

# **Building sustainability in an Indigenous family owned SME in northern Australia: Overcoming operational barriers in a housing construction venture**

*Cecil A. L. Pearson, cecil.pearson@cbs.curtin.edu.au*

*Yi Liu, Yi.Liu@curtin.edu.au*

*Curtin University*

*Klaus Helms, klaus.helms@fahcsia.gov.au*

*Northern Territory Emergency Response,*

*Australia*

## **Abstract**

Identifying pathways for small to medium sized enterprises (SMEs), as potential entrants to the international market place, encourages evaluation how entrepreneurial activity can overcome encountered barriers to economic development. In an expression of commitment to improving the socio economic welfare of Indigenous people the Australian Government is encouraging Aboriginal involvement in entrepreneurial ventures, and integrating this notion in a local housing construction business has potential to improve the persistent poor living conditions in remote Australian Aboriginal communities. This paper describes an accommodation building programme initiated by the Yolngu people of East Arnhem Land of Australia, and with illustrations shows location and achievements. Revealing how the literature specified barriers to Australian Indigenous entrepreneurship were overcome provides a pathway worthy of consideration by rural Indigenous communities intending to engage in entrepreneurship, with vision to extend the life cycle of the firm into international markets.

**Keywords:** Indigenous; entrepreneurial; Aboriginal; housing; Australia; Internationalisation,

## **Introduction**

Entrepreneurship, small and medium sized enterprises (SMEs), and international business are inextricably bound. The entrepreneurship literature has focussed on individual aspects (Brockhaus, 1980; Kirzner, 1979), while international business has concentrated on the company in traditional approaches (e.g., Uppsala model, Johanson and Vahlne, 1977; innovative based model, Cavusgil, 1980; internalisation theory, Rugman, 1980; eclectic paradigm, Dunning 1980; industrial network approach, Johanson and Mattsson, 1986) to provide assumptions about market conditions and competitive advantage. Emergence of the world economy has rapidly promoted interest in international entrepreneurship to better understand how firms are to acquire superior financial performance in perspectives that are refuting the applicability of the traditional frameworks (McDougall, Shane and Oviatt, 1994; Oviatt and McDougall, 1994). Indeed, connections between SMEs and their contribution to the free market economy and productivity are being observed in arrangements significantly different to the extent literature (OECD, 2005; Kukoc and Regan, 2008; Stringfellow and Shaw, 2008). The progression of SMEs in environments of accelerating product volatility and competitive change oblige hastening of design and productive processes in the pursuit of new customers (Nummela, Saarenketo and Puumalainen, 2004; Lutz, Kemp and Dijkstra, 2010). But operating in these domains compels SMEs to innovate, and acquire knowledge, skills and abilities by engaging talented employees as a source of competitive advantage (Hartmann, Feisel and Schober, 2010; Lewis and Heckman, 2006). Sustainability in the new market conditions is concomitant on capability and resources, and acquiring them can become a substantial barrier for SMEs in a globalised world.

Despite a proliferation of interest in investigating SME entrepreneurial behaviour for coping with the complexities of entry to globalised markets the evidence shows the process is precarious. In fact, there is only a

generalised understanding how SMEs pathway through experienced market entry barriers (Coviello and Jones, 2004, Dijksta, Kemp and Lutz, 2006, Stringfellow and Shaw, 2008). Evaluating a great deal of research from the 1980s, has led commentators to identify barriers that can hamper entry of entrepreneurial firms to the market as structural (McAfee, Mialon and Williams, 2004), and strategic (Robinson and McDougall, 2001). Lutz, et al. (2010) found this too blunt an instrument and in a study with 1170 SMEs were able to identify 23 items, which were factor reduced to the seven most important dimensions (i.e., capital, distribution, strategic action, research and development, advertising, government regulations and product differentiation), that are likely to hamper the entry of a SME to the market. Other scholars (Oviatt, Shrader and McDougall, 2004; Zahra and George, 2002) earlier proposed the prime factors determining the rate of global market entry are contained in the three dimensions of environmental influences, organisational attributes, and the personal characteristics of the entrepreneurs. Other attempts (McElwee and Warren, 2000; Ram and Carter, 2003) to precisely identify market barriers have specified staff training, insufficient infrastructure, limited social and economic capital, strategic planning and business acumen. The relationship between entrepreneurial activity and national economic growth (Van Stel, Carree and Thurik, 2005; Acs and Storey, 2004) provides strong incentive to determine if some of the numerous overlapping identified barriers can be reduced in number. Dacin and colleagues (2010) succinctly state this view when they write "... entrepreneurship researchers and practitioners could benefit from a stronger dialogue and understanding of entrepreneurial failure." (p. 51).

The phenomenon of the increasing rate of internationalisation of SMEs challenges the different viewpoints of the traditional theories of international entrepreneurship. Barriers to market entry constitute an important issue in entrepreneurship, and relevance for the salient dimensions might be availed in the considerable work that has been done by scholars in the Australian Indigenous entrepreneurship literature. This information has potential to yield valuable insights how entrepreneurs of SMEs might better understand the distinct elements that place their firm at a disadvantage when operating in the international sphere.

