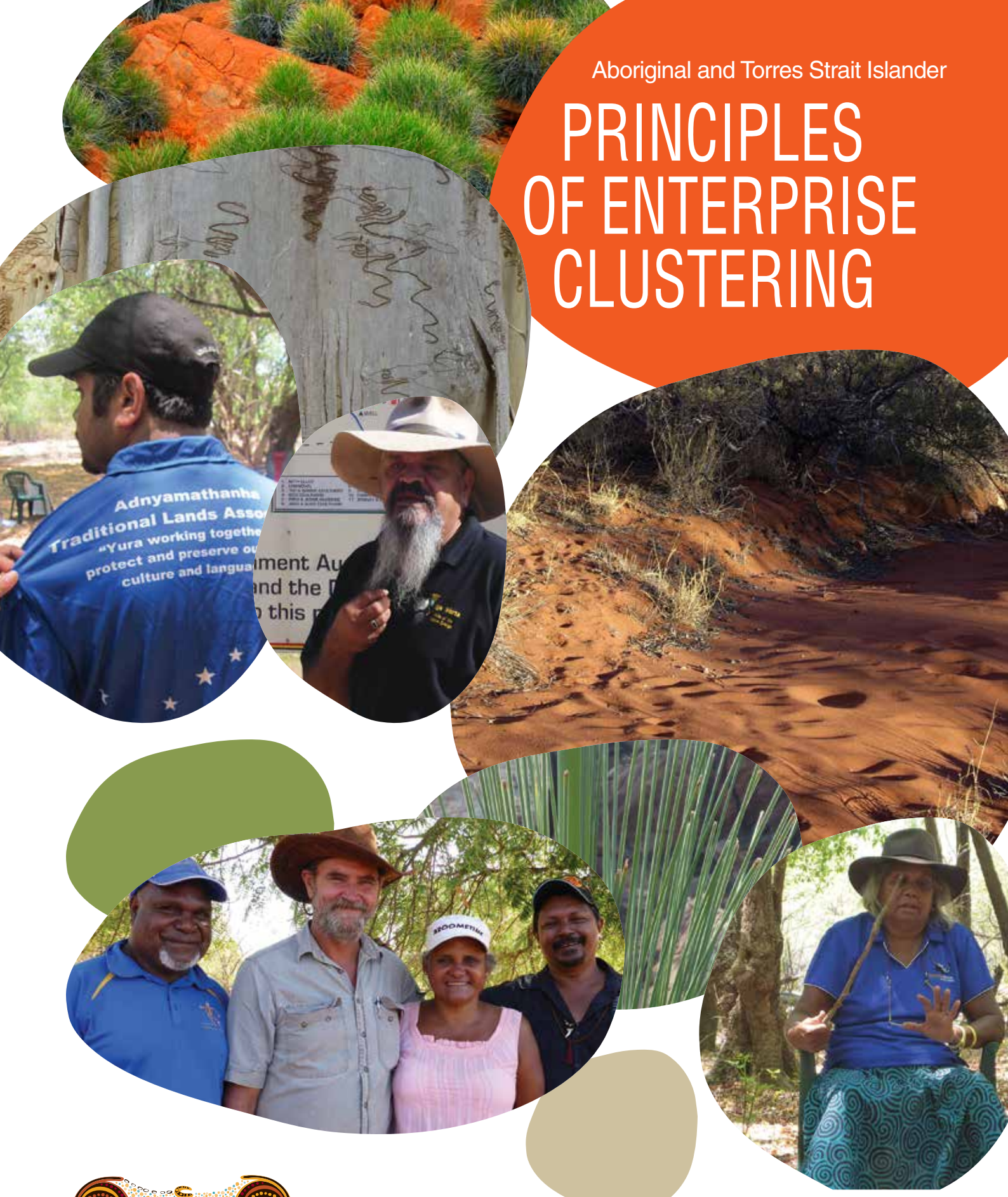
Aboriginal and Torres Strait Islander

PRINCIPLES OF ENTERPRISE CLUSTERING



NINTI ONE CRC REMOTE ECONOMIC PARTICIPATION

SUMMARY BOOKLET

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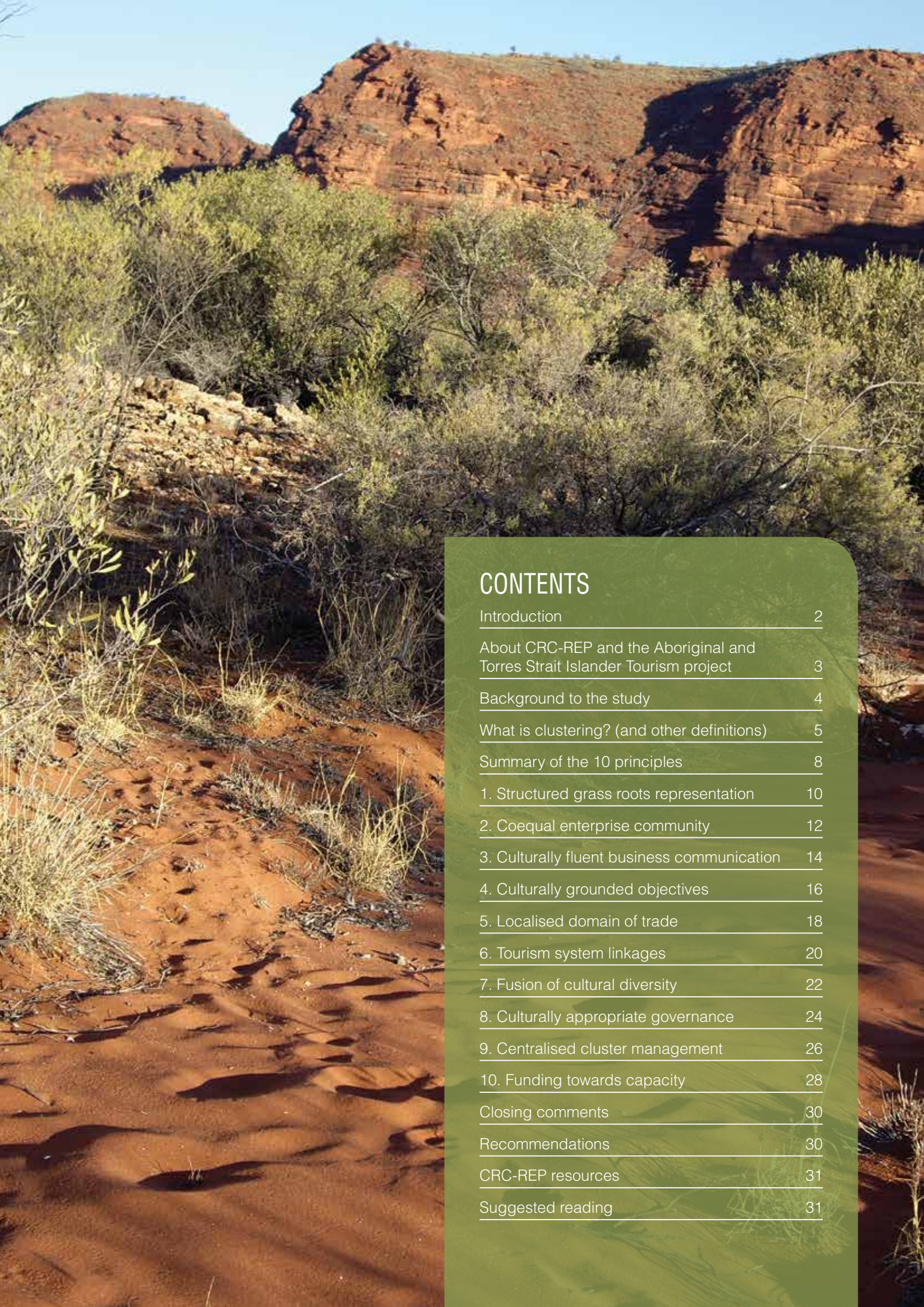
NINTI ONE CRC REMOTE ECONOMIC PARTICIPATION

