unrenovated stage, Liz was on board. "I could see what they'd done, and they had spent a fortune in that one section which looked stunning. Just the way Nic talked about it all, the family was really committed to helping others and doing something different."

The first impressions that both **Claire** and Nic made on Liz invigorated her, especially their capacity to approach systemic issues with different approaches. "It was when I spoke with Claire, she blew me away with her commitment to helping others. I hadn't come across anyone like her before—and she put her money where her mouth was. I couldn't believe that. It was a serious investment to buy donkey wheel house just like *that*." The DNA inherent in the donkey wheel ecosystem also connected with some of Liz's deeply held beliefs. "I'm a big believer in collaboration. The Brunners had a collaborative mindset, too, with a creative streak. The other aspect I really liked is when we looked at the investments, we looked at how to invest ethically."

This was a significant period of learning for Liz, being exposed to cutting edge thinking in terms of investing ethically in a wholistic manner. "donkey wheel was so ahead of the game in those terms. The Brunners had been investing ethically as a family for a long time. Now, it's par for the course." Those investments went beyond a superficial adherence to ticking the 'do no harm' boxes. According to Liz, "The Brunners followed through and put their money behind it, whereas a lot of people say they will, but they didn't invest as heavily as Claire and Nic. They invested finances, but the Brunners also invested their time and energy." This commitment by the Brunners made working with them a fulfilling experience for Liz.



Claire's legacy is still present in our set up, particularly in terms of our ethos. "She was pushing the idea of *for-purpose* organisations before it became part of the lexicon. In that regard, you can see Claire. We've got that feel, and Paul and Col are in that space as well." Liz has seen Paul and Col use the nimble nature and the small size of donkey wheel to enhance creativity and collaboration, compared to many bigger foundations and charities. "Many large organisations think they can do it all by themselves. There is, however, a strength in being small. Paul and Col get that, and they have optimised it for good."

Over her decade on our Board, Liz has seen many changes—and not just to the physical structure of donkey wheel house. "It's not simply change," she muses. "I think it's evolving. So, utilising the space is still important, but we're building on collaboration. It's so important, and it's around mentoring and supporting, like with the Make it Better Table and the Labs, which I think have great potential. Collaboration is important at donkey wheel. A lot of people who don't do it will support it to get it going, if someone takes that first step. I love that idea. That is a real strength, because few organisations are that ambitious." That idea of an ambitious organisation—not in being ambitious for itself, but rather in terms of wanting to tackle systemic issues in a bold way, is one thing that has not changed. "Claire and Nic gave that permission to be ambitious. They were ambitious in buying the building. They set up those ambitious ambitions."

The dynamics of the donkey wheel Board, where Liz, Dave and Col have all served and worked with Paul for many years, presents a set of characteristics that encourage relational trust. "It's like anything which has positive elements on one hand, it's really good. It's got its downside, too, because while you want to constantly support what Paul and Col do, because you've seen it work before. You've got to ask questions, though. You don't want to fall into the trap of just saying, 'This is really good.' You must always ask a few more questions, which is what Col is particularly good at as Chair." These questions find fertile ground due to that relational trust and the track record of success and openness. "It's also a strength of Paul's to hear the questions which are asked—it's never comfortable when you're putting something visionary out there and people on your Board question it. I think it's important to have these questions. You want that analysis to make sure you get the best solution." Liz reflects that this is a part of growth for both the Board as a whole and individual Board members. "You can really stretch yourself on a Board like this."

While many people who serve on boards may see frustrations and tackling difficult issues as hindrances and—at times—things to be avoided, Liz sees them as part of the operations of any Board, including ours. "There *should* be frustrations because you only get frustrated when you are really thinking and caring about the issues. Good governance is a key trademark of the donkey wheel Board, and Liz considers that as part of facilitating both growth and accountability. "Not to put too much emphasis on governance, but it's important. There is a fair bit of money involved. There are requirements we need to meet."

Liz fondly recalls the Canada trip in June 2019 as a time of enforcing the value we place on collaboration. "Paul talks articulately about the ecosystem, and when we went to Canada, we saw that collaboration needs good systems thinking, but also you must do the connection, sometimes by yourself, to build the system. That is what we've done, and that's been excellent." Liz sees her value on the Board stemming from both her financial capacities and her passion for collaboration—but finance should go hand-in-hand with collaboration in order to be beneficial. "I've learned something important from being in finance. It is tremendously important when people work together. Until you understand that collaborative part of the business, it is only *then* that the finances become relevant."

Liz—like all of us—cannot name the *exact* amount of influence donkey wheel has had over the years. "I'm a great believer that there's so much that is interconnected, you never know what impact you really have. You can never attribute all the difference that has been made. Paul always talks about our DNA; it's still there and rippling out. That's the strength of donkey wheel."

Jessie Taylor is a barrister at the Victorian Bar and is co-creator of *Between the Devil and the Deep Blue Sea*, a documentary that examined the stories of those seeking asylum in Australia.

CAN YOU REMEMBER YOUR FIRST INTERACTION WITH THE DONKEY WHEEL ECOSYSTEM?

"I remember *one* step down the chain," says Jessie enthusiastically. "I don't know how Claire Brunner heard I was making a film about immigration detention in 2005, but she did. She rang me and we had coffee at Boutique, on Greville Street—that was one of Nic's pet projects.

"We met in this nightclub during the day. It was weird, but kind of beautiful as well. Claire wanted to hear about why we were doing this and *what* we were doing, and the phrase that rings through my ears when I think about that conversation, is 'making a different difference.' For some reason, she decided that what we were doing fitted into that category and she gave us some money, which helped get the film made.

"The next vignette I have is of a meeting in Julian Burnside's chambers, when donkey wheel was considering buying the property at 673 Bourke St. We had a round table with a bunch of potential stakeholders and tenants about a multi-door hub, where through each door you've got a social worker, a financial counsellor, a dentist and a lawyer, a trauma counsellor, and the like. That idea was to create a hub in that key part of the city. That was one of the things that tipped them into buying the property with a sense that 'this won't go to waste. We can do something with this, even if we don't exactly know what it looks like.'

"I remember being at the auction. I have a memory of being downstairs when it was a big open kind of hole. And it selling! I just went, 'Oh my God, what just happened?' So those are the early interactions. That set the trajectory for my ongoing relationship with donkey wheel."

HOW DID YOU END UP ON THE DONKEY WHEEL BOARD?

"It was an accidental collision of one galaxy with another. Col came and facilitated a workshop at Legal Aid when I had just started. It was a reasonably small workshop, there were only the 30 of us. I had a bit to say. I think we'd met from a distance over the years, we'd had a little bit to do with each other, but only in that kind of distant orbit since. Col was somehow aware of my history with donkey wheel." In a tale as old as donkey wheel, events shifted quickly to get Jessie more deeply involved. "I don't know what happened behind the scenes, but I got a call. It was just as the **litigation** was happening, and everything was awful. He and Paul were renewing the board. They knew things were entering a new chapter and so I had a coffee with Paul and Col and agreed on the spot that I would join the Board.

"I officially started in April 2018. I think when we first met, the judgement had just been handed down. They were sitting under this heavy cloud, though."

WHAT WERE THOSE FIRST FEW MONTHS LIKE?

"Fascinating," Jessie remembers. "There was a huge amount of observation and listening. One thing I love about being on this Board is that we all unapologetically bring different perspectives. I enjoyed being the new 'whippersnapper' who asked questions without fear or favour, and learning about the financial management and oversight of an organisation from someone like Liz, who I'd known from Legal Aid.

"Watching Paul as CEO is like a master class, as is observing Col as Board Chair. It's an immense privilege to sit in a room with people who are so generous and so capable, so invested in something that is not about themselves or their own gain or benefit. It's rare that you see that, and I've worked in some fascinating and wonderful organisations, but there's always politics. There's always layers of motivation, and layers of challenges with personalities. I don't feel any of that at donkey wheel and I never have. That's wonderful."

JESSIE TAYLOR Board Member

Jessie is not one to avoid naming issues. "We still have a task before us in more richly diversifying the donkey wheel ecosystem. We really need to do better at that. It doesn't help that the Board is small, as is the organisation, so there's not a huge amount of room for growth and for adding people who bring those different perspectives. But there are many other ways of ensuring that our work is informed and shaped by diverse voices and experiences, and we are getting better at bringing that into our praxis."

