



SUBMISSION TO THE JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS AND TRADE

Inquiry into the role of the private sector in
promoting economic growth and reducing poverty
in the Indo-Pacific region

AUSTRALIAN BUSINESS VOLUNTEERS

May 2014

Executive summary

Australian Business Volunteers (ABV) implements programs based on the belief that inclusive private sector development is an engine for economic growth that can alleviate poverty by contributing to job creation and higher incomes. To do so, ABV's programs are designed to strengthen businesses and their communities by:

- working directly to support private sector growth through small and medium enterprise development; and
- strengthening institutions in creating the conditions, regulatory frameworks and confidence of an enabling and inclusive business environment in which the private sector can thrive.

ABV delivers these programs through our expert volunteers who are either drawn from our register of business professionals or corporate volunteers. ABV is in the unique position of placing business professionals within small businesses, social enterprises, cooperatives and public institutions across the region. By supporting the growth of the private sector, ABV's programs are complimentary to the Australian Government's aid efforts related to economic growth, expanding trade, creating jobs, reducing economic insecurity and empowering women and girls.¹

In addition to the Australian Government, ABV partners have diversified over recent years to include international corporates. These partnerships bring an added dimension to the delivery of capacity building programs. Corporates are able to draw upon the complimentary skills, knowledge and perspectives of ABV as a not-for-profit with on the ground experience, and ABV is able to draw upon the resources of corporates who are often at the forefront of innovation in a particular field to help resolve critical and often difficult issues faced by communities.

ABV welcomes the Inquiry into the role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region and hopes this submission will be of value to the Joint Standing Committee on Foreign Affairs and Trade. This submission is largely focused on the approaches and programs of ABV.

Summary of submission

Role of the private sector in development

1. There is justification and a body of evidence which supports the role of inclusive private sector development within aid and more direct funding to support the private sector should be considered.
2. 1. ABV supports the Australian Government's increased overall focus on private sector development, recommending that initiatives foster inclusive and pro-poor participation in economic activity.
3. Aid programs should also include initiatives that strengthen government institutions and civil society organisations working to create a positive and inclusive business environment.

¹ Department of Foreign Affairs and Trade. 2014. *About Australia's Aid Program* [web page]. Available here <http://aid.dfat.gov.au/makediff/Pages/default.aspx> [last viewed 07/05/14].

4. Within these broader programs, capacity building initiatives can enhance the effectiveness of private sector development and business environment investments made by donor agencies, as well as directly support the growth of micro, small and medium businesses.

Inhibitors to the growth of the private sector

5. There are many factors inhibiting the growth of the private sector in the region.
6. ABV values macro-level initiatives, such as national level clusters being piloted by PIPSO, which tackle regulatory and governance impediments.
7. SME focused initiatives involving multi-stakeholders at the provincial and district levels can stimulate economic growth in low-income areas, which will have a multiplying effect on the wider community. This could be through business incubators or hubs to support localised and emerging industry.

Current Australian Government support

8. ABV is proud to be one of the agencies implementing the Australian Government's AVID Program, including the ability to support private sector development through the deployment of Australian business professionals on short-term capacity building and mentoring assignments. ABV supports the continued funding of the AVID program by the Australian Government and the increase of assignments focused on private-sector development and inclusive enabling business environments.
9. ABV would welcome the opportunity to support and participate in the forthcoming Pacific Business Fund.

Existing Indo-Pacific partnerships

10. Australian international development organisations, like ABV, have been and are continuing to support inclusive private sector development often through multi-stakeholder partnerships.
11. Initiatives of international development organisations in Australia, like those of ABV, may yield insight into additional partnerships, activities or financial instruments the Australian Government could fund, support or use.

Business engagement

12. Australian international development agencies, such as ABV, are interested in participating and supporting multi-stakeholder business engagement initiatives undertaken by the Australian Government.
13. Business engagement programs are enhanced if they are designed and implemented in partnership with civil society and government.
14. International employee volunteering programs have proved to be beneficial for all stakeholders involved.
15. The contributions made by professionals within Australia's business community to support development and inclusive growth in the region should be acknowledged by the Committee and more widely honoured.
16. Business professionals and employees from business engagement partners can play a valuable role in Australian Government business engagement initiatives.