Australian Government
Department of Industry, Innovation and Science

Business Cooperative Research Centres Programme

Southern Cross University



CONTENTS

Introduction 2

About CRC-REP and the Aboriginal and Torres Strait Islander Tourism project 3

Background to the study 4

What is clustering? (and other definitions) 5

Summary of the 10 principles 8

1. Structured grass roots representation 10

2. Coequal enterprise community 12

3. Culturally fluent business communication 14

4. Culturally grounded objectives 16

5. Localised domain of trade 18

6. Tourism system linkages 20

7. Fusion of cultural diversity 22

8. Culturally appropriate governance 24

9. Centralised cluster management 26

10. Funding towards capacity 28

Closing comments 30

Recommendations 30

CRC-REP resources 31

Suggested reading 31

INTRODUCTION

Aboriginal and Torres Strait Islander people operating tourism enterprises in remote Australia have increasingly recognised the benefits of working with each other and forming enterprise clusters in the bush. Working together enables enterprises to share resources, knowledge, networks and opportunities to create better products and experiences for visitors. To make clustering more of a reality in Aboriginal tourism, there is a need to ensure that business development and maintenance are guided by principles based on culturally appropriate ways. This summary booklet provides an introduction to the Aboriginal and Torres Strait Islander Principles of Enterprise Clustering. The principles were developed based on outcomes from the Aboriginal Tourism Enterprise Clustering Forum held in October 2014 to complement Western knowledge about enterprise clusters and ensure stronger, culturally appropriate enterprise clustering.

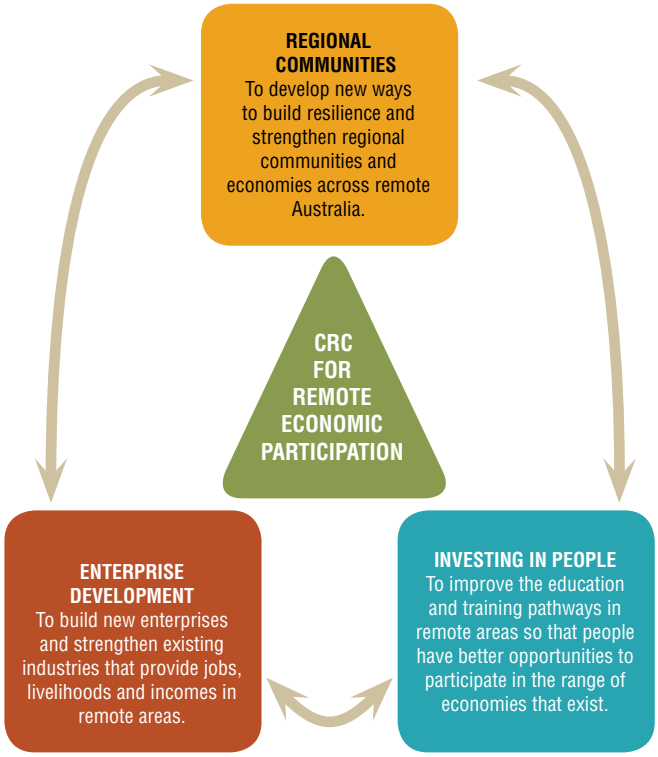
AIMS OF THE COOPERATIVE RESEARCH CENTRE FOR REMOTE ECONOMIC PARTICIPATION (CRC-REP)

The CRC-REP aims to generate a more vibrant Australian remote economy, with greater opportunity for remote Australians, their enterprises and communities to take part. The CRC investigates and provides practical solutions for the complex issues that affect economic participation in Australia's remote regions. CRC-REP contributes by studying and understanding the nature of the 'gap' between Aboriginal people in remote areas and people in the rest of Australia in employment, welfare and ability to participate in the wider national economy. The CRC aspires to:

- develop new ways to build resilience and strengthen regional communities and economies across remote Australia
- build new enterprises and strengthen industries that provide jobs, livelihoods and incomes in remote areas
- improve the education and training pathways in remote areas so that people have better opportunities to participate in the range of economies that exist.

The CRC-REP is managed by Ninti One Ltd and works with Project Partners from across remote Australia. For more information please see ww.crc-rep.com. or www.nintione.com.au.

THE STRUCTURE OF CRC-REP'S RESEARCH



NINTI ONE CRC REMOTE ECONOMIC PARTICIPATION

AIMS OF THE CRC-REP ABORIGINAL AND TORRES STRAIT ISLANDER TOURISM PRODUCT PROJECT

This project is developing a stronger and more resilient remote Aboriginal tourism sector by delivering appropriate outcomes that build the strategic capacity of remote Aboriginal and Torres Strait Islander people involved in tourism.

This project is addressing ways in which Aboriginal and Torres Strait Islander enterprises can adapt to the challenging contexts and restricted tourism market environments of remote Australia. To this end, the project is working closely with remote Aboriginal and Torres Strait Islander people involved in tourism and with other stakeholders.

Consultation with Aboriginal tourism stakeholders raised many issues that we have translated into four key project themes: (1) understanding how remote Aboriginal and Torres Strait Islander tourism enterprises access tourists; (2) generating knowledge that allows operators to learn from each other; (3) formulating new insights into remote tourism systems; and (4) models for new remote Aboriginal tourism enterprises. These themes have been researched through various sub-projects using activities like case studies, action research and surveys. Our research partners are Southern Cross University, University of South Australia, Flinders University and Iga Warta. We also work closely with many small to medium Aboriginal and Torres Strait Islander enterprises and agencies involved in tourism. Research areas include the Kimberley, the Flinders Ranges, Far North Queensland and Central Australia. For more information please visit www.crc-rep.com/research/enterprise-development/aboriginal-and-torres-strait-islander-tourism-product.

BACKGROUND TO THE STUDY

BACKGROUND

Many Aboriginal and Torres Strait Islander small tourism business operators believe that clustering can help them deal with the challenges of distance in remote Australia. When enterprises cluster, the businesses work together as a group. Operators recognise the many benefits of clustering, including the opportunities to combine products and experiences with other tourism enterprises and the representation it can provide to ensure that operators have a stronger voice in the industry.

Being close together is not always important for clustering, which means that in areas like remote Australia there is scope for Aboriginal and Torres Strait Islander tourism enterprises to use clustering as a way to improve business. With distance an ongoing challenge throughout remote Australia, any clustering initiative needs to make sure that adequate foundations are in place to keep things going despite isolation, communication and other challenges.

Western knowledge provides valuable insight into enterprise cluster planning and development, but there is a need for Aboriginal and Torres Strait Islander people to do it their way. Aboriginal and Torres Strait Islander Principles of Enterprise Clustering have been developed through CRC-REP research to complement Western knowledge about enterprise clusters. The principles ensure stronger culturally appropriate enterprise clustering.

CONTEXT

For many Aboriginal and Torres Strait Islander people, a big tourism development hurdle is a lack of business resources that meet their needs. One solution is to create better resources that combine Aboriginal and Torres Strait Islander expertise with Western knowledge.

Aboriginal and Torres Strait Islander business knowledge has not been given appropriate recognition in the past, and there is a wealth of untapped expertise available to rethink the way we develop tourism. Doing business Aboriginal way is important for Aboriginal and Torres Strait Islander people involved in tourism. The principles developed by the CRC-REP provide guidance for Aboriginal and Torres Strait islander people involved in tourism to form and operate enterprise clusters according to their ways.

WHAT IS CLUSTERING? (AND OTHER DEFINITIONS)

ENTERPRISE CLUSTERING, WHAT IS IT?

Clusters are groups of enterprises (often linked with supporting organisations and other stakeholders) that work together to create stronger products and services. Participants involved in clusters are often located in the same geographic region and are interrelated by characteristics or specialities associated with the area. In tourism a cluster can include many enterprises, other supporting organisations and stakeholders within an entire destination region (e.g. the Dampier Peninsula) or a sector (e.g. the Gold Coast theme parks in Queensland). Clusters come in all shapes and sizes, depending on the region, sector, resources and the needs of cluster participants.

CLUSTERING IN REMOTE AUSTRALIA

Being close together is not always important for clustering. In remote Australia, where enterprises are often located far from each other, clusters need to work in challenging conditions of distance, politics and economies where small to medium enterprises (SMEs) find it difficult to create stability. But despite these challenges, there is increasing support for cluster development to facilitate the growth and sustainability of SMEs in remote and regional Australia. Examples include the Desert Knowledge Australia Outback Business Networks, the Ardi group of the Dampier Peninsula and Lirrwi Tourism.