WHAT HAVE BEEN THE HIGH POINTS OF YOUR FOUR YEARS ON THE BOARD NOW?

"The Canada trip was amazing. One thing that I loved beyond the trip itself was the penny dropping for me in terms of what Paul knew. I think Paul was sitting back going, 'Wait for it, wait for it.' Then when we all went, 'Oh!' I loved that. It was a kind of validation for Paul, not that he needs validation. I loved realising that he was like, 29 steps ahead of us, which is very much his MO."

Keep reading
about 'the
litigation' on
page 132



Canada has an important role as Jessie embraced her role on the Board. “Being exposed to the big picture stuff in Canada was exciting, even though it feels a universe away because of the pandemic. We were going 100 miles an hour back then, and then we were going 100 miles an hour into a brick wall. But Canada gave us a sense of scale and *what* scale can be: like going to the **MaRS Discovery Precinct** and seeing the physical and structural investment in innovation was mind blowing.

“The other real highlight was going to **Wasan Island**. That’s the lesson that will endure for me, because it gave me that sense of what a place can do. I had understood that getting people together in a place is important, and you benefit from it. But there are only a few places that you’ve been to, where the *place* is the most powerful character in the conversation. I can only think of a couple of places that meet that criterion. Wasan Island is one of them. Having that place where the intention and the purpose is to get together

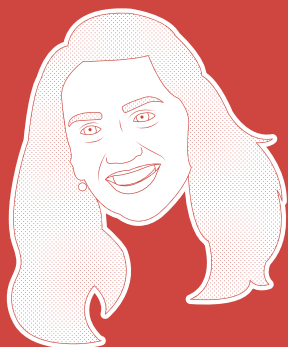
place that *just* has enough bedrooms. We’re not just thinking about a conference centre. There needs to be some magic.

“The thing that we all reflected on at the time was the importance of the boat trip from the mainland to the island, and that was a transition, a rite of passage. That was a part of the journey of removing yourself from the mainland. We’ve talked about how achievable something like that would be here, in terms of a big, long driveway from where you normally live to where you’re going.

“The other thing I learned in Canada, which based on my personality is an important lesson, were the stories of failure, pivoting, testing and crashing and redesigning. Those conversations being normalised are important. Part of what it means to do something different was crucial for me to hear. Otherwise, I would try and let the perfect be the enemy of the good. I would resist doing something for fear of it not being perfect. That was good to hear.”

Find more about MaRS Discovery on page 224

Keep reading about Wasan Island on page 226



WHAT DO YOU THINK YOU'VE ADDED TO THE DONKEY WHEEL ECOSYSTEM?

“I have brought my language and my frame to what donkey wheel does. So, conceptualising the work as human rights work, and as equality and justice work. Access and equity are important to me. It’s part of who I am. I hope that I have added something in terms of accountability about diversity.” She pauses for a moment. “Probably the most important question I’ve asked in the donkey wheel context is, ‘Has anyone ever entered politics with a social innovation frame and motivation?’ I asked that in a slightly dodgy, crowded Thai restaurant in Toronto on maybe our second last night there.

“That afternoon I had a swim in the pool, and I was thinking about everything we’d heard about. All this talk of innovation and impact is great in a civil society. But if you get politicians thinking in this frame, that’s where the change might happen. You need that proximity to power for change to take place. So, I threw that on the table at dinner. That question has started conversations that have lasted for the last two years. That’s probably where the idea for Imagine Australia was born—the idea of trying to approach social change on the political stage with that different angle.”

All good ideas thrive with partnership. “Paul rang me in one of the lockdowns, when we weren’t allowed to gather except to go for a walk. So, we went for a walk in the Fitzroy Gardens. Paul said something about a new constitution for Australia, and I immediately fell asleep with my eyes open! But I heard him out. He started talking about framing Australian society and what we hope for in terms of how the constitution works, how we are governed, the expenditure of \$800 billion a year in government spending and the fact that every single one of those dollars is a statement about our values.

“That’s exciting to think about.”

to exchange ideas, not to make money, not to empire build, not to network, but to create and exchange ideas and join the synapses in people’s brains so that you have a sense of being in an ecosystem.

“I hope that one day, donkey wheel can bring something like that to Australia. What is so challenging about the last couple of years is that I feel like it has set us back decades in terms of how generous people are and how open people are to difference.”

AS A BOARD MEMBER, WHEN YOU THINK ‘RETREAT CENTRE’, DO YOU NOW THINK WASAN?

This idea of a donkey wheel retreat has found a champion in Jessie. “Yeah, it’s shorthand. It doesn’t just mean a bed and breakfast in the countryside, it means something else. In the search for that place, we’re not just looking for a

Read about Col
on page 135

Keep reading
about Claire
on page 50

DAVE PIGGOTT

Board Member



If you haven't
read it already,
find out what a
communiversity
is by going to
the Glossary
on page 227

See Paul on
page 36

Read about Nic
on page 29

Keep reading
about Polly on
page 225

Find the
Brunner Family
on page 12

WHAT WAS DAVE TRYING TO DO?

Dave has served on the donkey wheel Board for long enough to remember the renovations of donkey wheel house. It was, at time, tumultuous and draining. “**Col** was stretched to the max, and he had his own business to run which was his livelihood. He had to step down. You could see that he was burnt out by donkey wheel. It was devastating to see him go.” After Col’s tenure as Chair ended in 2010 it was Dave who stepped—somewhat reluctantly—into the challenging role. “I’d just watched Col go out the back door, so I wasn’t sure it was something that I *wanted* to do! I said to **Claire**, ‘I tell you what, I’m happy to be the interim but let’s get a commitment to continue to look for someone else.’ Claire said ‘yes’, but that ‘yes’ didn’t quite eventuate until a couple of years after that conversation!”

Even though Dave had some governance experience through his own business, nothing prepared him for the quirks and demands of the donkey wheel role. “This was a little bit different,” he remembers. “I had the theory and I had people to call on for support but, yes, it was certainly challenging; it was an *interesting* environment in those early days. The establishment of the building was—in many ways—Claire’s dream that we were enacting, and that changed daily. Well, in *my* mind it seemed to change daily, in her mind it was the same thing. I just couldn’t quite get where she was going half the time. Some of it was my lack of experience in the philanthropy space... and there was also Nic, who would swan in and out—I mean that in the nicest possible way—because the building was his passion. He loved renovating old buildings and he wanted to put his mark on donkey wheel house. It was getting to the point that I thought, ‘We need to do something—how do we control this?’”

OBSTACLES?

There was passion aplenty in the early days of donkey wheel house, but little in terms of strategy and a sustainable plan to move donkey wheel house into being the **communiversity** that Claire imagined and the aesthetic gem that **Nic** envisioned.

Dave reflects, “It needed structure, and we just didn’t have structure. It was killing everyone. When **Paul** came on as CEO, he hit the ground running. He took control quickly—there was a handover from **Polly Caldwell** to Paul that happened over a four-week period, and I thought, ‘We can all take a breath—this guy knows what he’s doing, and he’s landed on his feet.’ He managed to get into the **Brunners’** heads and work out what they were trying to achieve and articulate *that* to the rest of us. It wasn’t easy. Paul could see what



we needed to do in terms of structuring donkey wheel to enact what the Brunners wanted to do at scale. It was going to take time, and time that took away from what Claire and Nic wanted to do, and it was going to take funds away from what they wanted to do. They could get very frustrated, wanting to know why weren't we giving out funds here and there; why were we doing this other stuff? There were no good news stories, no light up stories—from their perspective. 'Where have they all gone?' You could see that there was a tension there—we had lost that agility that Claire and Nick were used to, as there wasn't necessarily a space for that once the reality of the building's purchase kicked in."

To be fair, the Brunner's recognised the need for Paul's skillset to build things to scale, while Paul also appreciated the importance of the Brunners' idealism and vision that was not constrained by detail. Increasingly, there were real, down-to-earth issues with donkey wheel house that demanded immediate and pragmatic responses. "The building was leaking," recalls Dave. "There were fires, we didn't have a decent alarm system, and the building was probably uninhabitable, and we had tenants in there that were not appropriate for the ethos we were growing. There was just shit *everywhere* and Paul had to deal with it. We then lost another director, and that was a big loss as he had good governance skills. Col said that he would be willing to come back, but he said, 'I don't want to come back unless I'm Chair' or something to that effect. I was like, 'No arguments from me, mate!'"

