



# DEAL ECONOMIC DEVELOPMENT FUND

OVERVIEW  
& GUIDELINES

EDITION 3 | JUNE 2018



DEVELOPING  
EAST ARNHEM



## Principles and Goals of the Fund

Developing East Arnhem Limited (DEAL) supports a diversified, open and vibrant local economy through the East Arnhem Economic Development Fund (EDF). The EDF is directed to initiatives that align with a focus on delivering diverse, sustainable economic development to benefit the region and its people.

The EDF's goal is to stimulate sustainable local economic activity to create jobs in the region. DEAL In the short-term, projects will measurably contribute to economic diversification. Projects should demonstrate a longer-term capacity to significantly contribute to economic sustainability, including Yolŋu economic participation and advancement.

The EDF supports long term economic growth by contributing to economic initiatives that either generate new jobs, contribute to new investments in the economy or significantly contribute to building business capability, productivity and growth in the East Arnhem Region.

There will be an emphasis on applications that:

- Encourage partnerships and collaboration
- Foster independent economic empowerment
- Demonstrate strong and transparent governance procedures

The Fund has been established to provide an advantage to the region when competing for new jobs, investments and industries.

### Structure of the Fund

The Fund provides cash grants based on two tiers:

- Grants up to \$50,000
- Grants over \$50,000

### Amounts available

A total of up to \$1,000,000 will be made available in each Financial Year as cash funding for the EDF. Where possible Grant funds should be claimed as payments in the year of granting.

### Other sources of Funding

Applicants are required to discuss their proposal with DEAL staff prior to applying. DEAL staff will discuss the proposals with applicants early to determine if there are government or other funding programs which might be more appropriate for the proposal. Examples of other funding programs include the Aboriginals Benefit Account, Australian Government Indigenous Advancement Strategy or Stronger Regions Fund, Regional Development Australia programs, Northern Territory Government Indigenous Business Development program, NT Government Department of Business programs, and the Regional Economic Development Fund.

Successful applicants may be asked to participate in media releases, case studies and other marketing initiatives of initiatives of DEAL.

Funding is competitive and not guaranteed simply by applying. There is no appeal process however, applicants may wish to revise and resubmit their application.

A timely review of applications will occur in alignment with DEAL guidelines and procedures.

Funding will be provided through a contract stipulating project milestones that must be achieved. Failure to meet milestones may, at the discretion of DEAL, trigger obligations to repay any funding provided.

## How does the Fund work?

The EDF provides a grant of funds to business owners who can demonstrate their proposal will create economic benefits in the East Arnhem Region. Through the EDF DEAL will pay up to 50% of the project cost for a new opportunity. Payments are made after the completion of milestones and the presentation of an invoice to DEAL.

The funding itself is classified as "Income" by the Income Tax Assessment Act 1936 (Cth). Applicants therefore need to be sure that they can meet any taxation payments created by the acceptance of grant funds.

DEAL may talk to businesses in the same industry regarding their individual developments. Each business's information is treated confidentially.



## Steps to Apply:

The process for applications is this:

1. Contact DEAL (**online** or on (08) 8987 0558) to set up a meeting time.
2. Tell DEAL about your idea at a meeting
  - a. At this meeting we want to hear about your proposal and will ask you questions including:
    - i. What's the new business or the expansion to your business look like?
    - ii. Have you run a business before?
    - iii. What skills do you have that will help you run a business?
    - iv. Are you getting money from any other people/ organisations? Think about any loans, grants or other money you've received.
    - v. Do you have customers ready?
3. Submit formal paperwork (**Under \$50K Form, Over \$50K Form**), Simple Cashflow Statement and Business or Project Plan
4. DEAL evaluates your application. We may ask you for more information during this stage.
5. Application Submitted to the DEAL Board for decision.
6. Applicant advised of the outcome.

If you're successful, then we'll start talking about a contract to formalise the arrangement.

## Who may apply?

We're looking for projects that create sustainable investment and jobs in the East Arnhem region.

To apply you need to be able to demonstrate that you:

- Are an East Arnhem based company, business or not for profit organisation;
- Have a business proposal that will create economic benefits for the East Arnhem region; and
- Are unable to undertake the project without DEAL funding assistance.

