

## **Sustainable Enterprise Creation:**

### **Making a Difference in Rural Australia and Beyond**

**Maureen Rogers and Rhett Walker**

*Published in The International Journal of Environmental, Cultural, Economic and Social Sustainability (2005). Proceedings of the Sustainability Conference*

#### ***Main Description***

In the face of unprecedented change, many rural communities in many diverse parts of the world are rethinking the concept and implications of socio-economic development, and creating new and innovative responses to emerging political, social, and environmental conditions. The magnitude of change, on many fronts, is demanding a quantum shift in thinking about the way communities develop - the way resources are used, the structure of economic and social enterprise, and the way progress is defined and subsequently measured. This is a challenge faced by many rural communities throughout Australia seeking to sustain a future. This paper discusses the nature and implications of this challenge and, with reference to three examples, highlights exciting and innovative ways some communities are crafting socially and environmentally beneficial economic enterprise, suggesting that small communities may be providing leadership in the great leap forward needed to achieve sustainability. This paper also outlines a research project aimed at identifying such initiatives throughout Australia with a view to understanding what such enterprises might look like, how they emerged, how they operate and the difficulties encountered. The aim of this research is to develop a useful frame of reference to support and enable comparable sustainable regional growth and development throughout Australia and beyond.

#### ***Short Description***

Innovative ways by which rural communities are pursuing socio-economic renewal that is also environmentally sustainable.

#### ***Keywords***

Socio-economic development; social enterprise, community engagement. sustainability



## Introduction

In July 2000 the 1<sup>st</sup> National Conference on the Future of Australia's Country Towns was held with a view to dispelling myths, especially depicted in the media, that people in country towns are of low socio-economic status; all on the verge of ruin, where violence, increasing social problems and drug abuse were creating centres of hopelessness and souring suicide rates (Rogers & Collins, 2001). Citizens were also portrayed as quaint and uncomplicated people who enjoyed 'simple' ways.. There is no doubt that rural communities are faced with unprecedented change, having to rethink the development path toward a sustainable future.

Since that first conference rural Australia has shown itself, once again, to be a resilient, resourceful, and enduring contributor to the Nation. There have been many initiatives and developments at the community, business and government levels, which are having a significant impact on the lives of people who live in small country towns (Small Towns Conference, Bendigo, 2005). We have seen the rise of concepts like *community capacity building*, *creative communities*, pursuit of the *triple bottom line*, and the linking of social well-being directly to the goals of economic prosperity.

It seems clear to all concerned about the future of Australia's country towns that success and prosperity is as much about each community's ability to reorganise assets into new outcomes, and to foster collaborative networks and relationships across old boundaries, as it is about the role of government in providing the resources and infrastructure essential to ongoing viability and sustainability, and the ability to develop and sustain new economic enterprise.

There is no doubt that rural communities are faced with unprecedented change, having to rethink the development path toward a sustainable future. This paper discusses the nature and implications of the challenges faced and, with reference to three examples, highlights the exciting and innovative ways some communities are crafting socially and environmentally beneficial economic enterprise, suggesting that small communities may be providing leadership in the great leap forward needed to achieve sustainability. This paper also outlines a research project aimed at identifying such initiatives throughout Australia with a view to understanding what such enterprises might look like, how they emerged, how they operate and the difficulties encountered. In this way it is hoped that findings of this research will serve to provide a useful frame of reference to support and enable comparable sustainable regional growth and development throughout Australia and beyond.

## **The Australian Context**

The development issues now confronting rural Australia need to be understood with reference to the country's history and the significant role played by government in determining settlement patterns and contributing to essential infrastructure and public services. Historically, the principal economic activities of rural Australia were associated with agriculture and small businesses which were locally owned and tied to their local communities. Yet, as Eversole (2004) points out, there has been an increasing shift toward corporate farming and national/international retail chains providing local retail. Eversole argues that this shift away from localised ownership has been creating a development gap where local goals and aspirations are becoming increasingly dislocated from sources of economic prosperity. Consequently, many economic developments are producing economic wealth for a distant owner, while effectively eroding the social fabric of local communities.

Until relatively recently, most public services were owned and run by government – for example, telecommunications, water, waste water management and electricity. The provision of hospitals and schools in some of the smallest communities was historically deemed to be the role and obligation of the state. Rural Australia was considered an integral part of the nation with most people having some relationship with 'the bush' (Dempsey, 1990). These links between metropolitan and rural people have, however, significantly changed.

