

East Arnhem Land Business Development Approach

An Interim Review of IBA's Approach to
Developing Small Businesses in
East Arnhem Land

Indigenous Business Australia, September 2008



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Indigenous Business Australia



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Executive Summary

Background to the Review

This review provides an independent interim report of a pilot Indigenous business development approach, primarily focussed upon how it has been used in the communities of Galiwin'ku and Gapuwiyak.

In June 2008, Indigenous Business Australia (IBA) engaged SGS Economics and Planning (SGS) to prepare an interim independent review of the East Arnhem Land Business Development Approach (the East Arnhem Land Approach or Approach) which has been established and implemented across several remote Indigenous communities in East Arnhem Land, Northern Territory.

The East Arnhem Land Approach has been established by IBA to provide direct small business development and support services on the ground in regional and remote Indigenous communities. This Approach differs from previous business models used in urban and regional indigenous communities, by having a strong capability component focussed on supporting the community. In remote indigenous regions and communities, access to appropriate ongoing enterprise development support is extremely limited.

Essentially, the Approach has two stages:

- Stage 1 – the development of an initial scoping study to understand the region and the communities prior to implementation; and
- Stage 2 – a five-step implementation process:
 1. Identification and evaluation of ideas;
 2. Client screening;
 3. Reality testing; and
 4. Implementing appropriate business structures and business management processes; and
 5. Providing ongoing support to clients.

The resourcing required to implement the Approach includes the engagement of a facilitator who spends time working with the community and the employment of an Economic Development Officer from the community.

Methodology of Review

In undertaking the review SGS undertook the following tasks:

- Documented the development of the Approach;
- Assessed the Approach in its current form and context
- Identified factors for success of the Approach
- Identified the constraints and opportunities for the business model
- Outlined recommendations for implementing the small business model

The review process also involved:

- Discussions with the architect of the Approach, Colin Tidswell,
- Personal interviews with Kate Monger, CEO Gapuwiyak Community Incorporated and Natasha Pozzana, Yolgnu Economic Development Officer, Galiwin'ku;
- Site visit to the communities of Galiwin'ku and Gapuwiyak including discussions with small business entrepreneurs who have been assisted by the project; and
- Discussions with Community Development Employment Program (CDEP) coordinators about CDEP supported business activities.

Key findings from the two communities

In June 2008 eleven enterprises are or were on the verge of being registered and trading, as a result of the East Arnhem Land Business Development Approach. This is a substantive achievement considering the general lack of independent small enterprises that operate in most remote indigenous communities.

The known estimated per annum income potential of all these businesses in the East Arnhem Land Business Development Approach is in the order of \$320 000 with an estimated employment potential of two full time positions and 16 part time positions. The table below lists those enterprises that are established and due to be trading as at June 2008.

Enterprise	Established, registered and trading?	Estimated annual gross income	Estimated employment
Dudupu Outstation Accommodation	Yes	\$100,000	3 part time positions
Cross Cultural Consultancy Services	No but in process	\$60,000	1 full time position
Slush Puppy Sales	Yes	\$40,000	2 part time positions
Didgeridoo and art sales	Yes	\$36,000	1 part time position
Cross Cultural Consulting	Yes	\$24,000	1 part time position
Market Garden/Plant Nursery	Yes	\$20,000	1 full time and up to 4 part time positions
Commercial fishing	Yes with CDEP support	\$18,000	3 part time positions
Cleaning services; Clothing manufacturing and mending	Yes	\$15,600	1 part time position
Outstation Store & Mechanical Repairs	No but in process	\$5,200	1 part time position
Women's Enterprise Centre	No but in process	Unknown	Several part time positions
Housing Maintenance	Yes	Unknown	Unknown

In a more recent update, Colin Tidswell in his quarterly report provided to the IBA on 6th October 2008, reported that a total of 24 enterprises were now created:

- 14 stand alone sole trader businesses (with registered ABNs)
- 1 joint venture
- 4 non ABN sole traders
- 4 CDEP supported enterprises
- 8 full time positions created
- 43 part time positions created

Also achieved during the October 2008 quarter was the establishment of the Gapuwiyak markets. These monthly markets provide a place for budding entrepreneurs to go and sell their wares. They are proving to be very successful with an average of 9 stall holders and huge community turnout. A market committee has been formed and they are now considering holding the markets fortnightly.

In addition to the direct benefits to the community a range of indirect benefits were observed. As the majority of enterprises were providing goods, services and opportunities within and for the local community, this is generating the potential for a range of indirect benefits at the local level. For example the market gardens and nursery enterprise is providing fresh and cheaper produce to the community store and homelands, with added health benefits to the community.

Assessment Themes

To assess the East Arnhem Land Approach (the "Approach") six review themes were developed, in conjunction with the IBA. These themes are based upon concepts that are central to the standard development practice in similar contexts elsewhere. The first four themes are important qualities to aspire to for achieving successful development outcomes of any kind in places where levels of development are relatively basic. The final two themes directly address the type, degree and sustainability of any specific benefits that are being aimed for, in this case small business development. The 6 review themes are:

1. Appropriateness to Setting
2. Effective Engagement
3. Practicality
4. Flexibility
5. Direct and Broader Benefits
6. Sustainability

Overall, the review found that in general five of the six themes had been achieved:

Appropriateness to Context – This was **ACHIEVED** but can be further strengthened by having the ongoing monitoring of changes more structured.

Effective Engagement – This was **ACHIEVED** but can be further strengthened by a more structured analysis and monitoring of stakeholder interests during implementation to support the Approach's ability to maintain the broadest engagement.

Practicality – This was **ACHIEVED** but relies upon experienced facilitation. Local facilitation and other support capabilities do not exist. The use of a practically minded facilitator is a key aspect of the Approach's success and may not be easily obtained.

Flexibility – This was **ACHIEVED** and is regularly demonstrated especially during the delivery of support of individual cases.

Direct and Broader Benefits – This was **ACHIEVED** and is demonstrated by verifiable direct benefits in the form of small business start ups, income generation and employment.

Sustainability – This was **NOT ACHIEVED YET** as it is too early to tell whether the Approach and the benefits that it is generating are sustainable. However the prospects for achieving sustainability are enhanced by the principle of facilitating and not doing, starting out small and mentoring.

Key Success Factors of the Approach

During the review a number of key factors were identified that supported the success of the Approach:

✓ **Understanding Context is Critical**

The scoping of the context and background, economic profile and the setting out of way forward played a fundamental and influential role in the development Approach and its implementation. In addition the facilitator's familiarity with the region and his practical experience of working in communities assisted the understanding of the context.

✓ **Importance of Key Personnel**

The employment of a local employment development officer assisted with the ongoing support through regular contact, mentoring and advising. The ability of the facilitator to work with Indigenous clients, communities and established networks was also critical to the success of the Approach.

✓ **Getting Relationships Right**

Ensuring the role of the facilitator is to support and engender reliance rather than establish relationships of dependency as well as respecting confidentiality about an individual's business enterprises was an important element.

✓ **Practical Application**

The Approach applies standard small business development practices that could easily apply in any context. The Approach also demonstrates practical usefulness – moving beyond "paper work" and promising "talk to doing". The simplicity of the Approach and its action focussed principles means it can be readily communicated and demonstrated to clients and the broader community.

✓ **Innovative Approach**

The Approach demonstrates innovation through adaptive use of existing local resources in lieu of investment in a new resource. It also works independently and directly with clients on a case by case basis. It is also a change from the western concept of business and is adapted to the lifestyle in the community for example trading hours are not obliged to be from 9am – 5pm. The approach also starts small and tends to work with personal capital rather than a risk management approach to the business loans.

Recommendations

The review has made a number of recommendations arising from the review of the Approach:

Recommendation 1: The East Arnhem Land Business Development Approach should continue to be supported, developed and expanded. The Approach demonstrates excellent qualities that are necessary for working in remote Indigenous regions and communities. It is achieving success in a complex context, and in a niche area of business development – the development of micro and small business enterprise – which is not otherwise addressed by other current programs. The Approach taken is appropriate to the context and for this niche.

Recommendation 2: The inclusion and development of an initial scoping study should remain an essential aspect of the Approach. Before this Approach is implemented in other regions and communities, an initial scoping study must be carried out to so as to inform the design and adaptation of the Approach for the specific context.

Recommendation 3: The initial scoping study should be augmented by a baseline profile of the region or community where the Approach will be implemented. This will more reliably monitor the context, any changes during implementation and the impacts of the Approach. The baseline profile would consist of a set of practical, easily refreshed set of indicators for monitoring and reporting purposes. The baseline profile would draw on information from the initial scoping study and address the traditional and mainstream conditions of governance, physical resources, health and wellbeing, education and training, and economic security and development. It is understood that a baseline profiling tool that will support this purpose is currently being developed for IBA.

Recommendation 4: The principles of the Approach, and the tools and techniques that it uses, should be documented in a manual that can be used to train and develop facilitation expertise - within IBA, within IBA's network of Preferred Service Providers and within Indigenous regions and communities. Critically, the success of the Approach relies upon experienced facilitation. Training in facilitation should be delivered by an appropriately qualified and experienced facilitator, and wherever possible, at the regional and local level during the implementation of the Approach.

Recommendation 5: Direct and indirect benefits of the Approach should be monitored using a structured, consistent framework. This framework is already partly established within the Approach in the form of updated business development registers. Tools that will support this

purpose are currently being developed for IBA, and once developed, they should form part of the broader monitoring framework.

Recommendation 6: IBA should establish and maintain an online database of micro and small business development case studies that are generated by the Approach. This database would enable the sharing of experiences and ideas across all regions and communities where the Approach is being implemented. Information of a sensitive nature can be suppressed. The purpose of this database would simply be to promote practical small business development ideas, tools and techniques.

Recommendation 7: The East Arnhem Land Approach should continue to receive on-the-ground intensive support of up to 5 days per month until at least June 2009. It is too early to remove small business development facilitation and support from the East Arnhem Land region. In this context, the generation of sustainable direct and indirect benefits from small business development will take time, and sufficient time has not passed to determine whether the goal of sustainability has been achieved. The following general time commitments are recommended:

- Regional programs are established with a five year time horizon;
- The first three months of a regional program would see the completion of an initial scoping study, the setting up of actions supported by monitoring and reporting systems, and the development of a plan for transferring small business development facilitation and support capabilities to the region and its communities;
- The first two years of a regional program would allow for intensive small business development facilitation and support, involving proactive on-the-ground engagement with local entrepreneurs and other relevant stakeholders. During this period, the facilitator would be present on community for up to 5 days per month. During this period, a local community member (or members as the case may be) should be employed to 'shadow' and support the facilitator, so that the transfer of capabilities is encouraged;
- The final three years of a regional program would allow for ongoing monitoring of the region, quarterly reporting, and the continuing transfer of small business development capabilities to the regional and local levels. During this period, the facilitator would be present on community for up to 5 days per quarter.
- Throughout and at the end of the program, the monitoring and reporting efforts would inform overall progress, and the need for flexibility regarding the intensity of support required at any point in time.

Report Outline

Section 1 provides an overview of IBA, the Approach and the communities of Galiwin'ku and Gapuwiyak.

Section 2 of this report describes and documents the development and key features of the Approach.

Sections 3 to 8 then provide an assessment of the East Arnhem Land Approach against the six themes: *Appropriateness to Context; Engagement; Practicality; Flexibility; Direct and broader benefits; and Sustainability.*

Section 9 draws conclusions about factors for success and any limitations, and makes recommendations to support the Approach, including the expansion of the Approach to other remote Indigenous regions and communities.

1 Introduction

In June 2008, Indigenous Business Australia (IBA) engaged SGS Economics and Planning (SGS) to prepare an interim review of the East Arnhem Land Business Development Approach. The development and implementation of this Approach has been funded in partnership by IBA and the Australian Government Department of Education, Employment and Workplace Relations (DEEWR). This interim review is commissioned by IBA, which is eager to expand the East Arnhem Land Business Development Approach if this is warranted. This review is therefore focussed towards IBA.

1.1 IBA

IBA is a joint leader of the Australian Government's Indigenous Economic Development Strategy, which aims to support Indigenous Australians to achieve economic independence.

What does IBA do?

Economic participation is a key to encouraging Indigenous Australians to share in Australia's economic prosperity of recent years. Having a job or running a small business can empower an individual but also build the capacity of their local community. There is a strong belief that economic independence is essential to increasing the confidence, wealth, socio-economic status and community empowerment of Indigenous people.

IBA aims to create opportunities for Aboriginal and Torres Strait Islander people and communities to engage with the wider economy and to build assets and wealth. It does this by providing assistance to:

- Help Indigenous Australian's buy their own home;
- Enable Indigenous Australians to participate in business through commercial projects and enterprises, including business partnerships with the private sector;
- Providing continuing support, including financial and economic advice to Indigenous Australians who are in business;
- Support Indigenous people's ownership and control of companies and investments that are likely to provide a long term commercial return and economic self sufficiency;
- Work with Indigenous partners for higher economic returns from their assets; and
- Help establish Indigenous investment companies grown by sharing information about wealth creation opportunities.

IBA aims to actively contribute to the whole-of-government arrangements in Indigenous Affairs overseen by the Ministerial Taskforce on Indigenous Affairs. Activities are coordinated with those of other agencies to ensure that they add maximum value to the overall government effort.

IBA currently has five program areas. This review focuses on a project supported by the *IBA Partnerships* and *IBA Enterprises* program areas.

What does IBA Partnerships and IBA Enterprises do?

IBA Partnerships was established in 2005 to support the vision of increasing the economic independence of Indigenous people. In pursuit of this vision, IBA Partnerships aims to:

- Develop innovative policies;
- Commission, participate in, and fund research to identify additional Indigenous economic participation opportunities for IBA; and
- Build a collaborative relationship between IBA and Government, Indigenous communities and the private sector.

