
The Parliament of the Commonwealth of Australia

Everybody's Business

Remote Aboriginal and Torres Strait Community Stores

**House of Representatives
Aboriginal and Torres Strait Islander Affairs Committee**

November 2009
Canberra

© Commonwealth of Australia 2009

ISBN 978-0-642-79252-5 (Printed version)

ISBN 978-0-642-79253-2 (HTML version)

The image of fruit and vegetables at the top of the report cover is courtesy of JupiterImages Unlimited.



Contents

Foreword	vii
Membership of the Committee	ix
Terms of reference	xi
Abbreviations.....	xii
List of recommendations	xv
1 Introduction	1
Conduct of the inquiry	3
Structure of the report	4
2 Remote Indigenous community stores—more than a shop	5
More than a shop	7
Extending business opportunities of the store.....	9
Store manager’s role	10
Store models	11
Community owned	12
Government owned.....	17
Privately owned.....	17
Committee comment	18
3 Healthy stores, healthy communities.....	21
Health status of Indigenous people living in remote communities	21
Dietary change and current food preferences	23
Link between poor nutrition and health	24
Government initiatives on closing the gap in health	26

Stores—balancing the economic and health benefits	27
Influence of store managers.....	30
Health and nutrition education.....	31
Indigenous health workers	34
Developing healthy store policies.....	36
RIST resources	40
Monitoring and evaluating health initiatives.....	42
Committee comment	43
Employment and training opportunities	47
CDEP.....	49
Committee comment	51
4 Fresh food access and supply.....	53
The tyranny of distance.....	54
Purchasing and supply models	57
Regional coordination models.....	57
Group purchasing models	59
Committee comment	61
Other supply models	62
Committee comment	64
Store infrastructure.....	66
Committee comment	67
Supplementing nutrition with local supply	68
Committee comment	71
5 Cost of living in remote Indigenous communities—the price of health	75
Cost of living	75
Committee comment	77
Higher costs	78
Freight—how much does it cost?	80
Freight in the Torres Strait	82
Committee comment	84
Improvements to freight coordination	85
Committee comment	86

High fuel prices	87
Banking	88
Book up	91
Committee comment	94
Housing and food preparation	95
Committee comment	98
Cooking lessons	99
Committee comment	100
Healthy and affordable takeaways	101
Committee comment	102
6 Regulating for governance	105
Good store governance in a remote economy	105
The role of store committees	107
Obstacles to governance	109
Distortion of market power	110
Cultural obligations and stores	111
Committee comment	113
Regulatory frameworks for store governance	114
Jurisdiction and non-compliance issues	115
Committee comment	120
Proposal for a national registration framework	120
Committee comment	123
Governance training and support	125
Committee conclusions	126
7 Future of remote community stores	129
The national licensing proposal	129
NTER store licensing definitions and requirements	130
Evaluations and assessments of licensing	131
Committee comment	135
The licensing process	135
Non-standard models	138

A licence for health.....	141
Committee comment.....	142
An assessment of Outback Stores	145
The findings	147
Positives.....	148
Negatives	149
Committee comment	151
Appendix A: Committee visits to remote Aboriginal and Torres Strait communities	157
Appendix B: Submissions.....	169
Appendix C: Public hearings	175
Appendix D: Exhibits	193



Foreword

There is a range of factors that impact on the successful operation of a store in a remote Indigenous community. As each community varies, so do its particular needs and the context within which the community store operates. The Committee recognises that the development and support of a diversity of store operations and delivery models is required to meet the unique needs and situations in remote Indigenous communities.

It was evident to the Committee that the community stores function as much more than a shop. As well as being the primary vehicle to ensure access to affordable and nutritious food supply, it is the place where people meet to socialise and to conduct business. As the title of this report suggests, it is *everybody's business* how well a store operates because it plays such a critical role in the health and well-being of the whole community.

The Committee has made 33 recommendations in this report in key areas such as health and nutrition, food access and supply, cost of living, regulating governance, licensing of stores and the future of the Outback Stores model.

The Committee received over 112 submissions and held 28 public hearings and visited stores in 17 remote Indigenous communities. I would like to express my thanks to all those people who put so much time into their submissions and for their excellent contributions during hearings and community meetings.

I also take the opportunity to thank the previous Chair of the Committee, Richard Marles MP, the Deputy Chair, Andrew Laming MP and all the members of the Committee for their work during the inquiry.

The Hon Bob Debus MP
Chair



Membership of the Committee

Chair The Hon Bob Debus MP (from 25 June 2009)

Mr Richard Marles MP (to 15 June 2009)

Deputy Chair Mr Andrew Laming MP

Members The Hon Tony Abbott MP
Ms Jodie Campbell MP
The Hon Bob Katter MP
Ms Kerry Rea MP
Mr Chris Trevor MP
Mr Kelvin Thomson MP
Mr Jim Turnour MP
The Hon Mrs Danna Vale MP

Committee Secretariat

Secretary

Dr Anna Dacre

Ms Sharon Bryant (from 18 May 2009 to 23 September 2009)

Inquiry Secretaries

Ms Susan Cardell

Ms Rebecca Gordon

Research Officers

Ms Loes Slattery

Office Manager

Ms Claire Young



Terms of reference

The Committee shall inquire into and report on the operation of local community stores in remote Aboriginal and Torres Strait Islander communities, with a particular focus on:

1. Food supply, quality, cost and competition issues;
2. The effectiveness of the Outback Stores model, and other private, public and community store models; and
3. The impact of these factors on the health and economic outcomes of communities.



Abbreviations

ABA	Australian Bankers Association
ABS	Australian Bureau of Statistics
ACCC	Australian Competition & Consumer Commission
ALPA	Arnhem Land Aboriginal Progress Corporation
APY	Anangu Pitjantjatjara Yankunytjatjara
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
BAC	Bawinanga Aboriginal Corporation
BSS	Building Strong Stores training program
CAEPR	Centre for Aboriginal Economic Policy Research
CAT	Centre for Appropriate Technology
CATSI Act	<i>Corporations and Aboriginal and Torres Strait Islander Act 2006</i>
CDEP	Commonwealth Development Employment Projects
CLC	Central Land Council
COAG	Council of Australian Governments

FAHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
HES	Household Expenditure Survey
HFAB	Healthy Food Access Basket
IBA	Indigenous Business Australia
IBIS	Islanders Board of Industry and Service
KCC	Kaltukatjara Community Corporation
Mai Wiru	Mai Wiru Regional Stores Policy
MPA	Maningrida Progress Association
MOU	Memoranda of Understanding
MBS	Market Basket Survey
NATSINSAP	National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan
NHC	Nganampa Health Council
NPARC	Northern Peninsula Area Regional Council
NPY	Ngaanyatjarra Pitjantjatjara Yankunytjatjara
NT Associations Act	<i>Northern Territory Associations Act 2003</i>
NTER	Northern Territory Emergency Response
NTER Act	<i>Northern Territory Emergency Response Act 2007</i>
OBS	Outback Stores
ORIC	Office of the Registrar of Indigenous Corporations
PIN	Personal identification number
PMSEIC	Prime Minister's Science, Engineering and Innovation Council

RIST	Remote Indigenous Stores and Takeaways
SIHIP	Strategic Indigenous Housing and Infrastructure Program
TFES	Tasmanian Freight Equalisation Scheme



List of recommendations

3 Healthy stores, healthy communities

Recommendation 1

The Committee recommends the Australian Government fund the rollout of the Remote Indigenous Stores and Takeaways (RIST) resources to all remote Indigenous communities across Australia, in conjunction with the support required by a nutritionist.

Recommendation 2

The Committee recommends the Australian Government consider the development of an incentive scheme to influence store managers to sell healthy produce.

Recommendation 3

The Committee recommends that the Australian Government require that membership of the Outback Stores board include a nutritionist.

Recommendation 4

The Committee recommends that the Australian Government work collaboratively with state and territory governments, health services and remote store operators to ensure that nutrition education programs are available to all remote Indigenous communities.

Recommendation 5

The Committee recommends that the Australian Government require all Outback Stores to develop, in consultation with local communities, a specific healthy store policy.

Recommendation 6

The Committee recommends that the Australian Government work collaboratively with all remote Indigenous community store owners, operators and communities to assist in the development and ongoing management of a healthy store policy.

Recommendation 7

The Committee recommends that the Australian Government work collaboratively with state and territory governments to fund and make available to all remote Indigenous community stores:

- the Remote Indigenous Stores and Takeaways (RIST) or similar point-of-sale monitoring tool,
- training for store employees on the operation of the tool, and
- mechanisms to provide feedback to communities and governments about the sale of products from the store.

Recommendation 8

The Committee recommends the Australian Government make available in all Outback Stores a system similar to the FOODcard established by the Arnhem Land Progress Aboriginal Corporation. The Committee also recommends that the Australian Government consult with other remote community store operators to facilitate more widespread introduction of this system for communities who are interested.

Recommendation 9

The Committee recommends the Australian Government consider the optional introduction of a healthy food card system to pregnant and breast-feeding mothers in remote Indigenous communities.

Recommendation 10

The Committee recommends that the Australian Government establish a national Primary Health Care program to fund and coordinate supply of healthy lunches and drinks to children at pre-schools and schools in remote Indigenous communities where this need is identified.

Recommendation 11

The Committee recommends the Australian Government, in collaboration with educational institutions, investigate and develop:

- the facilitation of training of Indigenous staff living in remote communities to store management levels, and
- the certification of in-store training of skills such as health promotion and food supply and storage.

Recommendation 12

The Committee recommends the Australian Government assess the impact that Community Development Employment Projects reform will have on the viability and employment opportunities in stores in remote Indigenous communities.

4 Fresh food access and supply**Recommendation 13**

The Committee recommends that the Australian Government establish a national remote Indigenous food supply chain coordination office to:

- support individual communities or regional groupings of communities to develop supply models by examining the possibilities appropriate to them,
- facilitate the establishment of cooperative arrangements including transparent cross-subsidisation models, if appropriate,
- assist to develop supply models that deliver healthy perishables to remote communities weekly where possible, and
- disseminate information on options for supply models to remote Indigenous communities.

Recommendation 14

The Committee recommends that the Australian Government, through the proposed national remote Indigenous food supply chain coordination office, investigate working with charitable delivery organisations, such as FoodBank Western Australia, to aid in the delivery of fresh fruit and vegetables to remote Indigenous communities.

Recommendation 15

The Committee recommends that the Australian Government establish a remote community store infrastructure fund to assist stores to invest in delivery, refrigeration and storage facilities that will support the supply of fresh and healthy produce to Indigenous communities. Access to the fund may be contingent on stores having a healthy food policy and participating in a nutrition education program.

Recommendation 16

The Committee recommends the Australian Government ensure health clinics in remote Indigenous communities are aware of the nutritional value of bush tucker and other traditional foods and actively encourage communities to continue to engage in traditional practices.

Recommendation 17

The Committee recommends that the Australian Government support community garden, traditional food and farming projects in remote Indigenous communities for the local production of food, particularly in schools, where it is demonstrated that long term sustainability can be attained.

Recommendation 18

The Committee recommends that the Australian Government continue to fund programs to eradicate feral animals in remote areas as required.

Recommendation 19

The Committee recommends that the Australian Government examine ways to facilitate remote Indigenous communities undertaking collaborative arrangements with stores to distribute and /or sell locally grown or harvested produce.

Recommendation 20

The Committee recommends that the Australian Government assist stores across Australia in remote Indigenous communities to develop partnerships with local food production and harvest industries and expand operations to also function as market places for community grown produce. The Committee recommends that the Australian Government trial a partnership that requires Outback Stores to support local food production and harvesting industries and buy an annual minimum of goods from these local sources.

5 Cost of living in remote Indigenous communities—the price of health

Recommendation 21

The Committee recommends that the Australian Government commission a regional cost of living study for Aboriginal and Torres Strait Islanders living in remote communities in Australia and report by the end of 2010.

Recommendation 22

The Committee recommends the Australian Bureau of Statistics consider expanding the Household Expenditure Survey to capture Indigenous specific data and remote community data.

Recommendation 23

The Committee recommends that, following implementation of supply chain coordination and efficiencies, the Australian Government give consideration to a freight subsidy for fresh produce for the Torres Strait.

Recommendation 24

The Committee recommends that the Australian Government establish a working group with representatives from the Department of Families Housing, Community Services and Indigenous Affairs, the Australian Securities and Investments Commission, state and territory governments, remote community store operators and the Australian Bankers Association. The working group should be tasked with:

- investigating the transaction fees being charged in remote Indigenous communities,
- investigating the impact of the limited banking choices available in remote communities, such as the consequent extent of fees charged for using foreign Automated Teller Machines,
- ensuring Indigenous Australians in remote communities have the financial literacy and access to facilities to make informed decisions regarding money management options, including the use of book up, and
- investigating mechanisms to lower or waive financial fees and charges for Indigenous people in remote communities.

Recommendation 25

The Committee recommends that the Department of Families, Housing, Community Services and Indigenous Affairs support remote Indigenous community service programs that develop lifestyle skills, such as home cooking and shopping, to ensure Indigenous families have the skills to prepare healthy and nutritious meals in the home at low cost.

Recommendation 26

The Committee recommends that the Department of Families, Housing, Community Services and Indigenous Affairs coordinate the dissemination of a healthy takeaway food guide, such as the Remote Indigenous Stores and Takeaways (RIST) *Healthy Fast Food: a Resource for Remote Stores and Takeaways*, and provide appropriate start-up training for remote store operators.

6 Regulating for governance**Recommendation 27**

The Committee recommends that the Australian Government support proposals that Indigenous owned and controlled community stores register as corporations under the *Corporations and Aboriginal and Torres Strait Islander Act 2006*.

In addition, the Committee recommends the Australian Government actively promote and encourage registration under the Office of the Registrar of Indigenous Corporations.

Recommendation 28

The Committee recommends that the Office of the Registrar of Indigenous Corporations receive additional funding to provide governance and financial management training to community stores that register under the *Corporations and Aboriginal and Torres Strait Islander Act 2006*.

7 Future of remote community stores

Recommendation 29

The Committee recommends that, if the Australian Government proceeds with the proposal for a national licensing regime for remote community stores, the following should be taken into account:

- administrative processes to apply for and maintain a licence should be streamlined and easily complied with by Indigenous corporations, store committees and managers,
- there should be a well-defined procedure to appeal any decision to refuse a licence, such as through the Administrative Appeals Tribunal, and a refusal should also consider the interim and longer term impacts it may have on a remote community's food supply security,
- the definition of a community store should be sufficiently flexible to encompass bush delivery, hub and spoke operations and other food supply models which offer economic and health benefits to communities,
- licence assessment should be undertaken in a timely manner,
- licences should be issued either to store owners, or jointly to store owners and store managers,
- mandatory qualifications and accreditation should apply to store managers,
- licences should include a requirement for a healthy store policy and to display pricing, and
- licensing should be subject to a review to ensure it is not providing unfair advantages to corporately managed stores over individual and community stores.

Recommendation 30

The Committee recommends that the Australian Government require that membership of the Outback Stores board include Indigenous representation.

Recommendation 31

The Committee recommends that the Australian Government revise the purpose of the Outback Stores model to recognise the following two distinct roles:

- the commercially viable operation of a remote store where a community contracts it to manage their store, and
- under advice from the Department of Families, Housing, Community Services and Indigenous Affairs, the delivery of store services to communities where the current store is unviable or the regular supply of healthy food is not secured. Supplementary interim funding for these services be provided on a case by case basis.

Recommendation 32

The Committee recommends that the Australian Government require Outback Stores to disclose a financial statement of expenditure of the appropriated funds received to date.

Recommendation 33

The Committee recommends that, rather than support particular service providers, the Australian Government work proactively with individual communities to develop and support a diversity of good store operations or delivery models that recognise the unique needs and situations of those communities and ensure food security to all remote communities.

Introduction

- 1.1 Across Australia there are approximately 1 112 discrete remote or very remote Aboriginal and Torres Strait Islander communities. Of these, 947 communities have a population of less than 100. At the time of the 2006 census, there were around 175 stores operating in remote Indigenous communities in Australia.¹
- 1.2 Often a community store is the primary source of food and other goods. Food is transported across great distances and in extreme temperatures which adds to the complexity and cost of delivery, in particular for perishable foods.
- 1.3 Over the last few decades lifestyle conditions, such as diabetes, heart disease and obesity, have become more prevalent in remote Indigenous communities. In addition Indigenous children up to the age of four are 30 times more likely to suffer from nutritional anaemia or malnutrition than non-Indigenous children.
- 1.4 The local store has the potential to play a pivotal role in improving the social, economic and health outcomes of remote Indigenous communities. While community stores represent an opportunity to lead change and there are positive examples of stores that provide a wealth of services, training and health benefits, these successes are scattered. Given the importance of the local community store, more can and must be done to ensure these stores meet the needs of the communities they serve.
- 1.5 It is the Government's role to ensure that Aboriginal and Torres Strait Islander people along with non-Indigenous Australians living in remote areas of Australia have access to a secure food supply and services that are adequate to support their health and well-being.

¹ Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), *Submission 62*, p. 12.

- 1.6 The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) noted in its submission the following definition for food security:

...when all Indigenous people in remote communities, at all times, have physical, social, and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.²

- 1.7 The Department of Health and Ageing coordinates the promotion of nutrition and healthy eating initiatives and has recognised that good health for Indigenous Australians is more than simply a matter of access to nutritional foods:

Improving Aboriginal and Torres Strait Islander health is not just about improving the physical wellbeing of an individual; it is about working towards the social, emotional and cultural wellbeing of the whole community.³

- 1.8 Fred Hollows Foundation provided insight into the cultural and economic importance of the store for Aboriginal and Torres Strait Islander peoples:

Those communities were historically ration places and now they are stations. They fought hard to get that land back and to have the right to have that land. They fought hard to get a store building. It would have been 40 or 50 years ago where we work. They are very proud of running their store. They do seek to improve their knowledge, practice and skills in running the store, and more support should be given in that regard.

You need to have a philosophical approach to stores. You need to have a look at an Indigenous approach to the store as not just a store in that community. It is a gathering place. It is a place where people can practice their governance, meet and talk about what happens in that store and what they sell. They also do a lot of services and community activities through the store, so you need to change your mindset from the non-Indigenous thinking of what a store is to what an Indigenous person living in a community thinks.⁴

2 FaHCSIA, *Submission 62*, p. 3; *Rome Declaration on World Food Security and World Food Summit Plan of Action*, November 1996.

3 Department of Health and Ageing, *Submission 72*, p. 2.

4 Tania McLeod, Senior Coordinator-Governance, Fred Hollows Foundation, *Committee Hansard*, Darwin, 22 July 2009, p. 104.

Conduct of the inquiry

- 1.9 On 4 December 2008 the Committee accepted terms of reference from the Minister for Families, Housing, Community Services and Indigenous Affairs to inquire into and report on the operation of local community stores in remote Aboriginal and Torres Strait Islander communities.
- 1.10 In particular, the Committee was asked to report on:
- food supply, quality, cost and competition issues,
 - the effectiveness of the Outback Stores model, and other private, public and community store models, and
 - the impact of these factors on the health and economic outcomes of communities.
- 1.11 The Committee has examined a range of issues relevant to the role of the store in remote Indigenous communities including governance models, food supply, quality and cost, competition issues, store management and the impact of these factors on the health and economic outcomes of remote Indigenous communities.
- 1.12 The Committee received 112 submissions from a wide range of sources including Commonwealth, state and territory government departments, store owners, store managers, freight providers, health experts and providers, individuals living in remote Indigenous communities, academics, and Indigenous representative organisations. A list of submissions and exhibits received is at Appendix B.
- 1.13 The Committee conducted 28 public hearings in Canberra, Darwin, Alice Springs, Broome and in remote areas of the Northern Territory, Queensland and South Australia. A list of public hearings is at Appendix C. The Committee visited and inspected stores in 17 remote Indigenous communities. A brief summary of remote community visits is at Appendix A.
- 1.14 The Committee thanks the Indigenous communities it visited for their hospitality and the welcome received to the land and the communities. The Committee also notes the commitment of these communities to ensuring the success of their local store and the Committee was privileged to meet with many inspiring and dedicated community leaders and professionals working in remote areas.
- 1.15 Submissions received and transcripts of evidence can be found on the Committee's website:
www.aph.gov.au/house/committee/atsia/communitystores/index.htm

Structure of the report

- 1.16 There is a range of factors that impact on the successful operation of a community store. As each community varies, so do its particular needs and the context within which the community store operates. The Committee recognises that, while there is no simple recipe for success, there are a number of initiatives which would greatly assist communities and store managers to achieve the best outcomes appropriate to each area.
- 1.17 This report discusses the need for flexible community store models to address the needs of individual communities. Indigenous communities are varied and unique and a community store must appropriately respond to the population size, the history of store management and ownership in the area, the cultural framework, the geographical location and environmental conditions, and the local economic and social capacity of the community.
- 1.18 Essential to improving the widespread operation of community stores is a clear appreciation of the role they play within remote Indigenous communities, and the great variation that appropriately exists across communities in how stores are owned and managed. Accordingly Chapter 2 outlines how community stores function as much more than a shop in remote communities, and the range of ownership and management models.
- 1.19 Chapter 3 discusses the health outcomes of Indigenous peoples and how healthy produce promoted and sold in stores can contribute to healthy communities.
- 1.20 Chapter 4 examines logistical difficulties in delivering fresh and quality produce in remote communities, and infrastructure and storage issues. Different purchasing and supply models are considered, along with opportunities to increase local production.
- 1.21 Chapter 5 details the higher cost of living experienced by those living in remote areas, and the impact of these costs on health outcomes. The chapter considers possible mechanisms to redress these financial and health costs.
- 1.22 Chapter 6 discusses the governance of community stores, outlining the importance of good governance, governance models, cultural protocols, regulatory obligations, and improvements to the required oversight and support of stores.
- 1.23 Chapter 7 discusses the future of remote community stores across Australia and comments on the Outback Stores model and the proposal for a national licensing scheme.