This could be demonstrated by:

- Bringing new employees into the region
- Establishing a new business
- Expanding a business
- Conducting training to help your employees learn a new skill
- Leasing or purchasing new equipment, machinery or premises

The important thing is that it creates jobs or increases revenue in the East Arnhem Region.

An application doesn't guarantee success. The EDF has a limited amount of funds available and the process is competitive. This means that applications need to be well thought out to be successful.





## How does it work in practice?

### Privacy

When making an application, you will be giving DEAL private information. This information is protected and handled as set out in our Privacy Policy which is available online (link) or in hard copy.

### What do I need to have before applying?

- An Australian Business Number
- A separate bank account for your business
- A Cashflow Statement
  - This is a document setting out when you will get money and when you will pay money to people. If you don't have one, we can direct you to somebody who can help you with this.
- A business plan or project plan
  - This is a document that sets out how you will do things. Your business plan will detail how you will run your business like:
    - Who you will sell things to
    - How do you expect your business to grow?
    - Experience that you have that will help your business to succeed.
  - The project plan will say how you expect to complete this project or start your business.
- Details about the amount of money things will cost and what you are asking DEAL for.

### How are Funding Recipients Selected?

Applications will be evaluated the below selection criteria, including the:

- Number and type of new jobs created in the regional economy
- Amount of capital investment the project generates in the region
- Contribution the project makes to creating a sustainable regional centre and economy, including benefits to existing businesses in the region
- Ability to access new markets
- Potential to generate new and relevant economic activity, or act as a catalyst for additional investment by diversifying the economy and improving institutional capacity
- Advancement of local indigenous economic development
- Underlying economic viability of the applicant and the project
- Applicant's commitment to sound governance and transparency
- Timing of the benefits to the regional economy (i.e. jobs created, productivity gains, outputs and investment)

Preference will be given to projects that have allocated existing equity and/or sourced funding from other areas as well as to projects that can demonstrate the advancement of Indigenous business in the region.

Funding is not guaranteed, and every application is evaluated on its individual merits against the selection criteria.

### When does DEAL pay money to the successful applicants?

DEAL pays out funds after invoices are presented and the work has been done or is underway.

## What does a good application look like?

Good applications have all the sections filled in. DEAL can work with you to assist you with your application. If you'd prefer to fill it out by yourself, the following information. Let's look at each section of the form to ensure you know what information you need.

### Statutory Declaration

The Statutory Declaration must be filled in and signed. By doing that you are saying that all the information that you are providing within the Application is true and correct to the best of your knowledge. It is an offence to make a misleading claim on a statutory declaration with penalties for doing



### Funding Details

This is where we find out how much money you are asking DEAL for and check that it is less than 50% of the entire project cost. Also, you need to tell us what you will be spending the DEAL funds on. For example, if you're looking at building a new community facility, your request may be for the funds to install air-conditioners and solar panels. If you're upgrading your boat to be able to offer different types of charters, you may be asking DEAL to fund the purchase of life-jackets or surveying services. This area builds a story about what part of the project you would like DEAL to contribute to.

In this section we also ask you to identify any other grants you may have received. There are a range of grants available from the Territory and Commonwealth Governments as well as the Nhulunbuy Corporation, Rio Tinto and other sources. We need you to identify any that you have received so that we are aware of any overlap with our members.

### Assistance from and Contact with Other Organisations

There are a range of groups in the East Arnhem region that can assist you with business planning, cash flow analysis, promotion and other business services. This area of the form captures groups that you may be working with to ensure that, if we ask you for further information, we are mindful of timeframes and the availability of assistance.

Alternatively, if you would like assistance with areas, we can direct you to an appropriate point of contact.



### Applicant Details

This is where we collect information about who is applying. The details are important. We need to know that you are a registered business. We may ask you more questions about this when we meet with you or are evaluating the application.

### Project Details

We collect details about what you want to do on the official form. Outside of that we may ask you more questions about the detail of the project. This is to understand the riskiness of what you're doing or provide more context to the Board when they are considering your application. At a minimum we want to know:

- When the project will start
- What steps need to be completed
- What the outcomes of the project will be
- The amount of new jobs and revenue created





## After Approval

Once your application is approved by the Board, DEAL will contact you. The Board usually gives a conditional approval. Conditions require that you have a positive credit check, enable joint marketing with DEAL and that you will contribute at least 50% of the funding.

