



DEVELOPING

EAST ARNHEM

ANNUAL REPORT 2016/17

ABOUT DEAL

Welcome to the Developing East Arnhem Limited (DEAL) 2016/17 Annual Report.

DEAL was established as an independent company in November 2014 to support economic development in the region. The organisation was established with seed funding provided by the Northern Territory Government (\$2M) and Rio Tinto (\$2M). A further commitment by Rio Tinto of up to 250 houses provides eligible businesses with an opportunity to accommodate staff in the region, helping the region to diversify and grow. Rent from these assets is fed back into local economic development through housing maintenance works and further DEAL projects including our Economic Development Fund.

DEAL is managed by a Board of professional Directors, has a full time Chief Executive Officer, a Project Manager, and a part time Business Office Manager.

DEAL also focuses on micro-enterprise development in the region, like forming a partnership with Many Rivers, which sees one of their field officers sharing the DEAL office located in Nhulunbuy.

This Annual Report outlines the achievements of DEAL in its first full year of operation. Included in this report is an outline of the organisation's highlights and milestones, and a summarised Financial Report that can be viewed on page 20.



VISION

East Arnhem Land is a self-sustaining, resilient and prosperous region renowned for its dynamic economic opportunities, culturally diverse and creative community, and spectacular natural settings.

MISSION

Developing East Arnhem Limited works to improve economic development in East Arnhem Land by supporting strong, sustainable, diverse business and industry.

PRINCIPLES

Developing East Arnhem Limited's values include:

- Respect
- Collaboration
- Diversity
- Integrity
- Innovation
- Quality results

GOALS

Developing East Arnhem Limited's goals are to:

- Promote East Arnhem Land as a business and visitor destination
- Support growth through advocacy and planning, particularly for Indigenous enterprise
- Connect business to industry and financial support
- Maintain a high standard of governance.

DEAL plans to deliver these goals efficiently through the development of strong, targeted initiatives and partnerships.

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YEAR IN REVIEW



100% of Strategic Plan 2015-20 goals, activities and initiatives met



208

DEAL properties leased



22

projects identified for longer-term development



45 Indigenous clients supported through partner, Many Rivers (3 made their first profit)



680,000+

people reached through DEAL communications



3

awards won

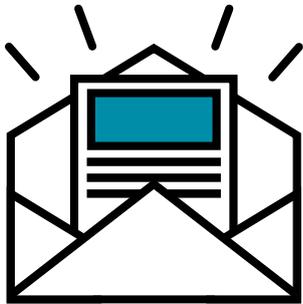
ECONOMIC DEVELOPMENT FUND

1,544

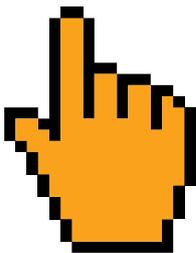
meetings
with businesses held



7 events hosted
attracting 267 attendees



23 newsletters sent
to 17,000+ residents



130,000+
visitors to DEAL's website

26

new jobs



\$600K
distributed

\$1.2M
of new business
development projects
supported

CHAIRMAN'S REPORT



JOHN COSSONS

By facilitating and delivering a vast range of initiatives that support strong, sustainable, diverse businesses and industries, DEAL is helping to steadily improve economic development within the region.

Welcome to the Developing East Arnhem Limited 2016/17 Annual Report.

At the heart of everything DEAL sets out to achieve is the creation of a self-sustaining, resilient and prosperous region for people living in East Arnhem Land.

Through hard work and relationship building, we continue to work with our partners to support the development of a broad mix of business opportunities.

We continue to look for new investment that supports growth, and ensure our culturally diverse and creative community continues to thrive.

By facilitating and delivering a vast range of initiatives that support strong, sustainable, diverse businesses and industries, DEAL is helping to steadily improve economic development within the region.

This work has seen ongoing interest from investors both inside and outside our immediate region this year.

Economic development studies initiated by DEAL have supported us in telling an accurate and positive story about the possibilities that exist here.

These include the Galiwin'ku Economic Study, which provided great insights into areas that we will focus on when attracting investment to the region like the amount of floorspace – 5,000sqm – required to facilitate industry growth by 2036.

Supporting small business development showed up as 'crucial' to overcome growth barriers, and DEAL is doing this by providing \$1 million of matched funding to local businesses operating in East Arnhem to expand, and therefore create more employment opportunities.

Investment in catalytic infrastructure is vital, and we were pleased to see Nhulunbuy was one of the NBN's first rollouts across the country this year.

A need for increased health and industry facilities and services were also highlighted in the Galiwin'ku Economic Study, and we will continue to drive possibilities in this area.