Clustering may not be a magic solution to the challenges of remoteness, but linking together provides enterprises with more ways to reach their markets and access resources, knowledge and opportunities than if enterprises operated on their own. By contending with remoteness and a competitive marketplace together, enterprises create shared benefit and develop in step with each other over time.

ABORIGINAL AND TORRES STRAIT ISLANDER TOURISM OPERATORS AND CLUSTERING

Many Aboriginal and Torres Strait Islander small tourism business operators believe that clustering can help them deal with the challenges of distance in remote Australia. Tourism cluster groups have developed in parts of remote Australia (e.g. the Kimberley, Far North Queensland and Arnhem Land) and appear to be unique from other clusters in a range of industries. In each of these examples, the Aboriginal and Torres Strait Islander operators hold similar worldviews on business being about more than just creating an income.

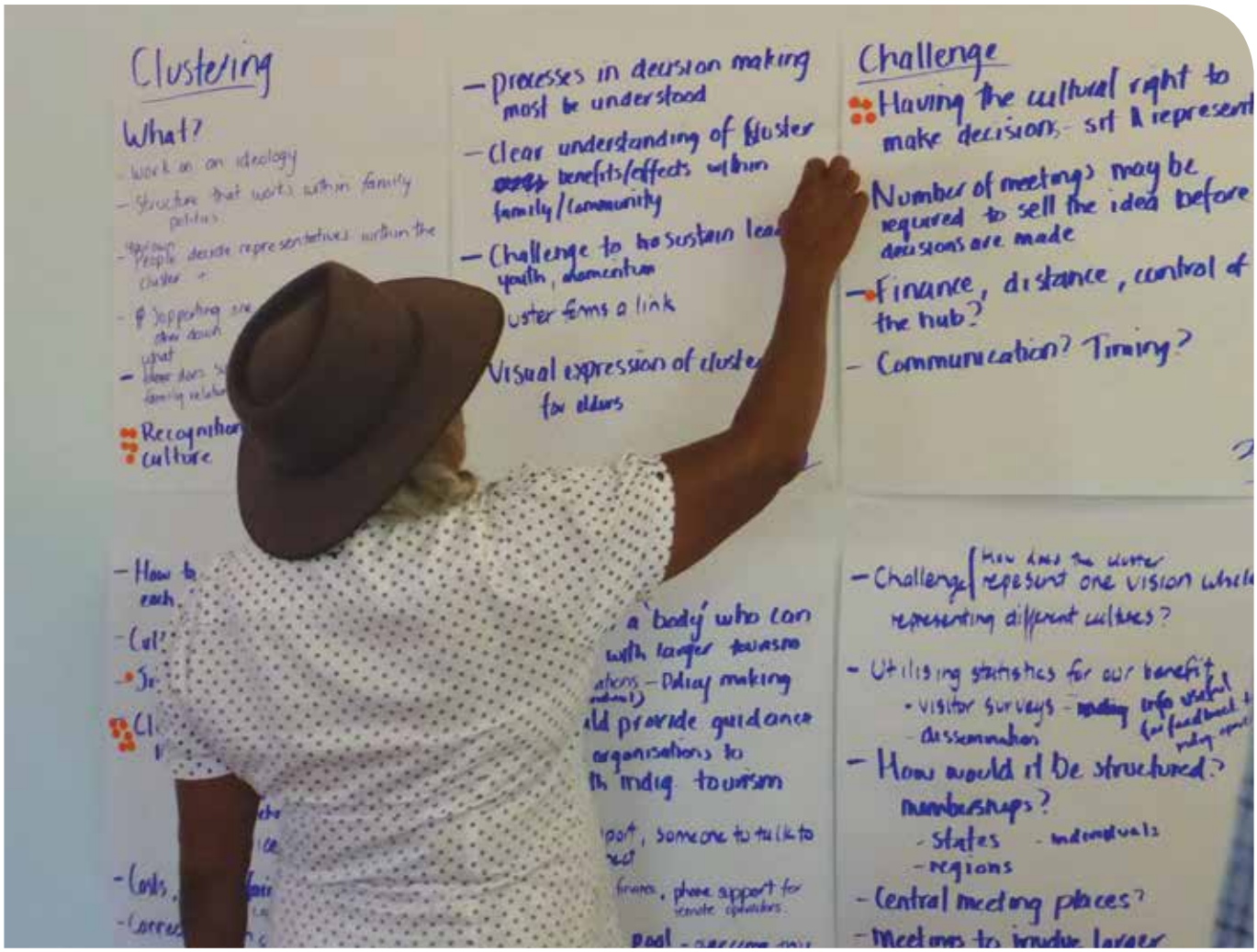
By and large, Aboriginal and Torres Strait Islander people are not in tourism just to benefit themselves. Tourism enterprises are often a means for people to live on and look after their country, to carry on practising their cultural ways and to look after their family, communities and fellow tourism operators. These ways of business, culture and life act as foundations for tourism operators to work together to offer better tourism experiences and build their competitiveness. These foundations may be stronger in some areas than others, but working together requires constant effort for any group.

WORKING TOGETHER IS IMPORTANT FOR ABORIGINAL REMOTE TOURISM ENTERPRISES

Clustering is a long-term and challenging task. Experts have researched enterprise clustering for many years and proposed various elements for planning and development. This knowledge is well established and has been applied in industries and countries all over the world – it has much to offer tourism in Australia. But if this knowledge is to be used to meet the needs of Aboriginal and Torres Strait Islander people, clusters must be based on culturally appropriate foundations.

A previous study carried out by the CRC-REP tourism project highlighted that working together is important to many Aboriginal and Torres Strait Islander people operating tourism enterprises in remote Australia. The study examined enterprise approaches to creating value for visitors in remote Australia, and in it we investigated ways that these enterprises cooperate in the bush. Our survey highlighted that Aboriginal and Torres Strait Islander remote tourism enterprises are very diverse, offer a range of different products and experiences to visitors, and engage in numerous forms of cooperation with other tourism enterprises in remote Australia.

Enterprises demonstrated strong commitment to delivering value to visitors and are committed to implementing innovative strategies to improve value in the products and experiences they offer in remote Australia. The survey found that many enterprises belong to enterprise groups despite being located in areas classified as remote or very remote. Being part of a group and working together enables businesses in these regions to share resources, knowledge and market opportunities. The survey found that many Aboriginal and Torres Strait Islander remote tourism operators have considerable knowledge about enterprises working together and strongly supported further development of enterprise cooperation in Aboriginal tourism. These results provided foundations for holding the Aboriginal Tourism Enterprise Clustering Forum. Please visit www.crc-rep.com.au/resource/CR003_AboriginalTorresStraitIslanderTourismEnterprisesCreatingValue.pdf to download a copy of the report.



ABORIGINAL TOURISM ENTERPRISE CLUSTERING FORUM

In October 2014, the CRC-REP held a forum attended by Aboriginal and Torres Strait Islander remote tourism operators from around Australia. Participants included some of the country's most experienced operators from the Kimberley, Queensland, the Northern Territory and South Australia, as well as future leaders in Aboriginal tourism.

Hosted by a Nykina family in the beautiful Fitzroy River region of Western Australia, the forum was conducted according to Nykina ways in a grass roots remote tourism setting. The forum enabled participants to:

- increase understanding of the challenges, needs and characteristics of enterprise clustering in remote Australia
- share knowledge and insights with other Aboriginal and Torres Strait Islander tourism operators from throughout remote Australia
- develop a long-term outlook on enterprise clustering for Aboriginal tourism.

Forum participants reviewed Western knowledge about enterprise clustering and then held group discussions to consider how these practices could be carried out according to Aboriginal ways. Participants generated 141 possibilities, but later reduced that list to 44 that they considered most important in Aboriginal and Torres Strait Islander ways of enterprise clustering.

Bulgun Warra Aboriginal man and CRC-REP's Principal Research Leader Dr Damien Jacobsen analysed the outcomes in the months after the forum and proposed a collection of Aboriginal and Torres Strait Islander Principles of Enterprise Clustering. These principles were reviewed by forum participants, whose valuable insight allowed 10 principles to be summarised as a guide for Aboriginal enterprise clustering in the future.