IBA Enterprises works with Indigenous people to assist them to succeed in business by supporting eligible Indigenous people to establish, acquire and grow small to medium businesses, through business loans and business support services. The business support services include business planning, business-related skills development and mentoring.

In addition, IBA Enterprises undertakes selected economic development initiatives, designed to assist Indigenous people to build capacity and aspiration for enterprise.

Many of IBA's activities involve exchanging views and information with community, government and business representatives. IBA works closely with industry and government stakeholders to support IBA's commercial and social outcomes, and explores new partnership opportunities. IBA engages with industry groups and other stakeholders that have the potential to promote Indigenous economic development to help them identify opportunities, including opportunities for working with IBA.

1.2 This Review

This review is an independent interim review of a pilot Indigenous business development Approach, which has been established and implemented across several remote Indigenous communities in East Arnhem Land, Northern Territory. The review has focussed primarily upon how the Approach has been implemented in the communities of Galiwin'ku and Gapuwiyak.

Figure 1 **Location and Regional Context**

Elcho Island and the Marthakal Homelands is Aboriginal freehold held in trust by the Arnhemland Aboriginal Land Trust.¹ Galiwin'ku and Gapuwiyak are traditional Aboriginal communities with restricted access. An initial scoping study of the region and its communities was completed as part of the process for setting up the East Arnhem Land Business Development Approach. The study provides a lot of detail. For the purposes of setting the scene, the following discussion provides some highlight observations about:

- Galiwin'ku;
- Gapuwiyak; and
- Economic security and development in the region.

1.2.1 Galiwin'ku

Galiwin'ku is a remote island community on the northern coast of East Arnhem Land. The settlement of Galiwin'ku occurred with the arrival of Harold Shepherdson, a lay associate of the Methodist Overseas Mission, from Milngimbi in 1942. These days, the settlement is a service centre for several traditional tribal homelands, which were encouraged during early settlement in order to retain traditional way of life. Regular passenger flights are available from Darwin and the community is serviced by a weekly barge.

The people of Galiwin'ku retain their tradition and culture for future generations by strict traditional methods, and through education, embrace the wider Australian community.

Galiwin'ku is the main community on Elcho Island and is the largest Aboriginal community in North East Arnhem Land, with an estimated base population of 1,698 people, including 124 non-

¹ *Aboriginal Land Rights (Northern Territory) Act 1976*

Aboriginal people, according to the 2006 ABS census. Remote Indigenous populations fluctuate because of seasonal and cultural transience. For this reason, many people who can be classed as resident on communities are missed in Census data collections.

However, most residents regularly visit the community health centre. In May 2006, the Ngalkanbuy Health Services patient database recorded a health services population for Galiwin'ku (and the surrounding Marthakal Homelands) of 3,172 people (2,995 Indigenous). These records are used by health organisations and are considered to be a reliable indicator of regular community population.

The community also serves approximately 25 outstations with a total population of approximately 500 people.² There are many homelands associated with Elcho Island and Galiwin'ku, collectively known as the Marthakal homelands.

The 2006 Census records a median age for the Indigenous population of Galiwin'ku of 20 years; 38% of the population is under 15 years and 59.5% of the Indigenous population between the ages of 15 and 64. In comparison, nationally the median age of the population is 36.8 years and the Northern Territory has the youngest median age of 31.1 years.

According to the 2006 Census, less than 5% of the Indigenous population³ have achieved a year 12 equivalent school education; 22% have achieved year 10 equivalent or higher level of education and 8% did not go to school. In terms of current school attendance, the majority of people are with the 5-14 year age group.

Non-school qualification is undertaken at the certificate level (15 persons counted) and is mostly undertaken by people in the 15-24 year age group. Six persons are counted as having obtained a bachelor degree between the 34 to 54 year age groups. Fields of study include health, education, society and culture, and engineering and related technologies, with more women studying at this age than men.

The community profile for the Marthakal Homelands records the highest year of school completed for 35% of the Indigenous population as between year 10 to year 12 equivalent schooling with 5.5% achieving a year 12 education or equivalent, and 4% of the population is recorded as not having attended school.⁴ In terms of current school attendance, the majority of people are with the 5-14 year age group.

² Marthakal Homelands Resource Centre has 550 people registered as outstation residents, and estimate 350-400 of these people permanently reside on homelands. Marthakal homelands health services records a permanent outstation population of 515 people.

³ Count of persons aged 15 years and over- total of 977 persons. 113 persons recorded as highest school year not stated. Indigenous population only.

⁴ Count of persons aged 15 years and over – total of 124 persons; 24 persons recorded as highest school year not stated. Indigenous population only.

1.2.2 Gapuwiyak

Gapuwiyak is located about 150km south west of the town of Nhulunbuy and about 600km east of Darwin by road (4WD access only). Gapuwiyak was originally established in the late 1950s for the purpose of supplying timber for use by missions in the region. Initially an outstation for Galiwin'ku, Gapuwiyak became permanently settled in 1968 and, with self-government, became Aboriginal land when the *Aboriginal Land Rights Act 1976* (NT) was declared. Traditional ownership is held by the Gupapuyngu clan. Regular passenger flights service the community, via Gove and weekly barge service operates from Bucking River.

According to the 2006 Census, Gapuwiyak has an estimated population base (including outstations) of 1,097 people, of which 1,049 people are Indigenous. In discussion with the former CEO of Gapuwiyak Community Incorporated, the council serves a population of approximately 1,400 Yolgnu.⁵ The median age of the Indigenous population is 21 years. The average Indigenous household size is 9.3 people.

The 2006 Census reports that 28% of the population (persons aged 15 years and over) have achieved an education level of between year 10 to year 12 equivalent schooling, with 6.7% achieving a year 12 education and 7% recorded as not having attended school. Non-school qualification is at the certificate level, and most of this is undertaken by Indigenous people in the 15-34 year age groups.

1.2.3 Economic security & development in the region

Two economies operate in East Arnhem Land: the Balanda (mainstream) economy and the Yolgnu (informal) economy. There is very little overlap between the two. The region has a strong traditional history of trade and enterprise dating back to the Macassan traders and fisherman from Sulawesi. Traditionally, enterprise is family-oriented (individual family / clan based, not community owned and operated). The regional and local population still trades amongst itself via the informal economy. However, the actual scale of this economy is not known.

The mainstream economy is primarily based on government benefit payments and CDEP. There are fewer than 170 jobs available in the community: it is estimated that non-Yolgnu hold 60 positions and non-CDEP employment of working-age Yolgnu is 6%. There are approximately 450 CDEP positions in the region (194 in Galiwin'ku and 262 across the Marthakal homelands) and limited employment opportunities outside this program. The 2006 Census records the median weekly individual income as \$198 and median household income is \$1,015 – the average Indigenous household size is 8.5 people.

⁵ Personal communication with Ms Kate Monger, CEO Gapuwiyak Community Incorporated, 18 June 2008.

1.3 The East Arnhem Land Business Development Approach

The East Arnhem Land Business Development Approach (the East Arnhem Land Approach) is an Approach established by IBA to provide direct small business development and support services on the ground in regional and remote Indigenous communities. The Approach has emerged from a pilot project called the *Sub-Regional Indigenous Economic Development Project*. The objective of this project was to undertake a comprehensive analysis of the Galiwin'ku community and the Marthakal homelands economy for the purpose of informing the establishment of a business development Approach for remote Indigenous regions and communities.

Stage 1 of the Approach commenced in December 2006 and involved undertaking a scoping study of the regional Indigenous community. The scoping study, *Galiwin'ku and Marthakal Homelands Economic Development Scoping Project 2007* canvasses historical information about the region and its communities, demographics, infrastructure needs and current major initiatives (such as the impact of the Australian Government intensive intervention – *Northern Territory Emergency Response*). It describes the economic profile, the history of trade and enterprise and current economic development and participation in the region, as well as case studies of local Yolgnu people to illustrate their capacity and willingness to participate in economic development. The report detailed a way forward by documenting community aspirations and opportunities, barriers and made additional recommendations (such as the need for a community skills audit and the need for mentoring, business plans for establishing businesses, 'reality' testing and feasibility studies for potential enterprise ideas).

Stage 2 of the Approach was underway by July 2007 and amounts to the implementation of the business development Approach recommended in Stage 1. A regional office was established and a local economic development officer was employed. Stakeholders were briefed and work commenced on scoping potential enterprises within the community.

Over the last 12 months the East Arnhem Land Approach has supported the establishment of approximately 10 - 15 small businesses across the two communities.⁶ This outcome holds significant promise for the Approach. If it is found to be appropriate, IBA intends to expand this business development Approach into other remote regions and communities.

⁶ A range is provided as some businesses that have been established are trading intermittently.

A diagram outlining the East Arnhem Land Business Development Approach is shown in the following diagram:



1.3.1 The Scope of the Review

The review tasks include:

- *Documenting the development of the Approach;*
- *Assessing the Approach in its current form and context* – as a means of creating and supporting small businesses in remote Indigenous communities, taking into account issues such as location; access to business support services; supply chain requirements; logistics; etc
- *Identifying factors for success* of the Approach that have assisted local Yolgnu people transition into small business.
- *Identifying the constraints and opportunities* for the business model in terms of supporting small business, on a sustainable basis.
- *Outline recommendations for implementing* the small business model in other remote Indigenous communities, on a sustainable basis.

The review process involved:

- Intensive interpersonal discussions with the architect of the Approach, Colin Tidswell, including his presentation of the *Sub-Regional Economic Development Project*;
- Face to face interviews with Kate Monger, CEO Gapuwiyak Community Incorporated;
- Face to face interview with Natasha Pozzana, Yolgnu Economic Development Officer, Galiwin'ku;
- A three day visit to the region, particularly the communities of Galiwin'ku and Gapuwiyak and conducting direct discussions with small business entrepreneurs who have been assisted by the project; and
- Discussions with CDEP coordinators about CDEP-supported business activities.

SGS was accompanied by the facilitator of the Approach Colin Tidswell during the three day visit to the communities and all discussions and interviews were conducted in his presence.

Initial discussions between SGS and IBA led to the development of 6 review themes against which the Approach would be assessed. These themes are based upon concepts that are central to standard development practice in similar contexts elsewhere. The first four themes are important qualities to aspire to for achieving successful development outcomes of any kind in places where levels of development are relatively basic. The final two themes directly address the type, degree and sustainability of any specific benefits that are being aimed for, in this case small business development.

The 6 review themes are:

Appropriateness to context

Accurately understands and is successfully adapted to the local context

Key Questions

Has the local context been comprehensively assessed and documented?
Has the context assessment been used to inform the design of the Approach and the tools and techniques used?
Does the Approach monitor the local context for changing conditions?



Effective engagement

Successfully engages the relevant stakeholders

Key Questions

How does the Approach identify relevant stakeholders?
Is the Approach easily communicated to stakeholders?
What tools and techniques are used to engage with stakeholders?
Are relationships developing between the Approach and stakeholders?
Do stakeholders stay engaged? If they disengage, why do they disengage?



Practicality

Successfully applies tools and techniques that are practical and readily transferrable

Key Questions

What tools and techniques are being used to support the Approach?
How easy is it to apply these tools and techniques? Are there any difficulties?
Can others readily understand and apply the tools and techniques?
What qualities and expertise are required to apply the tools and techniques?
What resources are required and are these easy to obtain?



Flexibility

Successfully adapts to suit unusual or unexpected circumstances

Key Questions

Is the Approach designed to be adaptable to changing local circumstances and conditions?
How is the Approach adapted when required?
Is there a selection of alternative strategies, tools and techniques that can be used?



Direct and broader benefits

Achieves real direct and broader benefits

Key Questions

What direct benefits are being achieved – small business start ups, employment, income generation etc?
What broader benefits are being achieved – reduced welfare dependency, improved local access to goods and services, other examples of social benefits etc?



Sustainability

Real direct and broader benefits become sustained development outcomes

Key Questions

Could any direct and broader benefits continue if the Approach, and all of its tools, techniques and resources were removed?
Has business development and support capability been successfully transferred to the local level?
Which aspects of the Approach are most critical for sustaining benefits?

1.4 The Structure of this Report

Section 2 of this report describes and documents the development and key features of the Approach.

Sections 3 to 8 then provide an assessment of the East Arnhem Land Approach against the six themes: *Appropriateness to Context; Engagement; Practicality; Flexibility; Direct and broader benefits; and Sustainability.*

Section 9 draws conclusions about factors for success and any limitations, and makes recommendations to support the Approach, including the expansion of the Approach to other remote Indigenous regions and communities.

2 The East Arnhem Land Business Development Approach

This section describes in detail the East Arnhem Land Business Development Approach.