Remote Indigenous community stores— more than a shop

- 2.1 A community store is a shop located in a remote Aboriginal or Torres Strait Islander community. The store is owned by the community who employ a store manager to run the store on behalf of the community. In some cases, the community appoints a store committee to make representations to the store manager on its behalf. A large proportion of stores in remote Aboriginal or Torres Strait Islander communities throughout Australia fit this definition of a community store.
- 2.2 Individual communities take great pride in their stores as they have ownership and responsibility for what is sometimes the only business and source of income being generated in their community. This is especially true for small communities that have limited economic opportunities.
- 2.3 Community stores in remote Aboriginal and Torres Strait Islander communities provide the community with food, drinks and other consumer items. In some cases the store is the only provider of food, drinks and clothing and therefore plays a critical role in the health and well-being of the community.
- 2.4 The quality of fresh food and availability of food plays an important role in the health and well-being of the community. It is the role of the store manager to ensure enough groceries, including fresh fruit and vegetables, are ordered and transported efficiently and safely to the store:

Most community stores in remote Indigenous communities have a unique food security role, commonly holding a high degree of

local market power as either the monopoly provider, or as one of few providers of food to the community.¹

- 2.5 The community store also sells a range of non-food items such as household hardware, for example, fridges and ovens, cleaning products, clothing, televisions, DVD players and DVDs, toys and sports equipment.
- 2.6 An inquiry into food prices in the Northern Territory found that community stores are the primary vehicle to ensure access to affordable and nutritious food supply to residents of remote Indigenous communities. Most estimates suggest that between 90 and 95 per cent of food eaten in Aboriginal communities is food purchased in the store, with traditional foods now contributing only a small amount to people's dietary intake.²
- 2.7 Further evidence received by the Committee suggested that while the access to food supply had varied over time, community stores were still key players for Indigenous health in remote communities:
- The food supply in remote communities has changed significantly in recent years with community members having access to various sources, such as takeaways and private vendors; school canteens and nutrition programs; and aged care programs. Despite this the community store remains a major contributor to the food supply in remote communities.³
- 2.8 During the inquiry several witnesses commented that it was necessary to rely almost wholly on the store because in some regions of Australia, such as the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands there is 'very little bush tucker available.'⁴
- 2.9 However an alternative perspective suggested the reliance on stores for food may be much lower in regions of Australia such as the outstation communities near Maningrida:

In 2002 the National Aboriginal and Torres Strait Islander Social Survey (NATSISS) showed that over 82 per cent of respondents had fished or hunted in a group within the past three months.⁵

1 The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), *Submission 62*, p. 11.

2 FaHCSIA, *Submission 62*, p. 4.

3 Northern Territory Government, *Market Basket Survey 2008, Submission 98A*, p. 2.

4 John Tregenza, Coordinator, Mai Wiru Stores Policy Unit, Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 20.

5 Professor Jon Altman and Dr Kirrily Jordan, *Submission 64*, p. 4.

- 2.10 Many of the store models that the Committee received evidence about had attached or associated takeaway services. In some cases the takeaway section of the store was small and only provided an area for heated pies, sausage rolls and pizzas. A small number of takeaways were more substantial and had a kitchen that could prepare and sell both dry and wet takeaway foods such as sandwiches, salads, boiled eggs, pies, sausage rolls, pizzas, curries, stews, stir fry vegetables and soups.
- 2.11 Across remote regions of Australia there is varying reliance on community stores for basic food supplies, however it is apparent that the provision of good quality and nutritious foods can greatly affect the health and education outcomes of a community.
- 2.12 The Australian Government has made a commitment to closing the gap on Indigenous disadvantage, in particular, in respect to life expectancy. It has been estimated that 3.5 per cent of the total burden of disease in the Indigenous population is directly attributable to low fruit and vegetable consumption. The *Aboriginal and Torres Strait Islander Health Performance Framework 2008* states:

Improving the supply and consumption of healthy food in remote Indigenous communities is required to reduce the high levels of preventable diet-related chronic disease suffered by Indigenous Australians, including renal disease, heart disease and diabetes.⁶

More than a shop

- 2.13 It was reiterated throughout the inquiry that the community store is more than just a store – in effect, it is a social hub of the community. The Committee was told that people might be going to the community store to shop and to get their food but there are a lot of other interactions that are going on with the community store.⁷ For example, Automated Teller Machines (ATMs) are often located in the store and therefore the store may be the only place where banking can be carried out if people do not have access to phone or internet banking.

6 FaHCSIA, *Submission 62*, p. 3.

7 Robyn Bowcock, Public Health Nutritionist, Kimberley Population Health Unit, WA Country Health Service, and Western Australia (WA) Representative, Remote Indigenous Stores and Takeaways (RIST) Steering Committee 2006–2008, *Committee Hansard*, Broome, 20 July 2009, p. 49.

- 2.14 During the Committee's site visits to remote community stores it became apparent that the area in front of the community stores was often the general meeting place for the community. Many communities hold community meetings outside the store and on several occasions the Committee held its public hearings outside the community store.
- 2.15 Some of the stores the Committee visited had sheltered areas outside where people could sit and meet each other. Many communities and families also organised social events around the delivery day to stores. Such areas were valuable additions to remote Indigenous communities.
- 2.16 Mulan Aboriginal Community summed up the role of the community store in its submission:
- The local Store on all ATSI [Aboriginal and Torres Strait Islander] communities are the same as it is in Mulan, they are the heart of the community, the meeting place for the adults, the place where the children know they can score treats from family members and where the teenagers congregate to discuss topics of interest to them. The community takes great pride in the presentation, operation and stocking of its Community Store and comparisons to other neighbouring stores is a topic of daily discussion.⁸
- 2.17 The Centre for Appropriate Technology (CAT) discussed some findings with the Committee that demonstrated that the health of the store could essentially determine the stability of the community. Dr Bruce Walker, Chief Executive of CAT, made the following statement:
- ... the store was the centre of social activity for the community, that it provided essential services in the monopoly market and that it was required to perform multiple functions. This group of people felt that the performance of the store was an indicator of the stability of the respective communities, it was a key mechanism for delivering better services and infrastructure and it was a gauge of the morale and stability of the community.⁹
- 2.18 The Northern Territory Government submission also noted that community stores can contribute to community capacity building by providing community members with the following:
- a voice and a role in an important community institution,
 - a form for the development of leadership and management skills,

8 Mulan Aboriginal Corporation, *Submission 10*, p. 2.

9 *Committee Hansard*, Alice Springs, 28 April 2009, p. 64.

- an income source that is not reliant on government and can be used as untied funds for community needs or for bigger projects such as economic development, and
- a venue for social interaction as an informal meeting place.¹⁰

2.19 According to Indigenous store management experts Burdon Torzillo, a good store is one that is financially viable, has a good range of fresh healthy foods, has affordable prices as far as possible, has healthy takeaway options, and has a sheltered area where people can meet, eat and socialise:

A good store is the social hub of the community, has huge effects on health and well-being of individuals and the community as a whole and helps create economically viable and sustainable communities.¹¹

Extending business opportunities of the store

2.20 Economic and social business is often an extension of the business of the store. If other business opportunities can extend from the store, there is more opportunity for communities to be self-sustaining.

2.21 The Committee heard that stores have an important role in stimulating the local economy in fresh market garden produce and a potential to generate spin-off developments through diversification of product, for example, in ornamental trees and plants, ecotourism, and in bush foods, medicines and beauty products.¹² John Kop, Chief Executive Officer, Outback Stores stated it is important to encourage Indigenous business development through a viable store:

I think it is a really important opportunity. Once you have a large number of stores, you vertically integrate for the Indigenous economy and continue to grow that. Market gardens are certainly part of that. Some might be quite sustainable and can supply either a region or a particular group...

It all comes back to this capacity building. We generally find there is a very low level of capacity in communities. How do you start to

10 Northern Territory (NT) Government, *Submission 98*, p. 7.

11 Burdon Torzillo Associates Pty Ltd, 'Ownership, Governance and Management of Stores on Remote Aboriginal Communities', *Exhibit 41*, p. 2.

12 Roger Goebel, *Submission 5*, pp. 3–4; Len Kiely, Acting Chief Executive Officer, Bawinanga Aboriginal Corporation (BAC), *Committee Hansard*, Maningrida, 23 July 2009, p. 38; Andy McGaw, Chief Executive Officer, Djarindjin Aboriginal Corporation, *Committee Hansard*, Broome, 20 July 2009, p. 24.

build that? From our view, it starts with a central hub, which is the store operating effectively. If you do that and it becomes a viable option, you can start to bring other viable options around that.¹³

- 2.22 Further discussion of community gardens and farming and supplementing local fresh food supply is provided in Chapter 5.

Store manager's role

- 2.23 The store manager plays a key role in the supply and quality of items available at the community store. As a result of the remoteness and often a monopoly situation for remote community stores, the store manager has a much greater responsibility for the community's health and well-being than other store managers working in an urban setting. The influence of store managers on the health of the community is discussed further in Chapter 3.
- 2.24 The store manager is responsible for the regular supply of goods to the store which can be expensive and problematic in remote areas due to seasonal variations. For example, Maningrida is cut off for six months every year by the tropical wet season. The community is serviced year round by a barge service that is a monopoly.¹⁴
- 2.25 The store manager works closely alongside members of the community and is often employed by a community store committee depending upon who owns the store.
- 2.26 Many remote stores are owned by the community and a number of these communities establish store committees to oversee the operations of the store and employ store managers. A well informed and active store committee is essential for a well functioning store. Some of the duties of a store committee include employing and liaising regularly with store managers, having an understanding of the financial position of the store, ensuring good governance practices are being implemented, talking with the community about specific wants and needs available through the store, and making decisions about how store profits should be spent. Governance is discussed further in Chapter 6.
- 2.27 The strength of the store can often be a gauge of the strength of the community. From the stores that the Committee visited, it was evident,

13 *Committee Hansard*, Alice Springs, 28 April 2009, pp. 34–35.

14 BAC, *Submission 51*, p. 1.

particularly for smaller communities such as Papunya, that good store managers usually resulted in a well run store and an overall sense of satisfaction within the community. When asked by the Committee whether there was a secret to running a good community store in a remote community the store manager from Papunya stated:

You have to understand people, treat them with common decency and fairness, listen to what they want and really go out of your way to try and get what they want for them. Good customer service goes a long way. Ultimately, you need to try and install the pride and thought of ownership with regard to the store. Once you get that momentum happening, people start to enjoy the store.¹⁵

- 2.28 The Committee received evidence from various sources stating that the community store was often the main or only generator of employment in small remote communities. In this context ‘community stores are an extremely important economic and social resource. This is especially the case owing to the absence of commercial and employment opportunities in remote contexts.’¹⁶
- 2.29 From the evidence received and the communities visited, the Committee concludes that a well functioning store has the potential to provide a range of local services to the community which in turn provide significant economic outcomes. A well qualified store manager who takes into consideration the needs of the community, in addition to applying his or her knowledge of retail best practice and business acumen, plays a vital role in the sustainability of remote Indigenous communities.

Store models

- 2.30 In remote Aboriginal and Torres Strait Islander communities there are a number of different store models in operation. The Committee visited several of the store models to see them operating first hand and took evidence at public hearings about other models they did not visit.
- 2.31 The majority of the stores in remote Indigenous communities are community owned not-for-profit organisations or community-based enterprises where some of the profits are directed back into the community for improvements to store infrastructure and or benevolent

15 Greg Giumelli, *Committee Hansard*, Papunya, 27 April 2009, p. 16.

16 Professor Jon Altman and Dr Kirrily Jordan, *Submission 64*, p. 6.

activities. Other store models are privately owned for-profit businesses. There are also some state and territory government owned stores.¹⁷

- 2.32 The following sections describe various store models – community owned, state and territory government owned, and privately owned – and their operations in different communities. The ownership and management of a community store has evolved differently in each community and even within one model, such as community owned, there are differences.

Community owned

- 2.33 There are several store models that are community owned and managed. There are those that are community owned and managed by an individual or couple. There are also those stores which are community owned and managed by a company or benevolent organisation, such as the Arnhem Land Progress Aboriginal Corporation (ALPA), Outback Stores, Island and Cape, the Finke River Mission, the Maningrida Progress Association, the Bawinanga Aboriginal Corporation, and Ninti Corporate Services to name a few examples.

- 2.34 Some small communities in Western Australia, such as Jarlmadangah Burru, One Arm Point community/ Ardyaloon and Djarindjin, have community owned and managed stores. The Jarlmadangah Burru Store is community owned and run by Joseph Grande, who is an accountant, a project manager and a member of the community.¹⁸ The store services about 60 families and has a governing committee which holds monthly meetings within the community. The 'store runs on a profit and loss basis and has only made one loss in the last 10 years, and was only a small loss.'¹⁹

- 2.35 In Broome, the Committee received the following evidence about the ownership and management of community stores in the area:

All the stores in the Kimberley are actually owned by the community. Some are part of the Aboriginal corporation and some are incorporated separately. Some communities have community members running their stores...Most communities either hire a management company – like Peter Grundy and associates, Arnhem Land Progress Association or Outback Stores – or they

17 In the Northern Territory, about 15 per cent of stores licensed under the Northern Territory Emergency Response (NTER) are not owned by an Indigenous organisation. FaHCSIA, *Submission 62*, p. 14.

18 *Committee Hansard*, Broome, 20 July 2009, p. 96.

19 *Committee Hansard*, Broome, 20 July 2009, p. 98.

recruit their own managers. In the case of Kururrungku community, they recruit store managers to manage the store.²⁰

2.36 The Committee heard that most Indigenous communities prefer to retain ownership of the store even if the store becomes unprofitable and requires external assistance. The community store plays an important role in keeping the community informed and working cooperatively with each other. A well run store usually equates with a well run store committee.

2.37 The Chief Executive Officer of the Djarindjin Aboriginal Corporation outlined the benefits of a community run store:

We believe that a community controlled store is the best outcome because the community has a sense of ownership in the business and there is an opportunity for education and learning, because if you have a complaint about the store and you bring it to the council then it will get addressed. Whether you like it or not, you have to go through the reasoning process as a community member of why a decision was made. So it means there is a higher level of literacy about the dynamics that drive the community store.

Overheads are kept as low as possible. They have to be because everyone on council asks, 'Why are you spending that money if it is going to put up the price of bread, butter et cetera?'

Our store also contributes to the sense of community by supporting things like our monthly tidy town barbecues, our scout troop and, for example, our interschool sports team, which recently won the trophy for the first time in 11 years. As they paraded around the community they were given free icy poles from the store. So it is an integral part of the community.²¹

2.38 ALPA is a benevolent organisation and provides benefits to its community members from the profits made by the store. ALPA owns five stores in member communities and manages 11 others under fee for service management agreements. ALPA was established in 1972 and employs and trains local staff, ensuring that its Board of Directors and Chairman are local Aboriginal people.²²

20 Robyn Bowcock, Public Health Nutritionist, Kimberley Population Health Unit, WA Country Health Service, and WA Representative, RIST Steering Committee 2006–2008, *Committee Hansard*, Broome, 20 July 2009, p. 47.

21 Andy McGaw, Djarindjin Aboriginal Corporation, *Committee Hansard*, Broome, 20 July 2009, p. 23.

22 Arnhem Land Progress Aboriginal Corporation (ALPA), *Submission 61*, p. 1.

- 2.39 During the early 1980s ALPA developed a retail consultancy called Australian Retail Consultants. All the stores are owned by the community and managed by ALPA. The stores are:
- ... profitable and viable commercial enterprises with an emphasis on local employment and training, nutrition, and range with the best possible prices. Surpluses are reinvested back into the business to improve services or used for community benefit. Many of these businesses are long-term clients happy to be part of a successful group and be out of the *boom/bust* cycle in which so many community stores become trapped.²³
- 2.40 The Committee visited two ALPA stores in the Northern Territory. One was in Milingimbi, north west Arnhem Land, and was community owned and managed. The other ALPA store was at Warruwi, on Goulburn Island, and was community owned and managed by the consultancy arm of ALPA, Australian Retail Consultants.
- 2.41 Outback Stores is a not-for-profit company established by the Australian Government in 2006 which manages 27 community owned stores. Outback Stores was formed to provide 'available, affordable, quality food from sustainable stores to improve health in remote Indigenous communities.'²⁴ The operation of Outback Stores is based on the ALPA consultancy model, Australian Retail Consultancy.
- 2.42 Outback Stores is invited into communities to manage stores on a fee for service basis. Outback Stores stated in its submission that: 'Communities are our partners, so we take on store management by invitation only.'²⁵
- 2.43 Outback Stores is presently a wholly owned subsidiary of Indigenous Business Australia (IBA). However, given the commercial charter of IBA, it is intended that the operation of Outback Stores will be transferred to FaHCSIA. IBA commented that it considered this would allow a better alignment of Outback Stores with the Government's social policy objectives.²⁶
- 2.44 The Northern Territory Government submission commented that the Outback Stores model includes a strong focus on local training and employment, nutrition and returns store profits to communities. Outback

23 ALPA, *Submission 61*, p. 5.

24 Outback Stores, *Submission 47*, p. 8.

25 Outback Stores, *Submission 47*, p. 1.

26 Indigenous Business Australia (IBA), *Submission 67*, p. 7.

Stores utilises central supply and partnerships with local suppliers to make goods more affordable.²⁷

- 2.45 The Committee inspected two community owned stores managed by Outback Stores in Jilkminggan and Bulman in the Northern Territory. A description of the communities visited by the Committee can be found at Appendix A.
- 2.46 Island and Cape is an example of a privately owned store management model servicing the Cape York and Torres Strait regions. Island and Cape is a unique management model as it has its own wholesale warehouse. Its main business is delivering wholesale food throughout the cape and gulf regions of the Torres Strait. Island and Cape is a locally owned Cairns-based operation, employing local and regionally based people. Its facilities include four buildings in Cairns, including dry warehouses, chiller and freezer facilities and four retail store sites in the Torres Strait region.²⁸
- 2.47 The store operations are overseen by the Cairns office and two experienced management teams based in the islands. Island and Cape encourage local Indigenous staff to participate in management roles and currently have two stores operated by locals. The stores are overseen and mentored by a company management team.²⁹
- 2.48 During a public hearing in Alice Springs the Committee took evidence about the Finke River Mission store and its history:
- The Finke River Mission is part of the Lutheran Church of Australia. We owned all of the Hermannsburg area until 1980. The people invited us and wanted us to continue running a store there. So now we are there by invitation of the people.³⁰
- 2.49 The Mission has a governance committee in Adelaide, comprising people from both Victoria and South Australia. In addition, it pays rent for the store. There are also two stores in Hermannsburg. One of the stores is promoted as a community store. Store manager Selwyn Kloeden commented that ‘generally, as manager, I have free rein as to what I sell, how we promote it and what other things we can do from the shop.’ The

27 Northern Territory Government, *Submission 98*, p. 6.

28 Island and Cape, *Submission 2*, p. 1.

29 Island and Cape, *Submission 2*, p. 2.

30 Selwyn Kloeden, Store Manager, Finke River Mission, *Committee Hansard*, Alice Springs, 28 April 2009, p. 54

profits of the stores go to subsidise the spiritual formation of pastors within Central Australia.³¹

- 2.50 The Maningrida Progress Association (MPA) runs several enterprises in Maningrida including a supermarket. It is a community owned store that has 12 executive members on the board, comprising two members from each clan group in Maningrida. During the public hearing the Committee was told that: 'The Maningrida Progress Association store is one of the oldest shops in Maningrida.'³² Any profits from the store go back into the store infrastructure as well as back to the community for things such as sorry business:

...the money also goes back to the people, because every death that we have is \$1 000 that we have put towards the family that still goes back for the ancestor ceremony food.³³

- 2.51 In its submission the Committee was informed that the Bawinanga Aboriginal Corporation (BAC), another community-owned entity, operates a supermarket and some twenty other commercial enterprises in the Maningrida community. The BAC employs fifteen local Aboriginal people in the Barlmarrk supermarket, and there is a range of training and career options available to them. Profits from the store are returned to the community principally in the form of employment and as seed money for the establishment of additional commercial enterprises.³⁴
- 2.52 The BAC provides a mobile store service, also referred to as 'the tucker run' to remote dwelling outstation people. The considerable costs of delivery are absorbed by the Corporation as a benefit to members, and customers pay the same price for goods as they would pay in the supermarket in Maningrida.³⁵
- 2.53 Ninti Corporate Services is an example of a community corporate body which manages community owned stores. It is owned by Wana Ungkuntja which is in turn owned by the Nyangatjatjara Aboriginal Corporation. The corporation's members are the residents of Mutitjulu, Imanpa and Kaltukatjara, which are the three communities in the south of the Northern Territory.

31 *Committee Hansard*, Alice Springs, 28 April 2009, pp. 54–55.

32 Helen Williams, Chairperson, Maningrida Progress Association (MPA), *Committee Hansard*, Maningrida, 23 July 2009, p. 14.

