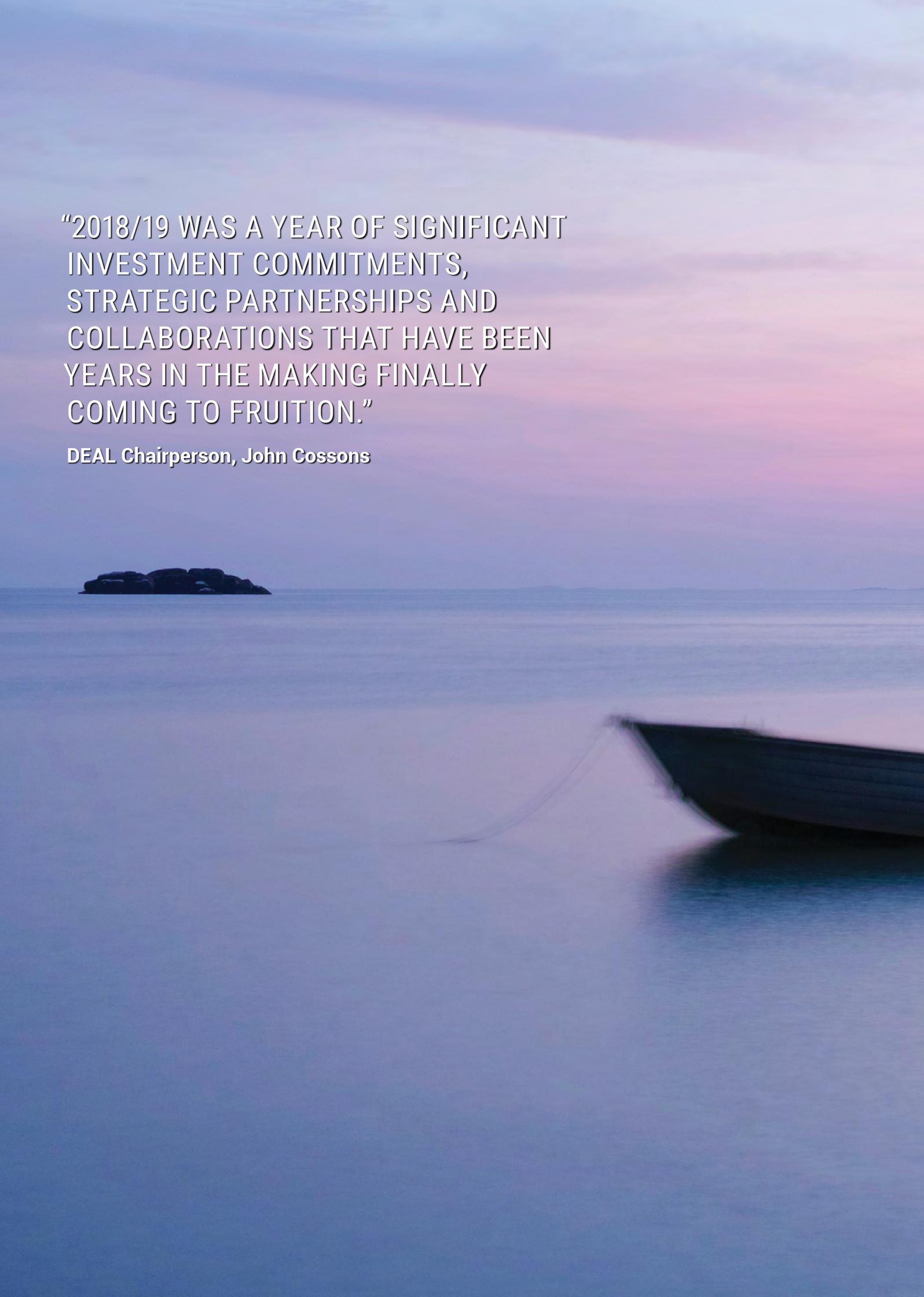


DEVELOPING
EAST ARNHEM
ANNUAL REPORT 2018/19



A serene seascape at dusk or dawn. The sky is a mix of soft pinks, purples, and blues. In the foreground, the dark, curved bow of a boat is visible on the right side. The water is calm and reflects the colors of the sky. In the middle ground, a small, dark, rocky island sits on the horizon. The overall mood is peaceful and contemplative.