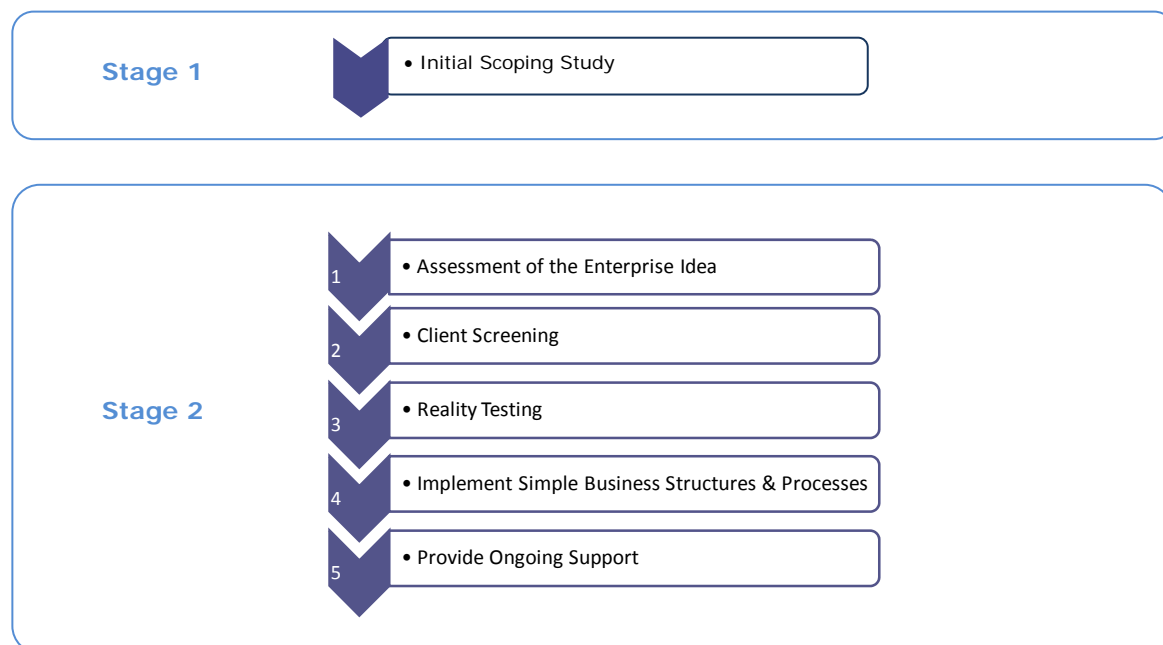
Essentially, the Approach has two stages:

- Stage 1 – the development of an initial scoping study to understand the region and the communities prior to implementation; and
- Stage 2 – a five-step implementation process:
 6. Identification and evaluation of ideas;
 7. Client screening;
 8. Reality testing; and
 9. Implementing appropriate business structures and business management processes; and
 10. Providing ongoing support to clients.

The resourcing required to implement the Approach has included:

- the engagement of a facilitator who spends approximately 2 weeks of the month on the ground following up progress with and providing support to clients, and scoping new opportunities; and
- The employment of a local Economic Development Officer who provides on-community support (based at Galiwin'ku).

Figure 2 Two Stages in the Implementation of the Approach



2.1 Stage 1 – The Initial Scoping Study

The initial scoping study was prepared with the community and involved consultation and engagement with key individuals, community organisations and government stakeholders. The scoping study provided the basis for:

- Understanding the context (particularly the socio-demographic and economic profile of the community and available community infrastructure);
- Identifying community aspirations, and economic opportunities; and
- Potential barriers to economic participation.

The initial scoping study provided the fundamental starting point for developing the Approach in its current form.

The following points describe the key purposes of the initial scoping study:

- To understand the socio-economic status of the region and the communities;
- To understand the economic prospects within the region;
- To identify and understand the local resources available for business development;
- To identify and understand past failings (of what worked and what did not work);
- To identify and understand case study key success factors;
- To clearly articulate community and individual business aspirations; and
- To consider the region's appropriateness for small enterprise.

The initial scoping study provided the basis for understanding and appreciating the importance of the local context. Some key issues relevant to the context and which have shaped the development of the Approach include:

- The region has a strong traditional community. Cultural obligations are important and will be prioritised, before work commitments.
- Yolgnu people and the region have a strong traditional history of trade and enterprise.
- Traditionally, enterprise and business are family oriented (individual, family/clan based – not community owned and operated). The concept of ownership often rests at the family level, but the culture can allow for recognition of the individual entrepreneur. For example, bank accounts are often family / clan held accounts, thus individual entrepreneurs may need to open their own account.
- Two economies operate: Balanda economy and Yolgnu economy, with very little overlap between the two.
- Clients may be poor of health and education. Therefore, the Approach, its expectations and outcomes need to allow for this.

The key recommendations made by the study were to:

- Establish an on-site economic development service; and
- Provide economic and financial literacy and numeracy training.

A key consequence of the scoping study was that it prompted some entrepreneurial thinking in the community.

2.2 Stage 2 - The Five Step Business Start-Up Process

The initial scoping study informed the development of the Approach to Stage 2 - the five step business start up process.

Step 1 – Enterprise Identification and Evaluation

What is and what is not a potential enterprise?

The first stage of the business development process involves visiting the region to identify ideas that do or do not have enterprise potential. The facilitator visits communities in the region, and with the support of a local economic development officer is available for initial, often informal, discussions about business ideas.

It is important at this stage that an honest appraisal of the idea and its enterprise potential is given to the client. The following questions are asked:

- Is there a market?
- Does it meet a local or regional need?
- Can it be managed locally?
- Is it sustainable (considering issues such as cultural obligations, the entrepreneur's capacity and capability, commitment, health and so on)?
- Is it likely to make money?
- Are there any local (Aboriginal) political or cultural issues that may impede the business?
- Does the client have, or can they gain the required skills?

Step 2— Client Screening

What is the client's real reason for wanting to establish a business?

The second stage of the business development process is client screening to identify the real reason for approaching the facilitator for business development support and why the client wants to establish a business.

The facilitator Colin Tidswell has established a *rough rule of thumb* to categorize client motivations and intentions:

Hunters and gatherers: make up 20% of approaches.

For example, a person comes with the idea to start a cleaning business which involves needing cleaning equipment and a vehicle. When suggested that the enterprise could start small by cleaning locally without a vehicle, the person loses interest as they are really only seeking a means to acquire a vehicle.

Talkers: 40% of approaches.

These are characterised as people who just talk broadly about business enterprise ideas and show no commitment to or lack the momentum to progress their idea.

Procrastinators: 20% of approaches.

A characteristic of the procrastinator is a person who sits on an idea but lacks the momentum to take the first or next step to progress the idea to start up the enterprise.

The Doers: 20% of approaches.

Doers have an enterprise idea and are able to take the steps that show commitment to starting up their enterprise.

Therefore, Step 2 of the business development process focuses on quickly identifying the 20% of Doers as the main focus of intensive business development support efforts.

The other 80% of approaches are not completely forgotten. An 'open door' Approach prevails so that a person is reassured that if later on he or she feels ready and able to make a commitment to their business start up, they may still seek support.

Step 3 – Reality Testing

Good idea and good client – is it sustainable?

Step 3 involves evaluating if the enterprise idea is personally, financially and socially sustainable for the client given the resources required to start up.

Sustainable for the client:

The business enterprise must be personally and financially sustainable for the client or family situation. A key consideration is does the business require too many resources, too much capital and require too much personal commitment from the client and does it have regard to cultural and community obligations?

Finance:

The Approach seeks to avoid or discourage the need for finance. Having a substantial debt to pay off doesn't fit well with the potential lack of continuity of business activity and the impact on income to pay off the debt. Furthermore businesses in these communities are often cognisant of seasonal influences, cultural and community obligations and therefore need to be flexible in their approach.

Resources:

The fundamental concept is to start small and quietly. The main considerations are what resources are needed to sustain the start up and how will they be sourced? The Approach seeks to work with

existing resources, including the existing capabilities of the client. It is also considered important that a business start up should take its first steps 'under the community radar'. This quality ensures that not being successful doesn't destroy a person's confidence, as starting 'small and quietly' using minimal existing resources means that nothing significant, including local reputation, can be lost.

Two examples demonstrate the importance of this step:

Example 1 - A client approached with the idea to start a clothes-making and mending business from home; she already owned a sewing machine. The simple advice was to just start offering the service. She hasn't come back for any further assistance; however, simply by word of mouth, she has started mending (and making) clothes from home.

Example 2 - A client started trading in her enterprise and deposited her business income into the family bank account. The funds, however, were withdrawn and spent by the family and she lost her reward for her effort. She is keen to start trading again once she has opened an individual bank account.

Step 4 – Establish Simple Business Structures and Processes

Sole trader keeping manual business accounts

Step 4 involves establishing simple business structures and technology to manage the business.

The Approach seeks to establish simple business structures and impart and embed simple business processes which satisfy basic business management requirements such as:

- Obtaining an ABN as a sole trader;
- Keeping manual (hand-written) accounts (invoices and receipts);
- Opening an individual bank account for business (personal) income and a separate account for tax.

This step promotes straight forward, easily learnt and maintained processes and practices which are within the capability of the client to manage. This Approach encourages self-reliance and minimises the need for ongoing support. Clients are taught the underlying value and importance of certain businesses practices. For example, it is taught that the value of keeping a record of receipts and payments helps a business owner keep track of what is being earned and the expenses they are incurring so that they can determine whether they are doing well, and to assist with controlling the amount of tax they might have to pay.

The fundamental business start up advice and support provided includes:

- Opening a local business bank account and separate tax account
- Applying for an ABN
- Setting up and using a manual payments book
- Setting up and using a manual receipts book
- Keeping copies of payment and receipt books

Establishing the client as a sole trader provides the simplest formal business structure. This status enables a client to trade as an individual, and to control and manage the business, with minimum business operating costs.

A sole trader must apply for an Australian Business Number (ABN). To be entitled to an ABN, the sole trader must be carrying on an enterprise. The tax office considers an enterprise to be any activity or series of activities done in the form of a business. The enterprise must have commenced trading or have undertaken sufficient activities to establish an enterprise. An intention to operate a business is not sufficient to be seen as establishing an enterprise, a sole trader must have taken appropriate steps that show a commitment to starting a business.⁷

Under a sole trading structure, the income of the business is treated as the sole trader's personal income and they are solely responsible for any tax payable by the business. This means that after deducting allowable expenses, the sole trader includes all their business income with any other personal income and reports it on their individual tax return. Sole traders pay the same tax as individual taxpayers, in line with marginal tax rates. Sole traders generally pay PAYG instalments during the year towards their expected end-of-year tax liability.⁸

A sole trader may apply for GST registration. Business with a GST turnover of \$75,000 or more must register for GST and will need an ABN to do this. Sole traders are also responsible for their own superannuation arrangements.

All of the clients that have been supported into business by the East Arnhem Land Approach have been advised to consider the personal taxation liabilities arising from their business. The advice given to clients is to open a bank account for tax and deposit \$20 for every \$100 they earn from their business. Copies of payments and receipts are kept so that their tax liabilities can be worked out. These two steps, if taken, enable the client to calculate and pay their tax at the end of the year.

Step 5 – Provide Ongoing Support

Support to grow enterprise, capability and confidence at the same time

Once a business has been set up, Step 5 involves providing ongoing support by way of regular contact (monthly) and through mentoring and advising, as opposed to the 'doing' of day-to-day operations. In some instances, support is provided to assist with complex business-related applications (e.g. for bank accounts, etc), 'fact-finding', following up on enquiries that are more effectively addressed if carried out in person in Darwin, or brokering between the client and technical support, for example in the development of a web-site.

⁷ <http://calculators.ato.gov.au/scripts/axos/AXOS.asp>. Sourced 26/06/2008

⁸ http://www.ato.gov.au/Businesses/content.asp?doc=/content/66952.htm&page=4#P127_7919
Sourced 26/06/2008

It is early days in the implementation of this Approach. Most of the enterprises that have been established are still trading, and all are experiencing very early stages of growth. They are still small, start up enterprises that will still require a level of external support.

2.3 Implementing the Approach

The implementation of the Approach relies upon a strong 'working with' principle. As discussed, there is a clear emphasis in the Approach upon establishing a good understanding of the regional and local context before acting, which enables the Approach to work with the context during implementation. There are five interests that the Approach works with during implementation:

- Clients and the community;
- Other economic development activities and local business;
- Local governance structures;
- Government (territory and federal); and
- The private sector.

2.3.1 Working with clients and the community

Most important to the implementation of this Approach is the ability to work with Indigenous clients, communities and established community networks.

This task was greatly assisted by the engagement of a facilitator who had a high level of familiarity and experience working in the region, working with and in remote Indigenous communities, and working with Aboriginal communities in general.

The facilitator's regular presence within the community has provided people with an opportunity to come and explore their own business ideas with an experienced advisor. It is important to note businesses have started from ideas that people within the community already had. The Approach has not 'invented' business ideas and activities for people.

Some key aspects of the Approach that have proved important to working with clients and the community during implementation include:

- It is essential to build trust both with individuals and the community collectively, *before* moving into the main task of business start-ups;
- Demonstrating practical usefulness and follow through are important for engaging the community – moving beyond 'paper work' and promising 'talk' to 'doing';
- There is a need to demonstrate that confidentiality about an individual's business enterprises has been respected and preserved;
- Some level of on-community local support is essential - having a local Yolgnu economic development officer greatly assisted with building the relationship between the Approach and individuals, as well as the community as a whole;
- It is equally important for the facilitator to find a balance between establishing a regular presence and continuity within the community, spending sufficient time on the ground to

develop solid relationships and community networks whilst ensuring the role of the facilitator is to support and engender self-reliance rather than to establish relationships of dependency.

2.3.2 Working with other economic development activities and local business

The initial scoping study identified the extent of other economic development activities within the region and its communities - including mining, arts and craft, tourism, industrial and commercial enterprises.

Within the community of Galiwin'ku, the former Galiwin'ku Community Council (which also administered the CDEP program activities), Marthakal (homelands resource centre) and the Arnhemland Land Progress Association (ALPA) were the largest provider of economic development opportunities and employment opportunities.

Some potential businesses are activities that have links to or currently rely on support from CDEP (e.g. local maintenance services). Whether or not CDEP is phased out of this region, it is likely that there would need to be specific transition plans established and some level of support and resourcing allocated if these kinds of activities were to become viable businesses. Some of these activities tend to be of a larger scale as well, and may not lend themselves to the low risk principle of this Approach.

