



**Many Rivers**  
**9<sup>th</sup> Annual MED Monitoring and Evaluation Report**  
October 2021

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# Many Rivers is making a difference

Many Rivers supports clients through a journey of growing self-belief, accountability and business acumen.

## Clients



**90%** of clients have experienced limited access to finance and/or at least partial welfare dependence

"Many Rivers helps the **marginalised people**, the people that are underused in society. The support and funding are resources to get these people working"  
- MED Client, NSW



**23%** of clients are located in remote or very remote locations

"I was going through the process of getting a business loan but when I was not working, **none of the banks wanted to lend to me**. I just needed something to get me going"  
- MED Client, WA



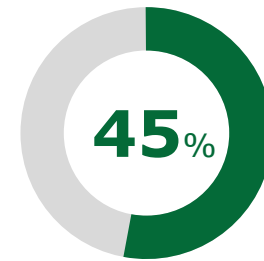
**52%** of clients are female

"Trying to support my kids, while trying to get this business up and running and **relying on government welfare** has been a challenge"  
- MED Client, TAS



**35%** of clients Identify as Indigenous

## Journey



**45%** of initial client meetings result in new businesses or expansions

"It makes a huge difference to feel like **someone is in your corner**. Running a business on your own can feel a bit isolating at times. So it is great to have a mentor there"  
- MED Client, NSW

**2,847** total businesses supported to-date since FY08

**1,516** operating businesses supported by Many Rivers as of June 2021

**457** new businesses commenced in FY21 with support from Many Rivers

**41** MEDMs were operating across Australia as of June 2021

"[the MEDM] gave me **confidence in myself** to be able to do the job. I don't know if I fully believed that the business would take off but he always believed in me."  
- MED Client, WA

Note: Unless otherwise stated, statistics refer to the time period from MED program commencement in FY08 to the end of FY21.

# Many Rivers is making a difference

Many Rivers supported businesses generate economic activity, which in turn supports business owners and their employees to move out of structural disadvantage.

## Outcomes

**\$70m**

**of revenue**

generated by Many Rivers supported businesses in FY21

**2,600+**

**employed**

by businesses supported by Many Rivers in FY21, including

**1,000+**

**Indigenous employees**

**50%**

Clients still operating three years after business commencement – above the national average of 45%.



"With [the MEDM's] help I have been able to **achieve in 2 years what I would have achieved in 10 years on my own**"

- MED Client, VIC

"We are also now looking to **buy our first home** because we have saved up so much money since starting our business three years ago"

- MED Client, NSW

"[I feel that I'm] creating a future, I'm **not going to have to rely on other people** and employers, I can rely on myself now"

- MED Client, QLD

# Executive summary

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

**1. Many Rivers' Microenterprise Development (MED) program supports clients to overcome structural disadvantage and participate in the economy, by helping them create and expand businesses.** Business operations generate income for clients (and their employees) and reduce their reliance on welfare support. Over time this is expected to translate in to improved living standards and greater levels of self-determination.

**2. Many Rivers is increasingly focusing on clients who experience financial disadvantage.** In FY21, approximately 94% of Many Rivers' clients were experiencing some level of welfare dependence and/or barriers to accessing finance. FY21 also saw a historical high in the proportion of clients for whom welfare support was a sole source of income. Most of that increase is associated with clients located in major cities and regional locations.

**3. In FY21, 41 MED Managers (MEDMs) across Australia supported clients at all stages of their journey.** A client journey is best represented by their interactions with their MEDM. Clients tend to receive the most intense support at the beginning of their journey, when they are generally working towards establishing an operating business (median of 12 interactions).

**4. The majority of clients establish their business within three months of first contact with Many Rivers.** After a business is established, MEDMs continue to support clients on an ongoing basis, over a number of years (a median of 26 interactions over the three years after business commencement).

**5. Working alongside its clients, Many Rivers has supported the creation or expansion of 2,847 businesses since FY08, including 457 business in FY21** – a historical high in new business establishments. These businesses are typically more likely to survive their first three years than the national average micro business, and 31% are still operational after five years.

**6. Businesses supported by Many Rivers generate economic and social value.** This value creation is not limited to business owners, instead it extends to those employed by the business, people who consume the goods and services of the business, and the Australian community more broadly.

**7. Business supported by Many Rivers are estimated to employ over 2,600 people;** an average of 1.7 people per business (including the owner). Notably, half of these businesses are owned by women, which is significantly higher than the national average (of 35%).

**8. The combined annual turnover of all businesses supported by Many Rivers in FY21 is estimated to be \$70 million,** significantly higher than last year's figure of \$45.7 million, driven by growth in operational businesses established this year, and growth in the median income of operating businesses.

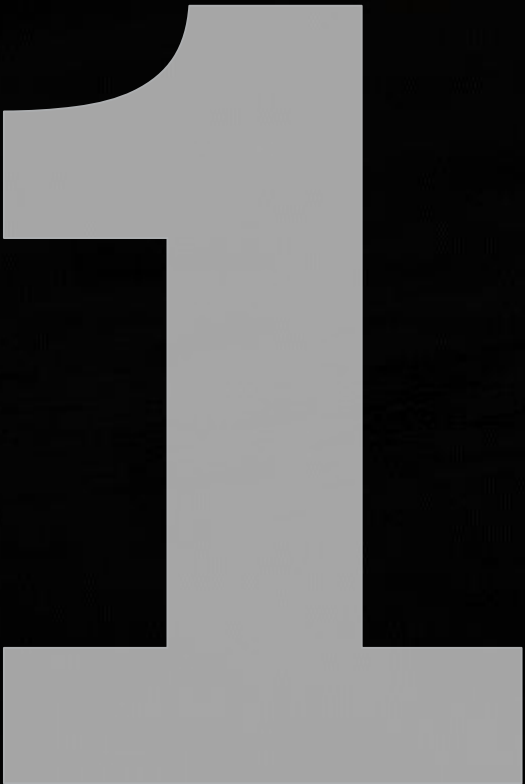
**9. The ongoing COVID-19 pandemic has had an uneven impact across Many Rivers supported businesses,** similar to the way it has across the Australian business community more broadly (e.g. in terms of geography, industry and business size). This is driven by a range of factors including the duration and intensity of lockdowns, and broader macroeconomic changes. The effects of COVID-19 and associated lockdowns endure, and will have continued effects on Many Rivers supported businesses in FY22, outside of this reporting window.

**10. This financial year saw 129 businesses supported by Many Rivers ceasing their operations (permanently or temporarily).** Businesses supported by Many Rivers that have ceased have operated for on average 2.2 years. Of the businesses that ceased due to COVID-19, 76% are young businesses that have operated for less than two years.

This evaluation continues to reveal new learnings for Many Rivers and for public value more broadly, in respect of the means and barriers to supporting Australians experiencing financial disadvantage to overcome those circumstances. While it is difficult to quantify the worth of that public knowledge element of Many Rivers' leadership, if applied at scale it stands to be many multiples of the value created through the individual businesses supported to this point.

**Deloitte Access Economics**

# INTRODUCTION



INTRODUCTION



CLIENTS



JOURNEY



OUTCOMES & VALUE



CONCLUSION

The evaluation journey has been a partnership between Many Rivers and Deloitte Access Economics, underpinned by rigorous analysis, constant curiosity and mutual learning.

*In 2012, we approached Deloitte Access Economics to create an economic evaluation framework to understand and guide our work. At that time, we committed to a 10-year evaluation journey, so I am delighted to be considering and sharing this - our 9<sup>th</sup> Annual Evaluation Report.*

*I have found that rigorous independent economic evaluation has been a critical element to designing and improving our approach as a purely for-purpose organisation. For Many Rivers, economic evaluation is first and foremost about our clients and communities. It is about understanding the extent to which we are supporting them in their business and economic aspirations. Independent evaluation transparently measures the progress we are making and provides in-depth analysis to help us improve our effectiveness and efficiency.*

*At Many Rivers, evaluation is not a separate or on-the-side activity. We have embedded evaluation into our business systems and processes, and have aligned our organisational KPIs and targets to the key economic outcomes that are evaluated annually. Undertaking this evaluation process is also a key part of our organisational learning and continuous improvement agenda – it is about understanding what is working well and what can we do better.*

*Over time our evaluation approach has matured and we have learnt that rigorous evaluation requires commitment and bravery. We are grateful that evaluation has given us many things to pause and celebrate, however, evaluation also challenges us to continue focussing on our purpose and to seek to answer the most important question that a for-purpose organisation can ask of itself, 'Are we really making a difference?'*

*Thank you to all of those who have been a part of the Many Rivers journey to-date, especially the Deloitte Access Economics team that have supported and encouraged our evaluation approach.*

**John Burn**  
Chief Executive Officer and Managing Director, Many Rivers

*When Deloitte Access Economics started its work with Many Rivers back in 2012 we had no idea it would emerge as our longest running assignment, and thereby one of our most influential. Nine years on we observe this work to be helping Many Rivers position themselves at the frontier of these aspects of economic and social policy in Australia, with the payment-by-outcomes activity compelling evidence of this.*

*Indeed this leadership from Many Rivers is progressively encouraging policymakers to think carefully about the evidence supporting their investment decisions. Enduring solutions are required to solve complex problems, and we shouldn't shy away from the journeys we all need to go on to identify and understand these.*

*Critically, Many Rivers demonstrates that not-for-profits can embed monitoring and evaluation in everyday operation. We commend Many Rivers on truly committing to an evaluative culture, to transparency around its performance, and to following the guidance put forward by the evaluation in a measured way.*

*Some of the most important responses to the evaluation's suggestions over time have been: (1) the willingness to scrutinise the underpinning logic and value constructs of the model; (2) the growing role of participatory approaches alongside the quantitative analysis; and (3) the conviction to measure what matters, and to be prepared to redefine that as we all learn more about what that is.*

*Deloitte Access Economics is proud of its association with Many Rivers. The relationship is one of two-way professional respect, which includes an ability to have very open and honest conversations – from the Microenterprise Development Manager through to the Board Chair.*

*Many Rivers are an experienced, multi-disciplinary team, who understand the importance of self-reflection, hard work and purpose, and that is why we work with them.*

**Matt Wright**  
Partner, Deloitte Access Economics

# The evaluation journey



Many Rivers is committed to evaluating its impact and understanding the extent to which it is realising its vision.

