









Many Rivers
8th Annual Monitoring and Evaluation Report

October 2020

Deloitte
Access **Economics**

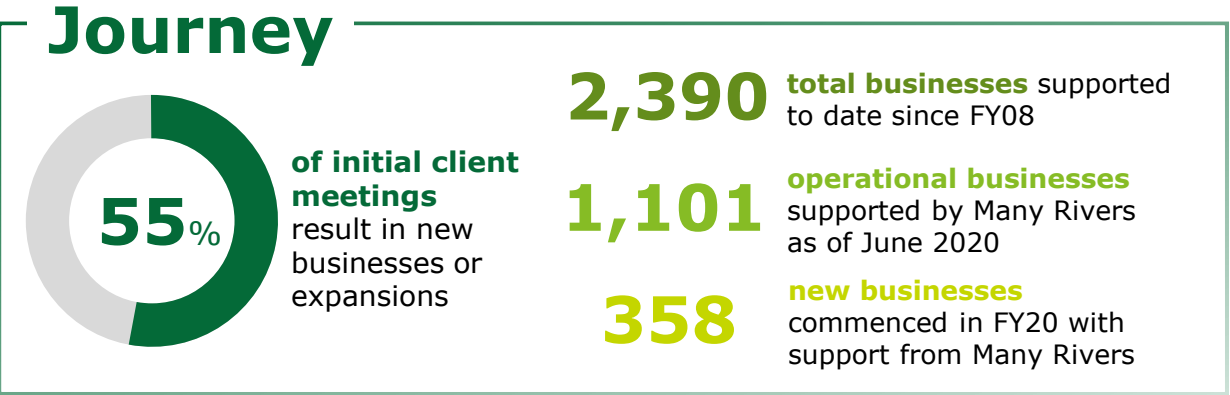
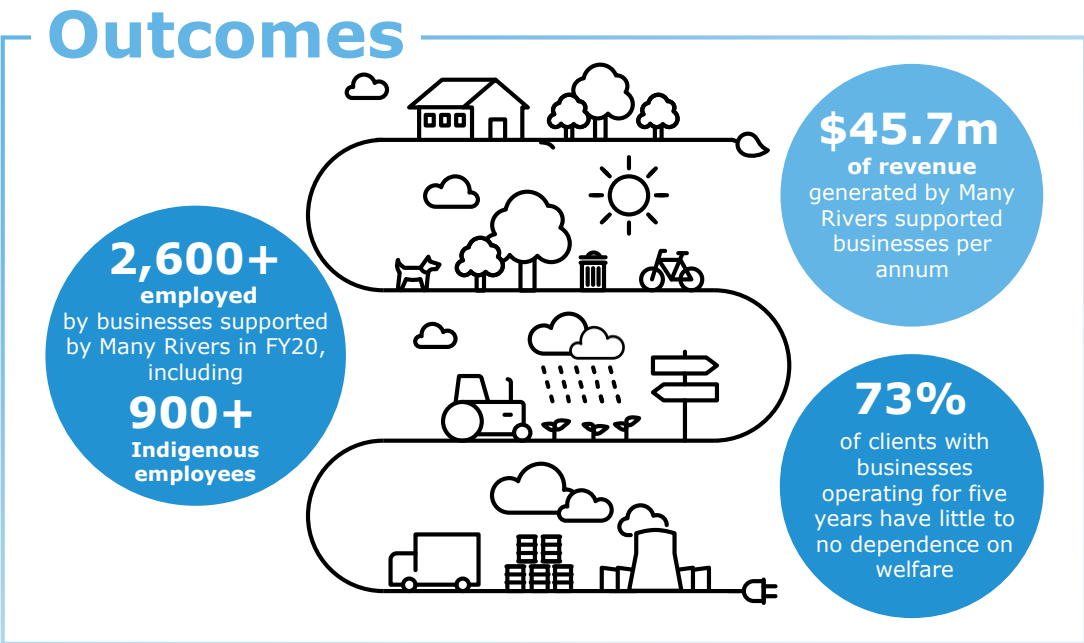
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Many Rivers is making an impact

Many Rivers is supporting clients and communities to move out of structural disadvantage via a journey of growing self-belief, accountability, networks and business acumen.



Executive summary

Introduction

Many Rivers supports clients out of structural disadvantage by helping them create and expand businesses. Business operations generate income for clients and reduce their reliance on welfare support. Over time this is expected to translate to improved living standards and reduction in the reliance on essential goods and services provided by the government.

Many Rivers is on a 10-year journey to understand and strengthen the economic and social value it creates for individuals, their families and wider communities. The journey began in 2012 with the development of an evaluation framework to measure the impact of Many Rivers' microenterprise activities. This is the eighth annual evaluation since the framework was developed.

Drawing on quantitative and qualitative data collected by Many Rivers over time, the evaluation involves continuous exploration and discovery, resulting in (along the way): more insights into the client experience, refined deployment of Many Rivers resources, and broadening of the focus of impact to the community level.

Who are Many Rivers' clients?

Many Rivers is engaging with clients who experience financial disadvantage and this can coincide with other circumstances understood to be associated with economic and/or social disadvantage.

Many Rivers has now been contacted by almost 9,500 clients across Australia. In FY20 over 550 new clients responded to the initial survey. Of these new clients: 97% face some form of disadvantage (as defined for this evaluation); 66% experience both financial exclusion and welfare dependency.

Many Rivers demonstrates a growing focus on clients who experience limited access to finance or are at least partially dependent on welfare, with clients exhibiting these characteristics increasing from 86% to 97% of all clients in the seven years to FY20. This target cohort is engaged at a higher rate in major cities and regional areas compared to remote areas.

How many businesses are supported by Many Rivers?

Working alongside its clients, Many Rivers has supported the creation or expansion of 2,390 businesses since FY08, including 358 business in FY20. FY20 saw the second largest increase in the number of new businesses; slightly lower than 376 in FY19.

Of all business supported to date, 46% are currently operational. Businesses supported by Many Rivers are just as likely to survive the first three years as the national average for similar businesses, and 29% are still operational after five years.

The COVID-19 pandemic has resulted in a significant disruption to the global economy, with implications for small businesses supported by Many Rivers and the monitoring and evaluation itself. The imposition of lockdowns and restrictions commencing in March 2020 saw many Australian businesses confront reduced demand for their goods and services, leading to reduced revenue and cashflow.

This financial year saw 332 businesses supported by Many Rivers ceasing their operations (permanently and temporarily), a record high for a given year and triple the three-year average in the preceding years.

In the first half of FY20 – that is, before the COVID-19 crisis – one in three ceased businesses (36%) experienced a soft landing (e.g. commenced employment). One in seven ceased businesses (14%) ceased temporarily and were expected to recommence.

Executive summary

However, the picture was very different over the second half of the financial year. The second half of FY20 saw an unprecedented number of businesses ceasing their operations (195), of which 39% ceased temporarily.

One in six (17%) of businesses supported by Many Rivers reported relying on the JobKeeper Payment scheme to sustain their operations. Moreover, business owners are also experiencing greater levels of reliance on welfare support (for example, through the national JobSeeker Payment scheme).

What outcomes and value do Many Rivers supported businesses generate?

Businesses supported by Many Rivers are generating economic and social value in a variety of ways. Value is generated for (1) the business owners; (2) those employed by the business; (3) people who consume the goods and services of the business; and (4) the Australian community more broadly. The first two are the most readily quantifiable.

Business supported by Many Rivers are estimated to employ 2,642 people; an average of 2.4 people per business (including the owner).

Despite the context of COVID-19, this represents an increase on FY19, which indicates that businesses supported by Many Rivers are growing in size. Notably, half of these businesses are owned by women, which is significantly higher than the national average (35%).

The total combined annual turnover of businesses supported by Many Rivers in FY20 is estimated to be \$45.7 million, slightly lower than last year's figure of \$47.6 million. This decrease is primarily driven by a reduced number of operational businesses.

The most commonly reported impact of the COVID-19 pandemic on supported businesses has been reduced demand for products and services, particularly for businesses in tourism, entertainment and beauty industries.

Some clients report that the pandemic had a positive impact on their business. For example, some clients have taken advantage of the surge in popularity of takeaway services during the lockdown.

Over time, the evaluation has demonstrated that operating businesses is associated with improved financial circumstances for clients. As compared to clients at the beginning of their journey with Many Rivers, clients whose businesses are operational for at least three years are more likely to be independent of welfare.

How do Many Rivers clients perceive their success?

Many Rivers' growing database is increasingly able to reveal the driving factors affecting client and business success. Client stories reveal clients' experiences of their journey (in their words) through story-telling, providing meaningful context and explanation to the quantitative data.

This analysis reveals that clients most commonly define their success by business growth, personal achievement and recognition. In FY20, most clients reported positive customer experience as the biggest success to date for their businesses. Indigenous clients also particularly value the support they can provide to their communities as a result of their business's success.

Executive summary

How is Many Rivers supporting communities?

The Community Economic Development (CED) Program has been designed to support regional and remote Indigenous communities that want to establish economic activity on their land and sea. Many Rivers works closely with the elected board and management of a community organisation that represents the interests of the community. As an emerging program, its impact and sophistication is building, and the evaluation is picking this up commensurately.

The reach and impact of the CED Program continues to grow since inception in 2015. As of June 2020, Many Rivers, through eight CED Managers, is working with 25 community groups across Australia. These supported communities represent 3,812 individuals participating as direct members of the supported community groups.

The long-term support provided by Many Rivers – that is, a commitment over five years to the communities – was highlighted by CED Managers as a key program strength.

For most communities, the initial years of the partnership focus on establishing strong foundations for future economic opportunities for the local community. This includes building consensus on community goals, developing effective governance practice, financial and digital literacy, and confidence in leadership and decision making.

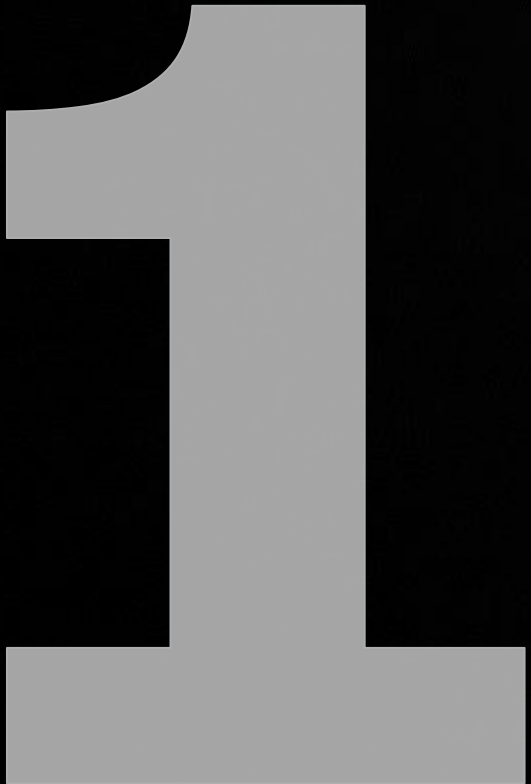
As of June 2020, five communities have participated in the CED Program for more than two years, have economic activity, and reported on their progress against agreed economic and financial indicators. Collectively, they have demonstrated growth in revenue, profit, assets, employment expenses and the number of individuals employed.

What will be achieved at the end of the 10-year evaluation?

By year 10, the annual monitoring and evaluation will look to capture the impact of Many Rivers' Microenterprise Development and Community Economic Development programs. The assessment of impact will comment on the appropriateness, effectiveness and efficiency of what has been achieved, demonstrating the:

- Composition of the strategies and approaches employed by Many Rivers to support people and communities out of financial disadvantage, including the factors and conditions enabling the highest chance for success;
- Attribution of positive social and economic outcomes that are experienced by clients and communities to the particular approaches and activities employed by Many Rivers in working with their clients;
- Total economic and social value generated by Many Rivers' programs, as well as the value created by businesses that have had a past formal relationship and are no longer contactable;
- Non-monetary value generated by Many Rivers' programs as perceived by individuals and communities; and
- Many Rivers' operational and cost efficiency in delivering its programs over time.

INTRODUCTION



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The evaluation journey



Many Rivers is committed to evaluating its impact.

Many Rivers is **committed to a 10-year program** to measure the economic and social value of its activities, and the drivers of success (or otherwise).

2012 EVALUATION FRAMEWORK

Deloitte Access Economics developed an **evaluation framework** to examine the impact of Many Rivers' activities on clients and communities, through supporting the creation of sustainable businesses among people marginalised from the mainstream economy.

2013 COMPASS

Many Rivers implemented a **comprehensive data tool – 'Compass'** – which embeds data collection for evaluation in their customer relationship management system, enabling a data driven and increasingly innovative understanding of Many Rivers' outcomes.

2014 CLIENT STORIES

From 2014, Many Rivers has collected **Client Stories**, interviewing clients about their journey while working with Many Rivers. These stories provide an additional level of impact fidelity, and understanding of the conditions for success in microenterprise development.

2018 SOCIAL OUTCOMES & CED PROGRAM

In 2018, the evaluation included the reporting of broader **social outcomes** being achieved by Many Rivers' clients, and the reporting of the Many Rivers **Community Economic Development Program**.

2020 8TH ANNUAL EVALUATION

In 2020, Deloitte Access Economics has undertaken the **8th annual evaluation** to assess the activities and impacts to date.

As a result of COVID-19 and the associated restrictions, Many Rivers has seen changes to its new and existing client base.

The evaluation expands on the progress of the previous years by:

- Providing more insights on the client journey by analysing the types of **client interactions** with Microenterprise Development Managers (MEDMs).
- Incorporating insights about the Community Economic Development (CED) Program from interviews with **CED Managers** (CEDMs).
- Understanding the results in the context of the broader **impact of COVID-19** on the Australian economy. There is also shift to reporting longitudinal statistics, as opposed to point-in-time measures.

Value creation



Many Rivers understands that work and economic participation is key to an individual's self-determination and brings its expertise to support individuals to achieve multi-level outcomes.

Through building confidence, aspiration and trust in the client, while also seeking to address forms of structural disadvantage, Many Rivers creates economic and social value for its clients, communities and the government. The market for financial services may unfairly discriminate against people who do not have a credit history or have a poor one ('equity') and, as a result, the public and private benefits that may stem from providing these people with credit are foregone ('market failure').

Many Rivers responds to this dynamic and supports economic and social value creation through:



Building the capacity of Many Rivers' clients

- This enables clients to be more productive in their professional and personal lives.
- This is achieved by clients developing new skills and knowledge, for example, business recordkeeping and budget planning, which they use to enhance their social and economic circumstances.

Reducing 'frictions' in the economy

- This enables better allocation of under-utilised individual and community resources (people, capital and land).
- This is achieved by facilitating access to finance and other enabling resources (e.g. legal support, mentor support).

Improving the level of social inclusion experienced by Many Rivers' clients

- This is enabled from increased participation in employment and work life.
- This is achieved by supporting clients to overcome barriers to participation in mainstream society, develop a greater sense of self-worth and motivation, and adopt a more positive future outlook.



These mechanisms generate value for:

- People involved directly in production – business owners and employees who receive income from the business and participate more in society.
- Local communities – by people who consume the goods and services of the business, as well as the family members of the business owners benefiting from an improved standard of living.
- Australian communities more broadly – through higher tax revenues, reduced burden on the public welfare system and other flow-on benefits.

Role of Deloitte Access Economics



Deloitte Access Economics works with Many Rivers to understand the impact of its programs.

Deloitte Access Economics has worked with Many Rivers on the Annual Outcomes Evaluation since 2012, commencing with the creation of an Evaluation Framework and followed by eight annual outcomes evaluations, drawing on information of increasing quality and breadth in each subsequent year.

The purpose of monitoring and evaluation is to assist Many Rivers with understanding the nature of the aggregate and year-on-year impact of its programs.

In this context, Deloitte Access Economics does not fulfil the role of an auditor. Assessment of the quality and completeness of the data that Many Rivers collects is beyond the scope of this work. Rather, Deloitte Access Economics provides an updated analysis of, and information on, the progress of the Microenterprise Development (MED) Program. It includes an in-depth analysis of the characteristics of clients that Many Rivers supports, analysis of the nature of their businesses, as well as an analysis of socio-economic outcomes produced as a result. It also includes the reporting of information on the Community Economic Development Program.

Although over the years, the focus has been on monitoring the performance of Many Rivers’ programs, the evaluation of their impact is becoming an increasing feature of this work.

- Two conceptual frameworks guide the analysis in this report:
- a client journey map (Figure 1) based on a program logic articulating the chain of cause and effect of the MED Program; and
 - a circular flow model of the economy (Figure 2).