“2018/19 WAS A YEAR OF SIGNIFICANT
INVESTMENT COMMITMENTS,
STRATEGIC PARTNERSHIPS AND
COLLABORATIONS THAT HAVE BEEN
YEARS IN THE MAKING FINALLY
COMING TO FRUITION.”

DEAL Chairperson, John Cossons

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ABOUT DEAL

Developing East Arnhem Limited (DEAL) is an independent not-for-profit company with an experienced Board of Directors.

OUR MISSION IS TO DRIVE ECONOMIC DEVELOPMENT IN EAST ARNHEM TO PROMOTE THE RESILIENCE OF THE REGION AND OPPORTUNITY FOR ITS PEOPLE.

- We lead collaboration across the region, as trusted partners to businesses, governments and traditional owners.
- We unlock creative opportunities for development, guided by evidence.
- We are a front door for investment in East Arnhem, and independent advocates for the region.



Gove Port Tourism Precinct site

2018/19 HIGHLIGHTS



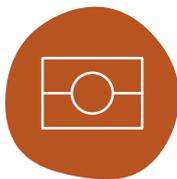
All 250 DEAL properties in Nhulunbuy leased, supporting over 80 local employers



9 events held



Over \$3 million spent with local contractors on maintenance and capital upgrades to DEAL properties



3 Economic Development Fund investments made, including in 2 Yolŋu corporations based in the broader East Arnhem region



\$2M committed to the \$8M (total) Gove Port Tourism Precinct project



East Arnhem Landowner Prospectus commenced in partnership with regional stakeholders



31,674 people reached through Facebook



Office refurbished to make DEAL more accessible and welcoming to the public



Many Rivers supported the establishment of 5 new businesses and the expansion of 2 existing businesses

CHAIRPERSON'S REPORT

JOHN COSSONS



In 2018/19, our fourth full financial operating year since establishing in 2014, we set the foundation for our organisation that will take us to 2030.

It was a year of significant investment commitments, strategic partnerships and collaborations that have been years in the making finally coming to fruition.

Gove Port Tourism Precinct

In May, Northern Territory (NT) Chief Minister The Hon Michael Gunner visited Nhulunbuy to announce the \$8 million Gunyangara (Gove Port) Tourism Precinct Development, which includes a new tourist wharf and land-side developments among other infrastructure needs.

DEAL has played a major role in ensuring this vital project moves forward by investing \$2 million.

The upgraded port will certainly benefit existing businesses and drive tourism. Importantly though, it will increase Yolŋu business participation across many industries, and embed local Yolŋu employment and skills development in our region.

DEAL, NT Government, National Indigenous Australians Agency, Gumatj Corporation, Njarrariyal Aboriginal Corporation and Gove Boat Club Inc have committed to working together to provide effective and efficient project delivery.

East Arnhem Landowner Prospectus

As the land owners of the region, and majority of the East Arnhem population, Yolŋu are critical to creating a sustainable, diverse and vibrant future for the region. During the year we commenced work on the East Arnhem Landowner Prospectus in partnership with the Northern Land Council, Australian and NT governments and regional stakeholders. Once finalised in 2020, this tool will be critical for supporting traditional owners, Yolŋu communities and homelands in East Arnhem to realise the economic value of their land, and support economic development that meets their aspirations.

Governance

Looking inwards, Peta Melki resigned as CEO at DEAL in January to return to reunite with her family in Sydney.

We were fortunate to appoint Jordy Bowman in seamless fashion, commencing on 4 February as CEO. A prominent and well-respected member of the Nhulunbuy community, Jordy has lived in the region since 2015 and has worked extensively inside the Northern Territory borders. Jordy has successfully recruited staff, doubling the team to four professionals who will each be critical to the ongoing growth and prosperity of our region.

On behalf of the Board, I would like to thank our members – the NT Government and Rio Tinto – for supporting us through another year, our strategic partners, regional stakeholders, East Arnhem business community and the DEAL staff for another successful year.

