MEASURING PERFORMANCE: A STORY OF ‘CLOSING THE GAP’ THROUGH INDIGENOUS SOCIAL ENTERPRISE

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Against a backdrop of government efforts to mainstream Indigenous economic participation for achieving Indigenous equality in Australia, examples of Indigenous entrepreneurial activities in rural and remote regions represent more flexible and culturally appropriate approaches. The question remains however as to what the medium or long-term impact of Indigenous entrepreneurial activities on families and the wider community are and whether it is possible to measure them? This paper tells the story of the local entrepreneurial activities of a nonprofit social enterprise in the town Yirrkala in northeast Arnhem Land in the Northern Territory of Australia. It analyses these activities against an integrated framework for performance management of nonprofit organizations to demonstrate the social effectiveness of an Indigenous social enterprise as a pathway for community engendered income, employment and social capital. We suggest that this example represents a successful community-based pathway to increasing economic participation on local Indigenous terms at a time when national Indigenous unemployment is high.

Keywords: Indigenous social enterprise, social audit, performance measurement, Indigenous economic participation

Introduction
In the Howard era of Australian politics (1996-2007), refrains of increasing economic opportunity and freeing Indigenous people from the passive welfare trap prevailed under the rhetorical banner of ‘practical reconciliation’. The 2013 elected Abbott Coalition government (2013-present) has continued with this neoliberal paradigm¹ to increase Indigenous economic participation. In his first annual visit to an Aboriginal community in September 2014, the Australian Prime Minister spent four days talking to Aboriginal leaders from the Gumatj and Rirratjingu clans in northeast Arnhem Land (the setting of this research) about the creation of jobs in this remote and isolated part of Australia where unemployment is high among the local Yolŋu. In contrast to this emphasis on self-determination though, we are seeing the genesis of a new phase in Indigenous affairs with the Creating Parity report on Indigenous employment and welfare prepared by Australian mining magnate Andrew Forrest and

¹ Here neoliberal is characterised as a set of political ideologies that favour privatisation, deregulation and cuts to social spending by the State with a greater emphasis on market driven forces (see Chomsky, 2002; Klein, 1999, 2007).
commissioned by the Australian government (Forrest 2014), which in pursuit of its program of full equality of opportunity recommends blanket welfare income management. Effectively autonomy will be withdrawn from Aboriginal communities, resulting in a deliberate shift from self-determination and economic empowerment. This report represents a profound incongruity between the announced objectives of ‘Closing the Gap’ (Council of Australian Governments 2008) between Indigenous and non-Indigenous Australians by way of government investment in Indigenous socio-economic advancement and actual approaches; this stark contradiction is what defines the present landscape of Indigenous affairs in remote communities.

Unsurprisingly, in such a climate there are few examples of successful Indigenous-owned, community-based employment opportunities. Policies targeting mainstream employment for Indigenous Australians presume people will migrate from home communities because of the lack of employment opportunities in remote regions. Yet, not only do such policies align poorly with Indigenous cultural goals (Peterson 2005), they potentially disrupt local efforts to build economically sustainable and culturally relevant livelihoods (Brueckner and Spencer 2014). The disregard for cultural diversity in the pursuit of mainstream employment leaves little room for alternative approaches to Indigenous economic participation (Altman 2009; Altman and Hinkson 2010). We argue in this paper that the growth of Indigenous entrepreneurial activities occurring outside the economic mainstream, especially in remote parts of Australia, offer culturally safe and appropriate pathways to economic participation. This should sit alongside mainstream employment opportunities, not in place of them, for many reasons, including the lack of sufficient alternative pathways, and providing avenues to economic, political and cultural mainstream Australia, especially for young people. We apply an integrated framework for performance measurement of nonprofit organizations to an Indigenous social enterprise with a view to demonstrating the socio-economic efficacy and positive cultural impact of this local business.

Performance measurement in the nonprofit sector is more complex than in other sectors because nonprofit organizations “often pursue missions whose achievement is difficult to measure”, but nevertheless increasing scholarly attention is being given to this area (Lee and Nowell 2014: 2; also see Sawhill and Williamson 2001; Kanter and Summers 1994; Oster 1995; Forbes 1998; Drucker 2010; Bryson 2011). Currently, the nonprofit sector faces competitive pressure to secure government funding with a growing emphasis on accountability. Competition for funding becomes even more challenging in the Indigenous context in Australia with the recent rationalization of funding streams under the Indigenous Advancement Strategy, which effectively reduced what were 150 programmatic funding avenues to five. It is in this context that nonprofit organizations are under pressure to validate their performance in order to both secure more funding (Martikke 2008) and demonstrate their social and cultural impact in the wider community (Brueckner and Spencer 2014).

There is a wide diversity of approaches for measuring performance in the nonprofit sector where frameworks focus on particular aspects of performance, such as profit and economic performance, organizational effectiveness, services rendered, clients served and so on. However, there is a range of different perspectives that can be distilled and synthesised from across the frameworks. Undertaking a meta-analysis of the literature on performance measurement of nonprofit organizations, Lee and Nowell (2014) have devised an integrated framework, which we apply in this paper to the entrepreneurial activities of Nuwul Environmental Services (hereafter Nuwul), an Indigenous social enterprise operating in Yirrkala in northeast Arnhem Land. The framework is used to begin to conceptualise and measure Nuwul’s social effectiveness within the local community, shedding light on the role of social entrepreneurship within a local, Indigenous-run business and to determine its
influence on business success. Success is understood by Nuwul in terms of the creation of local employment and income as well as the generation of social capital, outcomes that are also sought by the Australian government under its Closing the Gap policy framework. The study is based on the premise that social entrepreneurship – community-orientated business models – provides an opportunity for Indigenous business success in both financial and social terms and offers a potential pathway for socio-economic improvements in Indigenous communities in Australia. Social entrepreneurial approaches to resolving problems in the world today are increasingly recognised within government, the nonprofit sector, the private sector, academia and the media (Stevens, Moray, and Bruneel 2014). Lui, Eng and Takeda (2015) observe that the explosion in the number of social enterprises is fuelled by the incapacity of the private and public sectors to adequately address social and environmental issues. There are many definitions of what a social enterprise constitutes. Austin, Stevenson, and Wei-Skillern (2006) argue that the current extant literature reveals an explicit focus on the creation of social value through entrepreneurial activities of selling goods and/or services (Nyssens 2006; Haugh 2007; Di Domenico, Haugh, and Tracey 2010).

Performance Measurement in the Nonprofit Sector
Lampkin et al.’s (2006) report on nonprofit performance measurement in the US, refers to the 1990s as the “performance measurement era” where nonprofits were increasingly expected to measure their effectiveness. This occurred in an environment of “increasing competition from a proliferating number of agencies, all competing for scarce donor, foundation and government funding” (Kaplan 2001: 353). Lynch-Cerullo and Cooney (2011: 365) observe that performance measurement, with its focus on effectiveness, “has become deeply embedded in how policy makers and many funders and service providers think about programs designed to elicit changes in human beings”. Often funding bodies (public and private) require nonprofits to measure their performance as a condition of receiving funding in an effort to ensure the effectiveness of their activities (Carnochan et al. 2012: 1014-1015). However, Forbes (1998) argues that implementing a performance measurement framework also allows nonprofits to strategically address goals relevant to the community being served and informs decisions potentially resulting in sustainability. When nonprofits came under increasing pressure to demonstrate their achievements to governments and funding bodies (Moxham 2009), accountability and transparency became central to nonprofit activities. What has become clear is that reporting against financial measures alone is not entirely representative of nonprofit activities that typically “pursue missions whose achievement is difficult to measure” (Lee and Nowell 2014: 2). Forbes (1998: 184) explains that nonprofits “frequently have goals that are amorphous and offer services that are intangible”.