The facilitator estimates that there are at least four enterprises that could be established through a transition from CDEP. These include a commercial fishing enterprise, a Women's Enterprise Centre, painting services, and a lawn mowing and garden maintenance business.

2.3.3 Working with local governance structures

The Approach recognises the need to work with local governance structures and community stakeholders. The former Community Councils provided much of the local infrastructure, delivered community development programs, provided essential support for local economic development initiatives, and also provided the majority of the employment opportunities within the community. Working with the former Community Councils, and gaining their support for the project, provided an important link to established community networks and community leaders. It was also as an important source for identifying clients and developing key economic development priorities.

Progress reporting on the implementation of the model reports that representatives from all local organisations have been consulted on the project and updates given to senior landowners, (former) CEOs and Councils of both Marthakal Homelands Association and Galiwin'ku Community Incorporated. Clients are referred to the project by these entities.

From July 2008, the local Community Councils have been replaced by regional local government. The regional local government will have an economic development role. It is too early to tell how this change may affect the connection between this Approach and the local communities. However, the facilitator continues to engage with key community leaders, acknowledging and

respecting their traditional and local leadership legitimacy despite the abolition of local Community Councils. For this Approach, a continuing direct direction engagement with local leadership remains an essential element for understanding the local context sufficiently well to enable enterprise development.

2.3.4 Working with government

The Approach recognises the simultaneous activities of territory and federal level government agencies within the region and, where opportunities present, works with other government policies and programs operating in the communities.

In a practical sense, working with government currently involves an awareness of:

- Federal Government's NT Emergency Response (NTER) which seeks to improve living conditions for indigenous communities in the NT and create safe environments especially for children
- FaHCSIA activities (various areas including Money Business, the Intensive Intervention Unit and Government Business Managers (GBMs);
- Community Employment Development Projects (CDEP);
- DEEWR (various areas including Indigenous Small Business Fund and the Emerging Indigenous Entrepreneurs Initiative management team);
- the Northern Land Council;
- Northern Territory Economic Development Officers (EDOs);
- Northern Territory Tourism Commission; and
- Northern Territory Department of Business Economic and Regional Development (collaboration between the project and the development of educational material for Indigenous people wanting to enter business).

It is important for this Approach to maintain an awareness of the frequently changing government policy and program environment, so that opportunities for and threats to the Approach can be captured and addressed. Opportunities come in the form of activities that have the potential to be utilised to support enterprise development, such as additional funding, training and other opportunities for direct assistance. Threats come in the form of the risks of duplication and confusion. The facilitator works hard to ensure that the Approach focuses its efforts and resources in the small business enterprise development area (where this is otherwise not provided) and also that the identity and purpose of the Approach is clear to the communities.

An example of potential for overlay or duplication of effort was identified when the Approach was proposed to be extended into a neighbouring community— Ramingining and Homelands. It was identified that a DEEWR EDO had commenced work in the community to identify enterprise opportunities, and where applicable develop feasibility studies and business plans for these enterprise. This followed an earlier CDEP-scoping exercise by DEEWR. Implementing the IBA Approach may have meant duplicating this effort. A decision was made for the time-being not to expand this Approach into that area. Nonetheless, this Approach offers a different technique for small enterprise development that may yet have something to offer that place.

Working with government has also encouraged the referral of clients to sponsored training and other sources of business support to prepare clients for starting up and operating their business; such as Certificate 1 in Business, and Money Business, which is a program which delivers training (in language) on budgeting, financial planning, banking credit, loans and financial traps.

2.3.5 Working with private sector

The initial scoping study identified potential opportunities for the strategic involvement of the private sector. The study suggests encouraging involvement and investment from financial institutions and the private sector in Indigenous development within the community. Arafura Pearls, Arnhem Land Progress Association, the Northern Land Council and the Galiwin'ku traditional owner group are engaged in discussions regarding potential partnerships for small enterprise development.

A number of larger or more complex enterprise opportunities with potential for further development - particularly eco-tourism ventures which would benefit from private sector interest / joint venture funding - have been identified.

Examples of opportunities identified by the project and already being explored include negotiations with Arafura Pearls about eco-tourism and a joint venture aquaculture industry. Currently in the scoping phase, Arafura Pearls have developed a draft feasibility study for the establishment of an eco-tourism venture at Dholtji outstation. A land use agreement has also been negotiated for the construction of an air strip at Cape Wilberforce, which will greatly improve access to the pearl farming operations and opportunities (including employment opportunities) for people from Galiwin'ku. Negotiations are continuing and, if this project progresses, it is anticipated that a range of small enterprise development opportunities would arise to service the main activity.

The opportunity to establish a tourism hub at Galiwin'ku and the Marthakal Homelands is also being explored with the NT Tourism Commission and the Northern Land Council. A scoping study is proposed to formulate the best Approach to the development of the hub including recognising that a coordinated Approach, such as a regional tourism strategy is needed together with adequate support structures. The project has identified tourism opportunities for a number of locations: Ingle Island, Dharrwar, Dondji, Gawa, Wigram Island, Matamata, Nikawa and Maparu.

2.3.6 Monitoring and Reporting

The facilitator monitors the effectiveness of the Approach through regular (monthly) visits to the region. During these visits, the facilitator actively observes, seeks out and catches up with clients to enquire about recent business, and whether there are any matters or issues that they would like some advice about or support for.

During monthly visits, consultations and project updates are provided to:

- Chief Executive Officers of the former community councils and organisations;

- Government Business Managers;⁹
- Community Employment Brokers;¹⁰
- Economic Development Officers (via FaCHSIA & the NT); and
- CDEP co-coordinators.

The facilitator also makes quarterly progress reports to IBA and DEEWR. The reports are provided using a template (which ensures consistency and progress comparison between reports). The reports provide updates about the overall project status, lessons learnt over the period, and other economic development information, such as stakeholder negotiations and engagement activities, referrals for training and other business support services that have been provided. A schedule of 'developing opportunities' provides a business development register, which is included with the report. A brief report on the status of each enterprise includes a description of the nature of particular support provided to or still needed by the client.

Regular, on-the-ground monitoring is a valuable part of the Approach. This keeps the Approach aware of and connected to the context, which is dynamic. Regional and local circumstances can change quickly in remote Indigenous regions. There are cultural and mainstream interests and influences that need to be monitored. This enables the Approach to adapt and modify business start up support in line with circumstances.

⁹ This is an Australian Government position deployed as part of the co-ordination efforts for the Northern Territory Emergency Response (NTER) to be the 'single face' of the Australian Government at the local level.

¹⁰ As part of the NTER, these DEEWR positions work in and with Indigenous communities in the Northern Territory coordinating the delivery of employment and education-related DEEWR programs and services.

3 Appropriateness to Context

Appropriateness to context

Accurately understands and is successfully adapted to the local context

Key Questions

Has the local context been comprehensively assessed and documented?
Has the context assessment been used to inform the design of the Approach and the tools and techniques used?
Does the Approach monitor the local context for changing conditions?

Appropriateness to context is the first principle for working in remote Indigenous regions in Australia. There are significant risks associated with the making of assumptions about this context. Practices that work well elsewhere may be frustrated by factors that are unique to remote Indigenous regions.

Best practice would dictate that any policy, program or project effort targeted at this context should endeavour to understand the regional and / or local context *before* commencing implementation efforts. The earlier this understanding is established in the policy, program or project development process, the more likely it is that strategies and actions will be adapted to work with the context.

The understanding of context should be as broad-based as possible. SGS recommends a 'five-foundations' Approach to developing a sound understanding of the remote Indigenous context. By this we mean that an assessment of context should address both mainstream and any traditional practices within the following five foundations:

- Governance, decision-making and regulatory arrangements and practices;
- The availability and quality of physical resources;
- The health and wellbeing of the population (physical, social, and cultural factors);
- The knowledge, education and training levels of the population; and
- The level of economic security and development within the community or region.

Each of these foundations is critical to policy, program or project success. Where any one of these foundations is weak, the stability of all is under threat. Having an awareness of the condition of all of these foundations provides information about opportunities for and threats to the specific policy, program or project that is being implemented.

To demonstrate this, we can readily say that the East Arnhem Land Business Development Approach is most relevant to the economic security and development foundation. This foundation is therefore its focus. However, when preparing to implement the Approach, it would not be good practice to seek to understand economic security and development conditions and prospects without observing and noting the condition of the four other foundations. This is because how a locality or region is governed, the physical resources available there, and the health and knowledge capacities of the local population can be major determinants of whether business development activities will ultimately be successful.

For the purposes of reviewing whether any Approach applied within remote Indigenous regions can be said to demonstrate appropriateness to context, there are three key questions we may ask:

- Has the local context been comprehensively assessed and documented?
 - Has the context assessment been used to inform the design of the Approach and the tools and techniques used?
- Does the Approach monitor the local context for changing conditions?

3.1 Has the local context been comprehensively assesses and documented?

The preparation of the initial scoping study prior to the implementation of the Approach meant that the context was successfully assessed and documented. For any parts of the scoping study where comprehensiveness may be said to be lacking, this was primarily as a result of data and other information limitations, rather than as a consequence of leaving any key theme overlooked.

The purpose of the initial scoping study was to provide the basis for finding a way forward to address the economic disadvantage experienced by the East Arnhem Land region. It played a fundamental and influential role in understanding the context and the development of the model and its implementation. The scoping study was prepared with the community and in consultation with key individuals and community organisations and other stakeholders.

The initial scoping study is broad-based in that it provides an outline profile of some defining characteristics of the current situation, the people, the place and the economy. It described the governance arrangements (existing and proposed changes) in terms of both institutional and cultural influences, geographic, demographic, socio-economic characteristics, community infrastructure, and facilities available within the community (Galiwin'ku). It is important to note that the scoping study derived information from local sources, such as the health clinics to identify the actual population serviced and for a general indicator of community health and well being.

The scoping study provides an overview of history of trade and strong local economy, the current employment and economic development in the region. It scoped past attempts and existing policies, programs and efforts addressing indigenous economic development and participation and presented the case for why the 'usual government approach to indigenous economic development' does not fit with the remote context. For example, redressing the idea that business is community owned rather than recognising family (clan) and individual ownership and control; and making allowance for the fact that cultural obligations will come before any work commitments, especially in a traditional Aboriginal community.

Case studies are presented in the scoping study to illustrate community aspirations for enterprise development. It also scopes further opportunities and examine barriers to employment and business development, such as the capacity to participate, cultural confusion and related issues, and the lack of infrastructure and availability of basic resources to support economic development and participation. Recommendations focus on ways and means of initiating, stimulating enterprise development and economic participation.

3.2 Has the context assessment informed the design of the Approach and tools and techniques used?

The initial scoping of the context and background, economic profile and the setting out of a way forward played a fundamental and influential role in the development of the Approach and its implementation. In particular, early engagement with individuals and key stakeholders in preparing the initial scoping study was crucial in establishing local contacts and informing the Approach to engaging with the community. It was also crucial for refining and confirming the actions and activities that the facilitator would carry out during the implementation of the Approach.

Two key recommendations flowing from the initial scoping study were achieved through the implementation of the Approach as a pilot project:

- The establishment of an onsite economic development service; and
- The provision of training in economic and financial literacy (the project referred clients to the FaHCSIA's 'Money Business' community education program).

Both of these activities were crucial to the achievement of the Approach.

3.3 Does the Approach monitor the local context for changing conditions?

The ongoing monitoring of the local context for changing conditions is not an inherent feature of the Approach itself. The monitoring aspect of the Approach is focused on individual clients, established and establishing enterprises. This is achieved by providing ongoing support and mentoring. Issues, events, decisions and the implications of these that affect the local context are picked up through the process of providing ongoing client support.

These influences and their effects are reported to the extent that they change fundamental aspects of the local conditions. In this context, the changes are usually decisions by government about policies and programs that have both direct impacts on the lives of individuals and the community generally. For example, the September 2007 report on the implementation of the model reported that the Northern Territory emergency response heavily preoccupied the community and it was difficult to engage with people and NGOs in these circumstances. Similarly, changes to the CDEP also left organisations uncertain about their future, heavily preoccupied with their response, and therefore difficult to engage with. Finally, the Northern Territory Local Government Reform process dissolved the community councils, which were then reluctant to enter into new agreements, contracts or leases during caretaker arrangements.

Quarterly progress reports to IBA on the implementation of the Approach describe outputs, outcomes, and issues (lessons learnt during the period) and recognises the need for ongoing consultation and monitoring (to occur with government, CDEPs, local government bodies and organisations) to adapt to new policy initiatives.

3.4 Summary Conclusions

- The principle of appropriateness to context has been achieved by the preparation of an initial scoping study. An initial scoping study should be regarded as a necessary element of this Approach. Such a study is required to provide a rigorous and comprehensive description of the local and regional context, the benefits of which flow during implementation.
- While the initial scoping study developed for the East Arnhem Land Approach was very effective and quite comprehensive, it would be improved by the development of a structured baseline community profile that can be periodically refreshed to track changing conditions across the five foundations. This would be readily achieved by using easily applied but relevant indicators to provide a structured Approach for monitoring conditions and evaluating outcomes.
- The initial scoping also needs to systematically identify other agency and other government programs and policies being implemented on the ground or applicable to the context. This is for the purpose of avoiding duplication of efforts, assists with referrals to other programs or funding and establishes formal links and contacts for ongoing liaison.
- Although the Approach to implementing the project has been to operate outside the usual government program delivery approach and to present as more of a community support service, a formal and structured approach to a whole-of-government scoping is necessary in this context, given the propensity for sudden and wide ranging changes to local circumstances, primarily driven by government actions.

