

Economic Development

Discussion Paper

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This Discussion Paper sets out some background information and proposes a way forward to achieve one of the Strategic Goals of the New South Wales Aboriginal Land Council (NSWALC) Strategic Plan 2013-2017: Driving Our Economic Development.

NSWALC is seeking input from the network about these proposals and how the network can work together to achieve its goals and aspirations, within legislative and financial limitations

1.1 The Aboriginal Land Rights Act 1983

The purposes of the Aboriginal Land Rights Act 1983 (the ALRA) are set out in section 3:

- a) to provide land rights for Aboriginal persons in New South Wales,
- b) to provide for representative Aboriginal Land Councils in New South Wales,
- c) to vest land in those Councils,
- d) to provide for the acquisition of land, and the management of land and other assets and investments, by or for those Councils and the allocation of funds to and by those Councils,
- e) to provide for the provision of community benefit schemes by or on behalf of those Councils.

These purposes are reflected in the functions of NSWALC, including to:

- prepare and implement a Community Land and Business Plan (CLBP)
- administer the New South Wales Aboriginal Land Council Account (the NSWALC Account)
- manage the investment of any assets of NSWALC
- facilitate business enterprises
- provide or arrange for the training of Councillors, Board members and staff to develop their capacity to carry out their functions under the ALRA
- provide community benefits including through the establishment of trusts

NSWALC must perform its functions in accordance with the ALRA and any other applicable laws. In relation to investments, NSWALC must manage the fund consistently with the Trustee Act 1925.

1.2 The Strategic Plan

In April 2013, Council adopted its Community Land and Business Plan, in fulfilment of its legislative obligations under section 137A of the ALRA. The CLBP is referred to as the 'NSWALC Strategic Plan 2013 – 2017'.

The Strategic Plan identifies five strategic goals as a focus for NSWALC in the next five years:

- 1. Securing & Managing Our Land
- 2. Improving Our Governance & Sustainability
- 3. Driving Our Economic Development
- 4. Supporting Our People
- 5. Protecting & Promoting Our Culture, Heritage & the Environment

There are linkages between these strategic goals. Without a well governed and sustainable network for example, economic development will be extremely difficult to drive. Similarly, a focus on improving land management across the network will enable it to maximise the economic (and social and cultural) impact of this significant asset.

The economic development strategic goal identifies the need to draft and implement an Economic Development Policy. This Discussion Paper and the input of the network will form the basis of that Policy.

The social and economic circumstances of Aboriginal citizens of NSW today have been central to developing this Discussion Paper. The structure of the Aboriginal Land Rights network, and the roles and responsibilities of NSWALC, LALCs and members are also important in determining how best to achieve the economic development strategic goal.

2.1 Evidence base

NSWALC recognises the need for any sound policy to be underpinned by sound evidence. In addition to knowledge and understanding about past policies and practices, the Council also acknowledge the need to have good knowledge and understanding of current circumstances. NSWALC commissioned Deloitte Access Economics to undertake some baseline research about the demographic profile of Aboriginal people in NSW and regional economic circumstances.

2.1.1 The Historical Context

In broad terms, the success of Aboriginal community enterprises has been limited. There are a range of reasons for this outcome. Lack of skill and experience and poor advice often meant that Aboriginal organisations did not have the capacity to manage businesses effectively. In addition, the structure of government programs may have meant that assistance was not as effective as it needed to be. Lastly, some Aboriginal organisations were not equipped financially or managerially to cope with cyclical economic downturn.

Skills and knowledge are critical to the success of any enterprise, as is a commitment to making it work.

2.1.2 Current Circumstances

The Deloitte Access Economics research provides some sound evidence for NSWALC, and confirms our own experience and knowledge. The network is already engaged in economic development, and has been since the enactment of the Aboriginal Land Rights Act 1983. Ownership and management of land and housing, managing the New South Wales Aboriginal Land Council Account (the NSWALC Account) and supporting the governance of the network are all economic development activities.

Some LALCs have been able to develop their land to earn income and provide employment and other opportunities, on their own initiative or with assistance from government agencies. Others have been able to sell or lease land and to apply that income for the benefit of the community. Some have joined together to access funding for regional partnership agreements and other funding from the Commonwealth Government. But, the opportunities are not the same for all LALCs.

