



Desert Knowledge Cooperative Research Centre

Core Project 3:

Desert Biz™

Project Overview: Activities & Key Achievements

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Our research objective ...

Our 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



Research focus areas

Audit of the work and business situation in Desert Australia

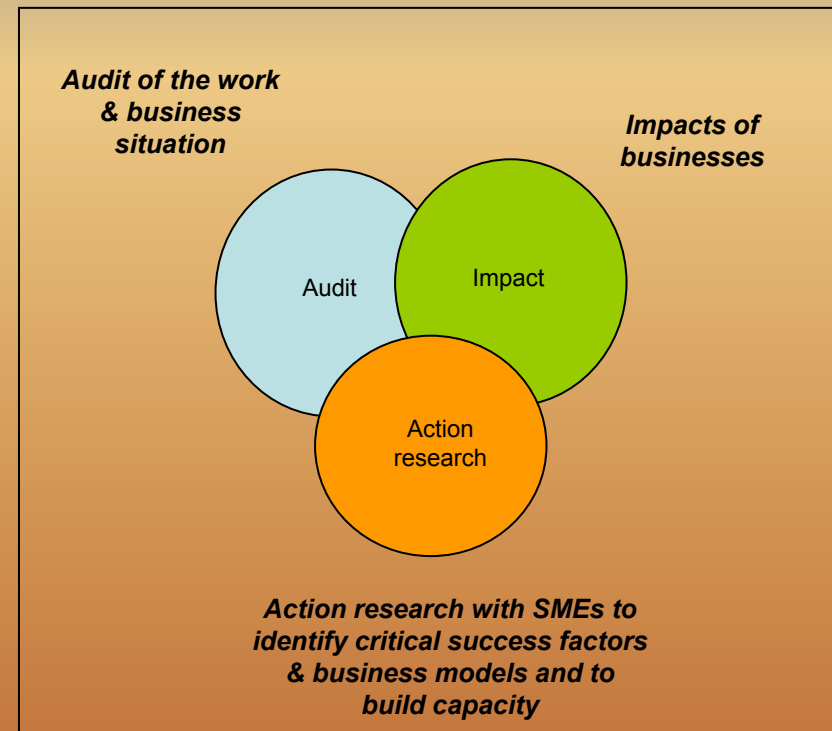
- types of businesses
- critical factors for successful SMEs
- challenges & opportunities
- needs in relation to SME development

Analysis of the impacts of desert businesses

- impact on the community, local economy & the nation
- multiplier effects
- high impact areas for investment

Action research

- business models
- barriers & enablers
- critical success factors
- capacity building



Main findings ...

Findings: Work & business situation in the desert

- There are over 40,000 SMEs in the desert
- Less than 1% are Aboriginal
- SMEs provide employment to desert residents
- Main industries: agriculture, mining & manufacturing, wholesale & retail trade, arts & culture
- Strong interest by individuals & communities to start business enterprise
- Most businesses identified by Aboriginal entrepreneurs are around culture & natural resources & environment



Findings: Impacts of businesses on the community, local economy & the nation

- Desert contributes about \$90.5 billion
 - **Mining, Manufacturing, Agriculture** provide highest contributions to output (~ 61%)
 - **Agriculture, Retail, Mining** provide highest contributions to employment (~36%)
 - **Mining, Agriculture, Manufacturing** provide the highest contributions to income & value added (~41.6%; 61%)
- **Key drivers** of the region's economy in terms of regional exports, employment, value-added and local expenditure on goods and services (backward linkages):
Manufacturing, Construction, Agriculture, Mining & Transport
- Desert economy is reliant on few key industries

- The % contribution of cultural & recreational services relative to other sectors is lower, but multiplier effects on output, wages & salaries & value-added are high
- Industries that provide the highest impact multipliers are:
 - Output: **Culture & recreation, Property & business services, Construction**
 - Value-added: **Cultural & recreation, Manufacturing, Construction**
 - Employment: **Manufacturing, Construction & Services**
 - Wages & salaries: **Construction, Manufacturing & Cultural & recreation**



Findings: Action research

- Desert SMEs face many hurdles
- Aboriginal business in the desert **can** work
- Barriers need to be overcome
 - Small local markets & distance to major markets
 - High transaction costs
 - Lack of finances
 - Cultural and social factors
 - Lack of knowledge & skills to run a business
 - Lack of awareness of programs/ initiatives that support Aboriginal people start up SMEs

Critical success factors

Internal

- goals, motivation & personal commitment
- skills & knowledge
- willingness to innovate
- personal and interpersonal skills
- access to resources

External

- support mechanisms (eg business development)
- markets
- socio-cultural factors
- policy environment



What can be done?

- improve access to enterprise education & training & mentoring
- better access to credit & finance through creative funding mechanisms (eg microcredit)
- programs & credit delivery that genuinely engage Aboriginal people & recognise Aboriginal values and culture
- creative & strategic approach to marketing

➤ Programs for long-term change should complement fast-track programs

Our key achievements ...

Policy level

- Contributed to DKCRC submission to the 2020 summit (on factors influencing success of Aboriginal businesses)
 - Modelled desert economy & determined contribution of desert to Australian economy (\$90.5 b)
 - Contributed to House of Representatives Inquiry into Developing Indigenous Enterprises
 - Contributed to House of Representatives Inquiry into Community Stores
- reduce gap between Aboriginal & non-Aboriginal development outcomes (economic, health, education, etc)

On the ground (individuals, businesses & communities)

- supported capacity building of budding entrepreneurs
- supported formation of Aboriginal business network
- provided resource – Directory of grants & initiatives for Desert Businesses

- Emergence of new businesses in case study communities
- Improved businesses (based on better knowledge on business models & critical success factors)
- Empowered communities & individuals (via network)