## 2012 EVALUATION FRAMEWORK

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

## 2013 COMPASS

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

## 2014 CLIENT STORIES

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

## 2020 PAYMENT-BY-OUTCOMES TRIAL

In late 2020 Many Rivers began co-designing a **Payment-by-Outcomes** (PBO) trial with the Department of Social Services. Deloitte Access Economics provided technical support, utilising rich historical data collected as part of the evaluation process to develop a more refined understanding of the client journey, cost-to-serve and potential economic and social benefits.

## 2021 9<sup>TH</sup> ANNUAL EVALUATION

Deloitte Access Economics undertook the **9<sup>th</sup> Annual Evaluation of the MED Program**. This evaluation seeks to build on previous years while also:

- Increasingly leveraging **Client Stories** to enrich quantitative insights with real life examples.
- Examining the impacts of **COVID-19** on Many Rivers' clients, journeys and business outcomes through **the voice of MEDMs**, alongside the data.
- Examining how **business outcomes** vary depending on the length of time a client has been receiving support from Many Rivers.
- Developing a more sophisticated understanding of the **organisational effort required** from Many Rivers **to support clients** to establish and grow a business.



# Value creation



Many Rivers believes that work and economic participation is key to an individual's self-determination, and thereby brings its expertise and network to support individuals to achieve multi-dimensional outcomes.

By building confidence, aspiration and trust in the client, while also seeking to address capability gaps, **Many Rivers creates economic and social value for its clients**, their employees and communities. Traditional financial services often exclude people who do not have a credit history or have a poor one and, as a result, the public and private benefits that may stem from providing these people with credit for their businesses are foregone (**'market failure'**).

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



## Building the capacity of Many Rivers' clients

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

## Reducing 'frictions' in the economy

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

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

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

## These mechanisms generate value for:

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

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

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

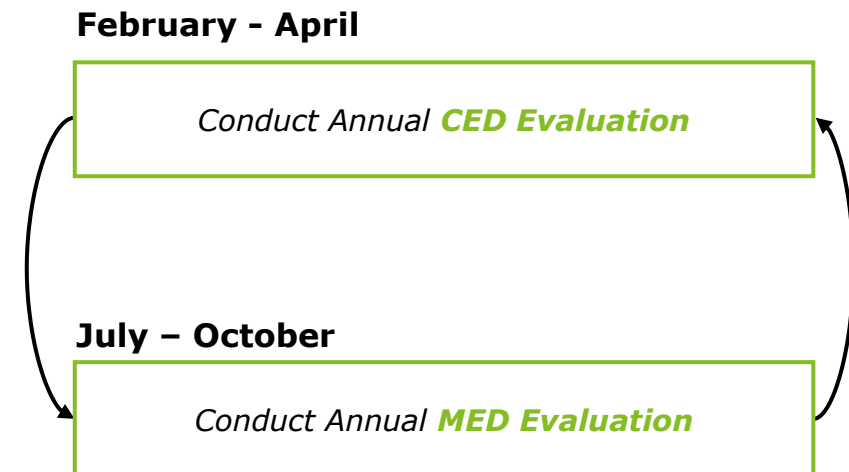
The purpose of monitoring and evaluation is to assist Many Rivers with **understanding the nature of the aggregate and year-on-year impact of its programs** - the Microenterprise Development Program (MED) and Community Economic Development Program (CED)

Given the increasing scale and sophistication of these two programs, Deloitte Access Economics is **moving to a two-stage annual evaluation cycle in which each program is evaluated in detail at a different point in the year (Figure 1)**. Hence, unlike in previous years, this evaluation focuses exclusively on the MED program.

In this context, Deloitte Access Economics does **not fulfil the role of an auditor**. Assessment of the quality and completeness of the data that Many Rivers collects is beyond the scope of this work. Rather, Deloitte Access Economics conducts in-depth analysis on the clients, journey and outcomes of Many Rivers' programs based on data provided by Many Rivers and independent consultations.

As established in previous evaluations, three **conceptual frameworks** guide the analysis in this report. Firstly, a 'a client journey map' presents a simplified visual of how Many Rivers typically works with clients, and what outcomes this is expected to achieve. Secondly, a 'program logic model' presents a detailed articulation of the program's inputs, outputs, activities and outcomes. Finally, a 'circular flow diagram' explains how the MED program is intended to act as a positive injection of economic activity. Appendix A provides further detail on each of these frameworks.

Figure 1: The Many Rivers Annual Evaluation Cycle

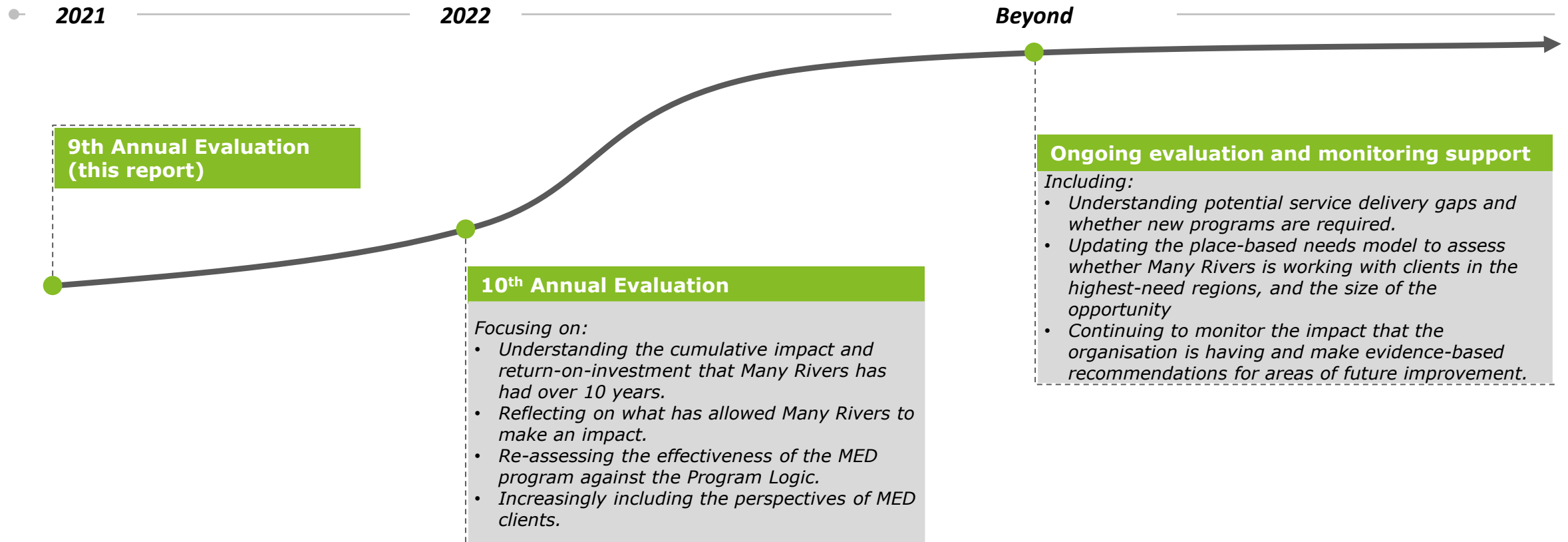


# Future evaluations



The opportunities to deepen our collective understanding of Many Rivers' clients and programs are continuous.

Evaluation and monitoring is an ongoing process of self-reflection and continuous improvement. As Many Rivers continues to grow and increase the sophistication of its operations, new opportunities for data capture and evaluation become possible. Deloitte Access Economics is committed to continuing to support Many Rivers along this journey, ensuring that the organisation has the analysis and insights needed to understand and maximise its impact for its clients.



# CLIENT

# 2



INTRODUCTION



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# Target cohort



Many Rivers focuses on clients experiencing financial disadvantage. Over the last year, the share of clients who are highly reliant on welfare has materially increased.

