

# Submission by the Australian Centre for Rural Entrepreneurship (ACRE) – A stronger more diverse and independent community sector

November 7

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## **1. Giving the sector the voice and respect it deserves through a meaningful working partnership**

1.1 What would a partnership between CSOs and the government that achieves outcomes for Australians being supported by the community sector look like?

Supporting social entrepreneurship to build new localised economies that agile, resilient, inclusive and enterprising.

These answers reflect the Australian Centre for Rural Entrepreneurship's last 15 years of experience working with rural communities here and internationally to build economic, social and cultural/creative capital through unlocking the power of entrepreneurship and social enterprise to solve local issues and create new opportunities. Of the 100 rural communities we have studied globally who have transformed themselves from being in severe decline to now thriving, community-led rejuvenation has been key. Supporting communities to develop the knowledge, networks and knowhow to build a localised ecosystem for entrepreneurial support is essential and social enterprise is the single most effective vehicle worldwide for embedding and accelerating this new culture.

It is critical that government plays an enabling role through supporting local leadership and talent to start projects that unlock assets, insights and capital towards solving complex problems. The best way government can do this is through backing communities prepared to invest time and money in the priorities they identify. When these initiatives develop a social enterprise business model they become sustainable when mature, also providing a local anchor for more self sustaining projects to germinate. Before long there's a brand new culture of 'can do', especially if we start developing enterprise capabilities in primary and secondary students.

Structural issues impacting government effectiveness

At the same time government needs to recognise that it has structural issues preventing its effectiveness. These include:

- High levels of political interference and changing government directions/priorities
- Deeply siloed departments and programs
- Continuous staff movement combined with low subject knowledge and experience
- Short term programs which hardly warrant engagement (by overstretched and already burnout local community leaders)

- Well meaning top-down policy/program implementation often with numerous unintended negative consequences the further these programs are rolled out (rural/remote) from the large urban centres.
- A lack of trust/clarity/follow-through/continuity with public servants who often lack basic subject literacy in the areas they're responsible for.
- Government is effective dealing with complicated issues with a know solution, however is struggling to deal with complex problems which require multiple actors across sectors coming together of their own free will to often tackle multiple solutions simultaneously.
- Government approaches are by and large linear, with predetermined inputs, activities and expected outcomes. They do not support agile systems level thinking or leadership which requires a far more iterative approach to co-design, insight gathering and collaborative practice at a community level. The most effective rural leaders recognise that we live an interrelated and interdependent life across all areas of community. Singular approaches simply don't make sense and most often cause local conflicts/jealousy through there inadvertently being winners and losers.

#### How working with intermediaries could make government exponentially more effective

One solution is for Government to consider supporting intermediary organisations (organisations with specialist knowledge, networks and knowhow in a particular field with a demonstrated track record who are trusted by community, play a conduit role between government policy directions and meaningful and effective service delivery on the ground. In places like Canada and Scotland, intermediary organisations provide high quality service delivery and the continuity required to build the long-term partnerships and trust required to genuinely deal with complex interrelated problems in place. The most effective intermediaries work in collaboration with communities to provide a “no wrong door” approach to service delivery and through building insights and assets over time, can work to alleviate entrenched disadvantage, especially in place.

Research undertaken by [REDACTED], commissioned by the Paul Ramsay foundations illustrates that eco-system-building intermediary organisations have a valuable role to play in helping address cycles of disadvantage in Australia. Generating deep, durable, and sustained reductions in disadvantage requires disrupting and changing the (eco) systems that hold disadvantage in place, and often may even reproduce that disadvantage. Australian social innovators focused on breaking the cycle of disadvantage must develop, manage, and adapt longer-term, comprehensive and tailored strategies to diverse experiences of poverty. These organisations provide institutions and networks in a given field (e.g., education, mental health, employment) with a variety of supports to “boost” individuals’ and communities’ collective performance and impact.