Our research demonstrates that the growing cohort of young Aboriginal people are staying at school longer, the number of Aboriginal families that own their own homes is increasing, and employment levels in NSW are generally higher than other parts of Australia. People, land and the NSW Aboriginal Land Council Account all contribute to the economic development of the network, but there is more to be done. The challenge, not only for NSWALC, but the network as a whole, is to target resources in the most effective way.

2.2 What is economic development?

Many thousands of pages have been written about what economic development is or is not.

The term 'economic development' can be defined in different ways. Economic development can be defined as growth in material wealth (money and property). Improvements in material wealth can be measured by growth in the Gross Domestic Product (GDP). But human experience is more complex and national economies often do not have the same impact on people.

So that it can reflect these complex circumstances, economic development can be defined more broadly to include improvements in living standards, such as in health, housing and education. Only through improvements in these aspects of human life can individuals and communities make real choices about their lives and achieve meaningful and sustainable 'economic development', and contribute to the social, economic and cultural wealth of their community.

In this broad sense, the goal of economic development is freedom (self determination): improving the capacity of individuals and communities to own and control the resources that allow them to make choices about their lives and to chart their own course for the future.

Economic development can focus on communities and individuals. In Australia, government policies and programs have focussed on the community through community control of service delivery and communal ownership of land (so called 'self-determination'). Only recently has there been a shift in government policy towards the economic empowerment of individuals through employment and home ownership.

These approaches are complementary, rather than conflicting, and both are necessary to enable Aboriginal people to achieve their aspirations for themselves, their families and communities.

2.2.1 Focus Questions - What is economic development

What do you think of as economic development?

- employment
- home ownership
- private business
- · community business

2.3 Economic Development Framework – foundations, inputs, activities and outcomes

Economic development doesn't happen all at once, nor does it happen in a neat, step by step way. NSWALC is proposing a framework that recognises the different responsibilities, experiences and capacities of the network (Figure 2.1). The framework highlights the need to build and strengthen foundations, as well as focus on the necessary inputs and activities that are required to achieve self determination through economic development. The framework consists of:

- the role of institutions, decision making, partnerships and capacity building the foundations for economic development;
- factors which contribute directly to economic development, such as education, skills, health, land and financial resources the inputs to economic development;
- methods to achieve enhanced employment, enterprise and ownership of income generating assets the
 activities of economic development; and
- examples of the benefits of economic development the outcomes of economic development.

The framework will underpin the Policy, and will provide a focus for NSWALC to apply its resources in the most effective way.

Figure 2.1: Economic Development Framework

Foundations

Inputs

Education and

Increase in

skills development

Activities

Outcomes

Institutions

- NSWALC
- LALCs

Decision making

- Cultural legitimacy
- Community authority

Partnerships

- Public sector
- Private sector
- Universities and NGOs

Health

- Critical factor in employment and educational participation
- Focus of government

Employment

- Most common form of economic activity
- Focus of geovernment funding
- Potential for private sector partnerships

Enterprise

- Source of wealth creation and jobs
- Private and community
- Mixed goals risks and advantages

Enabling selfdetermination and resulting in improvements in:

- Individual and community incomes
- Educational and employment opportunity
- Individual capacities and choices

Capacity building

- Core functions and responsibilities
- · Land management
- Governance

Financial Resources

- LALC income and funds
- Statutory Fund
- Individual wealth and assets

Income generating

- Passive investments leasing network land
- Lower risk, but lower return

Land

- Significant network assets
- Cultural significance and ecenomic potential
- Barriers to development
- Data gaps

2.3.2 Focus Questions – Economic Development Framework

Do you think this framework is a fair representation of what economic development is? What would you change about the framework?

2.4 The Policy Context

2.4.1 NSWALC

NSWALC is required to prepare and implement a Community Land and Business Plan. In April 2013, the Council adopted its Strategic Plan 2013-2017, in fulfilment of this legislative obligation. One of the Goals of the Strategic Plan is Driving Economic Development. The Strategic Plan identifies other goals that are relevant to the economic development goal, namely:

- Securing and Managing our land
- Improving our Governance and Sustainability

Meeting these strategic goals will contribute to the foundations for economic development and importantly, provide an important input through improving our knowledge and understanding of the network land holding.