Approved fund applications are governed by a contract that details specific milestones including timing, the number of jobs created, and the amount of investment made by the applicant.

Successful applicants are required to show proof of milestones achieved. In addition, successful applicants are required to participate in promoting their project and the DEAL EDF. This includes but is not limited to media releases, website stories, inclusion in the DEAL Annual Report and other opportunities as they arise. Successful applicants will also be required to provide a positive quote about the EDF and take part in photography and video shoots as required for promotional and marketing opportunities.

Once the contract is signed by both parties, the Grant is underway.

## Consideration by the Board

Before consideration by the Board DEAL will work with you to create the strongest possible case. This may include talking about extra issues or asking you for extra information about things in a range of areas. These could include:

- Your experience in similar projects
- People you have working on the project with you (sub-contractors and employees)
- Contingency Plans

## Decision of the Board

The Board has the full discretion to approve or reject applications. If they reject your application that doesn't stop you from re-submitting later. The Board may reject a submission but provide a list of questions for you to address before resubmission. Similarly, they may make approvals conditional on a range of items.



## Receiving EDF monies

After completing the work and receiving an invoice from your supplier you may commence claiming Grant amounts from DEAL. The Grant is paid on a reimbursement basis That means you must do something before the funds are released. The payment will likely link to your project milestones and the Schedule to the contract will contain this information. DEAL will regularly contact you to monitor these during the project period to see how you are progressing.

You will need to invoice DEAL for the funds which will then be paid out in accordance with your contract.

## Reporting after the project is complete

Once you've finished your EDF project, DEAL will stay in touch with you for up to 3 years to see whether the planned project outcomes are achieved. This is to ensure that the long-term benefits are realised for the region.

An example application, for less than \$50,000, is on the opposite page.



# Scenario

Tabitha wants to expand her fishing charter business. She is known locally as a great fisher and has lots of spots that she knows has great fish. Tabitha started her business small. She only had a small boat and now she's getting requests from customers to take bigger groups out. Now she can take a maximum of 3 people at a time, but people want her to be able to take groups of 6-10 people. To expand her business, called Tabitha's Trawler Tours, Tabitha needs to spend money. She's going to keep her smaller boat for times when

she has only a couple of people and buy a bigger one to use for the bigger groups or longer charters. Aside from the boat she'll need to buy lots of other things to equip the charter. This includes gaffs, nets, rods, reels, fishing line, lures, sinkers as well as insurance, life jackets and other items. Tabitha is approaching DEAL to help pay for the boat. Her total costs are estimated to be \$100,000. The boat cost is going to be \$60,000 of that. Tabitha is asking DEAL for \$20,000 towards the boat cost.

## Tabitha's Application

### Applicant Details

Your Name	Tabitha Smith
Business or Organisation Name:	Tabitha's Trawler Tours
Postal Address:	PO Box 1234 Nhulunbuy NT 0880
Registered Address:	8 Franklyn Street, Nhulunbuy NT 0880
Telephone:	(08) 8900 0000
Email:	tabithafish@gmail.com
ABN/ACN:	000 111 222 34

### Project Details

What do you want to do?	I want to expand my fishing charter business and use the funding from DEAL to help me buy a bigger boat.
Why do you want to do it?	I currently offer charter tours for a maximum of 4 people. I am getting lots of requests from customers to take out larger groups. I can't take out larger groups now because my boat is too small. I want to buy a larger boat so that I can meet my demand from customers. I have attached some letters from my customers to show their demand for larger tour numbers.