Figure 1: Client journey map

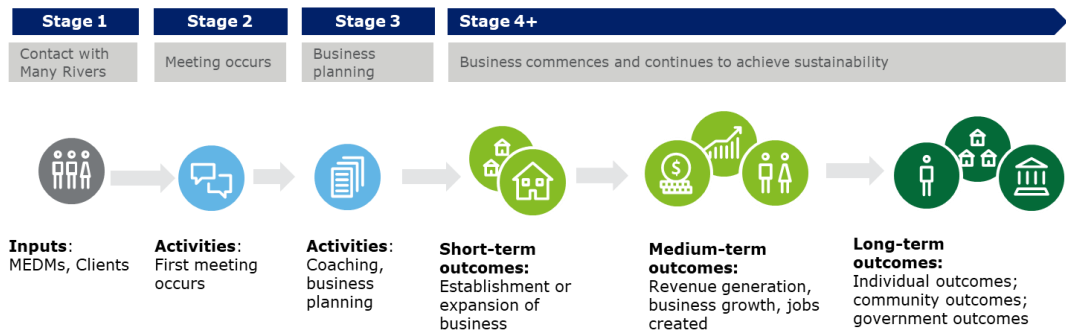
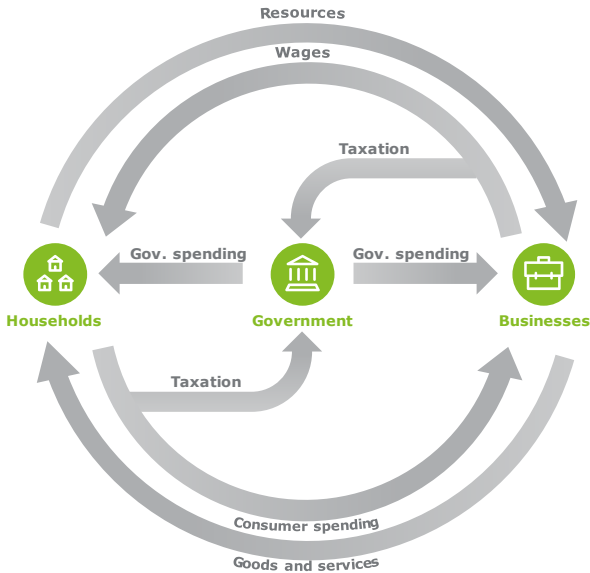


Figure 2: Three-sector circular flow model of the economy



Note: See page 12 for a detailed model.

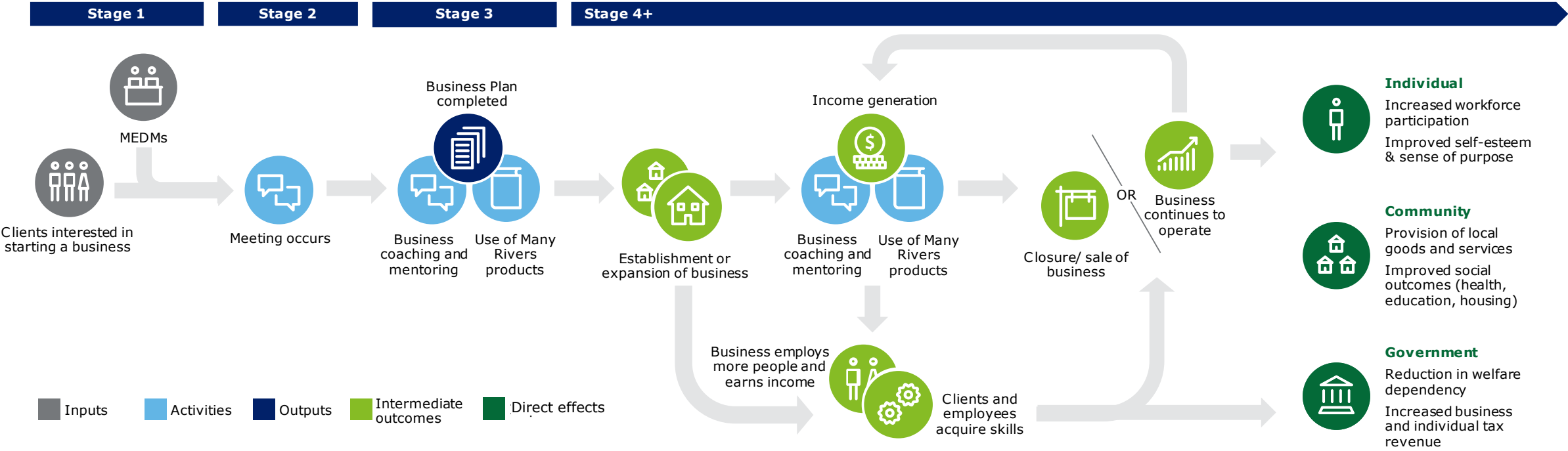
Client journey map



Client journey map articulates the monetary and non-monetary value creation chain of Many Rivers.

The below journey map reflects a simplified program logic - a visual representation of the key inputs, activities, outputs and outcomes in the various stages of the Microenterprise Development program. The journey map forms the foundation on which the report is structured through, outlining the outcomes expected to be delivered, along with the inputs, activities and outputs that will support the realization of these outcomes. It also assists in identifying the evidence required to indicate whether a given outcome has been achieved.

Figure 3: Client journey map based on a program logic



Circular flow model



The role of Many Rivers can be conceptualised as a positive injection to the circular flow of economic value.

A circular flow model of the economy (Figure 4) is often used to illustrate how resources (monetary, human, asset) flow between households, businesses and government.

The role of Many Rivers MED Program can be illustrated as an 'injection' to the model where clients, whose past economic participation was limited in various ways, are now supported to establish or expand a business.

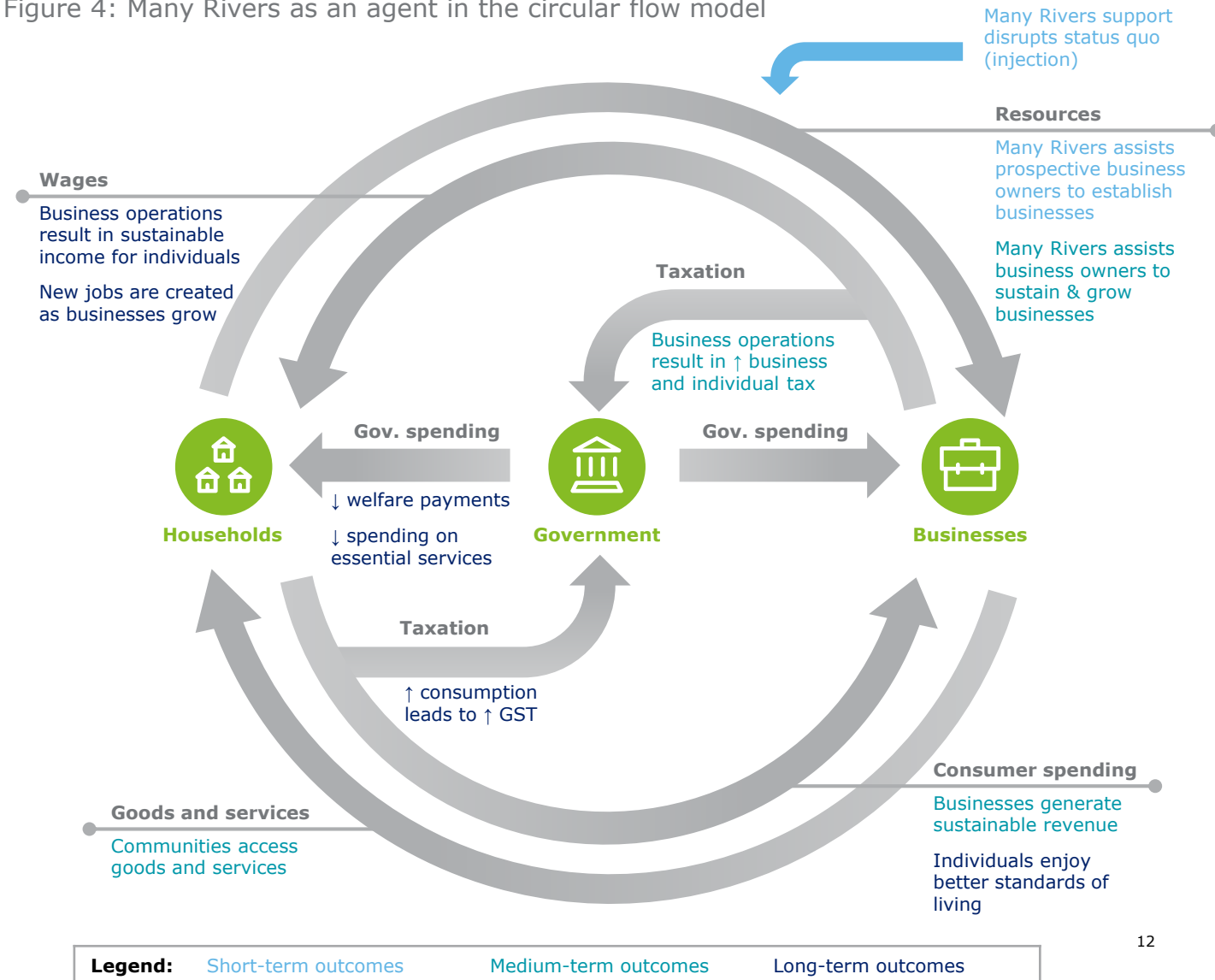
Business operations in turn generate income for the client and reduce fiscal pressure on the government.

Over time this translates to increased consumption and reduction in the provision of essential goods and services by the government.

The circular flow model illustrates monetary and economic outcomes of Many Rivers MED Program. There are other non-monetary outcomes that should also be acknowledged, which include (but are not limited to) improved clients':

- business acumen & skills
- trust, aspirations, confidence
- capabilities and skills
- mental health and wellbeing
- self-confidence, self-determination
- access to other support services (through referrals)
- job-readiness employability.

Figure 4: Many Rivers as an agent in the circular flow model



Impact of COVID-19



COVID-19 has presented unforeseen challenges for Many Rivers and their clients, a slight shifting of the focus of the annual monitoring and evaluation report this year.

Starting in early 2020, the COVID-19 pandemic has brought challenges to many individuals and businesses. The imposition of lockdowns and restrictions commencing in March 2020 saw many Australian businesses confront reduced demand for their goods and services, leading to reduced revenue and cashflow.

In the second half of FY20, 195 businesses supported by Many Rivers have ceased their operations (permanently and temporarily). 37% of these businesses nominated COVID-19 as the reason for ceasing the business, but this proportion is a likely underestimate given an unprecedented growth in business cessations observed in this period. Overall, FY20 saw record high cessation at 332 businesses, tripling the three-year average in the preceding years.

In some instances, businesses were forced to fundamentally change the way they operate in order to make ends meet, including transferring their sales to online platforms and letting staff go.

As a result of COVID-19 and the associated restrictions, Many Rivers has seen changes to their new and existing client base. The number of new business commencements decreased and the share of clients that are welfare dependent has risen. Many of the business owners supported by Many Rivers, have become more financially disadvantaged and have greater reliance on welfare support through the national JobSeeker Payment scheme. Of the businesses surveyed **39% employ individuals benefiting from the JobSeeker Payment scheme**. In addition, **17% of businesses surveyed reported to rely on the JobKeeper Payment scheme** to sustain their operations.

To measure the impact of this crisis more accurately, Many Rivers has re-designed its Client and Business Compass surveys. Some questions that were surveyed in previous years have been replaced with questions more specific to COVID-19 and welfare support payments. Additionally, there has been other changes such as questions being made optional depending on the business' situation. This year, the 8th annual evaluation report has:

- a greater focus on longitudinal statistics, as opposed to point-in-time snapshots, to understand variations in outcomes over time
- additional analysis on businesses ceasing, with a particular emphasis on the impacts of COVID-19
- omission of selected statistics reported in previous years due to the removal of related questions in the Compass surveys
- limitations to selected estimates due to incomplete data as a result of some questions being optional.

CLIENT

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Disadvantage indicators



Many Rivers clients are a highly diverse group often facing multiple disadvantages.

Many Rivers has been contacted by **9,468** clients to date, of which **3,212** individuals responded to the initial survey the beginning of their journey (with **553** new clients in FY20).

Many Rivers seeks to work with people who **possess the ideas and skills** to establish sustainable businesses, **but lack the necessary financial and/or non-financial support** to do so.

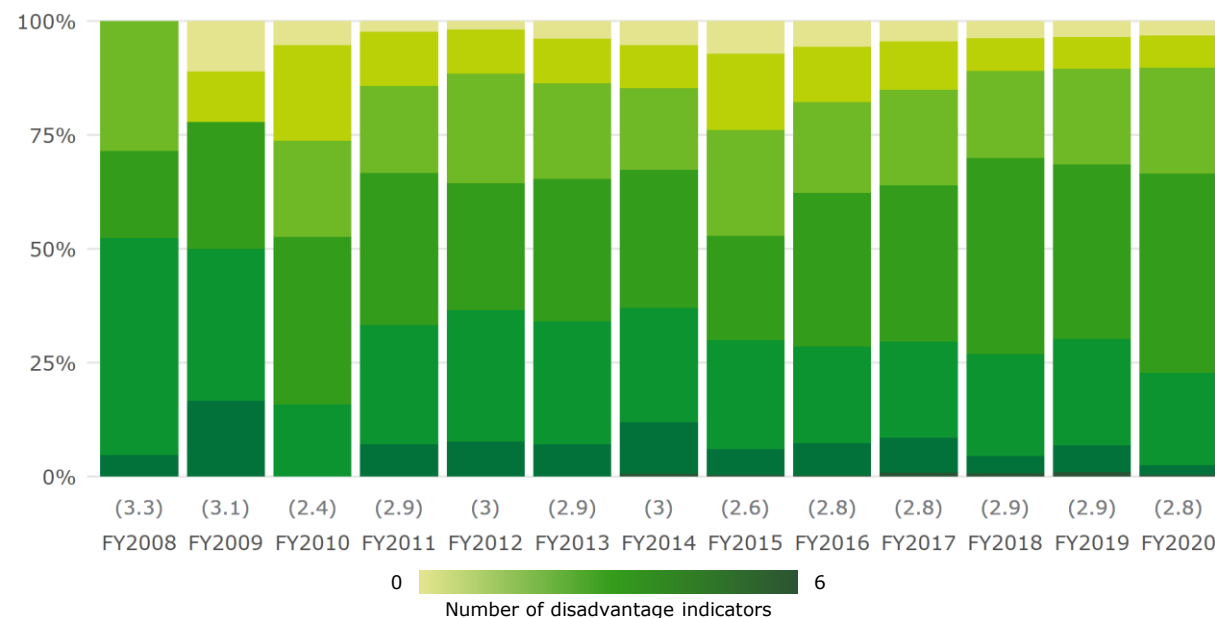
For the purposes of this evaluation, clients experiencing disadvantage have been characterised as those where **at least one indicator** of **'personal capacity'** or **'financial disadvantage'** applies to them.

Majority of clients supported by Many Rivers face intersectional disadvantage - not just one, but a combination of multiple disadvantages which can have a compounding effect on the barriers that clients face.

- **52% of Indigenous (631 of 1,210)** and **41% of non-Indigenous (816 of 2,002)** clients supported to date faced at least one type of personal capacity disadvantage and one type of a financial disadvantage at the time of first engagement with Many Rivers.
- About **65% of clients** face three or more disadvantage indicators at the beginning of their journey.

Looking over time, there has been a greater share of clients with two to four disadvantage indicators, and less from both ends of the extremes. There is little change in the annual average number of disadvantage indicators.

Chart 1: Share of Many Rivers clients by number of disadvantage indicators (FY08 - FY20)



Note: Due to incomplete data, some clients may have larger number indicators of disadvantages.

Average number of disadvantage indicators each year

Financial disadvantage indicators include:

- Complete or substantial welfare dependence
- Assets below \$50,000
- No or restricted access to financial institutions

Disadvantage indicators relating to personal capacity include:

- Not completing high school
- Sole parent
- Difficulty communicating in English
- Individual with a disability

Disadvantage indicators



Since June 2013, there has been an increasing trend in the proportion of clients presenting to Many Rivers who are dependent on welfare or are single parents.

Many Rivers clients demonstrate a range of different measures associated with disadvantage. The most common indicators reported are all related to financial disadvantage (as plotted in Chart 2):¹

- have personal assets totalling to less than \$50k
- being dependent on welfare
- having low access to finance.

Since June 2013, there has been an increasing trend in the proportion of clients presenting to Many Rivers who are **dependent on welfare** or are **single parents**. In contrast, the number of new clients with **disabilities** or **incomplete schooling** has declined over time.

Comparing Indigenous and non-Indigenous client groups reveals that on average, there are similar levels of disadvantage across all but two indicators measured:

- Indigenous clients are **less likely to be dependent on welfare**.
- Indigenous clients are **more likely to have incomplete schooling**. Interestingly, the difference between the client groups converges for the first time in 2020.

Chart 2: Share of new Many Rivers clients by type of financial disadvantage



Note: Years in which the difference between Indigenous and non-Indigenous is statistically significant at 95% confidence level are shaded in red. Due to incomplete data, some disadvantage indicators in 2020 may be understated.

Target cohort



Many Rivers demonstrates a growing focus on clients who experience financial disadvantage, up from 94% in FY19 to 97% in FY20.

Many Rivers demonstrates a growing focus on clients who experience financial disadvantage with respect to reliance on welfare and access to financial institutions. In FY20, **97% of clients** who engaged with Many Rivers considered as either primary or secondary target cohort. The share of 'Other' clients has fallen over time, with FY20 being the lowest observed in any given year.

