Supporting the Emergence of Businesses in Desert Australia

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Desert Knowledge CRC

- Australia’s largest regionally based social, economic, and environmental research collaboration.

- Approximately 250 researchers across 28 partner agencies working toward developing sustainable livelihoods for desert people.

- Working with 70 communities
The DKCRC is committed to:
creating economic opportunities for desert people; and
making a demonstrable difference for remote Aboriginal communities,
through the application of excellent research and training.
We work toward....

• **Sustainable livelihoods for desert people** that are based on natural resource and service enterprise opportunities that are environmentally and socially appropriate

• **Sustainable remote desert settlements** that support the presence of desert people, particularly remote Aboriginal communities, as a result of improved governance and access to services

• **Thriving desert regional economies** that are based on desert competitive advantages, bringing together Aboriginal and non-Aboriginal communities, government and industry.
Core research foci

1. Livelihoods in land™
2. Bush Foods
3. 4WD Tourism
4. 21st Century Pastoralism™
5. Desert Biz™
6. Sustainable Desert Settlements
7. Desert Services that Work
8. Science of Desert Living
Understanding communities

The DKCRC works with communities by focussing on:

- Livelihoods
- Intergenerational research
- Multidisciplinary teams
- Cross-jurisdictional context
- Collaborative partnering
- Understanding IP in a cross-cultural context
Desert Biz™ is the Desert Knowledge CRC’s research on desert businesses.

The research aims to understand and seek solutions to overcome constraints on remote businesses to make small businesses more resilient, profitable and able to engage with the wider economy.
Opportunities in the desert ....

- Desert is a major contributor to the Australian economy
- Lack of services represents opportunities for people living in the desert to fulfil service gaps
- Move to improve housing in the desert offers employment & business opportunities in servicing the needs of the housing industry
- Potential to develop businesses around tourism and cultural exchange, arts, bush foods and related businesses
Challenges

The challenge is to:

• understand the factors that influence success of businesses in desert areas

• identify suitable models for profitable and sustainable business
Desert Biz™ focuses on three research streams

**Stream 1:** Audit of the work and business situation in Desert Australia

**Stream 2:** Analysis of the impacts of businesses on the community and the local economy

**Stream 3:** Action research
CP3: Desert Biz™ research & targeted outcome

- Synthesis & analysis of secondary data/info
- Interviews with government & industry
- Business case studies
- Small business survey
- Action research
- Audit of the work & business situation in desert Australia
- Impact
- Audit
- Impacts of businesses on the community & local economy
- Modelling impacts
- Leonora case study
- Far West Coast case study

**Outcome**

New micro and small businesses initiated and existing businesses improved based on new models of investment and understanding of the key success factors in encouraging entrepreneurial activity in Desert Australia.
Supporting Livelihoods and Small Business in Desert Australia

A workshop program was designed to:

• Identify what opportunities are available

• Identify the needs of industry, governments and communities (demand side) that offer livelihood possibilities and business opportunities; and

• Understand the supply side (in terms of labour/employment and the existing types of businesses);

• The gaps, the reason for these gaps and how the gaps can be closed.
Issues arising from the workshops…

• A **diversity** of unconnected initiatives
• **High turnover** of personnel
• **Confusion** arising from too many options
• Economic **sustainability** is high risk
• Initiatives that support **cultural change**
However...

There are SMEs that have overcome the barriers of distance and remoteness and are thriving in the desert, showing that it is possible for businesses to succeed in desert areas if the necessary ingredients are present.

So what are the critical factors that lead to successful businesses in desert areas?
Elements of successful initiatives

• **Attitude**
  – Influenced by the goals, motivation and personal commitment of the entrepreneur

• **Resources**
  – Availability and access to resources
  – start-up capital, operating expenses, labour

• **Process**
  – Development of local capacity where ever possible, and support providers knowing when to move on from dependence to independence
Factors influencing the success of businesses

External factors

- Socio-cultural factors
- Economic/market environment
- Policy environment
- External supporting mechanisms

Personal/ internal factors

- Personal goals, motivation & commitment
- Ideas & willingness to innovate
- Abilities & skills
- Resources

Successful Desert Businesses

- Abilities & skills
- Resources
- External supporting mechanisms
- Personal goals, motivation & commitment
- Ideas & willingness to innovate

- Economic/market environment
- Policy environment
- External supporting mechanisms
- Socio-cultural factors
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| **Attitude**| • Influenced by the goals, motivation and personal commitment of the entrepreneur  
<p>|             | • Personal skills of owner/manager and supporting staff                | • Culture of welfare/dependency on both sides of equation – return of self respect required |
|             | • A safe environment to learn and grow                                | • Lack of realistic and positive role models                                                 |
|             |                                                                         | • A risk averse and over accountable public sector                                          |</p>
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| **Resources** | • Availability and access to ongoing resources – start-up capital, operating expenses, labour resources  
• Time to plan, build genuine relationship, reflect and learn | • Current inflexible access to finances means very few individuals or communities have the security required to source funding for business start up and/or expansion  
• Size and complexity of public sector results in uncoordinated efforts, duplication and short term projects rather than long term development. |
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| Process     | • Development of local capacity and support providers knowing when to move on from dependence to independence  
               • Communication and partnerships for the long-term                  | • Too dependent on work and experience of individuals (who come and go), no systemic way to capture experiences and share knowledge  
               • Mentors and role models lacking and difficult to engage (logistics and expense) in a remote context |
| Legislation  |                                                                         | • Taxation and employment laws that mitigate against sustainable remote micro businesses |

Process:

- Development of local capacity and support providers knowing when to move on from dependence to independence.
- Communication and partnerships for the long-term.
- Too dependent on work and experience of individuals who come and go, no systemic way to capture experiences and share knowledge.
- Mentors and role models lacking and difficult to engage (logistics and expense) in a remote context.

Legislation:

- Taxation and employment laws that mitigate against sustainable remote micro businesses.
What can be done....

• ‘One-stop-shop’
  – coordinated government approach
• ‘On-the-job’ business education
  – training and ongoing mentoring
• Innovative funding mechanisms
  – micro credit
• Getting the balance right!
  – Flexible business models: time for planning; funding schedules; cultural and family arrangements
• ‘Success breeds success’
  – Networking successful business & service providers
• Monitoring & evaluation
  – Improve micro-macro initiatives & the development and replication of successful models
Specific enterprise opportunities identified ...

- Bush tucker
- Livestock harvesting
- Mine rehabilitation
- Community maintenance services
- Community gardens
- Tourism - International interest in remote environments, aboriginal culture and art
- Virtual business incubation centres
Summary

Genuine engagement with Aboriginal people

On-the-ground programs that will fast-track economic participation

Effectively communicate programs to the targeted clientele