ACHIEVEMENTS?

The issues surrounding donkey wheel house were complex, ranging from dealing with it being a heritage listed building, to fixing long-neglected building faults to—at the same time—needing to populate the space with tenants who would add to the environment that Claire had imagined when she first saw the building and its potential. Dave discerned early on that Paul was the person to handle these incredibly diverse elements that threatened at times to stall donkey wheel's momentum and—importantly—were a legitimate threat to its ongoing financial viability.

"The planning was immense—who are we going to bring into this building? How is it going to work? Fortunately, Paul is a juggler second to none; what goes on in his head is impossible to keep up with. He's so good at being able to manage things as they pop up, keep on track with the overall strategy and set a beautiful vision. Just when you think that you've completed the vision, he extends it. He does it *every* time. So, we will think we have this ecosystem for impact investing, and he will say, 'No, there's something

missing, we're missing the design element,' for example. Then we'll go down *that* path. There is always something else. He's just a got a brilliant mind."

WHAT DID DONKEY WHEEL DO?

"Paul has been in high demand on the speaking circuit because our story is compelling. We're achieving what Claire set out to do, it just took Paul to come in. On a grand scale, doing it in bits and pieces is not going to make it grow—well, you can grow the tree but it's not going to drop seeds. What Paul did was put a structure around donkey wheel, to see if we *could* get this tree to drop seeds."

HOW DID WE DO THAT?

"Well, first, let's tell the story, and then let's build the tools so people can copy or use them. So we partnered with **TDi**, and now people are looking at TDi and trying to replicate that. We've been working with **TACSI** and showing people how all these entities add value. There's a lot of thinking that goes on behind the ecosystem. In some ways, Paul took Claire on the journey with him, where she gets to speak to the vision, and Paul shows people how it can be done. I mean, Paul adds a lot more than that, but I genuinely think he's doing incredibly well at honouring Claire's vision. In 20 years, when you look back, it all started with Claire but it would never have got where it is without people like Paul."

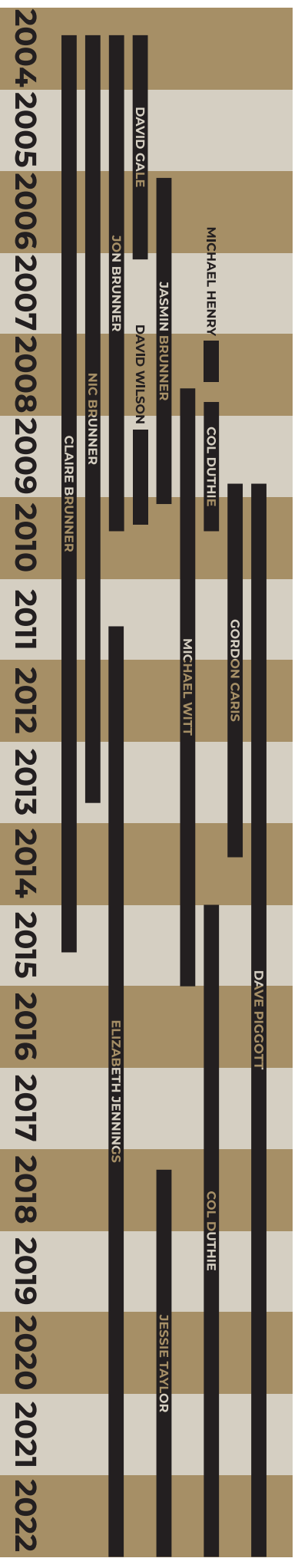
Dave is aware keenly of the importance of Claire's vision. He recalls the last time she was at donkey wheel house. "Claire... I remember the last time I saw her; she'd half her shoulder removed from the cancer, but all she cared about was who was going to continue her vision. It wasn't about her at all. It was about donkey wheel."

There is a sense for Dave that he sees an ongoing partnership between Paul's skill set and Claire's vision. "What Paul managed to do is—or what *donkey wheel* has managed to do—is to share that vision that Claire had globally, and they've bought into it. Paul has articulated it in a way that is sustainable and executable in a way that Claire couldn't. Claire had this incredible and zany vision of what she wanted to do, and Paul has turned that into something that is able to be replicated and executed. He's gone around the world and talked about that. Now, we have people all around the world saying, 'This is fantastic.'"

*Learn about
The Difference
Incubator on
page 80*

*Flick to page
128 for more
info on TACSI*

BOARD TIMELINE



STAFF TIMELINE



STAFF AND BOARD TIMELINES

PROFILES

ABBIE MATTHEWS

Abbie was part of the donkey wheel team from 2013 to 2016. Abbie's role included some EA and office management functions as well as communications.

ADAM KAHANE

Adam is a leading organiser, designer and facilitator of processes through which business, government, and civil society leaders can work together to address such challenges. He has worked in more than fifty countries across the globe, with executives and politicians, generals and guerrillas, civil servants and trade unionists, community activists and United Nations officials, clergy and artists.

Source: Goodreads

Adam's many books have been helpful in navigating multistakeholder and complex social challenges. They have included *Solving Complex Problems* and *Collaborating with the Enemy*.

ANIMO

Animo took over the **Good Sites** vision and business and would ultimately become Kinfolk Events.

ANNA DONALDSON

Anna is the founder and CEO of Lively. She has made a valuable contribution to the planning of the **Better Ageing Lab**, a **Make it Better** initiative.

ARROW ON SWANSTON

A church, and student accommodation provider. Arrow partnered with us in the setting up of Good Spaces. They have provided their kitchen to **STREAT** for a short-term catering.

Tim Goh, one of the leaders at Arrow, has also been involved with **The Difference Incubator** (TDI).

(THE) AUSTRALIAN ADVISORY BOARD ON IMPACT INVESTING

The Australian Advisory Board on Impact Investing (AAB) is a founding member of the Global Steering Group for Impact Investment (GSG). The AAB was uniquely positioned with multi-sector leadership and global influence to drive development forward in and from Australia.

AUSTRALIAN COMMUNITIES FOUNDATION

Australian Communities Foundation is a community of giving, powered by a courageous ambition: a fairer and more sustainable Australia. As a broker of change, we connect those who can give with the people and organisations leading the way.

The ACF has been a good friend of donkey wheel. We have explored collaboration on a few important initiatives, including the **Keep the Lights On** campaign during 2020.

Source: Australian Communities Foundation

(THE) AUSTRALIAN INSTITUTE (TAI)

The Australia Institute is one of the country's most influential public policy think tanks. Based in Canberra, they conduct high impact research that combines rigorous fact-driven material with cutting-edge communication strategies.

TAI is the 'lead' tenant in Endeavour House, the second property purchased by the **Ethical Property** Commercial Fund (after donkey wheel house). The purchase was made possible when The **Graeme Wood Foundation** (see below) invested in the Fund, motivated to support the work of TAI.

Source: The Australia Institute

AUSTRALIAN COMMUNITY PHILANTHROPY

ACP is the peak body for community foundations in Australia. We explored partnership with ACP in the content of the **Keep the Lights On** campaign in 2020.

See: Australian Community Philanthropy

AUSTRALIAN IMPACT INVESTMENTS (AII)

Australian Impact Investments is a specialist consulting firm that provides advice to clients seeking to mobilise capital to create positive environmental and social impact alongside financial value.

Source: Australian Impact Investments

All is an initiative of **Ethinvest**, our long-term friends and funds management partner. Also see **Kylie Charlton** and **Trevor Thomas**.

(THE) AUSTRALIAN INSTITUTE OF COMPANY DIRECTORS (AICD)

The AICD's mission is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. 45,000 members is testimony to the place it holds in the business community and the value it offers.

We have appreciated the value we have received over the years from courses and events. However, in recent years we have been exploring new and different ways of thinking about governance. Some of these ideas and practices are discussed in **Better Governance—10 Practices** and **Better Governance—A New Board Framework**.

(THE) BIG ISSUE

The Big Issue is a popular street magazine, typically sold by vendors from high traffic sites across metro areas. They describe themselves as an independent, not-for-profit organisation dedicated to supporting and creating work opportunities for people experiencing homelessness, marginalisation and disadvantage. Simply put, they help people help themselves.

We are proud that the Big Issue has been a long-term tenant in donkey wheel house.