The primary purpose of this paper is to report the achievements of an Indigenous building construction programme. The pursuit of this vision is through the medium of a fledgling business venture that amalgamates the milling of timber and an inaugural house construction business venture by the Yolngu clan, who are the Indigenous people in the remote region of East Arnhem Land in the Northern Territory (NT) of Australia. Detail is given about the venture partners together with identified barriers to Australian Indigenous enterprises that were surmounted by the participants to facilitate the Indigenous entrepreneurial project.

The manuscript is presented in seven parts. After the Introduction (the first part) is highlighted key core elements of the entrepreneurial building programme. The third section of the paper presents with text and a table indicators of socio economic inequality (the forecasted drivers of entrepreneurial activity), Australian government strategies for addressing Indigenous disadvantages, the literature identified barriers to Australian Indigenous entrepreneurial venturing, and how these obstacles were circumvented by the Yolngu Gumatj clan. In the fourth part of the manuscript the programme context is described, and this is followed by the results as text and illustrations. The final sections (six and seven) draw out some of the prominent features of the regional impending entrepreneurial activities and the forces that have played a central role in formulating the local operational framework.

## **Pillars of the enterprise**

The intensity of Australian Indigenous entrepreneurship is a function of political, personal and contextual criteria. Australian Aboriginal affairs policy shifted focus from assimilation to a policy construct of self determination during the late 1960s by the Holt Coalition Government (Smith, 2006). This radical departure, from the previous Colonial policy of assimilation (Anderson, 2007), was adopted in 1972, to lessen Indigenous Colonial dependency, to install within the Aboriginal people a degree of political autonomy, and to introduce new arrangements for an opportunity for self management by Indigenous people. The legislation, which was pivotal in removing the previously imposed harsh restrictive controls on Indigenous commercial activity (Sanders, 2002), had been preceded by the Commonwealth Capital Fund for Aboriginal Business Enterprises. This funding initiative, which was devised by

Coombs (1993) in 1968 to alleviate Indigenous rural unemployment, enabled government agencies to provide finance for Aboriginal enterprises. Subsequent Commonwealth political actions have directed attention to recognition of self determination and self management of Australian Aboriginal people. Notable, was the establishment of Indigenous Business Australia (*Australian Government, 2007*), which was a political endeavour to demonstrate commitment to facilitating Indigenous entrepreneurial partnerships with Australian business. Practical endeavours by the government to successfully develop Australian Indigenous enterprises can be found in reports (*Submission, 2001; Cape York, 2005*), the publication of brochures advising how to initiate a business as well as rebranding employment facilities (e.g., Indigenous Training Employment Centre) to give assistance in generating Indigenous business proposals. Despite these various political initiatives there is scant literature about successful Indigenous Australian entrepreneurs (Martin and Liddle, 1997; Foley, 2006a; Whitford and Ruhanen, 2010).

There is substantial evidence from Western based studies providing intuitive appeal that personal attributes are likely drivers of entrepreneurial behaviours (Shaver and Scott, 1991; Pearson and Chatterjee, 2001; Dana, 2007). In spite of these findings their relevance is restricted in Australian contexts as most Indigenous adults in remote regions of Australia do not articulate well in English literature, as their spoken English can be a second or third language, while their numeracy competencies are also extremely lower than non Indigenous Australians, particularly in the NT (Bradley et al., 2007; Elliott, 2009; Hughes, 2009). And although there is a deficit of evidence about outcomes of Australian Indigenous business ventures (Foley, 2003; Furneaux and Brown, 2007), Russell-Mundine (2007) has reported the success rate of Indigenous tourism enterprises, which is one of the more popular and prominent forms of Australian Indigenous businesses (*Open for Business, 2008*), is abysmal. Consequently, understanding how to facilitate entrepreneurship with Indigenous Australians might be better served by examining anecdotal or historical information where success in Indigenous entrepreneurial activity has been recorded, and this approach is adopted by outlining the business activity that has been undertaken by the Australian Indigenous Yolngu people across hundreds of years. Currently, the Gumatj clan of the Yolngu people of East Arnhem Land of the NT of Australia are one of the contemporary leading Indigenous entrepreneurial groups (e.g., Yothu Yindi international musicians). Later, in the paper, is described how their forebearers, who occupied the land some 50,000 years ago, were undoubtedly, the first Australian international traders. The personal attributes that link the historical periods of past and present may be a legacy of commitment to secure better living conditions by engaging in entrepreneurial action.