Much of the literature supports the use of performance measurement as a critical tool for an organization’s development strategy (see for example Neely 1999; Boyne 2003). While accountability was the impetus for performance measurement initially and it remains a key purpose, Lynch-Cerullo and Cooney (2011: 370) argue that increasingly “program improvements, not external accountability” are being prioritised. There is no consensus in the nonprofit literature about what criteria should be used to measure performance. Moxham (2009) proposes the lack of consistency may well be appropriate for the diverse nonprofit sector, particularly because the measures need to be relevant to the social mission of the organization.

There are myriad approaches available for measuring performance span from logic modeling, standardization efforts, methods for calculating social value to broad performance measurement tools such as dashboards and balanced scorecards. Perhaps one of the most notable is the balanced scorecard developed by Kaplan and Norton (1992, 1996) for the private sector to measure four aspects: financial dimensions of an organization, the
perspective of the customer, the internal process, and learning and growth within the organization. Kaplan has adapted and operationalised his balanced scorecard for the performance of nonprofit organizations. Notwithstanding the variety of performance measurement frameworks, a key theme running through the literature concerns the challenges associated with measuring the performance of nonprofits. This is largely due to the diversity of the nonprofit sector and according to Moxham (2010: 345) “the difficulties in identifying a causal relation between a particular activity and a particular outcome”.

One of the challenges for nonprofits is to sustain public confidence because they receive funding to deliver their services. The challenge is that funding is precarious and the intangible outcomes are difficult to measure (Poister 2003; Little 2005; Moxham and Boaden 2007; Moxham 2009). To address this, nonprofits need to consider the social ecology of the context within which they work. The networks and stakeholders for a nonprofit provide the institutional legitimacy that contributes to the success of nonprofit organizations. Sanger (2008) (cited in Carnochan et al., 2012: 1016) observes that effective performance measurement adopts three core strategies: (a) nurturing local stakeholder involvement in the process, (b) creating goals that are specific and logically linked to metrics that measure progress toward those goals, and (c) continually fine-tuning measures and goals that are strategically linked to balancing the needs of federal and state funders with those of clients and local citizens.

Lee and Nowell’s (2014) integrated framework for performance management of nonprofit organizations provides a holistic framework for measuring the social effectiveness of nonprofits. Lee and Nowell (2014) synthesised the information from frameworks in the extant literature and then distilled seven core perspectives on nonprofit performance measurement: inputs, organizational capacity, outputs, outcomes (behavioral and environmental changes), outcomes (client and customer satisfaction), public value accomplishment, and network/institutional legitimacy. According to Lee and Nowell’s (2014) review, measuring ‘inputs’ concerns how nonprofits procure and utilise resources to optimise their financial position and support their activities. They say that ‘organizational capacity’ refers to the human and structural features of the nonprofit to deliver services. Nonprofits create ‘outputs’ (products and/or services) by utilizing their resources and their capacity. Throughout the literature, some frameworks focused on the importance of ‘behavioral and environmental outcomes’, and other frameworks focused on ‘client and customer satisfaction’ as an important outcome. Lee and Nowell (2014) found that some authors focused on the ‘public value’ created within the community from the activities of the nonprofit and finally some frameworks took a social ecology approach to prioritise the success of the organization in managing its relationships with key stakeholders in the community, referred to as ‘network and institutional legitimacy’.

While Lee and Nowell’s (2014) integrated framework draws together the key elements of frameworks from the literature, some authors argue for the subjectivity of performance measurement despite normative frameworks. Bagnoli and Megali (2011: 162) cite Herman and Renz (1997) stating that performance measurement can be largely subjective. Social enterprises (SEs) and nonprofit firms in general have multiple constituencies (stakeholders) that may differ in how they measure effectiveness. Consequently, organizational effectiveness is not a single reality but a more complicated matter of differing interests and expectations.
This is perhaps even more so in the case of an Indigenous social enterprise that must negotiate the work commitments of its Yolŋu staff with their cultural obligations as and when they arise. Thus while some might measure performance based on profit, others on services delivered, an Indigenous nonprofit might include the ways in which Yolŋu are employed and trained as it relates to their mission. An integrated framework therefore allows a more rounded approach to measuring how the Indigenous social enterprise is fairing on the whole.

While many performance measurement frameworks for nonprofits consider inputs, outputs, outcomes and impacts, the ancillary effects that may accompany the work of an Indigenous social enterprise are equally important. Measuring effectiveness can focus on the contribution made by the social enterprise to the creation of social inclusion, social capital and collective wellbeing through the measurement of medium or long-term impacts (Bagnoli and Megali 2011). This paper embarks on a social audit of an Indigenous social enterprise drawing on Lee and Nowell’s (2014) integrated framework to determine the effectiveness of, and the contributions made by, Nuwul Environmental Services.

Method
Research participants were selected using purposive-convenience sampling. Nuwul Environmental Services management and staff formed the main pool of participants followed by key local stakeholders in the community. In addition, volunteer sampling was used enabling staff to self-nominate for the study. This study involved a total of 24 interviews with 15 Nuwul participants (5 female staff, 5 male staff, 2 managers, 3 board members) and 8 external Nuwul stakeholders (Laynha, MEP, Northern Territory Department of Correctional Services, Art Gallery, Department of Families and Children, East Arnhem Shire Council, Dhimirru, Rio Tinto Alcan, a registered training organization).

Over several visits to Yirrkala the researchers observed and participated in Nuwul activities such as fencing, light construction as well as tree planting, seed collection and irrigation work, weeding, clearing rubbish from important cultural sites, and unpacking and sorting of plant stock at the nursery. Participation in these activities provided an opportunity for forming working relationships with local Aboriginal staff members and for building rapport. It is in this context that participants were invited for a ‘yarn’ about their work and associated experiences. A form of interviewing, yarning is an informal conversational approach through which the researcher and participant address topics of interest relevant to the research. It is a legitimate method in Indigenous research (Bessarab and Ng’andu 2010). Yarning requires the researcher to develop and build a relationship that is accountable to Indigenous people participating in the research. During the yarns, with the informed consent of research participants, field notes were taken and where appropriate conversations were recorded subject to consent being given. The format was open-ended, encouraging participants to share their views on, and experiences working at Nuwul. Field notes were collated and compiled and interview recordings were transcribed verbatim. The researchers employed thematic analysis; the encoding of qualitative data in search for patterns and themes, which help explain social phenomena. Themes were developed through the careful iterative and reflexive examination and re-examination of the raw interview data (Fereday and Muir-Cochrane 2006). Rigorous ethics processes were adhered to working with an Indigenous community.

An Indigenous Social Enterprise in Remote Northeast Arnhem Land: Nuwul Environmental Services
In negotiation with elders from the Rirratjingu clan, we use the voices of the Yirrkala people (Yolŋu and white fellas) to ‘measure’ performance. The application of the integrated
framework tests the validity of the model through the northeast Arnhem Land empirical case: the Indigenous social enterprise Nuwul Environmental Services. The theoretical validity of the framework will be elucidated for each core perspective. Nuwul grew from the former Yirrkala Landcare, which closed with the dismantling of the National Landcare Program in 2008. Nuwul is a community owned and run Indigenous social enterprise, which aims to cater to the needs of the local environment and its inhabitants. Its mission indicates that Nuwul focuses on the dual goals of environmental stewardship and the social needs of the local Yolŋu community by providing employment and training, improved literacy and numeracy skills, financial management and restoring personal and community pride.