CEO'S REPORT

JORDY BOWMAN



It was fantastic to accept the role of CEO at DEAL this year, and join an organisation with such an important role to play in creating a sustainable and prosperous future for the region.

It is certainly an exciting time to be working and living in East Arnhem as the region shapes what it will become in the post-mining era.

It has been a privilege working with our key regional stakeholders to develop longer-term economic diversification strategies, and better understand how we can support local businesses over the coming years.

To do this, we first needed to ensure our own structure was right and this has been achieved by building significant experience and capacity into our team. Sarah Mitchell was promoted to Operations Officer, and we welcomed Rebecca Johnston who commenced in the role of Administration Officer, and Sam Campbell joined in May as the new Industry Development Facilitator.

Housing

In 2018/19, we are pleased to report that all of DEAL's 250 housing assets were leased, supporting more than 80 local employers with their accommodation needs. Our new housing policy has been effective in delivering this excellent result, by ensuring we are maximising the number of businesses we can support with housing.

We also finalised our Asset Management Plan and implemented measures that will support targeted capital investment to increase liveability, security and longevity of our assets.

Capital investments

Our Economic Development Fund continues to be an important mechanism to support regional businesses. In 2018/19 we invested in three diverse projects – Baniyala employee housing, Ramingining industrial hub, and Beached As fish and chip van in Nhulunbuy.

Industry development

A number of projects progressed during the year with our industry partners. A tourism working group was established, which collaboratively developed the 2019 regional tourism priorities to project collective focus to our industry development activities.

A regional forestry project commenced to better understand forest resources and commercial opportunities, and a study to understand the opportunities associated with, and the support required for the development of a space industry in East Arnhem was commissioned.

This focus and our achievements position us well leading into 2019/20 and set the tone for our new Strategic Plan for 2020-2025. This will be an important document for setting our regional vision and goals, and outlining the critical steps towards developing a resilient regional economy and opportunity for people living and working in East Arnhem.

I would like to thank the Board for their support during my first six months at the helm, and the team for always delivering above and beyond.

GOAL 1: PROMOTING EAST ARNHEM AS A BUSINESS AND VISITOR DESTINATION



Supporting the Gove Port Tourism Precinct Project

DEAL committed an investment of \$2 million to the Gonyangara (Gove Port) Tourism Precinct project, which will deliver marine tourism infrastructure improvements to drive industry growth in East Arnhem. The \$8 million project also includes an investment of \$1.5 million from the NT Government, and \$4.5 million from the Aboriginals Benefit Account. This significant infrastructure project will deliver new marine and landside infrastructure next to the Gove Boat Club to support existing tourism operators, and attract new yacht and cruise tourism operations to the region. Works include the construction of a durable jetty with associated lighting, water and civil works, as well as landside improvements including car park paving, lighting, shade structures and amenities.

Fishing the Wild launch

Fishing The Wild's new 15-episode online series went live with a short trailer on YouTube on 8 June 2019. The series trailer was played in Nhulunbuy at an event where DEAL hosted the Chief Minister and other regional stakeholders on 29 June. DEAL provided funding for six episodes of this second series, which focuses on fishing in East Arnhem. The *Fishing The Wild* YouTube channel has a global following with more than 28,000 subscribers and 44,000 Facebook followers. The series, which launches in July 2019, showcases the adventures of producers Hamish Simpson and Morgan Hartney as they fish their favourite spots, meet the locals, and encounter incredible marine and wildlife around the NT.



Central Arnhem Road Destination Plan

DEAL, in partnership with the NT Government, funded a visitor experience study on the Central Arnhem Road. Ecotone Tourism Developments was engaged to provide recommendations and costings on what is required to ensure tourists have an enjoyable and safe journey along the Central Arnhem Road. Recommendations are expected to cover the need for streamlined signage, rest and camping areas, information bays, improved online information, and branding for the major arterial road. The outcomes of the report will support discussions with traditional owners about their tourism aspirations, and be an important input to the Central Arnhem Road upgrade works over the coming years.