4 Effective Engagement

Effective engagement

Successfully engages the relevant stakeholders

Key Questions

How does the Approach identify relevant stakeholders?
Is the Approach easily communicated to stakeholders?
What tools and techniques are used to engage with stakeholders?
Are relationships developing between the Approach and stakeholders?
Do stakeholders stay engaged? If they disengage, why do they disengage?

The importance of effectively working with people is a fundamental element in building successful stakeholder participation, collaboration, partnerships and trust within any community, but particularly for remote Indigenous communities. Evaluating the effectiveness of stakeholder engagement considers the tools and techniques used to identify, communicate and develop relationships with relevant stakeholders.

There are five questions that can be asked to assess the effectiveness of engagement via the East Arnhem Land Business Development Approach:

- How does the Approach identify relevant stakeholders?
- Is the Approach easily communicated to stakeholders?
- What tools and techniques are used to engage with stakeholders?
- Are relationships developing between the Approach and stakeholders?
- Do stakeholders stay engaged? If they disengage, why do they disengage?

4.1 How does the Approach identify relevant stakeholders?

Early engagement with stakeholders in preparing the initial scoping study was important for establishing local contacts, developing relationships within the community and informing the Approach to engaging with the community. The initial scoping study generally identified relevant stakeholders by identifying and listing them.

It is important to note that the facilitator, through past experience of the region and the remote Indigenous context, had a sound understanding of who might be regarded as a relevant stakeholder in the course of implementing the Approach.

Stakeholders fit into three groups:

- Clients;
- Local 'governance agents' (traditional and mainstream; and
- Other stakeholders, which include Australian and Territory government agencies, non-government / community organisations, and private sector interests.

The Approach is primarily focussed on clients, but stakeholders across all three categories are engaged from time to time.

Progress reporting has a strong focus on stakeholder engagement. The kinds of observations of engagement usually made within progress reports include:

- Worked with individuals and communities in identifying and developing key economic development priorities;
- Sourced potential venture capital and identified any joint venture partners;
- Undertaken activities with the community to raise entrepreneurship;
- Attended meetings with stakeholders;
- Made referrals for training and business support;
- Worked with business within the area (information on business models);
- Undertaken activities to build networks with relevant stakeholders in the area;
- Facilitated access to tailored packages to ensure that Indigenous business which employ Indigenous staff have been supported throughout business development and growth programmes;
- Encourage involvement and investment from financial institutions and private sector in Indigenous development within the Indigenous community; and
- Identified, promoted and assisted individual clients.

Progress reports include the listing of meetings with stakeholders, as well as the reporting of the referral of clients to and from other government programs. Progress reports also discuss the impacts of government activities, officers, programs and policies on the implementation of the Approach.

Progress reports also identify relationships that may be hindering progress. Key issues that are consistently listed in this area include the inflexibility of government agency funding (which might otherwise be used support enterprise development), reporting obligations for other agencies which need consideration, and the presence of 'community gatekeepers'.

In this sense, the fostering of relationships and working collaboratively with local governance agents, community organisations, private sector and government is an important part of the enterprise opportunity identification and process.

A more comprehensive analysis of stakeholders – documenting their attitudes, interests and influences with respect to the Approach and its goals - was not undertaken up front by the scoping study. The importance of this process is that it provides a means of accurately mapping the relative importance of stakeholders and would provide further guidance and insights for how to involve them in the process.

4.2 Is the Approach is easily communicated to relevant stakeholders?

The Approach is relatively simple, quite practical and geared towards achieving immediate results for individual clients. SGS was able to observe that this intention is effectively and easily communicated to existing and potential clients, particularly via demonstration (i.e. in action rather than in words). The communication of this intention is important because clients and the community generally are these days sceptical about most policies, programs and projects in this environment, and are more effectively engaged if they can see immediate positive action and change arising from their involvement.

It is difficult to assess whether the Approach is easily communicated to all relevant stakeholders. How much of a stake the individual or group holds in the project will determine their level of interest and need to know about the project. There is strong awareness of the Approach at the individual level, but awareness does not appear to be as strong amongst all local organisations, particularly when the organisation is Australian Government agencies. For example, communicating project objectives and activities to the former Community Councils resulted in the referral of clients to the project.

4.3 What tools and techniques are used to engage with relevant stakeholders?

The following specific steps were taken to ensure engagement with relevant stakeholders:

- Early stakeholder engagement in the development of the Approach – initial scoping study was prepared with and for the community and not about the community;
- The establishment of a consistent local presence and the spending of time on the ground developing relationships and networks;
- The holding of a community enterprise scoping workshop held during the initial stages of the project;
- The employment of local enterprise development officer to support the activities of the facilitator and of clients when the facilitator is not present;
- The use of community networks (including an interpreter where necessary), to give individuals and the community notice of when the project facilitator is visiting;
- The reporting to the community of early case study successes;
- Ongoing mentoring and support for clients;
- Regular briefings for stakeholder individuals and groups;
- Regular reporting on the project to IBA.

Techniques to keep people engaged throughout the Approach included:

- The ongoing sharing with the community of case study success;
- Maintaining a consistent and predictable presence in the community;
- Maintaining relationships and trust with demonstrated action and ongoing contact;
- Regular contact, support and mentoring – actively seeking out and catching up with clients, particularly if enterprise development and set up progress is slow;
- The consistent application of the principle of facilitating and supporting rather than doing – to foster a spirit of self reliance.

4.4 Are relationships developing between the Approach and relevant stakeholders?

Clients who have established enterprises or are in the process of establishing enterprises have developed a strong relationship with the Approach because it is focussed on their interests and, in many cases, has achieved a degree of success for them.

The nature of the relationship which needs to be established between other stakeholder groups does need to be explored and defined further. The appropriate way to do this is through a more structured stakeholder analysis, which would need to be an ongoing process to account for changing circumstances. For example, the former Community Councils would have been listed as relevant stakeholders, particularly as a means of generating client referrals and identifying potential business opportunities. The structure, function and focus of the new Regional Shire Council is different to that of the former Community Councils, and is expected to have only a small role in relation to economic development. It may be therefore that an important avenue of support for the Approach has been lost with the demise of the former Community Councils.

It is difficult to judge if other government agencies are, in reality, stakeholders that have any significant relationship with the Approach. Awareness of the project is not likely to extend beyond far beyond individuals and the general community as other organisations tend to be mainly focussed on their own policies and programs. There is a question here as to whether a broader set of relationships between the Approach and other government agencies is necessary for the success of the Approach. It would appear that these relationships are useful insofar as there is some coordination with other economic development activities. Otherwise, it may in fact be a strength of the Approach that it doesn't seem to need to rely upon strong relationships beyond the community and client level.

4.5 Do relevant stakeholders stay engaged?

Clients generally engage with or stay engaged based on the perceived or actual benefit arising from the Approach, and this appears to be true even if their own enterprise development attempts are yet to be successful or have been unsuccessful.

Clients who disengage from the process usually do so as a result of not 'living up to' their own expectations and the effort required of them to develop and enterprise, or because of uncertainty arising from changing conditions, which are not often within their control. An example of this latter point is the emergence of a health crisis within the family group, or some other personal difficulty that was otherwise unforeseen. The Approach does not regard the taking of time out for cultural obligations, however extended, as disengaging from the process. In fact, as far as it can, it makes allowance for this.

The successful engagement of community organisations is similar to the process of engaging individuals as these organisations are influenced by the perceived benefit of supporting the process – the more immediate the results the more support.

4.6 Summary Conclusions

- The Approach has successfully identified relevant stakeholders, early in the process during the development of the initial scoping study and during the first steps of implementation. However, this identification process could be augmented by a more comprehensive stakeholder analysis, to provide a more structured understanding of where interests lie and how these can be managed. This would also assist with the setting of priorities and with monitoring changing interests over time.
- The simplicity of the Approach, and its action-focussed principles means it can be readily communicated and indeed demonstrated to individual clients and the broader community.
- The Approach uses a range tools and techniques for engagement, and all of these support the most important engagement activity, namely a consistent and reliable local presence. Importantly, this is a proactive local presence and one that demonstrates commitment through action. Clients respond very well to this. Making known the successes of individual case studies is a key means for raising awareness, general interest and engaging new clients.
- The Approach best develops sustained engagement through its relationships with clients. The level of ongoing engagement is determined by perceptions of direct value and benefit. It has been more difficult to establish and maintain consistent engagement with the broader community and other government agencies, mainly because of changing conditions and fluctuating levels of awareness.
- The sustained engagement of individual entrepreneurs is the main aim of the Approach, and it achieves this successfully. The degree to which engagement with other relevant stakeholders

can be sustained appears to depend upon perceptions of benefit. The Approach does not suffer greatly if these broader, general engagements are intermittent, but it is important that engagement with other economic or business development activities is sustained to maximise the potential of the Approach.

5 Practicality

Practicality

Successfully applies tools and techniques that are practical and readily transferrable

Key Questions

What tools and techniques are being used to support the Approach?
How easy is it to apply these tools and techniques? Are there any difficulties?
Can others readily understand and apply the tools and techniques?
What qualities and expertise are required to apply the tools and techniques?
What resources are required and are these easy to obtain?

Practicality is another important principle for success in remote Indigenous regions and communities. The generally low level of development in this context, and other complicating factors such as remoteness, make it important for activities to be practical. Regional and local populations appreciate practicality, and these populations have a strong tendency to more actively engage with practical activities.

Practicality is best demonstrated through actions. Practical tools and techniques are those that work efficiently and effectively because they are adapted to or specifically designed to the purpose at hand. The value of understanding the context, as explained earlier, enables practical tools and techniques to be designed and applied. Practical tools and techniques are generally easy to apply, and readily transferrable to others. Specific qualities or expertise may be required to support the application of practical tools and techniques, but this support should facilitate rather than dictate application. The resources that are required to support the application of practical tools and techniques should be relatively easy to obtain.

Thus, reviewing the practicality of the Approach involves the following questions:

- What tools and techniques are being used to support the Approach?
How easy is it to apply these tools and techniques? Are there any difficulties?
- Can others readily understand and apply the tools and techniques?
- What qualities and expertise are required to apply the tools and techniques?
- What resources are required and are these easy to obtain?

5.1 What tools and techniques are being used to support the Approach?

As previously discussed, the initial scoping study was an essential tool for uncovering the key economic, social and environmental characteristics of the context. This enabled the development of a practical understanding of the region and its communities, which led to a series of recommended strategies and actions for working in the context.

In this instance, this understanding of the context was greatly assisted by the facilitator's familiarity with the region and his practical experience of working in remote communities. This background enabled him to work with the practical realities of a traditional, remote Aboriginal community, the structure and functions of local governance arrangements, and the low skill base, levels of educational attainment, poor health and housing, and general lack of resources.

In Section 4, various techniques that demonstrate the capacity to engage with stakeholders in a challenging and changing environment were acknowledged. Direct and consistent engagement with clients, community leaders, community organisations, government agencies and private sector interests is an essential practical technique within the Approach.

The Approach also demands a set of practical communication and interpersonal tools and techniques. This includes appreciating that English is, in many cases, a second or third language. Educational attainment is much lower than average. This means that finding and meeting clients is characterised as what in effect are tailored one-on-one talks, in informal settings and sometimes relying to some extent on an interpreter.

Another essential practical skill is the ability to understand and work with traditional and mainstream governance structures. This includes an awareness of subjects such as the nature of the Indigenous worldview, government policy and program areas, the dynamics of the context and the impact that these have on people and their aspirations.

Of course, the Approach also involves the application of tools and techniques for small business development, small business operation and the ability to adapt and apply these in a way that is appropriate to the context. This means that standard small business development tools and techniques are not applied thoughtlessly – in fact, considerable thought goes into the application of these skills on a case by case basis. The ‘case by case’ approach to adaptation is therefore an essential practical technique. For example, a client may simply need some basic advice about the formal process of establishing a small business, or may need intensive advice and support through every step of the process. The facilitator adapts the Approach depending on these needs.

5.2 How easy is it to apply these tools and techniques? Are there any difficulties?

Once understood and explained, the tools and techniques that are used in the Approach are relatively straight forward to apply, particularly for someone with previous practical experience working in this context.

However, this straight-forwardness should not be taken for granted. The challenge is to be able to apply the Approach consistently and successfully and this can be relatively difficult to achieve. The context presents some considerable barriers and the need to re-assess and adapt to changing conditions is common. There are some occasions when the Approach simply ‘hits a brick wall’ with the progress of an enterprise opportunity. On these occasions, it is clear that the instigation or requirement of more complex processes may be at fault. For example, a business start up may be delayed because of the need to have legal documentation prepared and properly executed. This can be an inherently complex process that cannot be simplified. This complexity can be quickly amplified when the challenges of remoteness from services such as legal advice are taken into account.

5.3 Can others readily understand and apply the tools and techniques?

With appropriate and sufficient explanation, understanding the tools and techniques within the Approach is not difficult. As indicated, the difficulty is the consistent application of the tools and techniques, which generally relies upon the qualities and expertise of the facilitator.

5.4 What qualities and expertise are required to apply the tools and techniques?

These can be summarised as:

- Practical experience in and appreciation of the context, understanding the importance of context and the capability of working within the context;
- Appropriate communication and interpersonal skills to engage with stakeholders;
- Knowledge and skills in small business development (particularly support services);
- The ability to work both with and without government;
- Awareness of Indigenous economic development policy / program areas as well as available training opportunities; and
- The ability to regularly and intensively work on the ground in the remote community environment.

5.5 What resources are required and are these easy to obtain?

The primary resource for the Approach is an appropriately qualified and experienced facilitator. This resource is not easy to obtain. There are likely to be a range of individuals that may have some but not all of the necessary qualifications and experience. It may therefore be necessary for an experienced facilitator to train, develop and support other facilitators if the Approach is to be expanded.