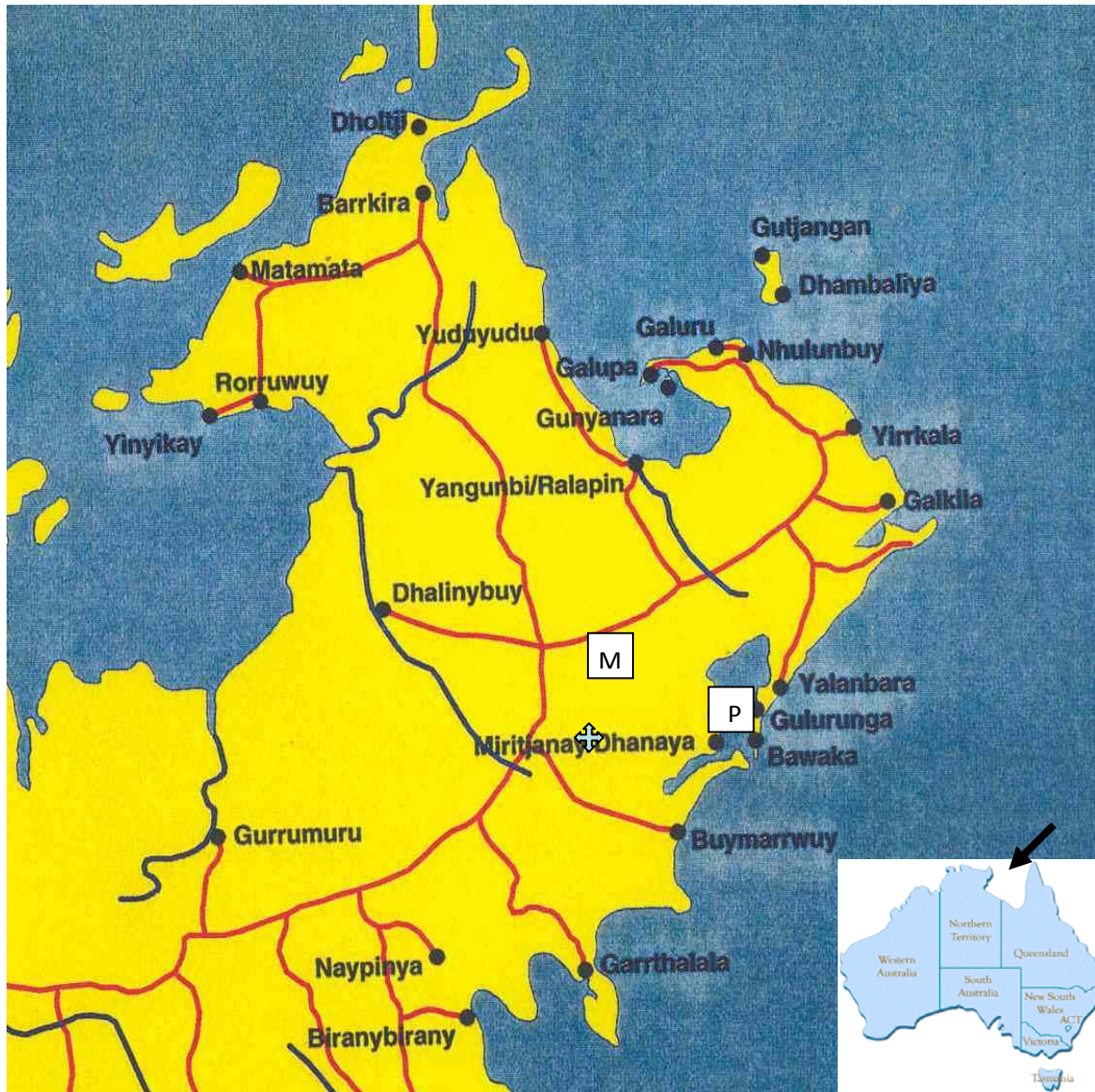
Despite widespread support for Australian governments to reduce the inequality between Indigenous and non Indigenous Australians limited progress is often recorded. For instance, some evidence (Altman, Biddle and Hunter, 2005; 2008) has been presented to show improvement across some socio economic indicators, but other concerns have been raised about monitoring techniques (Pholi, Black and Richards, 2009) or how 'closing the gap' is affected by variations in social and economic conditions (Hunter, 2009a). There are also structural impediments (e.g., layers of bureaucracy) that appear to have strangled the strategic Indigenous Housing and Infrastructure Programme that was an initiative from the 2007 Intervention (Maddison, 2008). An ambitious \$A 672 million project, that was to address chronic housing problems of Indigenous people in remote communities of the NT became an embarrassment to the current Australian government (Mercer, 2009) as while 10 to 20 percent of the funds had been consumed in administrative arrangements a minimal amount of the house construction programme was completed by the close of 2009 (Toohey, 2009). Understandably, this presents an opportunity for Yolngu people to undertake entrepreneurial engagement in housing construction and reduce their dependency on government welfare.

Creating the entrepreneurial business of housing construction, by the Gumatj people, who are one of the prominent 13 Yolngu clans in East Arnhem Land, is embedded in existing social structures and cultural connections with the country. The process of forming a business group within the arrangement of the clans aligns nicely with the concept of community based enterprise as defined by Peredo and Chrisman (2006: 309) as "... a new enterprise embedded in existing social structures.". And while the immediate goal of the business is to pursue economic benefits and regular skilled employment for the participants there is also opportunity to yield substantial advantages to others (both within the clan and the wider community) who may live in the constructed dwelling. However, an overt focus on economic features to the detriment of "socio cultural and environmental issues" (Whitford and Ruhanen, 2010: 491) may account for the failure of many Indigenous entrepreneurial ventures (Peredo and McLean,

2010). An important feature of the Yolngu entrepreneurial business venture is an opportunity for the Indigenous people to work on their ancestral lands, with which the clan has maintained strong and religious connections (Altman, 2003; Yunupingu, 2009) for over 55,000 years. Harvesting the timber for the housing construction is done by the Yolngu, not by employing modern 'efficient' clear felling methods, but by the selective removal of mature trees and allowing adjacent trees to mature. The reoccupation of their land and undertaking the entrepreneurial activity within the savannah forest employs a core business strategy of integrating conservation development and ecological sustainability.