DEAL's expo stall: Sarah Mitchell – DEAL and Garma guest Sevita Gurruwiwi



Engaging with traditional owners: Marcus Lacey and John Cossons – DEAL Chairman

Garma 2018

The 20th annual Garma Festival held at Gulkula was an opportunity for DEAL to further consolidate its relationship with Culture College, a not-for-profit Aboriginal immersion program that offers experiences to school groups from around Australia.

Visiting East Arnhem provides visitors a unique and authentic insight into Yolŋu culture. DEAL embraced Garma as an opportunity to engage with traditional owners as a starting point for building a capacity development program for Yolŋu tourism guides.

Equatorial Launch Australia (ELA) shared DEAL's stall. ELA plans to develop the country's first commercial spaceport near the Gulkula site, and used the festival to engage with regional stakeholders and community members about its plans.



Avalon Air Show attendance

DEAL CEO Jordy Bowman attended the inaugural Australian Space Industry Conference held as part of the Avalon Airshow in Victoria. Jordy attended with consulting firm AECOM, which was appointed during the year to prepare a study about infrastructure support required for the Arnhem Space Centre.

It provided an opportunity for DEAL to engage with space industry experts and continue to promote East Arnhem as an attractive destination for space industry development given the region's unique attributes.



Manapan Furniture sponsorship

DEAL sponsored local furniture craftsman Josiah Baker to take part in the world's biggest furniture fair, *Salone del Mobile*, in Milan, Italy. Josiah showcased the beautiful artisan furniture creations from Manapan Furniture, which operates in Milingimbi. This bespoke furniture business is owned and operated by Yolŋu and has a strong focus on local training and employment.

COMMUNITY EVENTS

DEAL hosted a number of events during the year including:



Australian space industry update – a forum held in Nhulunbuy in November 2018 in partnership with NT Department of Trade, Business and Innovation, and the Department of the Chief Minister, with presenters from Space Industry Association of Australia, Boeing, CSIRO, Astronomy and Space Science, and representatives from ELA.



October Business Month (OBM) launch – a panel discussion of economic and industry experts from NT Government, Rio Tinto and Geografia was held on 15 October 2018 and attended by 100 people looking to identify business opportunities based on forecasts and pipeline projects.



OBM workshop – supported by DEAL, Holistic Services Group facilitated three *Stress Less, Live More and Thrive* workshops for 40 participants from 25 local businesses over two days, coinciding with OBM's theme – 'building and retaining a positive and productive workforce'.



AGM & Annual Community Meeting – held at the Walkabout Lodge on 28 November 2018, this was an opportunity for the DEAL Board and staff to highlight DEAL's achievements and table the Annual Report 2017/18.



Working together for a sustainable future – an event with NT Chief Minister The Hon Michael Gunner and other Cabinet Ministers held at the Gove Boat Club in May to announce the Gove Port Tourism Precinct project and launch the East Arnhem Landowner Prospectus initiative.



Business at Sunset – held at the Gove Country Golf Club in June in conjunction with the Chamber of Commerce and the Nhulunbuy Corporation to provide information about initiatives and programs that support local businesses in the region.



Community markets – held at the Surf Club on 22 June, the DEAL team engaged with the Nhulunbuy community at their stall about initiatives underway to support growth in the region.

GOAL 2: SUPPORT GROWTH THROUGH ADVOCACY AND PLANNING, PARTICULARLY FOR INDIGENOUS ENTERPRISE



East Arnhem Landowner Prospectus

DEAL initiated work on the East Arnhem Landowner Prospectus, which will be delivered in partnership with key regional stakeholders to understand opportunities for industry and economic development on Aboriginal land across the region.

The Prospectus will identify opportunities that are:

- viable, based on evidence and mapping of land and sea resources; and
- supported by traditional owners, based on consultation and direct engagement.

The Prospectus will be an important tool to guide development across the region. It will enable governments and other regional stakeholders to target their efforts and investment, and facilitate partnerships with investors and businesses interested in working with traditional owners and communities.



