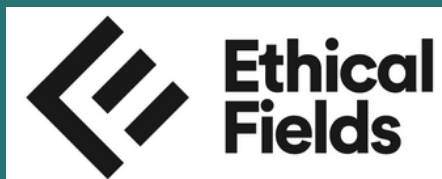




OUR COMMON WEALTH BUILDING

WHITE PAPER FOR A NATIONAL
STRATEGY FOR COMMUNITY WEALTH
BUILDING 2022





WHITE PAPER FOR A NATIONAL STRATEGY DELIVERED BY A MINISTER FOR COMMUNITY WEALTH BUILDING

This is an imaginary white paper to inspire and engage people in a conversation about the benefits of community wealth building for Australia. It is not affiliated or endorsed by any Australian government authority or political party.





BUILDING OUR COMMON WEALTH

Australia can generate a strong, prosperous, regenerative, resilient and equitable economy that places the control and benefits of local economic and community development into the hands of local people, communities, businesses and organisations. With nation-wide efforts to respond to the impacts of COVID, bushfires and flooding, now is the time to adopt a transformative agenda towards a more inclusive economy. This foundation will ensure we invest in places and people who can drive and deliver community prosperity.

This White Paper is a first step to creating a national strategy for community wealth building in Australia. Its purpose is to illustrate the community wealth building model, its benefits and to propose the establishment of a Minister for Community Wealth Building to oversee the development and implementation of a community wealth building strategy and framework for federal, state and local governments. This is a partnership driven by citizens and the landscapes they live in. This work is led by community champions, alongside industry leaders and policy makers. Everyone has a contribution and a benefit to make.





OVERVIEW OF COMMUNITY WEALTH BUILDING

Community wealth building is an emerging model of economic and community development. It is built on locally rooted and broadly held ownership. Community wealth building draws on democratic principles to deliver prosperity, wellbeing, self-reliance and resilience for local communities and places. This is achieved via policies, strategies and business models that retain and more equitably distribute the common wealth of communities and places.

Community wealth building provides a set of principles, strategies and tools to enable government, industry, business and community to:

- **Empower local people and places** – By shifting more ownership, control and decision-making of the local economy and development to the people that value and rely on it the most - local business owners, local employees, local community, local consumers.

- **Increase local ownership and prosperity** – By encouraging all local people to invest in, and hold a financial and controlling stake in local assets and resources of all kinds – capital income, land, property, enterprises, infrastructure, equipment and more.
- **Anchor opportunities and prosperity to place** – By increasing industries, businesses and jobs that are anchored locally and are committed to a region and its people.
- **Make financial power work for local places** – By stopping wealth flowing out of local places and redirecting it back into the local economy. By building local financial systems and vehicles owned and controlled by local people.





- **Create an inclusive economy** – By adopting more inclusive forms of economic development and business models that build wealth and prosperity for everyone.
- **Create regenerative industries and regions** – By building and preferencing industries, enterprises, jobs and supply chains that systematically reinvest in and regenerate the local community
- **Leverage local multipliers and reinvestment** – by creating an economy and development approach that systematically reinvests in and multiplies the local impact from development and economic activity in the region.
- **Strengthen regions, towns and local community** – By creating systems, institutions, enterprises, infrastructure and cultures that reinforce community ownership, leadership and wealth building

It's about moving in the direction of a different development and economic system that links bottom-up forms of development with economic and political interventions at a variety of scales to create communities and economies in which all can flourish.

Community wealth building offers a balance between optimising local economic and community development outcomes, while continuing to embrace an open and global economy. It recognises and respects planetary boundaries and our responsibilities to future generations. It recognises and respects our colonial history and the Aboriginal nations on which we all live.



Community wealth building has proven to bring real benefits to local places and people. These include:

- **Community:** gives local stakeholders an 'actual stake' = a financial and controlling stake; increases public participation in local economic and development activity; improves local cohesion and partnerships; strengthens democracy and improves economic and social equality
- **Individual & family:** increases equitable individual and family wealth; increases individual wealth diversification, income security and resilience
- **Local & regional:** seeds innovation; optimises the local multiplier effect; increases regional prosperity and self-reliance; increases regional diversification, security and resilience; optimises local outcomes and benefits
- **Local sustainable & regenerative development:** Provides greater ability to direct local development and economic activities towards achieving sustainable and other development goals



BENEFITS & OUTCOMES OF COMMUNITY WEALTH BUILDING

ADOPTION OF COMMUNITY WEALTH BUILDING IN AUSTRALIA AND INTERNATIONALLY

Community wealth building is being adopted by a growing number of places across Australia and the world.

Community wealth building originated from the United States and United Kingdom where it emerged as a response to deindustrialisation, central government funding cuts, the collapse of large private infrastructure projects, rising inequality and increasing frustration with economic systems and structures. Key examples include the Cleveland Model, US and the Preston Model, UK.