33 Helen Williams, MPA, *Committee Hansard*, Maningrida, 23 July 2009, p. 15.

34 BAC, *Submission 51*, p. 1.

35 BAC, *Submission 51*, p. 2.

- 2.54 In its submission, Ninti Corporate Services said its focus was on generating enterprise and employment opportunities for its communities. All of the surpluses are distributed back to the Nyangatjatjara Corporation to provide education and directly to the three communities for beneficial purposes. Ninti is a not-for-profit and a public benevolent institution.³⁶

Government owned

- 2.55 The Queensland Government operates six stores (five of which it owns) in remote Aboriginal communities in Queensland. These stores are referred to as the Retail Stores. A separate statutory body, the Island Industries Board, trades as Islanders Board of Industry and Service (IBIS) and operates 15 stores in the Torres Strait and one in the Northern Peninsula Area of Cape York. These stores are referred to as the IBIS stores.
- 2.56 Both Retail Stores and IBIS are government owned entities and are therefore not-for-profit organisations. As well as the provision of food and other essentials, these stores stock items such as white goods, furniture, drapery and variety products. They operate as general stores with standards and operating methodologies commensurate with private sector best practice.
- 2.57 IBIS received financial support from government until 2006, when government assistance was provided to pay outstanding liabilities incurred prior to 2002 and to complete a stores replacement program commenced in 2001. There has been no subsidy of IBIS retail operations since 2002. Retail stores are not dependent on assistance from the state government and are self-sustainable for capital and operating activities.³⁷
- 2.58 There are also a number of government owned stores in the Northern Territory. Five newly formed Shires in the Northern Territory have recently acquired community stores as assets under the local government reforms (Victoria-Daly, Roper Gulf, East Arnhem, West Arnhem and MacDonnell).³⁸

Privately owned

- 2.59 A small number of privately owned and managed stores exist throughout Australia. In a submission from the Port Augusta Hospital and Regional

36 *Submissions 8 and 8A*, Matthew Ellem, Chief Executive Officer, Ninti Corporate Services, *Committee Hansard*, Alice Springs, 28 April 2009, p. 110.

37 Queensland Government, *Submission 90*, p. 2.

38 NT Government, *Submission 98*, p. 5.

Health Services, South Australia (SA) Health, this issue was raised. The submission noted:

Not all remote areas of SA have a store that is community owned – many are private businesses, operating on a for-profit basis. In another situation there are two stores: a community owned store and a private business/roadhouse servicing both local and tourist needs at prices tourists expect and can afford.³⁹

- 2.60 One example of privately owned and operated stores that was brought to the Committee's attention was stores which have evolved around outback stations over many years and provide critical goods and services to the local people. The Committee received evidence from several station store operators and managers in Alice Springs. Lynne Leigh, who operates the Epenarra Store and Murray Downs store, stated in her submission:

Most Station Stores came to be as a result of need many years ago to provide a Store for our local people. For many years Station Stores have been assisting in the delivery of many services to our communities.⁴⁰

Committee comment

- 2.61 During the inquiry the Committee was able to travel to in Queensland's Cape York Peninsula and the Torres Strait Islands, Central Australia and the Northern Territory to inspect a variety of stores in remote Indigenous communities. The Committee inspected several different models of stores and observed how central the stores were to the social, health and economic well-being of these communities. The stores were at times very busy, particularly around mealtimes. The Committee noted long queues to access money from the ATM, usually located in the store, in particular before lunch and dinner.
- 2.62 This supported the evidence that the Committee received during the inquiry suggesting that people tended to buy food as required for their next meal. In many instances this was to make use of the refrigeration that the shop had, as households may not have refrigeration or may share a house with a large number of kin.
- 2.63 In general, the stores varied greatly in terms of the infrastructure of the store and the quantity of line products and quality of groceries. Some of the reasons for these differences included: population size; geographical

39 *Submission 1*, p. 2.

40 Lynne Leigh, *Submission 46*, p. 1.

locations; freight options available, such as road transport and or barges; and different store models supporting different styles of store management.

- 2.64 The Committee recognises that all these variables play a significant role in the success or otherwise of the community store in remote Indigenous communities.
- 2.65 Many communities expressed a great deal of pride in their local store, although some also observed that produce was not fresh, the range of goods was limited, and the costs high. A small number of communities expressed frustration around issues such as community involvement, governance, hygiene and food quality.
- 2.66 Given the central role of a store in a remote community, the Committee considers that all stores, regardless of the ownership model, have a social responsibility to the community. While private enterprises seek to be commercially viable, the Committee notes that, for many stores, profits are returned to the community and the primary focus of the store operation is to serve the community's needs.
- 2.67 The Committee considers that this social responsibility of a remote community store includes contributing positively to the social and economic capacity of the community. This may be by providing leadership on healthy eating habits, opportunities for training and employment, access to some necessary services such as banking, as well as ensuring a secure supply of quality and affordable produce.
- 2.68 Across the communities that the Committee visited it was apparent that all viewed their store as more than just a shop – it sustained their day to day life, it provided a social meeting place, and it represented opportunities for improved community outcomes in the future.
- 2.69 Finally, the Committee agrees with the evidence gathered emphasising that a store is not just a shop. The Committee believes it is necessary for the store to influence the community on healthy eating habits. The following chapter discusses options on how best to deliver nutrition policies into stores.

Healthy stores, healthy communities

- 3.1 Stores which promote and stock healthy food alternatives are an essential contributor to building healthy Indigenous communities in remote areas. This chapter provides an overview of the health status of Indigenous people living in remote areas, noting the links between health outcomes and nutrition.
- 3.2 The chapter then considers how store managers, health workers, governments and communities themselves may contribute to developing the necessary policies, initiatives and incentives to promote healthy food preferences in remote Indigenous communities.

Health status of Indigenous people living in remote communities

- 3.3 Indigenous people suffer disproportionately high levels of chronic diseases compared to the non-Indigenous population. Once rare, lifestyle diseases such as diabetes, heart disease, kidney failure and overweight problems now feature in many remote communities.
- 3.4 In 2005–06, Indigenous people were hospitalised at 14 times the rate of non-Indigenous people for care involving dialysis, and at three times the rate for endocrine, nutritional and metabolic diseases (which includes diabetes).¹ The Department of Health and Ageing reported that:
- approximately three times as many Indigenous Australians reported diabetes or high sugar levels as non-Indigenous Australians,

1 Australian Institute of Health and Welfare, *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples 2008*, p. xxii, <www.aihw.gov.au/publications/index.cfm/title/10583> accessed 20 September 2009.

- Indigenous Australian adults were twice as likely to be obese as non-Indigenous Australian adults,
- the incidence of end-stage renal disease in remote areas of Indigenous Australians is 20 times as high as for other Australians –

In some parts of Australia we almost have a diaspora of people who cannot live in community any more. In some communities nearly everyone over the age of 50 who is alive is either in town or with their partner in town on dialysis,

- of Aboriginal and Torres Strait Island people living in remote communities 14 per cent reported heart and circulatory conditions, compared to 11 per cent of those living in non-remote areas, and
- cases of self-reported diabetes and high sugar levels are nine per cent for Indigenous Australians living in remote areas, compared to five per cent living in non-remote areas.²

3.5 Figures on mortality rates in the ABS report, *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples, 2008* include:

- life expectancy for Indigenous Australians was 59 years for males and 65 years for females, compared with 77 years for all males and 82 years for all females, a difference of around 17 years, and
- the mortality rate for Indigenous infants and Indigenous children aged one to 14 years in the period 2001–2005 was around three times that for non-Indigenous infants and children.³

3.6 The Australian Medical Association reported that compared with their non-Indigenous Australian counterparts, Indigenous children are:

- two to three times more likely to die in the first 12 months of life, and 11 times more likely to die from respiratory causes,
- more likely to be stillborn, to be born pre-term, to have low birth weight, or to die in the first month of life,
- nearly 30 times more likely to suffer from nutritional anaemia and malnutrition up to four years of age,

2 Lesley Podesta, First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health, Department of Health and Ageing, *Committee Hansard*, Canberra, 28 May 2009, pp. 3–4.

3 Australian Bureau of Statistics, *The Health and Welfare of Australia's Aboriginal and Torres Strait Islander Peoples, 2008*, <www8.abs.gov.au/ausstats/abs@.nsf/Latestproducts/4704.0Main%20Features22008?opendocument&tabname=Summary&prodno=4704.0&issue=2008&num=&view=> accessed 3 September 2009.

- at a much higher risk of suffering from infectious and parasitic diseases, diseases of the respiratory and circulatory system, hearing loss, rheumatic fever, dental caries, injuries, and clinically significant emotional and behavioural difficulties, and
 - cared for by significantly fewer adults, who are also at higher risk of premature death, serious illness, substance abuse, imprisonment, major social and emotional stress, lower household income, lower educational attainment, lower employment, and lower access to appropriate sanitary and household conditions, than other Australian adults.⁴
- 3.7 The Committee notes that changes to the health profile of Indigenous people will not be seen in the short term; there are no quick-fix solutions. Long term health improvements are reliant on improvements to nutrition, diet and lifestyle. As John Tregenza, Mai Wiru Health Policy Coordinator suggested, 'We cannot now change the health profile of anyone from five on.'⁵

Dietary change and current food preferences

- 3.8 Indigenous people are relying more on the community store for food supply compared with the past. John Tregenza, who has been working in the Anangu Pitjantjatjara Yankunytjatjara (APY) lands for 35 years, told the Committee that in 1974, 90 per cent of diet was locally sourced from the bush and 10 per cent from store. Now the store is the primary place for people to get their sustenance.⁶
- 3.9 Indigenous people across Australia do still regularly go hunting for foods for ceremonial purposes and as a healthy supplement to diet.⁷ However, there has been a reduction in reliance on traditional hunting for a number reasons, including:
- community gardens, fruit orchards and animal husbandry conducted in many communities disappeared with the missions and diet became

4 Australian Medical Association, *Ending the Cycle of Vulnerability: the Health of Indigenous Children*, 2008 Report Card, p. 1, <www.ama.com.au/node/4335> accessed 2 September 2009.

5 Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 20.

6 John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 20.

7 Dene Herreen, Indigenous Engagement Officer, Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and Member, Maningrida Community Reference Group, *Committee Hansard*, Maningrida, 23 July 2009, p. 12; Patrick Davies, Spiritual Health/Health Promotion, Town Community, Nindilingarri Cultural Health Services, *Committee Hansard*, Broome, 20 July 2009, pp. 90-91; Anna Godden, Community Member, *Committee Hansard*, Jilkminggan, 21 July 2009, p. 3.

largely based on non-perishable foods like tinned corned beef, tea, white flour and sugar, which are nutrient poor,⁸

- the impact of environmental degradation and feral animals. For example, quandong trees, very high in Vitamin C, have been destroyed by the numbers of camels in the desert,⁹
- quarantine regulations have affected the potential to grow and trade traditional foods and goods, for example, between Cape York, Papua New Guinea and between the Torres Strait Islands,¹⁰ and
- the high cost of fuel and management plans to sustain fishing resources have impeded the opportunity for people living in the Torres Strait to hunt dugong, turtle and fish.¹¹ The Committee notes that dugong and turtles are threatened and traditional hunting needs to be undertaken in a traditional way under a sustainable management plan. The Committee encourages the development of these plans where they are not currently in place.¹²

3.10 Sedentary lifestyle with increased access to attractive low nutrition foods has, in some circumstances, removed incentive and energy needed for traditional food gathering and hunting. The reliance on the community store in remote Indigenous communities has resulted in high consumption of nutrient poor and energy dense foods, a change from the traditional food systems which were largely nutrient dense but relatively low in energy and fat, sugar and salt.

Link between poor nutrition and health

3.11 Poor nutrition is a major contributor to the poor health outcomes and early death in remote Indigenous communities. The National Health and Hospitals Reform Commission reported in June 2009 that 'Poor nutrition – particularly low fruit and vegetable intake – is an important

8 Dympna Leonard, *Submission 40*, p. 3.

9 Margaret and David Hewitt, *Submission 105*, p. 2.

10 Kevin Murphy, Private Capacity, *Committee Hansard*, Canberra, 5 February 2009, pp. 7–11; Daniel Mosby, Acting Northern Australian Quarantine Strategy Operations Manager, Australian Quarantine and Inspection Service (AQIS), *Committee Hansard*, Thursday Island, 30 March 2009, pp. 53–58.

11 John Mosby, Community Leader, *Committee Hansard*, Masig Island, 31 March 2009, p. 5; Torres Strait Regional Authority, *Submission 65A*, pp. 3–5.

12 Dugongs are listed as vulnerable and different species of turtle are listed as vulnerable or endangered under the *Environment Protection and Biodiversity Conservation Act 1999*.

determinant of the health gap among Aboriginal and Torres Strait Islander people'.¹³

- 3.12 Research indicates that low fruit and vegetable consumption accounts for five per cent of the life expectancy gap between Indigenous and non-Indigenous people in Australia. Tobacco contributes 17 per cent. The burden of disease for Aboriginal and Torres Strait Islander people from low fruit and vegetable consumption is 1.6 times higher in remote areas than in non-remote areas.¹⁴
- 3.13 The *National Aboriginal and Torres Strait Islander Health Survey 2004–05* found that in remote areas, 20 per cent of Indigenous people aged 12 years and over reported no usual daily fruit intake and 15 per cent reported no usual daily intake of vegetables.¹⁵
- 3.14 Research points to maternal and early nutrition as important in a person's health over their lifespan. The Department of Health and Ageing stated that health disparities between Indigenous and non-Indigenous Australians have their origins in early childhood development and continue to exert impact across the life course, leading to increased morbidity from chronic and preventable diseases with reduced life expectancy. The young mothers who are conceiving have poor nutritional status, the uterine environment for their children is poor and this contributes to an ongoing cycle of health problems.¹⁶
- 3.15 Nutritionists have discussed the importance of targeting child and maternal health because it allows good eating and exercise patterns to be established early.¹⁷ The Prime Minister's Science, Engineering and Innovation Council (PMSEIC) Working Group's report into maternal and foetal health in Aboriginal and Torres Strait Islander Populations recommended ensuring access to healthy food at affordable prices in Indigenous communities as a critical step to close the gap in infant and

13 National Health and Hospitals Reform Commission, *A Healthier Future For All Australians – Final Report*, June 2009, p. 4.

14 Lesley Podesta, First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health, Department of Health and Ageing, *Committee Hansard*, Canberra, 28 May 2009, p. 2.

15 FaHCSIA, *Submission 62*, p. 3.

16 Department of Health and Ageing, *Submission 72*, p. 2; Lesley Podesta, First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health, Department of Health and Ageing, *Committee Hansard*, Canberra, 28 May 2009, p. 5.

17 Dymna Leonard, *Submission 40*, p. 2; Olga Havnen, Head of Indigenous Strategy, Australian Red Cross, *Committee Hansard*, Darwin, 22 July 2009, p. 90.

maternal mortality and low birth weight in Aboriginal and Torres Strait Islander communities.¹⁸

Government initiatives on closing the gap in health

3.16 Two of the targets agreed to by the Council of Australian Governments (COAG) in October 2008 to close the gap were related to health:

- close the gap on life expectancy within a generation, and
- halve the gap on mortality rates for Indigenous children under five within a decade.¹⁹

3.17 Commonwealth Government initiatives to promote good nutrition and healthy eating among remote Aboriginal and Torres Strait Islander communities include:

- The National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan (NATSINSAP) was endorsed by the Australian Health Ministers Conference in August 2001. NATSINSAP was designed to build on existing efforts to make healthy food choices easier choices for Aboriginal and Torres Strait Islander peoples, irrespective of where they live. In 2004 a national project officer was appointed to provide coordination for the implementation for key components of the NATSINSAP. This position was funded by the Commonwealth Department of Health and Ageing.

A key achievement of the NATSINSAP was the collaboration between five state and territory jurisdictions and the completion in 2008 of the Remote Indigenous Stores and Takeaways Project (RIST). Nine resources have been developed, intended to establish and improve standards for 'healthy' remote stores. The RIST package includes:

- ⇒ Guidelines for stocking healthy food in remote community stores
- ⇒ Fruit and vegetable quantity spreadsheet
- ⇒ Marketing ideas for healthy food in remote community stores
- ⇒ Healthy Fast Food: A resource for remote stores and takeaways
- ⇒ Freight Improvement Toolkit
- ⇒ Checklists for the Store and Takeaway

18 The Prime Minister's Science, Engineering and Innovation Council (PMSEIC) Working Group on Aboriginal and Torres Strait Islander health focusing on maternal, foetal and post-natal health, *The Health of the Adult Begins in the Womb*, April 2008, p. ix.

19 Department of Health and Ageing, *Submission 72*, p. 2.

- ⇒ Heart Foundation Buyers Guide for managers of remote Indigenous stores and takeaways
- ⇒ Guidelines for maximising the shelf life of fruit and vegetables
- ⇒ Keeping Track of Healthy Food – a monitoring and reporting tool (in Microsoft Access software format) that uses scanned sales data to assess a community’s consumption of key foods and nutrients. This information is indicative of a remote community’s food purchasing habits and nutritional issues.
- The licensing of stores and income management in the Northern Territory were introduced as government interventions intended to improve the quality, quantity and range of groceries, including healthy foods and drinks in stores, and to increase healthy purchases. Store licensing and income management is discussed further in Chapter 7,
- Outback Stores was established in 2006 as a non-government enterprise to improve the commercial viability of remote community stores, provide a better range of affordable healthy foods, provide consistency in delivering and supplying quality products, increase local employment opportunities for Indigenous workers, and establish more efficient and reliable stores. An assessment of the Outback Stores model is in Chapter 7, and
- The Mai Wiru Regional Stores Policy (Mai Wiru), auspiced by the Nganampa Health Council, aims to improve the health and well-being of Aboriginal people living on the Anangu Pitjantjatjara Lands. It helps to ensure continuous access to safe, nutritious, affordable food through the stores. The Department of Health and Ageing funded the Nganampa Health Council to develop and implement Mai Wiru.

Stores—balancing the economic and health benefits

3.18 Health experts advise that the disproportionate amount spent on cigarettes, sweets and sugared drinks compared with water and fresh fruit and vegetables is having an impact on the health of remote Indigenous communities. Strategies must focus on increasing consumption of healthier products as well as discouraging the consumption of unhealthy products, such as sugared drinks.²⁰

20 Clint Bussey, Nutritionist, Nindilingarri Cultural Health Services, *Committee Hansard*, Broome, 20 July 2009, p. 96; Dr Amanda Lee, Member of Steering Committee, National Aboriginal and

3.19 Community stores in the past have had a poor record on health promotion, with sales of sweets and nicotine products sustaining profits. The sale of cigarettes is of great concern. In 1995 a community with a population of 50 spent \$5 824 on cigarettes in one month, whereas only \$920 was spent on fresh fruit and vegetables.²¹ At one store in Maningrida the monthly turnover was \$600 000, with purchases of fruit and vegetables at \$13 000 and cigarettes at \$130 000. This was despite no advertising and the cigarettes not being on display.²²

3.20 Several witnesses argued that remote community stores must operate as viable businesses before they can consider promoting healthy options. From a business point of view, selling nutritious foods carries a higher risk. High profit items, such as chocolate and lollies, can capitalise on some of the loss experienced through the loss of perishable fruit and vegetables. As accountant Craig Spicer, Remote Community Management Services, stated:

We like to try to get as much money on those [TVs] as we can. Obviously the lollies and all the sweets are high profit. We get flak from teachers and nurses about that, but the fact is that we cannot sustain these places without making money. Our vision is to have a commercial investment where we thrive without any grants or anything else. It goes to show that it can be done, but it is hard work.²³

3.21 Joseph Elu, Mayor of the Northern Peninsula Area Regional Council (NPARC) and former Chairman of Indigenous Business Australia (IBA), agreed that every store should be run as a commercial enterprise and retail works when you supply what the community wants:

Retail is about people walking through the door because they know what they want and that is why they go to your store. If you are going to just sell them what you think they should be eating or what you think they should be buying they will quickly look for another place where they know the things they want are sold.²⁴

Torres Strait Islander Nutrition Strategy and Action Plan (NATSINSAP), *Committee Hansard*, Canberra, 25 June 2009, p. 13.

21 Margaret and David Hewitt, *Submission 105*, Attachment 3. In November 2008, that same community adopted a 'Healthy Store Policy' to promote the sale of healthy foods.

22 Bill Young, General Manager, Maningrida Progress Association (MPA), *Committee Hansard*, Maningrida, 23 July 2009, pp. 17-18.

23 Craig Spicer, Accountant, Remote Community Management Services, *Committee Hansard*, Broome, 20 July 2009, p. 33.

24 Joseph Elu, Mayor, Northern Peninsula Area Regional Council (NPARC), *Committee Hansard*, 1 April 2009, Bamaga, p. 15; *Committee Hansard*, Canberra, 24 June 2009, p. 2.

- 3.22 Mr Elu believed the most important aspect of a viable store is that communities feel engaged and involved. Therefore the store becomes a focal point where people gather; it is not just about where they go to buy things. He stated that the original concept of Outback Stores was to, firstly, be commercially viable and secondly, supply quality healthy foods.
- 3.23 Outback Stores contended that, as a group, it needs to be viable to deliver services. According to Outback Stores, the approximate population size required is 200 for a store to be viable. Other factors which impact on viability include remoteness, access to transport and transient populations.²⁵ The Northern Territory Government's strategy with its 'Working Futures Package' is that all store models must be viable businesses into the future.²⁶
- 3.24 The Committee received counter arguments that community stores in remote communities provide a primary and essential service which should be subsidised.²⁷ Subsidies are further discussed in Chapter 5.
- 3.25 The Nganampa Health Council (NHC) sees the supply of affordable healthy food as an essential service: 'a health issue, not a fiscal or an economic issue, in the sense of those stores'.²⁸ The NHC, the APY Council and the Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Women's Council together developed the Mai Wiru stores policy which applies to all stores in the APY lands and works to deliver affordable healthy foods. The NYP Women's Council maintained that stores should be considered 'essential services' and receive government funding or subsidies in the same way a clinic or a school does.²⁹
- 3.26 Free fruit and vegetables, particularly to children and young pregnant women, was advocated by FoodBank Western Australia.³⁰
- 3.27 Encouragingly, several witnesses detailed approaches which delivered positive health as well as viable business outcomes. Darryl Pearce, Chief

25 John Kop, Chief Executive Officer, Outback Stores, *Committee Hansard*, 28 April 2009, Alice Springs, pp. 27, 30.

26 Kenneth Davies, Deputy Chief Executive, Department of the Chief Minister, Northern Territory (NT) Government, *Committee Hansard*, Darwin, 22 July 2009, p. 23.