In FY21, approximately **94% of Many Rivers' new clients were experiencing financial disadvantage** – defined as either being dependent on welfare or having limited access to finance (Chart 1). This level is consistent with the past three years.

However, FY21 saw a **historically high proportion of primary target cohort clients** – individuals experiencing high levels of financial disadvantage (as defined in Chart 2). Further analysis reveals that this is primarily driven by an **increase in the share of participants who are 100% dependent on welfare** (from 53% to 61%).

Chart 1: Share of new Many Rivers clients by target cohort type

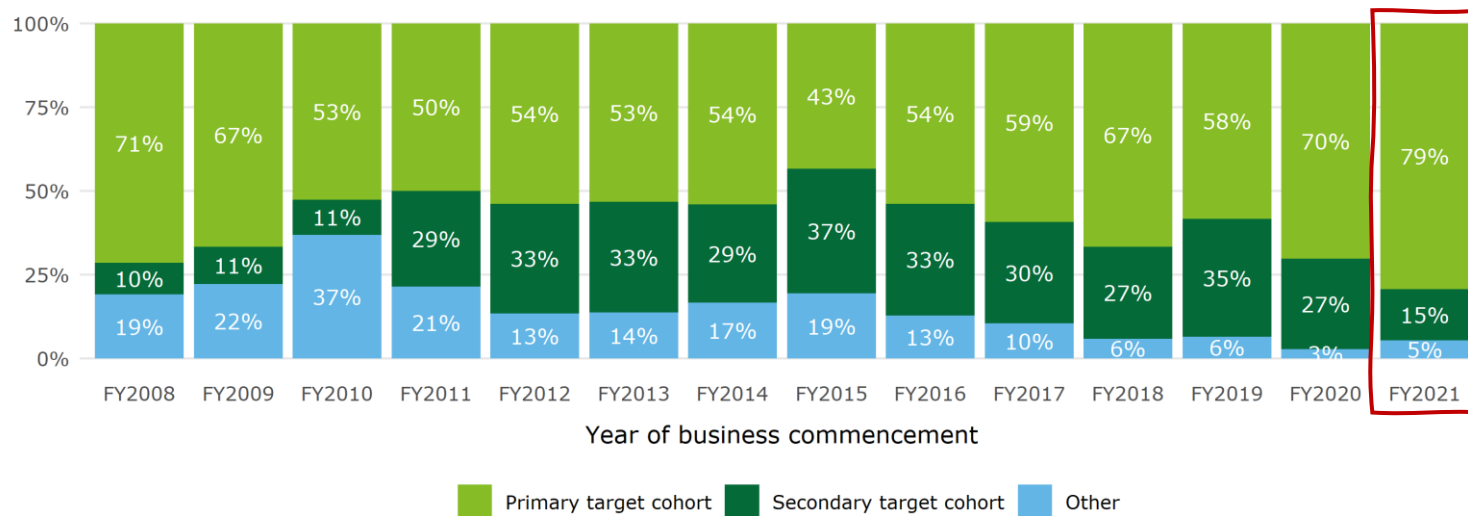
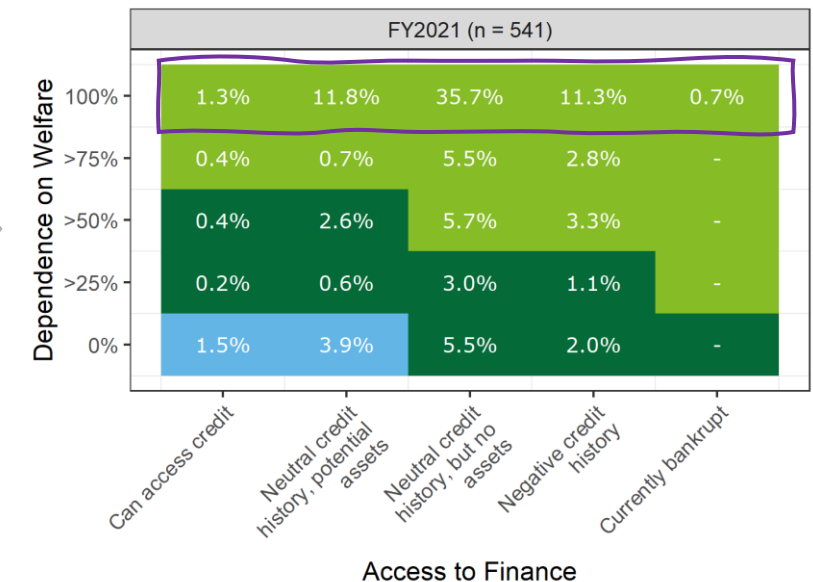


Chart 2: Share of new Many Rivers clients by Dependency on Welfare, Access to Finance in FY20



This change in welfare dependence **broadly aligns with economy-wide changes**, with the Australian Institute of Health and Welfare reporting that the number of welfare recipients in June 2021 was significantly higher than pre-COVID levels (+7% compared to March 2020).<sup>1</sup>

<sup>1</sup>Australian Institute of Health and Welfare, 15<sup>th</sup> biennial welfare report (2021).

# Target cohort



Many Rivers primarily engages with clients outside of metropolitan areas. Despite this, growth in the primary cohort has largely occurred in metropolitan and regional areas.

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

- **32% of clients** are from major cities
- **45% of clients** are from inner and outer regional locations
- **23% of clients** are from remote or very remote locations.

From FY20 to FY21, the **primary target cohort in both major cities and regional areas increased substantially more than in remote areas** (eight and nine percentage points compared to two).

Consultations with MEDMs suggest that this is in part a **reflection of the greater incidence of COVID related lockdowns in metropolitan and regional areas** leading to greater levels of business disruption, and in turn, welfare dependence (see quotes below)

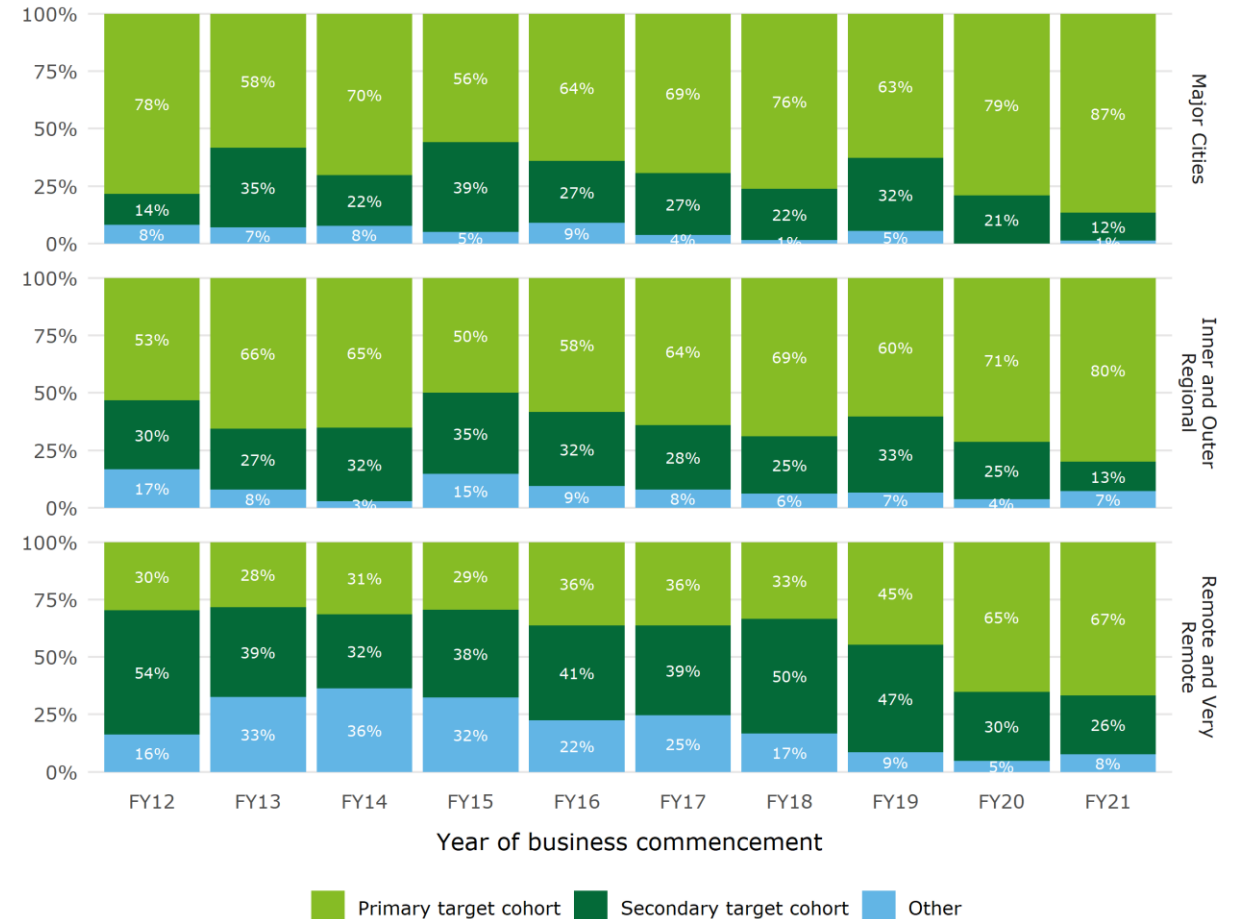
“My clients are based in Melbourne and they have definitely been struggling. Many people can’t pay rent, are struggling to get their business off the ground, and are really dependent on support payments [from the government]”

- MEDM

“My region is highly remote, and in many ways, wasn’t really impacted by the pandemic”

- MEDM

Chart 3: Share of all Many Rivers clients by Dependency on Welfare, Access to Finance (and location)



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

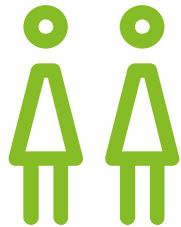
# Age profile



Many Rivers' clients are significantly more gender-balanced than the national average for business owners, and vary greatly in age.

