



Report 2019

Executive Summary

The Zero Carbon Challenge is one of Aotearoa's most successful early stage business support programmes, working towards creating low carbon sector economic development and a brighter, more vibrant, resilient, and liveable city.

The Zero Carbon Challenge is an eight week series of events including workshops, mentoring, community networking, and collaboration opportunities, as well as public launch and showcase events. The programme supports a cohort of teams to better understand the fundamentals of their business proposition, connect with mentors, advisors and partners, and grow their community to launch successful crowdfunding campaigns.

This provides early stage businesses the opportunity to scale up and thrive, meeting more customers' needs, and contributing to lower carbon emissions in the Wellington region. The Zero Carbon Challenge Partnership Fund then invites partners from across sectors in Wellington to support these businesses by contributing start-up funds.

In 2019, six businesses completed the challenge, covering areas as diverse as urban greening, waste diversion, yeast cultivation, and energy use in homes.

Thanks to Wellington City Council and other partners, a solid programme is in place to catalyse entrepreneurship in response to climate change. This initiative has potential for wide applicability across other cities in New Zealand as appetite grows for creative solutions to these issues.



Section 1 **Overview and Impact**

Overview of the problem, the vision, and the programme.



Section 2 **Our 2019 Teams**

Review and reflections from the 2019 delivery of the Zero Carbon Challenge in Wellington.

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Wellington City Council**

Me Heke Ki Pōneke

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Section 1

Overview and Impact

“Climate change is the challenge that defines my generation.”

Jacinda Ardern, Prime Minister of New Zealand



Over the last few years, the issue of climate change has reached the mainstream and the urgency has become more apparent. The declaration of an ‘ecological and climate emergency’ by the Wellington City Council and the 1500 submissions on the 2019 Climate Change Response (Zero Carbon) Amendment Bill reflect this change in consciousness. Significant global economic and cultural transformation will be required in our adaptation to this challenge, and one part of this is redefining the way we consume and spend, and using consumer power to effect change. Alongside this, there has also been a rise in popularity of social enterprises - ventures that prioritise impact as much or more than profit.

The Zero Carbon Challenge is a civic innovation accelerator co-designed by Wellington City Council (WCC) and Enspiral to promote zero carbon projects and deliver real-world projects and businesses to promote the zero carbon economy in Wellington. Wellington is traditionally a home of innovation, particularly in the low carbon and start up business areas. Over the last six years we have witnessed stronger and more impactful low carbon businesses as well as increased investment in these businesses.

This year, PledgeMe have stepped up to lead the delivery of the Zero Carbon Challenge and are committed to continue this high quality work. Their involvement in a programme delivery rather than contract capacity means that the crowdfunding aspect is introduced earlier and is an integral part of the workshops, which was a recommendation from the 2017 Challenge.

The Zero Carbon Challenge and The Zero Carbon Partnership Fund

The Zero Carbon Challenge is an eight week series of events including workshops, mentoring, community networking, and collaboration opportunities, as well as public launch and showcase events. The programme supports a cohort of teams to better understand the fundamentals of their business proposition, connect with mentors, advisors, and partners, and engage their community to launch successful crowdfunding campaigns.

The Zero Carbon Partnership Fund allows organisations in the city to match fund successful crowdfunding campaigns to add further momentum to ideas validated by a community.



The Zero Carbon Challenge Program and Zero Carbon Partnership Fund are solutions developed over six years in response to these key provocations:



How do we activate and support city-wide collaboration and funding towards climate change solutions?



How do we support innovators and entrepreneurs to build solutions that will make tangible impacts on our carbon use in cities?



How can cities like Wellington best seize the economic and cultural opportunities for innovation and new ideas in this time of global transition?