27 Jarlmadangah Burru Aboriginal Community (Joe Grande), *Submission 3*, pp 2-3; South Australian Government, *Submission 86*, p. 5.

28 John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, pp. 12-13.

29 Liz Balmer, Child Nutrition Program Manager, Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Women's Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 130.

30 Doug Paling, Chief Executive Officer, Foodbank Western Australia, *Committee Hansard*, Broome, 20 July 2009, p. 3.

Executive Officer, Lhere Artepe Aboriginal Corporation stated that the health economy must be considered in conjunction with the cash economy of a community. For example in 1986, a store gave away fresh fruit and vegetables while still returning a profit of \$45 000 to the community.³¹

- 3.28 The Arnhem Land Progress Aboriginal Corporation (ALPA)'s position is that a community's store must be potentially commercially viable before it will consider managing it. ALPA's consultancy service manages 11 stores owned by other community organisations. All are profitable and viable commercial enterprises, however they do operate with an emphasis on local employment and training, nutrition and range with best possible prices.³²
- 3.29 Some communities have opted to operate at no profit or low profit in order to keep the margins on food as low as possible.³³

Influence of store managers

- 3.30 Store managers can hold a very powerful position in determining the food supply, quality, pricing, freshness and promotion of goods, and this in turn impacts on the health outcomes of a community. Attitudes can influence the quality of the food supply and the turnover of healthy foods. In some circumstances, the success of a store is judged on profit or the amount of money the store can return to the community.
- 3.31 The tenure of managers can also be an issue: a health policy implemented by one manager may be discontinued by another manager.³⁴ The NPY Women's Council stated that health outcomes have depended on whether store managers adhere to Mai Wiru: if a store manager is compliant the policy works, but if a store manager ignores the policy there are terrible health outcomes.³⁵
- 3.32 Many witnesses asserted that the promotion of healthier purchases should not be the responsibility of the store. Store managers can spend long hours managing the store as a viable business and therefore are time and

31 Daryl Pearce, Chief Executive Officer, Lhere Artepe Aboriginal Corporation, *Committee Hansard*, Alice Springs, 28 April 2009, pp. 4–5.

32 Arnhem Land Progress Aboriginal Corporation (ALPA), *Submission 61*, p. 5; Alastair King, General Manager, ALPA, *Committee Hansard*, Darwin, 22 July 2009, p. 65.

33 Andy McGaw, Chief Executive Officer, Djarindjin Aboriginal Corporation, *Committee Hansard*, Broome, 20 July 2009, p. 26.

34 Margaret and David Hewitt, *Submission 105*, p. 2.

35 Liz Balmer, Child Nutrition Program Manager, NPY Women's Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 125.

resource poor when it comes to considering health policies.³⁶ Dr Bruce Walker, Chief Executive, Centre for Appropriate Technology (CAT) stated that stores can make tactical responses but alone cannot create the demand for higher consumption of healthy food.³⁷

- 3.33 Store managers are generally very conservative when it comes to stocking fruit and vegetables because once outside the cold-chain these have to be sold quickly or be thrown out, therefore creating a loss. ALPA links the sales of fruit and vegetables to the store manager's performance targets and provides bonuses to encourage them to step out of their comfort zone and try increasing orders of fresh produce.³⁸

Health and nutrition education

- 3.34 As discussed above health outcomes in the community do not, and should not, rely on store managers alone. Health units, nutritionists and community leaders need to work collaboratively with communities and store managers to develop health strategies for the store.³⁹ Nabeel Rasheed, Store Manager in Jilkminggan, noted that there was a doubling of fruit and vegetable sales after the Sunrise Health Service had nutrition demonstrations in the store.⁴⁰
- 3.35 The Committee received other accounts of positive health outcomes in communities where nutritionists work. Ian McDowell, who had managed stores in remote communities in the Northern Territory and Queensland, surmised the high turnover of fruit and vegetables in Kowanyama was due to the nutritional education work of the health centre.⁴¹
- 3.36 The Queensland Government funds nutritionists to work with the stores in Cape York and the Committee observed the benefits of this first-hand during its visits to Bamaga, Aurukun and Kowanyama. Lesley Podesta, Department of Health and Ageing, referred to the benefits of nutritionists working in communities:

36 Craig Spicer, Accountant, Remote Community Management Services, *Committee Hansard*, Broome, 20 July 2009, p. 34.

37 *Committee Hansard*, Alice Springs, 28 April 2009, p. 64.

38 Alastair King, General Manager, ALPA, *Committee Hansard*, Darwin, 22 July 2009, p. 71.

39 Mark Hutchings, Manager, Barlmarrk Supermarket, Bawinanga Aboriginal Supermarket (BAC), *Committee Hansard*, Maningrida, 23 July 2009, p. 6; Craig Spicer, Accountant, Remote Stores Management Services, *Committee Hansard*, Broome, 20 July 2009, pp. 32, 99.

40 Nabeel Rasheed, Dungalan Store Manager, *Committee Hansard*, Jilkminggan, 21 July 2009, p. 8.

41 Ian McDowell, *Committee Hansard*, Kowanyama, 2 April 2009, p. 22.

At the best, nutritionists that have been working in communities have made a big difference about being able to show people that substitution by nutrient-rich food of nutrient-poor food does not change taste... I know this will sound crazy, but a really good example is that a pie is a very popular item and one of the nutritionists had spent a lot of time identifying the best pies in terms of lower fat, high-protein content that was able to be shipped, had a longer shelf life ...⁴²

3.37 Nutritionists offer all sorts of advice to managers and community members to promote healthy choices, such as:

- choosing nutrition enhanced foods, including intakes of key nutrients such as folate, iron and calcium during pregnancy,
- preparing healthier takeaway food,
- marketing and education programs combined can be effective in promoting healthy eating patterns,
- labelling for health – identifying what is good food choice and what is poor food choice,
- reducing or removing the sale of unhealthy items,
- in store promotions and promotions in local media,
- educating about brand or product attraction, and
- appropriate placement on products on shelves and in fridges.

3.38 Armed with evidence based data, a nutritionist can help communities and managers understand what products are being bought from the store and the potential health effects.⁴³ A key component of Mai Wiru has been the monitoring of sales, whereby nutritionists demonstrate to community leaders the impact of sales on the health of the community. This has some influence on store committee decisions about what to stock in their store, and store managers must comply with these decisions. For instance, in Amata the nutritionist presented information about how much money was

42 Lesley Podesta, First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health, Department of Health and Ageing, *Committee Hansard*, Canberra, 28 May 2009, p. 15.

43 Robyn Bowcock, Public Health Nutritionist, Kimberley Population Health Unit, WA Country Health Service, *Committee Hansard*, Broome, 20 July 2009, p. 43.

being spent on Coke and the community decided to remove it from the store.⁴⁴ The benefit of the point-of-sale monitoring tool is discussed below.

- 3.39 In many remote communities health units, charities, and businesses are collaborating with stores on health programs. Many stores support nutrition programs and supply fresh fruit and vegetables to schools and to other programs, such as meals on wheels.⁴⁵
- 3.40 Under Queensland Health's 'Eat Well Be Active – Healthy Kids for Life' project nutritionists work with schools to deliver a whole-of-community approach to improve child nutrition. The project is being trialled over three years in three locations and targets four key areas: mothers and babies, junk food reduction and healthy food consumption, improving family budgeting, and promoting activity. Tagai State College on Badu Island is the lead agency for the project in the Torres Strait. Project Coordinator Rita Kebisu told the Committee that baseline data for the project is gathered by routine screening and monitoring of all babies and children to 12 years. Funding for the project ends in late 2009.⁴⁶
- 3.41 The Australian Red Cross and the Fred Hollows Foundation are delivering food nutrition and supply programs to remote Indigenous communities with the help of nutritionists and the stores.⁴⁷ The Red Cross has developed a national partnership with Outback Stores and has signed a Memorandum of Understanding to guide the partnership. The collaboration aims to 'work towards making a positive impact on the health of remote Aboriginal people by partnering with Indigenous communities to deliver long term sustainable health outcomes'. Strategies include ensuring fruit is continually available for breakfast clubs, developing in-store nutrition promotion, and sharing sales data to inform ongoing development of food security policies.⁴⁸

44 John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 23; Liz Balmer, Child Nutrition Program Manager, NPY Women's Council, *Committee Hansard*, Alice Springs, 28 April 2009, pp. 123–24.

45 Mark Hutchings, Manager, Barlmarrk Supermarket, BAC, *Committee Hansard*, 23 July 2009, Maningrida, p. 9; Alastair King, ALPA, *Committee Hansard*, Darwin, 22 July 2009, p. 74; Mike Puccetti, Principal, Bulman School, *Committee Hansard*, Bulman, 21 July 2009, p. 7.

46 *Committee Hansard*, 31 March 2009, pp. 12–14; and see *Exhibit 6, Eat Well, Be Active – Healthy Kids for Life Badu Island – Summary*.

47 The Fred Hollows Foundation, *Submission 30*, p. 3; Barbara Hollin, Senior Manager Community Services, Australian Red Cross, *Committee Hansard*, Broome, 20 July 2009, p. 90.

48 Australian Red Cross, *Submission 85*, p. 6.

- 3.42 Oral health is another health area of great concern in remote Indigenous communities. Outback Stores is also working with Oral Health Services NT to provide oral hygiene products.⁴⁹
- 3.43 Other health initiatives in communities aim to improve the capacity to store, cook and prepare food at home in remote Indigenous communities. There are programs operating out of health clinics about healthy food preparation and there was support for these programs from both women and men.⁵⁰ Cooking lessons in remote Indigenous communities is discussed further in Chapter 5.
- 3.44 The Committee notes there were many good examples of programs which provided services and education around food and nutrition, cooking classes and homemaker skills that were phased out by Government in the late 1990s.⁵¹ Witnesses in Maningrida advised that funding for a nutritionist had been cut after six months. The need for staff was urgent as the clinic did not have the capacity to run nutrition programs in addition to seeing the 600 people on the chronic disease list every three to six months.
- 3.45 Following the Committee's visit, Maningrida received funding for a nutritionist for two days a month. Witnesses in Maningrida called for longer term funding for anti-smoking and nutrition education.⁵²

Indigenous health workers

- 3.46 Indigenous people represent one per cent of people working in health-related occupations in Australia.⁵³ In the Northern Territory Department of Health and Families there is one Indigenous nutritionist. Dr Julie Brimblecombe from the Menzies School of Health Research asserted the importance of Indigenous people conveying health messages to other

49 NT Government Department of Health and Families, *Submission 82*, p. 1.

50 Dene Herreen, Indigenous Engagement Officer, FaHCSIA and Member, Maningrida Community Reference Group, *Committee Hansard*, Maningrida, 23 July 2009, pp. 11-12; Andy McGaw, Chief Executive Officer, Djarindjin Aboriginal Corporation, *Committee Hansard*, Broome, 20 July 2009, p. 24; Selwyn Kloeden, Store Manager, Finke River Mission, *Committee Hansard*, Alice Springs, 28 April 2009, p. 53.

51 Olga Havnen, Head of Indigenous Strategy, Australian Red Cross, *Committee Hansard*, Darwin, 22 July 2009, p. 91.

52 Bill Young, General Manager, MPA, *Committee Hansard*, Maningrida, 23 July 2009, p. 15; Michelle Thumm, Community Wellbeing Coordinator, Malabam Health Board, *Committee Hansard*, Maningrida, 23 July 2009, pp. 33-34; Sue-Ellen Kovack, Remote Area Nurse, Chronic Disease, Maningrida Health Clinic, *Committee Hansard*, Maningrida, 3 July 2009, p. 30.

53 Steering Committee for the Review of Government Service Provision, *Overcoming Indigenous Disadvantage: Key Indicators 2009*, p. 37.

Indigenous people and the need to train community people who can sit down with, empathise with, and understand their situation.⁵⁴

- 3.47 The National Health and Hospitals Reform Commission recommended the government provide support for training for an Indigenous health workforce:

We must also strengthen the vital role of Community Controlled Health Services, train and recognise an Indigenous health workforce and a workforce for Indigenous health, and up-skill our health workforce to provide culturally appropriate services.⁵⁵

- 3.48 NATSINSAP recognised that cross-cultural communication and awareness is essential to the development of effective health programs.⁵⁶ Dr Amanda Lee, member of the NATSINSAP Steering Committee, commented that the main factors for success in health interventions are engagement with the community and community control over the interventions that are trialled. This means a qualified nutritionist does not need to be in the community all the time. Rather, it is important that someone from the community with an understanding of nutrition communicates with the community:

A mother, a health worker, a community change agent, anyone in that community that has the respect of the community but is able to respond to community wishes and knowledge and build on that past understanding to enable them to influence the store, and the uptake of the food.⁵⁷

- 3.49 The importance of a local person educating a community is well illustrated by the Jaywon land owners, east of Katherine, who have ten principal language groups but low English literacy levels with few people having an above primary school education. Family and kin obligations are paramount in the lives of residents; traditional systems of social and economic organisation prevail, as do traditional knowledge and beliefs. The Sunrise Health Service stated that the understanding, attitudes and

54 Post-doctoral Research Fellow, Menzies School of Health Research, *Committee Hansard*, Darwin, 22 July 2009, p. 85.

55 National Health and Hospitals Reform Commission, *A Healthier Future For All Australians – Final Report*, June 2009, p. 4.

56 National Aboriginal and Torres Strait Islander Nutrition Working Party, *National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan 2000–2010*, 2000, p. 8.

57 Dr Amanda Lee, Steering Committee Member, NATSINSAP, *Committee Hansard*, Canberra, 25 June 2009, p. 8.

practise about illness and health are often very different to those in non-Indigenous health systems.⁵⁸

- 3.50 The Dieticians Association of Australia (DAA) and the Public Health Association of Australia (PHAA) stated that a 'well supported, funded and educated Aboriginal and Torres Strait Islander nutrition workforce is essential to attaining food security'. They were advocates of a cultural respect framework to ensure Aboriginal and Torres Strait Islander health workers are valued for local nutrition knowledge in conjunction with cultural processes and traditional knowledge.⁵⁹

Developing healthy store policies

- 3.51 NATSINSAP regards the development, monitoring and reporting of nutrition policies for all remote stores as essential. NATSINSAP believes nutrition policies must include measurable targets on the sales of key indicator foods, such as fruit and vegetables and sugared drinks.⁶⁰
- 3.52 The Central Land Council argued that all stores should adopt health principles:
- All stores should have positive community health and nutrition principles included in their rules, so that the committee of the store is bound by those principles in its management role. Stores committees should be given assistance to review the current rules.⁶¹
- 3.53 The Committee was told that community generated health agreements are fundamental and attempts to merely impose health foods will fail. Rather, there needs to be choice and education is required so community members can make informed choices about the purchase of healthy foods and takeaways. Mai Wiru in APY lands demonstrates that supporting the stores and the communities, through knowledge and education, has resulted in the communities demanding and purchasing healthier food. Lesley Podesta from the Department of Health and Ageing recognised

58 Sunrise Health Service, *Exhibit 30*, p. 11.

59 Public Health Association of Australia, *Submission 27*, Attachment 1, p. 6.

60 Katherine Cullerton, Senior Project Officer, NATSINSAP, *Committee Hansard*, Canberra, 25 June 2009, p. 3.

61 *Submission 58*, p. 5.

that Mai Wiru store is a 'fantastic project' which could be rolled out across other areas.⁶²

3.54 There has been a range of health policies adopted by remote Indigenous communities across Australia. Health policies are briefly described below:

- **Outback Stores** – The Outback Stores Nutrition Strategy focuses on improving nutritional outcomes, and improving sales of healthy food, through in-store promotion of fruit and vegetables, preferential pricing of key nutritional lines and basic foods, inclusion of nutritional options in takeaway menus, and selective sourcing of nutritional lines. Outback Stores employs nutritionists who help to develop the capacity of store managers and staff to focus on the health needs of the communities as part of their day-to-day work. They do this by spending time with the managers in the store and providing training. Nutrition strategies on store presentation include not selling confectionary at point-of-sale counters, bowls of fruit on counters, and not displaying tobacco.

Outback Stores set targets on the sale of fruit and vegetables at seven and a half per cent this year and 10 per cent in the future. (In most communities Outback Stores had entered fruit and vegetable sales were at two per cent, whereas in April 2009 fruit and vegetable sales were seven per cent across the organisation.) Outback Stores has set a target to reduce tobacco sales to 10 per cent.⁶³ Outback Stores used the RIST resources to inform them on developing their core range.

NATSINSAP advocated the need for Outback Stores to have a nutritionist on its governing board.⁶⁴

- **Mai Wiru** – The Mai Wiru (good food) policy, introduced in 2002, was developed jointly by the Nganampa Health Council, the NPY Women's Council and the APY council as a result of work done in 1998 showing that people's income was insufficient to allow them to access affordable healthy food.⁶⁵

All eight communities under Mai Wiru have signed an MOU with the Mai Wiru Stores Policy Unit to implement the Mai Wiru policy. A

62 Lesley Podesta, First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health, Department of Health and Ageing, *Committee Hansard*, Canberra, 28 May 2009, pp. 11-13.

63 John Kop, Chief Executive Officer, Outback Stores, *Committee Hansard*, Alice Springs, 28 April 2009, p. 33.

64 NATSINSAP, *Submission 59*, p. 10.

65 John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 21.

steering committee, which is made up of the Chairs of each community governing body, signs off on strategies within the policy. The Unit has been funded by the Commonwealth Department of Health and Ageing and carries out necessary functions that stores do not have resources to do: organise preferred suppliers, training, staff recruitment and nutritional expertise. A public health nutritionist was recruited in April 2006 who helped with implementation and improvements to the diet of the community. In 2007 the Mai Wiru stores policy received the National Heart Foundation Award for community health initiatives.⁶⁶

The Nganampa Health Council was investigating a future governance model on the APY lands, which would ensure that the Mai Wiru policy is enforced, yet managed by another management group. Consideration is being given to transitioning to management with Outback Stores. Under the *Anangu Pitjantjatjara Yankunytjatjara Land Rights Act 1981*, whereby traditional owners have the power to introduce by-laws, it would be possible to stipulate that the future manager of the stores would be governed by the Mai Wiru policy.⁶⁷

- **ALPA Yolngu community owned and Australian Retail Consultancy (ARC) stores** – In 1985 ALPA implemented its own nutrition policy and self-funded freight subsidy on fruit and vegetables in its stores to drive consumption.⁶⁸ The major objectives of ALPA's 2004 Health and Nutrition Strategy include improving the health and nutrition of Arnhem Land communities, specifically targeting diabetes, kidney disease, heart disease, aged care and children's health. ALPA employs a nutritionist and good food staff members in every store.
- **Other community owned stores** – In many instances managers and store committees welcome collaboration with health clinics about what to stock or how to present stock in the store. For example, the two stores in Maningrida have received advice from the health clinic and nutritionists about stocking different products.⁶⁹ The Finke River

66 John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 22.

67 Alma Quick, Director, Rural Primary Health Section, Rural Health Services and Policy Branch, and Lesley Podesta, First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health, Department of Health and Ageing, *Committee Hansard*, Canberra, 28 May 2009, pp. 12, 21; John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 14.

68 ALPA, *Submission 61*, pp. 1, 6–7.

69 Mark Hutchings, Manager, Barlmarrk Supermarket, BAC, *Committee Hansard*, Maningrida, 23 July 2009, p. 4; Bill Young, General Manager, MPA, *Committee Hansard*, Maningrida, 23 July 2009, p. 23.

Mission store manager works with a Northern Territory government funded nutritionist to develop strategies to encourage the consumption of healthier products.⁷⁰ A Healthy Store Policy was drawn up with managers, community members and the NPY Women's Council in Tjukurla. A list of policy items includes stocking a minimum amount of healthy fresh food, stocking sugared drinks in small bottles only, and encouraging the sale of healthy foods by displaying good food posters and so on.⁷¹

- **Private owned and run: station stores and roadhouses** – Health policies in these stores can be dependent on the priorities set by the manager.
- **Queensland Department of Communities** – the *Nutrition Policy for Remote Retail Stores and Take-Aways (2007)* includes strategies to consistently stock a wide range of healthy and affordable foods including takeaways. Nutrition promotion, education and training of store staff are objectives with store participation in nutrition programs at least twice a year. The Retail Stores Unit seeks agreement to the policy from the local Aboriginal shire council. The implementation of the policy is monitored, reviewed and evaluated annually.⁷²
- **Islanders Board of Industry and Service (IBIS) stores** – the IBIS Healthy Food Policy includes a pricing policy that specials only healthy food and subsidises the provision of health foods. Integral to the policy is the ongoing availability of fresh fruit and vegetables. IBIS stores identify and highlight healthy food choices through signage, publication of recipes, advertising, and marketing. A nutritionist is employed by IBIS to promote healthy food choices in communities. The IBIS store on Thursday Island has a bakery which is selling low GI index, wholegrain, rye and multi-grain bread.⁷³

3.55 Store committees and community representatives have self imposed a variety of mechanisms to improve health of their community. Some models are innovative and the Committee recognises that different communities require different approaches. Some examples of different community healthy store initiatives include:

- Removal of the sale of Coke, Passiona, Gatorade and Disney poppers – by the community of Amata. Diet Coke and Sprite was not removed.