#### The role of Government Guides

Believe it or not most community members don't care which department or level of government public servants work for, they just want to talk to someone who can help, point them in the right direction or if not, be told quickly, there is no help and don't waste your time!!!!

However the introduction of Government Guides as regional navigators (in place) could be effective way of building trust and continuity with communities. By way of example The Highlands and Islands

Enterprise (HIE) organisation from Scotland, is a government agency with over 55 years experience and expertise in rural rejuvenation, who employs guides/place managers.

A key ingredient to HIE's success is highly skilled employees who live and work in the communities they serve. As trusted community members, HIE's workforce provides advice and support across economic, community and cultural/creative projects.

This Guide Role making navigating government easier for community organisations. The way it could do this is to employ public servants who become guides. The guides role is to support ideas and projects so that they can engage successfully with government regardless of the nature or stage of the idea. They could:

- Provide small grants which support an idea or project to articulate the problem or opportunity including proposed approach, team involved and their skills as well as financial and in-kind commitment
- From there the guide would navigate and seek intelligence on the likelihood of the idea being supported, under what circumstances etc
- With the guide in place, ideas can flow from community and government could provide capacity building support to ideas and groups who over time develop the knowledge and knowhow to solve issues in their communities or create new opportunities
- Guides manage the relationship and provide feedback across government departments and communities projects/teams
- The Guides actively support the capability and capacity building of community projects and their teams including funding and grants to progress and build.
- Guides work closely with intermediaries to co-design programs and to build support and advocacy for government priorities being delivered etc

Many of these insights and others are captured in the attached report titled Regenerating Rural communities through activating local and social entrepreneurship. This report synthesises the finding from the Inaugural Social Enterprise Rural Symposium, a 5-day study experience in the Highlands and Islands of Scotland and the Outer Hebrides with 50 of the world's leading policy makers and practitioners focussed on rural rejuvenation, held in 2018.

In 2022, there was a follow-up event named the Social Enterprise World Forum – Rural Gathering. Once again, this event brought 50 of the worlds leading policy makers and practitioners to Beechworth in North east Victoria to share knowledge, networks and knowhow on community-led rejuvenation through social enterprise development.

[Rural Gathering 2022 - North East Victoria](#)

1.2 How can CSOs and government streamline the sharing of information, particularly through utilising technology to effectively engage, distribute, share, influence and inform in a timely and efficient manner?

In rural, by working with sector intermediaries who are trusted by communities and who are already connected to the organisations and services and their effectiveness on the ground. Their networks should form a primary source of information exchange and effective feedback loops with

government. Working with intermediaries ensures that resources and information is trusted, relevant and light on political interference.

1.3 How can government ensure the community sector, including service users and those not able to access services, have an opportunity to contribute to program design without imposing significant burdens?

Once again through identifying sector or geography based intermediaries at a local or regional 'place' level.

Also, government needs to consider financial remuneration for the valuable time and input of community organisations and intended beneficiaries to contribute to program design. There also needs to be feedback loops in place that connects the inputs provided, with how it has been translated through to policy and service delivery. That way trust and engagement builds over time. People are generally exhausted by "tick the box" engagement processes.

## **2. Providing grants that reflect the real cost of delivering quality services**

2.1 What would adequate and flexible funding look like?

Flexible funding would mean that there is a relationship built between the funder and funded as a pre-requisite to co-designing flexible and adequate funding. That way there is a clear understanding upfront around the role that each can play in delivering or solving an issue the government sees as important. Expected outcomes and timeframes need to be calibrated for communities that experience a lack of local expertise, poor digital connectivity, long distances to travel and the costs associated in relation to time, accommodation and fuel.

Government should adopt 'trust-based philanthropy' approaches that recognise the real costs of operating a highly skilled staff team including recruiting, training and retaining quality staff.