These insights support DEAL's funding of our partner, Many Rivers, and its visits to Elcho Island. It also speaks to DEAL's incubator development project that is identified in our approved 2017/18 Work Plan and we look forward to starting this project in the next financial year.

Looking to the challenges ahead, we know that the Gove Peninsula requires ongoing support to deliver key economic development initiatives that will continue to see diverse investment. To experience success in this area, DEAL has identified 22 priority projects for the region to pursue. These projects could increase jobs by nearly 500 by 2036, and many are earmarked to start in 2017/18. We look forward to reporting back on our successes next year.

Indigenous community education and engagement programs will continue to play a vital role in the region's future, and DEAL is committed to working closely with East Arnhem's Yolngu people to ensure they continue to drive the shaping of East Arnhem Land's economic future.

I would like to thank our staff – Carley, Tom and Kristy – for their hard work in keeping DEAL's vision and mission at the forefront of everything we do, and Jarrod for leading the work of our partner many Rivers in East Arnhem Land.

Our organisation has had a very successful year building on economic development initiatives from previous years, and delivering some unique projects designed to broaden East Arnhem Land's industry expertise and focus.

Now in operation for two full years, DEAL has made strong in-roads with traditional landowners, government, industry and local businesses, and these are all important partners.

Tourism was a major focus for the year and partners from each of these sectors worked together to deliver a three-pronged project that included a mentoring program, gap analysis and draft action plan.

This project aligned with our Strategic Plan and the NT Government's Tourism 2020 objectives to increase supply of labour, skills and Indigenous industry participation, which is shared by DEAL. Fishing and agriculture also featured on DEAL's strategic priority list in 2016/17 and studies to understand and focus our efforts in growing these industries will allow us to work effectively with people who oversee the care of land and sea in partnership with local businesses and investors..

Funding made available through our Economic Development Fund was boosted to \$1 million this year. This is a significant and direct capital injection that we were pleased to allocate to strong projects that demonstrated a sustainable capacity to build the economic strength of our region.

Recipients of grants through this fund were wide and varied with space emerging as a new industry of opportunity.

A project was funded to explore the possibility of a spaceport in East Arnhem Land, which would position the region at the forefront of technology and innovation in this field.

DEAL facilitated relationships between grant recipient Equatorial Launch Australia, our traditional landowners, and the Northern Territory Government, which also contributed seed funding to the project.

This is an exciting project and opportunity for our region, the Northern Territory, and nation more broadly. We look forward to continuing our role and progressing this project in 2017/18.

During the year, I attended events across the region, state and country to promote our region and its endless possibilities.

The work we are doing, together with our partners, is certainly resonating across the country.

DEAL was awarded three national economic development accolades during the year, and our region has become part of the conversation around 'towns in transition' as a success story.

All of this positive messaging means more people are speaking about East Arnhem Land as an optimistic place to live, work and invest.

We have a significant work plan in progress for 2017/18, which will be delivered by our hard working team, and I would like to thank the DEAL Board, members and staff for showing ongoing commitment to developing East Arnhem Land.

I would also like to thank the community and our project partners for their support as we continue working together to achieve a common goal – building a self-sustaining and resilient business community in East Arnhem Land.



CARLEY SCOTT



All of this positive messaging means more people are speaking about East Arnhem Land as an optimistic place to live, work and invest.

GOAL 1



PROMOTING EAST ARNHEM AS A BUSINESS AND VISITOR DESTINATION

During 2016/17, DEAL put East Arnhem Land in the spotlight as a visitor destination and showcased the region's business successes and opportunities.

- DEAL delivered all of its strategic directions and initiatives designed to promote the region. Positive promotion aids in local business development, while positioning the region positively in the mind of investors and visitors who may connect with our growth over time. During the year, DEAL's promotions continued enhancing access to economic information and promotional materials, delivering targeted messages about the opportunities in our region.

- Advertising and promotion of DEAL and the region reached 680,000 people through print, online, radio and outdoor mediums. These included articles and adverts in Territory Q magazine, NT News and regular spots on radio station ARDS and GoveFM.

In addition to providing updated information through our online, radio, and print activities locally, DEAL also worked to promote East Arnhem Land outside of the region.

The 2016 DEAL Garma fireside discussion promoted partnership opportunities between major organisations including the Menzies Institute of Technology (Menzies), Westpac, Business Council of Australia and local Indigenous enterprises such as Lirrwi Yolŋu Tourism Aboriginal Corporation.

The discussion was organised through a partnership with Menzies which also delivered the Garma Health Lab, an on-site and interactive promotion aimed at improving health in communities, and, lead to increased promotion of the region at the Darwin Airport.