2.4.2 NSW Government

In April 2013 the NSW Government announced its new Aboriginal Affairs policy, referred to as OCHRE (Opportunity, Choice, Healing, Responsibility, and Empowerment). The aim of the policy is to support strong Aboriginal communities in which Aboriginal people actively influence and fully participate in social, economic and cultural life, through:

- Teaching more Aboriginal languages and culture to build people's pride and identity
- Supporting more Aboriginal students to stay at school
- Supporting more Aboriginal young people to get fulfilling and sustainable jobs
- Growing local Aboriginal leaders' and communities' capacity to drive their own solutions
- Focussing on creating opportunities for economic empowerment
- Making both Government and communities more accountable for the money they spend.

The Minister for Aboriginal Affairs has also released consultation papers on the review of the ALRA. Many changes are proposed that will have an impact on the capacity of the network to pursue its economic development goal. NSWALC will continue to advocate for changes that enable the network to participate in the economy including:

- changing the investment options for LALCs and NSWALC to enable investment in businesses through the ownership of companies (shares)
- changes to the funding and reporting arrangements to reduce the regulatory burden on LALCs

2.4.3 Commonwealth Government

The Commonwealth's Indigenous Economic Development Strategy 2011 - 2018 (IEDS) identifies five priorities for Aboriginal economic development:

- Strengthen foundations to create an environment that supports economic development
- Invest in education
- Encourage participation and improve access to skills development and jobs
- Support the growth of Indigenous business and entrepreneurship
- Assist individuals and communities to achieve financial security and independence by increasing their ability to identify, build and make the most of economic assets

The policy frameworks of the NSW and Commonwealth government may provide opportunities for the network, through funding support for particular initiatives, and through strategic alliances. How the network can access these opportunities will depend on network priorities and capacity, and on whether government programs can meet the needs of the network.

2.4.4 Focus Question – Interaction with government policy

What programs and policies of government are relevant to your area?

What has worked or hasn't worked in the past?

What lessons can the network learn from those experiences?

2.5 The network

Each part of the network has a specific set of responsibilities and a different role to play.

2.5.1 Roles and responsibilities

The different powers and functions of LALCs and NSWALC mean that a successful policy cannot be based just on the activities and decisions of NSWALC. For economic development to happen, LALCs and their members, and NSWALC need to work together.

All activity at a LALC starts from decisions by members. Members:

- vote for the Boards of LALCs and for Councillors
- make the fundamental decisions about identity, authority, membership and land
- approve Community Land and Business Plans (CLPBs)

Ultimately, it is the members that have the power and the responsibility to make their LALC sustainable and accountable.

LALCs are the major landholders of the network and are the mangers of the land, housing and businesses. LALCs play an important role in local and regional planning and decision making and representation. The Boards of LALCs are accountable to their members for the management of the LALC.

NSWALC is the peak representative body for Aboriginal people in NSW, and an important source of advice for the government, and industry. NSWALC does not have members – it is made up of 9 councillors that are elected by LALC members on a regional basis. NSWALC is responsible for the management of the New South Wales Aboriginal Land Council Account, and has important supervisory and approval functions, such as LALC funding and land dealings. NSWALC has an important policy advocacy and representation function as well.

2.5.2 Regional Approaches

While Regional Councils were abolished as part of the 1990 amendments to the ALRA, regions still play a role in the network, administratively and politically. First, the ALRA establishes regions for Council election purposes. For administrative purposes, the NSWALC zones encompass two or three regions each.

In recent years, LALCs have come together on a regional basis for a range of reasons. The following table summarises some of these regional initiatives.