Through their activities, Nuwul aims to support a large number of Yolŋu employees and to provide job readiness and life skills to an even greater number. The business plan clearly states “we will create a balance between traditional and western cultures in our approaches” (2010: 2) alluding to the flexibility that allows Yolŋu people to work and attend to cultural obligations. The business plan also claims “to recognise the needs of flexibility in our employment activities to accommodate traditional work ethics and social obligations, and this provides the opportunity for job sharing as well as part-time and casual employment” (2010: 2). Nuwul is both a provider of the government Remote Jobs and Community Program (RJCP) activities for the currently unemployed and provides placement for those under a court community work order where they can carry out their obligations amongst their peers with positive community support. RJCP is a federal government program that started in 2013 to support unemployed people build skills to become ‘work ready’ or to participate in activities that contribute to the strength and sustainability of their community (Australian Government 2015b). Importantly, these activities allow Nuwul to maximise community input into the environmental management of the northeast Arnhem region both directly through activities and indirectly through the influence and gained understanding from teaching other life skills. “A recognition of the importance of traditional knowledge is paramount to what we are doing. Recording and passing on of this knowledge to future generations is a vital component of Nuwul activities. Rather than having Yolŋu people feeling lost between two cultures, we intend to demonstrate to them that they have a distinct advantage in having a hand in each” (Nuwul Environmental Services Business Plan 2010: 2). The nursery provides a hub for local Yolŋu men and women to participate in semi-formal economic activities that serve social, cultural, environmental and economic goals (Brueckner and Spencer 2014).

Nuwul is engaged in a variety of activities including contractual, commercial, community services, and training. Commercial activities include Saturday morning plant sales at the nursery to the local Yirrkala and Nhulunbuy communities, landscaping, lawn mowing and yard clearance, and irrigation and reticulation services. Over time Nuwul has been growing its contractual services with local organizations including weed management and grounds keeping contracts with East Arnhem Shire Council in Yirrkala and the Arnhem Club in Nhulunbuy and contractual agreements have previously existed with the Yirrkala School for grounds maintenance. Nuwul is contracted by Miwatj Employment Services (MEP) to provide RJCP placements for local Yolŋu and contracted by the Northern Territory Department of Correctional Services to provide work placements for offenders on a community work order. As part of their operations as a social enterprise, Nuwul has a mandate for environmental stewardship and restoring community pride. In doing so, they regularly clear rubbish and mow around Beach Camp cemetery and Shady Beach as an ongoing community service. Training is also an integral part of Nuwul operations with staff having completed a Certificate II in Small Engine Operations and Maintenance (certified through Charles Darwin University), money management (via Laynhapuy), and studying a Certificate II in Conservation and Land Management (CLM - certified through Batchelor College). Yolŋu youth who are out-of-school and under 24 years of age are currently being
Engaged as part of the government’s Remote Youth Leadership and Development Corps Program (referred to as Youth Corp). The 12 month program aims to provide a pathway into employment by building skills necessary for sustainable employment in a locally-relevant industry and as such at Nuwul the participants are being trained in CLM and apply their knowledge through Nuwul activities; they are then required to continue on RJCP after the intensive 10-week training until the end of the twelve month period. Nuwul has a history of teaching gardening programs at Yirrkala School with grades four, five and six drawing on primary school curriculum and since 2013, senior secondary students are enrolled in a pilot Learning on Country program in association with Dhimurru with regular field trips ‘on country’ for Yolŋu students to learn from Yolŋu traditional owners about local cultural and environmental knowledge. Nuwul’s General Manager (GM), an ethnobotanist, teaches the Certificate content as part of the Learning on Country program.

**Results: Application of the Integrated Framework**

In adopting an integrated framework for both conceptualizing and measuring performance of nonprofits, Lee and Nowell (2014) refer to seven core perspectives of nonprofit performance that are interconnected: inputs, organizational capacity, outputs, outcomes (behavioral changes and customer satisfaction), public value accomplishment, and network/institutional legitimacy. We apply each of the core perspectives within the framework to Nuwul Environmental Services to craft an understanding of how Nuwul is fairing as an Indigenous social enterprise.

**Inputs**

Two key approaches listed under the inputs core perspective include 1) resource acquisition and utilization and 2) expenditure. The first approach focuses on how successfully resources (both financial and nonfinancial) are acquired in order to generate value, growth and sustainability (Lee and Nowell 2014). Resources include funding, facilities, equipment, staffing and training (Berman 2006; Median-Borja and Triantis 2007; Lee and Nowell 2014). In the case of Nuwul, resource performance metrics in this social audit include the ability to acquire and manage human resources. For example, the number of staff on paid wages, the increase in RJCP staff, the increase in Youth Corp participants, the number of Northern Territory Department of Correctional Services placements and the appointment of middle management. Currently Nuwul has two facilitators, two supervisors, but the General Manager continues to find his time stretched across all activities of the organization: managing staff, contracts, training, nursery purchases and sales, and sourcing new business, as he builds the capacity of his staff. The number of RJCP staff is gradually increasing. The first Youth Corp participants started in October 2014. By January 2015, the first Youth Corp Group had completed a Certificate II in CLM. In February 2015, a second group has completed the same training. As of October 2014, there were three people on a placement by NT Department of Correctional Services.

Another resource performance metric is the increase in revenue from year to year, and importantly for a nonprofit, the diversity of revenue streams. Currently Nuwul operations are completely self-funded. As it grows its business through the contracts rather than one-off services, it has been able to increase the number of staff on paid wages. As of October 2014, Nuwul employs 14 staff on paid wages that have transitioned from RJCP funding. Miwatj Employment Program (MEP) has a government contract to provide RJCP until 2018, allowing Nuwul to be a host organization for employing local Yolŋu. The earnings from the nursery sales are projected to increase by 40% in 2014-15 according to a Business Overview conducted by consultants in 2014 (French, 2014). Environmental and civil contracts are
projected to increase by 94% for the same period and community works projects by 1,180%. The increase in community works projects is so large because Nuwul started with one RJCP participant and at the time of writing (Feb 2015) there are 40 RJCP participants. Overall that is a 191.21% increase in revenue. With regard to diversifying revenue streams, Nuwul is doing this by securing private and commercial landscaping and maintenance contracts and through the training of its staff, thereby building staff qualifications and Nuwul’s capacity to take on more contractual work. Training is central to the work Nuwul undertakes and can therefore be utilised as a performance metric. Training is also a way through which Nuwul can increase the capacity of its staff to diversify its revenue stream. Nuwul is involved in training of both senior secondary students and Nuwul staff in Certificate II Conservation and Land Management. Nuwul staff also receive training in the day-to-day operations of the nursery, contractual environmental services, and in the use and maintenance of equipment.

Lee and Nowell (2014) identify the acquisition of facilities and equipment as nonprofit performance measures posed by several scholars (Berman 2006; Median-Borja and Triantis 2007). In the case of Nuwul, quantifying the acquisition of facilities and equipment as an indicator of performance would not tell the entire story. Having developed strong relationships with other local organizations, Nuwul often borrows facilities and equipment; effectively building its capacity despite not investing in the acquisition of all the facilities and equipment utilised. For example, MEP and Laynhapuy have loaned facilities, equipment and vehicles to Nuwul to carry out its operations and services in Yirrkala, Nhulunbuy and even in the homelands. This is perhaps a better indicator of another performance measure - the strength of Nuwul’s relationship with funders, staff and local partners. By having developed strong relationships with other community stakeholders Nuwul addresses the constraints of budget and resources (Moxham 2009b) that it experiences as an Indigenous social enterprise in a remote community. The strength of Nuwul’s relationship with staff is a strong indicator of performance particularly when considering its mission to provide employment for local Yolŋu. Yarns with staff and observing the rapport the General Manager has with his staff highlight that he invests in building relationships with them. One male staff member expressed his appreciation and respect he has for the manager:

*Gareth welcomes anyone. Whoever wants to work here has got a good boss. He’s easy going and easy to work with. Regular bosses are always in front of you nagging all the time. He doesn’t jump all over you and tell you to get it done. He’s good ... I respect Gareth for what he’s been doing here. He’s been through a lot of hard yakka to get this where it is today. Being with him and working with him is good. I respect him for that and what he’s been doing. He’s been through a long road to get to where he is today. I respect him for that.*

The second approach under inputs focuses on nonprofit organization expenditure. The literature highlights that expenditure is a common method for examining nonprofit performance at the end of a program or at the end of a funding tranche where nonprofits are required to report on their expenditure against outputs (Lee and Nowell 2014; Cutt and Mirray 2000; Moxham 2009b; Newcomer 1997). Typically when a nonprofit has secured external funding to deliver a specific service or implement a particular program, it will put in place a monitoring and evaluation system for the purpose of reporting back to the funding body about how it spent the funds. The GM must report to the Nuwul Board and it reports to its partners such as the Northern Territory Department of Correctional Services and Miwatj Employment Program regarding the attendance of staff. However its financial reporting is a performance metric that requires improvement. Due to the lack of management capacity, it is clear that Nuwul needs to develop improved systems and processes for financial record
Closing the Gap Through Indigenous Social Enterprise

Kaplan (2001: 369) signals that expenditure is not the emphasis of nonprofit organizations that instead elevate “the role of the mission and customer to the top of the hierarchy of perspectives, recognizing that nonprofits should be accountable for how well they meet a need in society rather than how well they raise funds or control expenses”. This relational ethos segues into the next core perspective, that of organizational capacity.