In September 2016, DEAL hosted safety and site experts from NASA, regarding a proposed spaceport project being considered for East Arnhem Land,

Above: Banubanu Beach Retreat



TOURISM 'HERO EXPERIENCE' MENTORING PROGRAM

When promoting the region as a visitor destination, it is vital to continue focussing on the experiences people can have when coming to the region.

A group of local tourism focused businesses took part in a 12-week mentoring program to further develop their product or service.

DEAL's Hero Experience Mentoring Program started in early April and was led by tourism expert Mark Olsen from consulting firm EarthCheck, funded by DEAL and Tourism NT.

Mark worked with selected tourism businesses to identify the unique selling point of more than 30 experiences on offer, and identify how these experiences connect to the East Arnhem and wider Northern Territory brand.

Each mentee worked through a 12-week process of business development and message refinement. The result was a better understanding of the experiences on offer around the region and improved marketing and messaging for each business going forward.

Beyond improved messaging, the program provided a rare opportunity for participants to be part of a pitch to Qantas and Mastercard to be part of their unique tourism 'priceless' promotion that targets high net wealth individuals.

The following businesses took part in the mentoring program: Lirwi Yolŋu Tourism Aboriginal Corporation, Black Diamond Aviation, Banubanu Wilderness Retreat, Arnhem Unlimited, Gapuwiyak Culture & Arts, Walkabout Lodge, East Arnhem Fishing Adventures, East Arnhem Real Estate, Wildcard Luxury Cruises and Fishing Charters, and, Nhulunbuy Corporation Limited.

These businesses will work on fine tuning their brand and story to create 'wow' moments, and develop hero campaigns, authentic cultural experiences and unforgettable holidays.

This mentoring program forms part of an overall tourism industry development initiative, the East Arnhem Land Tourism Development Project, being managed by DEAL and delivered by specialist tourism consultancy firm Simon McArthur & Associates, which is identifying the most efficient opportunities to develop long term and targeted products that deliver unique tourism offerings. The resulting East Arnhem Tourism Plan will be completed in 2017/18 with a view to identifying targeted actions that EALTA, DEAL and other entities can fund, to support the growth of tourist experiences that will extract increasing yield from tourism visitation in the region.

which would generate job and tourism opportunities in the region. The Northern Territory Government supported the visit with presentations on the strength of the region, and Territory-wide interest in innovation. This followed almost a year and a half of DEAL working with proponents, ELA, and developing a connection between ELA and the Gumatj Corporation.

During 2016, CEO Carley Scott also took the opportunity to present at the Indigenous Economic Development Conference and the Darwin Population Summit, highlighting the success of Yolŋu businesses and rebounding growth within the region.

In April 2017, Ms. Scott attended the Northern Territory Economic Summit to highlight the achievements of local businesses and industries, and to talk about investment opportunities in East Arnhem Land, particularly around key infrastructure such as the Port of Gove.

GOAL 1



• In a presentation at the Developing Northern Australia Conference on Progress, Growth, and Investment in June 2017, Ms Scott promoted the leading work of entrepreneurs in East Arnhem Land and the growing role of technology in remote Australia.

• In June 2017, East Arnhem Land was also in the national spotlight on Channel 7's popular morning program, *Sunrise*. The *Sunrise* team broadcast live from locations in East Arnhem Land. This opportunity was led by Culture College with support from other locally operating organisations including the Northern Territory Government, Tourism NT, Rio Tinto, Lirrwi Yolŋu Tourism Aboriginal Corporation, Airnorth, Sodexo, Gumatj Corporation, Rirratjingu Aboriginal Corporation, the Walkabout Lodge, Buku Larrnggay Mulka Art Centre, Many Rivers and DEAL.

In 2016, the Buku Larrnggay Art Centre, Garma and the Mulka Project continued the delivery of a film that enabled East Arnhem Land to be featured on large live screens at Federation Square in the heart of Melbourne – a continuation of a DEAL facilitated discussion from 2015.

DEAL's bi-monthly electronic newsletter was produced six times during the year to promote DEAL's work, initiatives and activities to over 1,000 subscribers. Other promotion channels included updates on Facebook, Twitter and the website, advertising in local newspapers and regular radio spots.

The reach of these combined promotions has helped increase promotion of East Arnhem Land as a business and visitor destination, and has improved DEAL's position within the region as effective in attracting investors and visitors outside of the region.

GOAL 2



SUPPORT GROWTH THROUGH ADVOCACY & PLANNING, PARTICULARLY FOR INDIGENOUS ENTERPRISE

DEAL delivered on all of its strategies and objectives in planning and advocacy for the region in 2016/17 through promotion, engagement with government and working with local stakeholders.