In aggregate, since program commencement, over half of MED clients have been female. This represents substantially greater gender balance than the national average for business ownership, where only 35% of business owners are female. Further, the share of new female clients has been consistently increasing over time, with 59% of new clients in FY21 being female.

When looking at the age distribution, there is a **significant age diversity among Many Rivers clients**, with the median age for male and female clients being 45 years and 46 years old respectively. In comparison, Many Rivers' clients are slightly younger than the median age nationally of 48 and 47 years for male and female business owners respectively.<sup>1</sup>



An average female client is 46 years old (based on median); the youngest is 18 years old while the oldest is 81.

**52%**  
of clients  
are female

Chart 4: Age distribution of male clients

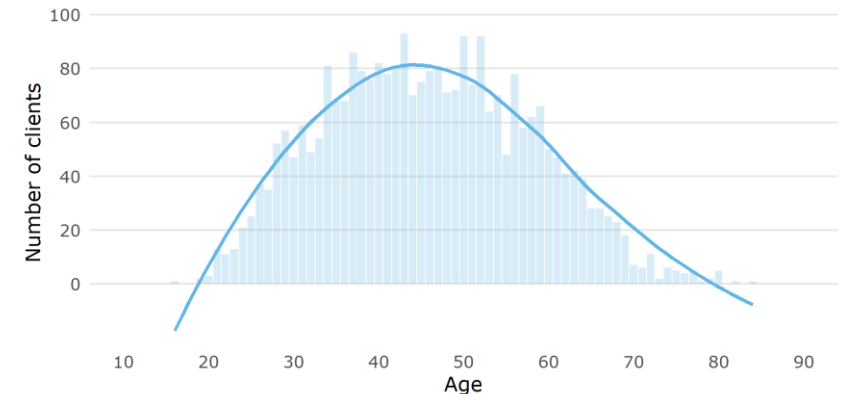
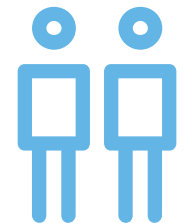


Chart 5: Age distribution of female clients



**48%**  
of clients  
are male

An average male client is 45 years old (based on median); the youngest is 16 years old while the oldest will soon be turning 84.



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

# Client background



Over one-third of clients identify as Indigenous Australians. More broadly, Many Rivers' clients are increasingly culturally and linguistically diverse.

As of June 2021, Many Rivers has worked with clients from **140 different ethnic backgrounds** (compared to 135 in 2020, and 129 different ethnic backgrounds in 2019).

Figure 2: Main non-Australian nationalities of Many Rivers clients



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

## Since program commencement:

**35%**

Of clients identify as Indigenous Australians

**13%**

Of clients who contacted Many Rivers and reported their ethnicity come from outside Australia

**15%**

Of clients have limited English writing or speaking skills



# JOURNEY

# 3



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# Microenterprise Development Managers



MEDMs support clients across every state and territory in Australia.

As of June 2021, there were **41 MEDMs** employed nationally - up from 39 the previous year.

MEDMs work with clients across every state and territory in Australia, though are predominantly based in **Queensland and New South Wales** (Figure 3).

MEDMs work with clients at different stages of their journey, including clients who ceased their businesses but are expecting to recommence. On average, one MEDM supports **24 operational businesses and has 210 client interactions per annum (including phone calls, text messages, emails and in-person meetings)**.

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

Figure 3: Location of MEDMs by State and Territory



# Business establishment



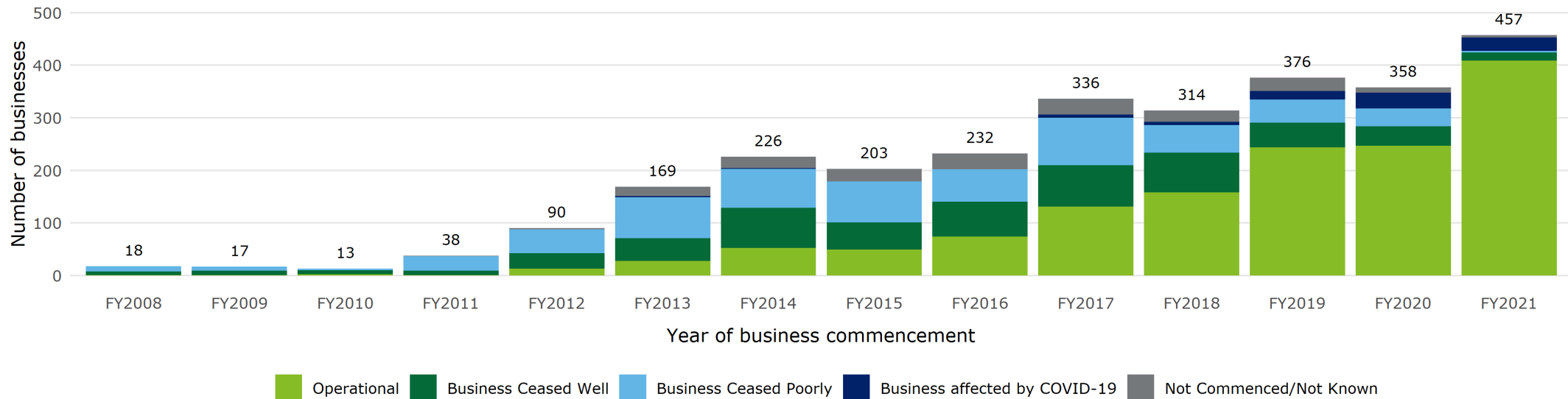
In FY21, Many Rivers recorded its highest ever volume of business commencements.

As at FY21, Many Rivers has supported 2,847 businesses to commence or expand, with 457 of these businesses either commencing or expanding in FY21 – a 28% increase on the volume achieved in the previous year. Of all the support provided to businesses since FY08:

- **82%** relates to business establishments
- **18%** relates to expansions.

This split has **remained relatively stable over time**, however, FY21 saw a slight decrease in the number of business expansions.

Chart 7: Number of Many Rivers supported businesses by status (as of Jun 2021) and year of commencement



The strong growth in business commencements in FY21 in part **mirrors the dynamics of the broader economy** – with Australian Bureau of Statistics data reporting that total new business commencements in FY21 were 9% higher than the previous year (compared to -3% growth in FY20).<sup>1</sup>

<sup>1</sup> The Australian Bureau of Statistics, Count of Australian Businesses, entries and exists (2021).

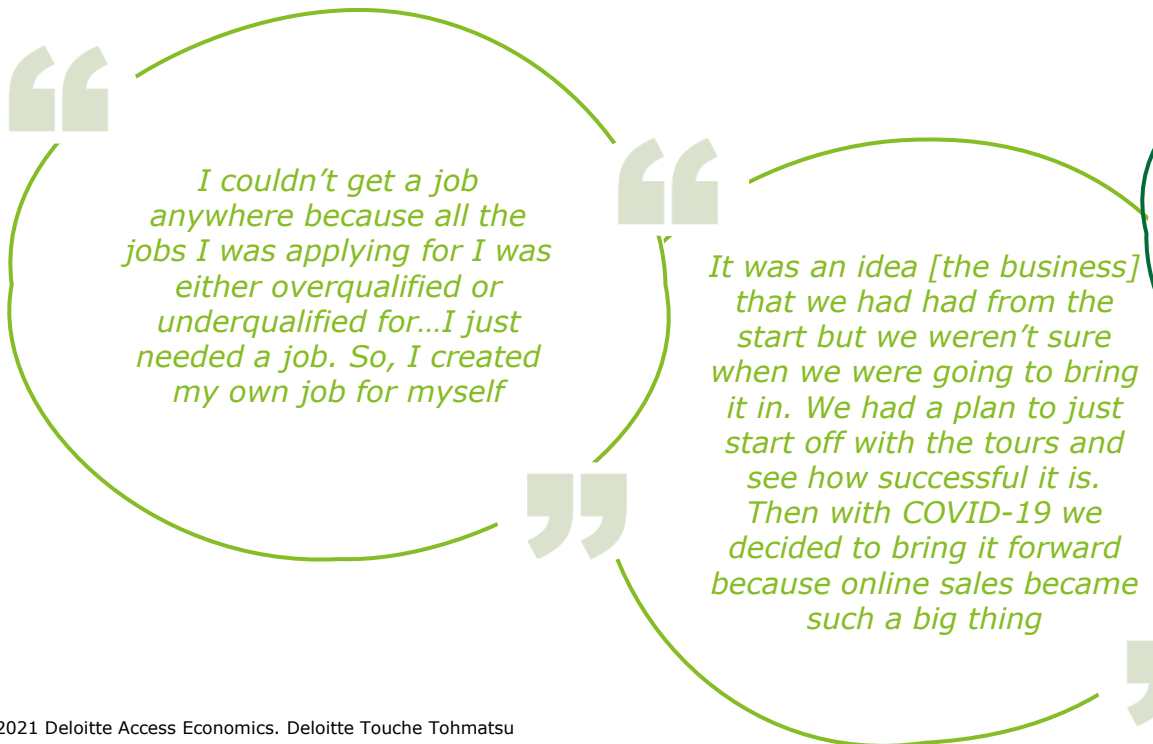
# Business establishment



Client Stories and MEDM consultations suggest that there are a wide range of possible drivers of this surge in business commencements.