It is widely recognised that certain concepts are linked with business success. Some of these concepts, such as the management of people, access to funding, linkages with industry, appropriate production processes as well as effective systems for sales and marketing might be conveniently grouped into a construct of business acumen. A lack of acumen, creativity, vision and innovation has often been associated with the failure of Australian small business and particularly Indigenous endeavours (Ivory, 1999; *Submission*, 2001; Flamsteed and Golding, 2005; Foley, 2006a). To optimise a successful outcome for the Indigenous business endeavour of housing construction the Gumatj Corporation adopted a strategy that accommodated a diverse set of macro environmental conditions, social arrangements and cultural values that are vital for fostering entrepreneurial activity (Tsang, 1996; Rahman, 1999; Morris, 2000). For instance, industry links were made with Forestry Tasmania to provide training and instruction in the timber production processes, the Architectural School of the University of Tasmania provided construction drawings and milled timber lists initially for the bunk house (and subsequently for a four bedroom home), political support was sought from the three levels of government (Federal, State, Local) to ensure provision of field service and a reduction in bureaucratic procedures, and Fairbrother Builders as specialists in building and construction supervised the building of the bunk house, while the Gumatj Corporation provided most of the funding from mining royalties. There were some subsidies from the Commonwealth government's Jobnet work programme. Furthermore, the land on which the venture was undertaken was owned by the Gumatj clan.

A latent dimension of the entrepreneurial enterprises is contemporary Yolngu hold a business legacy from their traditional society. There is historical evidence the Dutch explorer Jan Van Carstens, explored the shoreline of East Arnhem Land in 1623, to be followed by a notable Australian seafarer Abel Tasman in 1644, and later in 1803 the British explorer Mathew Flinders engaged with the Indigenous people of Arnhem Land. Business activity was heightened in the 17th century when the Macassarese, from Malaysia, Indonesia, and Sulawesi (Celebes) traded with the local Yolngu clans (Worsely, 1955; Rose, 1987; Trudgen, 2000), in addition to regional trade between the clans (Berndt and Berndt, 1999). Clearly, the Yolngu employed business concepts long before the management/business texts were written, and international trade only ceased in 1907 by direction of Australian governments (Ivory, 1999; Anderson, 2007). Nearly a century later particular arrangements of entrepreneurial activity have emerged, predictably as forecasted by Dana (1995), who contended Indigenous communities respond quite differently to traditional entrepreneurial frameworks when an opportunity is presented. The business enterprise being undertaken by the Yolngu is in a remote region of Australia, and geographical points of interest, that will be nominated in the paper, are shown on the map, that is presented as Figure 1.




Note: Locations  = Garrathiya, P = Port Bradshaw, and M = Milling site.

FIG.1: REGION OF THE CASE STUDY AND PLACES OF INTEREST

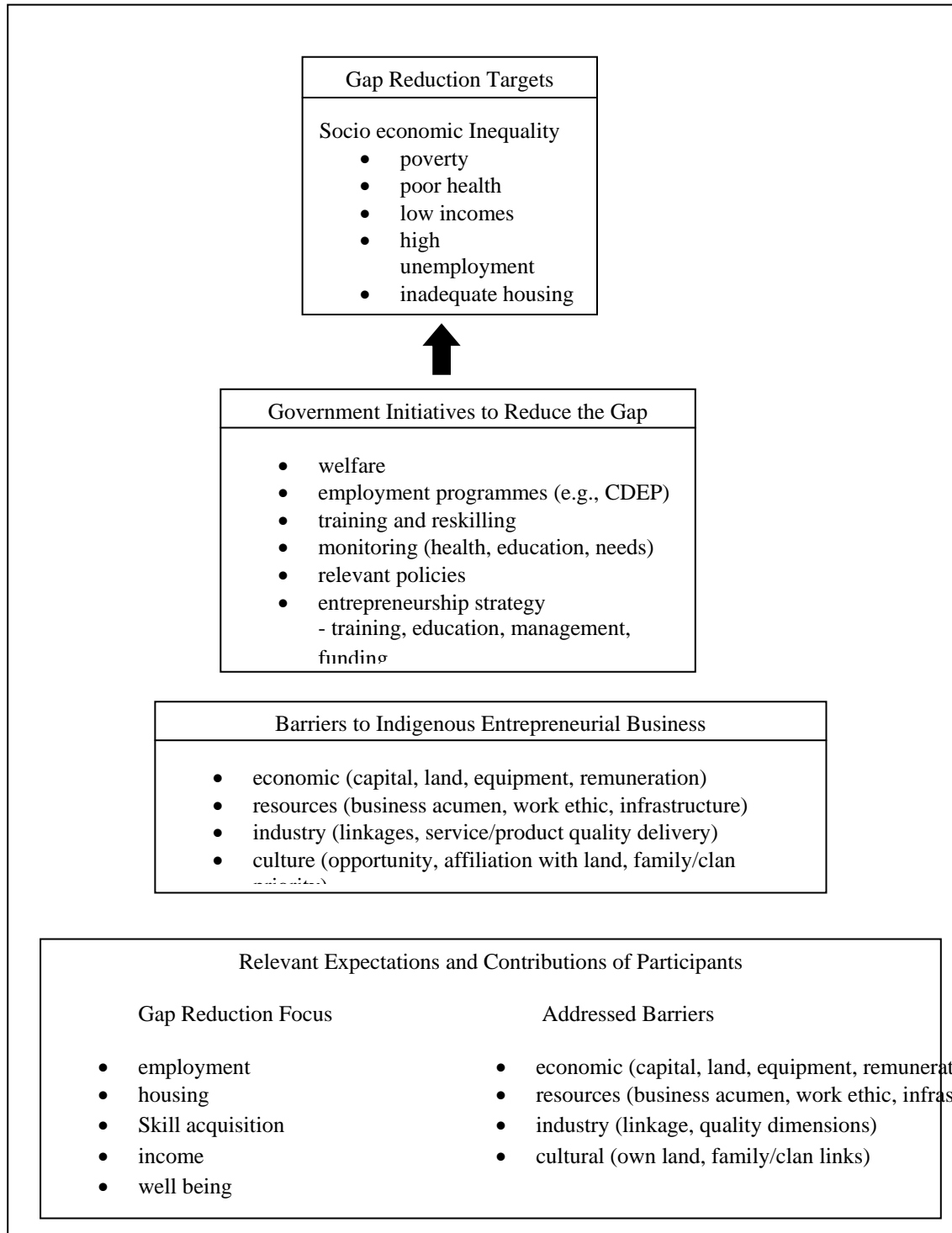
### Australian Indigenous entrepreneurial barriers

