



QUEENSLAND COMMUNITY ALLIANCE

Community Wealth Building Briefing Paper

Background

Through our listening campaign, leaders and members of the Queensland Community Alliance in Logan have heard hundreds of stories about insecure work. We have heard stories about people having to travel as far as Gatton for low paid, insecure work; poor working conditions in factories; and young people, especially from culturally and linguistically diverse communities facing discrimination before even getting an interview.

These stories are backed up by statistics. The unemployment rate in Logan has remained significantly higher than the state and national averages since 2017.¹ Further, more than half of the employed residents of Logan leave the city for work, and almost 40% of people who work in Logan live outside of the city.²

Community Wealth Building

In our research to find solutions to insecure work in Logan, we discovered the idea of Community Wealth Building (CWB). This approach to economic development aims to revitalise cities and ensure that the residents of a city benefit from the economic activity happening around them.

CWB ensures that money that is already being spent by anchor institutions (place-based organisations with budgets significant to the local economy like councils, hospitals and education institutions) remains in the city. This increases employment, community cohesion and leads to thriving, vibrant cities.

The social benefits of CWB also lead to reduced local and state government spending on things like crime prevention and provide innovative ways to think about housing and other social issues.

A standard model for community wealth building is for anchor institutions to set up and financially support a community-benefiting and community-controlled steering committee. The board of this type of non-profit agency typically includes representatives from the anchor institutions, other key community institutions, and member enterprises.

Five Pillars of Community Wealth Building

1. **Localised procurement** - Large local institutions anchored to the community such as councils, hospitals, universities, schools, etc. (termed anchor institutions) work together to:
 - a. Maximise their local spend and

¹ <https://economy.id.com.au/logan/unemployment>

² <https://profile.id.com.au/logan/residents>

b. Actively assist to develop strength and diversity in local supply chains by finding ways to coach and support local businesses to enable them to fill procurement needs.

2. **Diverse ownership over the economy** - Encouraging a diverse cohort of business leaders and types of business structures in the city, including social enterprises, community-owned enterprises, worker-owned enterprises or cooperatives, and other democratic businesses - all of which take social and environmental stewardship seriously.

3. **Positive employment practices** - Anchor institutions directly employ marginalised populations to engage them in dignified, living wage jobs within their institutions, with appropriate support structures and pathways. This could include skilling, mentoring and mitigation of barriers to employment participation (e.g. childcare costs, transport, driver licences, local experience, etc.).

4. **Finance** - Harnessing capital from within the community to align with the community's broad-based social, environmental and economic goals. For example, mutual banks; community investment funds made up of small percentages of the population's superannuation; or establishing a community development financial institution that can provide low-interest business loans, startup loans, and micro-lending that compliments other support for new business.

5. **Socially productive use of land and property** - This could look like turning empty offices into crisis accommodation; ensuring access to cheap or free community space; or several hundred people co-managing public land for collective use for projects such as small scale farming, a recycling plant or cooperative eco-housing a happened in Preston ([CLES](#)).

Combined, these activities ensure wealth becomes broadly owned, rooted locally, and aligned with broader social, environmental and economic goals.

Keeping money rooted in place:

"So they've shifted a lot of money to local suppliers. But the really fascinating thing is the public sector are buying from worker owned businesses. That's because you won't get a worker owned business that will get up and leave. When there's ten or twenty people working in a worker coop, all ten or twenty would have to vote to relocate. And they're just not going to do that. (Matthew Brown 2018 Preston model founder).

"Councils have got purchasing power, and they've got a big operation. If they have the right local procurement in place, and they decide that they want to move on something, they can support a whole heap of small businesses" Dr Amanda Cahill Next Economy (Research Action interview, 2021).

Further info:

The City of Sydney is considering a community wealth building approach. Their [discussion paper](#) outlines what this could look like in an Australian city, and provides detailed and accessible information on CWB.

[Democracy Collaborative](#) and [CLES](#) have each produced videos providing snapshots of this work.