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Introduction

Australian Business Volunteers (ABV) is a not-for-profit international development organisation that achieves its mission through volunteering. For over 30 years ABV has deployed professional business persons overseas, implementing capacity building projects designed and based on the belief that an inclusive private sector is an engine for economic growth that can alleviate poverty by contributing to job creation and higher incomes.

ABV has a long history of partnering with Asian and Pacific public institutions, businesses and civil society organisations to build the capacity of staff and strengthen institutions over time. Since 1981, ABV has completed over 5,000 development projects across 34 countries, with Papua New Guinea (PNG) being a long-standing country of focus. ABV is a global not-for-profit partner for corporate volunteering programs, which provide benefits to the organisation, the staff member and the beneficiary partner.

ABV believes it is well placed to share some key insights from this experience to the current inquiry into the role of the private sector in promoting economic growth and reducing poverty in the Indo-Pacific region.

1. Focus of submission

ABV's submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade (herein termed 'the Committee') seeks to encompass two concerns:

- Supporting the growth of the private sector in developing countries (herein termed 'private-sector development'); and
- Engagement with Australian and global businesses and business persons to support development and the alleviation of poverty (herein termed 'business engagement')

This submission is largely focused on the approaches and programs of ABV.

2. Background

ABV began in 1981 when the Australian Government sought to use the skills and experience of newly retired Australian executives to provide practical business advice and guidance to people in neighbouring countries. At the time, ABV was known as the Australian Executive Services Overseas Program (AESOP) and became Australian Business Volunteers in 2003, reflecting a focus on private sector development and attracting volunteers with extensive business acumen.

ABV works with its partners in Asia and the Pacific, where possible, to implement development programs over a sustained period of time. A range of multiple, short-term assignments deploying mature volunteers, usually one to three months in duration, are jointly scoped by ABV and in-country partners to develop capacity and address organisational needs. Follow-up volunteer assignments strengthen processes, policies and capabilities of organisations, thereby realising a cumulative impact over time. Partners include small businesses, social enterprises, not-for-profits and public institutions, all of whom contribute to private sector development.

Volunteers are drawn from ABV's database of pre-registered business professionals with a minimum of 10 years' experience at a mid or senior management level. Typically volunteers are at the height of their career or have recently retired or semi-retired, and many undertake multiple ABV assignments. Another recruitment stream is corporate sponsored volunteers who support ABV and partners through corporate social responsibility initiatives. Either way, volunteers are considered experts in their field who offer their time to support ABV's partners achieve sustainable outcomes.

2.1 ABV's programs

ABV's programs are designed to strengthen business and their communities by either working directly with the private sector through small and medium enterprise development or through strengthening institutions in creating the conditions, regulatory frameworks and confidence of an enabling and inclusive business environment in which the private sector can thrive.

Australian Volunteers for International Development

As part of the Australian Volunteers for International Development (AVID) program, ABV in partnership with Austraining International, mobilises short-term business volunteers to Asia and the Pacific. The AVID program is an Australian Government initiative, which through its aid program has supported Australians undertaking voluntary work in developing countries since the 1960s. ABV has been an implementation partner within Australian Government international volunteering initiatives since inception in 1981. During the 2012-13 financial year, ABV deployed 118 business professionals within the AVID program to 12 countries: Bangladesh, Cambodia, Fiji, Indonesia, Lao PDR, Papua New Guinea, Philippines, Solomon Islands, Thailand, Timor Leste, Vanuatu and Viet Nam.

IBM

ABV has been a proud implementation partner of IBM's corporate citizen programs since 2008, working with the IBM Foundation, IBM head-quarters in New York and local offices in Australia, New Zealand and Asia. During the 2012-13 financial year, ABV placed 101 IBM employees from around the world into 11 teams. These teams worked on projects for 32 different organisations across eight countries, including China, Indonesia, Malaysia, New Zealand, Philippines, Thailand and Viet Nam.

Institutional strengthening

ABV also partners with organisations in Asia and the Pacific directly to guide business strategy, strengthen policies and procedures and improve operations. Our partners have included PNG Ports, Vanuatu National Provident Fund, Arbitration Council Foundation (Cambodia), Securities and Exchange Commission of Cambodia, Oil Search Health Foundation (PNG), AAA Zenang Properties (PNG), iPi Group (PNG), Business Connexion (Angola) and others.