### Project Milestones

Start Date	I will start the project on 15/05/2018
What are the steps you need to take?	<p>step 1 Look for a good boat within my budget</p> <p>step 2 select the best boat</p> <p>step 3 Arrange for the boat to be delivered</p> <p>step 4 Book a survey in for the new boat</p> <p>step 5 Equip the new boat</p> <p>step 6 Have the boat surveyed</p> <p>step 7 Insure the new boat</p> <p>step 8 Employ a new staff member and find a good casual worker</p> <p>step 9 Train my new staff</p> <p>step 10 Do a couple of practice tours to see how I go managing a larger group and how my staff goes.</p> <p>step 11 Fix any problems and do more training if needed.</p> <p>step 12 start offering the larger tours.</p>

**Project Milestones continued**

Finish Date	The project will be finished on 31/08/2018
What will the result be?	At the end of the project I will have a bigger boat and be able to offer tours for up to 10 people at a time. I will have employed one additional full-time staff member and one additional casual staff member.
How much extra revenue will you have?	Based on the interest from my customers, I think I will have an extra 10 tours a month with 10 people on them. This will create extra revenue of \$ 25,000 per month
Will you create any jobs?	I will employ one additional person full time and one person on a casual basis to assist if I have small and large tours booked at the same time.
Are there any other benefits?	I provide lunch and snacks as well as all the tackle on my charters. I will be buying more products from other businesses in the region. I also use local mechanics to service my boats.

**Funding Details**

How much money do you want from DEAL?	\$20,000
What will you spend the DEAL money on?	I will put this money towards the boat purchase and any freight costs of getting it to Nhulunbuy if I buy it outside of the region.
How much will it cost in total?	Expanding my business will cost \$100,000. This includes the boat purchase, surveying, insurance, of that a new boat is expected to cost \$60,000.
Who else is helping you with this project?	I have not received any other grants.

**Other Organisations Involved**

Do you have anyone helping you with this application?	I received assistance from the NT Government to write my business plan. When I started my business, I got some help from Many Rivers. I still have regular meetings with them.
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**Have you been in touch with:**

- ✓ Many Rivers
- ✓ Chamber of Commerce
- ✓ NT Government
- ✓ East Arnhem Land Tourism Association

Other: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



## Who we are

Developing East Arnhem Limited (DEAL) is a not-for-profit development body, established in November 2014 to be the front door for industry and business looking to grow in the East Arnhem region. We facilitate connections between private enterprise, industry, community and government agencies to drive economic diversification and sustainable growth that benefits the East Arnhem regional population.

## What we do

Our vision is to support a self-sustaining, resilient and prosperous East Arnhem Land economy. DEAL works across government and the private sector to deliver this vision by:

- Supporting economic development activity in the region
- Facilitating access to available assets, funding and networks for new and expanded economic activity
- Actively promoting the township and region to prospective investors and residents
- Supporting business and labour market development for the regional Aboriginal population
- Identifying and securing new investment for Nhulunbuy and the wider region

Practically, DEAL can assist with:

- Providing local information for input into business cases or feasibility studies
- Introductions to local industry and regional partners
- Information on business regulations and project approvals relevant to your project
- Facilitating access to infrastructure and housing
- Connections to government grant programs including regional development, Indigenous business development, tourism infrastructure, business growth, and planning
- Site visits for investors or potential customers



## About the East Arnhem Region

East Arnhem is in the north-eastern corner of the Northern Territory and covers about 34,000 square kilometres. The region has an estimated population of 12,000, of whom 10,000 are Yolngu, the traditional owners who have lived in the region for at least 65,000 years. The Yolngu people practice the longest continuous traditional culture in Australia, maintaining strong ties with their land, religion and customs.

Nhulunbuy, 600km east of Darwin, is the region's service hub. Originally established in the 1960s as a mining town to service the local bauxite mine and alumina plant, the township has since expanded into a large regional centre, servicing the wider regional population.

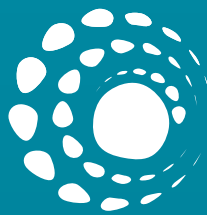
The East Arnhem Land natural environment includes diverse plant and animal species, and spectacular land and seascapes. In addition, the region boasts diverse infrastructure including available housing, world class port facilities and associated infrastructure, a well-equipped regional airport, power assets and a well skilled industrial base within proximity to key Asian markets.

Information about the region is available in the East Arnhem Investment Guide, available at [www.developingeastarnhem.com.au](http://www.developingeastarnhem.com.au)

### Disclaimer

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**Contact Details**

For further information regarding the Developing East Arnhem Limited Economic Development Fund, or to make an appointment for an initial evaluation meeting, please contact:

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