70 Selwyn Kloeden, Store Manager, Finke River Mission, *Committee Hansard*, Alice Springs, 28 April 2009, p. 56.

71 Margaret and David Hewitt, *Submission 105*, Attachment 2.

72 Queensland Government, *Submission 90A*, Attachment.

73 Islanders Board of Industry and Service (IBIS), *Submission 28*, p. 9; *Submission 28A*, pp. 12, 17.

Data a year later showed there was an increase in orange juice and water sales,⁷⁴

- Displays of foods – stores managed by Ninti Corporate Services have lower mark ups on fruit and vegetables and display healthy foods near the checkout at eye and hand level. A basket of fruit is at the checkout and individual pieces are sold at 50 cents each,⁷⁵
- FOODcard – after recommendation from the Indigenous women of Gapuwiyak, ALPA developed the FOODcard to assist people with budgeting for healthy food throughout a pay cycle. The card was voluntary and was for food and essentials only, so articles like lollies, toys, takeaway fatty foods and soft drinks were excluded. A de facto labelling (green ticket) system also introduced indicated the products that could be purchased with the FOODcard,⁷⁶
- Encouraging hunting of nutritious foods – the people of Mapuru in north-east Arnhem Land made an active decision to go hunting and traditional food sourcing because it was impossible for them to get delivery of frozen produce. In the co-op the community could buy healthy foods and general household necessities. The co-op won the National Heart Foundation award for Small Rural and Remote Initiatives in 2004,⁷⁷ and
- Cross subsidisation – Queensland Department of Communities stores subsidise the prices of healthy foods at the expense of less healthy items, including tobacco and high sugared drinks.⁷⁸

RIST resources

- 3.56 NATSINSAP outlined in its submission the goals and objectives of the Remote Indigenous Stores and Takeaways (RIST) project. The goal of the project was to improve access to healthy food in remote Indigenous community stores and takeaways. Objectives of the project were to:

74 Liza Balmer, Child Nutrition Program Manager, Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 123.

75 Richard Bugg, Operations Manager, Ninti Corporate Services, *Committee Hansard*, Alice Springs, 28 April 2009, p. 115.

76 Alastair King, General Manager, ALPA, *Committee Hansard*, 22 July 2009, Darwin, p. 68; Mick Nemarich, Human Resources/Operations Manager, ALPA, *Committee Hansard*, Milingimbi, 23 July 2009, pp. 10–11.

77 John Greatorex, *Submission 109*, p. 1.

78 Queensland Government, *Submission 90B*, p. 2.

- develop a common set of guidelines and resources that promote access to healthy foods, and discourage the promotion of energy-dense/nutrient poor food and drinks, and
 - implement and evaluate guidelines and resources across a number of remote community store and takeaway trial sites.
- 3.57 The core outcome of the RIST project was the development of a package of nine resources to assist remote stores and takeaways to stock, promote and monitor the sales of healthy foods. The RIST resources, referred to in paragraph 3.17, are a result of comprehensive research and development by NATSINSAP – a collaboration of five state and territory jurisdictions.
- 3.58 Queensland Health is currently leading a twelve month project to promote, distribute and train people in the use of the RIST resources and to design, conduct and report on an evaluation of these resources in Aboriginal and Torres Strait Islander communities across Queensland and the APY lands in South Australia. While this work is still ongoing, preliminary work in piloting these resources has demonstrated improvements in the sale of healthy foods when local level nutritionists worked in partnership with stores and communities to support their implementation.⁷⁹
- 3.59 The NATSINSAP provided the Committee with a comprehensive submission and gave evidence at a public hearing in Canberra. The Committee was impressed with the work undertaken by NATSINSAP from a national perspective. During the public hearing NATSINSAP told the Committee:
- The engagement of nutrition experts within store groups are a real[ly] important catalyst for change and influencing the supply and demand of healthy food. We would also like to see the promotion of these RIST resources in all remote stores across Australia.⁸⁰
- 3.60 The Committee believes that NATSINSAP has carried out valuable work in the field of health and nutrition. The Committee also believes that the Queensland Government project to promote, distribute and train people in the use of RIST resources should be carried out by other jurisdictions such as the Northern Territory, Western Australia and South Australia.

79 NATSINSAP, *Submission 59*, p. 4.

80 Katherine Cullerton, Senior Project Officer, NATSINSAP, *Committee Hansard*, Canberra, 25 June 2009, p. 3.

- 3.61 The Committee strongly supports the distribution and use of the RIST resources with the support of nutritionists.

Recommendation 1

The Committee recommends the Australian Government fund the rollout of the Remote Indigenous Stores and Takeaways (RIST) resources to all remote Indigenous communities across Australia, in conjunction with the support required by a nutritionist.

Monitoring and evaluating health initiatives

- 3.62 With any intervention to improve health in remote Indigenous communities, testing must be done on whether these interventions work. There is currently no national mechanism for monitoring sales of food, and therefore the consumption of healthy or non-healthy food, in remote communities.
- 3.63 The RIST point-of-sale monitoring tool *Keeping Track of Healthy Food* can be modified to monitor any types of foods which stores or nutritionists may be interested in.
- 3.64 Outback Stores is using the RIST point-of-sale monitoring tool to measure the sale of key indicator foods.⁸¹ The Queensland Health pilot project to report on and evaluate the RIST resources in Queensland and the APY lands was due to be completed in October 2009.⁸²
- 3.65 Robyn Bowcock, a Public Health Nutritionist working in Western Australia, stated that the RIST point-of-sale monitoring tool is a 'very strong tool to feed back and make change in the community store' to the benefit of the health of the community.⁸³
- 3.66 However, the RIST point-of-sale monitoring tool is only as effective as its operators. Store employees must be trained in the use of the tool and nutritionists are required to go onsite to check the point-of-sale system is working correctly. Also, each store must have the appropriate infrastructure setup to operate the monitoring tool.

81 John Kop, Chief Executive Officer, Outback Stores, *Committee Hansard*, Alice Springs, 28 April 2009, p. 33.

82 NATSINSAP, *Submission 59*, pp. 1-3.

83 *Committee Hansard*, Broome, 20 July 2009, p. 38.

Committee comment

- 3.67 The Committee has heard that tensions between health and business are not incommensurable in remote community stores. In many instances, a profitable store is the main source of income to a remote Indigenous community. That income is often put back into the community via a health policy in the store, such as subsidised fruit and vegetables.
- 3.68 Given the important contribution the store makes to the nutrition and health outcomes of a community, there should be the aim of ensuring that every store in a remote Indigenous community has a well-developed health policy and is able to deliver healthy foods regularly, reliably, in quantity and at a good price.
- 3.69 The Committee acknowledges that store managers often have very demanding workloads. They can be under pressure to produce a profit so may be reluctant to make changes which might threaten that profit. Incentives to change the practices of store managers and increase the stock of healthy foods must be matched with programs that aim to increase demand from communities for healthy produce.
- 3.70 Incentives, such as increases in pay or bonuses, may be a method of motivating store managers to attempt to stock and sell healthy produce, such as fresh fruit and vegetables.

Recommendation 2

The Committee recommends the Australian Government consider the development of an incentive scheme to influence store managers to sell healthy produce.

- 3.71 The Committee observed stores where nutritionists and health experts have had a positive influence on strategies to promote the consumption of healthy products. It is important that nutritionists working with communities and store managers in developing health policies are adequately resourced. Short term programs will only achieve short term results and longer term strategies are required to effect lasting lifestyle changes.
- 3.72 The Committee considers that the Outback Stores Board should include a nutritionist, as suggest by NATSINSAP. The Committee also strongly urges other Boards that oversee stores in remote Indigenous communities

to include a nutritionist in their membership to assist in developing healthy community stores and so build healthy communities.

Recommendation 3

The Committee recommends that the Australian Government require that membership of the Outback Stores board include a nutritionist.

Recommendation 4

The Committee recommends that the Australian Government work collaboratively with state and territory governments, health services and remote store operators to ensure that nutrition education programs are available to all remote Indigenous communities.

- 3.73 The Committee stresses the importance of stores and people in remote communities having access to nutritionists and community health workers to inform their food choices and to provide skills for budgeting and food preparation that are compatible with the cultural, material and financial circumstances they live with.
- 3.74 In many instances there are advantages to health information being delivered by local Indigenous community members. The Committee urges federal, state and territory governments to increase their efforts to provide opportunities for Indigenous people to train as local health workers and assist in the delivery of local health care programs.
- 3.75 Ideally the Committee would wish to see every remote Indigenous community store with a healthy store policy in place. However given the diversity of store ownership and management structures, this can only be mandated for Government supported Outback Stores. Instead, the Committee recommends that assistance be provided to every remote Indigenous community and store to develop a healthy store policy, if they wish. The following chapter discusses access to other supply chain coordination assistance and the Committee recommends that this assistance be contingent on having a healthy store policy.
- 3.76 The Committee also encourages state and territory governments to require that a healthy store policy is established in consultation with each community for the stores it owns or operates.

- 3.77 Many communities have developed successful healthy store policies and interventions. These should be commended and in particular the Committee notes the success of Mai Wiru healthy store policy as an outstanding model.
- 3.78 The Committee also notes the importance of a healthy store policy being developed in consultation with the community and adapted to be appropriate to the traditions, preferences and needs of that community.

Recommendation 5

The Committee recommends that the Australian Government require all Outback Stores to develop, in consultation with local communities, a specific healthy store policy.

Recommendation 6

The Committee recommends that the Australian Government work collaboratively with all remote Indigenous community store owners, operators and communities to assist in the development and ongoing management of a healthy store policy.

- 3.79 To evaluate the impact of healthy store policies, the Committee considers a coordinated national system of monitoring food sales in remote communities is required. It should be mandated for Outback Stores, and funded and made available for use by other remote community stores. This monitoring system would provide data for policy development, coordination and review, program planning and evaluation and reporting against targets on a healthy store policy.
- 3.80 The Committee notes that the RIST monitoring and reporting tool *Keeping Track of Healthy Food*, which has been developed by the Menzies School of Health Research, is able to provide this data and may be able to be used or adapted for use to provide the appropriate point-of-sale monitoring.
- 3.81 Training should be provided on the operation of any monitoring tool and, once data is available, feedback should be provided to health workers, government programs and communities about the sale of products and the dietary and health implications.

Recommendation 7

The Committee recommends that the Australian Government work collaboratively with state and territory governments to fund and make available to all remote Indigenous community stores:

- **the Remote Indigenous Stores and Takeaways (RIST) or similar point-of-sale monitoring tool,**
- **training for store employees on the operation of the tool, and**
- **mechanisms to provide feedback to communities and governments about the sale of products from the store.**

3.82 The Committee was impressed by ALPA's FOODcard system – a voluntary budgeting tool to assist with healthy purchases – and considers a system similar to this could be offered for use across other communities. The Committee recommends that a similar healthy food card system be offered in all Outback Stores and that the Government consult with all other remote store operators to facilitate its introduction where desired. For this to be effective, the Committee recognises that delays in transferral of funds from the Basics Card to the ALPA card, recorded in evidence, should be addressed.⁸⁴

Recommendation 8

The Committee recommends the Australian Government make available in all Outback Stores a system similar to the FOODcard established by the Arnhem Land Progress Aboriginal Corporation. The Committee also recommends that the Australian Government consult with other remote community store operators to facilitate more widespread introduction of this system for communities who are interested.

3.83 The Committee recognises the importance of a healthy diet for pregnant women and breast-feeding women as this has a significant impact not only the health of the mother and newborn but also on the infant mortality rate. Consequently the Committee recommends that consideration is given

84 Nancy Ngalmindjalmag, Store Committee Member and Damien Fitzpatrick, Store Manager, Arjorumu Self Services Store, *Committee Hansard*, Warruwi, 23 July 2009, p. 11.

to a similar healthy food card system and be made available through local health services to all pregnant and breast feeding mothers in remote Indigenous communities.

Recommendation 9

The Committee recommends the Australian Government consider the optional introduction of a healthy food card system to pregnant and breast-feeding mothers in remote Indigenous communities.

- 3.84 To ensure that the nutrition needs of the growing child in remote Indigenous communities are met the Committee strongly supports the continuation of school nutrition programs, such as Queensland's 'Eat Well Be Active' Project, funded by state and territory governments.
- 3.85 In view of the urgent need to foster Indigenous child health, the Committee also recommends that the Australian Government should support these programs under a national Primary Health Care initiative to provide healthy lunches and drinks at pre-schools and schools in remote Indigenous communities as need indicates.

Recommendation 10

The Committee recommends that the Australian Government establish a national Primary Health Care program to fund and coordinate supply of healthy lunches and drinks to children at pre-schools and schools in remote Indigenous communities where this need is identified.

Employment and training opportunities

- 3.86 Stores are one of the biggest employers of Indigenous people in remote communities. The Committee found that the majority of employees in remote community stores across the country were local Indigenous people.
- 3.87 The Northern Territory Government asserted that local jobs should be a condition of government support for store management models.⁸⁵

85 Northern Territory Government, *Submission 98*, p. 7.

- 3.88 One of Outback Stores' four goals is to increase Indigenous employment opportunity through local recruitment and training. ALPA is one of the largest independent employers of Aboriginal people in Australia with over 300 non-subsidised staff. IBIS is employing about 134 Indigenous people across the region of Torres Strait.⁸⁶
- 3.89 Store managers were usually employed from outside the community. The intention of some groups, however, was to train local Indigenous staff up to a level where they can manage their own store. Outback Stores has trained three Indigenous store managers and one is managing their own store. Two of the Island and Cape stores in the Torres Strait are managed by local Indigenous people. IBIS employs 14 store managers who are Indigenous Australians.⁸⁷
- 3.90 As far as training is concerned, most stores offer on-the-job training in retail up to a basic level. However to become managers, people need to go away to major centres which generally they do not want to do.⁸⁸
- 3.91 At Outback Stores there is a 12 day induction course which covers areas such as the company's values, policies and procedures, safety, four-wheel driving, cross-cultural training, point-of-sale systems and dealing with customers. Employee training and store manager training is run in the store under the Australian apprenticeship training program. An accredited trainer goes to the stores to monitor progress of employees and managers.⁸⁹
- 3.92 ALPA's employees are trained locally in the store and at ALPA's own registered training facility. ALPA is currently focusing on providing training in the participants' first language. Alastair King, General Manager, ALPA, referred to the benefits of Aboriginal to Aboriginal training of staff:

One thing we have learnt over the years is that the Yolngu to Yolngu training – Aboriginal to Aboriginal training – is so much better than non-Indigenous to Indigenous training. It works so much better and you get the underpinning knowledge there rather

86 John Kop, Chief Executive Officer, Outback Stores, *Committee Hansard*, Alice Springs, 28 April 2009, p. 33; IBIS, *Submission 28A*, p. 5.

87 John Kop, Chief Executive Officer, Outback Stores, *Committee Hansard*, Alice Springs, 28 April 2009, p. 37; John Smith, Owner, Island and Cape, *Committee Hansard*, Bamaga, 1 April 2009, p. 20; IBIS, *Submission 28A*, p. 5.

88 Joseph Elu, Mayor, NPARC, *Committee Hansard*, 1 April 2009, Bamaga, p. 6.

89 John Kop, Chief Executive Officer, Outback Stores, *Committee Hansard*, Alice Springs, 28 April 2009, p. 34.

than just the mechanics of what to do. They understand why they are doing it.⁹⁰

- 3.93 Reverend Dr Gondarra, Chairman ALPA, referred to the company's emphasis on self-sufficiency and self-management: their people are being paid for their work and are being educated to be able to run businesses.⁹¹ The Maningrida Progress Association was also using the ALPA training course and on-the-job training for its employees.⁹²
- 3.94 Island and Cape, operating in Queensland, is training local Indigenous people at the store about food security and is in negotiations with authorities in Cairns to get this type of training certified.⁹³ Irene Fisher, Chief Executive Officer, Sunrise Health Services, called for more varied training, such as in marketing, health promotion and management in the store for the Indigenous employees.⁹⁴

CDEP

- 3.95 The Committee was told that the changes to Community Development Employment Projects (CDEP) Program would result in lower levels of employment and the loss of community sustainability.
- 3.96 It was claimed that in Djarindjin changes to CDEP have compromised the running of its community store. Djarindjin Aboriginal Corporation had run the store on a minimum profit basis to meet community needs. The Corporation had also managed the CDEP, which supported part-time jobs in the store. The store in turn funded a range of community run micro-businesses, foods, beauty products and bush medicines.⁹⁵ Through the CDEP the Jarlmadangah community built a shed, lined it and put in a fridge, freezer and cool room and it became the store.⁹⁶

90 *Committee Hansard*, Darwin, 22 July 2009, p. 74.

91 *Committee Hansard*, Darwin, 22 July 2009, p. 65.

92 Bill Young, General Manager, MPA, *Committee Hansard*, Maningrida, 23 July 2009, p. 17.

93 John Smith, Owner, Island and Cape, *Committee Hansard*, Bamaga, 1 April 2009, pp. 20–26.

94 *Committee Hansard*, Jilkminggan, 21 July 2009, p. 11.

95 Andy McGaw, Chief Executive Officer, Djarindjin Aboriginal Corporation, *Committee Hansard*, Broome, 20 July 2009, p. 24.

96 Joseph Grande, Administrator, Jarlmadangah Burru Aboriginal Corporation, *Committee Hansard*, Darwin, 22 July 2009, p. 96.

3.97 A number of stores employed part-time staff members through top-up under CDEP. This allowed on-the-job training and for people to participate in cultural ceremonies.⁹⁷

3.98 There were, however, limits on CDEP top-up. Stephan Rainow, Nganampa Health Council, explained:

It also appears that there are restrictions placed on people on CDEP working more than 28 hours per week, which limits their capacity to earn money. And for people on Centrelink payments there is no WorkCover, which limits their capacity to earn extra income. These are major disincentives for people seeking to increase their income earnings capacity and as a consequence limit the cash turnover in the stores. There are limited or no checks and balances that regulate the remote economy on the APY lands within which people spend their income on a daily basis.⁹⁸

3.99 At public hearings, FaHCSIA stated that CDEP would remain in remote Indigenous communities with some adjustments. Dianne Hawgood, Manager, Indigenous Remote Service Delivery Group, FaHCSIA, explained the changes:

There will be some new components to it, though, much more of a focus on CDEP being used as work experience, looking for opportunities for CDEP participants to get additional training so that they are ready for job opportunities that may come into the communities, for example through some of the new COAG investment in housing and other areas.⁹⁹

3.100 Lynne Curran, Group Manager, Office of Indigenous Policy Coordination, FaHCSIA, also stated that, as commercial businesses, there is scope for stores in remote Indigenous communities to convert to market wage positions. There are a range of other employment reforms happening, including the Indigenous Employment Program, aimed to deliver better employment and training opportunities to remote Australia.¹⁰⁰

97 Mark Hutchings, Manager, Barlmarrk Supermarket, BAC, *Committee Hansard*, Maningrida, 23 July 2009, p. 1; Andy McGaw, Chief Executive Officer, Djarindjin Aboriginal Corporation, *Committee Hansard*, Broome, 20 July 2009, pp. 22–23; Ric Norton, General Manager, Laynhapuy Homelands Association Inc, *Committee Hansard*, Darwin, 22 July 2009, pp. 50–51; John Smith, Owner, Island and Cape, *Committee Hansard*, Bamaga, 1 April 2009, p. 25.

98 *Committee Hansard*, Fregon, 29 April 2009, p. 17.

99 *Committee Hansard*, Canberra, 20 August 2009, p. 15.

100 *Committee Hansard*, Canberra, 12 March 2009, p. 21.

Committee comment

- 3.101 On the job training and employment in stores contributes to the economic sustainability and health of remote communities. The Committee commends stores which have high levels of training and employment of Indigenous staff.
- 3.102 There are difficulties in attracting and keeping external managers, therefore it is logical that supporting the training of local people would benefit the community and the management of the store.
- 3.103 All stores should have a policy to employ local Indigenous staff wherever possible in the store. Training and development should be offered by the store to increase capacity of Indigenous store employees. Wherever possible, local Indigenous employees should be encouraged to step up to management roles.

Recommendation 11

The Committee recommends the Australian Government, in collaboration with educational institutions, investigate and develop:

- **the facilitation of training of Indigenous staff living in remote communities to store management levels, and**
 - **the certification of in-store training of skills such as health promotion and food supply and storage.**
- 3.104 Remote communities that had managed themselves and their stores very well under the CDEP were concerned at the loss of the measure of self-governance they had worked to achieve.
- 3.105 The Committee considers an assessment of the impacts the CDEP reforms will have on the viability and employment opportunities in remote Indigenous community stores is warranted.

Recommendation 12

The Committee recommends the Australian Government assess the impact that Community Development Employment Projects reform will have on the viability and employment opportunities in stores in remote Indigenous communities.

- 3.106 Improvements to the employment and health of Indigenous people in remote communities will go a long way to closing the gap in life expectancy.
- 3.107 However, Indigenous people living in remote areas require a more consistent and regular supply of quality nutritious food in order to maintain and enhance their health and well-being. The following chapter discusses challenges of providing fresh food to remote communities.