Impact

The Zero Carbon Challenge helps early stage founders and teams:

- Build a successful and impactful business through workshops and networking with experts
- Grow their crowd, find their audience and customers, and connect with mentors and champions
- Become well resourced through a crowdfunding campaign, stipend, and match funding

For Wellington, it helps build an ecosystem of businesses working on lowering emissions in the region through their work. This has a direct impact on the environment as customers begin to choose more sustainable options. It can also have the effect of inspiring other businesses, new or existing, to follow their path, creating a movement of impact-driven social enterprises being created and of traditional businesses making greener choices in order to compete.

Building a Successful and Impactful Business

Selected ventures receive tailored advice from experts throughout the eight week programme, in the form of formal workshops, informal support and mentoring, and a 'Dragon's Nest' pitch session.

Ventures helped co-design the workshops at the day-long hui at the start of the Challenge in order to determine the advice that would be most useful to each team.

Ventures are selected keeping in mind their business viability as well as the potential impact they will make on carbon emissions. Evaluating impact is a core part of the workshops.

Any participating team must fit one of four categories:



Transport



Energy



Waste
minimisation



Building
and housing



Growing a resilient ecosystem

Transitioning to a low-carbon economy requires interconnected solutions and visible, city-wide engagement on a cross section of issues.

One of the key factors in establishing a network of zero carbon businesses in Wellington is the creation of an ecosystem with input from stakeholders - community, business and government.

The innovative design of the Zero Carbon Challenge means that entrepreneurs are not simply exposed to experts from one company or even sector, but brings together mentors, funders and supporting organisations from across sectors. Teams can meet representatives from the marketing, accounting, social enterprise, start-up, and government sectors, to grow both their knowledge and their potential market.

This ecosystem helps the teams to thrive as well as contributing to the larger purpose of reducing carbon emissions. With the public also engaged via crowdfunding, this represents a city-wide collaborative movement.

The Zero Carbon Challenge is a major step on the Wellington low carbon focused innovation ladder. It offers a landing pad for established teams coming from start up weekends or hackathons like the Climathon or Vic Boot Camp - a place where they can further build and test their concept and importantly, source much-needed capital. It can also connect them with programmes to further their idea after the programme, such as the Callaghan Innovation C-prize and the Ākina Foundation's 9-Wire programme.

Resourcing & Scaling

One of the biggest roadblocks faced by all early stage venture is capital.

The Zero Carbon Challenge helps ventures gain access to start up capital - this has seen many teams upskill in confidence and capacity to the stage where they're able to launch or scale up their businesses.

Crowdfunding is a great way to validate an idea as well as generate some advance sales or other resources. The teams raised a total of \$71,399 through crowdfunding with PledgeMe.

At the conclusion of the programme and successful PledgeMe campaign, teams can qualify for 'match funding' from the ZCC Partnership Fund. This innovative part of the Zero Carbon Challenge means that resources are directed straight to the source and also that partners have an informal stake in the future of the emerging businesses. A total of \$65K was pledged and allocated from Partners to teams this year - the largest Partnership Fund to date.

In addition, all selected ventures receive a \$1,000 stipend to support their participation and build their capacity to run a successful crowdfunding campaign throughout the programme.

In total, in 2019 the Challenge leveraged a programme budget of \$55k and mobilised \$136,399 through partnerships and crowdfunding to directly grow the low carbon economy projects.



Programme timeline overview



Planning & partnerships

Setting up core partnerships, scope and timeline to ensure the challenge is successful.

Goals

- Initial core partnerships, scope and delivery resource confirmed
- Programme partners confirmed
- Delivery team confirmed and resourced
- Funding targets established and outreach for match funders begins
- Approx timelines and critical milestones established



Pre-programme

Key marketing and outreach activities to attract a cohort of teams and confirm funders.

Goals

- Bring together the community for a launch event
- Large diverse group of teams attracted to apply for the challenge
- Application and selection processes confirmed
- Extra funding partners confirmed, although generation of match funding commitments can continue throughout the programme



Programme delivery

This phase includes the core selection and delivery of the programme.