Figure 2.2 – Regional Co-operation

The Many Rivers Regional Partnership Agreement (MRRPA) covers the Central and North Coast and regions also includes some LALCs in the Newcastle area (Eastern Zone). The MRRPA is focussed on reducing unemployment through the development of regional industry strategies and the establishment of Aboriginal enterprises.
The fourteen (14) LALCs in the northern region have formed an alliance. This alliance has been consolidated through the incorporation of the Technical Resource Unit (TRU). The role of the TRU is to implement the Regional Economic Development Strategy and Implementation Plan (REDSIP). In addition, the LALCs have entered into a Regional Partnership Agreement with the NSW and Commonwealth Governments.
Following a decision by NSWALC to transfer some its rural properties to the network, a Regional Trust (North West Land Corporation) will be established to facilitate the transfer of the properties This Regional Trust Framework has the capacity to undertake broader regional economic development in both the North West and Central Regions
The LALCs of this region have formed the Far South Coast LALC Alliance. The aims of this alliance are to: Establish 'On Country Enterprises' Forestry Enterprise – LALC Land Establish Indigenous Workforces Utilise existing LALC Assets Utilise existing expertise
The LALCs in this region have come together to form an organisation called SACRED (Sydney/Newcastle Alliance for Culture, Rights and Economic Development). Some LALCs from this region also participate in the Many Rivers RPA.
LALCs in the far west have co-operated with other Aboriginal organisations in the region to support regional economic development. The aim of this co-operation is to support regional administrative organisation that can assist smaller local organisations with finance and administration, accessing employment and training, accessing expert advice for enterprise development, and supporting strategic partnerships with government and industry

2.5.3 Focus Questions - Roles, Responsibilities and Regional Co-operation

What is your experience of regional co-operation?

Do you agree or disagree with regional approaches to Economic Development? Why?

Are there any other roles and responsibilities of NSWALC, LALCs and members that should be taken into account in developing an Economic Development Policy?

2.6 The assets and activities of the Network – a snapshot

So that NSWALC (and the network) can target its resources effectively to support economic development across the network, it is important that we analyse the framework to understand where NSWALC can make a difference: which of those boxes in the Framework (Figure 2.1) does the network fit into?

Answering that question depends on knowing what we have, where it is, what we are doing and where it fits.

2.6.1 *People*

The 2011 census provides a snapshot of the Aboriginal population of NSW. The Centre for Aboriginal Economic Policy Research (CAEPR) was commissioned to analyse the data from that census on a regional basis. That report was distributed to the network in April 2013. The Deloitte Access Economics Report builds on that data and analysis and includes information about current activities, regional industry data and analysis of possibilities.

In summary:

- Educational attainment is improving more young people under 25 are finishing year twelve, but there is still a gap between Aboriginal people and non-Aboriginal people in NSW
- Across NSW the unemployment rate among Aboriginal people is more than 10 percentage points higher than for Non-Aboriginal people, and the participation rate for Aboriginal young people is significantly lower than for their non-Aboriginal counterparts
- The Aboriginal population is migrating towards Sydney/Newcastle, but not as quickly as the non-Aboriginal population, resulting in a net increase in the proportion of the Aboriginal population as a percentage of the whole in the north and west of NSW
- The Aboriginal population is much younger than the non-Aboriginal population
- Regional economies in NSW have different strengths and weaknesses, and different opportunities in emerging industries

The skills, experiences and knowledge of our network members are a significant resource.

2.6.2 *Land*

One of the great strengths of the network is its ownership of land, with potentially much greater land holdings to come. Despite ownership of and control over this significant asset, there are some barriers to generating economic development through the use of network land. Those barriers include capacity and skill base, access to capital for development, and zoning and other restrictions on land use. In addition, the value of land assets is not evenly distributed across the network. In summary, the key land data is:

- Network land assets are estimated to be worth approximately \$820 million (2011 figures), but the values of land in the regions along the coast are significantly higher than in the west of NSW
- Since 2004, land valued at \$87 million has been sold, \$75 million of which came from the Sydney/ Newcastle region

Figure 2.3 - Network land assets

The following table shows the value of land assets on a regional basis.

Region	Lodged	Granted	Refused	Finalised	Incomplete	Improved Land Values (Land+ Building)
SYDNEY NEWCASTLE	8415	673	2373	210	5159	\$355,311,132
MID NORTH COAST	3244	276	604	261	2103	\$98,530,669
NORTH COAST	2880	233	641	174	1832	\$56,862,475
NORTHERN	4927	201	748	96	3882	\$30,749,153
SOUTH COAST	4128	346	475	61	3246	\$108,063,881
WIRADJURI	6147	306	956	187	4698	\$46,659,446
CENTRAL	1792	62	130	52	1548	\$23,641,808
NORTH WEST	3480	166	295	122	2897	\$34,370,146
WESTERN	422	35	103	4	280	\$22,008,141
NSWALC	726	205	365	30	126	\$44,490,000
TOTAL FOR NSW	36161	2503	6690	1197	25771	\$820,686,851
Note: claims figures are as at 6 May 2013; improved land values are as at 30 June 2011						

Source: NSWALC (based on Valuer Generals 2011 figures).