WHO ARE THE PRINCIPLES FOR?

Aboriginal and Torres Strait Islander Principles of Enterprise Clustering are primarily relevant at the regional level (e.g. the Torres Strait, Central Australia, Flinders Ranges, Cape York, etc.), with the size of each region depending on geography or boundaries defined by politics, culture, language, jurisdictions or existing tourism regions. It is also possible to apply the principles at state or national level.

The principles are relevant to all Aboriginal and Torres Strait Islander people involved in tourism who are in, or want to form, an enterprise cluster. Aboriginal and Torres Strait Islander people operate all kinds of enterprises in tourism. Enterprise diversity is an important building block for creating integrated experiences and better value for tourists. Many Aboriginal and Torres Strait Islander people operate Aboriginal tourism enterprises that contain cultural themes, which include businesses such as tours, cultural centres and arts/craft. But the range of tourism-related enterprise options available to Aboriginal and Torres Strait Islander people cover the spectrum of different sectors within the tourism system, such as accommodation, food, visitor services and transport.

Aboriginal and Torres Strait Islander operators also have other advantages for clustering. Many operators, particularly in remote Australia, have diversified enterprises that offer various products, services and experiences to visitors. This creates more options in the ways that operators can work together. But even for enterprises that are not diversified (e.g. a business that only offers a tour), it is important to remember that Aboriginal and Torres Strait Islander people are culturally diverse and different from one region to the next. Each enterprise is based on unique cultural and landscape characteristics. This means that Aboriginal and Torres Strait Islander clusters are rich in cultural diversity.

SUMMARY OF THE 10 PRINCIPLES

The 10 principles are:

1. STRUCTURED GRASS ROOTS REPRESENTATION

Clustering is a formal way for Aboriginal and Torres Strait Islander people to represent their own interests in tourism. As a unified group, grass roots enterprises create a stronger voice together.

2. COEQUAL ENTERPRISE COMMUNITY

Aboriginal and Torres Strait Islander people look after each other as family, working together with equality between enterprises large and small. Sharing knowledge and providing mentorship is important.

3. CULTURALLY FLUENT BUSINESS COMMUNICATION

Business communication fluent in cultural ways ensures that everyday affairs of the cluster are carried out according to appropriate protocol.

4. CULTURALLY GROUNDED OBJECTIVES

Aboriginal and Torres Strait Islander ways of doing business focus on the wellbeing of people, country and culture. These objectives shape the unified visions of the enterprise community.

5. LOCALISED DOMAIN OF TRADE

A localised domain of trade is based on cluster products, services and experiences that stimulate visitors to spend locally. Small enterprises work together to build stronger competitiveness in tourism.

6. TOURISM SYSTEM LINKAGES

Linkages with tourism agencies, support services and the private sector ensure access to knowledge, new markets, investment, infrastructure, technology, trade and networking opportunities.

7. FUSION OF CULTURAL DIVERSITY

The cultural diversity of Aboriginal and Torres Strait Islander people provides strength to business, as well as value to the products and experiences offered to visitors.

8. CULTURALLY APPROPRIATE GOVERNANCE

Culturally appropriate rights to make decisions are based on local ways for different interests to engage. A neutral decision-making setting provides a basis to drive progress for the enterprise community.

9. CENTRALISED CLUSTER MANAGEMENT

Centralising management provides a unit to oversee the development, progress and administration of the cluster.

10. FUNDING TOWARDS CAPACITY

Financial independence and enterprise stability are long-term aims for cluster enterprises so they can invest in training, opportunities and infrastructure to build a strong future for people, culture and country.

The principles integrate Aboriginal ways of doing business with Western knowledge about enterprise clustering. This is important for developing the strong foundations needed for culturally appropriate clusters. The principles highlight actions and considerations useful for coordinating an existing cluster or starting a new one. The principles provide valuable insight, but should be considered as part of the overall cluster planning and development process for operators, agencies and policymakers.

Cluster principles diagram

1. STRUCTURED GRASS ROOTS REPRESENTATION

Clustering is a formal way for Aboriginal and Torres Strait Islander people to represent their own interests in tourism. As a unified group, grass roots enterprises create a stronger voice together.

Clustering helps create conditions for enterprises to become more innovative, productive and competitive. For Aboriginal and Torres Strait Islander people, clustering can also provide structured grass roots representation for themselves in tourism and the wider economy.

The advantage of clustering is that the aims of each group are determined by the enterprises themselves. This is important for Aboriginal and Torres Strait Islander people involved in tourism because they can assert their interests as grass roots businesses. Forming a unified group enables small enterprises to have a stronger voice and to maintain control over their agenda in tourism.

WHY IS IT IMPORTANT?

Aboriginal and Torres Strait Islander tourism enterprises are often small, family-owned businesses that operate as little fish in a big pond. With great distances between many Aboriginal tourism enterprises in remote Australia, it can be hard for people to stay connected because the opportunities to maintain relationships can be limited.

It is also too common for Aboriginal tourism enterprises to be politically and economically marginalised. There can be few options to strengthen their own sector without being overshadowed by other stakeholders. Operators need better ways to voice their interests, whether to have more say about regional tourism development or simply to compete on a more equal footing with large companies.

When Indigenous people come together, that's really important, Indigenous businesses that cluster together, it's a good way forward to represent your region.

KATHLEEN COX, GOOMBARAGIN ECO RETREAT, WESTERN AUSTRALIA

SUGGESTED ACTIVITIES

The structured grass roots representation created by a cluster group can provide small Aboriginal tourism enterprises with:

- tourism industry representation
- negotiation and bargaining power
- development opportunities.

These activities should promote the enterprise growth and progress needs of Aboriginal and Torres Strait Islander people. Clustering should ensure these objectives are voiced to tourism and government authorities, private tourism companies and the wider community.

IMPLICATIONS FOR CLUSTER PLANNING AND DEVELOPMENT

Carrying out structured grass roots representation depends on:

- strong and ongoing communication between enterprises in the cluster
- external communication guidelines and resources
- clear cluster priorities and objectives
- monitoring progress
- clear terms of cluster membership.

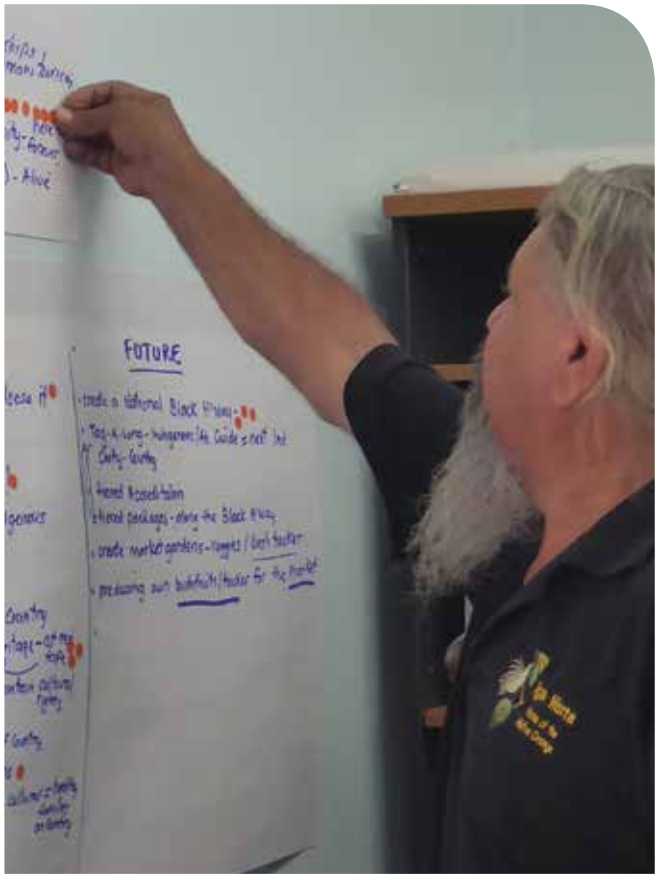
Clustering provides a framework to bring businesses together to develop and maintain a unified voice. Some Aboriginal and Torres Strait Islander ways of doing business can also be an advantage in making this work, especially the importance of looking after each other, their country and culture.