Commonly cited explanations include government support programs providing participants with the funds necessary to start a business, individuals losing employment and starting a business to re-gain an income, and individuals taking advantage of the strong performance of parts of the economy to fulfill a long-term ambition to become a business owner.

## Client Perspectives



## MEDM Perspectives



# OUTCOMES & VALUES

# 4



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# Revenue

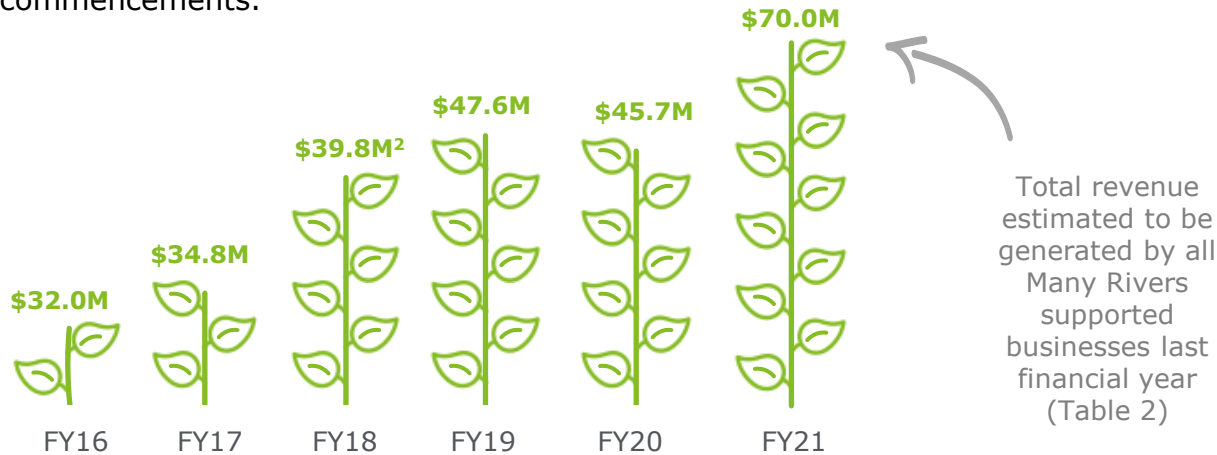


Businesses supported by Many Rivers are estimated to have generated an aggregate of \$70m in sales revenue in FY21.

On average, Many Rivers supported businesses (past and present) reported an average annual sales revenue of **\$67,000** in FY21 – a decrease of approximately 5% from FY20.<sup>1</sup>

Due to a number of positive outliers, this number is significantly higher than the **median annual sales revenue of \$25,000**. For a more precise measure, the trimmed mean value is used to remove the effect of positive outliers.

From FY20 to FY21, the **trimmed annual mean income increased** by approximately 10% to **\$46,000**. The **total estimated sales revenue** from operational businesses grew by approximately **\$24m**, primarily due to the significant increase in business commencements.



Note: Infographic is not to scale.

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

<sup>2</sup> FY18 revenue is a relative underestimate due to a different trimming method used.

Table 2: Annual sales income (before tax) of Many Rivers operational businesses, FY20 to FY21

	FY20	FY21
Number of operating businesses	1,101	1,516
Annual median income	\$22,000	\$25,000
Annual mean income (Untrimmed)	\$70,500	\$67,000
Total income (Untrimmed)	\$77.6M	\$101.9M
Annual mean income (Trimmed)	\$41,500	\$46,000
Total income (Trimmed)	\$45.7m	\$70.0M

Note: Median and mean values are rounded to the nearest \$500. A total of 751 businesses disclosed their income data in FY21, compared to 777 in FY20.

As of FY21, some businesses reported the sales income range instead of the actual figure, in these instances, the mid-point of the range was used.

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

# Revenue



Business income varies substantially, with around two-thirds of businesses generating an annual sales income of more than \$15,000.

In FY21, **720 businesses** supported by Many Rivers responded to the survey and reported a positive sales income. This income does not include welfare payments (e.g. JobKeeper and JobSeeker) or government grants.

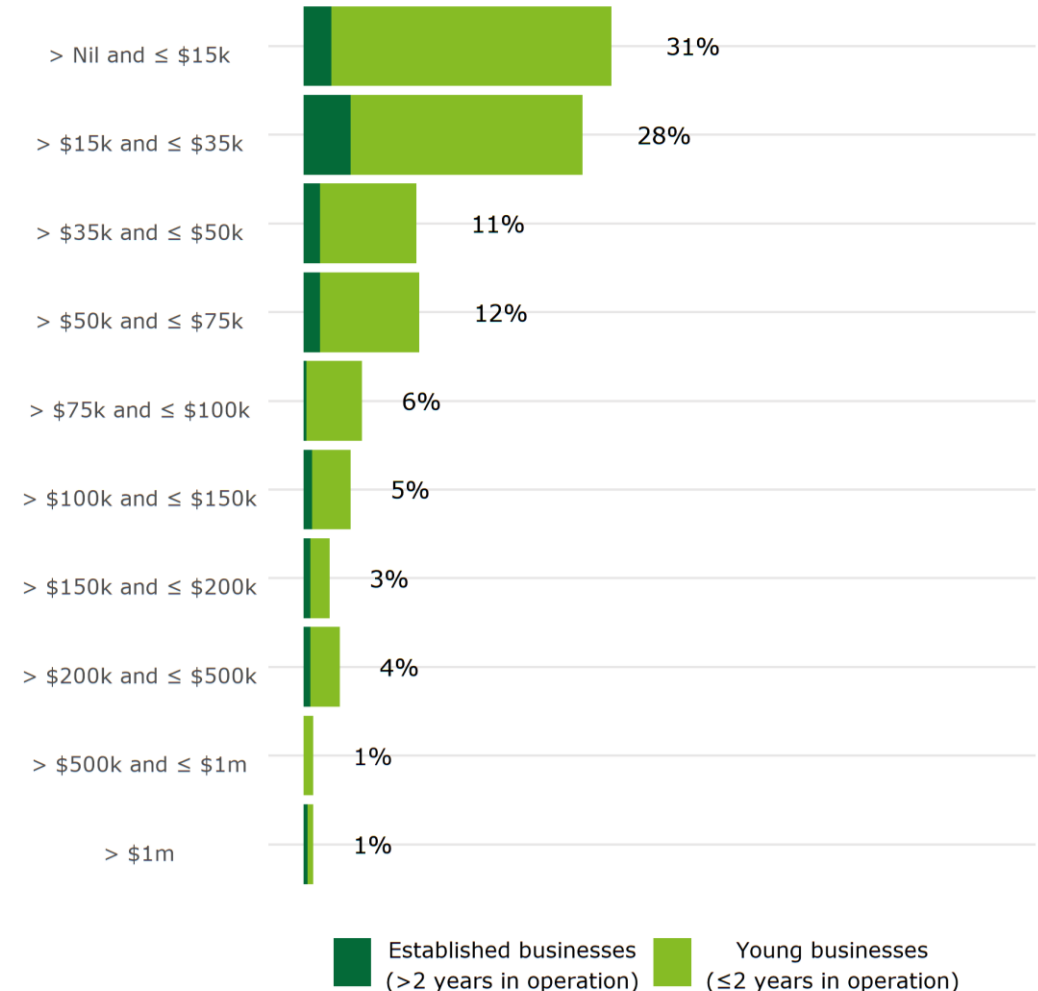
Similar to previous years, sales income reported by the businesses supported by Many Rivers varies substantially. Of the 720 businesses:

- **66% of businesses** are generating income greater than \$15,000 a year; and
- **18% of businesses** are generating income greater than \$75,000 a year, and therefore meeting the income threshold to become a GST registered business.

Between FY20-21, the share of businesses reporting revenue **between nil and \$15,000 decreased by 15 percentage points.**

There are **seven businesses that are highly successful**, generating an annual sales income of over \$1 million in FY21, of which, four generated over \$2 million in income per annum.

Chart 8: Share of businesses by annual sales income (FY21, including GST)



# Employment



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

As of June 2021, businesses supported by Many Rivers (current and past) were estimated to provide **employment to 2,637 individuals** (Table 2).

