



Senate Finance and Public Administration Committee

Submission to Inquiry into the appropriateness and effectiveness of the objectives, design, implementation and evaluation of the Community Development Program

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I welcome the opportunity to contribute to this inquiry.

I founded Enterprise Learning Projects (ELP) in 2010 to create opportunities for Aboriginal people living in remote Australia to achieve their aspirations for economic participation. ELP exists to foster and support grassroots micro business development in remote Aboriginal communities throughout Australia in order to address the extreme economic exclusion experienced by Aboriginal people, and to enable non-Indigenous Australians to connect with and share in Australia's many Aboriginal cultures.

This submission draws on the success of ELP's work to unleash the entrepreneurship of remote communities. Fundamental to this success is an understanding developed over the past decade of the underlying causes of economic exclusion faced by Aboriginal people living in remote communities, and to use these insights to champion a more inclusive economic paradigm.

In this submission I will share my views on the following points:

- the nature and underlying causes of joblessness in remote communities;
- the ability of the CDP to provide long-term solutions to joblessness, and to achieve social, economic and cultural outcomes that meet the needs and aspirations of remote Indigenous people;
- alternative approaches to addressing joblessness and community development in remote Indigenous communities

I am available to be contacted to provide further information to the Inquiry.

### **1) The nature and underlying causes of joblessness in remote communities;**

For many Aboriginal people living in remote Australia, the western market economy is a foreign economic system – one introduced relatively recently, and vastly different to a system that prospered over tens of thousands of years. Many people have not had the opportunity to learn how to navigate this new system effectively and it has left them shut out, unable to participate in ways they deeply desire. Many people have ideas and aspirations for engagement in the economy, they simply don't know how to progress them.

### **2) The ability of the CDP to provide long-term solutions to joblessness, and to achieve social, economic and cultural outcomes that meet the needs and aspirations of remote Indigenous people;**

CDP is not structured to equip people with the knowledge, skills, confidence and networks to navigate the economy and achieve positive social, economic and cultural outcomes.

It simply drops them into an unfamiliar environment with no survival kit. Under CDP, people must turn up to designated 'work like activities' for 25 hours per week, be physically sighted and their attendance monitored. These 'Work for the dole' requirements preclude individuals pursuing enterprise and self employment opportunities as an 'approved activity' – concepts far better suited to remote communities. This effectively traps people into a situation where they are resigned to participate in whatever activities they are assigned to, with no opportunity to build capacity to pursue alternative pathways to economic participation. It does nothing to empower them for self reliance and economic independence.

### **3) Alternative approaches to addressing joblessness and community development in remote Indigenous communities**

An alternative approach to addressing joblessness and community development in remote communities is to invest in the co-design and facilitation of inclusive, creative and sustainable enterprise-based initiatives that support family and community goals.

I would like to briefly outline the model and approach that ELP has been developing and refining over the last seven years.

Adopting an action learning approach, we started with the questions:

'What support do individuals in remote communities need in order to achieve their aspirations for economic participation?'

'What opportunities and experiences are required for the building of skills, knowledge, confidence and networks to enable full participation in the economy?'

'What is required in the broader ecosystem to support entrepreneurial activity and individual and collective enterprise aspirations?'

Through enterprise partnerships with a diverse number of remote communities, we co-created, with those communities, a methodology to support grassroots enterprise development in remote Australia.

- **Foundations of an enterprise development approach**

The key foundations for a sustainable enterprise approach to addressing joblessness are:

- I. **Investing in individuals:** Access to capacity building opportunities provided by a network of trained enterprise facilitators. Enterprise facilitators design and facilitate learning experiences to support to enable people to build the skills, knowledge and confidence required to engage in the economy through enterprise. This includes governance and decision-making, financial literacy, creative thinking and problem solving, and the confidence to explore opportunities and take measured business risks.
- II. **Investing in an enabling ecosystem:** Develop a supportive entrepreneurial ecosystem within communities and regions to enable emerging entrepreneurs access to appropriate business support infrastructure. This includes relevant networks, information, markets, finance and financial management support, physical spaces and technology.
- III. **A long term approach:** Commit to journeying with individuals and communities as they embark on the process of business development. ELP work's hard to resource each step along the way, so they can be confident they have the support they will need.

- **Five stages of enterprise facilitation in a remote context**

ELP's grassroots enterprise facilitation approach builds economic agency and fosters local economies, resulting in improved wellbeing and brighter futures for residents of remote Aboriginal communities. There are five distinct stages in our approach:

Discover – Dream – Explore – Develop - Grow

Throughout these five stages, community members build the skills, knowledge, networks and confidence to launch and sustain viable businesses.