- In 2016/17, DEAL delivered on advocacy and planning directions and initiatives designed to support the region by:
 - Gathering information to support business and investment decisions
 - Planning for relevant jobs and services based on market demand and traditional owner aspirations
 - Advocating to government and industry about regional growth opportunities
 - Encouraging investor engagement in the region.
- DEAL supports the expansion of Indigenous businesses. With our funding, a Many Rivers field officer has helped three new enterprises turn their first profit in East Arnhem Land, while continuing work with 45 prospective Indigenous enterprises.
- Support of prospective Indigenous enterprise included 95 business planning meetings and 25 cash flow meetings, and the provision of two micro finance loans totaling \$6,000 during this financial year.

DEAL's partnership with Many Rivers is an important part of DEAL's offer to the region, ensuring that new ideas have the structure and support to grow into viable enterprises. Assistance has reached into homelands and communities including Milingimbi, Ramingining, Galwin'ku, Gapuwiyak, Yirrkala and Gunyangara. DEAL supported a successful bid by the East Arnhem Regional Council for an Indigenous youth technology skills project in Galiwin'ku using MIT Scratch, robotics, and 3D printing by developing local facilitators, in addition to \$10,000 worth of equipment.

In August 2016, DEAL hosted *Positioning your Business for Success*. Around 50 people attended the forum to explore the opportunities and understand the challenges facing East Arnhem based construction and trade businesses.

In September 2016, DEAL hosted a forum from the visiting Regional Development Australia NT (RDANT) committee. DEAL

Above: Yolngu Radio

GOAL 2



co-hosted the evening networking event for local East Arnhem based businesses at the forum, which followed a presentation and question time.

In October 2016, DEAL hosted a tourism information evening featuring local tourism providers working to grow the industry in East Arnhem Land.

In December 2016, DEAL updated cloud-based GIS mapping of industry, which enhances our capacity to understand how industry changes across the Gove Peninsula over time.

To continue refining its understanding of economic trends and opportunities in the region, DEAL commenced three projects to assess opportunities in Gove Peninsula, and more broadly, in the fishing, aquaculture and tourism industries to:

- Quantify market opportunities and highlight key actions that support the growth of fishing and aquaculture in the region

- Understand the service gaps, and specific actions that will build tourism in East Arnhem Land within the most efficient market segments – and start taking action
- Identify future population, job, floorspace and industry trends in the Gove Peninsula, and the developments that need the most assistance to succeed.

These planning activities invite key stakeholder input, with economic modelling and insights provided directly to regional groups when DEAL attends Regional Economic Development Committee, Chamber of Commerce, and East Arnhem Tourist Association meetings.

Insights are also fed into DEAL's economic modelling tool and live data portal that started receiving 2016 Census updates this year.

Above: Tadpole Swimming School

GOVE PENINSULA ECONOMIC STUDY

DEAL is leading the delivery of a detailed study into the economic impacts of likely population and industry trends in East Arnhem Land. The study is being delivered in partnership with the Northern Territory Government and will inform future DEAL budgets, strategy, advocacy, and action.

The study has identified an opportunity for over 20,000m² of additional commercial floorspace and at least 22 significant projects for the region to deliver positive long-term jobs and growth projections toward 2036.



RESEARCH AND PLANNING

A Fishing and Aquaculture market assessment and action plan is being developed to define market opportunities and challenges in East Arnhem Land. The work was enhanced with a commitment of \$40,000 by the Northern Territory Government, additional to DEAL funding. Consultancy group Econsearch has undertaken the assessment, which included economic modelling, conversations with almost 40 industry experts, including Traditional Owners and land managers in East Arnhem Land and a working group represented by DEAL, the Northern Territory Government, the Seafood Council and the Northern Land Council. The action plan informed a conditional commitment from DEAL to future funding of industry and infrastructure development at the deep-water port.

A working group was established to guide the outcomes of a Tourism Development Project. The group included DEAL, the East Arnhem Land Tourist Association (EALTA), Dhimurru Aboriginal Corporation, Laynhapuy Homelands Aboriginal Corporation, Marthakal Homelands Aboriginal Corporation, Northern Territory Government (NTG), the Northern Land Council (NLC) and the East Arnhem Regional Council (EARC). These groups provided insights into the core challenges and opportunities facing the region and refined a gap analysis and draft Action Plan that identified six strategies to drive appropriate and sustainable tourism growth in the region. The plan has already supported DEAL investment in immediate product development initiatives through a tourism mentoring project and a commitment to future project funding.