SME development and corporate governance

Finally, ABV delivers comprehensive SME development and corporate governance training courses. ABV's training programs are unique, in that they couple education with one-on-one mentoring by Australian business volunteers in the participants' workplaces. The result is not only valuable business know-how and expertise for those that participate, but also support and guidance to implement what is learned in their workplace. More than 30 entrepreneurial training courses have been delivered in Asia and the Pacific since 2004, involving more than 500 participants, in a program previously funded by the Australian Government. In addition, 24 governance training courses have been delivered in Tonga, Fiji, Solomon Islands, Vanuatu, Samoa and Papua New Guinea.

3. Private sector development

Assisting small businesses in developing communities to grow and employ more people has not only been rewarding for Australian business professionals, many of whom are small business owners themselves. Volunteers have also witnessed how stable work can be life-changing to families.

When a member of a poor household obtains employment or earns regular profits from a business endeavour it can be transformative. In more than four out of five instances, obtaining work lifts a household out of poverty.² Furthermore, research has also found that the private sector in developing countries creates 90 percent of all employment.³

When members of a community have an increase in earnings, this has a multiplier effect to others. As succinctly stated in an Australian Government information brief:

‘Research shows a 10 percent increase in per person income in low-income countries leads to 12.7 percent in tax revenue, and an 11 percent increase in health and education expenditure. An increase in the volume of trade by 10 percent can raise per person income by over five percent.’⁴

ABV directly supports the growth of small businesses, social enterprises, start-ups and entrepreneurs through our training programs and targeted volunteer placements. Yet this is not the entire focus of our programs.

Public institutions play an important role in creating the conditions, regulatory frameworks and confidence of an enabling and inclusive business environment in which the private sector can thrive. This not only includes providing access to business related infrastructure, services and governance, but also health services to enable business owners and employees to participate in work, as well as education and training to ensure people have the skills and knowledge to succeed.

ABV partners with underperforming public institutions in Asia and the Pacific that have a part in fostering enabling business environments. Through multi-year institutional strengthening programs, ABV mobilises experienced Australian public and private sector specialists to improve policies, procedures, operations and services of public institutions in our region, while concurrently building the capacity of locally-based public servants through collaboration, skills and knowledge transfer.

On the other hand, ABV is concerned that the benefits of economic growth be shared; that is to say pro-poor development outcomes need to be considered.⁵ Civil society in Asia and the Pacific plays an important role in advocating and fostering inclusive, pro-poor business environments. ABV partners with civil society organisations to support their efforts.

² Pfeiffermann, Guy. 2003 *Paths out of Poverty* as referenced within AusAID, 2012. *Sustainable Economic Development, Private Sector Development: Thematic Strategy August 2012*. Commonwealth of Australia, Canberra. Page 7.

³ AusAID. 2012. *Sustainable Economic Development, Private Sector Development: Thematic Strategy August 2012*. Commonwealth of Australia, Canberra. Page 7. Also:

Pfeiffermann, Guy. 2000. *Paths out of Poverty: the Role of Private Enterprise in Developing Countries* International Finance Corporation, Washington D.C. Commission on Growth and Development. 2008. *The Growth Report: Strategies for Sustained Growth and Inclusive Development*. World Bank, Washington.

⁴ AusAID. 2014. *Information Brief: Private Sector Development: Focus of Australian Aid February*. Canberra.

⁵ Kindornay, Shannon and Fraser Reilly-King. 2013. *Investing in the Business of Development: Bilateral Donor Approaches to Engaging the Private Sector*. The North-South Institute and Canadian Council for International Cooperation, Ottawa. Page iv.

3.1 Inhibitors to the growth of the private sector

There are many factors inhibiting the growth of the private sector in the region yet these impediments impact on businesses differently depending on their size and sector, as well as their position within the increasingly globalised nature of business value chains.