During the discover stage, ELP showcases the many possibilities that can be generated through enterprise. This enables individuals to deepen their understanding of enterprise as a pathway to economic empowerment.

The dreaming stage creates spaces for people to reflect on individual and community aspirations, and explore how enterprise can be a vehicle to achieve these.

The explore stage focuses on understanding and testing enterprise feasibility and involves hands-on experimentation and market research.

The develop stage involves the formalisation of a business entity, the establishment of relevant business administration systems and a revenue model to ensure sustainability

The grow stage supports the business to identify opportunities for expanding the business.

- **The principles for effective enterprise facilitation**

The principles underpinning an inclusive, grassroots approach to enterprise development include:

- The ideas and aspirations of local people form the starting point
- Community members make and own decisions
- Start small and grow
- Build on assets
- People learn as they go
- Low start-up costs
- Rapid prototyping for practical and early learning

- **Cultivating the entrepreneurial ecosystem**

Ecosystems are critical to fostering entrepreneurship and equipping people to create thriving local economies. A key component of a new approach to economic development is the cultivation of an entrepreneurial ecosystem to drive new and sustainable opportunities for Aboriginal people living in remote Australia.

This essential support infrastructure includes:

- Access to markets
- Finance
- Market knowledge
- Networks/collaborators
- Skill development opportunities
- Physical infrastructure
- Business support services

- I. Access to finance

Access to finance is fundamental in the business startup phase and can often be a significant barrier to Aboriginal people.

ELP provides support to access 'proof of concept' funding, seed funding, start up capital and growth funding from a variety of sources including:

- Crowd funding
- Self generated funding through popup ventures. i.e. Op Shops
- Corporate partnerships

- Grants
- Philanthropy

## II. Market knowledge

Supporting individuals and communities to:

- Identify and uncover market opportunities
- Understand market trends
- Identify key market segments

## III. Networks/collaborators

Fostering a diverse range of mentor and support relationships including:

- Connections to industry mentors and peak bodies
- Collaborations with designers/entrepreneurs/established businesses
- Accountants and book-keepers
- Pro-bono legal support

## IV. Skill development opportunities

Providing and brokering opportunities for skill development across a diverse range of areas including:

- Product development
- Financial Management
- Problem solving and creative thinking skills
- Governance support and training
- Brand development and social media

## V. Physical infrastructure

Investment in critical infrastructure such as:

- Access to the internet
- Secure places to store materials
- Work spaces
- Access to childcare services

### ▪ **ELP case studies**

#### I. Gulbarn Tea

Gulbarn Tea is an emerging enterprise in Minyerri (NT) that highlights the potential for job creation through the community-driven commercialisation of native bush foods and botanicals. More information

#### II. Magpie Goose

Magpie Goose is an emerging fashion label highlighting the market demand for Indigenous designed and printed textiles in the medium of clothes.

### ▪ **Recommendations**

1. **Invest in enterprise:** Foster enterprise and self-employment through enterprise facilitation and capacity building – it won't happen without this pre-market initial investment
2. **Invest in enterprise (physical) infrastructure:** Create physical enterprise hubs in communities equipped to provide access to necessary support services
3. **Invest in the development and cultivation of the entrepreneurial ecosystem in remote Australia:** Provide incentives and support for organisations to work together to resource, support and foster enterprise development, at all stages of the pipeline
4. **Offer flexible reporting obligations for jobseekers engaged in enterprise development:** Consider suspension of income reporting requirements for the first two years of business development for jobseekers engaged in an approved enterprise development initiative. Having a 'reporting holiday' could help to mitigate the potential of current welfare recipients accumulating a centrelink debt as they start to earn self generated income.
5. **Support for and education on how small business interacts with Centrelink payments:** More transparency and support for people seeking to transition away from centrelink payments to income generation through self-employment. Reporting income generated through an ABN is more complex than reporting income received through employment. This is because there are business expenses incurred in the generation of this income. It is also a complex environment to navigate as people have participation reporting requirements to their assigned CDP provider.

The idea of self employment (earning income through an ABN) is still quite novel in remote communities and to my knowledge there are no resources to equip emerging or aspiring entrepreneurs with knowledge of how to report earned business income.

## Conclusion

CDP is a limited model that cannot foster sustainable economic independence for Aboriginal people living in remote Australia. Because CDP does not embrace enterprise, it cannot empower Aboriginal people in remote Australia to explore and develop their ideas. ELP has demonstrated a successful enterprise model that has exposed hundreds of Aboriginal people to enterprise learning opportunities, and generated income for people – through bush foods, traditional medicines, art, storytelling, and harnessing cultural assets - while continuing to live on their traditional lands.

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