2. COEQUAL ENTERPRISE COMMUNITY

Aboriginal and Torres Strait Islander people look after each other as family, working together with equality between enterprises large and small. Sharing knowledge and providing mentorship is important.

Working as a coequal enterprise community means looking after each other as family, working together with equality between enterprises large and small. Clustering creates opportunities for enterprises to build synergy between each other in many ways, such as sharing knowledge, ideas, expertise and the economic benefits of tourism.

Working as coequals requires active engagement and an understanding of each other's needs. Creating an enterprise community is about being proactive in development as a group and drawing from Aboriginal and Torres Strait Islander ways to nurture enterprise capacity. Clustering also provides a setting for Aboriginal and Torres Strait Islander people to mentor each other in business.



WHY IS IT IMPORTANT?

Small businesses dispersed over remote areas can easily succumb to isolation, with the location of some businesses often limiting their involvement in networks and relationship building. Some businesses will also be bigger and more established, or will have developed more knowledge, resources and skills than others. But despite these differences, many Aboriginal and Torres Strait Islander people share the outlook that business is part of the pathway to the future.

Business development resources are often not made by Aboriginal and Torres Strait Islander people, yet Aboriginal and Torres Strait islander people need to share business knowledge with each other. This can be important for many people who fear the unknown in terms of starting business or making changes in life. Local Aboriginal role models can provide inspiration and motivation to fledgling operators.

You need to form these clusters with the belief that you want to help other Indigenous tour operators, not benefit yourself; if you try to benefit yourself, that's when everybody loses. But if you're out there looking after somebody else and they're looking after you, then everybody wins.

NEVILLE POELINA, UPTUYU ABORIGINAL ADVENTURES, WESTERN AUSTRALIA

SUGGESTED ACTIVITIES

Creating a coequal enterprise community requires:

- sharing knowledge and skills
- mentoring
- creating economic benefit for others.

Learning from each other is a way of building knowledge used by Aboriginal and Torres Strait Islander people long before European settlement. It is an ideal clustering practice to fill gaps in business knowledge and expertise. This is a strong setting for doing business Aboriginal way and sharing economic benefit between enterprises.

IMPLICATIONS FOR CLUSTER PLANNING AND DEVELOPMENT

Some of the important clustering planning and development activities needed to create a coequal enterprise community are:

- strong and ongoing communication between enterprises in the cluster
- knowledge exchange
- culture of creativity, innovation and cooperation
- creating and maintaining democracy within the cluster
- clear terms of cluster membership.

Building personal relationships is vital to enterprise clustering. Family or cultural connections are often a source of strength for Aboriginal and Torres Strait Islander business relationships. Looking after each other helps people to fulfill some of the reasons they started a tourism business.

3. CULTURALLY FLUENT BUSINESS COMMUNICATION

Business communication fluent in cultural ways ensures that everyday affairs of the cluster are carried out according to appropriate protocol.

For Aboriginal and Torres Strait Islander people, entering business does not mean forgetting cultural values or stopping cultural ways. Business can be a means to maintain cultural ways, especially when economic participation enables Aboriginal and Torres Strait Islander people to remain on their country. In many cases, particularly for outsiders or non-Aboriginal and Torres Strait Islander people, there is a need for greater education and understanding of protocols so they can do business in appropriate ways.

Making sure that communications are culturally fluent is an important part of doing business Aboriginal way. This means that business communications with and between Aboriginal and Torres Strait Islander business people are mindful of sensitivities to cultural obligations people have relating to lore, roles and occasions throughout the year.

WHY IS IT IMPORTANT?

Enterprises exist within the cultural context of family and community, meaning that business and culture often mix. Culture provides strength and guidance for people in business. Aboriginal and Torres Strait Islander people should not feel they must abandon cultural ways for the sake of business – even though at times there is need for compromise.

There will be matters that require protocol, especially because business is linked to country, people and culture. Aboriginal and Torres Strait Islander cultures are diverse, so the approaches will vary from place to place. Local politics can be a challenge, which highlights the importance of communication within the group and with external parties guided by protocol. Opportunities for progress or change can be hampered by poor communication.

It's mainly all whitefella tourism stuff that you go to; they mainly talk all big stuff, no help, not for Aboriginal people, no, so that's a challenge for me trying to get into it. But this, it'll work out good, Aboriginal challenge, you're working with your own people and then you work together.

JERRY KELLY, KELLY'S RANCH,
NORTHERN TERRITORY

SUGGESTED ACTIVITIES

Some activities that nurture culturally fluent communication include:

- locally driven cultural engagement protocol – within the group
- locally driven cultural engagement protocol – with external parties.

These activities should ensure that business and culture co-exist. There needs to be clarity about everyday interactions within the group, such as meeting schedules, delegation and procedures for engaging with external interest groups. Resources or informative materials will help to ensure that everyone understands the cultural engagement protocols.

IMPLICATIONS FOR CLUSTER PLANNING AND DEVELOPMENT

Developing and planning for culturally fluent business communication involves:

- communication planning
- appropriate support technology
- strong and ongoing communication between enterprises in the cluster
- external communication guidelines and resources.

Strong communication is one of the most important ingredients for enterprise clustering. Culturally fluent business communication adds new dimensions to business relationships by making sure the long-term integrity of culture, country and people are maintained. Making sure that people understand how to communicate in culturally fluent ways includes considering when and where the communication takes place.

4. CULTURALLY GROUNDED OBJECTIVES

Aboriginal and Torres Strait Islander ways of doing business focus on the wellbeing of people, country and culture. These objectives shape the unified visions of the enterprise community.

Culturally grounded objectives set terms for the enterprise cluster vision and development agenda. An important part of doing business Aboriginal way is to give priority to the interests of people, country and culture. For many Aboriginal and Torres Strait Islander people, these outcomes are often more important than getting money in their pockets.

Viable enterprise can be vital to long-term resilience, which means that economic benefits are always important. The key is to find balance between profit and culturally grounded objectives. Clustering also enables Aboriginal tourism operators to take an active role in overseeing the ecological, cultural and social impacts of tourism in their region.

WHY IS IT IMPORTANT?

Many Aboriginal and Torres Strait Islander people, especially in remote Australia, operate their tourism enterprise on their country. They are stewards for their country and are responsible for looking after the land, their people and their culture. Obligations of Aboriginal and Torres Strait Islander people today are inherited from country and culture passed on by their old people.

Aboriginal and Torres Strait Islander people have responsibilities to keep practising culture, preserving country and creating economic opportunities for future generations. Other responsibilities include providing culturally appropriate tourism for visitors. In many areas, Aboriginal and Torres Strait Islander people are an important part of the tourism sector and are active stakeholders of tourism development in their region.

I think we need to be self-sufficient now. In the old days with the missionaries they used to tell us what to do, but now we are educated and speak both languages, and it's about time we got off the ground and did it our way without government influence.

CLIFFORD COULTHARD, IGA WARTA, SOUTH AUSTRALIA

SUGGESTED ACTIVITIES

Culturally grounded objectives require:

- consultation and consensus between enterprises
- identifying goals and targets
- monitoring performance
- active involvement of cluster participants.

The long-term effects of business need ongoing recognition in cluster decision-making, while the roles of each enterprise and the cluster also need to be clear. Culturally grounded objectives make sure that enterprise clusters are mindful of impacts and, in most cases, keep tourism at grass roots levels.

IMPLICATIONS FOR CLUSTER PLANNING AND DEVELOPMENT

Culturally grounded objectives should be an essential part of Aboriginal tourism clusters. Objectives have an influence on all planning and development. Developing them requires:

- unified vision
- strong and ongoing communication between enterprises in the cluster
- democracy within the cluster.

Culturally grounded objectives identify the overall aims that define the activities and ongoing progress of the group. Each cluster participant should work towards the objectives as part of their everyday business, products and services they provide to visitors.

5. LOCALISED DOMAIN OF TRADE

A localised domain of trade is based on cluster products, services and experiences that stimulate visitors to spend locally. Small enterprises work together to build stronger competitiveness in tourism.

A localised domain of trade is created when cluster enterprises organise their products, services and experiences to encourage visitors to spend locally. Working together in this way can improve the market presence of Aboriginal and Torres Strait Islander operators and create advantages that small enterprises can struggle to achieve on their own.