Fresh food access and supply

- 4.1 The main source of food to people living in remote Indigenous communities is the store. While some people supplement their supply of fresh food through market gardens, fishing, and small food industries, they rely on the store for the bulk of their food stock.
- 4.2 Therefore, consistent regular access to healthy food at the store in remote Indigenous communities is essential. Health experts maintain that many of the foods that remote Indigenous communities need in order to avoid ill health are perishable and it is essential that stores are stocked with fresh food at least every week.¹ Freight expert Ian Lovell contended that of the products which need to be consumed to counter health problems in remote Indigenous communities, 50 per cent are perishable. This means there is a need for weekly transport service to remote Indigenous communities to deliver appealing fresh produce. If weekly transport is not possible, adequate storage is required at the store.²
- 4.3 The Committee found that food quality and supply is poor and costs are high in remote Indigenous communities, particularly for fresh fruit and vegetables.³ Surveys, such as the Northern Territory Market Basket survey, the Queensland Healthy Food Access Survey and surveys of Government Business Managers in the Northern Territory reveal that remote communities have insufficient access to fresh fruit and vegetables.⁴

1 Robyn Bowcock, Public Health Nutritionist, Kimberley Population Health Unit, WA Country Health Service, *Committee Hansard*, Broome, 20 July 2009, pp. 38, 43.

2 *Committee Hansard*, Canberra, 10 September 2009, pp. 1-2, 7.

3 Solange Rousset, Senior Training and Quality Coordinator, Kimberley Aged and Community Services, *Committee Hansard*, Broome, 20 July 2009, p. 71.

4 Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), *Submission 62*, p. 8.

- 4.4 Dr Adam Pritchard, Medical Officer, Royal Flying Doctor Service, Queensland was frustrated that, due to poor supply, people were unable to take action on his advice to eat healthy food:

It is disheartening, in a way, to give someone some advice and then see them not be able to put that into practice – if you say, ‘Eat more fruit and vegetables. Eat healthy options’ and they are not then able to buy those things at the store.⁵

- 4.5 Poor food supply in remote Indigenous communities undermines efforts to address the poor nutrition and health status of the Indigenous people living there. The National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan (NATSINSAP) states:

Strategies to address improved access to good quality, affordable, healthy foods – particularly fresh vegetables and fruit – in remote communities is fundamental to the prevention of chronic diseases such as diabetes, heart disease, overweight and obesity.⁶

- 4.6 This chapter considers issues related to ensuring the security and integrity of the food supply chain to remote communities, including the development of alternative purchasing and delivery models. It also considers store infrastructure to maintain food quality and opportunities to encourage the local supply and production of fresh foods.

The tyranny of distance

- 4.7 The challenges of freighting goods, especially perishable goods, to remote Indigenous communities include: the time it takes to travel the distance, the ease of access due to the conditions of roads, rail, access channels and barge ramps, and weather conditions. Many witnesses described the difficulties of getting goods freighted to remote communities within good timeframes. Some stores order two weeks before the stock is received and when managers order they generally have another order in transit.⁷
- 4.8 There are seasonal disruptions to road access in some communities, such as during the wet season. Aboriginal communities in Cape York and

5 *Committee Hansard*, Kowanyama, 2 April 2009, p. 31.

6 National Aboriginal and Torres Strait Islander Nutrition Working Party, *National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan: a Summary 2000-2010*, 2001, p. 17.

7 Craig Spicer, Accountant, Remote Community Management Services, *Committee Hansard*, Broome, 20 July 2009, p. 30; Alastair King, General Manager, ALPA, *Committee Hansard*, Darwin, 22 July 2009, p. 61.

Arnhem Land are geographically isolated during the 'Wet' from August to the November. During the wet season road food supply can be cut off entirely for a month or more. In the Torres Strait, safe navigation and access is impeded by tides and currents.⁸ Some communities across Australia rely on air drops.⁹

- 4.9 In the Torres Strait, the effectiveness of freight is totally reliant on the condition of the sea and infrastructure at delivery points. Seaswift, the only freight company servicing the Torres Strait Islands, referred to problems with infrastructure which affect delivery times. The Committee heard that poor road conditions affect the timeliness and cost of freight to remote Indigenous communities.¹⁰
- 4.10 In Western Australia, the Government introduced the *State Isolated Communities Freight Subsidy Emergency Management Plan* which provides a freight subsidy for the difference between the normal freight cost and the cost incurred using an alternative means of supply. The freight subsidy only applies to approved life sustaining commodities for communities with retail outlets and the communities prone to isolation are required to minimise the need by stockpiling supplies before the wet season.¹¹
- 4.11 Because of the access and time challenges associated with freighting large distances to remote Indigenous communities, consideration must be given to threats to the cold chain for perishable items.¹²
- 4.12 To highlight the importance of the cold chain link during the transportation of fresh food to remote Indigenous communities, Ian Lovell, freight logistics expert, asked the question: 'Would you rather eat a crisp lettuce or a limp one; a rotten apple or a fresh one?' Mr Lovell referred to a study which found that after a customer buys a poor plum or nectarine, they will not re-buy that product for at least another six

8 Sea Swift, *Submission 110*, p. 3.

9 Kowanyama Aboriginal Shire Council, *Submission 48*, p. 1.

10 Sea Swift, *Submission 110*, p. 4; Andrew Carter, Chairperson, One Arm Point Community/ Ardyaloon Inc., *Committee Hansard*, Broome, 20 July 2009, p. 80.

11 Kimberley Population Health Unit, *Exhibit 34C*.

12 The cold chain consists of the series of businesses engaged in manufacturing, transporting, storing, retailing and serving chilled and frozen foods, as well as the consumers who buy those products. National Rural Health Alliance, *Freight Improvement Toolkit: Getting Quality Healthy Food to Remote Indigenous Communities*, November 2007, p. 25.

weeks.¹³ When poor food is presented on shelves in remote Indigenous communities it will not be sold and is often thrown out.¹⁴

4.13 Alternatively, when good quality fresh food is presented it will be bought, sometimes despite high costs.¹⁵ Joseph Elu, Mayor, Northern Peninsula Area Regional Council (NPARC), put the success of the Seisia store down to the better quality fresh fruit and vegetables, meat and smallgoods available for purchase.¹⁶

4.14 The Committee heard that there is demand for fresh fruit and vegetables and in many communities children are choosing oranges cut into quarters as a reward instead of lollies.¹⁷ Professor Johnathan Carapetis, Director, Menzies School of Health Research, stated:

... the concept many people have that if good quality affordable food were available to Aboriginal people they would still choose to eat an unhealthy diet. This is an absolute myth that needs to be busted. There is evidence available already that if good quality affordable food is available it will be purchased and consumed.¹⁸

4.15 Ian Lovell referred to an apple possibly passing 34 sets of hands from orchard to store customer.¹⁹ Products are being packed and unloaded in the sun and transport systems may be temperature compromised. Therefore there are many steps along the freight journey which potentially interrupt the cold chain. Stock does get damaged and witnesses referred to the criticality of not breaking the cold chain; as soon as the cold chain is broken the quality of the food deteriorates.²⁰ Arnhem Land Progress Aboriginal Corporation (ALPA) stated that from time to time it does not accept goods due to a quality issue. The predominant ongoing problem

13 *Committee Hansard*, Canberra, 10 September 2009, p. 1; Ian Lovell, 'Freight and Health in Remote Indigenous Communities', *Issues*, vol. 83, June 2008, p. 32.

14 Andrew Carter, Chairperson, One Arm Point Community, *Committee Hansard*, 20 July 2009, Broome, p. 92. Andrew Passi, Store Assistant, Islanders Board of Industries and Services (IBIS), *Committee Hansard*, Mer (Murray) Island, 1 April 2009, p. 5.

15 Sue-Ellen Kovack, Remote Area Nurse, Chronic Disease, Maningrida Health Clinic, *Committee Hansard*, Maningrida, 23 July 2009, p. 29; Robyn Bowcock, Public Health Nutritionist, Kimberley Population Health Unit, WA Country Health Service, *Committee Hansard*, Broome, 20 July 2009, pp. 39-40, 81.

16 *Committee Hansard*, Bamaga, 1 April 2009, p. 7.

17 Alison Lorraine, Women's Development Coordinator, Fred Hollows Foundation, *Committee Hansard*, Darwin, 22 July 2009, p. 108.

18 *Committee Hansard*, Darwin, 22 July 2009, p. 77.

19 Ian Lovell, *Freight and Chronic Disease in Remote Indigenous Communities – the Story of an Apple from Tree to Table*, Presentation to 9th National Rural Health Conference, 7-10 March 2007, p. 6.

20 John Kop, Chief Executive Officer, Outback Stores, *Committee Hansard*, Alice Springs, 28 April 2009, p. 39.

affecting the quality of product is directly linked to packaging and transport.²¹

- 4.16 Store groups, such as the Islanders Boards of Industry and Service (IBIS), will inspect the quality of produce before it is shipped and select only produce which can withstand the rigours of the supply chain.²² Island and Cape management inspect the quality of fruit and vegetables at their Cairns warehouse before they are dispatched in the chiller to their stores in Cape York and the Torres Strait islands. Island and Cape also use a mini data-logger system every two to three weeks in each store to monitor the temperature of the products through to store, which highlights where any problems might lie.²³

Purchasing and supply models

- 4.17 Different stores have developed different supply models to increase frequency of supply and reduce freight costs. Different supply models are addressed below. The issue of freight costs to remote communities is discussed in Chapter 5.

Regional coordination models

- 4.18 Some remote Indigenous community stores within close proximity of each other have consolidated their freight logistics to receive a more efficient supply. Most remote Indigenous community stores in a cluster group receive weekly deliveries.²⁴ Successful regional coordination models include:
- Outback Stores uses aggregated buying power and retail experience to create clusters of stores that give communities access to the best suppliers and the best food at the best quality and price. The clustering of stores gives the group buying power to negotiate good deals with suppliers.²⁵
 - In the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in South Australia, eight stores joint tender for the supply of produce. The stores

21 Arnhem Land Progress Aboriginal Corporation (ALPA), *Submission 61*, p. 10.

22 Islanders Boards of Industry and Service (IBIS), *Submission 28*, p. 21.

23 John Smith, Owner, Island and Cape, *Committee Hansard*, Bamaga, 1 April 2009, pp. 24, 26.

24 John Kop, Chief Executive Officer, Outback Stores, *Committee Hansard*, Alice Springs, 28 April 2009, p. 39.

25 Outback Stores, *Submission 47*, p. 33.

receive weekly deliveries from Alice Springs. Also, all the communities have agreed to have standardised freight costs across the stores. So, in negotiations with the transport company the freight costs were averaged out across the stores, irrespective of how remote they are.²⁶

- IBIS has a centralised group buying process that operates out of Cairns. Costs are absorbed by the group as a whole, not by individual stores, and IBIS doubted that the outer island stores would break even if they operated under a single store model. The supply chain to the islands of the Torres Strait is complex and accumulates significant freighting costs, especially to the outer islands. IBIS cross-subsidises unhealthy food against healthy food in order to sell fresh produce at a cheaper rate than it would otherwise be.²⁷
- In the Ngaanyatjarra Lands in Western Australia, a single supplier services 12 community stores in the Lands which provides for reliable supply and reduced costs to the stores.²⁸
- Communities in the Dampier Peninsula in Western Australia are working collaboratively to a combined freight strategy.²⁹

4.19 Regional supply models can be effective ways to increase the frequency of supply. The Committee heard that in 2006 three stores (Balgo, Mulan and Billiluna) in the East Kimberley coordinated freight so the stores received weekly instead of fortnightly deliveries. Sales of fruit in the Billiluna store went up 70 per cent.

4.20 However, freight monopolisation can increase costs to other stores or knock out regional buying power options. For example, in April 2008, the Balgo store (mentioned in the above paragraph and operated by Outback Stores) withdrew from the group freight arrangement, so the other two stores went back to fortnightly deliveries and the percentage of sales of fruit went down again.³⁰

26 John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, pp. 16–17.

27 IBIS, *Submission 28*, pp. 7, 14.

28 Government of Western Australian (WA), *Submission 81*, p. 9.

29 Andy McGaw, Chief Executive Officer, Djarindjin Aboriginal Corporation, *Committee Hansard*, Broome, 20 July 2009, pp. 23–25.

30 Robyn Bowcock, Public Health Nutritionist, Kimberley Population Health Unit, WA Country Health Service, *Committee Hansard*, Broome, 20 July 2009, pp. 38, 42.

Group purchasing models

- 4.21 Store group operations such as ALPA, Outback Stores, Island and Cape, IBIS, and the Queensland Department of Communities stores have evolved group purchasing models to reduce cost and improve quality and supply of stock. These purchasing models produce stock volumes sufficient enough to negotiate favourable trading terms from wholesalers and improved services from freight suppliers.
- 4.22 An example is IBIS which operates in the Torres Strait and uses Seaswift, the freight company which has the monopoly in the region to provide the freight service from Cairns to its stores. Supply is generally weekly, even to the outer islands.³¹ IBIS also maintains a computer system which allows IBIS management in Cairns to capture data on stock levels in the stores.³²
- 4.23 An independent purchasing group in Western Australia is WA Buying Services (WABS) which services 14 remote stores by offering an online shopping catalogue for store managers to order from. WABS coordinates freight of all dry, frozen and chilled goods, groceries, fresh fruit and vegetables, and meat and dairy products. Also, WABS worked with the state health department to review and endorse healthy alternatives in their catalogue which they review regularly.³³
- 4.24 Purchasing groups can ease the burden on store managers who do not have the time to research better freight strategies for their communities.³⁴ However, Alastair King, General Manager, ALPA stated that it is 'critical' that store managers have control over ordering and described the ALPA central buying model:

You put standard operating procedures in your store, you give your managers policies to abide by and you have central buying. ... We also have a minimum core range that they must stock, but the store managers actually do the ordering and they can add to the range any time they like. They can have a go at anything they want to have a go at.³⁵

31 Sea Swift, *Submission 110*, p. 3.

32 IBIS, *Submission 28*, p. 8.

33 Karen Mellot, Managing Director, WA Buying Services, *Committee Hansard*, Broome, 20 July 2009, pp. 50-51.

34 Nicole Hines, Store Manager, Wangkatjungka Store, *Committee Hansard*, Broome, 20 July 2009, p. 57.

35 Alastair King, General Manager, ALPA, *Committee Hansard*, Darwin, 22 July 2009, pp. 63-64.

4.25 Ian McDowell, who has worked as a store manager in various locations in Northern Territory and Queensland, reflected on the importance of store managers being able to have some influence over what is being ordered into the community:

I think so, because you are able to reflect what is required. However, there is that core range of products that you have to carry. Given that there is a core range, the range that you do carry should reflect what is going on in that community.³⁶

4.26 In speaking about range of products in the store, John Kop, Chief Executive Officer of Outback Stores, stated that all store committees should have input on their range. There would be a 'core range' which is the minimum range of goods that people would purchase and the community has absolute discretion over things they would like in their store. Despite the ordering being controlled in a centralised environment, the store manager makes the decision on quantity and is the crucial contact point for anything the community requires.³⁷

4.27 The communities the Committee visited with stores managed by ALPA and Outback Stores were happy with their ability to engage with store managers about the store generally and the produce that was being ordered in.³⁸

4.28 Conversely, the Committee was advised that group operators in Queensland were not engaging with communities or store managers on what was being supplied to their store. Joseph Elu, Mayor, NPARC asserted that local store managers working for IBIS did not have ordering powers 'so they are not really managers; they are just shop assistants... They just sell whatever Cairns supplies them with'.³⁹

4.29 In communities in the Torres Strait and Cape York, store managers and community members believed they had no influence in supply when they

36 *Committee Hansard*, Kowanyama, 2 April 2009, p. 21.

37 *Committee Hansard*, Alice Springs, 28 April 2009, pp. 32-33.

38 Anna Godden, *Committee Hansard*, Jilkminggan, 21 July 2009, pp. 9-11; Lazarus Murray, Community Councillor, Roper Gulf Shire Council, and Michael Stevens, Vice President, Store Committee, *Committee Hansard*, Bulman, 21 July 2009, p. 6; Keith Lapulung, Community Representative, *Committee Hansard*, Milingimbi, 23 July 2009, pp. 8-9; Nancy Ngalmindjalmag, Store Committee Member, Ajurumu Self-Service Store and Damien Fitzpatrick, Store Manager, *Committee Hansard*, Goulburn Island, 23 July 2009, pp. 3-9.

39 *Committee Hansard*, Bamaga, 1 April 2009, p. 8.

gave feedback about stock levels and the types of products they wanted in their stores.⁴⁰

- 4.30 IBIS responded that it is the job of IBIS store managers to provide feedback relating to stock levels and requests for stock holdings; store managers are welcome to make suggestions to the buyers and the Regional Managers about new product lines or discontinuing non-selling stock: 'The IBIS Store Managers are the IBIS managers on the ground and we rely on them to tell us how to serve our customers.'⁴¹
- 4.31 The Queensland Government stated that store managers of the Department of Communities stores have access to the centralised ordering system and are required to review, confirm and change any order generated. Store managers may add or reduce quantities and request additional items not in the order.⁴²

Committee comment

- 4.32 The Committee observed some risks associated with centralised supply models as there was a sense of loss of influence by communities and store managers.
- 4.33 An important factor in the supply of foods and goods is whether they are to client preference and the correct amount stock has been ordered. There must be mechanisms in place for communities to provide input on supply preferences.
- 4.34 The Committee strongly urges all community store operators, whether federal, state or privately owned and managed, to ensure that there are appropriate opportunities for communities to request items and that store managers have the autonomy to meet the preferences of different communities.
- 4.35 The Committee considers that every remote Indigenous community should be empowered to provide input into the supply of goods to their store.

40 Andrew Passi, Store Assistant, IBIS, *Committee Hansard*, Mer Island, 1 April 2009, pp. 5–6; Jo-Ann Adidr-Poipoi, Community Member, *Committee Hansard*, Bamaga, 1 April 2009, p. 38; Craig Oxlade, Store Manager, Island and Cape Aurukun, *Committee Hansard*, Aurukun, 2 April 2009, p. 14; Wendy Graham, Amelia Hosking, Laure Baumgartner, Royal Flying Doctor Service—Queensland, *Submission 36*, p. 2.

41 IBIS, *Submission 28A*, p. 11.

42 Queensland Government, *Submission 90A*, p. 4.

Other supply models

4.36 Some witnesses asserted that there is not one blanket solution to fresh food supply to remote Indigenous communities; it has to be solved community by community.⁴³ Ian Lovell is the author of the Australian Government Department of Health and Ageing funded *Freight Improvement Toolkit* which states:

Freight service requirements vary for different supply chains, so each community store, or group of communities and stores, need to make sure they develop their own freight documentation and business plans and contracts to reflect their individual needs.⁴⁴

4.37 Some remote Indigenous communities are developing innovative ways to access quality foods, for example:

- **Hub and spoke** – Laynhapuy Homelands Association Incorporated was in negotiations with Outback Stores to develop a hybrid model involving distribution warehousing, bush orders, kiosk style outlets and the potential for conventional stores at largest homelands. The model seeks to have freight cost equalisation across the homelands. The model is a significant departure from the conventional community store model that Outback Stores has been involved in. The business plan seeks capital funding from Government,⁴⁵
- **Bush orders** – the Bawinanga Aboriginal Corporation (BAC) provides a mobile store service to remote dwelling outstation people. This service supplies the people in the Homelands at same price as is paid in the shop in Maningrida,⁴⁶
- **Regular pick up from major centre** – the Jarlmadangah Burru Aboriginal Corporation in remote Western Australia runs a truck to Broome every fortnight to pick up a pre-packed supply of vegetables, eggs, frozen meats and chickens from distributors, and other groceries and dry goods from the major supermarkets. The community can take advantage of the weekly specials and will pay the same price as they

43 Jon Ford, Member for Mining and Pastoral Region, Western Australian Parliament, *Committee Hansard*, Broome, 20 July 2009, p. 19.

44 National Rural Health Alliance, *Freight Improvement Toolkit: Getting Quality Healthy Food to Remote Indigenous Communities*, November 2007, p. 2, prepared for the Remote Indigenous Stores and Takeaways (RIST) National Transport Forum Project, July 2006.

45 Laynhapuy Homelands Association Inc., *Exhibits 31B & 31C*; Ric Norton, General Manager, Laynhapuy Homelands Association Inc., *Committee Hansard*, Darwin, 22 July 2009, pp. 48–49.

46 Bawinanga Aboriginal Corporation (BAC), *Submission 51*, p. 2.

would in Broome.⁴⁷ The Finke River Mission store also operates its own refrigerated trailer to Alice Springs weekly,⁴⁸ and

- **Own freight service** – the BAC runs its own road freight service which costs approximately 40 per cent less than the barge service and has a shorter turnaround time of two days as opposed to four days.⁴⁹

4.38 Mr Lovell proposed the Commonwealth Government establish a small national remote Indigenous food supply chain coordination office to foster and facilitate:

- commitment by supply chain partners to improve performance,
- cooperation of communities to group-buy services and operate to common benchmarks,
- communication specifically on supply chain issues,
- capability to gain knowledge and resources to improve supply chain performance, and
- capacity to spend enough time on improving supply chain operations and monitoring food temperatures.