In the summer edition of ABV's *Perspective* newsletter, an article highlights the range of challenges faced by small businesses in the informal economy in Papua New Guinea.⁶ These include a lack of business knowledge and skills, unique social pressures and limited provision of vital infrastructure. Other barriers identified include safety concerns when rule of law is weak, and barriers that prevent members of the community from participating, such as women, minorities, and people with a disability. These barriers are equally as relevant to small businesses in other countries in the Pacific and low-income zones across the region.

Barriers for businesses within the formal sector include an ineffective government regulatory environment, administrative burdens and the growing globalisation of supply chains. For instance, a study has identified the problematic nature of globalised commodity systems on Pacific countries.⁷ International companies often set the conditions of exchange, placing demands on price, quality, packaging and delivery that pose challenges to smaller producers in the region who lack the skills, knowledge and capital.⁸ The study identified six barriers hindering Pacific-based businesses increasing their market share:

- Low skill base (technical and management)
- Low marketing levels and limited access to markets
- Lack of quality improvement processes
- Inefficient processes using outdated technology
- Lack of product development and use of design
- Access to finance for SMEs⁹

As a result of the study, the Pacific Islands Private Sector Organisation (PIPSO) in collaboration with the African Caribbean Pacific Business Climate Facility (BizClim) is soon to commence the 'Regional Cluster Initiative in the Pacific' project, targeting four Pacific Island countries – Papua New Guinea, Samoa, Tonga and Vanuatu. The initiative aims to improve business value chains through 'clusters'; the targeting of specific sectors at the national level to improve business policies, legislations, policies, information sharing, networking and capabilities.

The development of small businesses is vital to economic growth in the region, and in ABV's experience there is also an opportunity to engage local governments (at the provincial and district levels) and communities. Locally created economic growth will more likely have a multiplying effect on the home community, thus being sustainable while becoming increasingly competitive as economic activity grows.

⁶ Australian Business Volunteers 2013 *The Challenges for Small Business in the Informal Economy* in *Perspectives* Summer 2013. Canberra. Page 4–5. Available here <http://www.abv.org.au/publications/e-perspectives/> (last viewed 07/05/14).

⁷ Veisamasama, Gilbert and Peter Wilson 2012 *Building Better Value Supply Chain in the Pacific Region – Study BizClim* – Programme Management Unit, African Caribbean Pacific and PBLH International Consulting SPRL. Funded by European Union. Belgium. Page 7.

⁸ Veisamasama et al. Page 7.

⁹ Veisamasama et al. Page 8.

3.2 Current Australian Government support

As one of the implementing agencies within the AVID program, ABV wishes to highlight the support provided by ABV volunteers under the AVID program to private sector entities, public institutions and civil society organisations.

Within the AVID program, ABV mobilises Australian business professionals to assist small businesses throughout the Indo-Pacific region. For instance:

Australian business owner, Robert Hill, volunteered with ANJ Fish Supplies, a small family, female-run business in Alotau, Papua New Guinea. Robert helped the family develop a business plan, who have since accessed credit, installed freezers, purchased more stock from the local fishing community and employed a new staff member.

Lodge owner and solicitor, Australian Douglas Robbins is on assignment in Kavieng, Papua New Guinea, assisting a local family-owned lodge and restaurant to up-skill staff and improve services.

In June 2014, an ABV volunteer will work with a small timber business located in Honiara, Solomon Islands to advise and mentor owners on the best way to use off-cuts to create affordable furniture for the local community, and in doing so, generate new jobs.

ABV AVID volunteers have also helped to strengthen government institutions that play a role in fostering an enabling and inclusive business environment. For instance:

Procurement and contract manager, Jennifer Marshallsea, provided technical, mentoring and capacity development to two contract officers within the Public Works Department in Vanuatu, the public institution responsible for the rehabilitation and construction of roads, wharves, jetties, bridges and airfields. The institution was managing an increased load of internationally-sponsored infrastructure projects demanding high-level contract management and reporting.

The Milne Bay Provincial Health Authority in Papua New Guinea has benefitted from four volunteers over several years to strengthen internal processes, including financial management, monitoring and evaluation, and network and database administration.

Through the AVID program ABV volunteers have also assisted civil society organisations, both local and international, which advocate for and support social enterprises, community cooperatives, inclusive business environments and opportunities for marginalised groups to participate in the private sector. For instance:

From June 2014, ABV registered volunteers will travel and work with the National Federation of Cooperatives of Persons with Disability in the Philippines to strengthen their organisational OH&S and production processes. The association works with 14 cooperatives who employ 1,500 persons with disabilities nationwide to build furniture, with their largest contract being school chairs for the Department of Education.