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

Table 3: Trimmed estimated employment generated by businesses supported by Many Rivers, end of FY21

	Average (trimmed) employees per business <sup>1</sup>	Total employees	Business owners		Employees		Total
			Full-time	Part-time	Full-time	Part-time	
Indigenous people	0.6*	1,031*	12%	7%	11%	11%	41%
Non-Indigenous people	1.1*	1,606*	21%	8%	9%	21%	59%
<b>Total</b>	<b>1.7*</b>	<b>2,637*</b>	<b>33%</b>	<b>15%</b>	<b>20%</b>	<b>32%</b>	<b>100%</b>

Note: Total employment for operational businesses is extrapolated using the number of operational businesses and the average employment per businesses. The percentage breakdown by employee type and FTE status is based on available survey data and may not align to the reported employment numbers (which are extrapolated). The ABS defines full-time employment as greater than or equal to 35 hours per week.

\*Businesses with employment numbers two standard deviations above the mean are trimmed (i.e. excluded) to account for outliers and enhance the accuracy of the extrapolation process. This represents a slight methodological change compared to previous years.

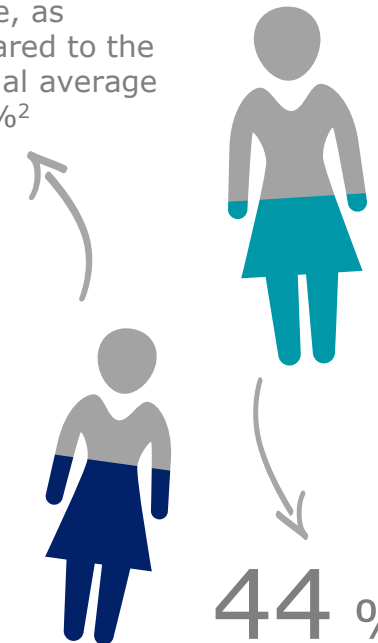
<sup>1</sup> Includes business owners.

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

<sup>3</sup> The Australian Government Workplace Gender Equality Agency (2021) Gender workplace statistics at a glance [Link](#).

55 %

of **owners** are female, as compared to the national average of 35%<sup>2</sup>



44 %

of **employees** are female, as compared to 47% nationally<sup>3</sup>



# Business performance



The economic impacts of COVID-19 appear to have been highly varied across MED supported businesses.

Client Stories and MEDM consultations highlight how the pandemic has had a highly uneven impact across MED supported businesses – in terms of **geography, industry and business size**. This appears to be driven by a wide range of factors, including the duration and intensity of lockdowns in certain regions, and whether a given industry was either deemed to be essential and hence experienced undiminished demand (e.g. agriculture and health) or was able to rapidly move online (e.g. retail trade).

This finding **aligns with broader macroeconomic changes**, where COVID-19 has had a highly differentiated impact across different industries.

## Client Perspectives



## MEDM Perspectives



# Business performance over time



Businesses who continue to receive support from Many Rivers for a longer period of time appear to record stronger revenue and employment growth.

Businesses who have received support from Many Rivers for three years **record average revenue and employment** that is 70% and 97% higher respectively than businesses who have only worked with the organisation for one year (Charts 9 and 10).

However, there is considerable variation in the revenue and employment figures within each year, with the **median revenue and employment growth** being far more modest. This suggests that while the top performing segment of businesses perform very strongly, not all businesses perform as well.

Importantly, this result is likely **impacted by survivor bias**, as underperforming businesses would be less likely to remain in operation several years after commencement.

Nonetheless, this does provide preliminary evidence that businesses who have been working with Many Rivers for a **longer period of time are associated with stronger outcomes**.

## Client Perspectives

“ With [MEDM’s] help I have been able to achieve in 2 years what I would have achieved in 10 years or own ”

“ [the MEDM] is always a text message away, the support is outstanding. I probably would have given up a long time ago if it wasn’t for that support and mentoring ”

Chart 9: Mean revenue of businesses by business duration

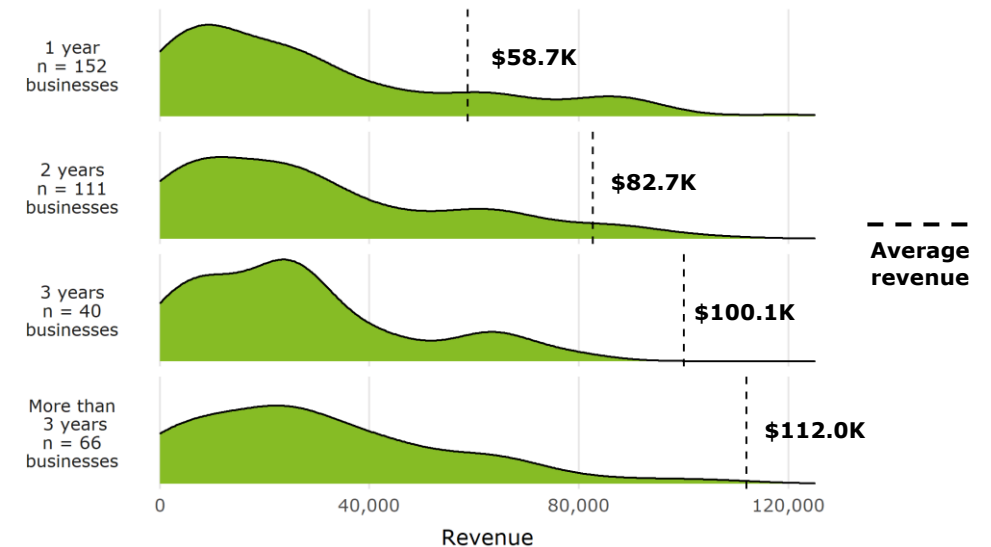
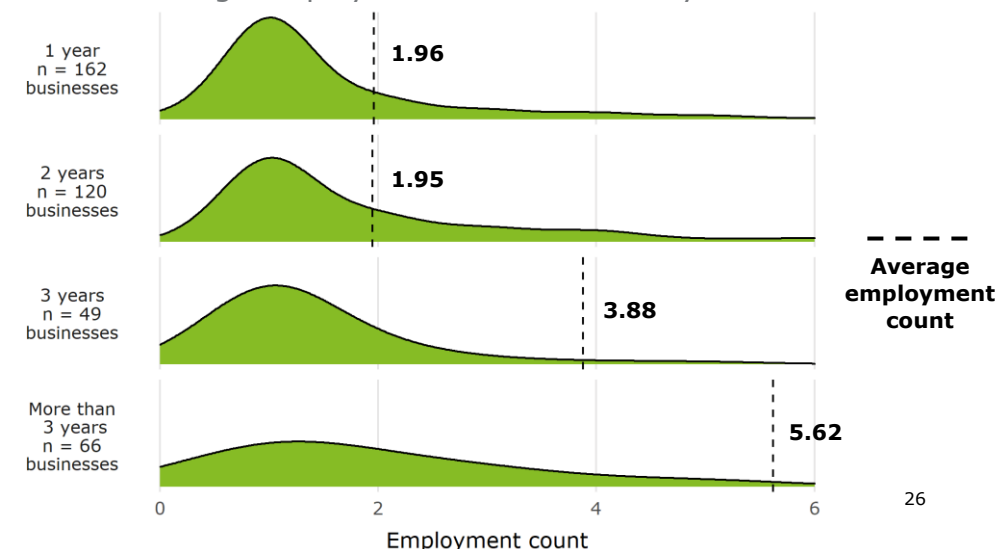


Chart 10: Average employment of businesses by business duration



# Business continuation



Despite the typically disadvantaged backgrounds of Many Rivers' clients, supported businesses appear to have survival rates above the national average.

The survival rates of businesses supported by Many Rivers is **above the national average** (as reported by the Australian Bureau of Statistics) during each of the three years following commencement (Chart 11). Further, in comparing the different client groups, businesses run by Indigenous clients tend to have a slightly lower survival rate compared to the non-Indigenous clients.

Looking over a longer period of time, the survival rate of Many Rivers supported businesses is seen to drop most significantly in the early years of running a business. The survival rate decreases to around **31% for businesses** operating for more than 5 years (Chart 12).

In recent years, the business survival curve has shifted upwards by one to two percentage points per annum – indicating increased survival rates across all time periods. However, this trend is still emerging, and it is too early to conclude whether it represents a statistically significant change.