GALIWIN'KU ECONOMIC STUDY

The Galiwin'ku study established leading methodology, that combined existing approaches by Charles Darwin University, renewed community feedback, and refined economic modelling when identifying that over 5,000m² of additional industry-related space would support the potential for industry growth and opportunity in the region. It also identified connectivity, health, and business skills support as critical factors when best supporting economic growth.

Each research and planning activity lead by DEAL in 2016/17 included a schedule to finalise summary information and publish information on DEAL's website in 2017/18.

GOAL 3



CONNECTING BUSINESS TO INDUSTRY FUNDING AND SUPPORT

DEAL's Economic Development Fund (EDF) is making a significant difference to local businesses operating in East Arnhem Land through direct investment in community lead economic growth projects.

DEAL delivered on all its strategies and objectives in connecting business to industry funding and support in 2016/17 by:

- Linking businesses with funds to support growth in the region
- Actively encouraging training and development initiatives to support local capability and efficiency.

In addition to funding the Many Rivers micro-enterprise and finance support to homelands and communities DEAL committed more than \$600,000 to eight businesses through its Economic Development Fund (EDF) in 2016/17. Part of the application criteria is a commitment by the successful applicant to contribute at least 50 per cent of the required funding, resulting in \$1.78 million of new direct spend in the region. The projects are expected to create at least 26 ongoing and new full-time jobs in the region across a broad spectrum of industries including

construction, health, early childhood learning, retail, hospitality and trades.

Following celebrated work on Indigenous housing projects, Zenco Constructions successfully applied for EDF funding to increase their revenue and capacity by purchasing a new skid steer and appropriate transport vehicle. This is expected to increase the efficiency of available staff, improve opportunities for Zenco to deliver work in the region, and provide education and training opportunities in the community. Measured through total output generated, the project makes over \$900,000 contribution to creating a sustainable regional economy.

Gove Veterinary Services received \$16,000 from the EDF to establish in-house laboratory standard blood testing. This will save time on vital blood testing that can now be done in the region for family pets, stock animals or sentinel herds, and allow for improved regional

Above: Arnhem Allied Health Service



(L-R) Gove Warehouse Owner Bob Van Oostrum and DEAL CEO Carley Scott

CAPTAIN COOK SHOPPING CENTRE

Following a focus of DEAL funding in the town centre during 2016/17, The Captain Cook Shopping Centre in Nhulunbuy is being revitalised with new services, exciting food offerings and improved amenities and facilities for businesses and the community.

DEAL funded up to \$144,000 for the project through its Economic Development Fund, which will be matched more than dollar-for-dollar by the proponents undertaking this local development project.

Works on the Captain Cook Shopping Centre project include three stages: the relocation and enhancement of the Nhulunbuy Post Office, establishing a multipurpose function area and refurbishing the café.

This project is another important step in continuing to see the revitalisation of employment precincts; works to address an identified need to continue catering to resident and visitor expectations; and is scheduled to create approximately five equivalent full-time jobs as a very visual sign that the region is continuing to grow.

The post office will include an expanded and nationally branded, and priced, Australia Post retail shop, which means businesses and residents can take advantage of national catalogue sales without incurring additional freight costs. Staff will be trained in all aspects of Australia Post counter operations including banking, passport applications and other sales functions.

As part of the revitalisation, an undercover multipurpose business/community facility is planned to provide an alternative option for promoting events. This facility will also serve as a playground for children aged under five years. In addition, an upgrade to the existing food outlet will provide opportunities for new jobs, while supporting the ongoing enhancements of businesses and physical spaces in the region.

servicing that supports additional revenue and job capacity. With a \$10,000 EDF grant, YBE has employed a full-time qualified arborist, which allows YBE to manage dangerous trees, expand the tree management crew, and offer training opportunities to local Yolŋu workers who will continue working side by side with an expert in tree care, meeting pent up demand for these services in the region.

Gove Rentals and Mechanics received \$60,000 from the EDF to extend their operational revenue, and community safety through the purchase of tilt-tray equipment that will help in vehicle retrieval, after recognising an unmet demand in the region for this service.

In addition to the EDF funding, 12 DEAL Economic Impact studies were used to support fund applications that resulted in \$6.8 million worth of successful grants for infrastructure and tourism projects in the region.