Indigenous entrepreneurship operates in a setting of three contextual sectors. A primary contextual sector is the notion of closing the gap in socio economic disadvantage of Indigenous Australians (Altman, 2009; Pholi et al.,

2009). In this sector is contained the persistent manifestations in Indigenous communities (Gray and Hunter, 2002; Altman et al., 2005) of lower incomes, higher unemployment rates, extreme poverty, poor health quality, inadequate housing, relatively low levels of formal education and high incarceration rates, which are states the Australian government is committed to improve (Hunter, 2009a). The second sector represents the initiatives that demonstrate the Australian government's commitment to close the gap in Indigenous disadvantage in the broad fields of health (e.g., child mortality, life expectancy), education, and employment. The government agenda to address the inequalities between Indigenous and non Indigenous Australians, which is contained within policy formulation, performance monitoring and reporting (*Indigenous Education*, 2007; Pholi et al., 2009), can be articulated as welfare, employment and training programmes incorporating entrepreneurial support as well as indicators to assess the effects of these interventions. A third important sector is the barriers that are encountered by programmes that are installed to reduce the socio economic inequality experienced by Indigenous citizens. These barriers have been regularly specified in the literature (*Submission*, 2001; *Cape York*, 2005; *Open for Business*, 2008).

Commitment by the Australian Federal Government to encouraging Indigenous entrepreneurship is driven by a belief financial independence will provide relief from a number of endemic disadvantages. This notion has recently attracted a flood of discourse about 'closing the gap' in socio economic disadvantage between Indigenous and non Indigenous Australians, and the material embraces a wide range of issues. For instance, higher rates of poverty (Altman, 2000, Hunter, 2009b), poorer health (McDonald et al., 2008; Pholi et al., 2009), inequality in income and employment (Hunter and Taylor, 2001, Hunter, 2009a), fewer job opportunities (*Cape York*, 2005; Cutcliffe, 2006), inadequate housing and infrastructure (Tripcony, 2000; Altman and Jordan, 2009; Toohey, 2009), and inequality in education and training (Hughes, 2009; Wallace et al., 2009) are listed in the top rectangle of Figure 2. These dimensions, which reveal the inequality between Indigenous and non Indigenous Australians, provide what Peredo and colleagues (2004) contend are the initiators or motivators for Indigenous people to improve themselves beyond economic circumstances and align with "... the larger agenda of rebuilding their communities and nations and reasserting their control over their traditional territories." (pp.5). A pragmatic assumption of the Australian government is the differences in these indicators, between Indigenous and non Indigenous society are likely to be reduced by a variety of policies that can generate employment opportunities. The major streams of this notion are shown in the second from top rectangle of Figure 2. The focus of this paper is on the entrepreneurship strategy.

FIG. 2: A FRAMEWORK FOR THE GAP REDUCTION WITH AN INDIGENOUS HOUSING CONSTRUCTION BUSINESS VENTURE



Despite a range of initiatives to stimulate Australian Indigenous owned and operated businesses few are successful. Indeed, Buultjens and colleagues (2010) state Indigenous tourism, the most prevalent of all Australian Aboriginal small businesses, is "... extremely fragile and tenuous." (pp. 598), with the majority not surviving for five years. Delineation for their likely failure is provided by Russell-Mundine (2007) who tabulated the four dominant barriers; 1) economic (capital, land), 2) resources (business acumen, work motivation), 3) industry (industry requirements versus delivery capacity), and 4) cultural values. Identification of these obstacles to successful entrepreneurship, sharpened by evidence of Australian Indigenous chronic poverty as well as knowledge these people are often deprived from improving their lifestyles, relevant policies and programmes have been installed by Australian governments to encourage and support Aboriginal entrepreneurship. Currently, the Australian government provides resources in terms of training, industry assistance and access to finance under conditions of stringent commercial eligibility (Foley, 2006b; *Australian Government*, 2007) to Indigenous communities, and especially those in remote areas. But many of the people lack personal and contextual attributes, that are vital for governance and compliance with regulatory requirements (Foley, 2003; 2006b; Furneaux and Brown, 2007; Buultjens et al., 2010). A summary of the inhibitors are presented in the third rectangle of Figure 2.