2.6.3 The NSW Aboriginal Land Council Account

The ALRA established the Aboriginal Land Council Account (the NSWALC Account). The NSWALC Account was one of the forms of compensation for dispossession identified in the ALRA (the other being land). The purpose of the NSWALC Account was to provide a perpetual fund for Aboriginal people of NSW. For 15 years from 1983 – 1998, the NSW Government paid 7% percent of non-residential land tax receipts to NSWALC. It was a requirement of the ALRA that 50% of the total sum paid to NSWALC had to be invested in the NSWALC Account. The ALRA was amended to maintain the capital value of the NSWALC Account at \$485.43 million. After 1998, no additional money has been paid into the NSWALC Account: it is a closed system. As at 30 June 2013, the capital value of the NSWALC Account was \$629.191 million (unaudited financial statements for 2012/2013.

The network is funded from the NSWALC Account. Each year, NSWALC prepares a budget which must be approved by the Minister.

Since the establishment of the land rights network, the NSWALC Account has been applied to:

- Providing recurrent grant funding to LALCs for their operating expenses
- Funding the operating expenses of NSWALC (including the costs of the Council and Council elections)
- Purchase of land
- Fulfilment of regulatory functions (payments for investigators and administrators, auditors, reporting)
- Payments of unpaid rates on behalf of LALCs

As the regulatory obligations of NSWALC and LALCs have increased over time, so too has the need to apply more and more funds to fulfil those obligations. Each time the ALRA has been amended to include further regulatory and reporting obligations (the most significant being in 1990, 2006 and 2010), the NSW Government has not provided any additional funding to meet the additional costs of compliance.

The balance of the NSWALC Account is invested consistent with the Statement of Investment Objectives and Policy (SIOP). The SIOP is the codification of investment beliefs, priorities and processes for NSWALC.

Monies in the NSWALC Account can only be applied in accordance with the provisions of the ALRA and Regulations. In addition, the value of the NSWALC Account cannot fall below \$485 million.

2.6.4 Focus Questions – funding of economic development

How do you think NSWALC should balance current and future needs?

How should NSWALC fund economic development?

- direct investment
- grants or loans to regional bodies and/or LALCs
- establish a separate trust fund

2.6.5 Strategic Initiatives

NSWALC has invested in Social Enterprise Finance Australia (SEFA). NSWALC is represented on the SEFA Board. SEFA administers a loan fund of \$20 million for social enterprise. \$8 million of that is earmarked for Aboriginal enterprises. Because of this investment, NSWALC (and the network) have a real stake in the success of this new form of economic development through social enterprise.

The SEFA fund is available to Aboriginal organisations to borrow money to establish enterprises with positive social and community outcomes. SEFA represents a new way of supporting economic development – through providing loans and not grants, and assisting people through the process of establishing and running a business.

NSWALC has also sought to participate in the resources industry directly by applying for exploration licences for petroleum and coal. It has been negotiating with industry partners to form commercial relationships. By seeking a stake in the resources industry as owners of resource rights (exploration licences), rather than receivers of resource rents, NSWALC is forging a new relationship between Aboriginal people and the resources industry.

Through ownership of these resource rights, NSWALC and the network will be in a better position to create employment opportunities and to ensure that environmental and cultural heritage management is a priority in the industry. We are at the table, not waiting in the room outside.

2.6.6 Focus Questions - Investment Opportunities for the network

Should NSWALC continue its investment in SEFA?

Should NSWALC increase its investment in SEFA

Would your LALC want to participate in mining and exploration?

- contracting opportunities
- employment
- ownership of exploration company shares

2.6.7 The Economic Development Advisory Committee

As part of meeting its economic development strategic goal, Council has established an advisory committee, under section 118 of the ALRA. The role of the Committee is to:

- a) identify key private sector partnerships
- b) identify appropriate government and private sources of funding to support the development of commercial and wealth creation opportunities
- c) identify and developing strategies for economic development
- d) recommend policy frameworks that Council could advocate to Government
- e) recommend improvements to processes and structures within NSWALC to support the development and maintenance of key stakeholder relationships and economic development opportunities
- f) provide advice to Council on strategic and corporate planning relevant to its economic development functions.