GOAL 3



Above: Manapan Furniture Manufacturers

- East Arnhem Regional Council (EARC)
- was successful in its application for
- funding from the Australian Government's
- National Stronger Regions Fund
- of up to \$241,875 to redevelop and
- upgrade the visitor accommodation
- at Gapuwiyak. Congratulations also
- go to Council and the Buku Larrnggay
- Mulka Art Centre for being successful
- with applications to fund track and
- accommodation improvements
- respectively. DEAL was pleased to
- support these applications by providing
- a letter of support and an economic
- impact modelling report using our
- economic modelling tool, economy.id.
- In addition to funding, DEAL works
- to support business by increasing
- networking and learning opportunities
- through the events we host or support.
- At Nhulunbuy Business Week in October
- 2016, DEAL hosted a tourism information
- forum, and staffed an information
- stall at the Business Market Day held

at the Captain Cook Shopping Centre. This event highlighted business support organisations available to the community including DEAL, Many Rivers, ATO, Westpac, Rio Tinto – Procurement, Business NT, National Disability Insurance (NDIS), NT Worksafe, Chamber of Commerce NT and others. Hosted by DEAL's partner Many Rivers, the *Start, Stay, Thrive in Business* session during Nhulunbuy Business Week provided participants with an understanding of microenterprise and microfinance and gave the opportunity to workshop new business ideas.

MANAPAN FURNITURE MANUFACTURERS IN YURRWI

DEAL partnered with East Arnhem Regional Council (EARC), playing a small but important role in supporting a demonstration product development initiative, designed to develop skills, employment and business development in East Arnhem Land.

This innovative project was established to diversify local industry, build meaningful skills, and lead to the production of household timber furniture products for direct supply into Council, with an opportunity to see a growing range of locally made products being available for purchase in East Arnhem Land and beyond.

The project maximised the economic and community benefit for the region by drawing on a small amount of DEAL funding, project management and procurement expertise of EARC, business development support by ALPA and Remvek Shopfitting, and training support by Swinburne University, in the creation of a strong project with sustainable outcomes. The project delivered skills enhancement to four Yolŋu employees, saw the launch of a new business, and guarantee of a solid sales avenue to commence business. The Manapan initiative demonstrates our practical reach outside the Nhulunbuy town centre and our commitment to Indigenous enterprise.

HOUSING

At the end of June 2017, approximately 208 DEAL properties were leased. This is an increase of 59 leased assets from June 2016, directly supporting jobs and industry growth in the region. The transfer of housing assets from Rio Tinto to DEAL continued, bringing additional held rental income for DEAL to allocate going forward.

1,544

people presented to about the region and business support

7

events hosted by DEAL, attended by 267 people

11

businesses expanded into new markets with DEAL support

45

Indigenous business clients engaged by DEAL/Many Rivers

7

Indigenous businesses connected to grants and funding

11

homeland or community locations of DEAL-funded listening workshops or engagement activities

2016/17 EDF RECIPIENTS:

Zenco Construction (\$60,000)

YBE (\$10,000)

Arnhem Physio (\$195,000)

ARDS (\$100,000)

Gove Veterinary Services (\$16,000)

Gove Warehouse (\$144,000)

Gove Rentals and Mechanicals (\$60,000)

GOAL 4



MAINTAIN A HIGH STANDARD OF GOVERNANCE

The successful economic development work undertaken by DEAL over the past 12 months has been recognised at a national industry level.

• Having been entered in the Economic Development Australia (EDA) 2016 National Awards For Economic Development Excellence, CEO Carley Scott was proud to accept the winner award for the Economic Development Initiatives, Rural and Remote Areas category in recognition of the benefit that housing is providing to industry in the region.

• DEAL was also recognised as a finalist in the category Economic Development Initiatives Under 15,000 Residents with a focus on the EDF and its capacity to support entrepreneurs in a meaningful and sustainable way. EDA is the peak professional industry body in Australia for economic development practitioners across the nation.

• In December 2016, Ms Scott also accepted, on DEAL's behalf, the Australian Anthill 2016 Cool Company Award in the Social Capitalist category for 'making the world a better place'. DEAL won

for successfully applying commercial principles to social issues, and delivering economic development activities, events and initiatives in an organised, innovative and entrepreneurial way.

In 2016/17 DEAL delivered on all governance directions and initiatives designed to support the region by:

- Maintaining effective management policies and procedures
- Monitoring the delivery of initiatives and objectives
- Encouraging staff well-being and a positive internal culture
- Maintaining effective leadership at Board, executive and staff level
- Conducting an AGM, Community Update and Annual Report launch in November 2016.

Work commenced with leading consulting group, Arup, to review asset management documents and appoint an ongoing managing agent. The expression of interest has been completed and a tender

Above: DEAL wins a Cool Company award



(L-R) DEAL CEO Carley Scott, Intrepid Group CEO James Thornton, Councillor Gumurr Miwatj Ward Banambi Wunungmurra, and Intrepid Regional Director Brett Mitchell

WORKING GROUPS GUIDE PLANS

Working groups were established in 2016/17 to guide and inspire local plans and future projects that are needed in key industries in the region's communities.