BEN RODGERS

Ben is the Chair of Australian Communities Philanthropy and is a trusted leader in the social sector. We explored collaboration with Ben and ACP in the context of the **Keep the Lights On** campaign in 2020.

BENEFIT CAPITAL

Co-founded by Paul Steele and Bessi Graham, Benefit Capital is a consultancy that uses a design-led approach to co-create solutions for specific social change contexts and helps work out what capital is required to succeed. Benefit Capital helps bridge the gap between strategy and execution to navigate the unknown for lasting impact. Benefit Capital was the natural evolution of the **TDi** approach which incubated great social enterprises into development of the capacities needed for accessing capital.

CARNIVAL AUSTRALIA

Carnival is the largest cruise company on the world, and pride themselves on their commitment to high standards of business conduct and ethics. **TDi** partnered with Carnival Australia and The Department of Foreign Affairs and Trade to deliver YuMi Tourism Partners, a program to fast track the development of local tourism entrepreneurs and their access to customers. YuMi won a Shared Value Award in 2018.

CATALYST INNOVATIONS (CI)

Catalyst Innovations was an initiative Paul and Col founded in the early 2000s, to promote "spirited entrepreneurship" by bringing together commercially minded people from the not-for-profit sector and socially minded people from the commercial sector. There were two main streams of activity; a network that spawned social or environmentally responsible businesses, and an internship to develop spirited entrepreneurship.

A few people who worked as part of the initiative or were involved in the programs have remained long-term friends and collaborators, including **Olivia Clark-Moffat** and Stephen Said (see below) as well as Fiona and Angus McLeay. **Cherie Ong** also was part of CI and has gone on to found Good Spaces (Melbourne) and Good Places Property (Atlanta)

CHRISTINE COUZENS

Christine is the Labor Member for Geelong in the Victorian Legislative Assembly. Through her relationships with **Bill Mithen**, Christine was instrumental in the Give Where You Live Foundation receiving funding for a pilot test of the concepts developed in the **Jobs and Food Recovery** Campaign.

CHRISTOPHER THORN

Chris is an accomplished financial services executive with 30 years' experience working across private wealth management, institutional equities, philanthropy and social investment in Melbourne, New York and Brisbane. Chris has been a valued public voice and good friend in advocating for impact investing in Australia.

COMMON GROUND

An Indigenous led not for profit that donkey wheel has supported, who were long-term tenants in donkey wheel house.

CORINNE PROSKE

Corinne has been a friend and collaborator, working in social finance for many years. She has had roles at NAB, Good Shepherd Finance, Speckle Loans and is currently CEO at JobsBank. Corinne has also served on the Board of **TDi**.

DANNY ALMAGOR AND BERRY LIBERMAN

Danny and Berry, with their various initiatives including the popular long-form interview magazine *Dumbo Feather*, the Impact Investment Group and Small Giants Academy, have made a substantial contribution to the culture and impetus of progressive finance and the evolution of what they call the Next Economy.

Danny and Berry were co-investors with donkey wheel in **STREAT Enterprises**.

(THE) DO LECTURES

Founded by proud Welsh couple David and Clare Hieatt, The Do Lectures is a gathering that juxtaposes the highest quality hospitality with remote locations where limited numbers of people listen to talks by doers, and inevitably get inspiration to make significant life decisions to align with what matters most to them. Col was part of a small team that ran the Do Lectures in Australia in 2015 and 2016.

EMERGING MARKETS INVESTMENT FUND (EMIF)

Emerging Markets Impact Investment Fund (EMIF) is a AUD\$40 million initiative established by the Australian Department of Foreign affairs and trade enabling the use of non-grant finance to crowd in private capital and improve access to finance for small and medium enterprises in the Indo-Pacific. As a central part of its investment strategy, EMIF adopted a 'gender lens investing' approach that encourages investment in enterprises that positively impact women. EMIF initially targeted financial intermediaries operating in the Indo-Pacific, with particular focus on Cambodia, Indonesia, Laos, Myanmar, the Philippines, Sri Lanka, Bangladesh, Vietnam, PNG and Fiji.

ERGO CONSULTING

(see Managed Business Outcomes below)

ETHICAL PROPERTY COMMERCIAL LIMITED (EPCL)

EPCL was incorporated as the inaugural trustee for the Ethical Property Commercial Fund. Col was the Chair with **Liz Jennings** (donkey wheel board member), Graeme Wood, Ben Oquist and Trevor Townsend.

ETHICAL PROPERTY UK

EPUK is the founding organisation in the global family of Ethical Property Companies. **Peter Allen** worked with EPUK before migrating to Melbourne to be the inaugural CEO of **Ethical Property Australia**, a joint venture between donkey wheel and EPUK.

ETHINVEST

Ethinvest has been donkey wheel's fund manager since the decision to invest responsibly in 2008. General Manager **Trevor Thomas** has been a trusted friend and support over the years. We like to think that we have been a guinea pig for Ethinvest as we have pushed hard into impact



investing, seeking to have our entire corpus invested in companies contributing to positive social and environmental futures.

FUSION FOUNDATION PNG

Fusion PNG brings a fresh approach to the long-standing problem of development of startup enterprises to underpin economic development in PNG. It was developed to deploy patient risk capital in a portfolio of SME investments. Critically, however, the capital would be underpinned with a market-building and ecosystem development strategy, deep expertise in investment readiness, technical assistance to investees and years of experience in debt and equity investment in the Pacific. The fund was developed by Benefit Capital.

(THE) GENESIS IMPACT FUND

The Genesis Impact Fund (Fund) was established by active impact investors and entrepreneurs to invest in start-ups and SMEs in the South Pacific. The Fund has its roots in the pioneering work of **The Difference Incubator** (TDi) and Benefit Capital. Through a ground-breaking partnership with The Department of Foreign Affairs and Trade (DFAT), a plan was laid out to test whether TDi's capacity building work could help strengthen and de-risk small and medium enterprises (SMEs) across the Pacific, on their journey towards accessing private capital and moving away from ongoing reliance on foreign aid.

GILBERT ROCHECOUSTE

Was a close friend of Claire's and was an important part of **The Wheel**, our first granting committee. Gilbert is the founder and long-term Managing Director of placemaking agency Village Well.

(THE) GIVE WHERE YOU LIVE FOUNDATION (GWYL)

Give Where You Live is a social change foundation based in Geelong in regional Victoria. Originally a United Way community foundation, under **Bill Mithen's** leadership the foundation has evolved to be one of the most respected organisations in the area. **Col** joined the Board after moving to the region and became Chair in 2019, which precipitated a strong relationship and partnership with donkey wheel. In 2019, Bill was one of the participants in the **Make it Better Trip to Canada** to explore social innovation and, during 2020, Bill helped design and lead the **Jobs and Food Rescue/Recovery** and **Keep the Lights On** campaigns. Kerry Ferrance from GWYL was also a key contributor.

GOOD DESIGN AUSTRALIA

Good Design Australia (GDA) is an international design promotion organisation responsible for managing the annual Australian Good Design Awards and other signature design events and initiatives. With a proud history dating back to 1958, GDA remains committed to promoting the importance of design to business, industry, government and the general public and the critical role it plays in creating a better, safer and more prosperous future.

GDA manages a number of Australian State-based design award programs including the Victorian Government's Victorian Premier's Design Awards program. Through the Australian Design Council, GDA advocates to government

and industry leaders about the role and value of design to help diversify Australia's future economy and to help embed design-led innovation into Australia's nation-building agenda and policy settings. The Australian Design Council was originally established as the Industrial Design Council of Australia (IDCA) in 1958 and funded by the Commonwealth Government. The Council was based on the UK Design Council model, established by Winston Churchill's wartime government in 1944 to support Britain's economic recovery.

GRAEME WOOD

Graeme is a digital entrepreneur, philanthropist and environmentalist. The Graeme Wood Foundation partnered with donkey wheel by becoming the other inaugural investor in Ethical Property Commercial Fund, enabling the purchase of Endeavour House in Canberra. Graeme is a keen supporter of The Australia Institute (see above) which became the 'lead tenant' from an Ethical Property perspective. Graeme served on the inaugural board of the Fund until it the trusteeship was transferred to One Funds Management in preparation for a capital raise.