Organizational Capacity

According to Lee and Nowell (2014: 4) organizational capacity “consists of human and structural features that facilitate an organization’s ability to offer programs and services” and they state, that in the literature this core perspective correlates strongly with input (2014: 7). Its focus, however, is more directed at developing the capacity to successfully generate outcomes and outputs (2014: 7):

That is to say, this perspective is about evaluating how well a nonprofit has constructed effective internal processes and structures to use the resources efficiently and effectively toward the advancement of the organization’s mission. It also includes developing the requisite capacity to deliver the services, adopt necessary innovations, and expand/alter programs and operations to meet changing needs (Kaplan 2001).

With this in mind, a close reading of Nuwul’s mission statement sheds light on what it sees as its fundamental mandate; to preserve the land and culture of local Yolŋu while providing them with skills and employment. We can therefore begin analyzing the internal processes and structures for how effectively the resources such as staff are utilised:

The operation is seen as a multi-functional one covering many of the necessary aspects of sustainable environmental and community-based services necessary to maintain and protect the local area, including its people into the future. Our aim is to preserve the land and culture of our people in a manner, which benefits all of our community. Our goal is to be autonomous, sustainable, respectful and ethical in all of our actions. We are aiming to function as a not-for-profit organization, which is wholly independent of other commercial interests. We provide employment for the local Yolŋu population, reinforcing a sense of personal and community pride, which have undergone many challenges over the previous decades. We see ourselves as a skills provider, which will enhance the employment potentials for Yolŋu people, so that they can participate more broadly in the wider community (Nuwul Mission Statement).

Talking to the General Manager of Nuwul reveals the importance of Nuwul’s capacity to work between two cultures.

Our capacity is to work between two cultures. We could have one set of measurements that we judge by working with Yolŋu business, but as soon as we're dealing with Napaki [white] business there are different parameters; we have to work within those ... We have to lift the bar for ourselves to go in and nail it on their [white] terms. At the same time we have to make sure we remain a Yolŋu business and that the management is on that level. It’s really important that we don’t let
ourselves get locked into a purely Napaki practice, to meet Napaki goals and lose sight of why we’re here.

Lee and Nowell (2014) found in their meta analysis of the literature that example performance metrics for organizational capacity include staff motivation, staff satisfaction, staff education, staff and executive perspectives on the operational capacities, and capacity of the nonprofit to innovate. When we asked the female staff about their motivation for working at Nuwul they talked about their feelings of personal responsibility: at work we’re feeling different. When we knock off from work and go home, we feel different, feeling better. They enthusiastically describe Nuwul as a happy workplace. Yarning to the men about what motivates them to work at Nuwul one said It’s all about encouraging our little ones, so they can look forward; it’s not about just sitting down. So they can look up to us and they can think of how can they work for a living instead of just sitting down and doing nothing. For the men, recognition is a motivation for working at Nuwul: some just want to be like us; want to work here [Nuwul]. Also young kids will do that when they grow up here [Yirrkala]. They want to be working here. Homeland people look up at us too. We see from these comments that people are motivated by a desire to shift from sitting down and doing nothing to role modeling, particularly for their children and receiving respect and recognition from other Yolŋu for being employed.

Community pride emerged as a theme during the yarns. This speaks to staff satisfaction as a performance metric. Nuwul staff talk about the satisfaction of working in their community: it’s good work... sometimes we go out and we are in the community cleaning up (female staff member). One of the male staff members explains, we have a big nursery that has been part of life since we were young. This area, this nursery it’s not about us, it’s about community and helping our community. A fellow worker responds to this, and it’s a Yolŋu business; it’s a family business. The women also speak about family in relation to Nuwul, we have a big nursery that has been part of life since we were young. This area, this nursery it’s not about us, it’s about community and helping our community. A fellow worker responds to this, and it’s a Yolŋu business; it’s a family business. The women also speak about family in relation to Nuwul, we are having our buddies with us, our friends, sisters and brothers; working here we are a family. Overall, satisfaction among the staff is a strong indication of Nuwul’s organizational capacity and is expressed across many domains including their working relationship with the General Manager, working alongside their peers, working for their community and in their community, role modeling to their children and being more independent financially. Some spoke of sitting at home, doing nothing before working at Nuwul and relying on mum and dad or the family for money. The increase of staff over time and the return of those who may have left briefly is an indicator that staff are satisfied with their roles in the organization given they are not obliged to participate (with the exception of those on work orders from the Department of Correctional Services, which at the time of writing was three staff members). Certainly the data from the focus groups with Nuwul staff (male and female) indicates high levels of satisfaction: for all of us it’s a happy workplace ... we’ve got a nice boss working here.

Staff and executive viewpoints on operational capacities vary between those on the ground doing the work, those managing, and those on the Board. For one Board member, she would like to see faster transitions from RJCP to paid wages, I am tired of RJCP and CDEP programmes. There should be money found to employ people properly and with that employment comes training on site. But for the GM, who takes a cautious and steady approach to building Nuwul’s workforce, transitioning people from RJCP arrangements takes time to introduce new staff to the workplace in terms of expectations, responsibilities, processes and systems, he explains he can't have a fixed timeframe because it is really dependent on how much we’re actually earning and our financial capabilities. That’s what determines timeframes ... it is really determined by the market more than anything else. This
might be viewed as a sustainable approach to building the organizational capacity in terms of staffing.

One board member felt that operational capacities are good due to the number of staff but felt that administrative capacity was wanting and this impacts the management of Nuwul activities. For example, while yarning in Nhulunbuy this Board member said he’s [GM] got enough people working there to help him do what he needs to do. They need an administrator that will take the paperwork load off him. He needs one or two people to help him with that. Another Board member believes training would be beneficial for all members of the Board to be trained in order to help with the leadership and governance of Nuwul to improve its capacity: I think we need for the board to have the capacity and skills to know how to run board meetings and to run the board.

Moore (2003: 22) argues that the capacity to innovate as an indicator of organizational capacity of nonprofits depends on “the rate at which it can learn to improve its operations as well as continue to carry them out”. Perhaps one of the most significant innovations at Nuwul is the way it is being managed in culturally appropriate ways. Gareth has found an innovative way to achieve the strategic objectives of Nuwul in its daily operations through workforce flexibility. This means that he employs a number of Yolŋu staff via alternative means including paid wages, RJCP, Youth Core, and NT Department of Correctional Services (community work orders and parole). By growing his workforce he has been able to secure more contracts. What is important to note here is that not all of the people on his books turn up to work every day. There is a core number of folk who are there any one day, however, and this means there are always enough people to carry out the jobs each day, while at the same time, allowing Yolŋu staff to attend to cultural obligations. While some may need to be away from work for ‘sorry business’², others can be called upon to come to work to get specific tasks and jobs completed. Gareth tells us:

people attend to things of cultural importance ... requiring a larger, more flexible labour core, because you don’t know when someone might pass away or there will be something that will call away some or most of your workforce. At other times you will be over employed and that actually means you can knock over your contracts that much faster ... it’s giving me a real flexibility and sometimes when you do have a variable workforce, it allows you to achieve things that you normally can’t ... and then we have the capacity to do more community oriented things .... I try to meet the awesome importance of cultural responsibility and the traditional and ecological knowledge.