The secondary resource for the Approach is a pool of willing local entrepreneurs with sufficient capital to enable the establishment of micro-businesses. The Approach proactively establishes a pool of entrepreneurs, and is careful to ensure that the level of capital investment required of any individual client is appropriate and achievable. The facilitator assists a client to understand the specific resources that are required for any given business, and strategies are worked out for accessing these. This can sometimes require innovative or adaptive use of existing local resources, in lieu of investment in a new resource.

5.6 Summary Conclusions

- The principle of practicality is greatly promoted by the carrying out of an initial scoping study. This generates an appreciation of the context and enables the setting up of tools and techniques that are appropriate to the context.
- The tools and techniques used relate to appreciation of the context, engagement, 'working with' traditional and mainstream elements and adapted small business development skills.
- The tools and techniques used by the Approach are straight forward and with some guidance and explanation are easy to understand, but the consistently successful application of them can be difficult because of the context. This means that some adaptation of them is required on a case by case basis and determining when and how to adapt them requires experience.
- Some business development processes – e.g. legal requirements – do not lend themselves to simplification, particularly given the inherent challenges of the context. This can frustrate the Approach, but does not mean the Approach itself is impractical.
- The facilitation of the Approach relies upon a reasonably unique set of qualities and expertise. It is fair to say that, while the Approach is practical, successful implementation needs the guiding hand of facilitation. Even though it is a simplified approach to small business development, this is not an approach that 'applies itself'. Without facilitation, outcomes would be limited.
- The primary resource required for the Approach – a competent facilitator – may not be easily obtained. If this resource is available, secondary resources such as willing local entrepreneurs and sufficient local capital can generally be harnessed.

6 Flexibility

Flexibility

Successfully adapts to suit unusual or unexpected circumstances

Key Questions

Is the Approach designed to be adaptable to changing local circumstances and conditions?

How is the Approach adapted when required?

Is there a selection of alternative strategies, tools and techniques that can be used?

Flexibility is the fourth important principle for activities in remote Indigenous communities. There is a relatively high degree of instability in remote Indigenous regions and communities. Local conditions are dynamic. The remote Indigenous community context is more likely to be marked unusual or unexpected changes to conditions. These changes might be caused by things as diverse as sudden cultural business, the introduction of major intervening new government policies and programs, the weather, or a sudden lack of essential goods or services (e.g. no fuel supply, power outages), to name a few.

Changing local circumstances can create unexpected opportunities and threats. Policies, programs and projects should therefore be able to demonstrate some flexibility of Approach. This should not be an unguided flexibility. Overall purposes and goals should still be pursued, but the actions taken towards these should be adaptable, where required.

For reviewing whether the East Arnhem Land Business Development Approach demonstrates flexibility, we can ask the following questions:

- Is the Approach designed to be adaptable to changing local circumstances and conditions?
- How is the Approach adapted when required?
- Is there a selection of alternative strategies, tools and techniques that can be used?

6.1 Is the Approach adaptable to changing local circumstances and conditions?

The principles, purposes and goals of the Approach are not anchored to a particular place or set of circumstances. The basic small business development process is equally applicable to assisting a person in an urban, regional or rural area to start up a small business enterprise as much as a remote location.

Because the concepts and the mechanics of the Approach are straight forward - a common sense scoping of ideas and practical actions to facilitate the start up of small business enterprises - it is geared towards being adaptable to changing conditions at both the community and the individual level.

Where the Approach has been adapted regularly to changing local circumstances is more in the *delivery* of the support that is provided. The best demonstrations of flexibility in delivery are the concepts of 'working with' and 'working around'.

The principle of 'working with' has been discussed earlier in the report. 'Working with' flexibility is demonstrated when an unexpected or unusual opportunity emerges. The facilitator supports the business to take such opportunities, and this might involve a change of approach for in the way the facilitator supports the business.

'Working around' means that when one approach to providing or harnessing support fails because of some unexpected change or unusual circumstance, another approach is found to 'work around' the unexpected change. The Approach has demonstrated an ability to do this on numerous occasions, applying a case by case approach to maintaining support despite local dynamics.

The ability to know when 'working with' or 'working around' is required and how to proceed rests with the facilitator. In fact, the capability to act towards the end purpose with flexibility is a hallmark of good facilitation, and it is central to the success of this Approach.

6.2 How does the Approach adapt when required?

A key advantage of the Approach is that it works independently and directly with clients, on a case by case basis. This ensures that an attitude of flexibility is embedded in the Approach. The facilitator adapts actions depending upon the requirements of the particular case, in diagnostic fashion. The consistent application of flexibility is achieved by the facilitator learning about the particular business idea from the client, as well as the client's capabilities and resources. This is where flexibility of action begins to be informed. How the facilitator decides to deliver support depends upon what the business idea is, what the client's capabilities are, and the resources that are available. Depending upon the circumstances, the facilitator may undertake any one or all of the following support activities:

- Advise the client about how to set up the business and which steps to take first and;
- Assist the client to gather resources – this activity in particular often involves thinking and acting with flexibility;
- Manage the formal business set up process for the client while the client prepares the physical aspects of the business;
- Provide guidance about how to access supplies, where to sell products, and general promotion or networking opportunities;
- Provide ongoing general advice about business progress, how to manage business income and how to develop the business further.

The degree of flexibility required for any of these activities really depends upon the degree of difficulty that may be encountered in any given case. The primary point is that the facilitator maintains an attitude of flexibility throughout the support period, and this is how the Approach is adapted when required.

6.3 Is there a selection of alternative strategies, tools and techniques that can be used?

As the previous discussion indicates, alternative strategies, tools and techniques are used to support any particular case. What these strategies, tools and techniques may actually be in any given case depends upon the needs of the case.

It is important to observe that the overall structure for implementing the Approach is maintained and applied consistently. Flexibility is found in the strategies, tools and techniques as they are applied to each case.

6.4 Summary Conclusions

- The Approach applies standard small business development practices that could apply in any context. The overarching business development process is standard, and consistently applied.
- Where flexibility is demonstrated by the Approach is in the *delivery* of support. The means for how and what kind of support is delivered is determined on a case by case basis.
- This flexibility is best demonstrated by the concepts of 'working with' and 'working around'. If an unexpected or unusual opportunity or threat emerges, the facilitator supports the business to adapt to these opportunities or threats.
- The case by case aspect of the Approach embeds an attitude of flexibility within the Approach, and this is an essential quality of good facilitation in this context.

7 Direct and Broader Benefits

Direct and broader benefits

Achieves real direct and broader benefits

Key Questions

What direct benefits are being achieved – small business start ups, employment, income generation etc?

What broader benefits are being achieved – reduced welfare dependency, improved local access to goods and services, other examples of social benefits etc?

Ultimately the most important test of any policy, program or project operating in remote Indigenous regions and communities is whether it is able to demonstrably achieve real direct and broader benefits. There are many activities taking place in remote Indigenous communities, but not many of these activities are able to generate benefits, or if they are able to generate benefits not many are able to accurately demonstrate what these benefits are.

For the East Arnhem Land Business Development Approach, the direct benefits that are aimed at are:

- Small business start ups;
- Income generation; and
- Employment.

Indirect benefits may flow from the achievement of the direct benefits, and a secondary aim of the Approach is to promote indirect benefits where opportunities for them emerge.

It is important to review the Approach for the achievement of both direct and indirect benefits. While direct benefits are of primary concern, any opportunity to leverage these direct benefits to achieve indirect benefits is important in remote Indigenous regions and communities, where any gain is valuable.

7.1 Direct Benefits

The direct benefits achieved by the model can be measured by:

- The number of enterprises established and trading (registered ABN and /or registered business name);
- Income being earned by each enterprise; and
- The number of people employed by each enterprise.

The direct benefits achieved to June 2008 by the East Arnhem Land Business Development Approach are summarised in Table 1. Some notes about the table:

- The table only lists those enterprises that are established and due to be trading. There are a number of other enterprises still in development. Further information about established and developing enterprises in Galiwin'ku and Gapuwiyak can be found in the Appendices to this report;

- The classification of 'Established, registered and trading?' acknowledges whether a business can be considered as formally operating. Two of the enterprises listed in the table were, at the time of the SGS visit, in the final steps of this process and would have been formalised since the visit;
- The classification of 'Estimated annual gross income' is based upon conservative estimates supplied by the facilitator. These estimates can only be regarded as provisional at this stage because all of the businesses are still in the first year, and in some cases months, of trade. Two years of formal trade figures would be required to verify these incomes;
- The classification of 'Estimated employment' is based upon the conservative estimates of the facilitator and SGS. It should be noted that employment outcomes vary because of what might be called job-sharing and seasonality.

Table 1 Summary of Direct Benefits – Established Enterprises Only, as at June 2008

Enterprise	Established, registered and trading?	Estimated annual gross income	Estimated employment
Dudupu Outstation Accommodation	Yes	\$100,000	3 part time positions
Cross Cultural Consultancy Services	No but in process	\$60,000	1 full time position
Slush Puppy Sales	Yes	\$40,000	2 part time positions
Didgeridoo and art sales	Yes	\$36,000	1 part time position
Cross Cultural Consulting	Yes	\$24,000	1 part time position
Market Garden/Plant Nursery	Yes	\$20,000	1 full time and up to 4 part time positions
Commercial fishing	Yes with CDEP support	\$18,000	3 part time positions
Cleaning services; Clothing manufacturing and mending	Yes	\$15,600	1 part time position
Outstation Store & Mechanical Repairs	No but in process	\$5,200	1 part time position
Women's Enterprise Centre	No but in process	Unknown	Several part time positions
Housing Maintenance	Yes	Unknown	Unknown

The table speaks for itself but the highlights are, in June 2008:

- 11 enterprises are or were on the verge of being established, registered and trading;
- The known estimated per annum income potential of all of these businesses is in the order of \$320,000 (conservative, minimum);
- The estimated employment potential of all of these businesses is in the order of two full time positions and at least 16 part time positions.

In a more recent update, Colin Tidswell in his quarterly report provided to the IBA on 6th October 2008, reported that a total of 24 enterprises were now created:

- 14 stand alone sole trader businesses (with registered ABNs)
- 1 joint venture
- 4 non ABN sole traders
- 4 CDEP supported enterprises
- 8 full time positions created
- 43 part time positions created

Also achieved during the October 2008 quarter was the establishment of the Gapuwiyak markets. These monthly markets provide a place for budding entrepreneurs to go and sell their wares. They are proving to be very successful with an average of 9 stall holders and huge community turnout. A market committee has been formed and they are now considering holding the markets fortnightly.

These are impressive outcomes. SGS has visited dozens of remote Indigenous communities since 2001 and we have never found so much independent small enterprise underway.

In terms of what the achievement of these direct benefits has so far cost, IBA advises that the engagement of the facilitator has cost approximately \$355,000 over 16 months. This can be pro rated to \$266,000 for 12 months. If we use a simple ratio of the current estimated per annum income potential to the cost of facilitation, this is better than a dollar for dollar return (1.2:1).

If the current enterprises can be sustained, if they can achieve their income potential over a number of years and if new enterprises are developed, this ratio of investment to benefit can be expected to improve. It may improve further if the level of facilitation support is eventually reduced because enterprise development and support capabilities and experience increasingly reside unsupported at the local level.

This assessment does not include the cost of the initial scoping study, which must be regarded as a core component of the Approach. IBA reports that the scoping study cost \$16,000. When this is added to the cost of implementing the Approach, the ratio of investment to benefit remains very respectable.

Finally, it should not be forgotten that as well as the 11 established enterprises, there are around 15 – 20 other enterprise ideas that are still in development. It is a further direct benefit of the Approach that there is the opportunity for these enterprises to become established.

7.2 Indirect Benefits

The brevity of the SGS visit did not allow the opportunity for an in depth study of indirect benefits flowing from the Approach. However, one of the most important observations that could be readily made is that the majority of the established enterprises are providing goods, services and opportunities within and for the local community, and this is bound to be generating at least the potential for a range of indirect benefits at the local level.

It is not difficult to find examples of where this potential for indirect benefits is in fact being realised. As one example, the market gardens / plant nursery enterprise is a valuable case study.

One consequence of this enterprise is that more readily available, fresher and cheaper produce is sold to the community store and supplied to the homelands from this enterprise. This has a price benefit for the local community but it may also have dietary – and therefore health - benefits.

Another consequence is that there are opportunities for the proprietor's family to assist with the work that is required for maintaining the market gardens and developing them further. We were able to observe a group of younger men constructing a shade area for the market gardens. As the enterprise continues to develop, it is easy to see how opportunities for the gainful occupation of others may expand.

A further consequence was the interest being shown in the activity by the broader family group. Family members including children were clearly very interested in and stimulated by the activities taking place at the market gardens. This represents a quite a different social environment compared to the usual environments available in remote Indigenous communities.

Reduced welfare dependency is an indirect benefit of some interest. Apart from the direct benefit of private income from enterprise (which can reduce or remove welfare reliance), a practical measure of this benefit would be the extent to which CDEP 'enterprises' (activities that may have commercial potential but which are used primarily to structure welfare payments) have been transformed into independent enterprises for private income.

Generally, there activities that take place at community level that are CDEP supported insofar as they may rely on CDEP equipment, resources or facilities. Examples of these are mowing and garden maintenance services and the women's enterprise centre.