Chart 11: Survival rate of Many Rivers supported businesses over three years after commencement

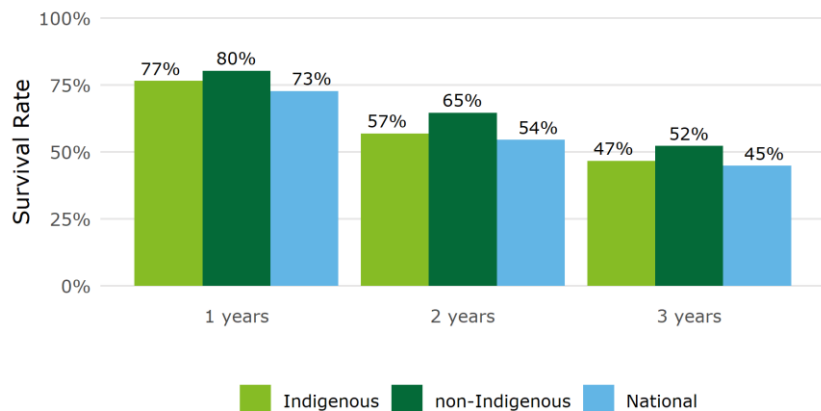
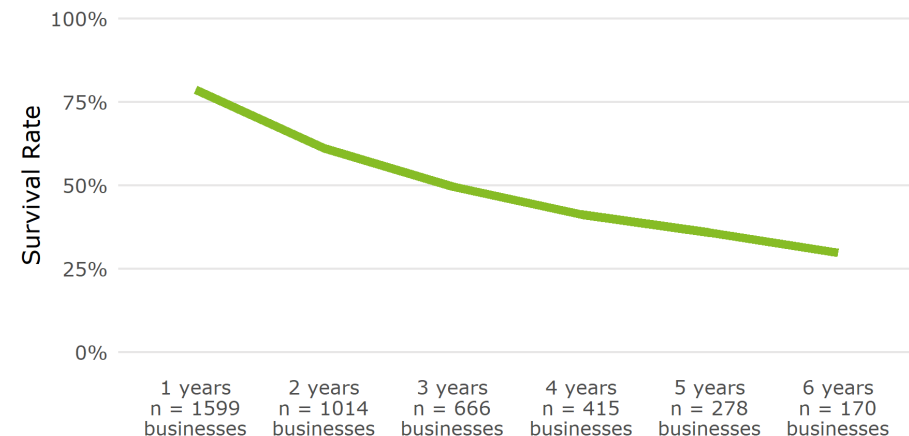


Chart 12: Survival rate of Many Rivers supported businesses over time after commencement



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

<sup>1</sup> Australian Bureau of Statistics 8165.0, Counts of Australian Businesses, including Entries and Exits, June 2017 to June 2021, Table 12 Survival of Entries by Type of Legal Organisation, June 2017 – June 2021

# Ceased businesses



The share of operating businesses who ceased in FY21 was substantially lower than the previous year.

The business cessation rate refers to the share of operating businesses who cease in a given year.

Businesses may cease either positively (i.e. the owner gained alternative employment or sold their business) or negatively (business, market demand or personal / family issues).

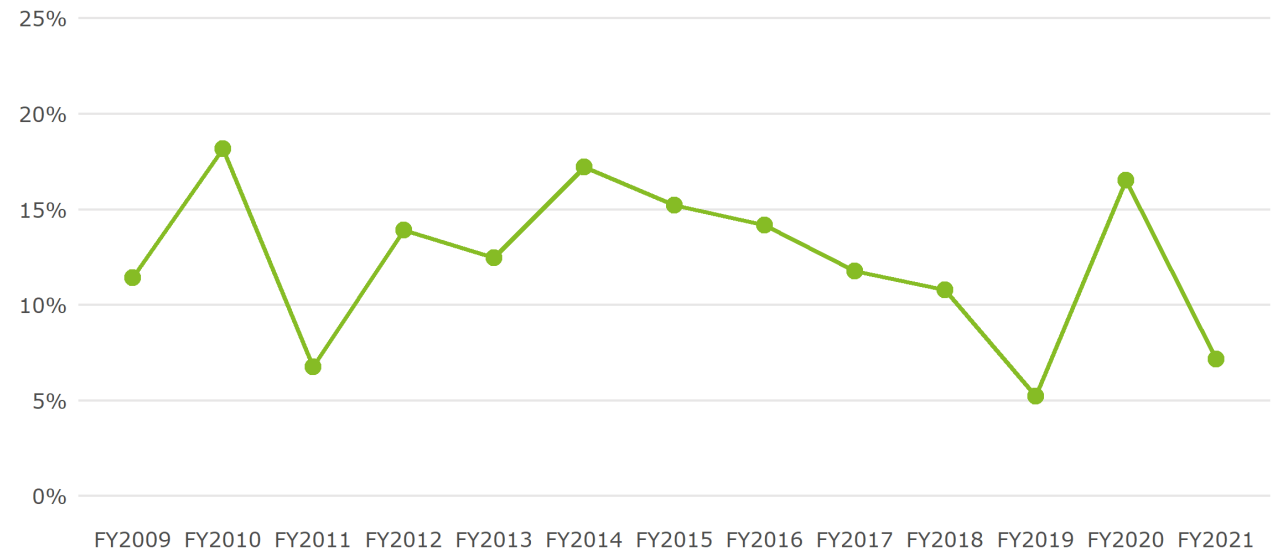
In FY21, **129 businesses ceased operating**. This represents a **reduction in the business cessation rate** from FY20 to FY21 by nine percentage points – from 16% to 7%.

This was predominantly driven by a reduction in the count of businesses who ceased temporarily as a result of COVID. In FY20, approximately 92 businesses ceased temporarily, compared to only 23 in FY21.

Consultations with MEDMs suggests that this reduction in the share of ceased businesses likely reflects to distinct factors:

1. The **confidence levels of business owners returning**. That is, during the early stages of the pandemic a large share of businesses ceased temporarily as they were unsure of the scale and impact that the pandemic would have on their business.
2. New businesses that have commenced during the pandemic are exhibiting **greater levels of resilience**, and are rapidly adapting to the events of the pandemic instead of ceasing.

Chart 13: Rate of business cessation over time



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

# Welfare improvements



Clients with more mature businesses demonstrate the least reliance on welfare.

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

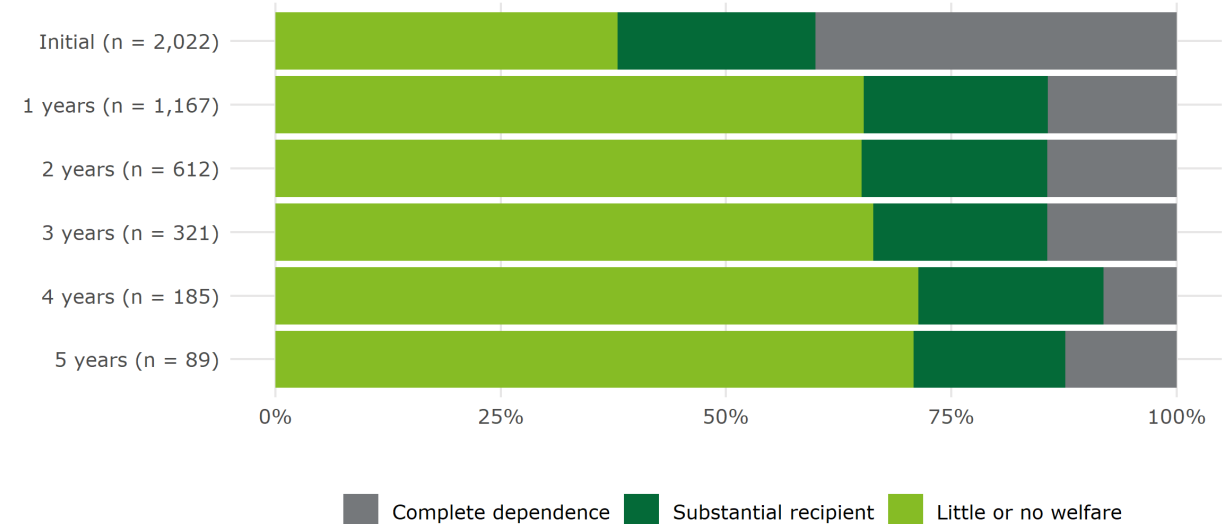
Welfare dependence is defined as clients' reliance on welfare support payments, where:

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

As of FY21, **38% of clients (down from 42% in FY20)** are largely independent of welfare, with significant improvements over the five years of business operations. The reduction in welfare dependence sees the largest change in the first year the business commences, with an **additional 27% of clients (up from 22% in FY20)** transitioning to little to no welfare.

The improvements in subsequent years are modest relative to the first, with **71% of clients** who responded to the survey after five years of business operations being largely independent of welfare.