In Preston, community wealth building initiatives saw £200m redirected back into the Wider Preston economy and spent on existing and new local suppliers.

New, worker-owned businesses were created, 4000 extra employees received a Real Living Wage, unemployment was reduced by 3% over three years and there was a positive multiplier effect on local jobs, wellbeing, health and economic growth.

In Scotland, the Scottish Government has adopted a national community wealth building policy, related programs and funding in pursuit of inclusive growth across Scotland.

In Australia, community wealth building is being adopted explicitly and implicitly (that is, initiatives that align with community wealth building principles but do not use the term community wealth building) by government, business and community. Some current examples of these include:

Government:

- City of Sydney - Developing a community wealth building policy and currently inviting public discussion on how community wealth building could be adopted.



- **City of Ballarat** – Working with partners across the region to develop a community wealth building plan for Ballarat.
- **City of Newcastle** – Adopted an Economic Development Strategy that includes a vision to “strengthen existing and create new economic opportunities for all in the 2020s”. City of Newcastle aims to do this by increasing local ownership, reinvestment, democracy, diversification and equity.

Industry & Business:

- **Hawkesbury City Chamber of Commerce** - Undertaking an ambitious economic development project using community wealth building to change the way local businesses and institutions interact, and ultimately retaining more wealth in the Hawkesbury for the long term, organically and sustainably.

- **GROW Geelong** – Inviting local businesses to work together and use their spending and employment power to improve the economic and social prosperity of the whole region.
- **Wayfairer** - Creating a locally owned and regenerative tourism sector by offering a travel booking platform that is cooperatively owned by its employees and the local community in which it operates. Fifty percent of booking fees are directed back into the local community to support environmental regeneration, foster localisation, and promote sustainable and smart community development

Community:

- **Manilla Community Renewable Energy inc.** – A community owned company that aims to generate local economic, environmental and community building outcomes through the establishment of community-owned renewable energy.





NATIONAL STRATEGY AND A MINISTER FOR COMMUNITY WEALTH BUILDING

National Strategy for Community Wealth Building

We propose the adoption of a national strategy for community wealth building. This will provide both a strategy and a framework for federal, state and local governments, alongside non-government organisations, industry and community to direct policy and decision-making towards building community wealth and prosperity.

Minister for Community Wealth Building

In conjunction, we further propose establishing a community wealth building portfolio and appointing a Minister for Community Wealth Building with responsibility for this portfolio. The Minister would oversee the development and implementation of the national strategy and would develop supporting government policy and programs.

Strategic Goal

The goal of the strategy is to create a strong, prosperous and regenerative economy, built on locally rooted and broadly held ownership across Australia.





Guiding Principles

The strategy could adopt the following community wealth building principles to inform policy and decision-making in relation to local economic and community development matters:

- **Place-based** - focus on place
- **People-centred** - empower the people that live, value and/or rely on place, local goods and services
- **Inclusion & diversity** - create an inclusive economy and society that works for all
- **Partnerships & collaboration** - mobilise the power of local government and anchor institutions, in partnership with local business and community
- **Ownership & control** - enable local people to invest in and have an ownership stake in the local economy, infrastructure, land and enterprises
- **Wealth & capital** - stop economic leakage and redirect wealth back into the region. Build local financial systems and vehicles owned and controlled by local people.
- **Anchors** - Anchor industry, jobs and decision-making locally
- **Regenerative industries, business and jobs** - preference and grow industries, enterprises, jobs and supply chains that reinvest in and regenerate the local community
- **Local multipliers & reinvestment** - create an economy that systematically reinvests in and multiplies the local impact from development and economic activity in the region



Policy Initiatives

Examples of policy initiatives and programs delivered through the strategy could include:

- **Leading by example** – adopting government policies that ensure government procurement, employment and use of resources support community wealth building.
- **National targets and indicators** – establishing national targets and indicators for community wealth building areas, such as the level of capital assets owned by local people, the distribution of ownership of capital assets.
- **Leadership building** – establishing a program to build a nation-wide network of local champions from government, business and community to lead the development of locally relevant economic development and create resilient, adaptive and self-reliant local economies and communities using community wealth building.
- **Place-based capital incubator and seed-funding** – creating a program to establish community-owned investment vehicles and an ecosystem of support.
- **Anchor Institution capability and capacity building** – creating a program to build capability and capacity with local anchor institutions in the community wealth building model.
- **Business and entrepreneur support** – upskilling business support associations with community wealth building business models and strategies, including sources of capital that align with community wealth building.
- **Crowd-funding legislative reform** – reforming crowd-funding legislation to remove caps.
- **Tax incentives** - that encourage and support businesses that enable community wealth building.

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