Workplace flexibility is not just about Yolŋu being able to meet cultural obligations and keep their job. It can also be about recognizing people’s capacity. Gareth describes recognizing individual’s capacity and working with that in a way that encourages them:

Here’s someone with big alcohol issues, has regularly taken off at midday to get to the pub; that’s where he’s at his most comfortable. So having that realization that by about twelve or one o’clock, he’s going to want to take off. But he’s going to be at work every day if he’s not berated. The personal agreement we have is that he is turning up every day as opposed to not turning up at all for weeks on end and then

² Sorry business refers to mainland Aboriginal cultural practices and protocols for death, grief, or loss. Most often, sorry business ceremonies are conducted around the bereavement and funerals of deceased persons but sometimes sorry business might be to mourn the loss of connection to land, such as where an application for recognition of Native Title is lost.
coming back ... I encourage him to work a bit longer every day and sometimes he does, and sometimes he doesn’t.

Likewise with those on community work orders from the court, Gareth tells us, most of the people that have come through on those end up staying on at Nuwul on RJCP... I take a more familial role, positive support and work them up towards maintaining their work after they are finished. Some have kept working and others have dropped off. Some of those will come back to work.

Within this core perspective, Lee and Nowell (2014) have found that there are three related concepts: internal processes; capacity for learning, innovation, and growth; management and program capacity. The General Manager is responsible for overseeing all operations, sourcing new business, training, technical maintenance for example. Without management support, it is difficult for internal processes to be improved, management capacity to be developed, and the adoption of innovations to take place. Making quality improvements to systems within the organization is very difficult when it all relies on one person. However, making quality improvements to the staff has been a strong focus of the GM and Board. Kaplan (2001: 357) refers to a series of indicators in his Balanced Scorecard for measuring such improvements, some not already mentioned including retention, capabilities, and alignment, as well as information system capabilities. Staff retention is an indicator that one might link closely to motivation and satisfaction but in the case of an Indigenous social enterprise, external pressures and cultural obligations can undermine retention of staff. Peer group pressure from outside Nuwul has on occasion impacted staff retention in terms of staff pulled into old behaviors by errant peers. One young male who took part in a Youth Corp program for example, was engaging well in the program but returned to heavy drinking and sitting around. This can be attributed to a combination of factors including the completion of the intensive 10-week program coinciding with the Christmas holiday break and the return to Yirrkala of a young male from one of the homelands that instigated a spate of petrol sniffing in the community. Stakeholders in the community also recognise peer pressure as a constant challenge for retaining staff in the Indigenous context:

Weighing up the positive effect we [Nuwul] have against the negative effect of external peer group pressure ... we have one example where we had a young guy here who had never worked in his life. He got really into it and he was turning up all the time and was really solid. He got dragged back into old behavior patterns by those around him outside of the workplace. He’s locked up again in juvenile detention (Laynhapuy officer).

But despite peer pressures or cultural obligations like attending funerals, staff retention remains strong. Since Nuwul was incorporated it has had approximately 50 RJCP referrals, 25 of who have been consistent and 15 being placed on wages. Of the 15 staff on wages, three have left for various reasons including pregnancy, caring for a sick relative in Darwin, and one on a court allocated Alcohol Prohibition Order that expired and he immediately began drinking again and hence stopped coming to work.

In terms of capabilities as an indicator from Kaplan’s (2001) balanced scorecard, Nuwul staff are developing their capacities and learning new skills. One female staff member describes learning new skills as good for the brain and good for the head. As we sat under a large tree in the nursery with the female staff, they talked about the nature of their job mowing in the community, planting, weeding, watering the gardens. Gareth arrived and on overhearing the conversation, stated emphatically they designed it themselves referring to the gardens around the Arnhem Club in Nhulunbuy. He proudly explained, I asked the ladies ‘how do you want
to do it, to make the gardens”? I just made sure that the cold water kept coming! The women further explained they have been learning new mechanical skills for maintaining the buggy and other gardening equipment, we know how to like pop the tyre, change the tyre, we know how to fix lawnmowers and we know how to fix the whipper snipper. Yarning with the women revealed they can do maintenance on the blower and chainsaw as well, and they had been learning new propagation skills, using sprays and chemicals, spraying, weeding, gardening, and wearing the correct safety gear to work each day. Over the duration of each field visit we observed Nuwul staff participating in these daily activities.

In terms of alignment as a performance measurement for organizational capacity proposed by Kaplan (2001), the activities and the development of capabilities discussed here align well with Nuwul’s mission statement. It states that Nuwul sees itself as a “skills provider, which will enhance the employment potentials for Yolŋu people”. The kinds of activities and business Nuwul staff undertake involve maintaining and protecting the local environment and areas of cultural significance. In these ways, the business activities of Nuwul align with its mission statement: “…. to maintain and protect the local area….”. Nuwul employs local Yolŋu, training them and developing their skills that involve learning about both ‘balanda’ and Yolŋu plants and ways of working with the environment. This too aligns directly with its mission: “We provide employment for the local Yolŋu population, reinforcing a sense of personal and community pride … we see ourselves as a skills provider, which will enhance the employment potentials for Yolŋu people”. The business activities undertaken by Nuwul and the training and skills development of Nuwul staff fit with its core mission and strategy that focuses on the key constituent group: local unemployed Yolŋu.

**Outputs**
The purpose of measuring outputs of a social enterprise is to determine whether the nonprofit activities realise the goals of its mission (Moxham 2009). Typically outputs are quantitative measurements such as the number of clients served and the number of services delivered (Moxham 2010). The output perspective for a social enterprise emphasises its activities as they support the mission (Sawhill and Williamson 2001). In all organizations, output measures are easy and inexpensive to collect compared with outcomes, but they are also harder to interpret (Kendall and Knapp 2000) and more difficult to identify a causal relation between a service and an outcome (Moxham 2010). This is especially appealing to social enterprises as nonprofit entities but also for assisting them to demonstrate both, value for money and accountability when reporting back to funding bodies.

In the case of Nuwul we can consider four types of outputs: nursery sales, environmental and landscaping services, educational and training services, and government partnerships. Nursery sales are indicative of customers served. The number of organizations and individuals purchasing plants from Nuwul has steadily increased by 40% in the first half of the 2014-15 financial year (French 2014). This is despite the nursery only being open to the public on Saturday mornings, the mothballing of the Rio Tinto alumina refinery in late 2013, and the subsequent loss of residents in Nhulunbuy throughout 2014. As such, the increase in nursery sales indicates strong growth during a period when other businesses in Nhulunbuy suffered financially and even closed. Typically customers are drawn from Nhulunbuy, but more recently local Yirrkala residents are purchasing plants from the nursery to support their family members who work at the nursery. Customers benefit from access to a large selection of plants and inexpensive stock compared with competitors in Nhulunbuy (20km away) and Gunyangara (referred to locally as Ski Beach 29km away). Exotic plants regularly imported by cargo vessel from Darwin (approximately 500 nautical miles/1000 kilometers), incur a more expensive price tag, while Nuwul produces a similar variety of plants at a much-reduced
cost. An extensive range of native plants for ongoing remediation and re-vegetation work of public and mining sites is also propagated. Since 2009, Nuwul has developed a seed bank for conservation purposes, seed sales, and nursery production. This allows Nuwul to propagate, maintain variety, manage the quality and quantity of its plant stock to some degree. It has also meant that staff are trained in seed collection and storage techniques thereby responding to the mission: “plant propagation and production services are founded on technical and traditional knowledge”. Training in these skill areas also aligns with the business strategy, which aims to “develop culturally appropriate plant species for the regional market using a local nursery to generate locally grown products” (French 2014: 6). The strategy fosters local interest and ownership as staff learn about traditional botanical knowledge.