By the mid 1990's the national agenda of increasing economic rationalism and adherence to strong competition enhancing policies were made explicit. Many government owned services were privatised, schools and hospitals rationalised. This meant the loss of many public services from small communities, which also meant the closure or withdrawal of private businesses, the most notorious being the closure of many bank branches throughout rural Australia. People could see their town was dying. Young people were leaving and not returning. Correspondingly, the population which remained was ageing.

Government observers reported a commonly held view that government wasn't in the business of 'saving' rural communities (Collits, 2000). Forth (2000) made headlines in almost every regional paper with his comments about the inevitable demise of many small communities and that governments should focus on resettlement programs rather than wasting limited resources on 'basket cases' with no real future. Given the turnaround that many communities have experienced over the past 5 years, the comment by Fuguitt back in 1971 seems to hold true:

I am struck by the fact that they prevail despite most people's efforts to write them off. They may not perform the same functions as previously; they may in fact serve as little more than population nodes; but somehow they stay in there for census after census. This was

poignantly expressed by the headline of a recent newspaper: ‘Small Town Dies, but Life Goes On...’. (cited in Tonts, 2000)

The challenge of sustaining a viable existence in the rural Australian context confronts the very issue of how people and their local resources combine to create economic security (Lockie and Bourke, 2001; Beer, Maude and Pritchard, 2003). People concerned with ‘whole’ community development understand that the engagement of people in their own development and creation of economic prosperity is essential to rural community development. People need to be involved in determining what kind of development is wanted, what values are to be promoted and how different issues are to be prioritised. The links between the well-being of individuals and the wider community and the development of local enterprise is well recognised, articulated and acted upon by organisations such as VicHealth through their mental health and community well-being programs. Most governments in Australia are also articulating the link between economic development and social well-being through the many community capacity building initiatives which are underpinned by a realisation that local ownership and engagement are essential to community development (Department of Victorian Communities, 2005). Of course, people like Schumacher and his followers have long understood the importance of ‘local’ action for ‘global’ good (author of *Small is Beautiful: Economics as if people mattered*, 1989).

In terms of the environmental component of the triple bottom line of community development the opportunities lie in the fact that the new industrial revolution is promising to transform our fundamental notions about the way we do business. The technologies are now available to enable us to generate economic wealth while using less energy, water and other material inputs, while producing less pollution and waste, and while working anywhere with access to the internet. According to a growing number of authors concerned with sustainable business development (Henderson, 1999; Jacobs, 1991) the new industrial revolution in resource efficiency and social responsibility will no longer depend on making ever fewer people more productive – but rather, more people and fewer resources will be employed – a scenario well suited to rural communities.

Consequently, some communities are making the critical connections between the existing capacity of local people and the efficient, sustainable use of local resources as the source of their economic security. With cooperation and inclusiveness recognised as the cornerstones of new approaches to community development, and where new knowledge and new strategies for investment and adjustment are the imperative, the opportunity exists for rural communities to take a lead in the journey toward a sustainable future – and for many their future depends on it.

Over the past five years in particular we have witnessed an increase in community development initiatives designed purposefully to link social development more closely with the goals of economic development and complementary environmental sustainability. Many of these initiatives are characterised by community engagement and ownership, and programs where

public and private sector interests have joined forces with a focus on stimulating locally appropriate economic activity which contributes to the social and cultural development of the community. Some initiatives have gone a step further in recognising and embracing opportunities which lie in focusing on environmental sustainability as well. Little, however, has been done by way of researching and codifying such practices. Here we report on three initiatives where the provision of community and environmental benefits is central to enterprise conceptualisation, design and development.

## **Creating a New Future of Australian Rural Communities**

While numerous examples can be found of major organisations making explicit their commitment to *Good Corporate Citizenship* and environmental sustainability, the economic goal remains at the centre of their development efforts (Eversole, 2004). At the small community level this translates into big business initiatives which emanate from outside the community, and where local community interests and environmental issues are treated as add-ons rather than key components of the business development. In contrast, some newly emerging enterprises appear to be based on a different set of motivations. Thus in our research we have sought to identify and investigate enterprises that clearly put community interests, existing community capacities, and resource efficiency technologies, at the centre of the enterprise conceptualisation and subsequent development. The two primary criteria that we have developed and employed for identifying such enterprises are that they:

(i) build community capacity, add value to existing initiatives and resource use, and create new local enterprise opportunities; and

(ii) incorporate environmentally efficient technologies and recognise the true value of natural resource inputs to production.

To illustrate the type of initiatives that are emerging, three examples are briefly outlined here. All are located in rural Victoria, in communities with populations less than 10,000, and each have focused on the natural resource in which they have a comparative advantage.