Chart 3 shows the breakdown of client profiles in FY20 by their levels of welfare dependence and access to financial institutions, with the colours corresponding to the target cohort type. Of the various client profiles, those that are fully dependent on welfare make over half of the clients in FY20 (53%) – see the purple box around Chart 4.

Chart 3: Share of new Many Rivers clients by target cohort type

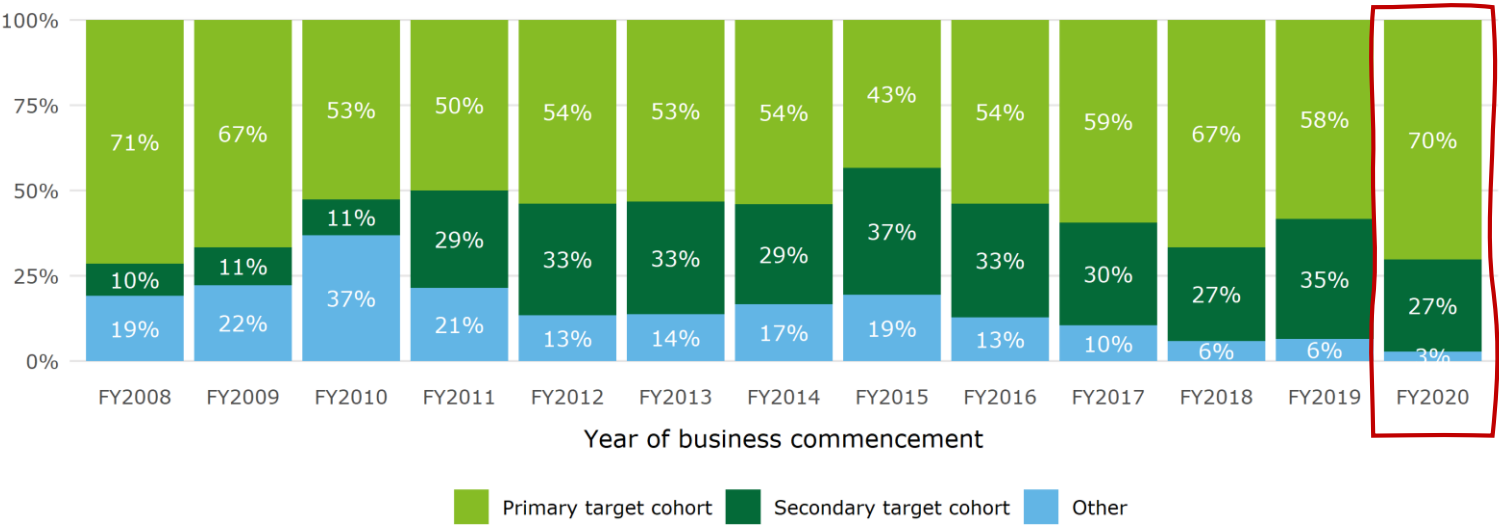
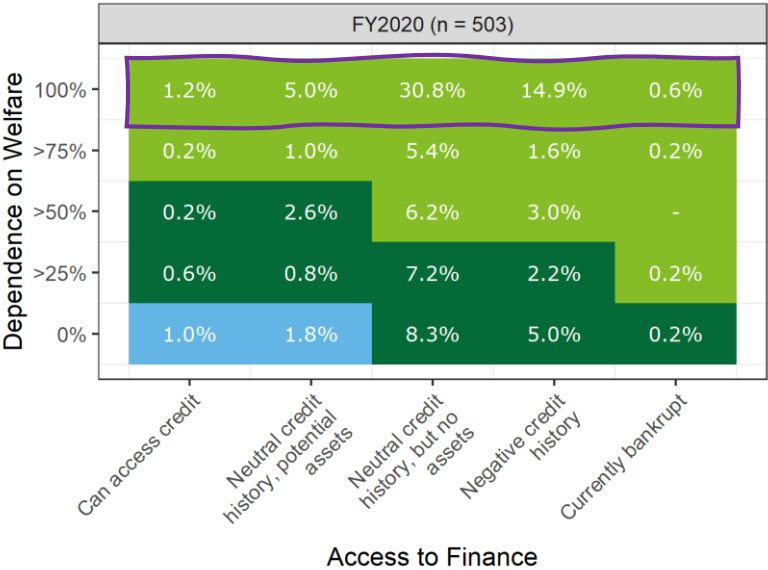


Chart 4: Share of new Many Rivers clients by Dependency on Welfare, Access to Finance in FY20



Note: FY20 data includes a number of non-respondents (9% did not respond to either or both questions about welfare and access to finance). Missing data may impact the distribution of clients across categories relative to previous years. A purple box is drawn around the largest subset of the primary target cohort (based on dependence on welfare and access to finance) in Chart 4 for visibility.

Target cohort



Many Rivers is engaging its primary target clients across all regions.

Many Rivers clients live and operate their businesses in diverse locations across all states in Australia. To date:

- **32% of clients** are from major cities
- **44% of clients** are from inner and outer regional locations
- **24% of clients** are from remote or very remote locations.

In studying the different remoteness areas, the share of clients by target cohort type has remained quite consistent over the recent years, irrespective of the location.

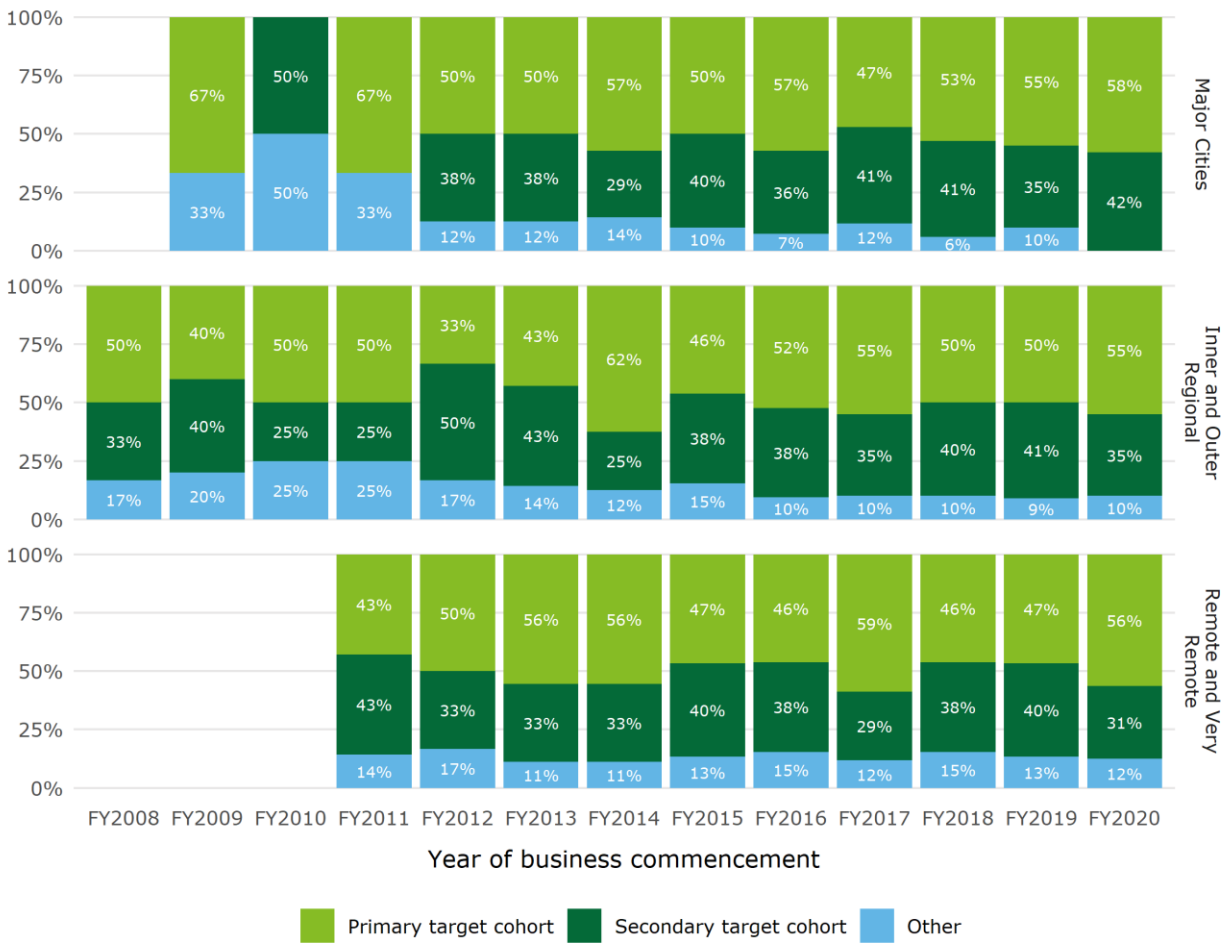
In the earlier years, there was considerable variation in the mix of target cohort clients, particularly those based in major cities. In the more recent years, primary target clients is consistently the largest cohort targeted, followed by secondary target clients and then other clients.

Many Rivers only supported primary and secondary target clients in major cities in FY20.

Note: Primary, secondary and other cohort categories are defined by welfare dependence and access to finance as per Chart 4.

FY20 data includes a number of non-respondents (31% did not respond to at least one of the questions about dependence on welfare, access to finance, or remoteness area). Missing data may impact the distribution of clients across categories relative to previous years.

Chart 5: Share of all Many Rivers clients by Dependency on Welfare, Access to Finance (and location)

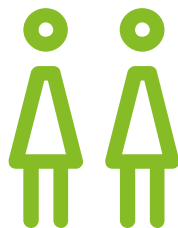


Age profile



Many Rivers client cohort is gender-balanced and diverse with respect to age.

There is almost an even split in clients by gender, showing greater gender diversity compared to the national average, where only 35% of business owners are female. When looking at the age distribution, there is a significant age diversity among Many Rivers clients, with the median age for male and female clients' age both being 45. In comparison, Many Rivers' clients are slightly younger than the median age nationally of 48 and 47 years for male and female business owners respectively.¹



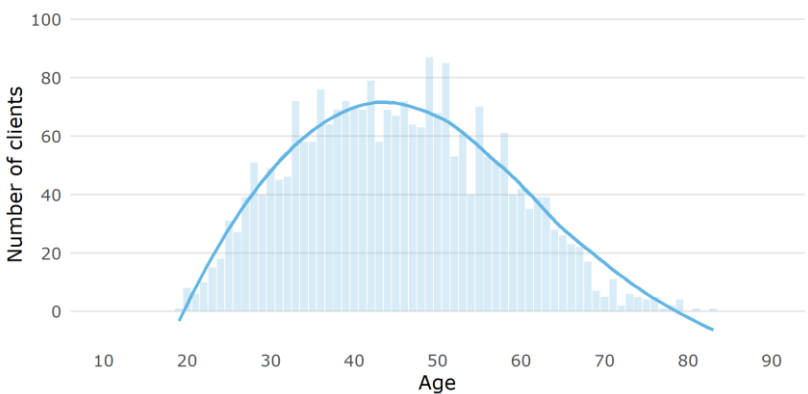
An average female client is 45 years old (based on median); the youngest is 18 years old while the oldest will soon be turning 80.

49%
of clients
are female

Chart 7: Age distribution of female clients

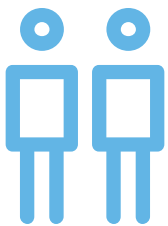


Chart 6: Age distribution of male clients



51%
of clients
are male

An average male client is 45 years old (based on median); the youngest is 19 years old while the oldest will soon be turning 83.



¹ The Australian Government Department of Employment, Skills, Small and Family Business (2019) A statistical snapshot of women in the Australian workforce. [Link](#)

Client background



Many Rivers clients have diverse cultural and linguistic backgrounds.

Many Rivers clients are culturally and linguistically diverse. As of June 2020, clients come from **135 different ethnic backgrounds** (compared to 129 different ethnic backgrounds in June 2019, and 118 in June 2018).¹

Figure 5: Main non-Australian nationalities of Many Rivers clients



Note: Larger font size indicates more clients of a given nationality



Of clients who contacted Many Rivers and reported their ethnicity from outside Australia
(911 out of 6,889)

See Figure 5 for a breakdown of nationalities



Of clients have limited English writing or speaking skills

¹ Note that ethnicities that are not further classified are included as its own ethnic background (e.g. *Central Asian, not elsewhere classified*)

Housing situation



More than half of clients at first contact with Many Rivers are renters, with around one in six clients owning a home and a slightly smaller amount living in public housing.

Many Rivers collects data about clients' household, including the number of people in the household and the clients' housing situation.

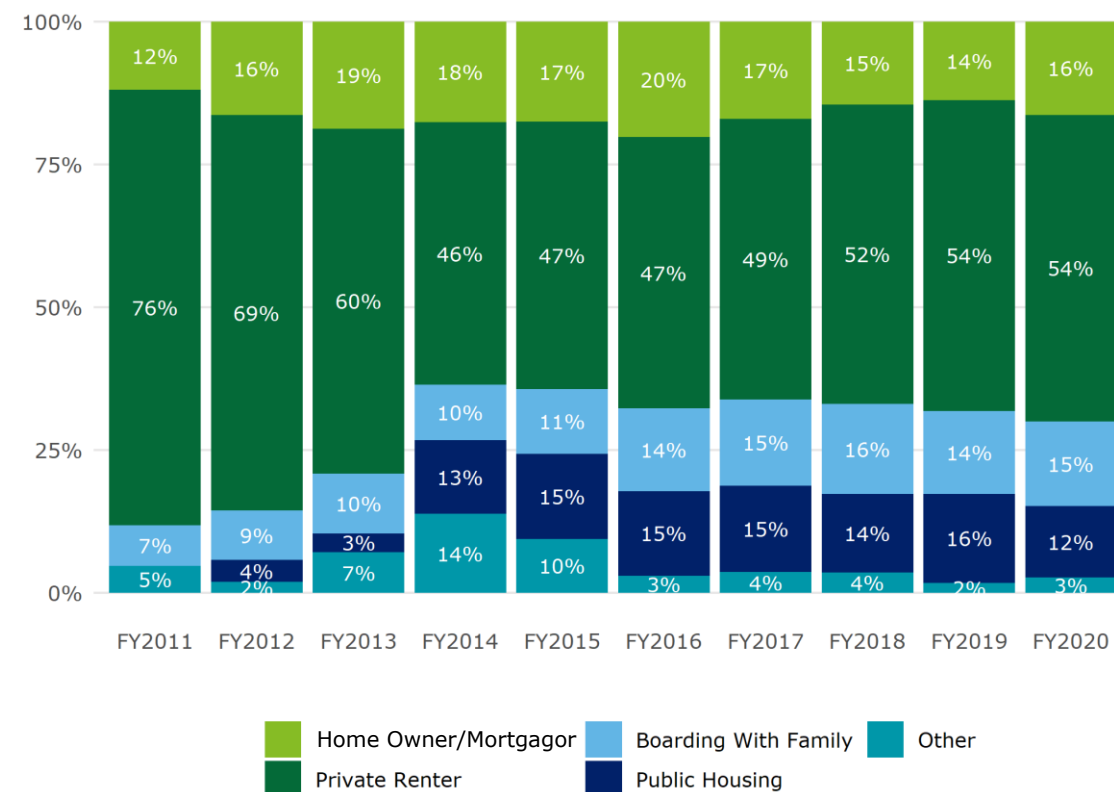
In FY20, the average number of additional people Many Rivers clients have in their households is 2.7. Including the client, the total number of people per household totals to 3.7, above the national average of 2.6 (in 2016).¹

- On average, Indigenous clients have more people in their households than non-Indigenous clients, with 4.1 and 2.6 people respectively (including the client).

In FY20, **six in seven clients (84%)** are renters or live in supported accommodation at the start of their journey with Many Rivers – significantly above the national average of 33%.²

- For Indigenous families, public housing is a common alternative (totalling to **31% of Indigenous clients**), but is less common for **non-Indigenous (4%)**.
- In addition, **approximately half (40%) of new Many Rivers clients** have at least one child in their household, a decline from last year of 49%. Of those clients who have children, they have two on average.

Chart 8: Housing situation of clients



Note: Calculations are based on the initial survey conducted on clients' first engagement with Many Rivers. Years with less than 30 observations are excluded.

¹ Australian Institute of Family Studies (2017); <https://aifs.gov.au/facts-and-figures/population-and-households>

² Australian Institute of Health and Welfare (2020); <https://www.aihw.gov.au/reports/australias-welfare/home-ownership-and-housing-tenure>

Work and school attendance



The average client household has fewer adults and children attending work or school compared to the national average.

Apart from asking about the number of adults and children living with clients, Many Rivers collects information on whether adults and school-aged children attended work and school (respectively) on the day of the survey administration.