During fieldtrips to Yirrkala in 2013 and 2014 we observed an increase in the number of corporate clients Nuwul had secured for landscaping and garden maintenance. We also observed that the nature of landscaping business has shifted from one-off landscaping jobs to more long-term contracts, indicating that Nuwul staff are building capacity to deliver services that respond to market demands such as quality and competitive pricing while at the same time providing more regular income and work experience for staff. As part of the environmental services Nuwul undertakes, the nursery has also produced plants with local geno-types and chemo-types suitable for native re-vegetation and land management for the two large Indigenous Protected Areas (IPAs) located near Yirrkala (French 2014) and remediation of public sites like Shady Beach. The diversity of the client base for Nuwul’s environmental and landscaping services indicates that this part of the business has developed and is supporting the capacity of Nuwul. The current client profile for the landscaping and environmental contract services consists of three government agencies (NT Department of Housing, NT Department of Education, East Arnhem Regional Council) and one under negotiation (Australian Quarantine and Inspection Services); four nonprofit corporations (Nhulunbuy Corporation Limited, Dhimurru Land Management Aboriginal Corporation, Bunuwal Investments’ Malpi Village, Laynhapuy Homelands Aboriginal Corporation); two private sector businesses (Rio Tinto and Arnhem Club); and four homelands currently establishing cooperative farming ventures that will require horticultural advice and plant stock. Nuwul’s expanding government and corporate client base indicates growing recognition that Yolŋu people are well placed in the delivery of environmental services in northeast Arnhem Land.

Another output is the number of participants in RJCP and Youth Corp activities as well as the number of placements from NT Department of Correctional Services through the government partnerships Nuwul has established. Currently Nuwul supervises and trains 40 RJCP participants generating $16,933.34 (AUD) \(^3\) per month. The government funded RJCP contract is scheduled to complete in June 2018 indicating a stable income stream for Nuwul for several years. Thus far, two groups of Youth Corp have completed training in a Certificate II CLM. This amounts to 16 participants and gives them qualifications to seek work in the environmental and horticulture services industry and to continue on with Nuwul if they choose. According to the General Manager, there have been approximately 50 placements by NT Department of Correctional Services since 2009 with only 4 cases of recidivism. The Corrections Officer interviewed in 2014 said of all the placements this is the best success rate across the “Top End” and indicated they are very happy with the supervision and support the clients receive from being placed in Nuwul.

The final output by which Nuwul can measure its performance is by the educational and training services that Nuwul delivers for staff and senior secondary students. Along with

\(^3\) All figures cited are shown in Australian dollars
CLM training, Nuwul also trains all staff in Small Engine Operations and Maintenance. Staff also receive regular mentoring in money management and life skills. For example, various organizations have hosted barbecues at the nursery coupled with community development messaging such as hygiene and health, good eating and wellbeing, and money management workshops. Local Aboriginal corporations based in Yirrkala have partnered with Nuwul to deliver training and capacity building in a social and informal manner, where other Yolŋu workers come and support Nuwul staff. For example, one barbecue was cohosted with local Aboriginal health provider Miwatj Health. Miwatj came and did health checks with all of our staff, which is great (GM, Nuwul). He also tells us we had one with shire. Shire actually brought the barbeque down and all the meat and provided everything. We did all the cooking and that was to build this partnership between us working together. The relationship is working pretty well.

**Outcome: Behavioral and Environmental Changes**

An outcome based perspective differs from the output approach in that it looks beyond organizational activities and seeks to discern the impact of these activities on the targeted setting or population. This perspective highlights that while organizations may be highly productive in the number of people served or projects implemented, it is a different issue whether organizations made substantial changes in behavior or environmental conditions through these services (Lee and Nowell 2014: 8).

Therefore measuring outcomes allows nonprofit organizations to evaluate the impacts of their activities (Bagnoli and Megali 2011) and demonstrate the effects of their services (Moxham 2009) in tackling social problems (Kendall and Knapp 2000) and how well they align with their mission in the case of reporting back to funding bodies and board members. Outcomes focusing on behavioral and environmental changes are conceptualised as internal (Bagnoli and Megali 2011: 157). In the case of Nuwul, internal outcomes can be measured against changes in the target group in terms of increased skills and knowledge; improved economic conditions; and perhaps even modified attitudes and behaviors that might for instance be demonstrated through reduced incidence of criminal activity in Yirrkala.

Increasing skills is key to employment of local Yolŋu in Yirrkala. The Northern Territory Government (NTG) conducted an employment profile of Yirrkala and published the results in 2011. This is instructive because it reveals the status of Indigenous employment. At that time, Indigenous people held 46 per cent of jobs in Yirrkala (NTG 2011). Of the total 311 jobs in the community, 109 were public sector jobs with 38% filled by Yolŋu and 180 were private sector jobs with 49% filled by Yolŋu (NTG 2011). The NT Government has established the East Arnhem Development Corporation with the express purpose to build local economic capacity and support development of Indigenous social enterprises in order that local contracts and tenders benefit local people (French 2014). Nuwul is a social enterprise whose business model focuses on employment of Yolŋu to deliver environmental, economic and social benefits. In doing so, Nuwul integrates applied education to the daily activities to increase the knowledge and skills of local Yolŋu (both Nuwul staff and Yirrkala school students). “By being hands on, the kids really lap that up ... they have the opportunity to actually cook things from the garden ... they made a fantastic rosella jam [a type of hibiscus]” (GM). In recent years, Nuwul has delivered educational projects with Yirrkala School called the EduGrow Community Garden project. Once a week, the Nuwul General Manager delivers an hour and a half of gardening with years 4, 5, and 6 classes, explaining:
there is a lot of curriculum in gardening, English, math, science, music, multimedia, geography. There are a couple of weeks on soil, growing healthy food; the hands-on learning is very successful ... The kids created a book, song, and video clip about their gardening experience. They map, graph and measure the beds, scales and legends and all of those sorts of things. Geography you know finding on the map where the plants all came from, basic botany, parts of the plant, propagation of the plants, plant families like tomatoes and capsicums and eggplants and potatoes are in one family and mint and rosemary are in another family and parallel that with the Yolŋu kinship system so I use their kingship system to explain it.

For those on Community Work Orders from the Department of Correctional Services, skills inculcated include the “discipline of turning up to work and staying at work and not just taking off at lunch time to go to town and those sorts of things” (GM). Nuwul staff are also actively creating processes that build capacity and training into their work, “the crew is helping build their own checklists for things so our machines aren't breaking down and things like that ... A lot of these things are coming from them. They want to make training videos so everyone knows what to do; they’re already thinking that way” (GM). One of the strategies for building skills is around leadership training of two facilitators and two supervisors. The GM tells us “I think we’ve developed some good supervisors. I think that we need to pay more attention to developing those skills of the supervisors; they’re natural leaders ... we haven't given enough time to developing that into proper leadership skills. I recognise that and that is something that we need to build on and will build on” (GM).

Much of the training being undertaken at Nuwul is funded by MEP, “they have the funding to get our training happening in a certified manner, so we’d be silly not to take that up. It is quite comprehensive and our guys take it on really well” (GM). The training is more than just about carrying out tasks; it is embedded in Yolŋu cultural knowledge. The GM informed by his Board says “I’ve found it really important to tie in their own culture and kinship and stories and things like that, so it becomes part of their lore. It’s not a separate entity from that point of view. It’s totally cohesive with everything else that’s a part of their life” (GM). Nuwul has been a stepping-stone for some Yolŋu into other jobs by preparing them to be work ready. The Yolŋu staff at Bunuwul are ex staff of Nuwul, “we’ve definitely been a stepping stone for people” to find employment (Board member). This speaks to the organizational mission and provides evidence that Nuwul is achieving its goal.