The general observation is that external influences have impeded the transition from CDEP supported to independent business enterprises. The recent changes to CDEP, the NTER and local government reforms brought uncertainty, fundamental changes to governance (important where CDEP was administered by the Community Council) and significant changes in ownership and access to buildings within the township. As an example, the growth of local commercial fishing enterprise has been hampered by changes to CDEP, the local government reform process and an ongoing review by the Northern Territory Government of its coastal net fishery. A CDEP supported enterprise was operating under a commercial fishing licence held by the former Community Council (now dissolved) and changes to the commercial fishing licence regime proposed that these licences not be transferable. The cost of the licence is prohibitive for an individual to obtain one.

Finally, of course, a major direct benefit from the establishment of local enterprises is the building of a greater level of practical self-sufficiency, for the individual, the family and at a community level.

7.3 Are these benefits documented and verifiable?

The direct and broader benefits achieved through the implementation of the model are documented through progress reports on the models' implementation and are verifiable. The status of all businesses supported by the model is documented in a business development register for each community.

7.4 Summary Conclusions

- The Approach is clearly generating demonstrable, direct benefits in the form of small business start ups, income and employment.
- The return on the investment made by IBA to generate the direct benefits is very respectable, particularly given the challenges of this context.
- Indirect benefits were not studied in detail, but it is clear that there is a significant amount of potential for indirect benefits being generated by the success of the Approach, and that in some cases there are signs that this potential is already being realised.

8 Sustainability

Sustainability

Real direct and broader benefits become sustained development outcomes

Key Questions

Could any direct and broader benefits continue if the Approach and all of its tools, techniques and resources were removed?
Has business development and support capability been successfully transferred to the local level?
Which aspects of the Approach are most critical for sustaining benefits?

The question of whether the direct and indirect benefits that flow from activities in remote Indigenous regions are sustainable is important. However, the context presents a major challenge to the pursuit of sustainability. As discussed elsewhere, dynamic local conditions combined with a general instability of development can threaten the ongoing viability and sustainability of an entire community, let alone a specific policy, program or project working within the community.

The level of investment in this Approach – which is generating direct and indirect benefits – will be leveraged further if benefits can be sustained. In fact, perhaps the greatest outcome and therefore marker of success for this Approach would be that it was responsible for ‘seeding’ an enterprise development and support process at the regional and community level continues on once the external investment ceases. However, we must be cautious not to set that benchmark too soon. We should first understand whether and how the prospects for sustainability are promoted by the Approach. We can understand that by asking the following questions:

- Could any direct and broader benefits continue if the Approach and all of its tools, techniques and resources were removed?
- Has business development and support capability been successfully transferred to the local level?
- Which aspects of the Approach are most critical for sustaining benefits?

8.1 Could any direct and broader benefits continue if the Approach was removed?

It is still too early to make a judgement about the sustainability of the benefits generated by the Approach. The model has been operating for less than 12 months. However, some observations can be made.

Success on the ground, particularly for businesses that are established and have started trading, is perhaps partially sustainable. These businesses are starting to generate self-confidence. However, if some aspects of business support - particularly ongoing mentoring and development support - were removed at this time, it is likely that established enterprises may not grow to realise their full potential. In any context, all forms of established small business require a degree of ongoing support. In established centres and advanced markets, this support can be readily accessed. In remote Indigenous regions and communities, access to appropriate ongoing enterprise development support is extremely limited.

All of the established enterprises are still within their two years of operation. It is well known that the rate of failure for small business during the first two years of operation is high. It is likely that some ongoing facilitation presence and support for the newly established enterprises would improve the chances of the established businesses successfully navigating their first two years.

For the enterprise ideas that are still in development (i.e. not yet established), it can be easily concluded that the removal of this Approach would be a serious threat to their prospects. The key value of the Approach is its practical facilitation of the process of developing enterprise ideas into real businesses. While there are occasional economic and enterprise development efforts through other policies and programs, none are known of that operate in this reliable direct facilitation mode. The vast majority of other enterprise development activity in remote Indigenous regions and communities follows the 'feasibility study / business plan' approach, which is costly and arguably unnecessary for the development of micro and small 'sole trader' enterprises.

8.2 Has business development and support capability been successfully transferred to the local level?

For some business enterprises the business development skills and capability has been transferred to clients, particularly where the client has undertaken some relevant business training. Theoretically, through their experience, these clients may be in a position to assist others in the community with the process of enterprise establishment. Practically, clients are busy working at their own enterprises, and some aspects of the Approach are not within their grasp (e.g. managing the formal business set up process).

The engagement of an economic development officer at the community level to support this Approach is an avenue through which local business development support and capability is being developed. However, this is a process that takes time. Further, the qualifications and experience of the facilitator, which are so crucial to the effectiveness of the Approach, are not easy to replicate or transfer. A number of people at the community commented on the necessity for the facilitation role to remain in place, recognising that there was no one else available on the community to assist. It was noted that the Australian Government Business Manager had picked up on aspects of the Approach and was beginning to assist one or two people with enterprise development. This is a promising development.

At present, however, it is fair to conclude there is not yet a sufficient level of local capability to replicate the enterprise development and support offered by this Approach. While there are a lot of other government policies and programs that are notionally designed to promote economic development at the local community level, there is an overwhelming need to quality assure these efforts (to determine their appropriateness and fitness for purpose) and for coordination. There are efforts being made at the regional level to establish a regional economic development strategy, but it was unclear whether this strategy would incorporate aspects of this Approach.

The transfer of enterprise development and support capabilities to the local level probably requires more structured succession planning. Succession planning should be built into the Approach from the outset and succession should be worked towards throughout the implementation of the

Approach. This is likely to be best achieved by 'partnering' with one or several enterprise development and support trainees at the local level, or some other form of regular group training in the specifics of the Approach, its tools and techniques. There is of course an enterprise opportunity at the local community level in the provision of this support on behalf of organisations like IBA or direct to clients for a fee. However, this opportunity could only be taken up if the capability and confidence to provide that service is developed up while the Approach is in operation and the facilitator is available to transfer knowledge and skills.

8.3 Which aspects of the Approach are most critical for achieving sustained benefits?

The most critical aspect of the Approach for achieving sustained benefits is the principle of facilitation instead of doing. We can imagine that if the Approach was applied for long enough and in enough cases, there would be an established pool of local capability and expertise in enterprise development and support. There would be a number of individuals at the local level who would come understand some or all aspects of the Approach well enough to teach other community members how to establish an enterprise. However, the development of local capability through this Approach will take time.

A second aspect of the Approach for achieving sustained benefits is starting enterprises at the right scale. All of the enterprises that have been established under the Approach are micro and small businesses, relying on basic resources and minimal financing. This gives the business a strong chance of survival. This sustains the direct and indirect benefits of the business, but it also inspires and encourages others to take enterprise opportunities up.

A third aspect of the Approach for achieving sustained benefits is a focus on mentoring. Mentoring provides an avenue for giving advice that can be critical to business. Mentoring is the sharing of past experience, and this can save 'newcomers' from some of the difficulties that can be encountered in business. Access to experienced advice is therefore a critical element for sustaining benefits.

8.4 Summary Conclusions

- It is perhaps too early to tell whether the Approach and the direct and indirect benefits generated by the Approach will be sustainable. It is very likely that some degree of ongoing facilitation and support is still required for both the established enterprises and those that are still in development.
- The transfer of enterprise development and support capabilities to the local community is still underway, and will take some time. Structured succession planning embedded within the Approach would support this process.
- Facilitation (rather than doing), starting small and mentoring are three critical aspects of the Approach for achieving sustainability.

9 Conclusions and Recommendations

9.1 Overall conclusions

The following overarching conclusions can be drawn against the six themes used for this review.

Appropriateness to context	<p>Achieved but can be further strengthened</p> <ul style="list-style-type: none"> • The initial scoping study prepared the ground for the Approach to be appropriate to the context. Such a study should be regarded as a core component of the Approach. This provides the opportunity for the Approach to be designed from the bottom up. • The Approach has been developed and implemented using the sound understanding of the context as developed by the scoping study. • The ongoing monitoring of changes within the context could be more structured to ensure maximum opportunity for monitoring factors that may influence the Approach.
Engagement	<p>Achieved but can be further strengthened</p> <ul style="list-style-type: none"> • Engagement is the most important feature of how the Approach is implemented. • The identification and involvement of relevant stakeholders has been very successful. It is particularly excellent at establishing and maintaining the engagement of individual entrepreneurs – the key aim. • However, a more structured analysis and monitoring of wider stakeholder interests during implementation could support the Approach's ability to maintain the broadest engagement.
Practicality	<p>Achieved but relies upon experienced facilitation</p> <ul style="list-style-type: none"> • The Approach is quite practical, and this practicality stems from the initial scoping study, efforts to ensure that the Approach is appropriate for the context, and the facilitator's experience working in this context. • Some processes that are inherent to small business development (e.g. legal processes) cannot be simplified or made more practical. • The Approach still relies on experienced facilitation. It does not 'apply itself' simply by being passed down to the local level. Local facilitation and other support capabilities do not yet exist. The use of a practically-minded facilitator is a key aspect of the Approach's success, and may not be easily obtained. This facilitation expertise is a primary resource for the Approach, and some thought may need to be given to ensuring there is a ready supply of this expertise if the Approach is to be expanded.

Flexibility	<p>Achieved</p> <ul style="list-style-type: none"> • The Approach applies standard small business development practices, but has been able to adapt these practices to suit the context as well as individual cases. • Flexibility is regularly demonstrated during the delivery of support to individual cases. This case by case technique embeds an attitude of flexibility within the Approach, and is an essential quality. • 'Working with' the opportunities and 'working around' the challenges presented to individual cases demonstrates a practical flexibility.
Direct and indirect benefits	<p>Achieved</p> <ul style="list-style-type: none"> • The Approach is achieving verifiable direct benefits in the form of small business start ups, income generation and employment. The level at which these benefits are being achieved is impressive. • The return on the investment made by IBA to generate these direct benefits is very respectable, given the complexities of the context and the pilot status of the Approach. • Indirect benefits were not studied in detail but significant potential for indirect benefits exists, and the realisation of this potential was observed in a number of cases.
Sustainability	<p>Not achieved yet</p> <ul style="list-style-type: none"> • It is too early to tell whether the Approach and the benefits that it is generating are sustainable. A degree of ongoing facilitation and support is still required for established enterprises and those that are still in development. • It is likely that the Approach can achieve sustainability if it can achieve the transfer of enterprise development and support to the local community. This is critical but will take some time to achieve. • Structured succession planning embedded within the Approach and aimed at throughout implementation would support the transfer of enterprise development support and capabilities to the local community. • The prospects for eventually achieving sustainability are enhanced by three elements of the Approach: the principle of 'facilitating, not doing', starting small and mentoring.

9.2 Recommendations

The recommendations flow from the overall conclusions.

Recommendation 1: The East Arnhem Land Business Development Approach should continue to be supported, developed and expanded. The Approach demonstrates excellent qualities that are necessary for working in remote Indigenous regions and communities. It is achieving success in a complex context, and in a niche area of business development – the development of micro and small business enterprise – which is not otherwise addressed by other current programs. The Approach taken is appropriate to the context and for this niche.

Recommendation 2: The inclusion and development of an initial scoping study should remain an essential aspect of the Approach. Before this Approach is implemented in other regions and communities, an initial scoping study must be carried out to so as to inform the design and adaptation of the Approach for the specific context.

Recommendation 3: The initial scoping study should be augmented by a baseline profile of the region or community where the Approach will be implemented. This will more reliably monitor the context, any changes during implementation and the impacts of the Approach. The baseline profile would consist of a set of practical, easily refreshed set of indicators for monitoring and reporting purposes. The baseline profile would draw on information from the initial scoping study and address the traditional and mainstream conditions of governance, physical resources, health and wellbeing, education and training, and economic security and development. It is understood that a baseline profiling tool that will support this purpose is currently being developed for IBA.

Recommendation 4: The principles of the Approach, and the tools and techniques that it uses, should be documented in a manual that can be used to train and develop facilitation expertise - within IBA, within IBA's network of Business Consultants and within Indigenous regions and communities. Critically, the success of the Approach relies upon experienced facilitation. Training in facilitation should be delivered by an appropriately qualified and experienced facilitator, and wherever possible, at the regional and local level during the implementation of the Approach.

Recommendation 5: Direct and indirect benefits of the Approach should be monitored using a structured, consistent framework. This framework is already partly established within the Approach in the form of updated business development registers. Tools that will support this purpose are currently being developed for IBA, and once developed, they should form part of the broader monitoring framework.

Recommendation 6: IBA should establish and maintain an online database of micro and small business development case studies that are generated by the Approach. This database would enable the sharing of experiences and ideas across all regions and communities where the Approach is being implemented. Information of a sensitive nature can be suppressed. The purpose of this database would simply be to promote practical small business development ideas, tools and techniques.

Recommendation 7: The East Arnhem Land Approach should continue to receive on-the-ground intensive support of up to 5 days per month until at least June 2009. It is too early to remove small business development facilitation and support from the East Arnhem Land region. In this context, the generation of sustainable direct and indirect benefits from small business development will take time, and sufficient time has not passed to determine whether the goal of sustainability has been achieved. The following general time commitments are recommended:

- Regional programs are established with a five year time horizon;
- The first three months of a regional program would see the completion of an initial scoping study, the setting up of actions supported by monitoring and reporting systems, and the development of a plan for transferring small business development facilitation and support capabilities to the region and its communities;
- The first two years of a regional program would allow for intensive small business development facilitation and support, involving proactive on-the-ground engagement with local entrepreneurs and other relevant stakeholders. During this period, the facilitator would be present on community for up to 5 days per month. During this period, a local community member (or members as the case may be) should be employed to 'shadow' and support the facilitator, so that the transfer of capabilities is encouraged;
- The final three years of a regional program would allow for ongoing monitoring of the region, quarterly reporting, and the continuing transfer of small business development capabilities to the regional and local levels. During this period, the facilitator would be present on community for up to 5 days per quarter.
- Throughout and at the end of the program, the monitoring and reporting efforts would inform overall progress, and the need for flexibility regarding the intensity of support required at any point in time.