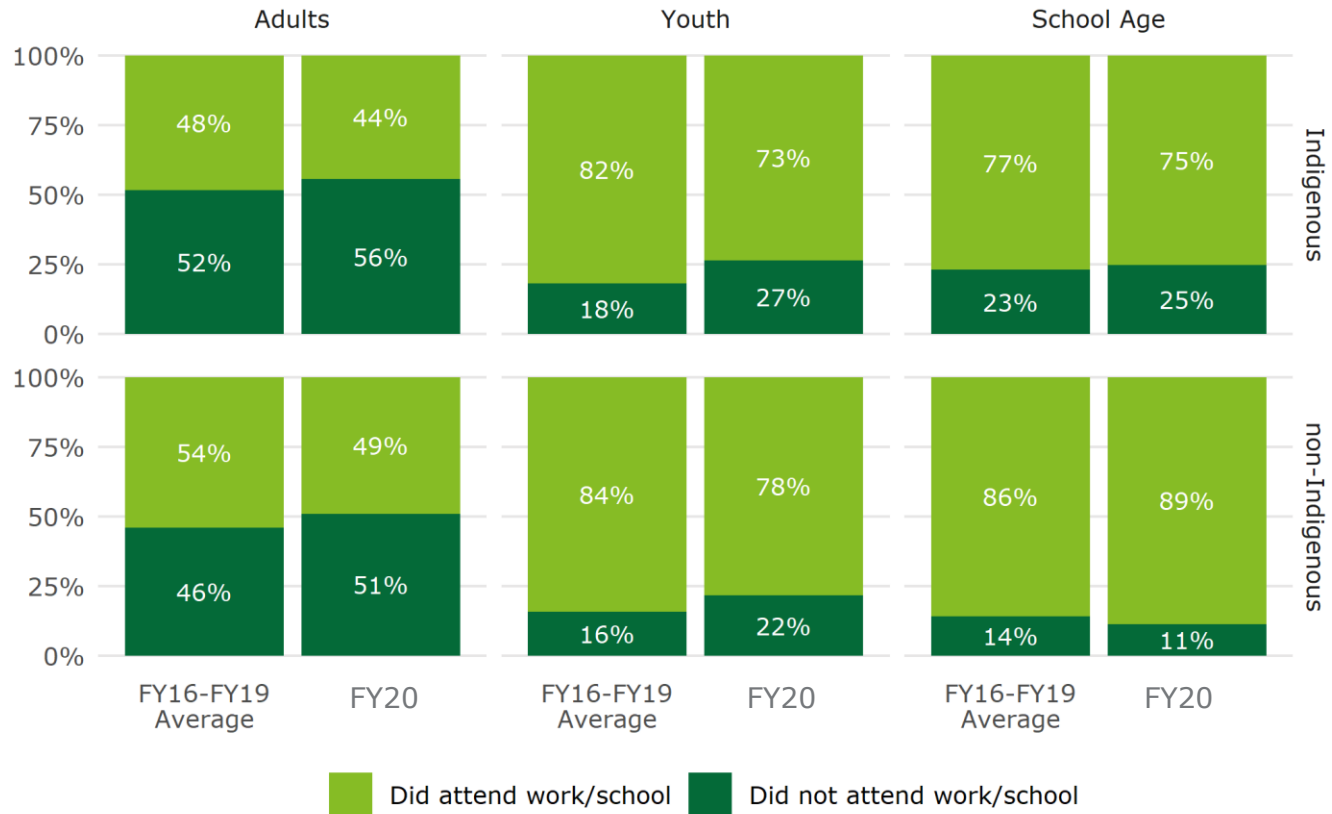
The average client (in FY20) lives in a household where:

- **76% of youth** and **83% of school aged children** attended school.
- **48% of adults** attend work.

As compared to previous years, FY20 saw a higher share of adults not attending work, and youth and school aged children not attending school. School-aged children in households of non-Indigenous clients are an exception, with attendance rates slightly lower than the past average.

When comparing to the national average, the share of youth and school aged children living in clients' households who did not attend work/school is considerably higher. However, this discrepancy may in part be driven by different measures of school attendance.

Chart 9: Share of adults, youth and school aged children living at clients' households that attended work/school when commenced with Manv Rivers



Note: This data includes clients who joined Many Rivers in FY16 to FY20. The sample size for FY16-FY19 is 1,604, and FY20 is 553.

National average is based on the Australian Bureau of Statistics, Census 2016: Labour Force Status by Age and Indigenous Status and may be calculated differently from Many Rivers, where work/ school attendance is collected on the day of the survey.

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Microenterprise Development Managers



MEDMs support clients across seven states and territories.

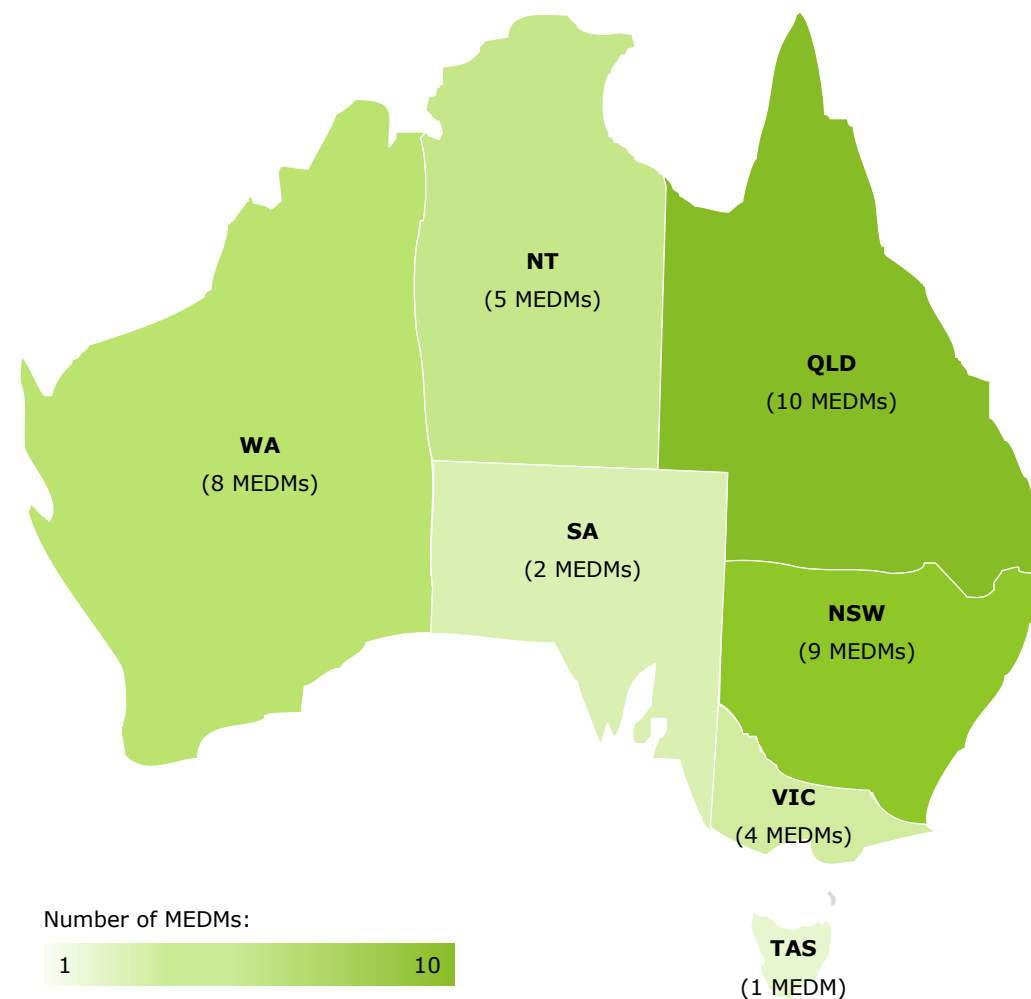
As of June 2020, there were **39 MEDMs** employed nationally, working with clients across seven states and territories.

Almost 50% of MEDMs are based in New South Wales and Queensland.

MEDMs work with clients at different stages of their journey, including clients who ceased their businesses, but are expecting to recommence. On average, one MEDM supports **29 operating businesses** and **26 clients** planning to establish or expand their business.

As expected, the size of MEDMs' portfolios vary by remoteness level with fewer businesses per MEDM in the more remote locations as compared to metropolitan or regional areas.

Figure 6: Number of MEDMs (FTE) by State



Client journey

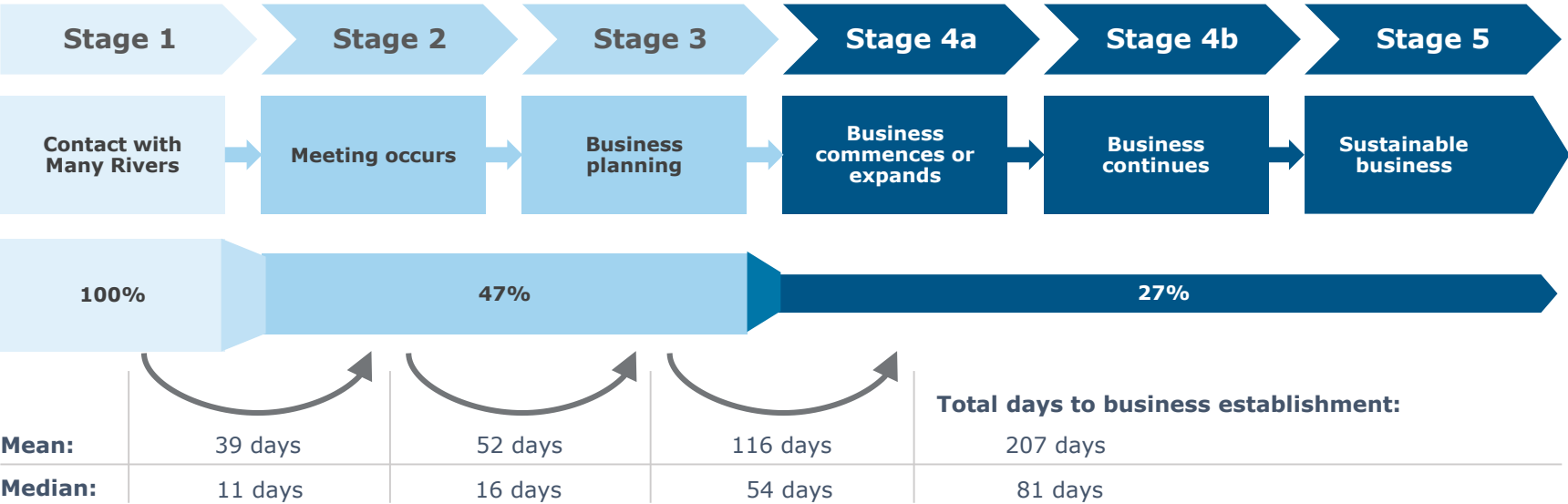


The majority of clients establish their businesses within half a year from the first contact with Many Rivers.

Of all clients who contacted Many Rivers, **47%** (4,428 of 9,468) had at least one meeting with MEDMs. The average duration from first contact to the first meeting is slightly more than a month (39 days), however, a median is less than two weeks (11 days).

Around one in two clients (2,420 of 4,428), who had the initial meeting with their MEDM, are successful in business planning and implementation. These clients were able to commence or expand their income-generating businesses within seven months (or 207 days), on average, from their first contact with Many Rivers. The median duration is substantially lower, suggesting that half of the clients who reach this stage do so within two months (81 days).

Figure 7: Average client engagement flow across the stages of the Microenterprise Development Program



Note: the data used to calculate the engagement flow relies on correct MEDM input and there are missing data points. Clients may also be taken 'backwards', e.g. from business commencing to business planning, and these occurrences were excluded.

Business establishment



Despite the economic toll of COVID-19, the number of businesses commencing in FY20 was comparable to FY19.

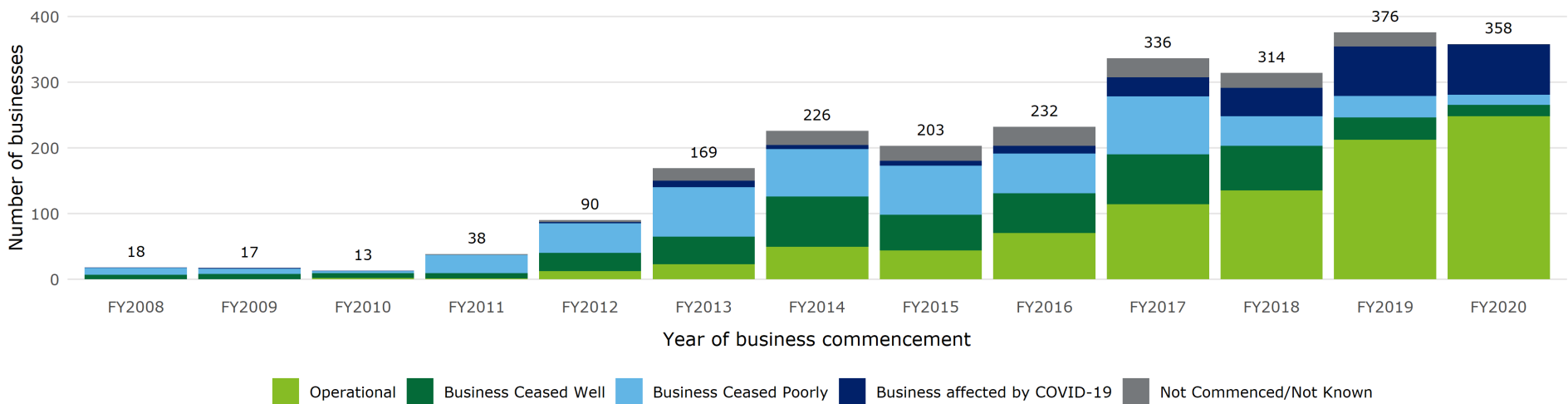
Many Rivers has supported **2,390 businesses** to June 2020, with **358 of these businesses** either commencing or expanding in FY20. This is the largest increase after FY19 (see Chart 10). Of all the support provided to businesses since FY08:

- **81%** related to business establishments
- **19%** related to expansions.

This split remained relatively stable over time, however, FY20 saw a slight decrease in the number of business expansions.

Of all businesses supported to date **46%** (1,101) were operational as of June 2020, this is down from 57% in the previous year. **One in five** businesses indicated that they have been negatively affected by the COVID-19 pandemic and as a result ceased (temporarily or permanently) or are operating with difficulties. Young businesses which commenced in FY19 and FY20 appear to be the most affected by the pandemic.

Chart 10: Number of Many Rivers supported businesses by status (as of Jun 2020) and year of commencement



Client and MEDM interactions



A large proportion of interactions between clients and MEDMs relate to business planning and business reviews.

MEDMs record their interactions with clients (face-to-face meetings, phone calls and emails) which allows for an analysis of the type of support provided throughout the client journey.

Majority of interactions between MEDMs and clients relate to capabilities or products (based on data between FY13 and FY20), where:¹

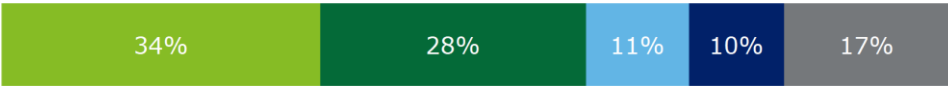
- **54% are related to building capabilities**, with more than half of these interactions centred around:
 - **Business planning**, a crucial step and pre-condition to the establishment of businesses
 - **Business review**, integral process for the ongoing operations of the businesses.
- **24% are related to managing business and financial products** for day-to-day operations. More than half of these interactions are related to loans and other capital. The other common products discussed are payment solutions, bank accounts, record keeping services and insurance.

Many Rivers offers various tools and resources for their clients, including a recordkeeping product, launched in November 2015. This service comprises a recordkeeping kit with a cash book and supporting materials, and is gradually deployed prior to clients commencing their business.

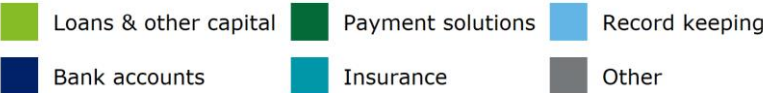
As of June 2020, **30% of operational businesses** use Many Rivers’ Recordkeeping product and **50%** have adopted an alternative service.

Chart 11: Breakdown of interaction topics (across FY13 – FY20)

a) Capabilities



b) Products



“ [MEDM] has helped us work through our business plan, our cash flow forecast and has helped guide us through some of the legal red tape we needed to get through in order to establish the business. ”
- Client A (FY20)

“ [MEDM] gave me a business pack and helped me with cashflow and recordkeeping. It has helped me understand these things and if I was to extend my business, I can teach my employees what to do, how to do it and when to do it. ”
- Client B (FY20)

¹ the percentages do not sum up to the total due to rounding

Client Stories



Building clients’ aspirations, trust and confidence is seen as a key driver of clients’ success.

Apart from providing clients with access to finance and business skills coaching, client relationships with Microenterprise Development Managers are a central component of Many Rivers model.

Those relationships were shown to cultivate the following three values, which are associated with sustainable transition to employment:



The outcomes of Many Rivers’ approach are captured in the **Client Stories**.