Tourism and forestry working groups

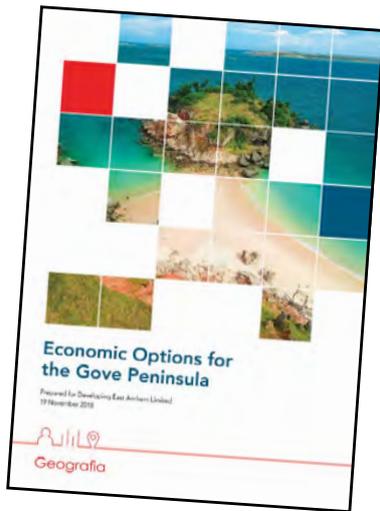
A working group comprising regional tourism operators and strategic stakeholders was established during the year. Over five meetings, the group developed its priorities for collaboration and working towards a common goal – growing tourism in the region.

DEAL hosted Tourism NT and Tourism Top End. As a result of strong advocacy from DEAL and the tourism working group during this visit, Tourism NT committed two years' funding for a regional tourism development position within the DEAL team. Recruitment for this role will occur in 2019/20.

A regional forestry project commenced to better understand commercial forestry opportunities across the region. This group met twice to develop its priorities along with a project proposal that was presented at a Cooperative Research Centre for Developing Northern Australia forestry forum in June 2019.

Economic modelling report for Gove

Led by DEAL, and commissioned in partnership with the NT Government, an economic modelling report was released in November 2018 that looked at economic impacts of population and industry trends in East Arnhem as the region transitions from a single-focus mining economy to a multi-faceted diversified economy. The Economic Options for the Gove Peninsula - 2018 Update showed impacts on jobs, housing and Gross Regional Product (GRP) based on 23 future projects. The report highlighted that housing availability will be a pressure point over the next five years, and provided an evidence base for DEAL's renewed focus on ensuring best utilisation of its housing stock. The report also indicated that a closure of the Rio Tinto mine will result in a decline of around 450 export-related jobs, but with concerted efforts to drive jobs growth across health, education, administration and social services this can be counter-balanced to some extent.



Balupalu and Djawa Yunupingu lead the OECD site visit at the Gulkula Mine

Organisation for Economic Cooperation and Development (OECD) Conference

In November, DEAL joined its members NT Government and Rio Tinto in sponsoring a two-day regional visit in East Arnhem as part of the second OECD Mining Regional and Cities Conference.

National and international delegates were provided with a comprehensive understanding about regional economic impacts of mining, how NT Government, Rio Tinto and DEAL work with traditional owners to maximise opportunities as the mine draws towards closure, and how we are building a sustainable economy beyond mining together.

Space industry infrastructure study

DEAL commissioned a study by consulting firm AECOM to identify infrastructure requirements that would enable and support the continued growth of the Arnhem Space Centre and attract other space industry proponents to the region. Overall, the study found that Nhulunbuy, and East Arnhem, has significant infrastructure assets that support space industry development. It also recognised the region's mining history has developed an agile workforce with skills to contribute to large projects. In conclusion, the study showed much of the infrastructure required to support the Arnhem Space Centre already exists. Recommendations were made on how to ensure local businesses and industry are well placed to benefit from space industry development, and outstanding infrastructure needs are met, particularly in relation to telecommunications.

The space industry capability statement development by AECOM as part of this study is available on the DEAL website.

GOAL 3: CONNECTING BUSINESS TO INDUSTRY FUNDING AND SUPPORT

ALPA Industrial Hub, Ramingining



Many Rivers partnership

DEAL continues to partner with Many Rivers, a not-for-profit organisation that supports the development of micro-businesses in East Arnhem (and other regions).

Microenterprise Development Manager Jarrod Ellis travels hundreds of kilometres each week, visiting aspiring businesses in Ramingining, Galiwin'ku, Gapuwiyak and homelands.

The organisation helps individuals develop skills and knowledge in business planning, provides training and helps business owners to access finance.

In 2018/19, Many Rivers participated in 382 meetings with new or expanding businesses across the region. A total of seven new businesses were provided with direct support, five new and two expanding, and of these 71 per cent were Indigenous businesses.

Many Rivers also provided three loans totalling \$4,750.