Establishing working groups is an important part of DEAL's work. The DEAL Board and members approve the strategic plan that guides the focus of key industries. The Action Plan calls for DEAL staff to research and undertake efficient projects in these industries. Through the associated working groups the community plays a very important role in guiding and partnering on delivery of DEAL's projects.

The structure of the working groups is designed to draw on the expertise of local industry, engage and empower local businesses, and encourage joint commitment in planning and delivering actions that will support the region's bright economic future. In 2016/17, working groups have helped shape DEAL's identification of actions that it can commit funding to through agreed action plans in key industry sectors including tourism and fishing.

Working groups have made important contributions, inspiring the Hero mentoring program that was an action identified in the draft East Arnhem Land Tourism Action Plan, and the branding themes for the region that are now being shared with the East Arnhem Land Tourism Association (EALTA) and Tourism NT, as well as inspiring the partnership that DEAL began with Intrepid which has already delivered a beautiful promotional video to encourage ongoing, requested visitation to homelands.

DEAL's combined feedback from working groups, with promotion that reaches out to entrepreneurs and industry, and a busy schedule of one-on-one meetings, create a strong structure that helps us continue to identify and develop new ideas that will help the region grow.

is expected to be released in 2017/18. DEAL provided input into the Northern Territory Economic Development Framework and Regional Economic Development Committee action plan to share its work with other groups focused on supporting positive economic outcomes for East Arnhem Land and the Northern Territory.

The DEAL Board meets each quarter, where the CEO presents on meetings, actions, challenges, opportunities and the financial position of the organisation.

The financial position of the organisation was strengthened as DEAL continued its work with Rio Tinto to see the transfer of housing assets to DEAL ownership, with a view to continue seeing benefit delivered through the ongoing engagement of local tradespeople for maintenance into the future.

FINANCIALS

DEAL is subject to an annual financial audit by Deloitte, as part of a commitment to strong governance principles. The audited report is also submitted to the Australian Charities and Not-for-profits Commission, which sets out the reporting requirements for independent not-for-profit companies such as DEAL.

FINANCIAL REPORT

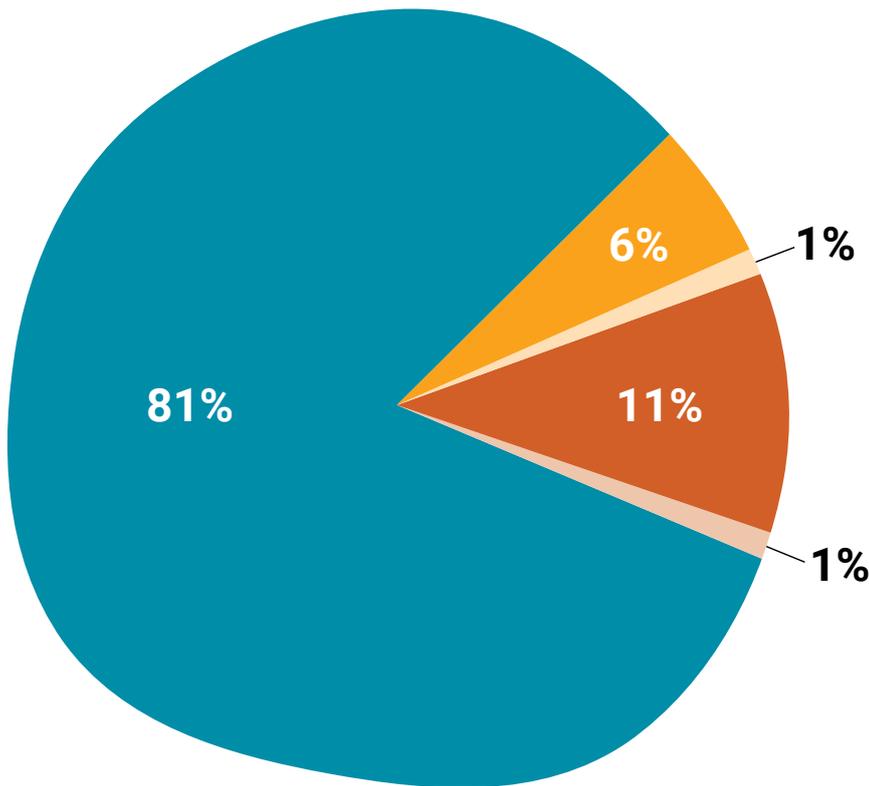
GROSS INCOME	\$
Government Grants [^]	543,000
Donations and bequests	0
All other revenue	4,499,390
Total revenue	5,042,390
Other Income	23,661
Total Gross Income	5,066,051
EXPENSES/PAYMENTS	\$
Employee expenses	323,224
Interest	0
Grant and donations made by the registered entity for use in Australia*	1,006,934
Grants and donations made by the registered entity for use outside Australia	0
All other expenses	1,483,876
Total expenses	2,814,034
<i>Net surplus/deficit</i>	<i>2,252,017</i>
BALANCE SHEET EXTRACT	
ASSETS	\$
Total current assets	5,287,766
Non-current loans	0
Other non-current assets	8,552
Total non-current assets	8,552
Total assets	5,296,318
LIABILITIES	\$
Total current liabilities	217,232
Non-current loans	0
Other non-current liabilities	0
Total non-current liabilities	0
Total liabilities	217,232
<i>Net Assets/Liabilities</i>	<i>5,079,086</i>