Marketing is important to building a localised domain of trade because it involves the activities and materials needed to improve visitor awareness of local products and services. This goes hand in hand with delivering value and offering diverse products and experiences to widen the distribution of visitor spending. Product diversity and quality should contribute to an ongoing flow of visitors and positive economic outcomes.

WHY IS IT IMPORTANT?

Aboriginal and Torres Strait Islander remote tourism enterprises often become marginalised based on geographic, economic, social, technological or other factors. Many may not have the resources, location advantages or distribution capabilities of large external enterprises. As a result, a large portion of tourism income goes to external companies, with little benefit to Aboriginal and Torres Strait Islander operators.

Costs of business are high, especially in remote Australia, which makes it difficult for small operators to compete with large companies. Small enterprises can also struggle to meet the diverse needs of visitors and carry out marketing needed to reach viable target markets. The everyday demands of business (and life) limit the ability of small family businesses to overcome these challenges.

Because we're small businesses with very low finance, it's a lot easier for us to share our resources and partner with each other, knowing full well that we need each other.

NEVILLE POELINA, UPTUYU ABORIGINAL ADVENTURES, WESTERN AUSTRALIA

SUGGESTED ACTIVITIES

Creating a localised domain of trade is about boosting competitiveness as a group. It involves:

- enterprise cooperation to create visitor products and services
- sharing resources
- marketing
- creating a viable business model.

Create multiple ways for visitors to spend locally. This can involve diversifying enterprises and introducing new products, but the innovative use of existing strengths and resources may be just as effective. Products, experiences and services must be consistent with the needs of target markets.

IMPLICATIONS FOR CLUSTER PLANNING AND DEVELOPMENT

Activities that help to create a localised domain of trade are a vital part of developing the competitive performance of a cluster, including:

- product development and innovation
- building a cluster brand and relationship with visitors
- investment
- research and sharing knowledge.

It is important that cluster participants aim to look after each other. There is a need to clarify the roles and commitment from individual enterprises, as well as the forms of reciprocity they use to generate benefit among the group.

6. TOURISM SYSTEM LINKAGES

Linkages with tourism agencies, support services and the private sector ensure access to knowledge, new markets, investment, infrastructure, technology, trade and networking opportunities.

Building business relationships and staying connected are essential in tourism. Linkages in the tourism system help operators to keep in touch with the latest trends and be active players in the tourism sector. Taking a proactive approach is useful to establish the desired self-representation for the cluster. An open-door policy encourages engagement and dialogue.

There is a wide range of potential players in the tourism system. These include tourism agencies, different government levels and departments (e.g. local, state, environmental, etc.), support services, other clusters and the private sector. The reasons for engagement vary and may include access to knowledge, new markets, investment, training, infrastructure, technology, trade and networking.

WHY IS IT IMPORTANT?

Even though clustering is a way for enterprises to improve the capability of their resources, tourism operators depend on infrastructure and services that are beyond their control. Many crucial elements of tourism (such as policy, programs, transport services, etc.) take place beyond the local region of most enterprises. For most tourism operators it is difficult to have any influence on these conditions. Many things can often be left to chance.

Resource limits may also increase the need for a cluster to rely on other providers to carry out marketing, distribution, research and training. On a broad level, the range of non-tourism issues affecting tourism for Aboriginal and Torres Strait Islander operators is diverse, including anything from mining to fisheries management.

Choose who you want to be in partnership with, choose the uniqueness of what they can offer, and be sure that you're there to assist them as well as them assist you in some way.

HAROLD LUDWICK, MAARAMAKA WALKABOUT TOURS, NORTH QUEENSLAND

SUGGESTED ACTIVITIES

Developing and maintaining linkages in the tourism system requires:

- networking
- active involvement in economic/tourism development groups
- relationships with service/infrastructure providers
- industry partnerships.

Clusters need to be community-minded and integrated into their tourism region. Linkages are a good way to generate flow-on benefits to all tourism operators in the area. A strong reputation is vital for being regarded as a preferred business partner in tourism.

IMPLICATIONS FOR CLUSTER PLANNING AND DEVELOPMENT

Linkages with external agencies and organisations are an essential part of cluster planning and development. Clusters rely on:

- staying connected with other industries
- government support
- working with other clusters
- external communication guidelines and resources.

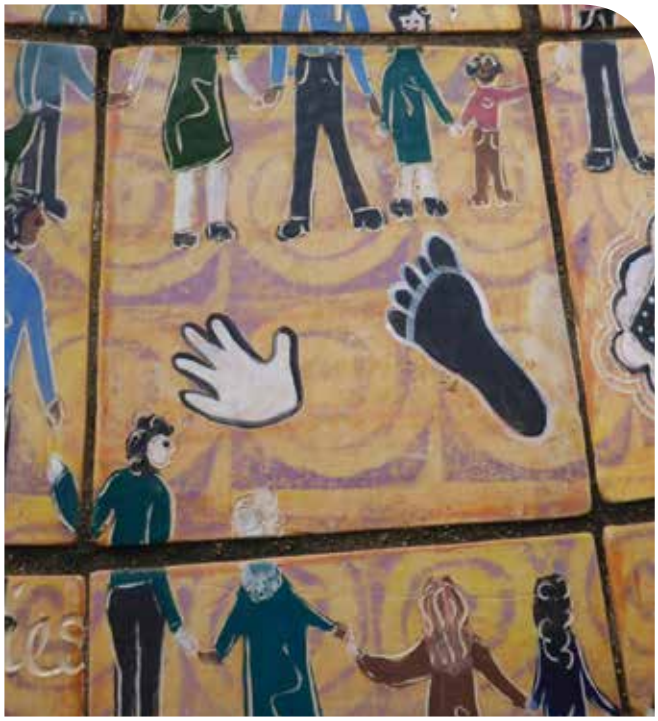
Connections are determined by the needs of the cluster and could be local, regional, state, national or international. These tourism system linkages can be a means to represent the interests of cluster enterprises and can also be a source of innovation, investment and new product development.

7. FUSION OF CULTURAL DIVERSITY

The cultural diversity of Aboriginal and Torres Strait Islander people provides strength to business, as well as value to the products and experiences offered to visitors.

The cultural diversity of Aboriginal and Torres Strait Islander people (for example, when Europeans colonised the continent in 1788 there were thought to be more than 250 language groups, each divided into numerous clan dialects) provides solid foundations for strength in business. Fusing cultural diversity means that business people unify but also retain their unique attributes as people from different country. Clustering creates common ground for diverse people of culture to come together as a group.

Fusing cultural diversity involves using coordination to create more variety in tourism products and experiences. If visitors have more things to do then they might stay longer and distribute their spending between more local enterprises. Clustering provides the opportunity for enterprises to link together to educate visitors about the cultural diversity of Aboriginal and Torres Strait Islander people in a broad region.



WHY IS IT IMPORTANT?

Identity is fundamental to Aboriginality. Aboriginal and Torres Strait Islander people have diverse landscape boundaries, languages and kinship systems. For example, when Europeans colonised the continent in 1788 there were thought to be more than 250 language groups, each divided into numerous clan dialects. This diversity been important in the survival of Aboriginal and Torres Strait Islander people, especially for ensuring ways of life to preserve and coexist with the land.

While there is a need to avoid creating homogenous tourism products and experiences, there is also a common misconception in wider society that Aboriginal and Torres Strait Islander people are all similar and have one culture. This misconception may lead visitors to have a 'seen one, seen them all' perception that can limit the consumption of products and experiences provided by Aboriginal and Torres Strait Islander people involved in tourism.

You have to make sure that your cultural values are in what you want to do.

WILLI GORDON, GUURRBI TOURS,
NORTH QUEENSLAND

SUGGESTED ACTIVITIES

Creating a fusion of cultural diversity can include:

- recognising difference in culture
- building cultural awareness for tourists, industry and the wider community
- integrating tourism products and experiences.

Tourism can help keep cultural identity alive and promote understanding. This provides guidance to create unique cluster brand attributes that are difficult for others to copy. Cluster tourism products may be integrated by marketing and materials that use local language, stories or meanings to highlight diversity and Aboriginal ways.