Statistician, Dr Yvonne Pittelkow, volunteered with the Foundation for Rural Integrated Enterprises 'N' Development in Lautoka Fiji to assist in research methodology, collection and analysis concerning their livelihood programs in rural areas.

Long-time ABV volunteer, Elizabeth Taverner, is making preparations to volunteer at a University in Samarinda, East Kalimantan, to provide advice regarding curriculum on entrepreneurship.

In addition to this, ABV AVID volunteers also work with civil society organisations to create opportunities for women to become more active in the private sector.

Over several years, ABV volunteers have provided support to a UN Women's initiative in Port Moresby to take steps to make the city's markets safer for women and in turn, stimulate economic opportunities for the urban poor.

Finance expert, Julie Lowe, volunteered at a women's and children's legal aid organisation in Dili, Timor-Leste, improving their financial management processes and supporting the staff in their efforts to increase access to the justice system.

The Office of Development Effectiveness recently published the results of its evaluation of the AVID program and the management response published by the Department of Foreign Affairs and Trade (DFAT) stated that in the future:

*'The AVID program will increase the number of volunteers undertaking assignments aimed at promoting private sector development. The volunteers will work with local businesses and communities to ultimately increase incomes and opportunities for people in developing countries.'*¹⁰

ABV welcomes this response by the management of the AVID program. Similarly, ABV extends support to the Foreign Minister Julie Bishop's announcement in December 2013 of \$15 million over five years to the Pacific Business Fund to provide business advisory services to over 250 companies in the region.¹¹

3.3 ABV's Indo-Pacific partnerships and training programs

Along with mobilising highly-skilled volunteers within the AVID program, ABV partners directly with SMEs, government institutions and corporates to support private sector development, with Papua New Guinea being a long-standing country of focus. For instance:

ABV has recently announced a multi-year corporate institutional strengthening program with the Bank of Papua New Guinea. The program will support the Bank's corporate services department through the provision of Australian expert business volunteers. Each volunteer project, between two and four months in length, will provide targeted organisational development, skills transfer and mentoring. The Bank of Papua New Guinea is the central bank and prudential regulator for the country responsible for national monetary policy, financial regulation and prudential standards, an efficient national and international payments system, and the promotion of macro-economic stability and growth.

Other partnerships include:

- *A three year partnership with the Cambodian Ministry of Economic and Finance to assist in the establishment of the Securities Exchange Commission of Cambodia*

¹⁰ DFAT 2014. Management response. Commonwealth of Australia, January. Canberra. Office of Development Effectiveness, DFAT. Evaluation of the Australian Volunteers for International Development (AVID) program. January. Commonwealth of Australia. Canberra.

¹¹ Department of Foreign Affairs and Trade. 2013. Foreign Minister Visits Solomon Islands, Vanuatu and Nauru. [media release] 23 December. Available here <http://aid.dfat.gov.au/LatestNews/Pages/foreign-minister-visits-solomon-islands-vanuatu-and-nauru.aspx> [last viewed 08/05/14].

- *Organisational capacity development with PNG Ports over four years*
- *A ten year partnership with the Vanuatu National Provident Fund delivering organisation and financial capacity development; and*
- *Restructuring, banking reform and privatisation assistance to the Foreign Trade Bank of Cambodia over three-years.*

These partnerships have and continue to create stronger institutions, all of which play a role in inclusive, enabling business environments in the region.

ABV recently entered into a partnership with the East New Britain Provincial Government in Papua New Guinea which will support small and medium business development in the province. ABV volunteers will deliver the Your Entrepreneur Scheme (YES), a practical training course in small business management. A series of YES courses are planned over the next two years, funded by the Provincial Administration, with each course involving 15 small businesses. The course consists of five one-day educational workshops conducted over a four week period. One-on-one mentoring sessions occur in the participants' workplaces between workshops, to provide guidance on goal setting and strategies to consider specific to the business before the participants return to the next workshop. Each course covers the fundamentals of business planning, finance, people management and marketing.