A rigorous performance measurement of Nuwul could measure whether the economic condition of Nuwul staff has improved. Based on the number of employees we can make some initial observations. Currently Nuwul has developed training and employment for 40 local Yolŋu people. Thus there has been an injection of labour and associated wages into the local Yirrkala community. In the financial year 2013-2014, $47,000 was paid in wages. Projections for the current financial year based on current contracts and work undertaken are that wages will increase to $425,900 with the volunteers being paid because there will be an increase in long-term contracts being secured in landscaping and environmental services and an increase in small civil contracts such as garden maintenance and tree lopping. The recent Business Overview (French 2014: 22) states that “a major organizational achievement for Nuwul in the first half of the 2014-2015 years has been to generate sufficient income and future contracts to ensure all staff will be paid full wages by the 30th June 2015”. The sustainability of the business of Nuwul depends on its ability to generate income that not only covers essential expenses but also the wages of Nuwul staff. From these figures we can assume that the economic conditions have improved for Nuwul as a business, and
importantly, for the families of Nuwul staff. Further research would allow a longitudinal audit to measure this kind of impact at the household level over time.

Measuring modified attitudes and behaviors as an indicator of performance of an Indigenous social enterprise, is an indicator for which we have initial evidence. Nuwul has a core group who attend work on a daily basis and we can surmise that this evidences a change in attitudes and behavior regarding work among local Yolŋu. One female staff member explains that she came to work at Nuwul because her sister and cousin work there, demonstrating there might be a flow on effect when people see their relatives working and enjoying the work and earning a wage. It is clearly appealing to work within ones own community amongst friends and relatives and perhaps this contributes to a culturally safe work environment. *I’m working here because my husband is working here. That is why, he asked me my husband. He asked me to work here.* And there is a long tradition of family members working at Landcare before it became Nuwul, *there are plants here from our grandmothers and grandfathers, they were working here.* Another female staff member explains how work makes her feel better, indicating a change in attitude towards work, *I come to work with my friends and my life and what I think and feelings change. At work we’re feeling different. When we knock off from work and go home we feel different, feeling better.* One of the male staff tells us about his life having changed since working at Nuwul, *what is better is we can be somebody else, you are a normal person to be out working.* A young male staff member whose grandmother had worked at the nursery and encouraged him to work there too explains the importance of incorporating Yolŋu and Balanda (white) ways of living where work and school are considered Balanda. *Us mob, northeast Arnhem Land, we keep our culture strong by living the Yolŋu way. We don’t want to end up like the others. We want to be strong and we want to live both ways. We want to live our lives like Yolŋu and like Balanda. Like learning the Balanda way.*

Other stakeholders in the community see Nuwul as an opportunity for local Yolŋu to develop strong work ethic and work awareness (MEP). The GM says that changing behaviors towards work takes time, *It really does take time to get people to a level of regularity and punctuality and things like that. That is one of the goals of RJCO, work readiness, and we are a workplace so obviously we want people to be ready at a certain time to get tasks done.* One stakeholder from Laynhapuy believes that there is a wider community impact from the engagement of a core group of staff at Nuwul, *It flows on. People can see it. As I say, other people want to join the team.*

Many of the people we spoke to in Yirrkala talk about the issue of ‘sit down money’. It is identified as a serious social issue by both Yolŋu and Balanda alike. The GM talks about shaping attitudes around sit down money:

> we’re starting to out shame on that sort of mentality ... they’re telling other people ‘you should come to work’. So their sense of pride and their financial abilities and things like that is, I think, having some social change. More people come up to me saying they want to go to work. So they’re already thinking about it. It is another step to get them there but I get more and more people saying they’re going to, so they’ve obviously got that in mind that that is the right direction to take ... a lot of people express the fact that they are bored with nothing to do. It is really important to provide attainable opportunities. To create change here is a real generational thing. It’s going to take time and so I think we’re going about it in the right way.
Outcome: Client / customer satisfaction
Outcomes can also be measured according to the satisfaction of clients and customers – referred to as external outcomes in the literature (Lee and Nowell 2014). Thus regardless of how many services are delivered or how much training is delivered, it is the quality of the service that is being measured here (Lee and Nowell 2014; Median-Borja and Triantis 2007; Penna 2011; Poister 2003). Bagnoli and Megali (2011) refer to this performance measurement as the real impact of the social enterprise’s activities and services as they relate to its mission statement. In the case of Nuwul, the documented increase in nursery sales (a projected increase from $50,000 in 2013-2014 to $70,000 for the next financial year), in environmental and landscaping contracts (more than doubling in environmental and civil works contracts), and the increase in participants in RJCP, Youth Corp and NT Department of Correctional Services placements are strong indicators of not only customer and client satisfaction but also of partnership satisfaction with key stakeholders that support Nuwul activities such as MEP and NT Department of Correctional Services.

Public Value Accomplishment
The public value perspective focuses on what public value Nuwul produces for its Yirrkala community and identifies whether there are broader benefits to society. This perspective is concerned with the global contribution of the nonprofit (Lee and Nowell 2014) focusing on community-centred outcomes (Lampkins, Winkler, Kerlin, Harry, Natenshon, Saul, Melkers, and Sheshadri 2006). This perspective allows a nonprofit to look at the ways in which it draws on its resources to affect community-wide values. In terms of which public values should be measured there appears to be little consensus in the literature. For the purposes of this social audit, we looked at Nuwul’s mission statement to gain an overview of the public value accomplishment and chose the most appropriate dimensions concerning Nuwul’s community-based goals. These dimensions include wellbeing and happiness; social capital and social inclusion; and tackling deprivation and social exclusion (Hill and Sullivan 2006). Much of the public value accomplishment sits firmly around the organization’s mission to employ local Yolŋu and to provide sustainable community and environmental-based services to maintain and protect the local area.

The nursery acts as a hub for the inculcation of civic activities that support community life in Yirrkala. Nuwul has developed work and training activities in a mentoring environment to support a successful work culture where staff work in supervised teams in the nursery and in the delivery of small civil works contracts. We see for example, that Nuwul provides training and employment for over 40 Yolŋu as well as school students and that Nuwul undertakes sustainable management and remediation of important local areas such as the local cemetery and Shady Beach. In considering public value accomplishment as a performance measure, Nuwul incorporates technical and social strengths with environmental and social values in order to deliver economic outcomes. In the Business Overview, it states that Nuwul’s approach “creates local interest and ownership; it ensures the benefits are retained in the community; it builds social capital; and delivers a sustainable business legacy for the future” (French 2014: 6).

There are clear benefits for the community from the activities undertaken by Nuwul. Enhancing the employment potential of Yolŋu people in Yirrkala speaks to the ‘tackling deprivation’ and ‘social exclusion’ dimensions of public value as a performance measurement. Educational and training in the local community for staff and students also speaks to these dimensions. The dimensions ‘wellbeing and happiness’ and ‘social capital and social inclusion’ can be inferred from a range of factors such as instilling a sense of pride in
the local community through the land management and remediation work and monitoring of sacred sites; creation and maintenance of organic community gardens, development of strong relations with local community-based stakeholders (MEP, Laynhapuy, East Arnhem Shire Council, NTG, DPI, Rio Tinto Alcan); and the promotion of cultural maintenance. When we asked the GM what wider community impact he thought Nuwul was having on Yirrkala he explained:

“Well I like to think that people are seeing a larger Yolŋu presence in terms of workers in the community and not just white people coming in doing something -- Yolŋu doing things for themselves and actually making the community look better and seeing them [...] working alongside these other organisations. When Yolŋu are so disenfranchised, it gives them a sense that there are things out there, as does Dhimurru and Laynha you know? The Yolŋu are taking care of themselves and that is really important”.

Network and Institutional Legitimacy

The final core perspective of Lee and Nowell’s integrated framework adopts an ecological view of nonprofits, conceptualizing them as “embedded in a complex array of stakeholder relationships” (2014: 11). As opposed to for-profit businesses, network and institutional legitimacy is a critical component of a nonprofit’s performance. This core perspective measures performance in terms of stakeholder relations and whether the nonprofit has “established a reputation for trustworthiness and excellence within this broader network” (Lee and Nowell 2014: 10). An important strategy for nonprofits to meet their mission statements is to collaborate or partner with other organizations with similar goals, or as is the case with Nuwul, have resources that they can borrow (Moore 2003; Lee and Nowell 2014). We can thus gauge the accomplishment of this dimension by evaluating the success of Nuwul’s partnerships with stakeholders, but also through Nuwul’s capacity to borrow resources from other local stakeholders.