IMPLICATIONS FOR CLUSTER PLANNING AND DEVELOPMENT

There are several cluster planning and development processes that facilitate a fusion of cultural diversity, such as:

- creating and maintaining democracy within the cluster
- product development and innovation
- marketing
- clear terms of cluster membership.

Fusing cultural diversity can be a way of business, as well as an outcome for operators to achieve. It provides important foundations to build a unified voice for stronger representation of the group as grass roots enterprises.

8. CULTURALLY APPROPRIATE GOVERNANCE

Culturally appropriate rights to make decisions are based on local ways for different interests to engage. A neutral decision-making setting provides a basis to drive progress for the enterprise community.

Making progress depends on how well clusters deal with all kind of situations. Clusters have to deal with issues large and small, short and long term, internal and external, as well as matters relevant to certain individuals or the entire group. Decisions need to be made about things like marketing, communication, cluster representation, objectives, tourism system linkages … the list goes on. Progress and achieving outcomes will be difficult for a cluster without appropriate governance and decision-making.

For Aboriginal and Torres Strait Islander people there can be particular ways for governance to take place. There is a need to determine culturally appropriate governance that balances cultural obligations with making progress as a cluster. Being democratic is an important part of enterprises working as coequals. A suitable approach will take into account the cultural diversity of cluster enterprises.

WHY IS IT IMPORTANT?

Ongoing progress is important for the group. The group needs to approach issues in an appropriate way so it can achieve goals and stay proactive. Everyone has a stake in the cluster. Each operator needs assurance that things can be addressed in ways suitable to their needs and the needs of the entire group.

Taking steps in business that affects culture, country and people requires following courses of action, whether it involves consulting Elders or specific authority figures. These processes help groups to keep the grass roots focus needed to maintain culturally grounded objectives.

For a lot of Aboriginal people it's important to come together, it's like one big family so like when they do come together such as clustering, you not only talk about business, you talk about family, talk about connections, when a lot of Indigenous people come together you get a powerful feeling that you are all on the right track.

KATHLEEN COX, GOOMBARAGIN ECO RETREAT, WESTERN AUSTRALIA

SUGGESTED ACTIVITIES

Culturally appropriate governance can involve:

- consulting with Elders
- creating a neutral decision-making space
- locally developed processes.

The cultural diversity of Aboriginal and Torres Strait Islander people means that governance and decision-making will be different from one place to the next. The structure suitable to a group should be determined early in forming the cluster and revised where appropriate. Culturally appropriate objectives are a source of guidance for decision-making.

IMPLICATIONS FOR CLUSTER PLANNING AND DEVELOPMENT

Governance and decision-making are important to keep a cluster together and on track. Culturally appropriate governance relies on:

- leadership
- creating and maintaining democracy within the cluster
- strong and ongoing communication between enterprises in the cluster
- cluster management.

The relevant interest groups related to each cluster need to be identified. A decision-making approach should aim to be prompt, be able to be carried out at any given time, have reliable feedback channels and be representative of the entire enterprise community. Decision-making processes and outcomes need to be monitored.

9. CENTRALISED CLUSTER MANAGEMENT

Centralising management provides a unit to oversee the development, progress and administration of the cluster.

Enterprise clusters rely on processes that can be complicated and require considerable effort. Establishing a management operative will provide a core unit able to oversee and administer each enterprise community as a functioning cluster. Centralising management allows Aboriginal tourism enterprises to participate in clusters at minimum disadvantage to running their own businesses. The longevity of centralised cluster management depends on many factors, including the needs of the cluster.

Cluster management is responsible for many tasks, including leading the development and ongoing coordination of the cluster. In many cases the role is to oversee the interactions related to processes that require involvement from all cluster enterprises. Cluster management works within the spirit of democracy and is likely to act as a central point for the cluster.

WHY IS IT IMPORTANT?

There are many enterprise groups that have evolved into clusters without the support of centralised management. Enterprise clustering experts have found that it can be challenging for enterprises that want to form a cluster without having evolved into a cluster over time. Creating a cluster can be very difficult without a form of central management to oversee the process.

Cluster management is a highly skilled role needing time and resources. The everyday business challenges for Aboriginal tourism enterprises make it difficult for them to administer and coordinate the cluster themselves. If an individual tourism operator does take on the role of cluster management, it is very likely to be in addition to demands that they already have to operate their own tourism enterprise.

Having someone to drive the cluster group to make sure someone is steering the boat, so to speak, bringing everyone together, is important because if you don't have the support it can sometimes go into a bit of a lull.

KATHLEEN COX, GOOMBARAGIN ECO RETREAT, WESTERN AUSTRALIA

SUGGESTED ACTIVITIES

Cluster management roles would include:

- coordinating communication, democracy and protocols
- driving product development, marketing and external communications
- administering systems, planning and development processes.

Cluster management should work towards long-term goals and provide ongoing stability for cluster enterprises. Cluster management must be dedicated to fulfilling culturally grounded objectives and doing business Aboriginal way.

IMPLICATIONS FOR CLUSTER PLANNING AND DEVELOPMENT

Centralised management can be vital to:

- lead the start-up process
- provide ongoing administration, coordination and support
- develop and implement the cluster's business model
- liaise with government, industry and investors.

The diverse roles of cluster management require highly skilled individuals. For Aboriginal tourism clusters this means working with enterprises groups using a combination of Aboriginal ways of business and Western business knowledge. Clusters need long-term business models that generate outcomes sought by cluster enterprises and cover the costs of centralising management.

10. FUNDING TOWARDS CAPACITY

Financial independence and enterprise stability are long-term aims for cluster enterprises so they can invest in training, opportunities and infrastructure to build a strong future for people, culture and country.

Success can mean different things to different people. Generating financial outcomes is important, but many Aboriginal and Torres Strait Islander people place higher priority on long-term independence. This means that success includes having the capacity to nurture and develop people, country and culture according to Aboriginal ways. Outcomes generated by tourism enterprise clusters can contribute to this success.

Funding for capacity can refer to short-term external funding or investment to build the capacity of an enterprise cluster to become financially independent. Funding generated by clustering can increase the capacity for people to invest in training and infrastructure that improve the wellbeing of people, country and culture. Culturally appropriate objectives help determine the capacities that can be nurtured by clustering.

WHY IS IT IMPORTANT?

Many Aboriginal and Torres Strait Islander people seek non-monetary benefits from business because many impacts brought about by European colonisation created difficulty in nurturing the wellbeing of people, country and culture. Building the capacity for independence is an important step in progress for the future shaped by Aboriginal ways.

Building capacity also means generating capital and expertise for engaging in other industries. Wider society often portrays Aboriginal and Torres Strait Islander people as passive cultural informants instead of progressive and forward-thinking actors. A strong presence in diverse industries will help Aboriginal ways of business to influence wider parts of the economy.

It's a great way of sharing information and helping each other from doing the same mistakes over and over again, so saying "mate, I already made the wheel; you don't have to reinvent it".

NEVILLE POELINA, UPTUYU ABORIGINAL ADVENTURES, WESTERN AUSTRALIA

SUGGESTED ACTIVITIES

Some of the ways to take a funding-for-capacity approach are to:

- plan for investing in infrastructure, training and improvement
- take steps to attract funding or investment
- involve the next generation in planning opportunities for the future
- develop livelihood strategies.

Making progress requires being proactive and working together. The levels of growth and capacity building targeted by grass roots business may depend on satisfying culturally grounded objectives. This may also involve discussing the desirable future for enterprises, the cluster and the region.

IMPLICATIONS FOR CLUSTER PLANNING AND DEVELOPMENT

One of the overall aims of enterprise clustering is to build the capacity of enterprises to meet their objectives. A funding-for-capacity approach is more achievable with:

- cluster initiative goals
- clear cluster priorities and objectives
- support from government or external agencies
- clear terms of cluster membership.

Generate agreements for enterprises to share costs and benefits of capacity building. The resources and outcomes generated by the cluster group need to be identified. Operators need to be prepared for a long-term approach.