GRAMEEN BANK

Founded by Nobel Peace Prize winner, Muhammad Yunus, Grameen has become famous for its pioneering and ongoing work to provide banking services for the world's poorest people, in particular micro business loans for women. Grameen is a relative newcomer to Australia, with pilot programs in the cities of Hume (Victoria) and Fairfield (NSW).

GROWTH GRANTS/IMPACT READINESS FUND

Managed by Impact Investing Australia (see below), the Impact Investment Ready Growth Grant is funded by the Australian Government Department of Social Services as part of the Sector Readiness Fund. It provides capacity-building grants of up to \$100,000 to mission-driven for-profit and not-for-profit organisations, allowing them to secure investment capital to scale their social impact. Its predecessor, the Investment Readiness Fund, was designed by Paul and **Bessi** (when Bessi was CEO at **The Difference Incubator**) in partnership with the National Australia Bank (NAB).

(THE) HUMAN RIGHTS & ARTS FILM FESTIVAL (HRAFF)

The Human Rights Arts & Film Festival is a not-for-profit Arts organisation dedicated to cultivating a vibrant human rights community, culture and conversation in Australia. donkey wheel has been pleased to support HRAFF, and they were a tenant in donkey wheel house in the space which now houses the **Make it Better Lab**.

IMPACT INVESTING AUSTRALIA (IIA)

IIA describe their role as growing the market for investments that deliver measurable social and environmental benefits alongside financial returns. **Dan Madhaven** was CEO at IIA when Paul was leading donkey wheel on its mission to not only be a leading impact investor, but to help others do the same. IIA and Dan, in particular, along with **Rosemary Addis**, were allies and friends on the journey.

IMPACT READINESS FUND

(See Growth Grants above)

IMPACT INVESTMENT GROUP

IIG is one of Australia's leading impact investment fund managers. They want to prove that finance can be a force for good; that finance can be great for people and great for the planet.

JANE HADJION

Jane is a curious problem solver, having grown up with an aptitude for maths, science and anything technical. Throughout her corporate career in aerospace engineering, that passion developed into a love of systems thinking applied to people and businesses striving to achieve positive change. Jane is a kindred spirit and has been a valued participant in the **Make it Better** community.

JANE TEWSON

Jane was appointed a donkey wheel member when **Claire** died in 2015. Jane is a celebrated advocate for social change and is the founder and CEO of Igniting Change.

KERRY FARRANCE

Kerry is the Head of Impact at the Give Where You Live Foundation (GWYL) (see above). Kerry played a valuable role in the heady times at the start of the COVID-19 pandemic when donkey wheel and GWYL were intently working on the **Jobs and Food Rescue** and **Keep the Lights On** campaigns. Kerry was especially helpful in developing crucial communications pieces.

MANAGED BUSINESS OUTCOMES (MBO)

MBO was a consulting practice founded by Paul Steele. It was the environment where he and Col Duthie experimented with innovative practices in pursuit of a better way of doing business. MBO was also the context where some significant long-term relationships were formed, including many currently in the donkey wheel ecosystem. After Paul left MBO to work at World Vision, MBO evolved to become Ergo Consulting which Col led with colleagues Derek Winter and Andy Barker.

MAREE SIDDEY

Maree has worked for more than twenty years across the for-purpose and philanthropic sectors, including executive and non-executive director roles in mental health, drug and alcohol, sport, community philanthropy, and capacity-building organisations and networks. She describes herself as "absolutely passionate about human rights, equality and the environment." She is currently the CEO at the Australia Communities Foundation (see above), who we consider one of our closest friends in the philanthropic sector.

At the time of writing, Pro Bono reports that under Maree's leadership the Australian Communities foundation has achieved their goal of 100% of their funds being invested responsibly.

Maree was a key ally in our efforts to get traction with the **Keep the Lights On** campaign.

MARIA BURCHETT

Maria was one of the first members of the donkey wheel team, working alongside **Fran Westmore**. Maria was competent and diligent and made a great contribution as the fledgling foundation sought to establish itself.

MARS DISCOVERY DISTRICT

MaRS is an ecosystem in Toronto, Canada, that supports innovation for a better world. It is a home for start-ups and established organisations with its foundations in medical innovation, renowned as the home of the insulin breakthrough that revolutionised diabetes treatment.

MEGAN EVANS

Was a good friend of **Claire's** and an important contributor to **The Wheel**, our first granting committee.

(THE) MCCONNELL FOUNDATION

In 2018, Paul spent time working with people from the McConnell Foundation exploring Canada's social innovation ecosystem. Based on the relationships of trust he developed, in 2019 we hosted the first Make it Better Trip to meet with some of those people. We also visited some of the many projects that showcased the innovative social initiatives in Montreal and Toronto. It seemed that every project we visited had McConnell Foundation fingerprints on them. While at donkey wheel the scale of our work is much smaller, we are inspired by the possibilities of what can be achieved when a foundation is prepared to take the risks and back innovation like has been the case for the McConnell Foundation under then CEO, Stephen Huddart.

(THE) MCKINNON FAMILY FOUNDATION

Since 2012, John and Sue have been among the most progressive voices and actors in the philanthropic community in Australia. They have been actively committed to working on environmental issues. They have been part of the small cohort of investors willing to put their money in when many others were simply aspiring to (impact) invest. We have invested together in several projects, including **STREAT Enterprises**, **Team Wild** and **Three Sistas**.

MICHAEL O'MEARA (MO)

Has been a good friend to donkey wheel. In the early days, Mo facilitated key strategy discussions and was also part of The Wheel, our first Granting Committee.

MICHAEL SHORT

Michael is an international writer and editor who has worked for some of Australia's best-known mastheads, as well being a communications and media advisor.

MICHAEL WITT

Michael was a donkey wheel Board member from the inception of the Foundation. Michael's healthy scepticism and clear thinking were an invaluable asset for the Foundation over many years.

MICHELLE HALSE

Michelle has been told her superpower is holding mirrors up to people in a way that helps them discover who they really are. She says it's our job to then express that uniqueness and put it to good use to make the world a better place. From large-



scale maternal health projects to legal industry innovation, she has worked for many years to understand what it takes to make a collaboration successful.

Michelle has been a good friend and trusted collaborator with donkey wheel for many years. She has been a kindred spirit in advocating for better ways to work across sectors in multistakeholder engagement and has introduced us to the Case Clinic tool from her expertise with **Theory U**, which we have used as the basic for **Make it Better Clinics**.

(THE) MYER FAMILY OFFICE (MFO)

The Myer family is an Australian retailing dynasty, with Sidney and Merlyn Myer founding the Myer department stores. The family has a strong philanthropic legacy and established the first private family office in Australia. The Myer Family Office continues to offer wealth management and philanthropic services to many foundations.

As a key player in the philanthropic community, donkey wheel has occasionally engaged with the Myer Family Office. MFO partnered with donkey wheel and **The Difference Incubator** (TDi) and Philanthropy Australia to deliver a series of seminars on **impact investing** around the country.

MYER FOUNDATION (AND THE SIDNEY MYER FUND)

The Myer Foundation provided seed funding when we spun **TDi** out of donkey wheel. donkey wheel hosted the trustees from the Myer Foundation and the Sidney Myer Fund at donkey wheel house for them to learn about impact investing.

NATIONAL AUSTRALIA BANK (NAB)

One of Australia's so called 'big four' banks, NAB have been a valued partner in engaging with donkey wheel and TDi. The double positive campaign was an invitation to social enterprise to have a session with a TDi consultant paid for by NAB. They advertised this in major newspapers and online. NAB worked to help expand and grow the social enterprise, not for profit and **impact investing** ecosystems in Australia.

PETER SENGE

Peter is a senior lecturer at the Massachusetts Institute of Technology. He is also founding chair of the Society for Organizational Learning (SoL), a global community of corporations, researchers, and consultants dedicated to the "interdependent development of people and their institutions."

His books and practice have been a significant source of inspiration for Col and Paul. *Presencing: Human Purpose and the Field of the Future* was a transformational text when they started working together in the early 2000s. *The Fifth Discipline* and its companion *Field Book* were also formative in introducing systems thinking.

The Society for Organizational Learning's (SoL) conferences and forums, typically hosted by Peter, were also a major context for learning and networking. In particular, global forums on Sustainability (Atlanta) and Bridging the Gulf (Oman) gave us experience and insight into the

way tools and frameworks like *World Café* and *Theory U* could be used effectively to help people think and act together.