Goals

- Strong cohort of teams selected and engaged in the challenge
- Community, mentors, and supporting organisations effectively engaged in the programme
- Workshops designed and delivered to support the teams
- All teams successfully supported to launch crowdfunding campaigns



Crowdfunding

This phase includes the PledgeMe campaigns and match funding allocations.

Goals

- All teams run successful crowdfunding campaigns with strong community support
- Match funders allocate their funding to successful teams

Section 2

Our 2019 Teams



The Zero Carbon Challenge was launched in April 2019, with a new delivery partner in PledgeMe and after a rebrand with community partners Five and Dime.

This rebrand was to incorporate the new targets and language of 'Zero Carbon' as opposed to 'Low Carbon', which had been adopted by Wellington City Council and nationwide.

The applicants were wide ranging in stage, purpose and industry, but skewed towards waste diversion and the food and beverage sector this year.

A total of \$71,399 was raised from crowdfunding and a match fund of \$65K was distributed.

Snapshot of 2019



Overview

24 applications, 6 teams accepted, 15 people in the 2019 cohort



Events

10 events

3 public events (Launch, Dragon's Nest, Finale)

7 events just for teams (workshops and hui)



People

70 ppl at the Launch

30 ppl at the Dragon's Nest

100 ppl at the Finale

823 pledges across the 5 campaigns



Financials

\$50,000 programme delivery budget

\$65,000 in the Wellington Low Carbon Partnership Fund + 80 hours donated from PWC

\$71,399 raised by the crowd

Programme Delivery Partners

Wellington City Council, PledgeMe

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Wellington City Council
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Match Fund Sponsors

Wellington City Council, Meridian Energy, PWC, Callaghan Innovation

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke



meridian



CallaghanInnovation
New Zealand's Innovation Agency

Community Partners

In-kind sponsorship

Five + Dime, Enspiral, BNZ, Vodafone, Creative HQ, Double Vision Brewing, ThankYou Payroll, Biz Dojo, Wellington Chamber of Commerce, Mansion House Bay Wines, Tuatara Brewing, Taco Addicts, Regional Wine & Spirits

FIVE + DIME



CREATIVE HQ
ENTREPRENEURS ARE EVERYWHERE



High level budget breakdown

Programme income: \$55k

\$6k Events (Venues, Catering, photography)

\$35K Delivery (Delivery team, mentors)

\$6k Stipend

\$8k Operations (report, marketing, admin)

Match fund: \$60k

\$50k WCC

\$5k Callaghan Innovation

\$5k Meridian Energy

\$5k + 80 hours PWC

Team profiles

The 2019 programme supported six teams tackling a broad range of problems with their initiatives.



Froth Technologies

Froth Technologies has set up Aotearoa's first commercial yeast lab to make Kiwi craft beer the highest quality and most sustainable in the world.

Being a highly perishable product, liquid yeast requires expensive refrigerated air-freight, reducing quality and emitting carbon through freight costs.

Their packaging as low impact as possible - made from sugar cane, the bottles sequester more than twice their weight in CO₂ over the lifecycle of their production. They also use insulative boxes for keeping yeast cold during shipping, made from 97% sustainable paper, and 95-97% recyclable in kerbside recycling.

Team members
Simon and Ryan

Sector
Food & Beverage

Carbon Impact
Low carbon transport, low impact product design

Money raised
\$32,416

Pledgers
326



Growspace

Growspace helps more people grow food in Wellington, it wants to create a future where our city's empty spaces, balconies, and rooftops are teeming with edible gardens. The team have their eye on the big changes needed in our food system to make it sustainable at a community and global level. Through their research they have found a real interest in growing more food - at homes, flats, community accommodation and businesses - but also gaps in know-how and the challenges of Wellington's weather.