Client Stories are insights into the personal business journey of clients and are collected through interviews, going beyond what is collected in their ongoing surveys. In these interviews, clients’ motivations, goals, challenges and successes are identified and showcases how Many Rivers works has created sustainable change.

Most importantly, the **Client Stories** contextualise the quantitative data recorded through offering a human perspective.

Questions from the **Client Stories** have been listed and grouped to one of: Motivations, Goals, Barriers, Enablers and Impact. In particular, these questions are able to shed light on clients’ aspirations, challenges, positive outcomes and expectations for the future.

Table 1: Questions from the Client Stories

| Question | |
|---|---|
| <ul style="list-style-type: none">Why did you want to go into business?What were you doing before you made contact with Many Rivers? What was your previous work experience? | |
| | What do you hope to achieve in the future? |
| | What did you find most useful about the assistance from Many Rivers? Did you get a loan from Many Rivers? How did you use the loan? |
| | What has been the biggest challenge to date? <ul style="list-style-type: none">What has been the biggest success to date?What has been the biggest change for you/your family since you started your business? |

Client Stories: Raising aspirations



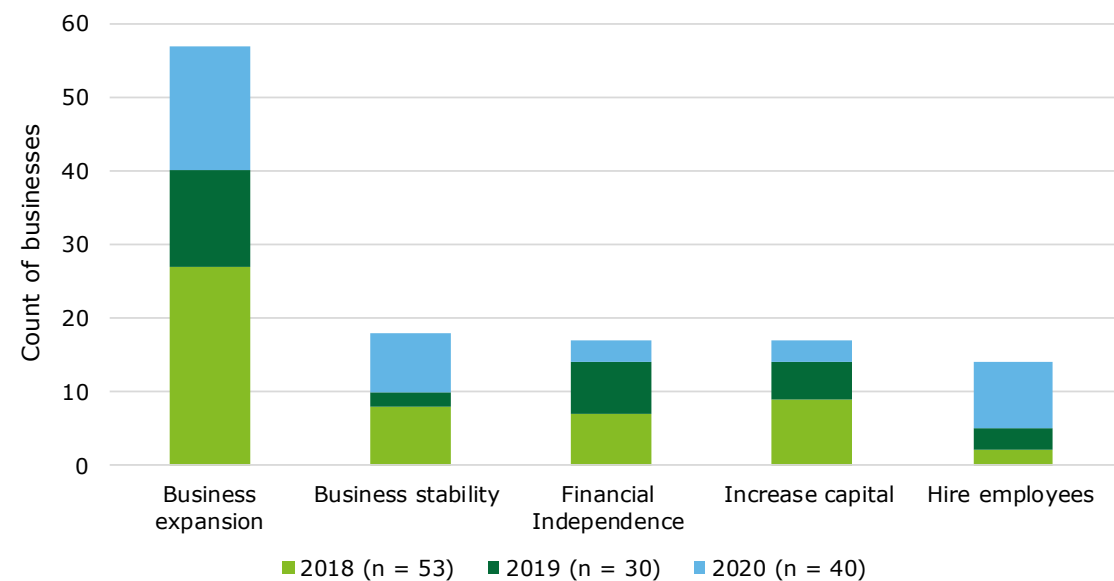
Clients view their business as an opportunity to build a sustainable future.

An analysis of client stories reveals that most clients were positive about their future **business stability** and their future goals were most commonly based around **expanding their business**.

Many clients identified increasing **work demands** as the biggest change in their lives since commencing their journey with Many Rivers.

However, they remained motivated by **personal achievement, fulfilment** and **happiness** and the **autonomy** and **flexibility** offered by owning their own business.

Chart 12: What do you hope to achieve in the future?



Note: n is total responses and is different from the number of clients being surveyed as multiple responses are possible.

“Our main goal is to expand our production so that we can include wholesale, which we can then start selling out of local supermarkets. Our ultimate goal would be to be able to export it to the rest of Australia as a premium Tasmanian ice cream.”

“My dream is to have lots of employees and to be able to help others the way I have been helped. I am driven by helping my people and our environment. I want to make as little impact on our environment as I can; I am always wanting to learn and up-skill in this area.”

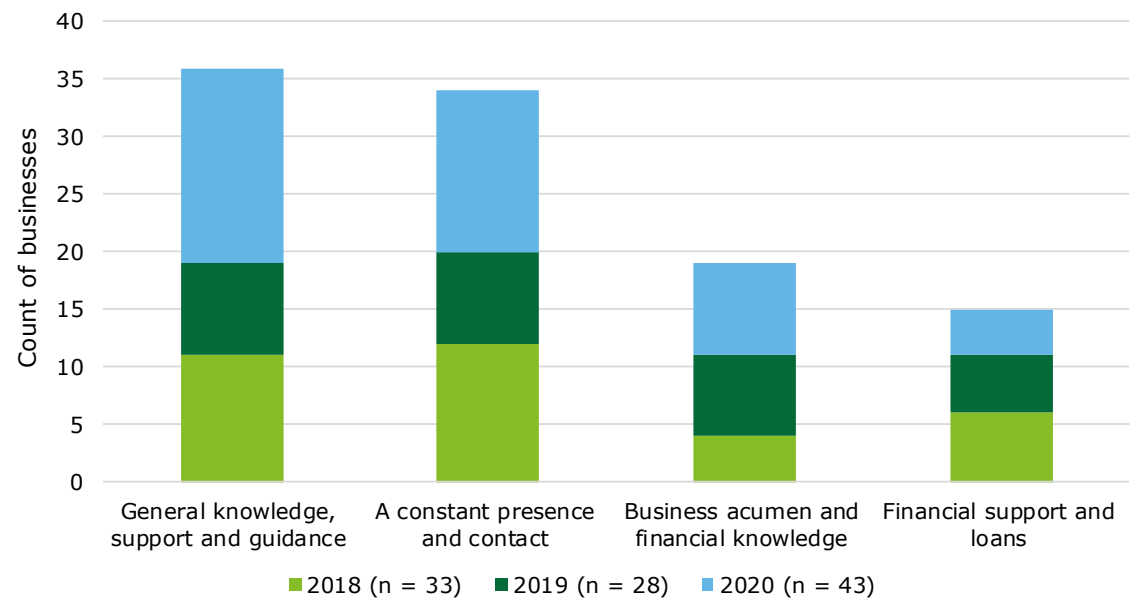
Client Stories: Building trust



Clients highly value the support of their Microenterprise Development Managers.

In addition to providing access to finance, clients are utilising a broad range of support services from Many Rivers. Clients praised the reliability of their MEDMs. Through **general guidance, mentoring and support**, clients were provided with pastoral care and motivation. The **constant presence and support** offered by MEDMs builds a relationship of trust between the client and Many Rivers, giving clients a sense of self-belief to overcome challenges. Clients valued the support from MEDMs more than their business acumen and financial knowledge or financial support and loans.

Chart 13: What did you find the most useful about the assistance from Many Rivers?



Note: n is total responses and is different from the number of clients being surveyed as multiple responses are possible.

“ I have had a great relationship with [MEDM name]. He is like a big brother helping me sort out my stuff and giving me the confidence that I do indeed have a story to tell for my life! ”

“ There are blockages everywhere when you are starting a business, but [MEDM name] is constantly reminding me about what to do. She gives me constant support and clear action steps and she genuinely wants me to succeed. ”

Client Stories: Nurturing confidence



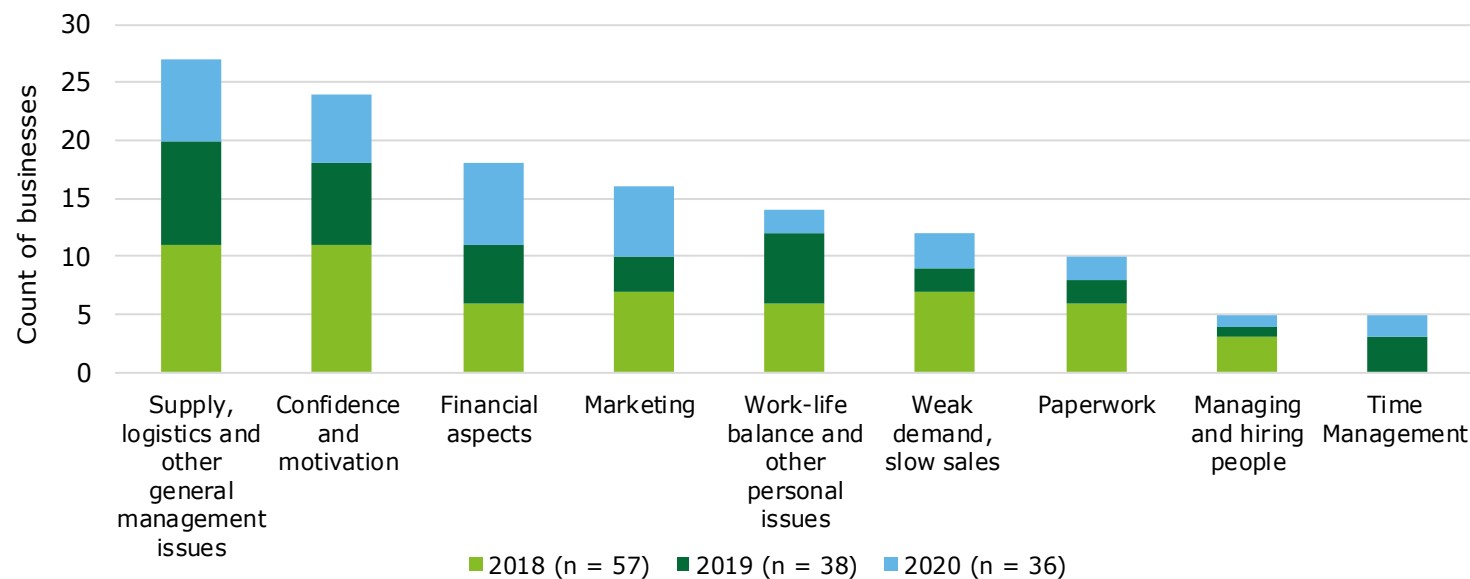
Confidence and motivation continue to be some of the biggest challenges cited by Many Rivers clients in operating their business.

The issues and challenges commonly cited by Many Rivers clients in operating their business are typical of all small businesses. These include general management issues, marketing and advertising reach, aspects of finance, market viability, time management, technical knowledge and family responsibilities.

One of the most common challenges identified related to **low confidence and motivation**:

- The majority of Many Rivers clients are first-time business owners who may encounter difficulty in dealing with customers.
- Initial low demands have also had a significant impact on clients’ confidence in their abilities. Some clients cited the adverse impact of the COVID-19 pandemic has had on their businesses.
- Several cited the support of their MEDMs as a driving force in building confidence and motivation.

Chart 14: What is your biggest challenge to date?



The biggest challenge is the waiting in the sense of keeping myself contained, because I realise I need to be patient - so putting up my boundaries and not taking on too much.

The biggest challenge so far has been coming out and speaking to people. I am still feeling a bit shy and so is my partner, so dealing with our customers and negotiating prices and talking to people has been a challenge.

Note: n is total responses and is different from the number of clients being surveyed as multiple responses are possible.

OUTCOMES & VALUES

4



INTRODUCTION



CLIENTS



JOURNEY



OUTCOMES & VALUE



CED PROGRAM



CONCLUSION

Employment



Businesses supported by Many Rivers provide employment to over 2,600 people.

As of June 2020, businesses supported by Many Rivers (current and past) were estimated to provide **employment to 2,642 individuals**. This number includes owners working in the business, full-time, part-time and casual employees, and contractors (as defined by the ABS).

More than half of business owners are female. This indicates relative gender balance as compared to the national average for small businesses (in 2020, 35% of business owner managers in Australia were female). Women are marginally over-represented as employees in businesses supported by Many Rivers.

Table 2: Employment generated by businesses supported by Many Rivers, end of FY20

| | Average employees per business ¹ | Total employees | Business owners | | Employees | | Total |
|-----------------------|---|-----------------------|-----------------|-----------|-----------|-----------|-------|
| | | | Full-time | Part-time | Full-time | Part-time | |
| Indigenous people | 0.8 (0.7 FY19) | 901 (845 FY19) | 9% | 7% | 9% | 7% | 32% |
| Non-Indigenous people | 1.6 (1.3 FY19) | 1,740 (1,507 FY19) | 22% | 9% | 18% | 19% | 68% |
| Total | 2.4 (2.0 FY19) | 2,642 (2,353 FY19) | 31% | 16% | 27% | 26% | 100% |

Note: Employment numbers, as at 30 June 2020, are collected from a survey of all businesses generating income. Total employment for operational businesses is extrapolated using the number of operational businesses and the average employment per businesses. Numbers may not sum to total due to rounding. The percentage breakdown by employee type and FTE status is based on available survey data and may not align to the reported employment numbers (which are extrapolated). The ABS defines full-time employment as greater than or equal to 35 hours per week.

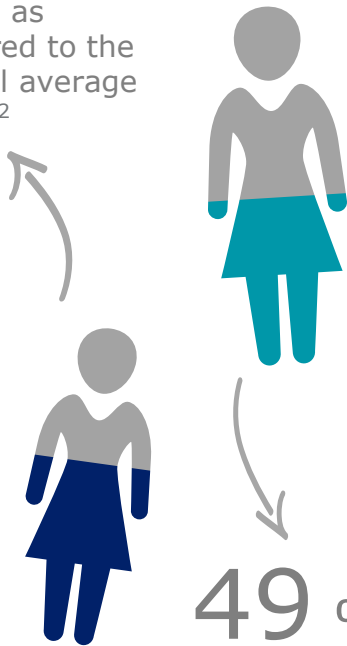
¹ Includes business owners.

² The Australian Government Department of Employment, Skills, Small and Family Business (2019) A statistical snapshot of women in the Australian workforce. [Link](#).

³ The Australian Government Workplace Gender Equality Agency (2020) Gender workplace statistics at a glance [Link](#).

51 %

of **owners** are female, as compared to the national average of 35%²



49 %

of **employees** are female, as compared to 47% nationally³

Revenue

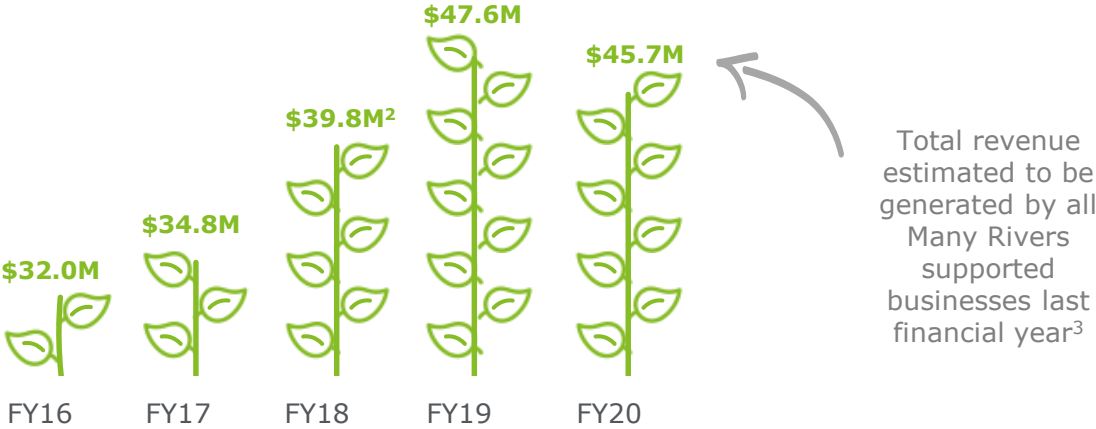


Businesses supported by Many Rivers are estimated to have generated an aggregate of \$45.7m in sales revenue in FY20.

On average, a Many Rivers supported business (past and present) reported **\$70,500 in annual sales revenue** in FY20, an increase of 16% from the last year.¹

Due to a number of positive outliers, this number is significantly higher than a **median annual sales revenue of \$22,000**. For a more precise measure, the trimmed mean value is used as it removes the effect of positive outliers.

The trimmed annual mean income is very similar in FY19 and FY20, which implies that the estimated aggregated sales revenue from operational businesses of \$45.7m is lower than FY19 by virtue of a reduced number of operational businesses.



Note: Infographic is not to scale.

¹ The increase in untrimmed mean annual income may be due to: a change in data collection method and imposition of a mid-point assumption for businesses that provided their sales income in ranges; potential inclusion of JobKeeper payments in sales income; inclusion of graduated businesses in the survey.

² FY18 revenue is a relative underestimate due to a different trimming method used.

Table 3: Annual sales income (before tax) of Many Rivers operational businesses, FY19 to FY20

| | FY19 | FY20 |
|----------------------------------|----------|----------|
| Number of operational businesses | 1,153 | 1,101 |
| Annual median income | \$22,800 | \$22,000 |
| Annual mean income (Untrimmed) | \$60,600 | \$70,500 |
| Total income (Untrimmed) | \$69.9M | \$77.6M |
| Annual mean income (Trimmed) | \$41,400 | \$41,500 |
| Total income (Trimmed) | \$47.6m | \$45.7m |

Note: Median and mean values are rounded to the nearest \$500. A total of 777 businesses disclosed their income data in FY20, compared to 366 in FY19.