PHILANTHROPY AUSTRALIA (PA)

The peak body for philanthropy in Australia, donkey wheel has appreciated support from, and partnership with, Philanthropy Australia including the collaborative effort to deliver introductory seminars on impact investing around the country. PA conferences have also been important 'tribal gatherings' for social change agents and funders.

There have been a couple of PA staff with whom we have enjoyed particularly helpful relationships. Kristian Seibert's policy expertise has made a great contribution to the sector and Sarah Davies' (see below) contribution as CEO from 2015–20 significantly energised the sector.

POLLY CALDOW

Polly was interim CEO at donkey wheel between when Fran Westmore managed the operations and when Paul Steele was appointed CEO. The three months Polly lead the organisation were challenging on multiple fronts; Polly's steady competent hand was an important contribution at a vulnerable time for the Foundation.

RIC BENJAMIN

CEO and Founder of GoodSystems (Australia). Ric was the driving force behind the Evolution of Streamlined into GoodSystems.

RISE (PACIFIC READINESS FOR INVESTMENT IN SOCIAL ENTERPRISE)

Pacific RISE, a program funded by the Australian Government's Department of Foreign Affairs and Trade (DFAT), was designed to pilot and facilitate a social impact market in the Pacific with the aim of delivering greater economic empowerment in the Pacific, particularly for women.

Pacific RISE operated across 14 Pacific Island countries and has a goal of attracting at least \$10million of new private investment into the Pacific by July 2021. Commencing in 2016, and extended in 2019 until July 2021, the initiative actively supported an investment portfolio that accessed a range of appropriate capital for Pacific SMEs and applied a gender lens across each investment.

TDi was a recipient of funds from the program supporting the work of TDi in the Pacific.

ROSEMARY ADDIS

Rosemary is a globally recognised director and strategist at the forefront of innovation and investment for impact. She co-founded Impact Investing Australia (see above) and served as Executive Chair until 2020.

Rosemary has been an ally in the ongoing work to advocate for impact investing in Australia.

SARAH DAVIES

'Passionate' is a word probably used too much in the not-for-profit sector, but if there is one person who deserves the word to be used in describing her, it is Sarah. She is an energetic and strategically focussed leader who has had a

significantly positive impact on the philanthropic sector in Australia since taking up the CEO role at Philanthropy Australia (see above) in 2015.

Sarah has been a friend and ally of donkey wheel's and, in recent times, was a significant support during our efforts to get traction with the **Keep the Lights On** campaign in 2020. She is currently CEO at the **Alanah and Madeline Foundation**.

SEFA

Social Enterprise Finance Australia partners with organisations and investors to unlock social impact.

SIDNEY MYER FUND

(See The Myer Family Office above)

SMALL GIANTS

Small Giants Academy is a media and education initiative dedicated to the transition to a more just and sustainable society. (Also see Danny Almagor and Berry Liberman)

SOCIAL TRADERS

Social Traders describe their vision as creating a thriving social enterprise sector that significantly contributes to a more inclusive and equitable Australia, and their mission is to work collaboratively to deeply integrate social enterprises into business and government supply chains.

Social Traders have made a substantial contribution to the procurement of social enterprise products and services by government and business.

SOCIAL VENTURES AUSTRALIA

Social Ventures Australia (SVA) is a not-for-profit organisation that works with partners to alleviate disadvantage – towards an Australia where all people and communities thrive. They aim to influence systems to deliver better social outcomes for people by learning about what works in communities, helping organisations be more effective, sharing our perspectives and advocating for change.

SPELD

donkey wheel is proud to have had SPELD as a tenant in donkey wheel house. SPELD Victoria describe their purpose as being to assist the estimated 5–10% of all Victorians with Specific Learning Difficulties to achieve their full learning potential. They achieve this through the provision of direct service delivery, information, advocacy and awareness raising amongst the wider Victorian community.

STEPHEN JOHNSTON

Stephen is a co-founder of Aging2.0, a global innovation platform for aging and senior care, founder of Fordcastle, an innovation consultancy, and a member of the Future Agenda, the world's largest open foresight initiative.

Stephen has been a valuable member of the team that has been planning for the **Better Ageing Lab**, and initiative of **Make it Better**.

STEPHEN SAID

Stephen has been a long-term friend of Paul and Col, with their paths crossing multiple times over the decades. In particular, he worked with them in Catalyst Innovations, an early 2000s initiative to cultivate social entrepreneurship.

TINA JENSSEN

Tina was a valued member of the donkey wheel team in period immediately following the purchase of 673 Bourke St, when we were transitioning from **Granter** to **Property Owner and Manager**.

WASAN ISLAND

Wasan Island holds an almost magical and certainly romantic, place in the consciousness of the participants of the inaugural **Make it Better Trip** to Canada in June 2019. donkey wheel (and **Paul** in particular) has harboured a long-term vision to run a dedicated retreat centre to complement the activities we host in donkey wheel house. While the idea has been brewing for many years, the reality of the philosophy and practice of Wasan Island have provided both impetus and inspiration.

Wasan Island has developed an important role in the social innovation ecosystem in Canada. Funded by the McConnell Foundation (see above) and two other foundations, the summer months witness a curated set of invitation-only gatherings where people come together to vision, problem solve and collaborate. Its secluded position and its expertly hosted environment combine to offer a special experience for those lucky enough to make the ferry trip.

WORLD VISION AUSTRALIA (WVA)

While not directly associated with the work of donkey wheel, World Vision Australia has been a formative organisation for **Paul** in particular, but also for **Col** and others in the donkey wheel ecosystem. For many years WVA played a dominant role in the social business environment in Victoria. Apart from its actual work, it became the place many professionals went in the transition from corporate life to using their professional skills to make the world better. WVA was big enough to have the infrastructure and specialisation to annex a broad range of contributions.

Paul was a senior executive at WVA and **World Vision International** from 2005–2010.

YGAP

YGAP works to advance global equity through inclusive entrepreneurship. **Kinfolk Café** was originally a project of YGAP.

YUMI

YuMi Tourism Partners is a joint venture between **The Difference Incubator**, Carnival Cruises and The Department of Foreign Affairs and Trade. YuMi was program to fast track the development of local tourism entrepreneurs and their access to customers and won a Shared Value Award in 2018.



GLOSSARY

BLACK SWAN

The black swan theory (or theory of black swan events) describes a surprising event that has a major effect, and is often inappropriately rationalised after the fact with the benefit of hindsight. The term is based on an ancient saying that presumed black swans did not exist—a saying that became reinterpreted to teach a different lesson after the first European encounter with them.

The theory was developed by Nassim Nicholas Taleb to explain:

- The disproportionate role of high-profile, hard-to-predict and rare events that are beyond the realm of normal expectations in history, science, finance and technology.
- The non-computability of the probability of consequential rare events using scientific methods (owing to the very nature of small probabilities). And,
- The psychological biases that blind people, both individually and collectively, to uncertainty and a rare event's massive role in historical affairs.

Taleb's blackswan theory refers only to unexpected events of large magnitude and consequence and their dominant role in history. Such events, considered extreme outliers, collectively play vastly larger roles than regular occurrences. More technically, in the scientific monograph "Silent Risk", Taleb mathematically defines the black swan problem as "stemming from the use of degenerate metaprobability".

Source: Wikipedia

BLENDED VALUE

We use 'blended value' to describe the interdependency of financial returns with social and/or environmental returns. In contrast to the idea that one is primary (as in 'financial first'), blended value holds both value contributions together.

Another term in more common usage that embodies similar ideas is 'shared value'. (See Shared Value Wards below)

BOTTOM OF THE PYRAMID

The term often used to describe the market economy in poor communities, most typically in populous and developing nations. This group is described on Wikipedia as the largest, but poorest socio-economic group. In global terms, this is the 2.7 billion people who live on less than \$2.50 a day.

BUSINESS MODEL CANVAS

A strategic management template used for developing new business models and documenting existing ones. It offers a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances, assisting businesses to align their activities by illustrating potential trade-offs.

The nine building blocks of the business model design template that came to be called the Business Model Canvas were initially proposed in 2005 by Alexander Osterwalder, based on his earlier work on business model ontology. Since the release of Osterwalder's work around 2008, new canvases for specific niches have appeared.

Source: Wikipedia

The Business Model Canvas became a key tool in **The Difference Incubator's** work with start-ups.