Growspace intend to develop a food garden at Sustainability Trust in the city. The garden will demonstrate not only what sort of edibles can be grown in Wellington but also the way in which local materials come together sustainably. They will also run workshops for a range of audiences and site-specific gardening advice to community housing groups and offer site-specific gardening - they've already hosted their first successful, sold-out workshop on 'no-dig' gardening.

Team members

Katherine, Caroline and Josie

Sector

Agriculture, Education

Carbon Impact

Urban gardening, green spaces, and local food production

Money raised

\$10,395

Pledgers

85



Reusabowl

They help tackle the plastic food packaging problem by creating a reusable takeaway container system to combat waste and champion the circular economy.

Avoidable waste is a worldwide issue. Eight million metric tonnes of plastic enter the ocean every year. People want to make better choices for themselves and for the planet, and Reusabowl make it easy. Their system works as follows: Purchase a takeaway meal at any participating shop and ask for a Reusabowl. Eat and enjoy, then return the container to a nearby collection point. The containers will be cleaned and sterilised so they can re-enter the system and live to see another takeaway.

Reusabowl is about collaboration and co-design. The team is testing the service and will launch pilot systems in Wellington with selected partners. Reusabowl is takeaway for the future. And that future is circular.

Team members

Sarah, Marine and Bobby

Sector

Food

Carbon Impact

Waste Diversion

Money raised

\$13,001

Pledgers

225



Tiny Plastic Factory

Plastic recycling is in crisis as more and more offshore centres are refusing New Zealand's waste.

While we work on using less plastic, New Zealanders need a local solution to our plastic recycling. Tiny Plastic Factory aims to reduce harm to the environment from plastic pollution, and lead the New Zealand plastics industry towards a more circular economy. They work with businesses to audit their plastic recycling systems, then collect and transport waste plastic back to their local facility by cargo bike. Once at their facility, plastic is processed into uniform-size pellets, and sold to NZ manufacturers in the quantity and timeframe that suits them, for a competitive price.

Team members
Darcy (founder);
Enosh, Hayden &
Jacob (volunteers)

Sector
Waste

Carbon Impact
Waste Diversion, low
carbon transport

Money raised
\$5,235

Pledgers
38



Whare Hauora

As New Zealanders, we know that our damp houses are making us sick. Respiratory illnesses are the third largest cause of death in New Zealand, causing 1/10 hospital stays and costing \$7 B/year to the healthcare system.

Whare Hauora has created Manawa: a smart home sensor kit and platform that measures the temperature and humidity of rooms in homes and tells you if your home is making your whānau sick. Whānau can gain insights into their health and wellbeing via notifications and a dashboard.

They did not complete the crowdfunding round as their campaign was geared towards community organisations purchasing large numbers of product to deliver both economy of scale and impact, and these organisations were not able to move quickly enough to pledge to their campaign.

Team members
Hiria (founder), Ant

Sector
Housing, Tech

Carbon Impact
Energy efficiency

Money raised
Not funded

They will still continue their work and have received support from PWC to help them refine their business model going forward.

Pledgers
38



Yum Jar

Yum Jar creates and delivers freshly made, healthy lunches from zero waste ingredients to Wellingtonians in reusable glass jars.

These are delivered by bicycle couriers NoCar Cargo to the CBD, so most of their deliveries are zero carbon as well as zero waste. The jars are picked up from their customers the next time they receive an order, returned to their kitchen, washed and sterilised for continuous reuse, creating a Zero Waste delivery system and cycle.

Yum Jar used this opportunity to grow their business and customer base, diverting more waste from landfill, as well as investing in an electric vehicle to use for deliveries.

Team members

Ottilie (founder)

Sector

Food

Carbon Impact

Waste diversion, low carbon transport, low impact food choices

Money raised

\$10,352

Pledgers

149

Team reflections

How likely is it that you would recommend the ZCC programme to a friend or colleague?
(1 not likely – 5 highly likely)

4.5

What did you love most about the programme?