As of FY20, some businesses reported the sales income range instead of the actual figure, in these instances, the mid-point of the range was used.

Trimmed values were calculated by removing outliers two standard deviations from the mean. Total income for operational businesses is estimated using the number of operational businesses and the mean income for businesses which disclosed financial information.

Revenue



Business income varies substantially, with over half of the businesses generating an annual sales income of more than \$15,000.

In FY20, **777 businesses** supported by Many Rivers have responded to the survey and reported a positive sales income. The income does not include welfare payments (e.g. JobKeeper and JobSeeker) or government grants.¹

Similar to previous years, sales income reported by the businesses supported by Many Rivers' Microenterprise Development Program varies substantially.² Of the 777 businesses:

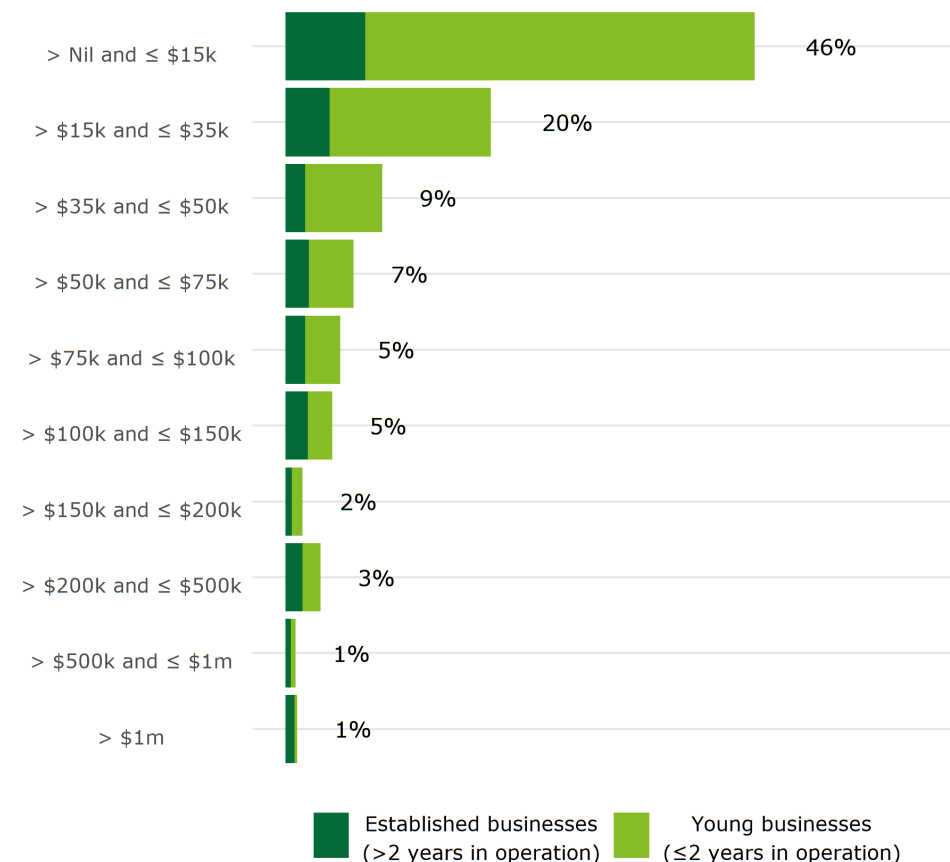
- **53% of businesses** are generating income greater than \$15,000 a year; and
- **17% of businesses** are generating income greater than \$75,000 a year, and therefore meeting the income threshold to become a GST registered businesses.

There are **nine businesses that are highly successful**, generating an annual sales income of over \$1 million in FY20, of which, four generated over \$2 million in income per annum.

Of these four businesses:

- All have received support from Many Rivers for at least three calendar years.
- Two of the four have been operating with the support of Many Rivers for at least seven calendar years.
- Three are Indigenous businesses.

Chart 15: Share of businesses by annual sales income (including GST)



¹ Some businesses (up to 61) may have included JobKeeper payments in their sales income.

² The ABS defines small businesses through a turnover of less than \$2 million per annum.

Note: Businesses with zero income have been excluded from the chart above. These businesses make up 1% of the surveyed businesses. There is some uncertainty with regards to the accuracy of the reported sales income due to the potential inclusion of JobKeeper payments in up to 61 cases (out of 777 businesses).

Business continuation



Despite disadvantaged circumstances experienced by business owners, the lifespan of businesses supported by Many Rivers is similar to the national average.

The survival rate of businesses supported by Many Rivers is compared to the national average, as reported by the ABS.¹ The national average does not account for COVID-19 as 2020 data is yet to be available. Despite this, the survival rate of Many Rivers businesses comes close to, if not exceeds, the national average.

In comparing the different client groups, businesses run by Indigenous clients tend to have a slightly lower survival rate compared to the non-Indigenous clients.

Looking over a longer period of time, survival rate of businesses is seen to drop most significantly in the early years of running a business. The survival rate decreases to around **29% for businesses** operating for more than 5 years.

Chart 16: Survival rate of Many Rivers supported businesses over three years after commencement

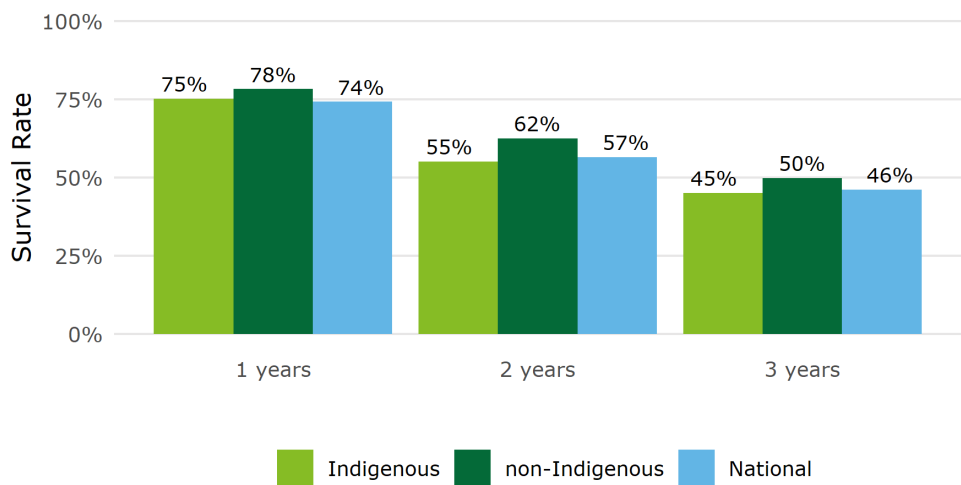


Chart 17: Survival rate of Many Rivers supported businesses over time after commencement



Note: The national average is computed by taking the weighted average survival rate of the different business structures reported by ABS, where the weights are determined by the proportion of Many Rivers supported businesses of that structure.

¹ Australian Bureau of Statistics 8165.0, Counts of Australian Businesses, including Entries and Exits, June 2015 to June 2019, Table 12 Survival of Entries by Type of Legal Organisation.

Business exits

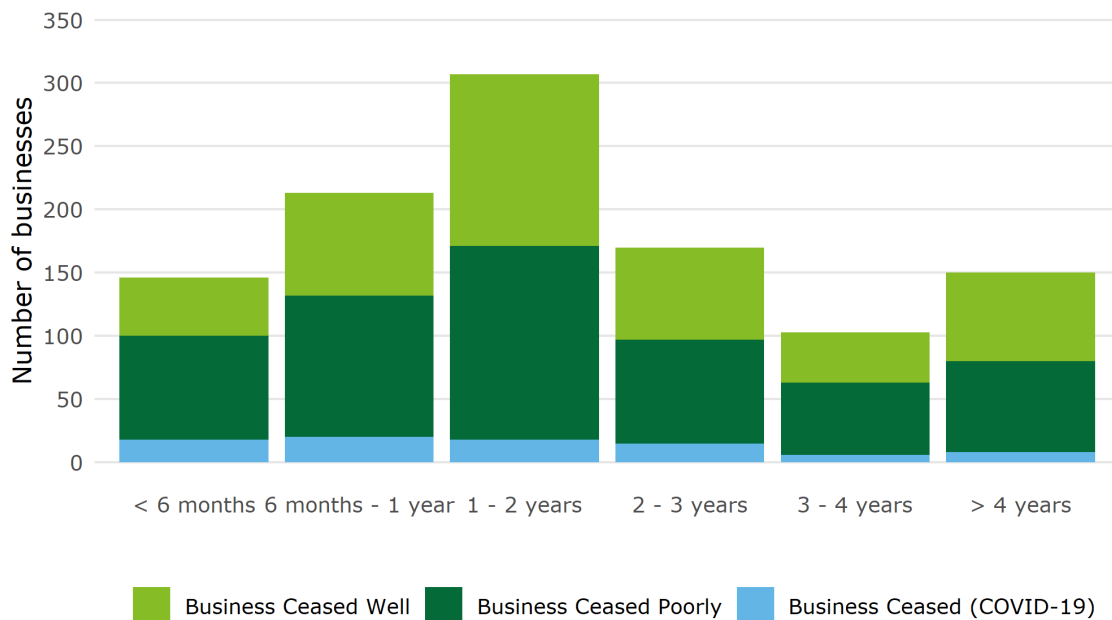


Ceased businesses generate value over the months or years of operation.

There are two key outcomes for businesses that discontinue their relationship with Many Rivers: businesses cease their operations or graduate and no longer require support from Many Rivers. Ceased businesses generate value over the months or years of ongoing operations which may not be captured through the point-in-time analysis in this report.

Businesses supported by Many Rivers that **ceased** have operated for **2.1 years** on average (up from 1.8 years in FY19), with **39% of all ceased businesses** operating for more than two years (up from 33% in FY19). Of those businesses that ceased due to COVID-19, **66% are young businesses** that have operated for no longer than two years.

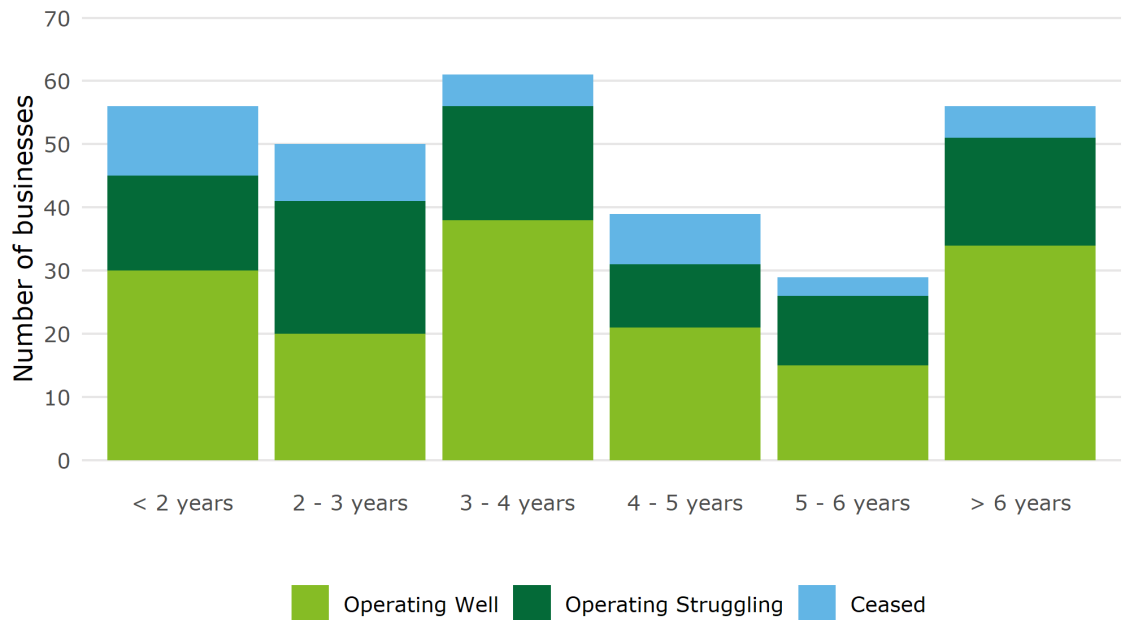
Chart 18: Duration of ceased businesses (FY09 – FY20)



Note: The sample size of ceased businesses in FY19 and FY20 is 804 and 1,089 respectively.
© 2020 Deloitte Access Economics. Deloitte Touche Tohmatsu

Many Rivers supported businesses that **graduated** (businesses no longer requiring the ongoing services of Many Rivers), have operated for **3.9 years** on average. The majority of graduated businesses appear to be **highly self-sustaining**, with only **14% of businesses** ceasing over the last decade (compared to a cease rate of 52% for not graduated businesses).

Chart 19: Graduated businesses by duration and status (FY09 – FY20)



Note: No further information was provided on ceased businesses, such as whether the business ceased well, poorly or as a result of COVID. Sample size of graduated businesses is 291.

Welfare improvements



Clients with more mature businesses demonstrate the best personal financial circumstances.

Welfare dependence is one of the main indicators used by Many Rivers to determine improvement in clients’ economic outcomes.

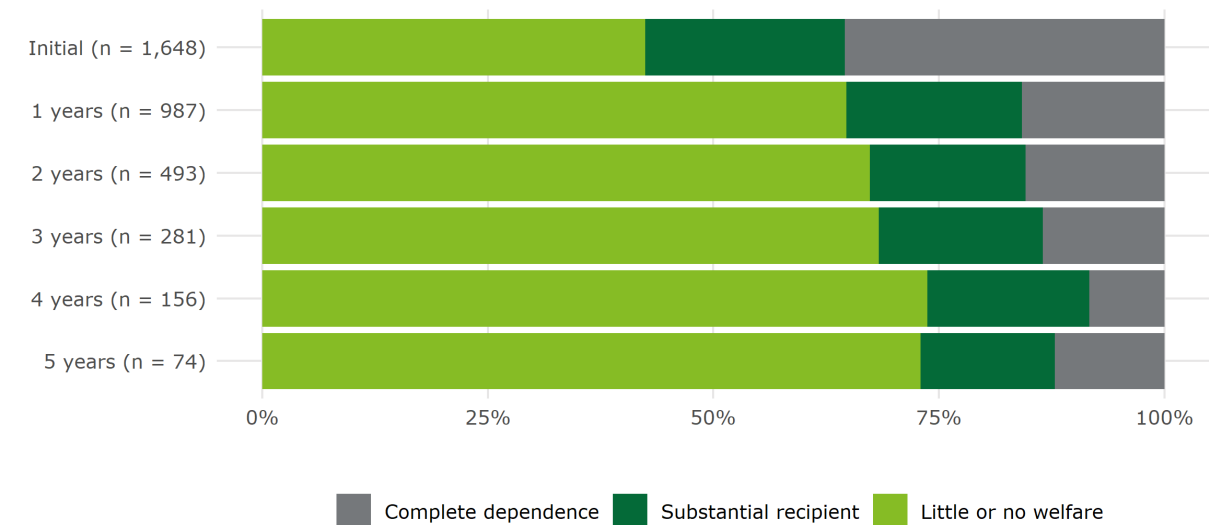
Welfare dependence is defined as clients’ reliance on welfare support payments, where:

- Clients with **little to no welfare** have no more than 25% of their income from welfare support payments.
- Clients who are **substantial recipients** of welfare have 25% to 75% of their income from welfare support payments
- Clients who have **complete dependence** on welfare have more than 75% of their income from welfare support payments.

Initially, **42% of clients** are largely independent of welfare, with significant improvements over the five years of business operations. The reduction in welfare dependence sees the largest change in the first year the business commences, with an **additional 22% of clients** transitioning to little to no welfare.

The improvements in subsequent years are modest relative to the first, with **73% of clients** who responded to the survey after five years of business operations being largely independent of welfare.

Chart 20: Welfare dependence over time (clients who responded to surveys)



Note: The change in welfare dependence has been measured for the Many Rivers clients who have responded to the Client Compass surveys (Initial and Regular) over time. The sample size of clients who responded consistently decreases with the years.