CHOCKIE SOLDIER

Joseph Rowntree Social Service Trust (the family behind Rowntree Chocolates) saw the gap in effective parliamentary oppositions and in order to improve the quality of parliamentary opposition, the Trust introduced a scheme for financing assistants ('Chocolate Soldiers') of leading front benchers in the House of Commons. Many Chocolate Soldiers later made a significant contribution in the public sphere. These roles eventually became seen as so valuable that they become government funded roles that in evolving forms still exist today as a critical part of parliament.

Source: Wikipedia

COMMUNIVERSITY

The term **Claire Brunner** used to describe her vision for donkey wheel house, meaning a place where difference makers would come to learn from each other, be inspired and engage in difference making with other likeminded and likehearted people.

DESIGN THINKING

Design thinking has a human-centered core. It encourages organisations to focus on the people they're creating for, leading to better products, services and internal processes. When you sit down to create a solution for a business need, the first question should always be: what's the human need behind it?

Source: ideou.com

Design thinking became increasingly important to donkey wheel as we turned our attention from business sustainability (where the key tool was the Business Model Canvas, see above) to designing for social impact.

ECOSYSTEM

A biological community of interacting organisms and their physical environment. In general use, it describes a complex network or interconnected system (Oxford Dictionary). We often use the term to describe the organisations and their relationships in a particular area.

ENGAGEMENT CONTINUUM

An adaption of Peter Senge et al's framework in *The Fifth Discipline Field Book* in the Shared Vision chapter. Col adapted the framework for his consulting work and has applied it extensively since then.

| TELL | SELL | TEST | CONSULT | CO-CREATE |
|---|---|--|--|---|
| The authority protocol is already established; "I've made the decision, this is what it is." | The decision is already made, but I know it won't get any traction until the stakeholders buy-in. "This is what's in it for you." | The decision is formulated, but it won't be signed off without an opportunity for stakeholders to give input and fine tune it. "What do you think about this?" | The decision is mine but we won't begin to formulate it until we've heard from stakeholders. We'll then go away and make a decision. | The decision is not mine, it's ours, and we will formulate it together. |
| Notes: <ol style="list-style-type: none"> 1. All of the above are about facilitating stakeholder ownership. 2. Each is legitimately used under certain circumstances. 3. Foundational question is: Who is accountable? Whose call is it? 4. Healthy stakeholder engagement is transparent about the mode and subsequent process. | | | | |

ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE)

Used by investors to describe the (non-financial) performance of a company. In the variety of taxonomies for responsible investing and impact investing, EGS investing is an entry level set of considerations that has increasingly broad acceptance among traditional fund managers and investors.

FIELD CATALYST

A category of field building intermediary as identified by Hussein, Plummer and Breen and described in their October 2017 article in the Stanford Social Innovation Review. Field building is the work to cultivate an environment that enables population-level social change. The work of a field catalyst complements the contribution of the other three roles as outlined in this table from the article.

| Four Types of Field-Building Intermediaries | | |
|---|--|---|
| TYPE | WHAT IT DOES | EXAMPLES |
| Field Catalyst | Deploys different capabilities, quietly influencing and augmenting the field's efforts to achieve population-level change | <ul style="list-style-type: none"> ■ Roll Back Malaria Partnership ■ Campaign for Tobacco-Free Kids ■ The National Campaign to Prevent Teen and Unplanned Pregnancy ■ Freedom to Marry ■ Community Solutions |
| Capability Specialist | Provides one supporting capability to the field | <ul style="list-style-type: none"> ■ Civitas Public Affairs ■ MDRC ■ NAACP Legal Defense and Education Fund |
| Evidence-Action Lab | Focuses on research and development, advising policy makers, and helping the field's practitioners learn, improve, and scale solutions | <ul style="list-style-type: none"> ■ Ariadne Labs ■ Character Lab ■ ChildObesity180 |
| Place-Based Backbone | Coordinates local and regional cross-sector stakeholders and supports them in collectively transforming a fragmented field | <ul style="list-style-type: none"> ■ Memphis Fast Forward ■ Chicago Jobs Council ■ StrivePartnership |

The Bridgespan Group has identified four types of field-building intermediary organizations, but we are beginning to discover other types that overlap with one or more of these four, yet have their own distinct characteristics.

We have self-identified as a field catalyst because of the strong correlation between the way we do our work and the contributions we make.

IMPACT INVESTING

Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.

Source: GIIN



IMPACT INVESTMENT READY GROWTH GRANT

This Grant Fund was launched in March 2015 and was designed by **The Difference Incubator** in partnership with the National Australia Bank. It was designed to holistically address market gaps for impact-driven businesses to raise the investment required to scale and grow. It provided grants of up to \$100,000 for the business, financial, legal or other capacity building support required for social enterprises to raise capital.

In the 2018 *Paving Pathways* Report which reviewed Growth Grant, it reported that the Growth Grant has deployed \$1.4m in grant funding, supporting 22 mission driven organisations. Eleven of these have successfully raised a cumulative \$40m in debt and equity.

Having deployed its initial capital, the fund was redesigned and now operates within the (Victorian) Department of Social Services as the Impact Investment Ready Growth Grant.

INTERMEDIARY

A person (or organisation) who acts as a link between people to try and bring about an agreement or achieve an agreed outcome.

JOBKEEPER

Part of the Australian Government's stimulus package, designed to help businesses affected by the COVID-19 pandemic, to cover the costs of their employees' wages so that more employees could retain their job and receive an income.

KEYNESIAN ECONOMICS

A macroeconomic economic theory of total spending in the economy and its effects on output, employment and inflation. Keynesian economics was developed by the British economist John Maynard Keynes during the 1930s to understand the Great Depression. Keynesian economics is considered a 'demand-side' theory that focuses on changes in the economy over the short term. Keynes' theory was the first to sharply separate the study of economic behaviour and markets based on individual incentives from the study of broad national economic aggregate variables and constructs.

Based on his theory, Keynes advocated for increased government expenditures and lower taxes to stimulate demand and pull the global economy out of the Depression. Subsequently, Keynesian economics refers to the concept that optimal economic performance could be achieved—and economic slumps prevented—by influencing aggregate demand through activist stabilisation and economic intervention policies by government.

Source: Investopedia

RESPONSIBLE INVESTING

Also known as sustainable or ethical investment, this is a broad-based approach to investing which factors in people, society and the environment, along with financial performance, when making and managing investments.

Source: Responsible Investment Association Australia

SHARED VALUE AWARDS

An initiative of the Shared Value Project which recognises those blazing a path towards (welcome) disruption, to improve the way we live, work and do business.

Source: Shared Value Project

SHAREHOLDER ACTIVISM

Using one's rights as a shareholder of a publicly-traded corporation to bring about change within or for the corporation.

Source: Investopedia

SOCIAL ENTERPRISE

Social enterprises are businesses that trade to intentionally tackle social problems, improve communities, provide people access to employment and training, or help the environment.

There are currently more than 3,500 social enterprises trading across metropolitan and regional Victoria employing an estimated 60,000 people and contributing \$5.2 billion to the Victorian economy.

In the Australian context, there is no legal structure called social enterprise, but the Victorian Government defines social enterprise as organisations that*:

- Are driven by a public or community cause, be it social, environmental, cultural or economic;
- Derive most of their income from trade, not donations or grants; and,
- Use the majority (at least 50%) of their profits to work towards their social mission.

*This definition is not universally accepted. At donkey wheel we think the third dot point is unhelpful.

Source: Business Victoria

donkey wheel and **TDi** have limited our use of the term in recent years. As the term became popular, its definition inevitably became contested. Some businesses who were trading conventional products and/or services and then giving away profits co-opted the term. In other contexts, the term was reserved for businesses seeking to employ people living with disadvantage. We are ambivalent about the term. Rather, we advocate for organisations that have positive social or environmental purposes at the core of a sustainable business model. We don't care if they are called social purpose businesses, social enterprises or whatever. Our hope is that all businesses evolve to recapture their original intent to add net value to the community. See **Business as a Force for Good**.

SOCIAL IMPACT BONDS (SIB)

A contract with the public sector or governing authority, whereby it pays for better social outcomes in certain areas and passes on the part of the savings achieved to investors. A social impact bond is not a bond, per se, since repayment and return on investment are contingent upon the achievement of desired social outcomes. If the objectives are not achieved, investors receive neither a return nor repayment of principal. SIBs derive their name from the fact that their investors are typically those who are interested in not just the financial return on their investment, but also in its social impact.