In the fourth (bottom) rectangle of Figure 2 is outlined the entrepreneurial strategy for balancing Indigenous expectations of gap reduction and overcoming the barriers in their Indigenous setting. In the left hand side of the rectangle is captured the gap reduction targets that were the focus when the Gumatj Indigenous people undertook modern dwelling construction systems in their natural homelands. The right hand side of the rectangle shows the barriers they were able to overcome. Some barriers were reduced through political connections and industry affiliations through the leadership given by the clan leader Galarrwuy Yunupingu. Other barriers were sidestepped by importing external resources that provided specific expertise for the duration of the project. Some barriers, such as capital (financial and social) were provided by the Gumatj Corporation, and clan members, or natural resources (land, timber) were available, and more specific details follow.

## **Methodology**

### **Site**

The construction site of the five room bunkhouse is at the Garrathiya cattle station. This location is just over 100 km by road south, south west of Nhulunbuy, and 20 km west of Port Bradshaw. The harvesting of the timber for the construction of the bunk house was undertaken in the savannah forest some 10 km north of Garrathiya. However, access between the two destinations was by the unsealed East Arnhem Road and a bush track (and across creek beds) for a distance of some 20km.

### **Participants**

There were four key groups of participants. Forestry Tasmania provided on site personnel who gave instruction, training and supervision how to operate the Lucas mills, and how to size and grade the sawn timber. The second key group was the School of Architecture, of the University of Tasmania, that designed and prepared the construction plans as well as the quantity list of timber sizes for the bunk house. Subsequently, the School of Architecture has completed a set of plans for the construction of a timber four bedroom house. The third group was Fairbrother Builders, a Tasmanian firm that specialises in building and construction. Fairbrother Builders supervised the construction of the bunk house and provided training and guidance for the 18 Gumatj workers at the project site. The fourth set of participants was the Gumatj people. There was one group of 10 Yolngu people who selected and felled the trees and milled the logs for timber that was used in the construction of the bunk house. There was a second group of 18 Yolngu people who intermittently worked at Garrathiya constructing the bunk house.

### **Apparatus**

The milling of the timber was undertaken by a team of 10 Yolngu people. One group of four members felled the trees (two are certified timber fellers), dragged the 13 metre logs by end loader to a docking station where



the ends were trimmed square and the log was cut into two logs each one of 6.1 metres length. These logs were then transported by the front bucket by the end loader to one of two Lucas mills. Each Lucas mill is operated with a team of three Yolngu people. These people debark the log, fasten the log to the bed of the Lucas mill with wooden wedges and then mill the log to the required size (e.g., 150mm× 75mm, 75mm× 25mm). The sawn timber is stacked for drying and the stacks are bound with steel strap for transporting to the construction site.

A Lucas mill has a number of favourable features. The mill is manufactured in Australia for a price of about \$19,000, so it is readily available for a reasonable price. A second feature is a Lucas mill can be dismantled in about 20 minutes, transported on a motor truck to a new location where it can be reassembled in about 30 minutes. Another aspect is a Lucas mill can saw logs up to 6.1 metres in length, and mills can be coupled in line to cut longer length logs. The relative ease of adjusting the circular saw blade horizontally and vertically is a fourth desirable feature. Rotating the blade is undertaken with a small joy stick and the depth or width of the saw cuts is done by the team members adjusting moveable parts.

Sawing the log requires the operator to walk the length of the log pushing a horizontal bar. On this bar is the motor and the saw blade assembly. The horizontal bar has wheels at the ends, and these wheels are guided to run on beams that run the length of the Lucas mill. Figure 3 shows these components as an operator mills a log. After the log is debarked it is fastened to the bed of the Lucas mill with timber wedges. The operator makes horizontal or vertical cuts by setting the blade and walking the length of the Lucas mill pushing the horizontal bar. When the scantling (scrap) or timber planks are cut the two assistants remove the sawn material.

FIG. 3: OPERATING A LUCAS MILL IN THE SAVANNAH FOREST OF EAST ARNHEM LAND



The timber being milled is *Encalyptus Tetradonta*. This timber, which comprises most of the savannah forest of East Arnhem Land, has the tradename of NT stringy bark. The timber is relatively dense at 1.4 tonnes per cubic metre when 'green'. When cut the timber is a deep red chocolate brown, similar to the heart wood of Western Australian jarrah, and dries to a deep brown colour. Mature trees grow to about 0.3 metre diameter at the bowl, the distance to the first branch is about 15 metres, and as the trunk only tapers slightly the sawn timber is knot free and there is little wastage.

## Results

The five room bunk house (with verandahs) at Garrathiya (translated as the land of the cycads, which abound in the area) was constructed in two and one half months. On the morning of the 25th May the first footing was set, and the building was officially unveiled on the 7th August 2009, to an audience of a variety of stakeholders. In addition to Federal and local members of government, with representatives of their Departments (e.g., Families and Housing Community Services and Indigenous Affairs, Department of Employment Education and Workplace Relations), there were columnists of the National and State media, the business partners, and a number of invited guests, which included the Gumatj representatives and employees who harvested the timber and built the carbon neutral timber dwelling of 20 tonnes. Both authors were present on the first day and at the official opening, while the second author visited the building site a number of times during the construction period. Figure 4 shows the building on the opening day.