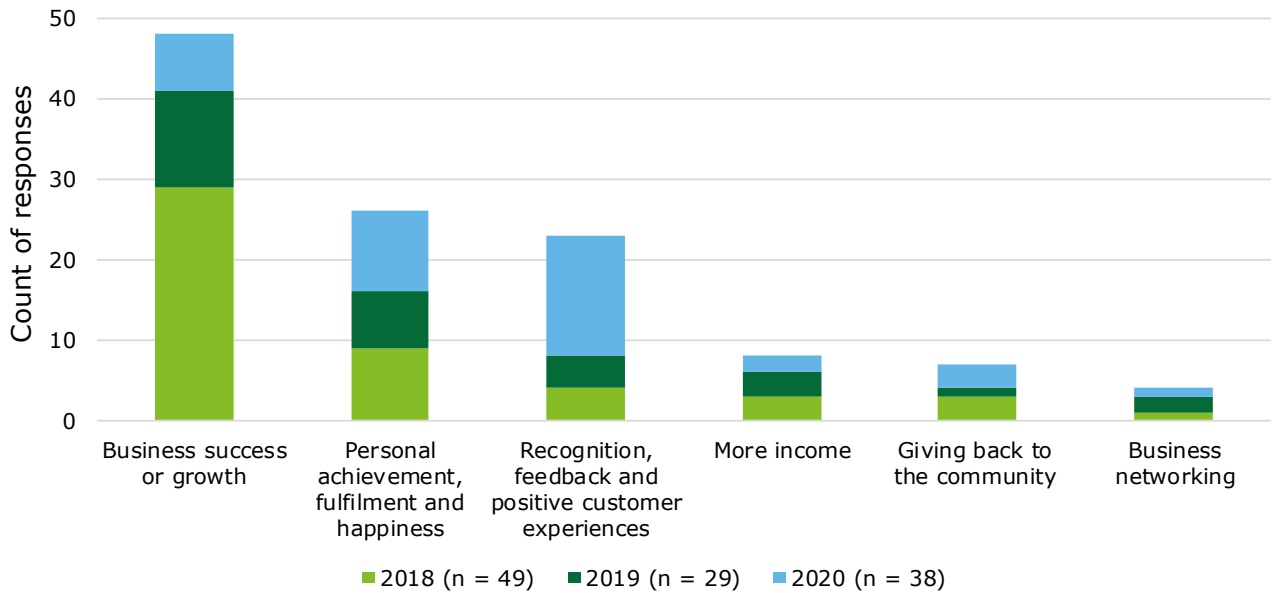
Clients' perceptions of success



Clients have most commonly defined success as business growth, personal achievement and recognition.

An analysis of Client Stories revealed that clients most commonly defined their success by **business growth, personal achievement** and **recognition**. Most clients in FY20 reported positive customer experience as the biggest success to date for their businesses. Several take pride in their personal growth and success along their business journey. Many clients reported gaining confidence and self-belief on their journey with Many Rivers and remained excited and hopeful for business success in the future.

Chart 21: What has been the biggest success to date?



Note: n is total responses and is different from the number of clients being surveyed as multiple responses are possible.

I’m also really proud of my personal success and growth. I struggled with dyslexia throughout my school years and it had significant negative impact on my self-confidence. Ten years ago, I never would have believed that one day I’d be running my own business.

Our reputation around town is really good and it is great to hear that. The customers are satisfied as well. Customer satisfaction means a lot to us, so if they not happy we will go back and fix it so that they are satisfied.

Indigenous clients' perspective



Indigenous clients particularly value support they can provide to their communities.

Besides gaining autonomy and having control over their employment, Indigenous clients are motivated to start their own businesses by the **desire to give back to their communities**. Indigenous clients aim to inspire their communities by being a positive role model for their people, by operating their own business.

Compared to non-Indigenous clients, Indigenous clients tend to consider their business's biggest success to be the support they provide to their own communities. Examples include raising cultural awareness and engaging and empowering the communities. Some Indigenous clients also described an aspiration to help Indigenous communities thrive into the future.



...it is also about giving back to my Yamiji mob and others, such as my elders and ancestors that had paved the pathway so that we as the first nation people of Australia have access to better health, education and lives in general today, though this is an ongoing matter that still needs to be sorted.



I think getting out there and just empowering others to understand and to help them to make meaning or make sense of various scenarios through the provision of group work and providing the required tools. Plus working from a strength and trauma informed base.



My main goal is to get out into the communities to make them a happier and safer place for all Indigenous people to live and to feel secure and be clean and tidy, inside and outside. Some people need that support and courage and a little bit of a push, and that is my main goal to support them as much as I can and to encourage as much I can by being a living example.



Implications of COVID-19



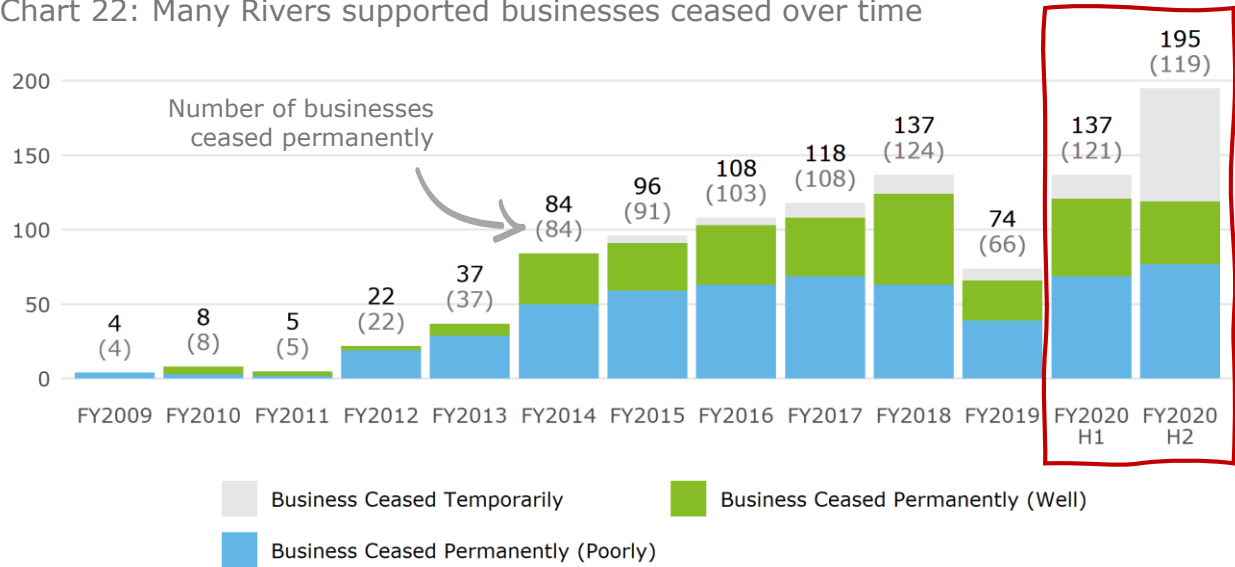
The second half of FY20 saw an unprecedented number of businesses ceasing their operations (195), of which 39% ceased temporarily.

FY20 saw a spike in the number of businesses that ceased temporarily or permanently compared to previous years.

In the first half of FY20 (before the COVID-19 pandemic), the number of ceased businesses was already high relative to previous years. The second half of FY20 saw an unprecedented number of businesses ceasing (195), of which 39% ceased temporarily. Many Rivers continues to support businesses that ceased temporarily and preliminary evidence suggests that a number of these businesses have resumed their operations since June 2020.

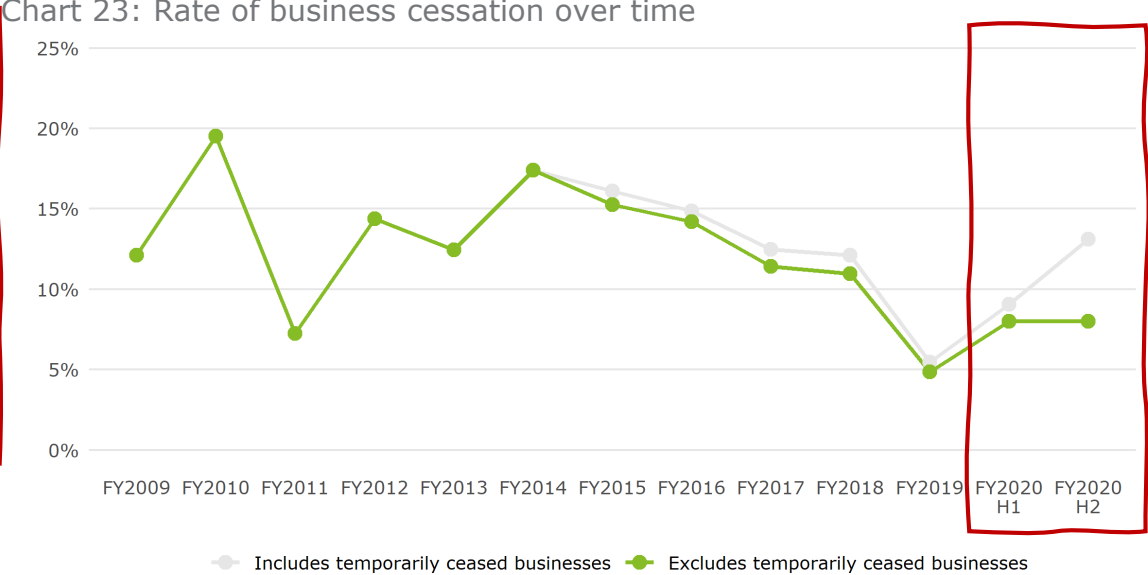
While the number of businesses ceasing (both temporarily and permanently) has typically increased in absolute terms, so has the number of businesses that remain operational. Chart 23 shows the rate at which businesses cease relative to the number of operational businesses. When looking at businesses ceased permanently, the business cease rate for the second half of FY20 is one of the lowest historically.

Chart 22: Many Rivers supported businesses ceased over time



Note: The number of businesses ceased was overreported in the first half of FY20 (H1) and underreported in FY19 by 42 businesses due to a technical issues.

Chart 23: Rate of business cessation over time



Note: The business cease rate is computed by dividing number of businesses ceased by the number of businesses operational in that financial year. This is based on the business status at a point in time and does not account for businesses that ceased temporarily in the past and reopened.

Implications of COVID-19



A significant number of businesses ceased temporarily due to COVID-19.

Prior to FY20, **more than half (58%) of businesses** which ceased, ceased poorly, with the primary reasons being attributed to personal, family and community issues. The businesses that ceased well, or experienced a 'soft landing', typically led to the clients obtaining employment elsewhere.

The first half of FY20 saw a similar breakdown of business cessation reason to the historical average (see Chart 24).

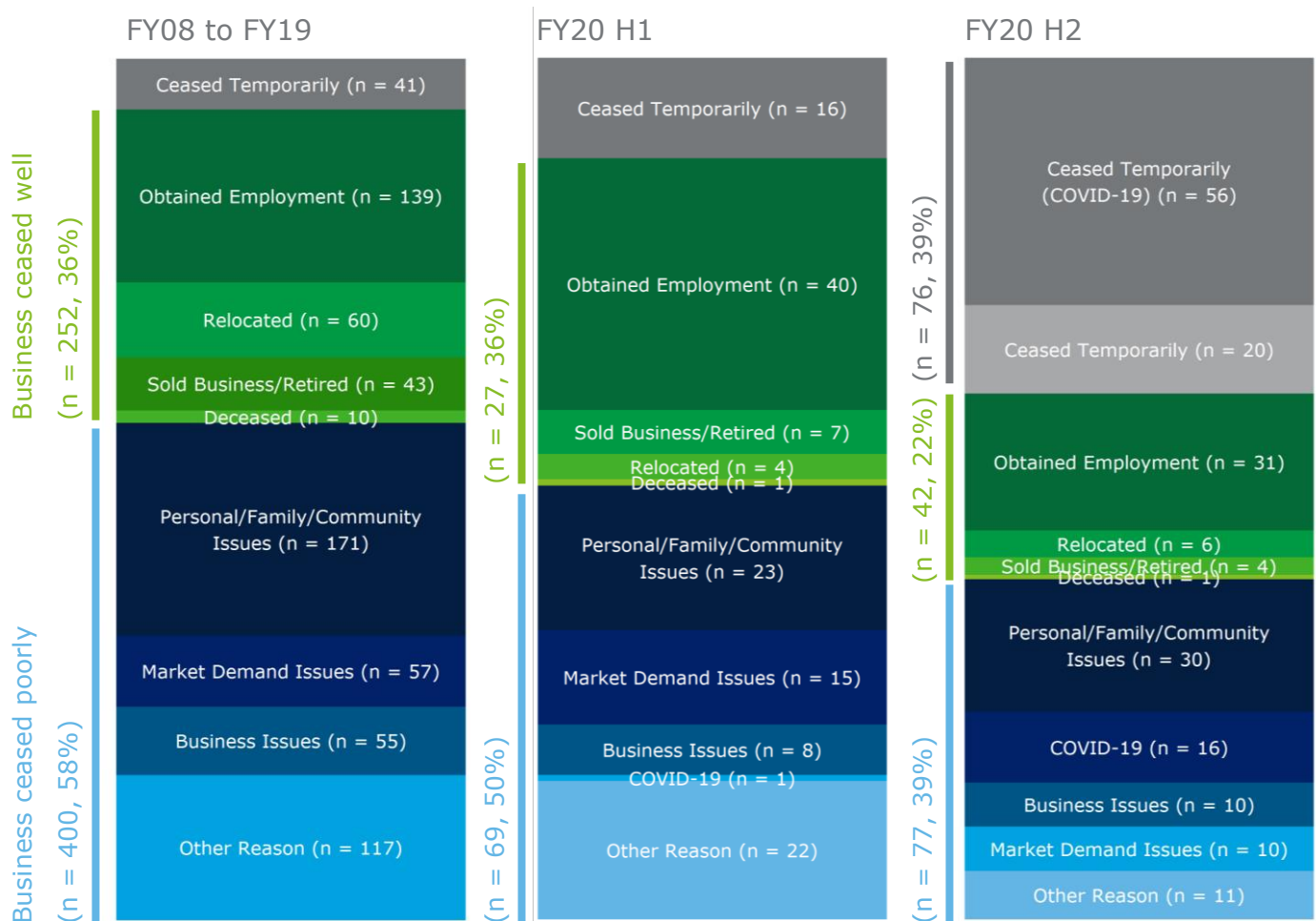
However, the second half of FY20, **37% of businesses** ceased as a result of COVID-19 with an unprecedented number of businesses ceasing temporarily, relative to the previous years.

Of the ceased businesses in FY20 H2:

- **22% experienced a 'soft landing'**, of which **74% resulted in business owners** obtaining employment elsewhere.
- **39% ceased temporary** and are expecting to recommence, of which **74%** indicated COVID-19 as a primary reason for this decision.
- **39% ceased poorly**, of which, **39% of these businesses** ceased due to personal, family and community issues.

7% of the business surveyed (172), did not provide Many Rivers with an update on their business status.

Chart 24: Ceased Many Rivers supported businesses, by reason for cessation



Implications of COVID-19



Over half of the surveyed business owners reported that they or their employees draw on JobKeeper and/or JobSeeker.

Almost half of the businesses (327 of 777 who responded to the survey) indicated receiving government support payments and other grants in FY20. Of these businesses, 95% received no more than \$35,000 per annum (see Chart 25).

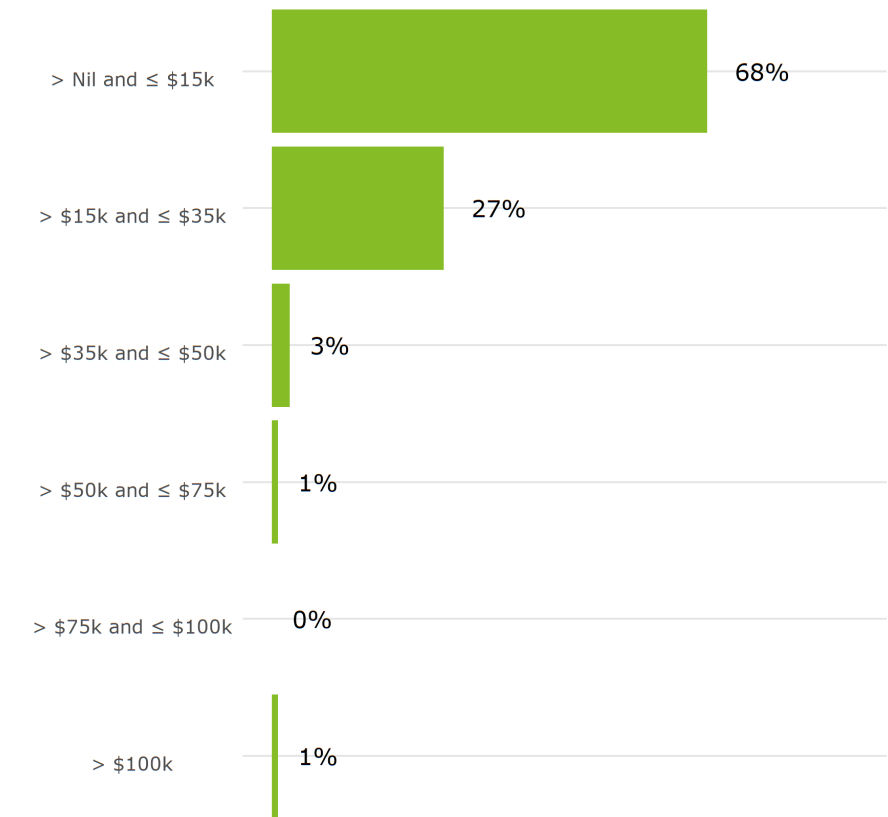
In FY20, the Commonwealth Government introduced the JobKeeper scheme and JobSeeker Coronavirus supplement to support businesses and individuals during the pandemic.

- **JobKeeper payment** - announced in late March 2020, the payment helps employers by subsidising parts of the costs of their employees' wages.
- **JobSeeker payment** - a scheme for **individuals**, providing income support while looking for work. Eligible individuals include permanent employees who have lost their jobs or sole traders/ self-employed/ casual/ contract workers who have had their income reduced. In addition to the regular payment, the Coronavirus supplement announced in late March 2020 boosted the usual JobSeeker payments by \$550 per fortnight.