CLOSING COMMENTS

This summary booklet provides an introduction to the Aboriginal and Torres Strait Islander Principles of Enterprise Clustering. The principles highlight actions and considerations useful for coordinating an existing cluster or starting a new one. The principles provide a valuable framework, but should be considered as part of the overall cluster planning and development process for operators, agencies and policymakers. It is important to remember that this booklet is an introductory-level description of the principles only. Operators, economic development practitioners and interested stakeholders need to consult other resources and develop a broad understanding of cluster planning and development.

Western researchers have investigated enterprise clustering for many years and produced a considerable body of knowledge about the elements for planning and development. Western knowledge provides insight for the planning and development of Aboriginal and Torres Strait Islander tourism clusters. The Principles of Enterprise Clustering summarised in this booklet offer guidance in the application of Western knowledge and insights according to Aboriginal ways of doing business. This helps to develop strong foundations needed for culturally appropriate clusters.

Enterprise clustering is a challenging and long-term process, but it can generate rewards and opportunities that are hard for tourism operators to achieve on their own.

If you're going to be in business then you're going to have to cross the t's and dot the i's, as they say, but just get up and do it, with the support you have to muster.

WILLI GORDON, GUURRBI TOURS,
NORTH QUEENSLAND

RECOMMENDATIONS

OPERATORS

Find out about, or create, clustering opportunities in your region. There are various options even though your enterprise may be located in an isolated part of remote Australia.

Learn from other Aboriginal and Torres Strait Islander tourism operators experienced in being part of enterprise groups in the bush.

Persevere! Clustering is challenging but very rewarding because you look after each other.

AGENCIES

Provide the resources and ongoing leadership to build well-connected and active enterprise clusters throughout Australia.

Integrate Aboriginal and Torres Strait Islander tourism clusters into destination development.

POLICYMAKERS

Implement policies to stimulate long-term tourism development according to the needs of Aboriginal and Torres Strait Islander tourism operators. Emphasis should focus on transitioning greater control to Aboriginal and Torres Strait Islander people over their participation in tourism.

Provide programs that support the unique long-term needs of Aboriginal tourism clusters.

CRC-REP RESOURCES

Main summary – Aborignal and Torres Strait Islander Principles of Enterprise Clustering
http://www.crc-rep.com.au/resource/MainSummary_AboriginalTorresStraitIslanderPrinciplesEnterpriseClustering.pdf

Building value in Aboriginal and Torres Strait Islander tourism enterprises in remote Australia: The role of cooperation and clustering
http://www.crc-rep.com.au/resource/CW016_BuildingValueInAboriginalTorresStraitIslanderTourismEnterprises.pdf

Aboriginal and Torres Strait Islander tourism enterprise approaches to creating value for visitors in remote Australia
http://www.crc-rep.com.au/resource/CR003_AboriginalTorresStraitIslanderTourismEnterprisesCreatingValue.pdf

Summary – Aboriginal and Torres Strait Islander tourism enterprise approaches to creating value for visitors in remote Australia
http://www.crc-rep.com.au/resource/RRS006_CreatingValueBackground.pdf

Aboriginal and Torres Strait Islander tourism in remote Australia: the challenges
http://www.crc-rep.com.au/resource/ResearchUpdate_AboriginalTorresStraitIslanderRemoteTourismChallenges.pdf

Cooperation between Aboriginal and Torres Strait Islander tourism operators in remote Australia
http://www.crc-rep.com.au/resource/ResearchUpdate_CoopnBetweenAboriginalAndTorresStaitIslanderTourismEnterprises.pdf

Research Update – Visitors to Australia's main remote tourism regions between 2009/2010 and 2012/2013
http://www.crc-rep.com.au/resource/ResearchUpdate_VisitorNumbers.pdf

YOUTUBE VIDEOS

The benefits of Aboriginal tourism business clusters in the bush
https://www.youtube.com/watch?v=VMCnbBi1Z2E

Doing business Aboriginal way
https://www.youtube.com/watch?v=sk3ONAQsGpQ

Some of the challenges for Aboriginal tourism business clusters in the bush
https://www.youtube.com/watch?v=BYkgNgwr65M

Aboriginal tourism business clusters in the bush: what do you need to make them work?
https://www.youtube.com/watch?v=nqTA4H66JQY

SUGGESTED READING

Australians for Native Title and Reconciliation. 2010. *A Better Way: Success stories in Aboriginal community control in the Northern Territory*, ANTaR. Sydney.

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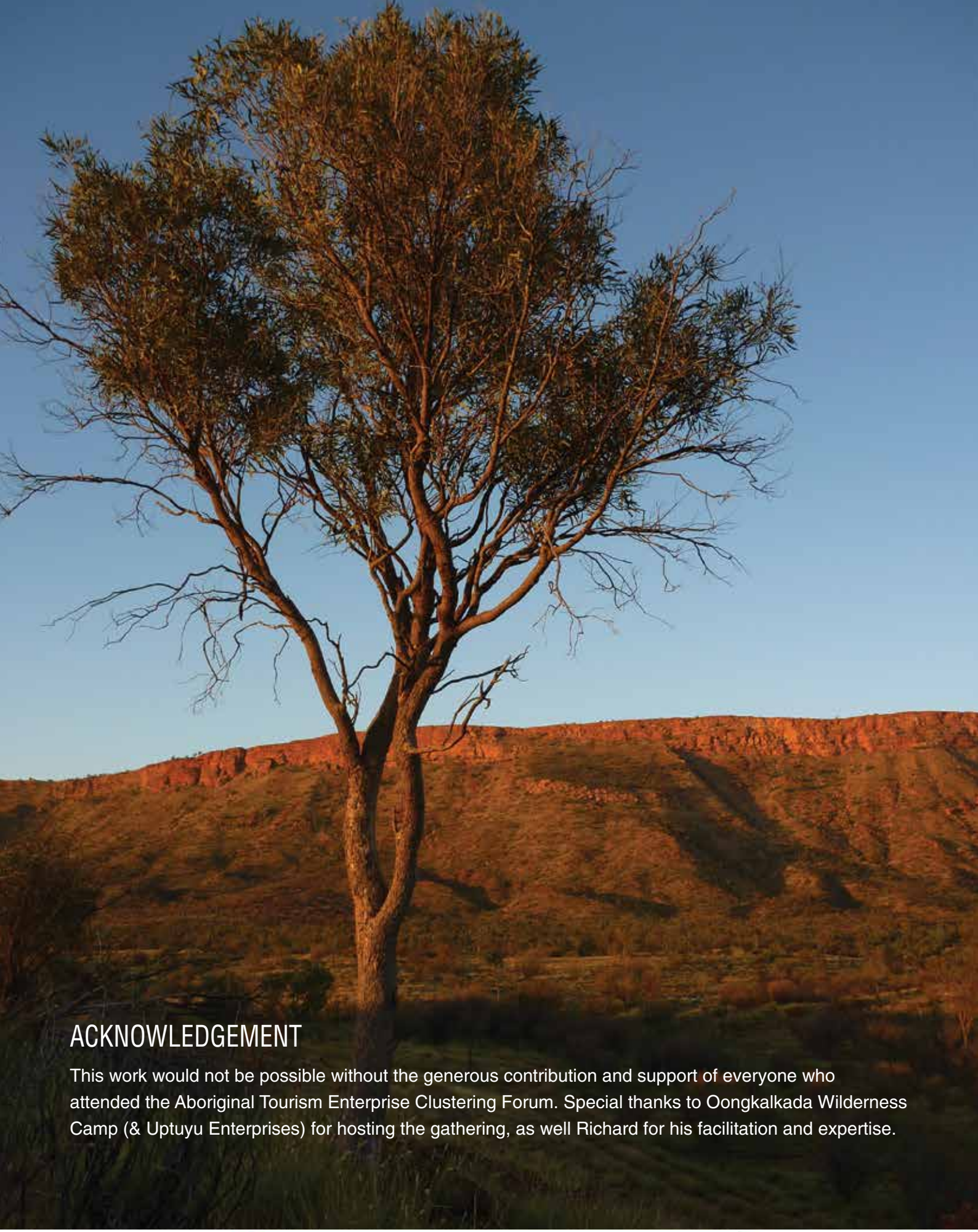

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NINTI ONE CRC REMOTE ECONOMIC PARTICIPATION

Southern Cross University

Australian Government
Department of Industry, Innovation and Science

Business Cooperative Research Centres Programme