Nuwul has a number of existing contracts demonstrating its capacity for collaboration and partnership. For example, partnerships with East Arnhem Shire Council for weed management and Yirrkala oval maintenance, and Nhulunbuy Corporation for garden maintenance. Miwatj Employment Program and NT Department of Correctional Services indicate the strongest partnerships with Nuwul. The MEP partnership is primarily the delivery of RJCP activities. Nuwul collaborates with NT Department of Correctional Services to provide supervised work for prisoners on community service duties. Nuwul has developed its social capital and relies on the strong relationships it has built for free local advertising of its nursery sales and environmental services from local media providers such as the Nhulunbuy radio stations Gove FM and Yolŋu Radio and the local newspaper Arafura Times.

New partnerships are currently being negotiated with Dhimurru to assist in the land management and environmental services of the Indigenous Protected Areas. Negotiations are also underway with Australian Quarantine and Inspection Service for services relating to coastal management and Rio Tinto Alcan to assist with administration. The partnership with MEP has been so successful that Nuwul is proposing to adopt the model to expand RJCP services through MEP to Homelands based on a co-operative farming venture between Nuwul and Homelands East Arnhem.

Local organisations such as East Arnhem Shire Council, Laynhapuy, MEP assist Nuwul with the loan of resources when sometimes required. For example, Laynhapuy and MEP have leant
vehicles to Nuwul when their own vehicle has been out of use or there has been a need for an extra vehicle to help get contracts done. East Arnhem Shire Council provides storage for Nuwul’s vehicles and equipment. A vehicle was donated to Nuwul by a local Nhulunbuy stakeholder. For MEP providing support to Nuwul in this way means they do “not try and recreate a wheel but strengthen a wheel that is already there and [assisting Nuwul] strengthened it to a point where it could create jobs that never existed twelve months ago” (MEP).

The increase in nursery sales and long-term contracts for landscaping and environmental services indicates that Nuwul has established legitimacy with the general public for its role as both an employer of Yolŋu and a horticultural business. Nuwul has established relations with government agencies such as NT Department of Correctional Services and continues to build relation with other government agencies such as Northern Territories Department of Housing and Australian Quarantine and Inspection Services. Another dimension that speaks to Nuwul’s legitimacy is its reputation in the media. Nuwul has enjoyed nationwide coverage from the Remote Indigenous Gardening Network, ABC radio programs and Gardening Australia television program each interested in the model of Nuwul as an Indigenous social enterprise in a very remote part of Australia.

Discussion
“Profoundly disappointing” is how the Prime Minister (Prime Minister of Australia 2015) described the report card on Indigenous disadvantage in the seventh Closing the Gap report (Australian Government 2015a) tabled in February 2015. Many of the key indicators, such as improving Indigenous employment and health, are stagnating or getting worse. The statistics reveal there has been no progress in halving the gap in Indigenous employment opportunities. The annual Closing the Gap report presents national averages and cannot take into account the localised nature of differences in culture, geography, and history for all Indigenous communities across Australia. But while Indigenous employment figures across Australia on average have worsened, Nuwul represents a localised example of increased Indigenous economic participation through employment of Yolŋu and Indigenous enterprise development, demonstrated here through an integrated performance measurement framework.

Lee and Nowell (2014: 15) say “little is known about the extent to which nonprofits are adopting these more holistic performance measurement practices reviewed in our study. More importantly, we know almost nothing about the substantive value of adopting a more multidimensional approach”. This paper demonstrates the application of Lee and Nowell’s holistic performance measurement for a small Indigenous social enterprise in northeast Arnhem Land, Australia. In response to their question, what is the substantive value of having adopted a more multidimensional approach, we have demonstrated the complexity of measuring the performance of an Indigenous social enterprise when there are many elements to consider in a sensitive cultural environment. As foregrounded by Kaplan (2001), a multidimensional approach allows us to assess the organization’s capacity to secure resources (not only through fundraising) and, perhaps more significantly, an organization’s capacity to mobilise resources to meet its mission. Nuwul has clearly built strong relationships with key stakeholders that have allowed them to build their own capacity to operate as a successful Indigenous enterprise in the area of horticulture and environmental land care.

As stated by Bagnoli and Megali (2011:156), nonprofits must continue to consider the degree to which their activities have “contributed to the wellbeing of the intended beneficiaries and also have contributed to community wide goals”. Having spoken to a range of stakeholders,
including local service providers, Nuwul board members, staff, and clients, it is clear the activities undertaken by Nuwul are valued by the local community and are contributing to the national Closing the Gap goal of increased Indigenous employment. As Nuwul continues to increase employment and training opportunities for Yolŋu in Yirrkala, it improves the wellbeing of its staff and by extension their families. In this way Nuwul acts as a lever for behavioral change, where people begin to shift from the ‘sit down money’ mentality spoken of in Yirrkala to improved levels of economic participation. This article and the initiative it documents responds to Marcia Langton’s (2015: 18) call to record examples of Indigenous success when she writes “the ‘community-controlled’ sector has a role to play … their success should be noted – this is part of the future of Indigenous Australia”.

We have empirically operationalised Lee and Nowell’s integrated framework for the purposes of a pilot social audit of Nuwul and demonstrating an example that the growth of Indigenous entrepreneurial activities occurring outside the economic mainstream offer culturally safe and appropriate pathways to economic participation. This is perhaps especially significant in remote parts of Australia, where few mainstream employment opportunities are present and it is expected that Indigenous folk should move to find employment. Through the application of this integrated framework to the entrepreneurial activities of Nuwul, we can begin to conceptualise and measure its social effectiveness within the community of Yirrkala and thereby inform the practice of an Indigenous social enterprise.

We have investigated the role of social entrepreneurship within a local, Indigenous-run business to determine its influence on business success, understood here in terms of the creation of local employment and income as well as the generation of social capital. The study is based on the hypothesis that social entrepreneurship, that is community-orientated business models, provides an exemplar for Indigenous business success in both financial and social terms and offers a potential pathway for socio-economic improvements in Indigenous communities in Australia. Though Nuwul represents a localised example of increased Indigenous economic participation, perhaps one of the greatest challenges it faces in the context of the current policy climate is the incapacity of the Australian government to administer policies concerning Indigenous affairs. For example, the delay of the new ‘streamlined’ Indigenous Advancement Strategy funding outcomes that were to be announced in December 2014 but were not released before March 2015. This timing has serious ramifications for Indigenous service providers and employers reliant on State funding to deliver services and subsidise training and employment programs. Given Nuwul relies on RJCP funding for 40 of its staff to carry out its contractual obligations, this represents a significant threat to Nuwul’s success.

Conclusion
Our empirical study makes a timely contribution to the existing body of literature on social enterprise and performance measurement by applying an integrated framework to measuring the performance of an Indigenous social enterprise. While this article provides important insights into the utility of a multidimensional performance measurement framework for a small Indigenous social enterprise in remote northeast Australia, does the social audit reveal anything about whether an Indigenous owned enterprise provides a pathway to Indigenous economic participation? Can an Indigenous social enterprise like Nuwul offer a solution for how to cut through the persisting pattern of disadvantage in Yirrkala? In the face of Forrest’s 2014 Creating Parity report that gives the federal government license to implement what some will call draconian welfare reforms, Nuwul represents employment opportunities at a local community-based scale that could be key to its success for increasing economic participation on Yolŋu terms rather than the paternalistic measures being proposed in the Creating Parity
Closing the Gap Through Indigenous Social Enterprise

This social audit demonstrates the measured success thus far of an Indigenous social enterprise to grow slowly and develop the employment and training opportunities of Yolŋu in Yirrkala in the face of high Indigenous unemployment at the national level.

Reference