In FY20, **426 business owners** (of the 777 who responded to the survey) reported that they and/or their employees draw on JobKeeper and/or JobSeeker.



Chart 25: Share of businesses receiving government support payments and other grants by the amount received in FY20 (including GST)



Note: n = 327
JobSeeker payments are not captured in the chart as they are payments to the individuals and not to the business.

Client stories: Implications of COVID-19



Most clients have been adversely affected by the COVID-19 pandemic.

The most commonly reported impact of the COVID-19 crisis is low demand for products and services from clients' businesses, particularly for businesses relating to tourism, entertainment and beauty industries.

A few clients reported the pandemic has had a positive impact on their business. For example, some clients have taken advantage of the surge in popularity of takeaway services during the lockdown.



Light green bubbles: silver linings of COVID-19 crisis impact on businesses

Dark green bubbles: negative impact of the COVID-19 crisis on businesses

CED PROGRAM

5



INTRODUCTION



CLIENTS



JOURNEY



OUTCOMES & VALUE



CED PROGRAM



CONCLUSION

Background



Many Rivers' Community Economic Development Program provides long term support to community groups motivated to develop businesses and employment opportunities for their communities.

Many Rivers established and piloted its CED work in late 2015 in response to increasing requests to offer microenterprise development support to community groups with economic aspirations and opportunities.

The purpose of Many Rivers CED Program is to support **regional and remote Indigenous communities** that want to establish economic activity on their land and sea. As needed, this support includes:

- Strengthening governance and management resources, capacity and functions;
- Understanding financial concepts, decisions and management;
- Establishing operational strategies and plans that can be managed by the communities; and
- Establishing or expanding enterprise and employment opportunities for communities.

Many Rivers works with communities **over a five year period** (on average), supporting them to develop and implement multi-year, long term goals via yearly action plans – the end of which management and staff of the community group are expected to function and succeed more independently.

Figure 8: Many Rivers CED Support Framework



Program reach



Many Rivers is working with 25 communities across Australia as of June 2020, that represent over 3,800 community members.

The reach and impact of the CED Program continues to grow since its inception in 2015. As of June 2020, Many Rivers, through **eight CEDMs** is working with **25 community groups** across Australia (see Chart 26). These supported communities represent **3,812 individuals participating as direct members** of the supported community groups.

For most communities, the initial years of the partnership focus on 'Strong Foundations' necessary for planned economic outcomes. This involves ensuring that an organisation's compliance requirements (as stipulated by its incorporation type) are met, building consensus on community goals, developing effective governance and management practice, financial and digital literacy, and confidence in leadership and decision making.

In addition to the Corporation's general business, **nine new community-based businesses** are being developed across various communities, including:

- firewood collecting
- property rental
- camping grounds
- dressmaking
- cultural centre
- tourism activities
- community maintenance
- roadhouse with an arts centre
- learning & training hub.

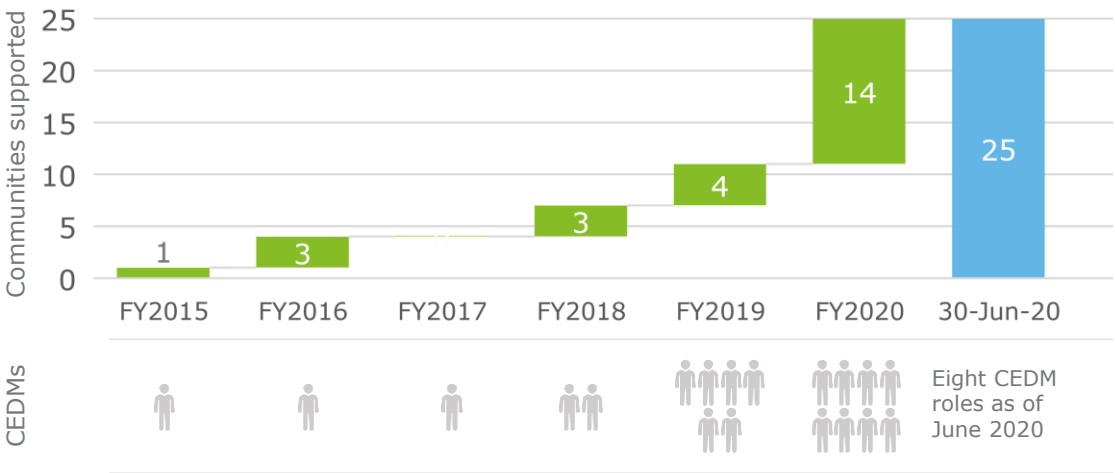
Of these, one commenced this year and eight were put on hold due to disruptions caused by COVID-19.

Many Rivers is currently discussing CED Program support with over **35 additional communities**.

Figure 9: Indicative illustration of CED Program focus over time



Chart 26: Number of CED communities supported over time



Community objectives



Apart from supporting economic development, the CED Program was reported to provide a trusted and independent voice and support the efforts of community leaders to strengthen their self-determination.

Consultations with CED Managers

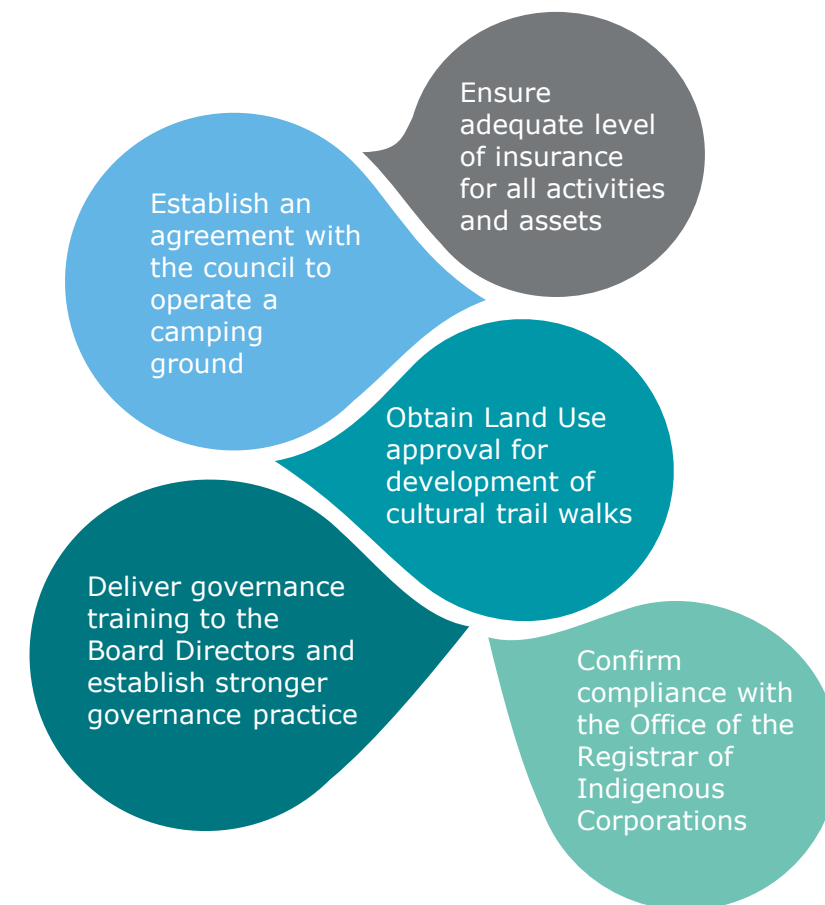
As part of this year's evaluation, five CEDMs were invited to participate in a consultation process. The purpose of the consultations was to develop a more expansive and detailed understanding of the CED Program and the value it creates.

All CEDMs consulted have worked for at least a year with Many Rivers and engaged with at least two or more communities as part of the CED Program. The consultations focused on exploring questions regarding the context of the communities CEDMs work with, their unique local context, challenges and enabling factors.

CEDMs recognised that apart from the economic development objectives of the program relating to improved governance and management (as outlined in Strong Foundations), financial and operational decision making, and enterprise development, there are a number of 'softer' objectives, including:

- **Strengthening self-determination** of Aboriginal and Torres Strait Islander communities by supporting their leaders to be able to make well-informed decisions that benefit communities and help overcome the institutionalised disadvantage.
- **Providing a trusted, independent voice** to inform, but not direct, decision making. Some CEDMs described their role in the communities as a 'sounding board' - not to impose their opinions on decision making processes - but rather offer an independent perspective and guidance on navigating non-Indigenous systems. The presence of an independent third party in meetings was also reported to help mediate any potential disagreements and reach consensus.

Figure 10: Example community goals listed in Agendas



Impact of COVID-19 and Strong Foundations



Consistent, long-term support and commitment to the communities was highlighted as a key program strength by the CED Managers.

Impact of COVID-19 pandemic

Each community develops its own unique set of objectives and documents them in an Agenda – a document serving as an agreement between CEDMs and community organisations and providing structure to the work conducted.

However, in FY20, with COVID-19 restrictions in place, some CEDMs reflected that it was no longer practical to keep to the original Agendas. In some communities the focus of work has shifted towards:





- Understanding what Commonwealth and State stimulus packages apply to the community;
- Utilising Many Rivers technology support platform to maintain contact with community members and stakeholders;
- Managing community finances to sustain community business activities and employment;
- Communicating with stakeholders (press releases) and community members (notices) about any changes; and
- Keeping governance foundations strong to continue leading and making decisions during the pandemic to stay on track towards community goals.

Initial progress

Apart from goal-setting, Agendas were also described as helpful tools for monitoring and documenting progress. This was highlighted as especially important if progress made to date has been of non-economic nature. Reflecting on progress made using Agendas was reported to raise the confidence of community leaders.

The long-term support and commitment to the communities was highlighted as a key program strength by the CED Managers increasing the likelihood of sustainable change. The long-term commitment and consistency are particularly important for building trust and developing capability of community leaders to navigate complex processes, such as meeting government compliance requirements.

Based on the needs of the community, the initial progress is may not be economic in nature, but rather focus on establishing Strong Foundations for future enterprise opportunities. This may include building:

-  a consensus on the **goals** for a given community;
-  an understanding of what effective **governance practice** looks like, including meeting procedures, roles and responsibilities of board members;
-  **capability** and capacity around administration, compliance, financial literacy, digital literacy; and
-  **confidence** of community leaders in their capacity to make well-informed decisions, as well as confidence of the community.

Determinants of the rate of progress



Land and asset ownership, community cohesion, access to markets, and exposure to economic development projects are significant enablers of progress.

Key determinants of the rate of progress

CEDMs highlighted that any progress towards achieving economic outcomes should be interpreted in the unique context of these communities. In particular, the following factors were perceived to affect the length of the journey towards economic outcomes:



Land ownership – Various forms of land tenure (as defined by State laws) are a significant enabling factor for the economic progress, as they provide communities with rights to create commercial value and pursue economic development. Native Title, which recognises the traditional rights and interests to land and waters of Aboriginal and Torres Strait Islander peoples, does not grant the same level of commercial rights to communities.



Access to markets – geographic location, as well as surrounding infrastructure play a big role in a given's community ability to access markets. For instance, in response to a road being sealed, a number of communities in WA are now planning to develop tourism enterprises. Availability of internet connection and proximity to larger towns are also significant enablers.



Asset ownership – communities owning assets (e.g. trucks, service stations, infrastructure, museums, houses) are more likely to progress faster towards economic outcomes.



Cohesion in the community – trusting relationships between members within the governing body, with the community, and with external stakeholders (e.g. government agencies and businesses) are significant enablers to economic development.



History of or exposure to economic development projects – past experience of enterprise development is a significant 'accelerator' of the progress towards economic outcomes.

Current baseline measures include some, but not all of the above factors. An assessment against 'Strong Foundations' provides an overview of non-monetary KPIs, for instance, an organisation's compliance against regulatory requirements and general governance practice (e.g. transparency, demonstrated understanding of rules and procedures). Monetary and economic measures, such as asset ownership or revenue are also assessed.

Many Rivers recognises that the current baseline assessment may be further enhanced by including a self-assessment by the communities.

Financial and economic outcomes



Supported communities in a position to report on financial and economic outcomes most demonstrate increases in employment, and most experience positive results in terms of revenue, profit and asset gains.

In FY20, Many Rivers supported 25 communities, with baseline data and progress measured against each of them.

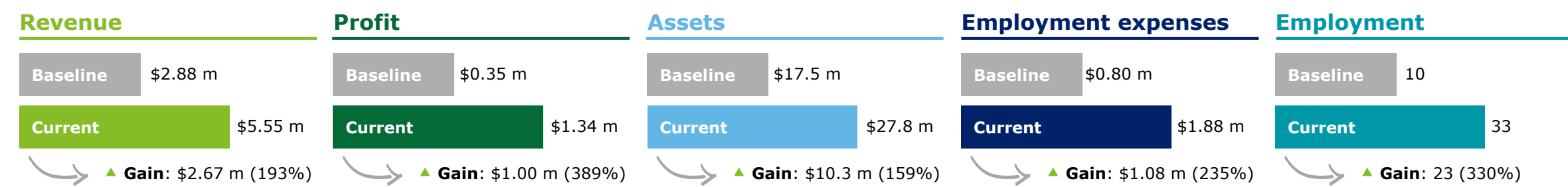
Seven communities have participated in the CED Program for over two years shifting the focus of the program from building strong foundations towards economic development. The commencement dates of these communities in the CED Program vary between June 2015 and June 2018, with an average program engagement length of four years (as of June 2020).

Of these, five consented to share information on their financial and economic outcomes. Collectively, they demonstrate significant gains in revenue, profit, assets, employment expenses and the number of individuals employed.

The indicators are reported at an aggregated level, consistent with the approach to reporting for the Microenterprise Development Program. As demonstrated in the Figure 11 below, there has been a substantial improvement in these indicators as compared to the baseline, including:

- \$2.7 million gain in revenue
- \$1 million gain in profit
- \$10.3 million gain in assets
- \$1.1 million gain in employment expenses
- 23 gain in employed people.

Figure 11: Financial and economic outcomes of five communities participating in the CED Program (aggregated)



Note: The above reflects results reported by five communities (as compared to six communities in FY19); numbers reported are not audited and are therefore subject to change. The numbers are rounded to three significant figures and the difference between Current and Baseline may not equal to the gain due to rounding. Figure is not to scale. Assets include Army Aboriginal Community Assistance assets.

CONCLUSION

6



INTRODUCTION



CLIENTS



JOURNEY



OUTCOMES & VALUE



CED PROGRAM



CONCLUSION

Many Rivers is making an impact



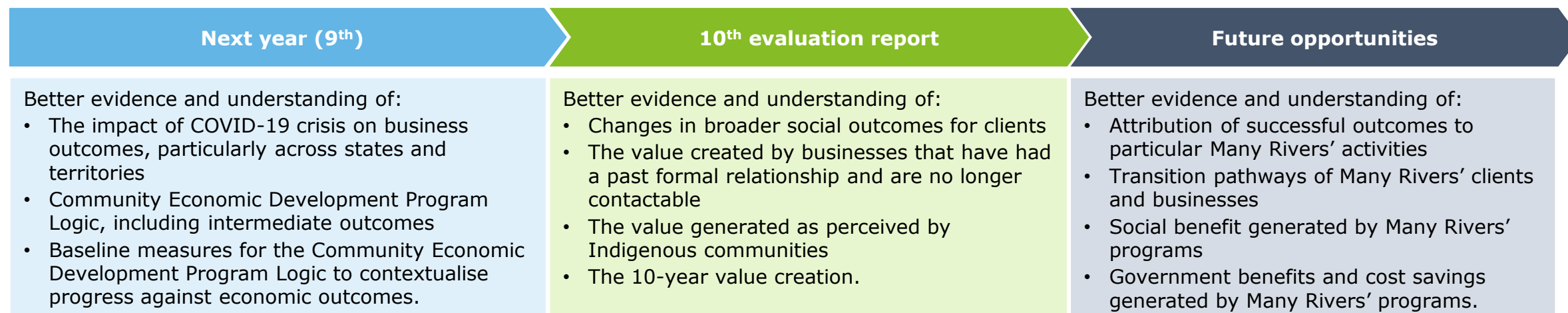
Ongoing evaluation continues to reveal more about Many Rivers' clients, their successes and challenges, and drivers behind these in more compelling ways.

Conclusions

- Many Rivers **continues** to engage with clients who experience financial disadvantage that can coincide with other forms of socio-economic disadvantage.
- Many Rivers supports these clients out of disadvantage by helping them to grow their capabilities, and create and expand **sustainable** businesses.
- Many Rivers supported businesses are generating **increasing** economic value (and improving clients' financial situations).
- Client stories and CED Manager interviews reveal demonstrate a **partnership** with Many Rivers, defined at its core by trust, confidence and aspiration.
- Many Rivers supports Indigenous communities to identify and realise their **economic potential**.

Future evaluation

- As more data become available, additional evaluation questions can be addressed, and those being addressed can be answered with more confidence.



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