FIG. 4: THE BUNK HOUSE AT GARRATHIYA



Additionally to the bunk house the Yolngu employees at Garrathiya earlier completed a six room dormitory, the associated kitchen, and the ablution block. These three units, which are connected by concrete pathways, and are about 200 metres from the bunk house, were commenced in early 2009. These separate sets of structures were undertaken with an arrangement with the Jack Thompson Foundation. The buildings are of a timber internal structure clad with colour bond, and have a capacity for 12 residents. This accommodation will attain greater significance when the Garrathiya cattle station, which has Braham cattle, begins production of cryovaced beef products for the nearby outstations.

The bunk house was constructed for a modest cost of less than \$ 200,000 despite the immaculate presentation of an extremely high quality residence. Site construction of contemporary accommodation or houses in the East Arnhem Land region is normally undertaken by non Indigenous non local companies. Often the framework, including the roof structure, is galvanised steel members and the cladding is various types of factory sheeting. Hence, as almost all of the resources are non local the construction cost of a four bedroom house is of the order of \$800,000. The Yolngu employees who constructed the bunk house (and completed the dormitory complex) are preparing to commence the construction of two four bedroom houses at Dhanaya, which is in close proximity to Port Bradshaw. These two houses are programmed to be completed by mid 2010, each for a price of \$325,000. It is then intended to move the building team to the outskirts of Nhulunbuy and construct four more of these types of houses on Yolngu land at Gunyangara (Ski Beach).

In addition to the building construction less tangible achievements have emerged. One of the construction workers (Russell), who left his truck driver position on a Community Development Employment Projects to work at Garrathiya, said when interviewed "I feel very happy and proud to be building in our country." While Samuel made some toys for his children from 'off cuts' of the building materials. Moreover, the Gumatj Corporation has a contract for milling mature trees on the next Rio Tinto Alcan mining tenement of over 800 hectares, which is a substantially novel approach as previously the forest was bulldozed into windrows and burned. And the attaining of on the job skills and knowledge in sustainable harvesting, milling and building construction is expected to realise further business opportunities. Finally, potential exists for entrepreneurial ventures in the collection and sale of seeds and bark for painting, the sale of sawn timber to the Nhulunbuy and adjacent communities, processing of timber for veneers and furniture as well as carbon credits.

## **Discussion**

The evidence of this case study reveals the involved Aboriginal people pragmatically embraced entrepreneurship. Their motivation to engage in a business venture was driven more by the need to provide better accommodation rather than an emphasis on formulating a project strategy aligned with business models or commercial undertakings as identified in the relevant literature. At the core of the venture was a goal to build quality accommodation for five clan members who worked at the Garrathiya cattle station. These Yolngu people had been living in 30 year old sea containers, which would have been unbearably hot in the summer 40°C temperatures. From interviews with the timber millers and those Yolngu who constructed the bunk house it became evident they sat easily with the separation of commercial objectives and cultural features. The employees perceived their community position as the workers and willingly abdicated commercial challenges to the clan leader. At the periphery of the core aim of the project was the attainment of economic rewards, an opportunity to work on their own ancestral lands with their clan members, the circumstance of being able to readily go hunting or fishing, the chance to gain valuable job skills as well as being able to enjoy a variety of cultural specific benefits. Seldom are these prevailing features the foundation of non Indigenous business ventures that have become dominated by modernisation theory as outlined by Peredo and colleagues (2004). For example, rather than a monetary bonus at the completion of the building of the bunk house all members went hunting and fishing for two weeks before commencing the two house construction project. Collectively, these generalisations may provide a better understanding of the motivations and the salient strategies

for Indigenous entrepreneurship. This knowledge extends the boundaries of the paradigm of *perceptions of risk* being a driver of entrepreneurship as promoted by Dana (2007).

It should not be construed that the Yolngu people do not entertain planning. On the official opening day of the bunk house discussions with some of the members revealed they had identified a vital key component of the construction business. The proposal to build two houses at Dhanaya, and a further four at Gunyangara was dependent on a supply of milled timber, but there were only two certified timber fellers and one qualified end loader operator. And there was also the contract with Rio Tinto Alcan to remove marketable logs from the 800 hectares mining tenement during the next two years. While engaging an endloader operator from within the community was not seen as a major problem finding other clan members who would be prepared to undertake a technical training course to become responsible certified timber fellers was a more difficult undertaking. There was consensus this was to be resolved by the clan leader. Clearly, there was partitioning of levels of formality. Observing the timber milling and working on the bunk house construction showed the Yolngu people operated in an informal climate. Once the task was understood supervision was distant, and despite a total of 18 Yolngu members being identified as the bunk house construction cadre seldom was more than nine on site. Yet the bunk house was completed in the planned time, which is an expression of formality. And there were other formal dimensions of the project, that were performed by the clan leader Galarrwuy Yunupingu (as a former Australian of the year [1978], and was Chairman of the powerful Northern Land Council for two decades), who had political connections, access to resources and was the pivotal leader – manager of the community. McAdam et al. (2008) distinctly identified the role of leadership is vital for the introduction of new products.