4.39 Mr Lovell explained further that the small group of freight facilitators – perhaps one person in each state coordinated by one person centrally – could work with individual communities and stores to review how their supply chain is performing:

They could maintain a freight issues log so you could pick up where problems are occurring. They could improve cold chain management and supply chain performance. More importantly, they could look at connecting communities through group freight buying and they could assist in setting performance benchmarks for each person in the supply chain. They could ensure that the procurement of freight services and suppliers is clear and transparent, which is not always the case.⁵⁰

4.40 He suggested the coordination team be funded for a term of about three years and ensure that learning is shared broadly. Supply models

47 Joseph Grande, Administrator, Jarlmadangah Burru Aboriginal Corporation, *Committee Hansard*, Darwin, 22 July 2009, p. 96.

48 Selwyn Kloeden, Store Manager, Finke River Mission, *Committee Hansard*, Alice Springs, 28 April 2009, p. 57.

49 Mark Hutchings, Manager, Barlmarrk Supermarket, BAC, *Committee Hansard*, Maningrida, 23 July 2009, p. 2.

50 *Committee Hansard*, Canberra, 10 September 2009, p. 3.

developed by some of the initial communities could be used as demonstrations of what can be done. Freight coordinators would made connections with freight sinks or receivers, such as mining operations, to approach freight providers with enough facts about volumes for an improved service.⁵¹

Committee comment

- 4.41 Clustering stores in order to bulk purchase would appear to achieve cost savings and efficiencies in purchasing power and transport logistics including the frequency of delivery (for example, weekly rather than fortnightly). Regular freight into communities reduces the need for additional storage and mitigates any stock deterioration that may occur during transport.
- 4.42 The Committee is supportive of individual or regional groupings of communities developing supply models which suit their long term sustainability. The Laynhapuy Homelands Association Incorporated's hub and spoke business proposal demonstrates that if communities are committed and have the resources, they will develop a supply model to suit their unique circumstances.
- 4.43 The Committee supports the proposal of Ian Lovell that the Australian Government establish a national remote Indigenous food supply chain coordination office to work with different communities to be innovative and develop sustainable supply models to suit their distinctiveness. It is important that the government coordination body does not enforce any particular model but provides the logistical expertise for communities to develop the most effective and efficient model for their location and needs.
- 4.44 The coordination office would supply information to communities and provide practical advice on the implementation of supply models. This would also address concerns that some stores may be being negatively impacted by their exclusion from the Outback Stores regional cluster model. A coordination office may assist them to participate in this cluster model or develop their own appropriate supply model.
- 4.45 The Committee contends that all government initiatives to improve freight arrangements should aim to deliver perishable goods on a weekly basis where possible. In addition a data logger, as mentioned earlier, could be used to identify any dysfunction in the cold chain during delivery.

51 *Committee Hansard*, Canberra, 10 September 2009, pp. 4-5.

- 4.46 Information on options, lessons learnt and best practice in supply of fresh food to remote Indigenous communities could be disseminated widely via the national remote Indigenous food supply chain coordination office. This could include options for investigating a cross-subsidisation model on healthy food for interested communities. However, the Committee strongly recommends that any cross-subsidisation model that is implemented requires an open and transparent policy arrangement. This is important so that communities participating in such a model are aware of the cross-subsidisation arrangements taking place with other communities.

Recommendation 13

The Committee recommends that the Australian Government establish a national remote Indigenous food supply chain coordination office to:

- **support individual communities or regional groupings of communities to develop supply models by examining the possibilities appropriate to them,**
- **facilitate the establishment of cooperative arrangements including transparent cross-subsidisation models, if appropriate,**
- **assist to develop supply models that deliver healthy perishables to remote communities weekly where possible, and**
- **disseminate information on options for supply models to remote Indigenous communities.**

- 4.47 The supply of free fruit and vegetables to remote communities, such as through schools, should be considered as part of supply network. For instance, FoodBank Western Australia, which has a large food warehouse and distribution network across the state of Western Australia, could possibly partner with government and communities to coordinate the supply of gifted healthy produce. FoodBank Western Australia sees itself as being underutilised by governments and business.⁵²

52 Denis Ryan, OAM, Chairman, Foodbank Western Australia, *Committee Hansard*, Broome, 20 July 2009, pp. 7–8.

- 4.48 The Committee suggests that the remote Indigenous food supply chain coordination office investigate the merits of working with charitable delivery organisations, such as FoodBank Western Australia, to aid in the supply of fruit and vegetables to remote Indigenous communities.

Recommendation 14

The Committee recommends that the Australian Government, through the proposed national remote Indigenous food supply chain coordination office, investigate working with charitable delivery organisations, such as FoodBank Western Australia, to aid in the delivery of fresh fruit and vegetables to remote Indigenous communities.

Store infrastructure

- 4.49 The criticality of store infrastructure and maintaining the cold chain continues in the store. Once food has been delivered to the store, its shelf life depends on the store having:
- prompt off loading and packaging for shelves,
 - appropriate chill display and storage areas,
 - reliable electricity supply, and
 - timely access to maintenance.
- 4.50 The Committee found that many remote community stores lack the storage capacity to store large amounts of foods, especially perishables.⁵³ In most cases, chiller areas are required to store perishables for at least seven to ten days until delivery by the freight provider. Storage was a problem in Jilkminggan where there was insufficient space to store larger quantities of produce.⁵⁴ Communities which have prolonged inaccessibility due to weather conditions require greater storage infrastructure.
- 4.51 The Committee also heard that stores run out of fresh produce soon after delivery because there is a rush on purchasing fresh food. For example, fresh foods are in short supply after barge day in the Torres Strait

⁵³ Ian McDowell, *Private Capacity*, *Committee Hansard*, Kowanyama, 2 April 2009, p. 18.

⁵⁴ Anna Godden, *Community Member*, *Committee Hansard*, Jilkminggan, 21 July 2009, p. 10.

Islands.⁵⁵ Stores also reported increased sales when people have money to spend on days when income was paid.⁵⁶

4.52 If infrastructure breaks down in a remote store, it can take a significant amount of time to fix. The Committee notes that maintaining equipment in remote locations is a challenge and costs are high.

4.53 In its submission, IBIS commented on the time taken and the costs associated with maintaining store infrastructure, particularly in maritime environments which are not conducive to longevity of equipment.

4.54 The Committee notes, however, that IBIS currently invests all its profits into infrastructure in its stores across the Torres Strait and Cape York.⁵⁷ ALPA also contributes significant amount of profits back into the infrastructure of the store and the Committee observed new fridges and other equipment in the stores in Warruwi (Goulburn Island) and Milingimbi. ALPA's submission states:

ALPA spends on average \$1,500,000 to \$2,000,000 each year on maintenance, new equipment, refrigeration, takeaway upgrades, store renovations & extensions on its 5 member stores. In fact this is the largest allocation of operational surpluses year on year. We believe we must offer our customers the best possible retail service we can and that by doing this it is a positive way to meet our mission, support our members and create real jobs.⁵⁸

4.55 The Community Stores Licensing Section of FaHCSIA contributed some funding to infrastructure in stores in the Northern Territory in the 2008-09 financial year. 'That, of course, cannot create their commercial viability or solve it, but we have helped with infrastructure.'⁵⁹

Committee comment

4.56 If perishable produce arrives in good condition to a remote community store, the store must have appropriate storage facilities to maintain quality and freshness.

55 Dympna Leonard, *Submission 40*, p. 3.

56 Mark Hutchings, Manager, Barlmarrk Supermarket, BAC, *Committee Hansard*, Maningrida, 23 July 2009, p. 6.

57 IBIS, *Submission 28*, pp. 9, 16; *Submission 28A*, p. 9.

58 ALPA, *Submission 61*, pp. 10-11.

59 Brian Aarons, Manager, Northern Territory Emergency Response Unit, Northern Territory State Office, *Committee Hansard*, Darwin, 22 July 2009, p. 17.

- 4.57 The Committee believes remote stores should have access to advice about store infrastructure including accepting delivery of products, unloading and repacking, and acquiring and maintaining chill display and storage areas. All stores should maintain appropriate infrastructure for chill display and storage and the Committee recognises that this carries high costs.
- 4.58 Accordingly, the Committee supports the establishment of a remote Indigenous community fresh food supply fund to support the provision and maintenance of store and storage infrastructure.
- 4.59 Communities or regional groupings of communities would apply for grants to support aspects of their supply model. Grants could be provided for a range of necessities in the healthy food supply chain, from transport to infrastructure in the store.
- 4.60 The Committee notes, however, that it must be demonstrated that stores making profits are adequately investing in store infrastructure. This has been one of the reasons ALPA has been a successful, self-sustaining store model.

Recommendation 15

The Committee recommends that the Australian Government establish a remote community store infrastructure fund to assist stores to invest in delivery, refrigeration and storage facilities that will support the supply of fresh and healthy produce to Indigenous communities. Access to the fund may be contingent on stores having a healthy food policy and participating in a nutrition education program.

Supplementing nutrition with local supply

- 4.61 The Committee heard that stores have potential to market and supply fresh local produce to supplement other fresh food supplies.⁶⁰ NATSINSAP supported initiatives to promote activities involved in increasing the production and supply of vegetables, fruit and traditional foods by Indigenous people in remote locations. It recommended the government facilitate partnerships in the development and ongoing

60 Alastair King, General Manager, ALPA, *Committee Hansard*, Darwin, 22 July 2009, p. 76.

management of local food production systems including the cultivation of traditional foods.⁶¹

- 4.62 Some stores have associated businesses which supplement the supply of fresh local produce as well as keeping prices down. For example, the Northern Peninsula Area Regional Council (NPARC) owned Seisia store runs a beef farm which is the source of the majority of its meat. 'What we are telling people is that we breed our own beef from hoof to plate.'⁶² Also, the Jarlmadangah Burru Aboriginal Corporation in remote Western Australia runs a cattle station so the meat they buy in is minimal.⁶³
- 4.63 There are a number of federal, state and territory government programs which support Indigenous horticulture.⁶⁴ However, the Department of Health and Ageing have stepped back from investing in market gardens because there was no evidence of long term systematic change in terms of public health care.⁶⁵
- 4.64 Some communities themselves are supporting training for the maintenance of community gardens or farming as a means to supplement diet with adequate vitamins.⁶⁶ John Greatorex, who has worked with people in north-east Arnhem Land for over 30 years, stated that it is usual that the permanent homelands grow fresh fruits and vegetables.⁶⁷
- 4.65 In other communities there had been community farming and gardens in the past, however they had discontinued due to many challenges associated with the longevity of these community initiatives including:
- regulatory impediments and quarantine,⁶⁸

61 National Aboriginal and Torres Strait Islander Nutrition Working Party, *National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan: a Summary 2000-2010*, 2001, pp. 17-18.

62 Joseph Elu, Mayor, Northern Peninsula Area Regional Council, *Committee Hansard*, Bamaga, 1 April 2009, p. 5.

63 Joseph Grande, Administrator, Jarlmadangah Burru Aboriginal Corporation, *Committee Hansard*, Darwin, 22 July 2009, p. 100.

64 For example: Federal Department of Innovation Industry Science and Research, Remote Indigenous Gardens Network, *Exhibit 25*; Torres Strait Regional Authority, *Submission 65A*, pp. 5-6; Department of Agriculture, Fisheries and Forestry, *Submission 80*, pp. 4-6.

65 Lesley Podesta, First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health, Department of Health and Ageing, *Committee Hansard*, Canberra, 28 May 2009, p. 22.

66 Mulan Aboriginal Corporation, *Submission 10*, p. 4; Joseph Grande, Administrator, Jarlmadangah Burru Aboriginal Corporation, *Committee Hansard*, Darwin, 22 July 2009, p. 99.

67 John Greatorex, Private Capacity, *Committee Hansard*, Darwin, 22 July 2009, p. 31.

68 Bill Young, General Manager, MPA, *Committee Hansard*, Maningrida, 23 July 2009, p. 23; Andrew Carter, Chairperson, One Arm Point Community/ Ardyaloon Inc., *Committee Hansard*, Broome, 20 July 2009, p. 92.

- lack of community sense of ownership and succession planning,
 - inadequate training in technical skills of farming or horticulture, and governance and business,
 - arson,
 - inadequate water resources and infrastructure, and
 - feral pests.
- 4.66 Allan Cooney, General Manager, Centrefarm Aboriginal Horticulture Ltd (Centrefarm), stated that community farming initiatives can be successful provided external assistance with succession planning, skills acquisition, governance issues and product marketing networks are developed. Centrefarm received \$88 425 in funding from the Aboriginal Benefits Account to undertake feasibility studies on potential market gardens in 15 Central Australian communities.⁶⁹ Centrefarm was in discussions with Outback Stores to supply produce from the market gardens through its network.⁷⁰
- 4.67 The Committee has also heard of the positive influences garden projects in schools can have in assisting communities with supply as well as introducing children to the health and taste benefits of fresh produce. For example, the EON Foundation, operating out of Broome, is helping schools set up gardens to educate children about growing and distributing food and supplementing their nutritious food intake.⁷¹
- 4.68 In the Torres Strait the Horticulture in Schools Initiative provides children with the ability and knowledge to grow their own healthy food alternatives. The Torres Strait Regional Authority stated that through educating children, it is hoped they will reach the greater community and slowly build on the existing capacity in the community.⁷²
- 4.69 The Committee also notes the recommendation of the House of Representatives Standing Committee on Health and Ageing in its report on obesity in Australia that the Federal Government continue to support

69 Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin, MP, *Media Release, '\$12.2 Million Worth of Grants in the NT'*, 11 June 2009, Joint Media Release with the Hon. Warren Snowdon, MP, Minister for Indigenous Health and Member for Lingiari.

70 *Committee Hansard*, Alice Springs, 28 April 2009, pp. 75–79.

71 Chris Cassidy, Project Manager, EON Foundation Inc, *Committee Hansard*, Broome, 20 July 2009, p. 10.

72 Torres Strait Regional Authority, *Submission 65A*, p. 7.

community garden projects such as the Stephanie Alexander Kitchen Garden Program which operates in schools.⁷³

Committee comment

- 4.70 Community gardens have the potential to benefit a remote community by improving nutrition through greater access to fresh fruits and vegetables. The practice of community gardening also has the potential to build relationships, foster knowledge sharing and training, and promote self-determination in remote communities.
- 4.71 Due to damage to food during transit over large distances, food quality in the store can be problematic. Therefore the Committee believes that the local production of suitable food for the district should be supported in remote communities. In some circumstances, particularly in coastal communities, people already rely on bush tucker as a supplement to food supply and the continuation of this practice should be encouraged.
- 4.72 There is also potential for small commercial industries to be developed through the supply of fresh local produce, including bush tucker. The gardens could be integrated as far as possible with the local school, health clinic, council and store to enhance community ownership and achieve health and economic benefits.
- 4.73 The Committee notes that feral animals also destroy the natural habitat and that this impacts on the availability of bush tucker and traditional foods. Therefore the Committee recommends that feral pest eradication programs continue to be funded where appropriate.
- 4.74 The Committee notes that community gardening and farming initiatives work well in some, but not all, remote Indigenous communities. There are a number of significant challenges, including availability of water, associated with their sustainability. Nevertheless, local fresh food initiatives can improve nutrition and support the local economy in remote communities.
- 4.75 Any government funding towards local food production should include training in budgeting and planning as well as horticulture and farming to build the capacity of the community members to manage the project in the longer term. Community garden and bush tucker projects are considered useful investments in remote Indigenous communities and the reformed

73 House of Representatives Standing Committee on Health and Ageing, *Weighing It Up: Obesity in Australia*, May 2009, p. 158.

CDEP provides employment and capacity building options in these projects.

Recommendation 16

The Committee recommends the Australian Government ensure health clinics in remote Indigenous communities are aware of the nutritional value of bush tucker and other traditional foods and actively encourage communities to continue to engage in traditional practices.

Recommendation 17

The Committee recommends that the Australian Government support community garden, traditional food and farming projects in remote Indigenous communities for the local production of food, particularly in schools, where it is demonstrated that long term sustainability can be attained.

- 4.76 The Committee believes that the full benefit of local gardening and farming projects could be realised with collaborative arrangements with the store for marketing and distribution. The Committee notes that Outback Stores along with Centrefarm are investigating ways in which this can be done.
- 4.77 To assist with the sustainability of community gardens and traditional hunting and gathering of food it is important the Government continues to fund programs that will eradicate feral animals in order to protect native flora and fauna.

Recommendation 18

The Committee recommends that the Australian Government continue to fund programs to eradicate feral animals in remote areas as required.

Recommendation 19

The Committee recommends that the Australian Government examine ways to facilitate remote Indigenous communities undertaking collaborative arrangements with stores to distribute and /or sell locally grown or harvested produce.

Recommendation 20

The Committee recommends that the Australian Government assist stores across Australia in remote Indigenous communities to develop partnerships with local food production and harvest industries and expand operations to also function as market places for community grown produce. The Committee recommends that the Australian Government trial a partnership that requires Outback Stores to support local food production and harvesting industries and buy an annual minimum of goods from these local sources.

- 4.78 Ensuring the secure supply of quality produce to remote stores has several facets. Supply chains must function effectively, there must be adequate storage infrastructure on site, and efforts should be made to supplement external deliveries with locally grown or harvested produce. While these factors will improve the quality and quantity of fresh good available and also increase the nutritional value of the local diet, in many instances cost remains an inhibitor to better eating habits.
- 4.79 The following chapter considers the cost of living in remote areas, possible cost efficiencies and affordability measures.

Cost of living in remote Indigenous communities—the price of health

Cost of living

- 5.1 The price of goods and services in remote Australia is high compared with capital city prices. Perishable goods such as fresh fruit and vegetables are particularly expensive. As discussed in Chapter 3 and throughout the report the epidemic of chronic disease in remote Indigenous communities such as heart disease, obesity and diabetes is predominantly related to poor diet.
- 5.2 The financial capacity of remote Indigenous communities is limited and this poses an even greater strain on accessing healthy and affordable food. The National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan (NATSINSAP) submission commented that: ‘The majority of Aboriginal and Torres Strait Islander people living in remote Australia are of low socio-economic position – living primarily off pensions and other welfare payments.’ This results in a situation where: ‘Healthy food is the most expensive for a population group that can least afford it.’¹
- 5.3 Research has highlighted that people experiencing financial difficulties tend to purchase foods that provide the most calories for the least cost. Research undertaken by Dr Julie Brimblecombe at the Menzies School of Health Research suggests that this may apply to Aboriginal people living in remote Australia where flour, sugar, rice, fats and oils cost the least in terms of energy value (calories per dollar) compared to the recommended

1 National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan (NATSINSAP), *Submission 59*, p. 7.

foods – fruit, vegetables, lean meat and fish – that are 10 to 100 times more expensive in calories per dollar.²

- 5.4 This research demonstrates the negative health impact that high food prices have on remote communities thereby contributing to chronic illness in Indigenous communities.
- 5.5 The Northern Territory (NT) Government conducts a market basket survey each year to monitor food costs, availability, variety and quality in remote community stores.³ Results from the 2008 survey showed that the cost of the healthy basket of foods was, on average, 23 per cent more expensive in remote stores than in a Darwin supermarket. The cost of the basket of foods increased by four per cent in remote stores and five per cent in NT supermarkets from 2007 to 2008.⁴
- 5.6 In addition to providing statistics on average costs of food baskets for the Territory the market basket survey was able to break down the figures between districts. This demonstrated that some districts were more expensive than others; for example, the Barkly district was \$95 more expensive than the Alice Springs district. The average cost of a basket of food, for a hypothetical family of six for a fortnight, was \$720 in the Barkly district, whereas the average cost of a basket of similar food in the Alice Springs district was \$625.⁵
- 5.7 The Committee found there was no comprehensive current data available on the cost of living for Indigenous Australians living in remote communities. The Committee is aware of a cost of living study carried out by John Tregenza in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in 1993.
- 5.8 A report written in 2002 by the Centre for Aboriginal Economic Policy Research (CAEPR), *Competition and Consumer Issues for Indigenous Australians*, commented:

...that a concerted effort to establish the cost of living at remote Indigenous communities has been largely limited by an absence of statistical information. In particular, there have been few, if any,

2 NATSINSAP, *Submission 59*, p. 8.

3 The survey includes a basket of foods which meets the average energy and recommended nutrient needs of a hypothetical family of six people for a fortnight. The family was chosen to represent a cross-section of people who had important nutrient requirements because of their age and sex. The family consists of: a grandmother aged 60 years; a man aged 35 years; a woman aged 33 years; a male aged 14 years; a girl aged 8 years, and a boy aged 4 years.

4 Northern Territory (NT) Government, *Submission 98*, p. 18.

5 NT Government, *Submission 98*, p. 6.

studies that have rigorously examined Indigenous expenditure patterns and set these against income. This contrasts with data on the wider Australian community provided by the Australian Bureau of Statistics' (ABS) regular Household Expenditure Survey (HES). From its establishment in 1990, CAEPR has on a number of occasions made cases to the ABS to include an Indigenous identifier in the HES so that any particularities of Indigenous expenditure could be assessed.

Without such information it is difficult to assess the overall economic impact of price differentials on Indigenous consumers. Indeed the literature suggests that while researchers have alluded to these differentials there has been little attempt to break data down into analysable components such as structural factors (e.g. freight costs), inefficient store practices, unconscionable conduct and cultural practices which may hinder commercial objectives.⁶

- 5.9 Stephan Rainow, Public and Environmental Health Officer, Nganampa Health Council, commented at a public hearing in Fregon (Kaltjiti⁷): 'I would like to see a couple of things. One is an adequate and proper cost of living study based on the fact that the people in these areas are economically vulnerable'.⁸
- 5.10 Professor Jon Altman and Dr Kirrily Jordan also highlighted in their submission a lack of statistical information available on the cost of living in remote Indigenous communities or whether income levels meet the requirements for basic nutrition. They stated:

...there is very little information available on Indigenous expenditure patterns because there is no Indigenous-specific data reported from the regular Household Expenditure Survey carried out by the ABS.⁹

Committee comment

- 5.11 The Committee considers it would be valuable to carry out a study on regional cost of living standards for Aboriginal and Torres Strait Islanders

6 Jon Altman and Sally Ward (eds), *Competition and Consumer Issues for Indigenous Australians*. A Report for the Australian Competition and Consumer Commission by the Centre for Aboriginal Economic Policy Research (CAEPR), Australian National University (ANU), September 2002, p. 8.