Chart 14: Welfare dependence over time (clients who responded to surveys)



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

# Business exits



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

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

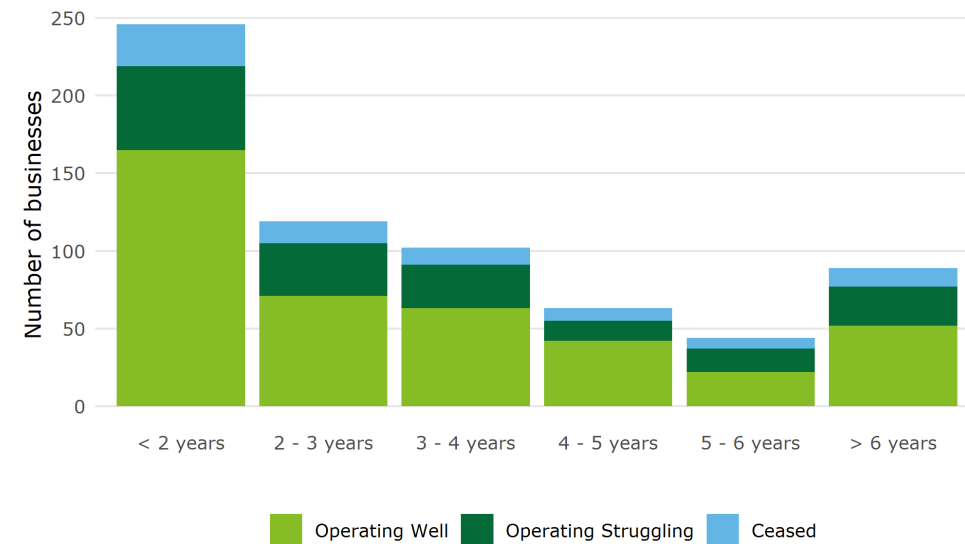
Businesses supported by Many Rivers that have **ceased** have operated for on average **2.2 years** (up from 2.1 years in FY20), with **40% of all ceased businesses** having operated for more than two years (up from 39% in FY20). Of those businesses that ceased due to COVID-19, **76% are young businesses** that have operated for no longer than two years.

Many Rivers supported businesses that have **graduated** (businesses no longer requiring the ongoing services of Many Rivers), have operated on average for **3.1 years**. Similarly to FY20, FY21 continues to see the majority of graduated businesses showing to be **self-sustaining**, with only **11% of all graduated businesses** ceasing (compared to a cessation rate of 51% for not graduated businesses). From FY20 to FY21, the **number of graduated businesses more than doubled** (from 291 to 663).<sup>1</sup>

Chart 15: Duration of ceased businesses (FY09 – FY21)



Chart 16: Graduated businesses by duration and status (FY09 – FY21)



Note: The sample size of ceased businesses in FY19, FY20 and FY21 is 804, 1,089 and 1,120 respectively.

Note: No further information was provided on ceased businesses, such as whether the business ceased well, poorly or as a result of COVID. Sample size of graduated businesses is 663 in FY21, compared to 291 in FY20.

<sup>1</sup> This likely reflects Many Rivers' increased focus on having a clear end date for their support.

# CONCLUSION

# 5



INTRODUCTION



CLIENTS



JOURNEY



OUTCOMES & VALUE



CONCLUSION





# APPENDIX



INTRODUCTION



CLIENTS



JOURNEY



OUTCOMES & VALUE



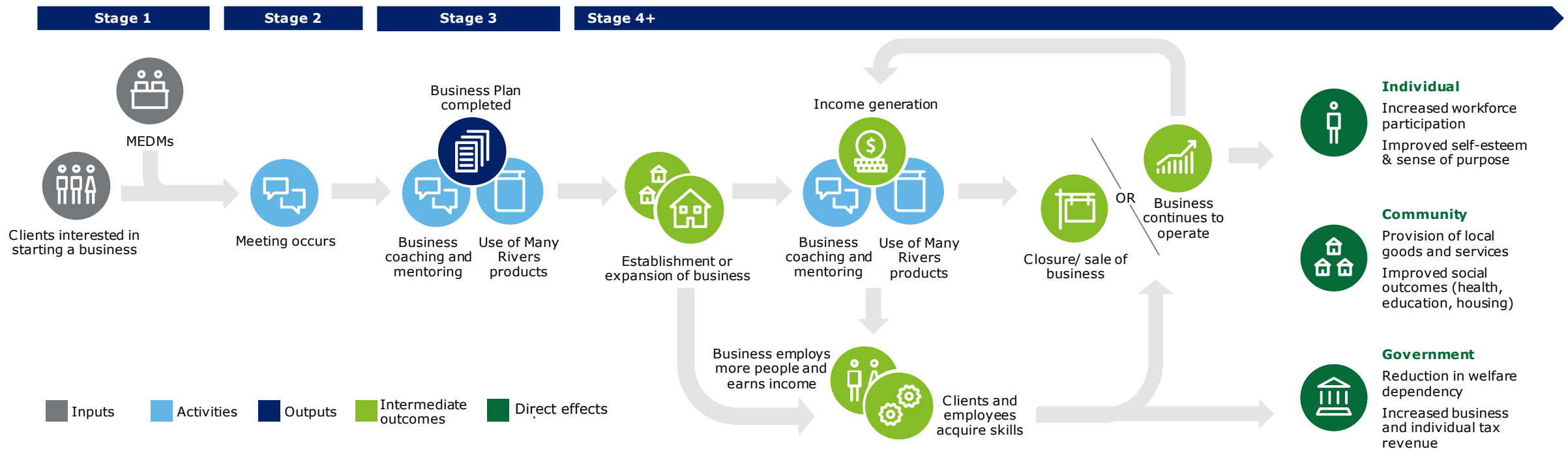
CONCLUSION

# Client journey map

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

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

Figure 6: Client journey map based on a program logic



Note: See Appendix for a detailed program logic.

# Circular flow model

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

A circular flow model of the economy (Figure 7) is often used to illustrate how resources (monetary, human, asset) flow between households, businesses and government.

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

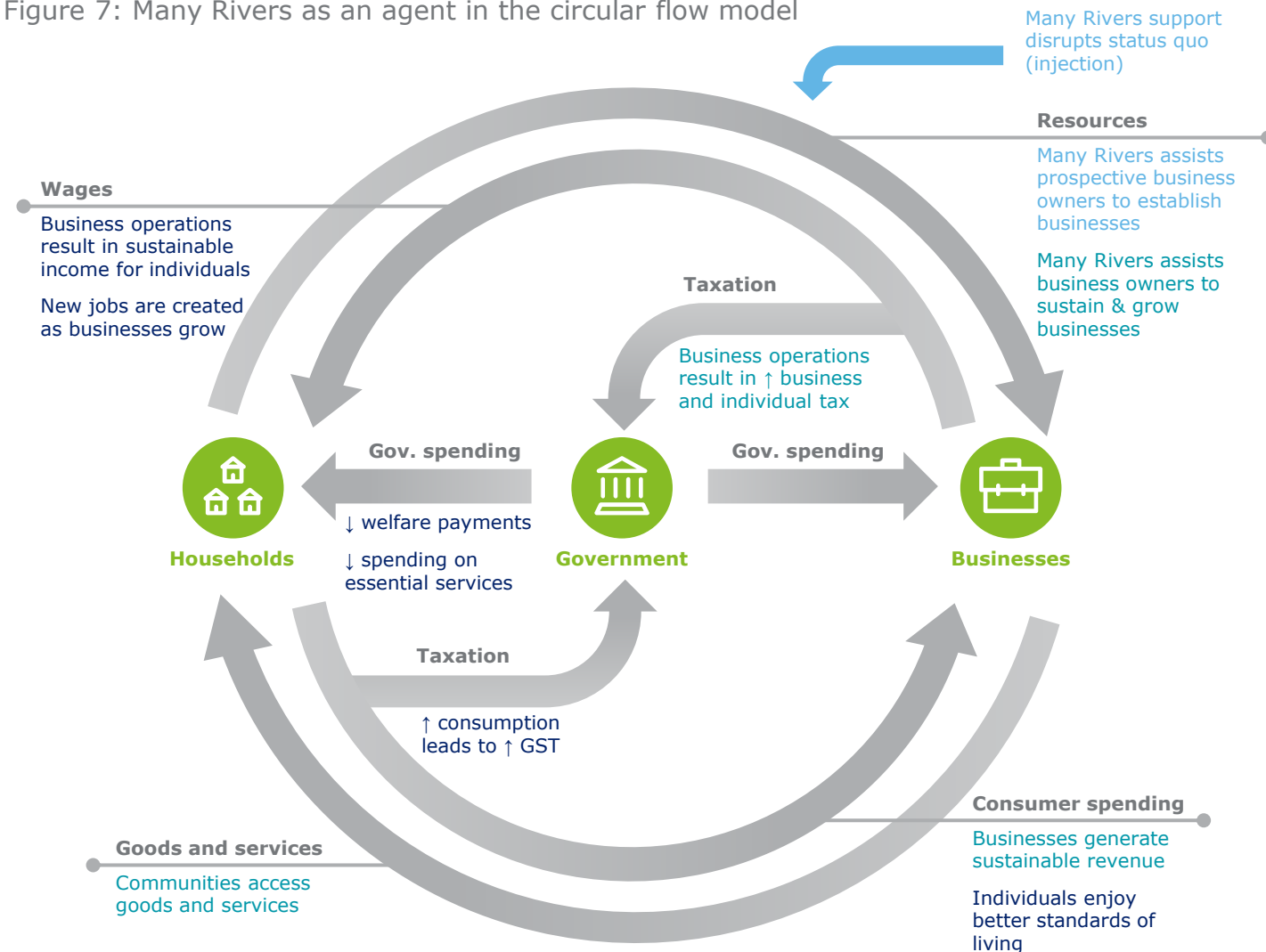
Business operations in turn generate income for the client and reduce fiscal pressure on the government.

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

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

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

Figure 7: Many Rivers as an agent in the circular flow model



# Limitation of our work

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