The Committee membership is as follows:

- One NSWALC Councillor and one alternate (councillors Briggs and Williams)
- NSWALC's Chief Executive Officer (or Delegate),
- Another staff member as appropriate (non-voting)
- Four external and independent Members, one of whom shall be the Economic Development Committee Chairperson
- One representative from a LALC (Brendan Moyle, chair of Ngambri LALC)

Council will shortly finalise appointments for the four external representatives.

2.6.8 Constraints

In developing an Economic Development Policy, NSWALC must act within the legal and financial constraints of the ALRA.

As discussed in section 2.6.3, the NSWALC Account must be managed in accordance with the ALRA. That management has two aspects: investment and expenditure. NSWALC is responsible for the management and investment of the NSWALC Account (section 106(5)).

It is important to note here that the investment options for LALCs are even more confined. In essence, LALCs can only invest their funds in bank accounts or government bonds.

Once the Minister has approved a budget, the money becomes expenditure, and must be applied consistently with the provisions of the ALRA. The level of expenditure (i.e., the budget) is governed by the draw-down rule. Spending money above what the draw-down rule allows has significant risks including:

- reducing the buffer between the value of the Fund and the minimum amount of \$485 million required by the ALRA
- increasing the likelihood of severe shortfalls in the future

2.6.9 Focus Questions - Amendments to the ALRA

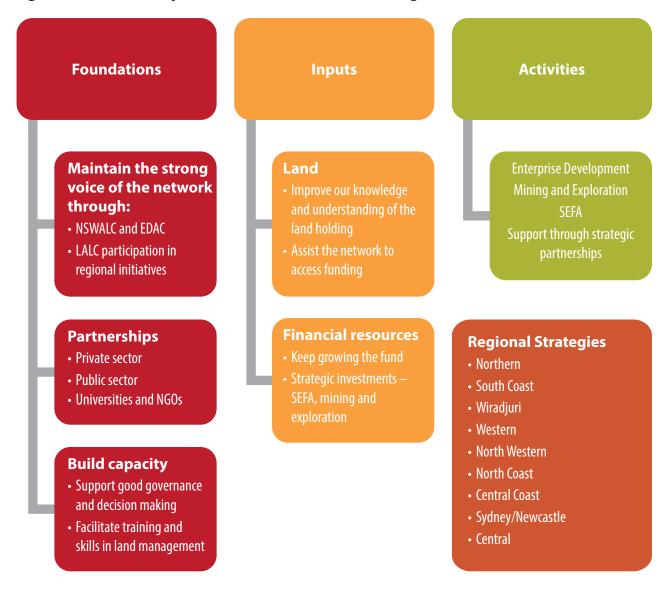
Should the ALRA be amended to:

- allow LALCs to invest in commercial opportunities in partnership with the private sector?
- allow LALCs to invest their money in the NSWALC Account?
- clarify that NSWALC can invest in social enterprise?
- clarify that NSWALC and LALCs can enter into commercial partnerships with the private sector through ownership of companies?

This Discussion Paper sets out a plan for assistance to the network, which takes account of regional differences. Because economic development has and continues to be a part of the network, some of the proposals in this Discussion Paper are happening already.

Here is the Framework discussed on page 4 (Figure 2.1), with the areas of focus for NSWALC.

Figure 3.1 - NSWALC focus within the Economic Development Framework



3.2 Foundations

NSWALC will continue support for existing activities and develop initiatives that strengthen the foundations of economic development. The focus of resources in the initial stages of this policy will be on institutions, decision making, building relationships and capacity.

