

## Address by Patrick McClure AO

### Chairman of the OECD LEED Forum on Social Innovations

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"As a student of the humanities, it is wonderful to be in Trento - the Roman town of Tridentum - and the centre of the Council of Trent in the sixteenth century, under the entrepreneurial leadership of Bernardo Clesio. It was the source of inspiration for artists such as Giuseppe Alberti in the seventeenth century. That same spirit of entrepreneurship, creativity and local development is embodied in the OECD - LEED Trento Centre for Local Development.

I come from a nation of the new world, Australia. We are a land of migrants with people from over 140 nations of Europe, the Americas, Asia and Africa. We have an indigenous culture that dates back over 40,000 years.

Australia has a population of 20 million people. It has experienced strong economic growth and unemployment is 5.2% of the labour market. Like the other nations of the OECD it is confronted with major issues such as globalisation of industries, casualisation of labour, job-rich and job-poor communities and 600,000 children living in jobless households.

New policies, new strategies and new forms of social innovation are needed to meet these new challenges. I would like to outline four areas of social innovation in Australia that resonate across the OECD:

#### 1. Welfare Reform

I was appointed by the Prime Minister of Australia to chair the Independent Reference Group on Welfare Reform. It was a one year process with wide community consultation. The Report was launched in 2000. It offers a blue print for reform drawing on best practice across the OECD. The Australian Government committed \$1.7 billion over 4 years for its implementation. It contained five pillars of reform: individualised service delivery; simpler income support system; incentives and financial assistance; social obligations and community capacity building. The reforms sought to provide opportunities and incentives for social and economic participation for people dependent on income support.

## 2. Corporate Social Responsibility

In the face of global poverty, AIDS and terrorism, business is increasingly embracing corporate social responsibility. 71% of global CEOs consider corporate social responsibility as essential to their long-term business sustainability (PWC Survey, 2000). Global Reporting Indicators and Triple Bottom Line Accounting are linked to business strategic planning and sustainability. In Australia, I am a member of the Prime Minister's Community Business Partnership which has introduced taxation incentives and national awards for excellence in partnerships between business and community. Strategic partnership between corporates and Mission Australia include funding, staff involvement, supplier relationships, in-kind support, payroll deductions and sponsorships. There is a recognition of government, business and community organisations working together as equal partners.

## 3. Privatisation

Across the OECD there is an increasing role for non profit organisations in the provision of services formerly run by government. In Australia there are 500,000 registered unemployed people. The Job Network tender of \$2.7 billion is one of the largest employment service tenders in the world. The market has 100 providers with 50% for profit organisations and 50% non profit. Mission Australia is the second largest provider of employment services. It has won a 3 year contract and will place 160,000 disadvantaged Australians into jobs. It is an Active Participation Model that obliges people who are unemployed to be involved in job search, training or work experience. For government the benefits are obvious: reduced government costs and improved outcomes.

## 4. Social Enterprise

Across the OECD there is the challenge of providing opportunities for social and economic participation for job poor individuals, households and communities. This requires new forms of social innovation. Mission Australia trains unemployed people in running small businesses. Last year we established 1,000 small businesses with an 80% success rate after 2 years. In Australia we have 100,000 homeless people. The average age of a homeless male is 32 years and female 28 years. These people are homeless because of mental illness, family breakdown, domestic violence or long-term unemployment. Mission Australia has embarked on an ambitious homeless project in inner city Sydney. It involves a \$7 million capital appeal. The new model which reflects best practice across the OECD involves shared apartment accommodation, individualised case management, links to rehabilitation, training and employment and on-site medical and health care. The goal is to break the cycle of homelessness and despair.

As President of the Forum on Social Innovations, I will be working with Jens Erik, Gianluca and the team in the Trento Centre to develop best practice models of social innovation across the OECD.

In the words of the European poet Goethe:

"Whatever you can do, or dream you can do, begin it. Boldness has genius, power and magic in it."

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