The cost of reporting and evaluation should be in addition to a grant that considers a time frame in rural communities of no less than 5 years. Most CSO's can't recruit key leaders as the terms of any contract are inadequate in terms of remuneration and timelines. There is a dramatic difference in the quality of application between a two year contract (no one would consider relocating for a job) to 5 years or ongoing where relocation to a rural community becomes a real option!!

2.2 What administrative and overhead costs are not being considered in current grant funding?

There is rarely an adequate allocation of resources for partnership development, bringing prospective organisations to the table to join resources and approaches. There are winners and losers which creates jealousy and suspicion amongst providers which in usual circumstances would agree on most things, particularly in place-based.

Accommodation and travel contribute significant amounts, along with the time taken to carry out. Often rural based organisations are not considered for funding because the outputs are lower, in

terms of participant numbers, contributing to the perception of less value versus a proposal from a highly populated area.

Associated costs of reporting and building proposals are often not considered, which can be significant with human resources.

2.3 How are rising operational costs impacting the delivery of community services?

Less services offered despite rising demand.

2.4 What have been your experiences with, and reflections on, the supplementation and change to indexation?

2.5 How can CSOs and the department work together to determine where funds are needed most to ensure equitable and responsive distribution of funds?

We are yet to provide capacity building support for rural communities to self-determine their future in action oriented ways that intersect with the knowledge, networks and knowhow to drive change. Government should go where the energy is through investing in an Action Learning Lab - Centre of Excellence focussed on social entrepreneurship, community-led rejuvenation and leadership for systems level change. Without learning related to these underrepresented areas, we will continue to see communities present with dependency style behaviours which necessitate government solving problems for and not with communities.

ACRE has a centre already up and running through it's leadership of the local buy-back of the Old Beechworth Gaol, the largest (unsupported) local buyback in the world in 2017. The site boasts 35,000 cultural visitors per year, and an international reputation for driving local and social entrepreneurship. Last year ACRE won the Australian Rural Education Award for Innovation having over 26,000 students participating in its Social Enterprise Schools program.

[ACRE and the Old Beechworth Gaol](#)

2.6 How can government streamline reporting requirements, including across multiple grants, to reduce administrative burden on CSOs?

Work with key intermediaries trusted by communities. In doing so, develop trust through active feedback loops where recipient organisations feel safe to participate in activities that ideate and achieve real change over time.

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### **3. Providing longer grant agreement terms**

3.1 What length grant agreements are CSOs seeking to provide certainty and stability for ongoing service delivery?

Ten year grant agreements (with review points) enable collective impact approaches to deliver impact at a systems level. Bridgespan Collective Impact research suggests it takes a minimum of seven years to start to see embedded changes at a systems level.

3.2 What timeframes should the government aim for, at a minimum, to provide final outcomes on grant variations/extensions before the current grant ceases?

Little difficult to determine a 'one size fits all'

3.3 What funding flexibility do CSOs require to enable service delivery and innovation?

Flexible funding for the convening and development of Impact Networks, one of the most effective mechanisms for self-organising groups and leaders to come together to solve issues they care about.

See [Impact Networks book](#)

3.4 What flexibility is required by CSOs in acquittal processes to support and encourage sector innovation?

The ability to build trust with government people from the start to safely be able to report the real finding and outputs, insights and learnings along the way as the idea of linear strategies working is a total nonsense. Innovation requires constant experimentation and review, being iterative, agile and correcting course through active feedback loops on a continuous basis. This means having flexible funds and reporting to change course and monitor the changes as you go.

The most effective framework we've found for achieving collaborative innovation, agility and accountability is [Strategic Doing](#)

3.5 How can government improve the variation process, with consideration that CSOs must demonstrate alignment with the grant agreement and provide evidence of value-for-money outcomes?

Be clear about the reason for the variation! Work with trusted intermediaries who can help make poor performing projects and communities more accountable.