A key change in DEAL's finances include the receipt of income from the rent of housing assets.

[^]Grant income is related to specialist research, planning and industry development initiatives noted in this annual report

* Grant expense includes the DEAL EDF and allocation of 'Grant income'

HOW EXPENSES ARE DISTRIBUTED



- Administration
- Flights
- Employees
- Directors
- Main Strategy Activities
 - Marketing
 - Industry Development
 - Indigenous Business Support
 - Grants
 - Housing

DEAL undertakes detailed short and long term financial planning to understand how fluctuations in housing revenue and project investment can impact our equity position over time. This planning is independently reviewed for enhanced rigour.

Our target end of financial year equity position is approximately \$4 million over a five-year period, recognising the initial contribution from shareholders and capacity to invest in major initiatives from time to time.

DEAL's financial planning identified how to manage our equity until housing revenue was released to DEAL in 2016 and 2017 (following the completion of the housing transfer process with Rio Tinto). The result was a forecast, and realised, increased cash at bank position in 2016/17, which DEAL will quickly allocate toward significant infrastructure improvement projects commencing in 2017/18, including the rolling improvement of housing air conditioning systems.

Our planned, targeted and early investment in meaningful projects will reduce the amount of cash held by DEAL, and, increase the delivery of important activities that enhance the short and longer term economic future of the region.

SUMMARY

NHULUNBUY TOWN VISION

DEAL's strategic actions continue to deliver outcomes aligned to the Nhulunbuy Town Vision, which includes the following priorities for building a 'Robust Economy':

- An enterprising culture
- A diversified, resilient local economy
- Collaboration with all stakeholders to promote investment and address challenges and risks to business investment.

Our Strategic Plan and the projects highlighted in this report, including \$1 million funding for entrepreneurs, continue to demonstrate how DEAL works to deliver on opportunities that the community has identified as vital when fostering ongoing opportunity in the region.

BROADER ECONOMIC PERFORMANCE

We are committed to taking action that can be monitored, and refined over time, measuring the potential and actual outcomes of our work. Calculating Economic Performance, such as output and jobs, is one of the approaches we take.

In addition to the \$1.126 million in additional investment and 26 direct jobs generated with the support of our fund, the flow-on benefits from DEAL's fund drive positive impacts beyond the region's boundaries. In 2016/17, the modelled impacts associated with DEAL projects indicated a combined increase of 39 ongoing jobs, \$6.24 million in additional output and \$2.91 million value add across the broader Australian economy.

Our financial performance has been audited, to find that DEAL demonstrates a strong and stable operating position, makes efficient use of our funds, and is able to meet our future obligations as we continue to drive increased benefit directly into the region.

Our governance is structured for continuous improvement, with consistent reviews of internal policies and procedures that continued through 2016/17.

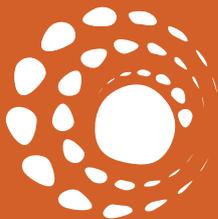
OUTSIDE OF NHULUNBUY

Supporting the development of an exciting new furniture making business in Yurrwi (Milingimbi) was just one of the successful DEAL supported projects outside of Nhulunbuy this year.

DEAL is delivering on a large number of action plan items for the Regional Economic Development Committee under the Sector Development – Tourism section, with an objective to facilitate and support existing and new industry entrants throughout the region.

Through its partner, Many Rivers, DEAL's work supports communities and homelands across East Arnhem Land. This has included assisting more than 45 clients with business and financial planning. During 2016/17, three of these businesses reported their first profit. Our partnership with Many Rivers is a crucial element in our ongoing commitment to providing consistent, quality conversations with Yolngu residents who are interested in starting or growing a business over time within East Arnhem's homelands and communities.





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