Many Rivers client



ALPA Industrial Hub, Ramingining



DEAL Chair and ALPA executive sign EDF agreement



Baniyala project site



Mobile fish and chip business Beached As

Economic Development Fund

DEAL continues to manage an Economic Development Fund, investing in businesses across the East Arnhem region whilst also using it to leverage other investment into projects at different stages of development, and of different scales. In 2018/19, DEAL invested in three regional businesses through its Economic Development Fund.

DEAL committed to investing \$294,091 in the **Arnhem Land Progress Aboriginal Corporation's (ALPA)** development of their Industrial Hub Concept in Ramingining. The investment saw development of Stage One of the Ramingining Industrial Hub, a ground-breaking new project that will develop infrastructure, capacity and capability in the Ramingining community, and give local business more opportunity to win and service government and other contracts that support local operations. Milestones of this project included extending the existing visitor accommodation from 3 rooms to 18 rooms and the development of a concrete batching plant including the purchase of an agitator truck. This project created eight new positions for local Yolŋu workers during the initial construction period, which ran from October 2018-January 2019, and are ongoing.

Baniyala Garrangali Aboriginal Corporation (BGAC) received an investment commitment of \$227,273 from DEAL to build two 2-bedroom houses which will be rented by local workers in the homeland of Baniyala as part of the Houses for Homelands Workers Project (HHW).

This transformational project helps meet critical housing shortages for workers in homelands, and build sustainable business and economic growth, particularly for Yolŋu people living in Baniyala and the surrounding homelands.

Matched funding was sourced from the Indigenous Community Development Fund for this project.

Mobile fish and chip business **Beached As** received a commitment of up to \$38,407 to provide locally sourced and freshly cooked fish and chips to the local community and tourists. The business purchased a mobile food van, inclusive of signage, a generator and initial stock with the intent of operating from various locations in Nhulunbuy and attending local festivals and events. A future milestone for the project includes the purchase of a commercial fishing license. This new eatery, which launched in May, supports local fishing businesses by serving only line-caught fish from the pristine waters of East Arnhem.

Applications from two further businesses, East Arnhem Veterinary Services and BIG NT Print Services, were approved in June for disbursement in 2019/20.

GOAL 4: MAINTAIN A HIGH STANDARD OF GOVERNANCE

New Housing Policy

In 2018/19 a new *Housing Application, Allocation, Renewal and Use Policy* was developed to support DEAL's management of its housing assets.

The Policy provides clear direction on processes, and how applications are assessed and houses are allocated to achieve DEAL's goal of supporting as many businesses and employers to access the housing they need. This includes ensuring we are providing the best housing fit for the types of tenants we have.

DEAL's Housing Policy can be found on the DEAL website.

Internal policies and procedures

Between February and June, a review of DEAL's internal policies and procedures resulted in a complete refresh of documents to ensure they are current and in line with best practice.

Financial reporting processes were updated to enable easier tracking and reporting of expenditure against priorities.

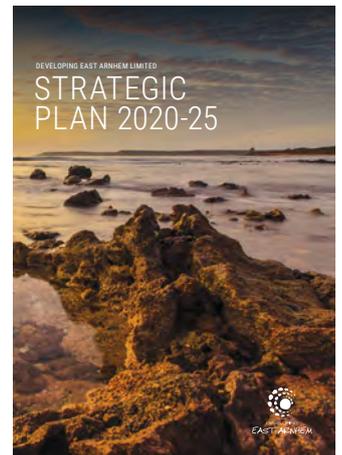


Strategic Plan 2020-2025

Work commenced on DEAL's Strategic Plan for 2020-2025. Social Ventures Australia was engaged to facilitate this process, which commenced in May with the DEAL Board and Members – NT Government and Rio Tinto.

The Strategic Plan will set DEAL's vision and priorities for the next five years, focusing on how the organisation works in East Arnhem, and how it will achieve the goals set out in the plan.

Regional stakeholders, businesses and residents will be engaged in 2019/20 to reflect on DEAL's achievements since 2014 and provide input into the organisation's story and future strategy. The Strategic Plan 2020-2025 will be endorsed at DEAL's Annual General Meeting and launched at its annual community update, both in November 2019.