ABV is also keen to engage in innovative approaches to directly support micro, small and medium sized businesses in the region. For example, establishing a business hub that provides space, resources and mentors to generate the growth and sustainability of a localised industry. Similar initiatives have supported start-ups and social entrepreneurs in Australia, within small business incubators. Australian volunteers could play a key mentoring role in such initiatives.

In scoping projects and local partners in Asia for IBM's international employee volunteering program, ABV has helped small businesses, social enterprises, cooperatives, civil society organisations and public and education institutions to receive pro-bono and skilled volunteering inputs from IBM staff and executives. For instance:

In February 2014, IBM employees from around the world travelled to Yogyakarta, Indonesia to provide IT, data management and marketing pro-bono services within a regional university, provincial tourism office and a civil society organisation focused on inclusion programs for people with a disability. The team comprised of staff from IBM offices in Mexico, Italy, Argentina, Hungary, USA, India, Austria, Spain and China, and were supported prior to departure and on-the-ground by staff from ABV.

In March 2014, six IBM corporate executives from Australia and the United States travelled to Makati City, Philippines to work with the city government to provide strategic advice on ways in which traffic flow could be improved in areas of the city.

Summary

1. There is justification and a body of evidence which supports the role of inclusive private sector development within aid and more direct funding to support the private sector should be considered.
2. Aid programs should include initiatives that strengthen government institutions and civil society organisations working to create a positive and inclusive business environment.
3. Within these broader programs, capacity building initiatives can enhance the effectiveness of private sector development and business environment investments made by donor agencies, as well as directly support the growth of micro, small and medium businesses.
4. There are many factors inhibiting the growth of the private sector in the region.
5. ABV values macro-level initiatives, such as national level clusters being piloted by PIPSO, which tackle regulatory and governance impediments.
6. SME focused initiatives involving multi-stakeholders at the provincial and district levels can stimulate economic growth in low-income areas, which will have a multiplying effect on the wider community. This could be through business incubators or hubs to support localised and emerging industry.
7. ABV is proud to be one of the agencies implementing the Australian Government's AVID program, including the ability to support private sector development through the deployment of Australian business professionals on short-term capacity building and mentoring assignments. ABV supports the continued funding of the AVID program by the Australian Government and the increase of assignments focused on private-sector development and inclusive enabling business environments.
8. ABV would welcome the opportunity to support and participate in the forthcoming Pacific Business Fund.
9. Australian international development organisations, like ABV, have been and are continuing to support inclusive private sector development often through multi-stakeholder partnerships.
10. Initiatives of international development organisations in Australia, like those of ABV, may yield insight into additional partnerships, activities or financial instruments the Australian Government could fund, support or use.

4. Business engagement

Australian and global businesses are increasingly engaged in the delivery of activities with social and economic benefits to communities in developing countries. Such activities are often seen as part of their business strategy for operating in a developing country, a corporate social responsibility (CSR) or sustainability initiative or leadership development. Increasingly the drivers are a combination of all three.

A study commissioned by the Australian Agency for International Development (AusAID) and conducted by Accenture and Business for Millennium Development (B4MD) in 2012, found that 93 percent of survey respondents (56 Australian business leaders) felt that their business was playing an important role in poverty alleviation.¹² The most effective activity being the generation of employment opportunities, although many leaders told of their company's health and education programs, infrastructure development, human rights and labour policies and effective supply chain practices.¹³ The most common stated driver for development activities targeting poverty alleviation was 'brand, trust and reputation'.¹⁴ ABV directs the Committee to consider this study in their deliberations.

The popularity of theories such as that of 'shared value' by Michael Porter and Mark Kramer are positive indications of a move towards businesses increasingly becoming important development actors in their own right.¹⁵ In the short term, however, business engagement programs will continue to be enhanced if they are designed and implemented in partnership with civil society and government.

The *Business in Development Study 2012* proposed six ways the Australian Government could engage with Australian businesses for development including:

1. Government capacity building
2. Physical infrastructure
3. Small and medium enterprise development
4. Education programs
5. Health programs
6. Microfinance programs¹⁶

ABV extends its support to such initiatives and advocates for the involvement of Australian international development agencies within such initiatives. In addition, altruistic business professionals, like the several hundred registered with ABV, or employees of an Australian government partner company can make a substantial contribution to multi-stakeholder business engagement initiatives.