- · Maintaining and improving the governance and decision making capacity of LALCs through:
 - improving NSWALC's governance training package and delivery
 - > sourcing and supporting providers to deliver training and development for the network
- Establishing the Economic Development Advisory Committee to:
 - provide advice and make recommendations about the direction, scope and implementation of the Economic Development Policy
 - provide advice about and facilitate strategic relationships within the private sector
 - ▶ develop and maintain key relationships with the public and private sector to access funding and support
- Ensuring that NSWALC has the right mix of skills and knowledge to support the implementation of the Economic Development Policy
 - establishment of an Economic Development Unit within NSWALC to provide support and advice to the network

3.3 Inputs

The Commonwealth and NSW Governments' policy and funding support key inputs such as health and education. Given its legislative and financial constraints, NSWALC cannot and should not seek to duplicate the work of Government. However, NSWALC can complement these initiatives and support other key inputs (financial resources and land) through:

- Continuing the prudent management of the Statutory Fund
- Improving our knowledge and understanding of network land
 - > improve NSWALC's technical resources to enable LALCs to understand their land holdings
 - > support for LALCs to undertake comprehensive land assessment
 - > support LALCs to mentor others within the network
 - > support information, skills and knowledge exchange between LALCs

3.4 Activities

NSWALC will consider supporting activities that have the potential to create enterprise and income earning opportunities for the network. While employment is a key driver of economic development, NSWALC cannot replicate Government employment programs. It will however seek to leverage employment opportunities through its strategic relationships and investments, such as:

- facilitating the network's access to SEFA and other enterprise development funding opportunities
- Investing directly in the resources and other industry sectors to raise income and to create jobs and other economic
 opportunities
 - ▶ develop appropriate corporate structures to enable LALCs to participate
 - negotiate agreements with commercial partners for investment
- Investing in LALCs to develop and maintain viable community enterprises
 - ▶ facilitate and support LALC to LALC mentoring
 - provide financial and other assistance to LALCs and regional bodies
- Supporting regional economic development initiatives
- research the options for appropriate and lawful regional structures
- work with existing regional organisations

NSWALC proposes to outlay up to \$16 million over five years to support these activities, subject to NSWALC and the LALC's own sustainability and functions under the ALRA. The following table sets out a proposed focus for this proposal.

Figure 3.2: Focus for Economic Development

	FOUNDATIONS	INPUTS	ACTIVITIES	STRATEGIC CONSIDERATIONS
NSWALC	 Economic Development Advisory Committee Establish Economic Development Unit Develop and maintain strategic relationships in government and private sector 	 Continue prudent management of the NSWALC Account Improve NSWALC technical resources for land management 	 Social Enterprise Finance Australia (SEFA) Mining and Exploration Project Establish strategic commercial partnerships 	 Investment power Participation in companies Complements other NSWALC strategic goals: Managing and securing our land Improving our governance and sustainability
REGIONS	Regional Structures • Assist LALCs • Participate in regional forums and initiatives	Provide technical and expert advice to LALCs on: Rural properties Regional business enterprise	 Regional Partnership Agreements Employment Research Assessment of proposals for enterprise development 	Regional stability Economies of scale
LALCS	Participate in governance training and skills development: Governance Business Development LALC to LALC mentoring and support, information and ideas exchange	Land holdingsCapability assessments as part of CLBPsIncome generation	Enterprise and business ownership	 Investment power Participation in companies

NSWALC will develop procedures for creating and implementing any economic development policy that contains the following:

- identification of economic development opportunities specific to a community/LALC/region these could include employment, business, education
- assessment by NSWALC of these opportunities regarding financial and operational feasibility (including where appropriate if the scale/quantum of the venture requires, external advice or independent assessment)
- identification of funding requirements, and whether other funding avenues are available (ie other Government or private funds)
- prioritisation of any specific objectives set out in the Strategic Plan and the ALRA
- impact of the NSWALC funding on the NSWALC Account

Of course, there must also be a clear and transparent process for applications to be made for this funding and for a subsequent monitoring process where funding is approved.

3.4.2 Focus Questions – Focus and priorities for NSWALC funding

Should NSWALC provide grants for enterprise development to regional bodies or LALCs or both?

What should the priorities be for funding?

- capacity building and training for LALC Boards and members
- technical advice and assistance (legal, accounting, land management, feasibility studies)
- seed funding for enterprise development

How should NSWALC allocate these funds?

- separate trust
- through a grants program
- through a loans program
- keep in the NSWALC Account until the funds are required

Do you think that the ALRA should be amended if needed, to achieve these proposals?

Thank you for your contributions.

Please send your responses to:

Director Policy NSWALC 33 Argyle Street PARRAMATTA NSW 2150

or log onto: www.alc.org.au and send us your comments and suggestions