Source: Investopedia

SOCIAL INNOVATION/SOCIAL RESEARCH AND DEVELOPMENT

The development of new social practices that aim to meet social needs in a better way than the existing solutions, resulting from—for example—working conditions, education, community development or health. These ideas are created with the goal of extending and strengthening civil society. Social innovation includes the social *processes* of innovation, such as open source methods and techniques and the innovations which have a social purpose—like activism, virtual volunteering, microcredit or distance learning.

There are many definitions of social innovation, but they usually include the broad criteria about social objectives, social interaction between actors or actor diversity, social outputs, and innovativeness (the innovation should be at least 'new' to the beneficiaries it targets, but it does not have to be new to the world). Different definitions include different combinations and different numbers of these criteria (for e.g. the European Union is using the definition to stress social objectives and actors' interaction). Transformative social innovation not only introduces new approaches to seemingly intractable problems but is successful in changing the social institutions that created the problem in the first place.

donkey wheel uses the term to mean the design and implementation of solutions, that are novel or at least contain some sort of 'difference' than what has previously occurred. Innovation is in fact a 'different difference.' Innovation is not just coming up with a good idea, for us it includes a robust design process with a diverse group of people, prototyping and testing and refining, and measuring and monitoring the consequences of the innovation.

In the lead up to the 2019 Australian federal election, a **TACSI** (The Australian Centre for Social Innovation) led campaign to rally support for a Social Innovation Declaration struggled to get traction. The campaign soon realised that Social Research and Development seem to resonate with people. We also have adopted this term for certain conversations and refer more often to Social R&D in both business and government circles. But we still like (and maybe even prefer) the term Social Innovation.

Source: Wikipedia



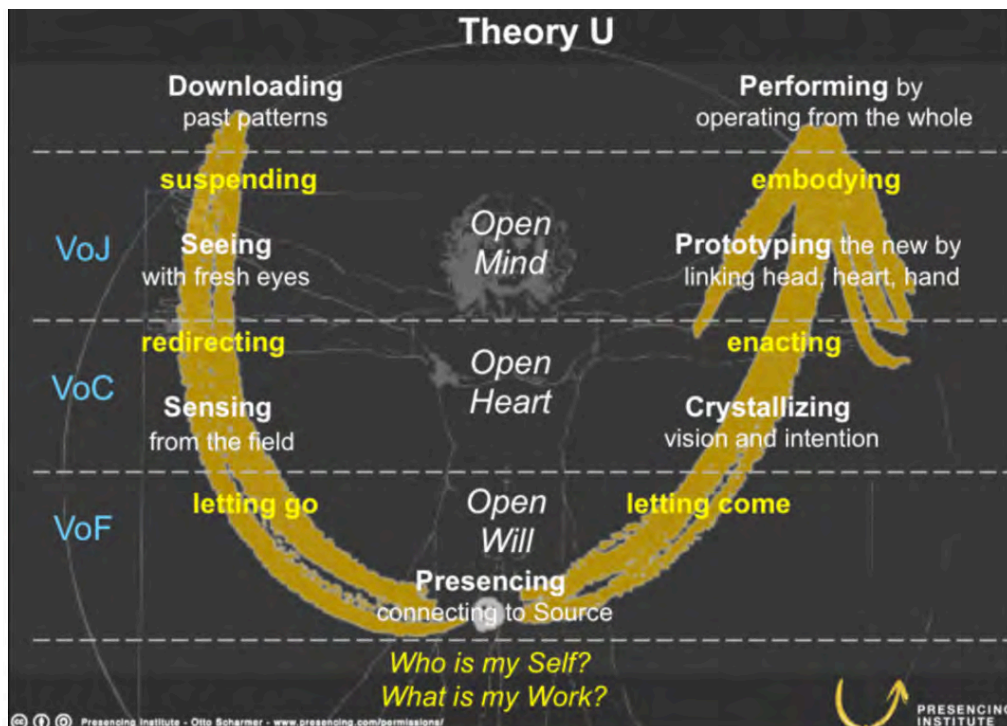
THEORY OF CHANGE

A comprehensive description and illustration of how and why a desired change is expected to happen in a particular context. It is focused on mapping out or filling in what has been described as the “missing middle” between what a program or change initiative does (its activities or interventions) and how these lead to desired goals being achieved. It does this by first identifying the desired long-term goals and then works back from these to identify all the conditions (outcomes) that must be in place (and how these related to one another causally) for the goals to occur.

Source: theoryofchange.org

THEORY U

A change management method and the title of a book by Otto Scharmer. Scharmer, with colleagues at MIT, conducted 150 interviews with entrepreneurs and innovators in science, business, and society and then extended the basic principles into a theory of learning and management, which he calls Theory U. The principles of Theory U are used to help political leaders, civil servants and managers break through past unproductive patterns of behaviour that prevent them from empathising with their clients' perspectives and often lock them into ineffective patterns of decision making.



Source: Wikipedia

Also see The Presencing Institute for more information.

TRAMPOLINE

Trampoline is a self-organising event for those who find the world interesting, have something to offer and share, and have an inquisitive mind.

Attendees are expected to come along with participation in mind and share what they find amazing to an audience that is up for cross disciplinary discussion.

Source: trampolineday.com

UNCONFERENCE

An unconference is a participant-driven meeting. This term has been applied, or self-applied, to a wide range of gatherings that try to avoid the hierarchical aspects of a conventional conference, such as sponsored presentations and top-down organisation.

Source: Wikipedia

ARTEFACTS

1. Extract from donkey wheel booklet, produced 2009. (Granter) - page 15, (donkey wheel house) - page 33-35
2. Maximising impact slide, circa 2007. (The Wheel) - page 23
3. Catalyst Innovations slide, 2005. (Business as a Force for Good) - page 31
4. Good Systems screen shots. (Good Systems) - page 42-43
5. Newspaper article on Ethical Property Australian and the Difference Incubator. (Ethical Property Australia) - page 59
6. The Difference incubator story graphic recording. (The Difference incubator) - page 80-81
7. Ethinvest Impact Spectrum. (Impact Investing: The basics) - page 88
8. The donkey wheel method, (Coach and Mentor) - page 111
9. Extract from donkey wheel strategic intent 2017. (Reset as field catalyst) - page 141
10. Donkey wheel theory of change whiteboard. (Reset as field catalyst) - page 142
11. Field catalyst table. (Field catalyst) - page 145
12. Better Ageing Lab graphic recording. (Systems Change and Attribution) - page 148-149
13. Geelong Advertiser article about Jobs and Food Recovery. (Jobs and Food Recovery) - page 192
14. Jobs and Food Rescue brochure. (Jobs and Food Recovery) - page 192
15. Keep the Lights On brochure. (Keep the Lights On) - page 194
16. Staff & Board Timelines. (Timelines) - page 220



EPILOGUE

WHAT HAPPENS NEXT?

The story goes on, past the end of March 2022 which we chose to as the finish line for this book. Already since then a few things have happened and are happening that will shape donkey wheel into the future.

1. The financial challenges associated with having so much of our resources invested in donkey wheel house and the other properties in the Ethical Property portfolio caught up with us during the pandemic. We are therefore liquidating the majority of our investments in Ethical Property, freeing up our capital for diversified impact investments.
2. The Make it Better project with its various gatherings is gaining momentum. One of the key gathering types that has emerged as key is multiday gatherings in an out-of-town location; gatherings that enable difference makers to connect with themselves, others and the environment while responding to real challenges and opportunities. To help facilitate these gatherings, we have purchased a property in Venus Bay which we anticipate will become a significant place for difference makers in the donkey wheel ecosystem and beyond.
3. Imagine Australia, our ambitious project to take the communiversity to the broad population, has been held back by the COVID-19 pandemic and related challenges. We do not know yet what it will take for this project to gain momentum and in what directions it will take, but we anticipate it being formative for the next season of our contribution.

We are grateful for the privilege of picking up the vision generated by the Brunner family, the original donkey wheelers. We are a small foundation, but are proud of our contribution to helping people “think different, act different and make a different difference” over the years. If this was the end, it would have been a journey worth taking. But it is not, and we have a hunch that the next acts in the donkey wheel story will build on these foundations for more and greater positive social change. We can't wait to meet the difference makers of the future who will make this happen.