¹² Ryan, Morgana, Shaun Richardson and Paul Voutier. 2012. *Business in Development Study 2012* Commissioned by the Australian Agency for International Development (AusAID) and conducted by Accenture and Business for Millennium Development. Page 9.

¹³ Ryan et al. Page 12.

¹⁴ Ryan et al. Page 9.

¹⁵ Porter, Michael and Mark Kramer. 2011. *Creating Shared Value* in *Harvard Business Review*. January-February. Boston.

¹⁶ Ryan et al. Page 63.

This submission makes reference to two other ways businesses are engaging in international development and inclusive growth. They include:

- International employee volunteering within CSR programs; and
- Professionals from small, medium and big business in Australia who individually volunteer their time.

4.1 International employee volunteering within CSR programs

International corporate volunteering provides an opportunity for businesses to mobilise the expertise of their staff to deliver international development outcomes.

ABV has been implementing corporate volunteering programs since 2008, developing collaborative partnerships between the business, in-country partners and ABV. Over six years, ABV has verified the positive community-level impacts from these programs, and has become an advocate for international employee volunteering globally. Civil society organisations implementing international corporate volunteering programs in partnership with corporates play an important role in maximising benefits to communities.

Nonetheless, there are advantages for all stakeholders involved in these programs. For instance:

- In-country partners such as local governments, small businesses, education institutions and civil society organisations receive pro bono support and training, resulting in better internal processes and performance outcomes, along with global networks.
- Employees develop professional and personal leadership skills, gain practical learning experiences, build confidence, exhibit greater job satisfaction and have a better connection to, and engagement with, their employer.
- The business gains insights into emerging economies within which they work and an understanding of how to do business in culturally diverse markets. They are able to make a positive impact in communities and engage their staff in leadership and teamwork development.
- Civil society organisations, such as ABV, are able to achieve their mission and share experiences and knowledge of the development needs in the region. Such partnerships enable organisations to diversify their funding streams.

4.2 Business professionals

Australian business professionals are at the heart of ABV, volunteering their time, many of whom are or were formerly (prior to retirement) business owners, senior managers, executives or consultants themselves. This contribution from the Australian business sector should be acknowledged. For instance:

Sue Ward has more than 25 years' experience in education, finance training and banking in the Pacific, including positions within the Reserve Bank of Fiji and the Bank of PNG, as well as five years' as senior officer at the Reserve Bank of Australia. Her responsibilities have included setting up a new human resources department following a bank-wide restructure, as well as creating comprehensive performance management systems. She has been a governance trainer for ABV in Samoa, Cook

Islands, PNG, Tonga, Vanuatu and Kiribati. In addition, she has undertaken 16 AVID and partnership assignments over 13 years within such institutions as the Foreign Trade Bank of Cambodia, Fiji Development Bank and the Central Bank of Samoa.

Peter Snelson has over three decades of professional experience in the design, implementation and management of vocational training and higher education courses, particularly within the tourism and hospitality sectors. Peter has worked in 14 countries in senior roles. As a consultant, Peter has completed training needs assessments and institutional strengthening projects within the region, and has negotiated workplace training agreements for many corporates and bodies, including Ansett, American Express, Melbourne Parks and Waterways and Parks Victoria. Peter is currently on an AVID assignment in Indonesia. Working within a hospitality and cruise ship training centre in Bali, Peter is providing strategic advice on ways to improve the education and training programs and identify staff training needs. He will spend two months in Bali, supporting his counterpart, the Vice Director and Director of Studies within the training centre.

Summary

11. Australian international development agencies, such as ABV, are interested in participating and supporting multi-stakeholder business engagement initiatives undertaken by the Australian Government.
12. Business engagement programs are enhanced if they are designed and implemented in partnership with civil society and government.
13. International employee volunteering programs have proved to be beneficial for all stakeholders involved.
14. The contributions made by professionals within Australia's business community to support development and inclusive growth in the region should be acknowledged by the Committee and more widely honoured.
15. Business professionals and employees from business engagement partners can play a valuable role in Australian Government business engagement initiatives.