### ***Ararat Energy Park***

The Ararat Rural City Council has developed a comprehensive action plan for the reduction of greenhouse gas emissions in the region it serves. As a member of the Central Victorian Greenhouse Alliance, the Rural City of Ararat has undertaken a 5 step audit program, identifying ways the community, local businesses and council itself can

effectively reduce emissions while also reducing costs, and building economic enterprise.

In addition to this broad community education and engagement program, the city of Ararat is also developing an industrial precinct, known as the Renewable Energy Park, which initially will manufacture wind turbine blades for wind energy generators. The long-term aim, however, is to become a major regional producer of component parts for a wide range of alternative energy technologies. Bolwell Corporation and their technology partner LM Glasfibre from Denmark will establish their turbine blade manufacturing plant in Ararat as the key driver of Stage 1 of this initiative, and successive stages of development are intended to extend the precinct to the frontiers of emerging technologies.

While this initiative is bringing big business to town, the process will also engage existing business, stimulate new ones, and build the knowledge base and general capacity of the local community. In other words, the conceptualisation, purposes and aims of this industrial precinct have been envisioned and designed to build community capacity and, at the same time, to create new ways of fostering economic development that also is complementary to the natural environment in which the precinct resides.

### ***Forestech – East Gippsland***

Forestech is essentially an educational and professional development facility providing training on forest management ranging from picking the seed, harvesting the timber through to the creation of designer-made fine furniture. In this way the Gippsland Forestech enterprise is changing the way forestry is done, and the way native, old growth timbers are understood and valued. This is a significant development because of the years of unrest over the continued logging of the majestic old growth forests that remain in this region.

In the past, Australian hardwood has been typically used for railway sleepers, fence posts and wood-chipping with very little regard for its unique qualities and value. This is largely due to the difficulties associated with drying and working with these hard and heavy timbers. However, technology now allows these magnificent timbers to be worked into fine furniture creating new employment opportunities for the next generation of forestry oriented communities.

Originally, the prime objective of the Gippsland Timber Development group (Stone, 2004), the precursor to Forestech, was the promotion and development of the important hardwood industry in the region. The expanded focus of Forestech, however, is having the consequence of accomplishing much more by advancing understanding of these timbers and how they might be better nurtured, harvested and employed. One of the unique aspects of the facilities is that students of conservation, land management, forestry silviculture and furniture design are working together. Given the long history of intolerance and friction between conservation and forestry, this facilities is creating a new generation of people

who have a shared appreciation of the forest and can see a future of opportunities which go far beyond the limited resource extraction practices of the past. Thus, Forestech is acting as a catalyst in bringing local people together with a shared vision and values, for the purpose of stimulating regional socio-economic development that also is environmentally sustainable.

### ***Bendigo Food Manufacturing Precinct***

This initiative has been designed to be Australia's first dedicated food manufacturing precinct for independent, small and medium sized food manufacturers, who will share common services in secure, environmentally planned world-class integrated facilities. This will have the consequence of delivering substantial improvements in production efficiencies, operational cost savings, improved food security, increased compliance with environmental protection and occupational health and safety practices. It will also provide participants with the infrastructure necessary to satisfy world best practice and internationally accredited environmental and food processing standards, thereby enabling international export expansion, business growth and diversification. In turn this will help to increase Bendigo's regional economic output while supporting small growers and processors in expanding their business horizons through export activities. Again, this example demonstrates how regional economic growth and development is being pursued in ways that are also socially and environmentally beneficial.

### **Concluding Comments**

Each example serves to illustrate where community and economic development initiatives are grounded in an appreciation of the critical connections between local people and their environment. Historical resource use practices are being questioned and reviewed, economic benefits are being defined with reference to social and environmental impacts and benefits, and community engagement and capacity building are cornerstones of this process.

Our research has the broad aim of identifying, analysing and reporting on comparable initiatives across Australia. More particularly our aim is to better understand the nature of such enterprises, how they emerged in their particular location and context, the level of success being achieved, and the barriers and difficulties being encountered. An outcome of the research is to produce a frame of reference for other communities confronting similar challenges and opportunities. We believe that the intended outcomes of this study are timely and potentially beneficial to a wide range of interests nationally and internationally. The findings will build our understanding of innovative and effective ways to achieve social, ecological and economic sustainability in communities where economies of scale has typically been a limiting factor. They will also serve to

highlight the valuable contribution that people in small rural communities can and do make to the development of our nation.

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