Appendix 1

Four Short Case Studies

Enterprise: Tourist/ Guest accommodation – Dudupu Outstation Accommodation

Enterprise idea: Existing enterprise. Client approached with the idea to expand his existing outstation accommodation facilities and to establish a tourism/guest accommodation

Resources required: worked with existing family resources.

Negotiated to receive overflow from council guest house and art centre visitors.

Finance: Joint Venture with Marthakal Resource Centre

Business Structure: Sole Trader ABN

Annual return: conservative estimate for 3months operation is \$25,000. Annual return would be affected by seasonal variations.



Pictures of Dhudupu from top left: headland overlooks sweep of sandy beach and ocean; accommodation building (3 rooms); new accommodation building (4 rooms) with PV panels for solar power installed; outdoor facilities shower, kitchen with solar power; meeting area under the Banyon fig tree.

Dhudupu Accommodation is owned and operated by a local Yolgnu family. It is located at Dhudupu outstation approximately 3 kilometres from the township. Dhudupu is located on a small headland overlooking a sweep of sandy beach and blue ocean. It offers basic accommodation with seven

rooms, camping areas and free standing amenities including kitchen facilities. Power is by an onsite generator, water provided by an overhead tank, solar hot water systems are installed on several outbuildings and the new accommodation building is powered by solar panels installed on the roof.

For a few years accommodation at the outstation has been offered to visitors to Galiwin'ku – mainly occasional government workers, consultants and groups of contractors. The site has catered for come larger groups such as the ALPA board meetings and cross-cultural workshop held by Mawliil Rom which involved approximately 100 people staying for nearly a week.

The recent expansion and upgrade to the facility (construction of the new 4-room accommodation building and free standing amenities for the camping area) was undertaken as a joint venture between the family and Marthakal Homelands and Resource Centre Association with each joint venture partner contributing \$9,000.

The accommodation was fully booked in its first week of operation (June 2008) with the new facilities and also fully booked for the following week, hosting cross-cultural training/law and justice workshops and Mawliil Rom. The room rate is \$120 a night.

The client intends to expand the business by building more accommodation on the site, upgraded facilities and amenities to be better able to cater for larger groups and host conferences and workshops. The intention is to also advertise the accommodation to attract tourists from Darwin and elsewhere to come and stay.

The client is aware that to grow the business a business plan will be required as well as additional finance and would like to engage a consultant to put all this together for him, but lacks the money to take this step. The client has spoken to 'government' about the proposal before and has sent in application forms – although is not sure how to fill them in. From the clients perspective the kind of assistance required to develop the business further is to have someone on the ground at Galiwin'ku to assist with the complex business facilitation and business support services – advice, application forms, business plans and required feasibilities and market and marketing studies.

Enterprise: Slush Puppy Sales

Enterprise idea: Client approached with a childhood dream of owning a slush puppy / ice cream shop.

Refine idea: idea refined to purchase and operate a slush puppy machine from the front verandah

Resources required: finance required to purchase machine to start up business

Finance: IBA Business support loan \$5,650

Business Structure: Sole Trader ABN

Annual return: estimated at approximately \$40,000. Based on continuous operation.



The client approached with a more substantial idea of establishing an ice-cream shop. The idea would have required substantial capital to start up including finance for equipment and premises. The idea was refined to suit the social and economic capability of the client and the limitations of the built environment in that no suitable buildings or floor space exist in the community. Finance was still required to purchase the machine, and with assistance, an application for an IBA business support loan was approved; finance approval took approximately nine months. The client has obtained an ABN and is ready to start trading (after school hours trading only) as soon as the equipment arrives on the barge.

Enterprise: Market Garden/Plant Nursery

Enterprise idea: Client started with backyard/market garden selling produce locally, including to the ALPA store has since expanded to a plant nursery.

Refine idea: client already had a solid idea from start up to development.

Resources required: worked with existing resources, particularly family.

Finance: No finance required.

Business Structure: Sole Trader ABN Business Name registered: *Dingu Wangurri Family Farm*

Annual revenue: conservative estimate of \$20,000 pa for the initial market garden enterprise.



Pictures: Dingu Wangurri Family Farm, Galiwin'ku

The enterprise is a family owned and operated farm. The enterprise started as a backyard garden / market garden selling produce locally, including to the ALPA store, and has since expanded to a plant nursery, selling plants to other market gardens, for example selling banana saplings to the

CDEP market garden. The clients' idea was already well grounded and was able to start up using existing resources. A definite advantage was that the farm could be established on family owned land and with the assistance from family members. The return from the initial start up enterprise has financed the expansion of the business. Sales from the market garden have slowed as the client is currently concentrating on utilising stocks to significantly expand the farm area.

Assistance from the enterprise development model was initially reality testing (the client is an elder and health is an important consideration and factor in how realistic and sustainable the enterprise idea is) and setting up business management practices, including obtaining and ABN registering a business name and keeping manual accounts. Ongoing mentoring support is being provided.

Market gardens and nurseries enterprises are a popular idea with a few having been established between the communities. Examples of existing enterprises include:

Outstation egg and vegetable sales: (Banthula) the client has established an extensive banana plantation, vegetable garden and chicken coop and sells produce to surrounding outstations. The enterprise is trading successfully and still developing. The client is achieving substantial weekly savings on household food budget.

Galiwin'ku CDEP market garden: the market garden area is situated in town on approximately nine hectares of land. It is a fenced area with a packing and machinery shed, a well-established mango plantation, and a smaller area of bananas and cassava. The establishing CDEP operation has been purchasing saplings from the Dingu Wangurri Family Farm enterprise. There is also a CDEP funded nursery situated further out of town comprised of a large greenhouse with irrigation, solar power and water tanks, however the infrastructure has never been used.

Homelands market gardens and nursery: the Marthakal Homelands Resources Centre support several small market gardens and nurseries on homelands. Wangurri market garden situated south of Galiwin'ku township is the most well established having assorted small crops including bananas, paw paws and cassava.

At least one other plant nursery and wild harvest native foods enterprise have been identified by the project as potential opportunities.

The initial scoping study also identified the potential for the establishment of seafood and produce cooperative. The cooperative would serve two main purposes: holding required licences for the activities as individual licences are cost prohibitive; and, to serve as the central point for marketing and sales, as the economic opportunities such as market gardens and seasonal harvesting of indigenous foods and medicines which are not being capitalised on due to limited marketing opportunities.

Enterprise: Didgeridoo and art sales

Enterprise idea: didgeridoo and art sales

Refine idea: refining price and sales point for product

Resources required: sources resources locally, works with existing skills and resources

Finance: finance required for website development including design, hosting, scripting (approx \$13,000)

Business Structure: sole trader ABN

Annual revenue: conservative estimate \$36,000



The client's business is the art of making didgeridoos – something he has done for nearly 50 years. The client currently trades locally, with art products available at the Elcho Island Art and Craft Centre and is achieving good sales from community visitors. Works are on sale for between \$400-\$1,200 depending on size and quality with one piece recently auctioned in Darwin achieved a price in the order of \$1,600. The client has obtained a sole trader ABN and an IBA business support loan has been approved. Finance was required to develop the business further, particularly the development of a website (planning, design, marketing, hosting, scripting, licensing and site maintenance for 12 months) to enable direct sales.

A similar enterprise – Morning Star Pole sales – is also currently in the start-up / scoping stages. The client is doing some sales on e-bay and through the Elcho Island Art and Craft Centre and would like to progress the business by developing a website to enable direct sales.

Enterprise: Commercial fishing

Enterprise idea: commercial fishing and selling locally

Refine idea:

Resources required: existing commercial fishing licence, CDEP boat/equipment

Finance: none to date

Business Structure: established and trading

Annual revenue: conservative estimate of \$18,000 p.a.

The enterprise idea is to move from a CDEP activity to a business structure. The existing activity sells fish locally three times a week. The business started in December 2007 and Northern Territory Department of Business Industry and Regional Development (DBIRD) fisheries are providing training to assist the enterprise. The enterprise currently relies upon access to CDEP equipment and is relying on a commercial fishing licence that was held by the former Galiwin'ku Community Incorporated. However, due to a combination of the local government reform process, which effectively dissolved the corporation, and a current licencing review being undertaken by the territory government, which proposes that existing licences are non-transferable, the sustainability of the business is uncertain.

Appendix 2

Gapuwiyak Business Development Register

Current as at July 2008

Opportunity	Location	Status	Support
Outstation Store & Mechanical Repairs Estimated earnings: \$100 week \$5,200/pa	Bhungungra Homeland	Developing Client has converted store room into small store. Trading commenced with fishing gear and tyre changing. Daniel to register ABN	
Cross Cultural Consultancy Services Estimate earnings: \$60,000 gross (\$46,000 pa/net first year)	Gapuwiyak & East Arnhem	Developing Sole Trader ABN Business support application and client management plan approved. Feasibility study completed. Business ready – will commence trading in near future.	
Cleaning services Clothing manufacturing and mending Estimated earnings: \$300/week/gross \$15,600 pa	Gapuwiyak	Contracts secured Will commence trading in next few weeks.	
Clothes and Home ware Sales Estimated earnings: Too early to estimate	Gapuwiyak	Developing Sole Trader ABN (Lesley) Sourcing supplies	

Opportunity	Location	Status	Support
Lawn mowing and Landscaping Estimated earnings: Too early to estimate	Gapuwiyak	Developing Secured first contract with AG complex. CDEP coordinator assisting business start-up. Negotiating lease of CDEP equipment.	
Roadhouse Estimated earnings: Still scoping	Rock Bottom Creek	Scoping Complete business support application for feasibility study	
Raymangirr Store Estimated earnings: Too early to estimate	Raymangirr Homeland	Client to discuss with ALPA	
CD and DVD sales Estimated earnings: \$3,000 month \$36,000 pa	Gapuwiyak	Scoping / Developing Client is trading on a casual basis. Client is sorting out ordering & stock control systems.	
Cigarette and Drink Machine Estimated earnings: Too early to estimate	Gapuwiyak	Scoping Costing set up.	
Crocodile Hatchery	Gapuwiyak	Need to speak to existing hatchery operators to gain understanding of possible feasibility	
Tourism	Raymangirr	Spectacular coastal location Need to link with broader Arnhemland Coastal / NT Tourism Strategy	

Opportunity	Location	Status	Support
Eco Tourism	Mirrnatja	Area has excellent wetland areas Need to link with broader Need to link with broader/regional tourism strategy	
Cosmetic Sales	Gapuwiyak	Sourcing supplies	
Clothes Sales Sausage Sizzle (weekly markets)	Gapuwiyak	Sausage sizzle has great potential	

Appendix 3

Galiwin'ku Business Development Register

Current as at July 2008

Opportunity	Location	Status	Support
Plant Nursery \$20k conservative estimate annual turnover	Galiwin'ku	Established Sole trader ABN Business name registered – Dingu Wangurri Family Farm Sales have dropped off as client is concentrating on utilising stock to significantly expand farm area	Continue to mentor
Cross Cultural Consulting \$24k conservative estimate annual turnover	Galiwin'ku	Established Has registered ABN and Business name (AM Dhamarrandji Yolgnu Consulting) Has commenced trading and achieving good sales interpreting and translating	Continue to mentor
Tourism Guest Accommodation \$25k for first 3 weeks from opening week (16/06/08) conservative estimate	Dhudupu Outstation	Established Sole trader ABN Joint venture negotiated with Marthakal Homelands Association. Additional infrastructure currently being constructed – initial JV investment \$18,000.	
Commercial Fishing	Galiwin'ku	Established commenced fishing in early December. Selling fish 3 times/week DBIRD fisheries provide training May have issue transferring licence across to new shire council	Continue to mentor

Opportunity	Location	Status	Support
Washing Service	Galiwin'ku	Established & trading Sole Trader ABN	
Women's Enterprise Centre	Galiwin'ku	Established 10 ladies manufacturing dresses, curtains, bags and pillow cases Achieving good sales (Friday night markets) working to keep up with demand	Continue to mentor
Egg & Vegetable Sales	Banthula	Developing Selling produce to surrounding outstations and at Galiwin'ku markets.	
Painting Services	Galiwin'ku	Currently not trading	Need to discuss with CDEP coordinator
Housing Maintenance	Marthakal Homelands	Established & trading Sole Trader ABN	
Clothing Manufacture & Mending	Galiwin'ku	Established & trading Small home based business achieving good sales	
Lawn mowing Services	Galiwin'ku	Established Currently supported by CDEP	
Slush puppy sales	Galiwin'ku	Developing Sole Trader ABN IBA finance approved/released for \$5650. CDP business training provided to clients. Business Plan developed. Machine purchased and freighted to Galiwin'ku.	

Opportunity	Location	Status	Support
Didgeridoo Sales	Galiwin'ku	Established	
		Sole Trader ABN Website development is complete Currently advertise locally & achieving good sales from community visitors	
		Establishing	
		CDEP have purchased 2 new machines Is operated by the women's enterprise centre	
		Currently not trading	Continue to mentor (assist with individual bank account)
		Wants to recommence	
Economic Development Committee/Organisation	Galiwin'ku	Developing	
		Marthakal formed a separate Corp for economic development.	Continue to assist development
Cabin Accommodation	Galiwin'ku	Scoping	
		ISBF application submitted and approved for feasibility study Feasibility study shows limited commercial viability	Continue to look at options
Fishing Charter	Galiwin'ku	Scoping	
		Boat is registered and licensed for fishing charter. Unsure of status with shire council changes.	