Board Meetings

The DEAL Board meets regularly throughout the year to discuss progress, challenges and the organisation's finances. The Board meets regularly with its Members, the NT Government and Rio Tinto. Members also attend the Annual General Meeting, which coincides with a Community Update.

In 2018/19, five formal Board meetings were held and two out of sessions. These occurred on the following dates:

- 3 August
- 9 September
- 28 November (AGM and Community Update)
- 18 January (out of session)
- 25 January (out of session)
- 14 February
- 27 March
- 5 June

BOARD



John Cossons, Chairman
2014-2019

John is a proud Territorian who serves on a number of boards across the NT. He is currently Chair of the People's Choice Credit Union and acts as the independent chair on several advisory boards providing advice in the education sector.



Andy Lloyd
2014-2019

Andy is an independent mining consultant with over 25 years' experience in the uranium, coal, copper and aluminium sectors. Andy is a Fellow of the Australian Institute of Company Directors and is the Chair of Jabiru Kabolmakmen Ltd. He has a strong affinity with the East Arnhem region, having lived in the area in the 1990s.



Ian Smith
2014-2019

Ian is the founding partner of Bespoke Approach, a leading corporate advisory firm that offers tailored solutions on regulatory, strategic communications and political issues to major domestic and international businesses. Ian was appointed in April 2013 to the NT Government's economic development panel. He sits on several boards, including those involved in medical research and Indigenous affairs.



Dr Helen Garnett
2016-2019

Helen is a Northern Territory local with over 25 years spent transforming technical innovation into practical commercial outcomes, and experience with local and international development initiatives. An Emeritus Professor of the University of Wollongong and Charles Darwin University, Helen has extensive experience as a CEO, Executive and Director in fields including education, food, science and energy.

STAFF

As at 30 June 2019, the DEAL team was at full complement. A new staffing structure was put in place and two roles recruited bringing the total number of full time staff to four.

The new staffing structure significantly increased the capacity of the DEAL team, facilitating better workflow practices with our stakeholders. It also resulted in changes to roles and responsibilities within DEAL, as listed in the report.



Jordy Bowman
CEO

Sam Campbell
Industry Development Facilitator

- Strategic industry development
- Sector development
- Stakeholder, investor and business engagement

Rebecca Johnston
Administration Officer

- Front of house
- Office administration
- Marketing and communications
- Project and event support

Sarah Mitchell
Operations Officer

- DEAL Housing
- Economic Development Fund
- Internal operations

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 summary

Gross income	
Investment income	7,276,317
Total gross income	7,276,317
Expenses/Payments	
Employee expenses	493,885
Rental expenses (DEAL properties)	3,324,487
Investment expenses*	340,721
Industry development	157,700
Investment attraction	25,078
Indigenous business support	154,735
Administrative expenses	441,030
All other expenses (depreciation and misc)	119,985
Total expenses	5,057,621
Net surplus/deficit	2,218,696
Capital improvements to housing portfolio	
Total capital improvements	1,510,442

Balance sheet summary

Assets	
Total current assets	8,448,360
Non-current assets	1,295,931
Total assets	9,744,291
Liabilities	
Total current liabilities	2,019,167
Non-current liabilities	-
Total liabilities	2,019,167
Net assets	7,725,124

*Investment expenses are allocations relating to the DEAL Economic Development Fund

IT HAS BEEN A PRIVILEGE WORKING WITH OUR KEY REGIONAL STAKEHOLDERS TO DEVELOP LONGER-TERM ECONOMIC DIVERSIFICATION STRATEGIES, AND BETTER UNDERSTAND HOW WE CAN SUPPORT LOCAL BUSINESSES OVER THE COMING YEARS.

DEAL CEO, Jordy Bowman





DEVELOPING
EAST ARNHEM

Contact Us

Phone: 08 8987 0558

Email: ea@developingeastarnhem.com.au

Web: www.developingeastarnhem.com.au

Facebook: www.facebook.com/DevelopingEastArnhemLimited

PO Box: 1436 Nhulunbuy NT 0881 Australia