*"It's like a fire being lit under the a** of your business!"*

"Meeting and connecting with like-minded people "

"The community, collaborative vibe"

What did you lack?

All participants mentioned not having enough time, whether that was with mentors, at workshops, for getting to know each other, or support after the programme ended.

"Guidance around measuring or minimising and communicating a business's carbon footprint."

"More self-care and work-life balance - the eternal struggle! "

What was the key thing you learnt?

"The power of a crowd (and the limitations of crowdfunding)"

"To not be afraid to ask for help!"

"We have an incredible community who can achieve amazing things' - 'networking can actually get you places"

Delivery team reflections

The 2019 Zero Carbon Challenge was delivered by Rebecca Stewart and Jess Ducey from PledgeMe. Advisory services were provided by Ants Cabraal from the Enspiral network, and Bart de Vries from Limber. All have experience building and supporting environmental and socially responsible business.



Rebecca
Stewart



Jess
Ducey



Bart
de Vries



Ants
Cabraal

Highlights

- The camaraderie between teams and the non-competitive nature of the programme - it was great to see teams supporting each other especially in the crowdfunding phase.
- One team split amicably during the programme when they realised they had different visions, but the collaborative culture of the programme meant that the offshoot team was able to continue participating in the workshops.
- Seeing how effective the programme was for some teams - the access to experts, seeing their thinking change, and for some, the confidence and validation that they were on the right track.
- Getting some new partners on board, and new ways of supporting the teams (e.g. 80 hours granted from PWC)
- Due to the work of the directors who had come before us, there were effective systems in place and a reputation of high quality work, making it easy to form new partnerships
- There is an established community of people in Wellington who are interested and engaged in social enterprise and climate change work, meaning that our events were always well-attended



Challenges

- An inherent challenge in the ZCC model is enlisting teams at different levels to go through the same series of workshops. We tried to structure the workshops so teams could take what they needed from them - but there is always the risk of boredom and/or leaving teams behind.
- Solo founders found it difficult to absorb the amount of work involved particularly if already trading.
- One team did not complete the crowdfunding campaign as the community organisations they were targeting were not able to move quickly enough to participate. As they are an existing business, they will still continue their work and found benefits from being a part of the ZCC.
- Balance between organic and flexible and structured - we wanted relationships to develop naturally, but needed more curating in the beginning

Contact information

Get in touch if you'd like to support a future challenge

✉ kiaora@zerocarbonchallenge.nz

🔗 zerocarbonchallenge.nz

f [facebook.com/ZCCwellington/](https://www.facebook.com/ZCCwellington/)

Credit

Photo of Jacinda Arden - Vogue

Daniela Fuenzalida photography

Recommendations

- The application process could require teams to submit a Social Lean canvas (even one that is reviewed and improved throughout the programme), and involve a face to face interview.
- Ensure teams know the requirements of the match funding process early on.
- The Hui was not deployed as effectively as it could have been - too information heavy and not giving the teams enough time to get to know each other personally and each others' businesses. Recommend asking teams to present their canvases at the Hui.
- Impact Evaluation should be a stand-alone session, and needs to go beyond 'why it's important' and 'how to design an evaluation', but a deep dive into measuring carbon impact.
- Slow down programme - longer breaks between workshops, more lead in time before it starts, scheduling workshops based on selected team availability, and longer workshops with more time for applying lessons.
- Structure could be changed to core and elective/tutorial classes (e.g. attend at least 6 out of 8) to better cater to different levels and existing skillsets - e.g storytelling core, then websites, socials, SEO, video, etc options.
- Matching mentors and teams for ongoing relationships rather than assuming these will emerge organically.
- Ideally there would be continuity in the relationships with partners, to ensure goodwill is built over the months or years between the challenges, rather than being picked up every time. This could also incorporate a formal link with Climathon and other related programmes.
- We have established an email address for the Challenge, as a way to hold communications as pick up on threads with funders.