## **4 Ensuring grant funding flows to a greater diversity of Community Service**

### **Organisations**

4.1 How can the government ensure opportunities are available for new and emerging organisations to access funding?

Government could consider developing pre-incubator programs (once again with key intermediaries) to unlock talent and potential, including new and emerging leadership. In doing so, they are developing a community leadership and innovation pipeline for potential and future funding.

We are innovating a new community-led rejuvenation accelerator program to do just that. It can be scaled in a 'place based' way immediately. The program is called [Rejuvenate](#)

4.2 What programs, supports and information are already available for smaller CSOs to help

build capacity of the organisation? Are these working?

ACRE provides a range of capacity building and education programs (with international partners) on local and social entrepreneurship, community-led rejuvenation, community asset ownership and leadership for systems level change. We have worked successfully with over 3,500 adult learners, 38 communities and 26,000 students. We have 28 communities on our waiting list!!!!

[Nandaly Pub Case Study - Community buyback](#)

4.3 How could larger CSOs support smaller CSOs? What are the barriers to providing this support?

Large CSO's who aren't actively playing an ecosystem building and collaboration intermediary role often exhibit structural issues of their own. They are often perpetuating the current system, operate in silo's are inefficient with resources and lacking an innovation and accountability culture. Those who are ecosystem builders and collaboration convenors can play highly effective and necessary backbone roles. Super important to distinguish between the two!!!!

## **5. Partnering with trusted community organisations with strong local links**

5.1 What is your experience with and reflections on place-based funding approaches?

We have been working at a whole of community level with the Mallacoota community post the 2020 bushfires. We have developed a program and methodology with Mallacoota that leverages international innovation and ecosystem building approaches. Our 'Thrive framework' is an entrepreneurship ecosystem measuring, engagement and strategy tool. It has been a critical tool for supporting the community develop a backbone, undertake community wide entrepreneurship learning and innovation. See attachment for Mallacoota case study.

5.2 What innovative approaches could be implemented to ensure grant funding reaches trusted community organisations with strong local links?

Identify, support and work with key intermediaries already trusted by communities and who already have a demonstrated track record.

5.3 Which areas do you consider have duplicative funding or gaps you think need to be addressed, and what is the evidence?

Not sure

5.4 Where there is a community-led change initiative, could shared accountability to community and funders (government) strengthen service delivery?

Absolutely, with trust, co-design, adequate timelines and resources and minimal political interference.

## 6. General questions for each focus area

### 6.1 If any, what are the problems or challenges you think have been overlooked?

Entrepreneurship education as essential capabilities for all young Australian's to learn. As the Foundation for Young Australian's suggests through its 'Work Mindset' research series.

"There is an urgent need for national investment in an enterprise education strategy that would:

- Begin early in Primary school and build consistently, year on year, throughout High School
- Be provided in ways young people want to learn: through experience, immersion and with peers
- Engage students, schools, industry and parents in co-designing opportunities in and outside the classroom

This research is consistent with OECD research calling for policy makers to start [Unlocking the potential of youth-led social enterprises](#) to simultaneously support the 45% of young people who desire to become entrepreneurs together with career aspirations towards build social and environmental value.

### 6.2 What other solutions or changes could also be considered?

Impact Investment fund (underwritten by government) that encourages community members to invest their money in projects that will build the social, economic and cultural prosperity of their communities.

### 6.3 What does success look like?

A local 'place based' entrepreneurship ecosystem that builds an agile, resilient, inclusive and enterprising local economy and that community members solving their own problems (or seizing opportunities) becomes utterly unremarkable in the future, for rural communities.

And, government plays a role, yet not without the initial commitment of time and money from the community itself. In doing so, communities move from a dependency to an interdependency mindset with government.

Governments no longer feel the need to do things to and for rural communities. Instead, local capabilities and capacity is built and a trusting partnership approach forged over time through the collaboration and support of trusted intermediaries providing specialist knowledge, networks and knowledge who can also play a two way conduit/advocacy role between community and government.

For follow-up information, please don't hesitate contacting [REDACTED] at [REDACTED]  
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