Endeavours by Australian governments to improve Aboriginal housing have been elusive. Some of the numerous reasons for the prolonged failure to provide suitable living conditions of Aboriginals have been presented as inadequate maintenance, intergenerational living and overcrowding, low levels of tenant upkeeping responsibility, a lack of property rights, low socio economic power, a reliance on welfare and an awareness how to gain support from political and Church groups (Tripcony, 2000). Frustration with the inability of the Australian Federal government and the NT administration to deliver suitable Aboriginal housing the Yolngu clan leaders have established a *Dilak* that would operate as a ‘Yolngu Parliament’ for direct dialogue with the governments to close the gap in Aboriginal disadvantage, and in particular housing (Robinson, 2009; Rothwell, 2009). Potentially, the Gumatj Corporation could construct houses for their clan in the Nhulunbuy region at a considerably lower cost than external contractors, with the added advantages of local meaningful job creation, and a likelihood these dwellings will be more responsibly administered by the tenants and the Gumatj Corporation. Furthermore, this entrepreneurial model may be adopted for similar or other projects. For instance, the Rirritjingu clan has ambitions to provide better housing at Wallaby Beach (where some of the original mining houses of 1972 are now occupied by Yolngu people), and dwellings at the now pristine Galura (East Woody Beach), through their Bunuwal Industrial Corporation, that is now headquartered at Yirkala. Although these endeavours may only resolve the chronic housing problem and some of the social inequalities of the Aboriginal people of East Arnhem Land other Indigenous people in remote areas may become encouraged to walk the path of self determination in their acclaimed style of entrepreneurship.

## **Conclusion**

The business venture model employed by the Gumatj Corporation in the remote region of East Arnhem Land is a novel and promising framework for Australian Indigenous entrepreneurship. A partnership of important stakeholders had prioritised redressing of a chronic community housing situation in contrast to economic development paradigms that have key elements of monetary income and economic growth. But how the supporting partners will be rewarded in the future is yet to be disclosed, as the Gumatj Corporation is resource rich and other capitalistic arrangements may evolve. An additional line of enquiry of tenant commitment to reducing degradation of dwellings provided by government programmes, and reluctance to maintain presentable home sites attracts attention by the frequent reporting of squalid conditions of Aboriginal housing in remote areas of Australia. Such investigation may disclose why government provided housing is perceived as an instrument of assimilation to wean Indigenous people from

cultural values, and the accumulated debris is not of their making, but *white man's rubbish*. Insights into this rationale may arise when Indigenous people build houses with materials from their traditional homelands for tenants of Aboriginal people. Although the findings of research might contribute to less criticism of Australian Aboriginal housing the evidence may lead to a better understanding of the relativity of transactional opportunity and cultural priorities within the framework of Indigenous entrepreneurial enterprise, which is recognised as the foundation for socio economic development of remote regions of the nation.

A salient observation was the Gumatj Corporation employed an entrepreneurial organisational arrangement governed by community based ideals. Reducing the chronic dwelling disadvantage of the local Indigenous was approached by preserving the secondary economic conditions within a framework for the more important cultural and environmental values. The normative literature advanced in leading Western business schools suggests small businesses are informal, have few rules and regulations, with ad hoc budgeting systems and small cadres of clerical support. Furthermore, these entities often evolve into larger organisations by transforming sequentially through relatively predictable development stages (e.g., pre bureaucratic, midlife to maturity). These periods of change involve variations in organisational rules and activities. Few of these characteristics were observable in the Gumatj dwelling construction programme. Instead, the Gumatj leader reconstituted the fabric of the clan workforce into three satellite entities with external supervisors who were responsible for 1) preparing the dwelling plans and inventory lists, 2) supervising of the dwelling construction team, and 3) training and supervision of the timber milling group. When the tasks were completed the external supervisors were shed and the Yolngu workers returned to the main labour pool, later to be assigned to small group projects (e.g., fencing construction, furniture making). The inaugural entrepreneurial business entity was not required to transform to a more complex organisation with features of written rules, manuals and procedures and job descriptions, an unsuitable framework for the oral culture of Yolngu society where few people have the necessary English reading competencies. Also, the simple structure enabled the maintenance of the dominant familial priority which endorses decision making authority to remain with the clan leader. While further research is warranted the evidence of this case study demonstrates the prevailing Western business/management assumptions may not capture how Australian Indigenous entrepreneurial venturing develops.

The results of this study reveal the importance of competencies to overcome market entry barriers for SMEs. A prominent aspect is the Gumatj SME as a social hybrid commercial venture was pursuing critical community benefits. Thus, the focus was in contrast to the traditional SME, which typically operates in a competitive market place when endeavouring to facilitate economic development activities. The extant literature advances a perspective, that competitive markets normally impose sanctions on entrepreneurship and SMEs and obtaining profits, reducing unemployment while increasing dynamics in the economy are the only relevant issues. But these factors were not the fundamental goals of the Gumatj SME, but rather social entrepreneurial purpose. Specifically, the key objectives were to reduce a substantive social problem that was not being satisfactorily resolved by government and public resources, and achievements were not for the personal economic benefit of the employees. Yet with these goals the Gumatj SME overcome entry barriers with leadership, familialism, and social capital. Although these mechanisms might be associated with structural characteristics of resource allocation, technological usage, and market advantage; or strategic dimensions of exploiting internal strengths, responding to environmental opportunity, and developing a sustainable competitive advantage they were evolutionary. The dominant social community enterprise, without conscious design employed mechanisms for market entry serendipitously overcame market barriers that have been identified as structural and strategic typologies.

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