7 Kaltjiti is the Aboriginal (Anangu) name of the community.

8 *Committee Hansard*, Fregon, 29 April 2009, p. 24.

9 Professor Jon Altman and Dr Kirrily Jordan, *Submission 64*, p. 6.

living in remote communities. This would be a beneficial study to identify poverty in areas of remote Australia and could aid in policy formulation to address these issues. Given the commitment to close the life expectancy gap, the Committee considers informed and ongoing data is a priority. It recommends commissioning a cost of living study for remote Indigenous communities. It also recommends that the Australian Bureau of Statistics consider expanding its Household Expenditure Survey to enable disaggregation of the data on remote Indigenous communities.

Recommendation 21

The Committee recommends that the Australian Government commission a regional cost of living study for Aboriginal and Torres Strait Islanders living in remote communities in Australia and report by the end of 2010.

Recommendation 22

The Committee recommends the Australian Bureau of Statistics consider expanding the Household Expenditure Survey to capture Indigenous specific data and remote community data.

Higher costs

- 5.12 Over the past few years there has been a substantial increase in the price of goods and services throughout Australia. In particular, the cost of fresh fruit and vegetables has increased partly due to increases in fuel prices and partly due to the ongoing drought.
- 5.13 The Northern Territory MBS has been conducted since 1998. Overall the cost of the basket of foods increased by 39 per cent (\$479 to \$665) between 1998 and 2008.¹⁰ There is also a Queensland Healthy Food Access Basket (HFAB) which demonstrates similar results to the NT Market Basket survey. The 2006 HFAB survey indicated that the cost of food was 24 per cent higher in very remote stores compared with major cities. Within the very remote category, the basket cost around 33 per cent more than the cost of the basket in Brisbane. In addition, evidence from the HFAB

10 NT Market Basket Survey, Northern Territory Government, *Submission 98*, p. 12.

indicated that the price of healthy foods is increasing at a greater rate than the price of non-healthy foods.¹¹

5.14 In its submission, the NATSINSAP discussed many of the reasons for high food costs in remote areas. These cost elements included the following:

- Store managers' wages and the additional cost of housing store managers in remote communities can be the largest store costs. A manager in a remote store is approximately twice the cost of a manager in urban areas,
- Store infrastructure and repair costs for electrical equipment such as freezers and air conditioners are higher in remote communities. Expenses are heightened when trades people typically need to be flown in from outside the communities and can be expensive, unreliable and irregular,
- Fresh fruits and vegetables and some other healthy foods are more costly because they are perishable and are not sourced locally. If they are not sold, stores have to write these off as 'wastage'. As such, remote stores are often reluctant to order sufficient supplies of perishable foods,
- Storage requirements are higher in locations where wet season access is limited so that non-perishable items must be forward purchased and stored for periods of many months before sale. As well as higher infrastructure costs, this necessarily means higher financial costs due to the long delay between expenditure on stock and sales of the goods,
- Transport: freight costs to remote locations are high, especially during the wet season, which results in higher store prices.
- Fuel prices in remote communities can be twice that of cities and are likely to increase proportionally over time, and
- Lack of accountability, poor store management practices and inefficiencies can result in large financial losses and the cycle of boom and bust that many small stores experience on regular basis.¹²

5.15 All of these costs are absorbed and passed onto the consumer as higher retail costs (or accrue as store debt). Consequently financial pressures bias food sales towards high profit, non perishable snack food, soft drinks and high fat convenience foods. This has a considerable impact on the nutritional health of the community.¹³

11 Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), *Submission 62*, p. 5.

12 NATSINSAP, *Submission 59*, p. 7.

13 NATSINSAP, *Submission 59*, p. 7.

- 5.16 Small remote communities with populations of just a few hundred cannot take advantage of bulk buying practices, especially for perishable goods, and the cost of freighting chilled and frozen goods over several days is expensive. As a result, remote Indigenous communities pay much higher prices for goods and services than people living in urban Australia. In its submission, the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) highlighted the diseconomies of scale that exist for small remote communities:

Remoteness, geographic dispersion and low population size provide a significant structural impediment to the efficient operation of community stores. In particular, stores in these circumstances which choose to operate independently, rather than as part of a chain, are less able to exercise bargaining power in discussions with freight providers and tend to experience higher costs for the transport of goods by sea, air and road.¹⁴

- 5.17 It is not only the cost of goods that is very high in remote area of Australia. The cost of service delivery is also very high. For example, high freight and fuel prices, energy charges, maintenance costs, management fees and banking fees are all high for delivering respective services to remote locations.

Freight—how much does it cost?

- 5.18 Evidence gathered during the inquiry into remote community stores revealed that freight costs varied anywhere between two per cent and 20 per cent of retail costs for goods. A number of factors contribute to the variances in freighting costs, such as where the store is located and what sort of infrastructure is available to enable the transportation vehicle or vessels to reach the store.
- 5.19 In its submission FaHCSIA brought this debate surrounding the varying costs of freight to the Committee's attention. It commented:

There is some debate around the actual impact of higher freight charges on food prices. McDonnell (2002) suggests that freight costs account for between just two to five per cent of total costs relative to turnover and, as such, are not a significant factor. Conversely, the 1999 Inquiry into Food Prices in the Northern Territory found that the impact of freight costs of goods to remote

14 FaHCSIA, *Submission 62*, p. 13.

centres to be a significant contributing factor to higher food prices in the Northern Territory.¹⁵

5.20 Distance is part of the reason for high freight charges. This is especially true for island communities where it is necessary to use more than one means of transportation to freight the goods to the store. For example, groceries leaving the Cairns warehouse for Badu (Mulgrave) Island in the Torres Strait would require a truck to transport the goods to the Cairns dock, then the goods would be loaded onto the ship to Thursday Island, then a barge would be loaded to transport the goods to Badu Island, and then the goods would be eventually transported to the store. During a public hearing on Badu Island it was brought to the Committee's attention that goods leaving Cairns on Wednesday would arrive at the earliest on Badu Island on Monday:

Our highly perishable lines are on the barge by Wednesday; we receive it on the Monday. What is that – a five-day turnaround? That is on average. But this week it is six days. We have had cases where it has been anywhere up to eight days.¹⁶

5.21 Evidence received by the Committee suggested that up to 50 per cent of the groceries purchased by the store were perishable and would require cold storage facilities throughout the freighting process.

5.22 Transporting goods and services long distance costs more not only due to high fuel consumption but also due to the cost of maintaining these vehicles often on unsealed corrugated roads or the risk of navigating through coral reefs and rough seas. Such costs are factored into the freight charges.

5.23 In addition a fuel surcharge is probably incurred to recover the cost of returning the vessel or vehicle back to base. Sea Swift highlighted this in its submission:

Sea Swift does charge a fuel surcharge that is calculated on a percentage of freight charge revenue to recover the extra cost of fuel from base 38.5 cent per litre (2003/2004) ex diesel fuel excise.¹⁷

15 FaHCSIA, *Submission 62*, p. 13.

16 Robert Mitchell, Store Manager, Island and Cape, *Committee Hansard*, Badu Island, 31 March 2009, p. 35.

17 Sea Swift, *Submission 110*, p. 5.

Freight in the Torres Strait

- 5.24 The Torres Strait is unique in that the entire region is dependent on marine transport to deliver almost all of the requirements of daily life. The Committee received evidence from Sea Swift, a privately owned company based in Cairns, that provides a shipping service to the Torres Strait and has operated for over 20 years. Sea Swift provides sea freight needs to some of Cape York and all Torres Strait Island communities.
- 5.25 Over the years other freighting companies have tried to enter the market, however it appears that two freighting companies are not able to be sustained for this unique region. In its submission Sea Swift highlighted the following constraints for the regular provision of freight services to the Torres Strait. These include:
- The climatic conditions, eg wet season,
 - High travel and rental costs (for labour and crewing),
 - A varying quality of infrastructure (in particular ramps and access channels), and
 - A lack of commercial enterprises worthy of providing volumetric back freight options.¹⁸
- 5.26 In terms of calculating freight rates, the company takes into account that the:
- ... relatively high cost of shipping from southern ports over 1000km away also have an impact. Port charges add further to the cost base with levy's being applied in Port Kennedy (Horn Island and Thursday Island) 5 times higher than those applied in Cairns, this consequently has a further negative impact on the cost of goods for all Torres Strait residents.¹⁹
- 5.27 Sea Swift pointed out that sea freight rates are charged by whichever is greater between the cubic metre measurement or the tonnage weight. The cubic metre measurement is nearly always the greater and the accepted transport industry conversion is that 0.333 tonne equals one cubic metre. The Committee was interested to find out that Sea Swift does provide a scale of freight discounts which are determined by freight usage. Discount levels are five per cent, 10 per cent and 15 per cent.²⁰
-

18 Sea Swift, *Submission 110*, p. 3.

19 Sea Swift, *Submission 110*, p. 4.

20 Sea Swift, *Submission 110*, pp. 4-5.

5.28 In relation to this inquiry and comments about exorbitant freighting costs Sea Swift wrote:

There have been many examples cited throughout the Parliamentary Enquiry of high priced goods, the inference being that the high costs are as a direct result of freight charges. This misconception must be addressed as freight charges represent 10-20% of the retail price of goods in the region even though anecdotally the retail price is, in many cases, reportedly priced twice that experienced in Mainland centres.²¹

5.29 There have been many suggestions of introducing a freight subsidy into the Torres Strait region. If this were to be the case then Sea Swift noted that careful consideration would need to be given to the following:

- How a subsidy would provide parity across the region, ie. the level of subsidy provided to Bamaga or Seisia (which are able to be supported by road based transport for part of the year) compared to Horn Island and the Outer Torres Strait islands which rely solely on sea based transport,
- How a subsidy would be calculated, as some of the Island communities Sea Swift currently supply freight services to are heavily cross subsidised by other services within Sea Swift. If the true cost of providing services to these communities (ie. More remote, with minimal infrastructure and population) was taken to account they would therefore be more heavily subsidised than Thursday Island for example,
- How a subsidy would be applied. In Tasmania for example subsidies are predominately applied to those industries exporting to the mainland in order to provide parity with similar mainland industry groups. As there are little to no export industries in the Torres Strait, consideration would need to be given to where such a subsidy would be targeted, ie with the freight provider, with the retailer, or with the customer, and
- How a subsidy would be paid, ie assuming a rebate is paid to the end user proof of charges rendered would need to apply. Further, allowance would need to be made for actual payment to be remitted either into bank accounts or as tax rebates for example.²²

5.30 There are recent examples of where government subsidies have been placed with transport providers (such as Macair) yet due to the failure of the organisation have not been passed on to end users in one form or

21 Sea Swift, *Submission 110*, pp. 5–6.

22 Sea Swift, *Submission 110*, p. 6.

other. Additionally placing subsidies with a provider of services could essentially place the provider in an anti-competitive position.²³

- 5.31 In some circumstances, the government offers freight subsidies to people working in remote Indigenous communities, such as teachers and nurses. Also, people working in remote Indigenous communities often purchased their goods from outside the local store because it was a cheaper.²⁴
- 5.32 Additionally, should the introduction of a freight subsidy occur, heavy scrutiny of pricing and charges in the region would need to apply as unscrupulous operators could see this as an opportunity for profiteering.²⁵

Committee comment

- 5.33 The Committee appreciated the candid points of view Sea Swift raised in relation to possible freight subsidies for the Torres Strait region. The Committee acknowledges that whilst the notion of providing a freight subsidy appears to be a good idea, especially given the existence of the Tasmanian Freight Equalisation Scheme (TFES) which compensates for additional shipping costs to and from that island, the implementation of a fair and equitable subsidy to the Torres Strait does seem fraught with difficulty.
- 5.34 The Committee has received numerous calls throughout the inquiry for a freight subsidy scheme in the Torres Strait. Several witnesses have said they want the Australian Government to provide freight subsidies since Tasmanians have access to a freight subsidy.
- 5.35 It is clear to the Committee that the Tasmanian scheme, the TFES, serves a specific industry focus. The scheme assists in alleviating the comparative interstate sea freight cost disadvantage incurred by shippers of eligible non-bulk goods carried between Tasmania and mainland Australia by sea. Its objective is to provide Tasmanian industries with equal opportunities to compete in mainland markets, recognising that, unlike their mainland counterparts, Tasmanian shippers do not have the option of transporting goods interstate by road or rail.²⁶

23 Sea Swift, *Submission 110*, p. 6.

24 Phil Maunder, Principal, Warruwi School, *Committee Hansard*, Goulburn Island, 23 July 2009, p. 13. Also see Bulman Primary School, <www.schools.nt.edu.au/kathgs/bulman/bulAbout.htm> accessed 16 September 2009.

25 Sea Swift, *Submission 110*, p. 6.

26 Department of Transport, Infrastructure, Regional Development and Local Government, Tasmanian Freight Equalisation Scheme, <www.infrastructure.gov.au/transport/programs/maritime/tasmanian/index.aspx> accessed 16 September 2009.

- 5.36 The TFES was introduced in 1976 and has been providing economic benefits to Tasmanian industry for over 30 years. Similar to Tasmania, Torres Strait communities are island communities without links to mainland transport routes.

Improvements to freight coordination

- 5.37 Improvements to freight coordination were discussed in the previous chapter. The Committee received evidence that demonstrated a real need to improve the supply chain and innovative management strategies such as regional buying in order to ensure better quality fresh produce being supplied to remote community stores at a cheaper price.
- 5.38 Ian Lovell, a cold chain and freighting specialist for remote communities, suggested that streamlining the efficiencies in the supply chain was the first and most important step before considering freight subsidies. He stated:
- ...if you cannot be convinced that the supply chain is working at the optimum already then to put a freight subsidy in is going to perpetuate inefficiencies. I would say that before you entertain a freight subsidy to anywhere you really need to be satisfied that the supply chain is working effectively – both cost-effectively and in terms of service and delivery.²⁷
- 5.39 Mr Lovell highlighted the difficulty in ensuring that the freight subsidy is passed on effectively to the consumer. He gave the following example of how freight subsidies can become absorbed by the market:
- ...if you give a subsidy of, let us say, 10 per cent, who is actually going to get it? In a free market, you will find that suddenly costs change, and of that 10 per cent maybe four per cent will get through to the community and the other six per cent will go to either the store, the transport company or the supplier, because the price signal is there.²⁸
- 5.40 In conclusion he offered the Committee some frank advice in relation to freight subsidies:
- Freight subsidies, I believe, are a nightmare administratively, and the real costs are really variable. I would say that, if a freight subsidy is going to be applied, you might be better off applying it at the consumer level, to buy the healthy, nutritious foods, but

27 *Committee Hansard*, Canberra, 10 September 2009, p. 8.

28 *Committee Hansard*, Canberra, 10 September 2009, p. 8.

keeping a close eye on the cost of the fresh or the healthy, nutritious food in the stores, and drive it that way, rather than giving it to the transport service provider.²⁹

- 5.41 The Committee received information from the Government of Western Australia about innovative management strategies that are proving successful. In its submission it suggested that one of the key strategies is to facilitate group operations:

Economies of scale are possible through innovative management strategies that establish group arrangements for consolidated purchasing, freighting, staff recruitment and training. Community stores within proximity of one another should be encouraged to consolidate their logistics including exploring opportunities with nearby mining companies or other public sector services with similar logistical needs. The *Freight Improvement Tool Kit* provides excellent information and guidelines to assist in this respect.³⁰

Committee comment

- 5.42 The Committee recognises the many challenges that remote communities in Australia face in relation to having a constant supply of nutritious healthy food in community stores. As pointed out in paragraph 5.14 there are a range of issues that contribute to the high cost of living that are not always apparent to community members.
- 5.43 The Committee supports the regional buying model that aims to take advantage of economies of scale that would otherwise be not possible for smaller communities. The Committee encourages small community stores not yet using a group buying model to investigate the potential benefits it would gain from such a model.
- 5.44 The Committee urges all store managers to access the Remote Indigenous Stores and Takeaways (RIST) *Freight Improvement Toolkit* to investigate the benefits of improving the supply chain of goods to remote community stores.³¹

29 *Committee Hansard*, Canberra, 10 September 2009, p. 8.

30 Government of Western Australia, *Submission 81*, p. 9.

31 National Rural Health Alliance, *Freight Improvement Toolkit: Getting Quality Healthy Food to Remote Indigenous Communities*, November 2007, prepared for the Remote Indigenous Stores and Takeaways (RIST) National Transport Forum Project, July 2006.

- 5.45 The Committee also urges communities to grow market and local produce where possible so that the freshest of food is available in shops. However, much food will still need to be freighted in to communities.
- 5.46 The Committee argues that the health outcomes of Torres Strait communities are being impacted by the high cost of transporting healthy food alternatives and perishable goods. The Tasmanian freight subsidy enables industries to be competitive in mainland markets and so returns an economic benefit to Tasmania. Any freight subsidy to the Torres Strait would be premised on a different purpose and outcome. However, the Committee recommends that a freight subsidy for fresh produce is given consideration in light of the long term health benefits of an improved diet in the area.

Recommendation 23

The Committee recommends that, following implementation of supply chain coordination and efficiencies, the Australian Government give consideration to a freight subsidy for fresh produce for the Torres Strait.

High fuel prices

- 5.47 The Committee heard from many locals in various remote communities about the extremely high fuel prices. For example, in 2009, fuel was selling for \$1.69 on Thursday Island in the Torres Strait.³² Other evidence collected during the Committee's visit to the Torres Strait commented that fuel prices could be as high as \$2.65 on Masig Island.³³ In Mimili in the APY Lands the Committee was told that fuel was \$2.06 per litre.³⁴ These exorbitant fuel prices restrict the use of private vehicles such as cars and boats, which are often needed for hunting and fishing purposes.
- 5.48 At a public hearing on Masig (Yorke) Island in the Torres Strait community leader John Mosby discussed his concerns about the high prices and quantity of fuel accessible to the community:

Pricing is of great concern and the quantity can be a concern too with weather like this where 3,000 litres can go in a couple of days.

32 Leo Akee, Community Member, *Committee Hansard*, Thursday Island, 30 March 2009, p. 62.

33 John Mosby, Private Capacity, *Committee Hansard*, Masig Island, 31 March 2009, p. 4.

34 Stephan Rainow, Nganampa Health Council, *Committee Hansard*, Fregon, 29 April 2009, p. 37.

Our local community has many great fishermen with lots of vehicles. Even though it is \$2.29, and sometimes \$2.65 or so, 3,000 litres can still go in a week. We buy what is there for us and price is not an issue when it comes down to it. If it gets to \$1.10 we are happy, but it is still of great concern for us. I think last week they only brought in 1,400 for us and we were out of fuel for a couple of days. It was only yesterday that we got more fuel. In a week, 3,000 litres is not enough.³⁵

- 5.49 Glen McConnell, island mechanic, also advised that not enough fuel is delivered to Masig year around, and especially during the Christmas period when the barge does not operate.³⁶
- 5.50 During the Committee's visit to Amata in Central Australia high fuel prices were raised by local resident Owen Burton who commented: 'In the remote community, people are talking about going hunting and all that. The price of fuel is really up, and also the prices in the store'.³⁷
- 5.51 The Committee understands the importance of fuel for Indigenous people living in remote communities. It is evident that they rely on it not only to supplement food sources through hunting and fishing but in addition for the use of cars and boats for travelling and visiting purposes which are an integral aspect of Indigenous culture.
- 5.52 The Committee considers that coordinating supply chains, regional purchasing strategies and potentially improving storage infrastructure capacity in all communities could have the effect of reducing fuel prices and ensuring a more secure supply of fuel. The Committee concludes that the recommendations already made should provide assistance in this area.

Banking

- 5.53 Often low income earners check their account balance more frequently to ensure they can still afford to buy goods. This can be a very costly practice in remote communities as often the Automated Teller Machine (ATM) is the only banking facility available, and requesting an account balance comes at a cost of \$2 when using a 'foreign' ATM (that is, when using a key card issued by a bank other than that operating the ATM). Some banks also have limits on the number of free transactions after which an ongoing fee is incurred. The Committee heard that people can also access

35 *Committee Hansard*, Masig Island, 31 March 2009, pp. 4-5.

36 *Committee Hansard*, Masig Island, 31 March 2009, p. 31.

37 *Committee Hansard*, Amata, 29 April 2009, p. 21.

telephone banking to get account balances however this option is not used often as people need access to a telephone and then must wait to speak with an operator. This takes additional time and is considered more challenging than using the ATM.

- 5.54 This issue was also raised during a public hearing in Amata, Central Australia:

...no matter what your situation is with your own bank, in using a foreign ATM everyone has to pay a \$2 fee. What I have noticed is that the people who can least afford to pay any bank fees are the ones who are paying the most – for example, the people who are on Centrelink benefits. I have seen instances of people doing a balance check of their account through an ATM, which incurs a \$2 fee, two or three times a day. If the money is not there the first time then they will try again a little bit later and keep trying again until their benefit is actually in their bank account. I would be horrified to see the bank statements of some of these people who live in these communities because the ATM is the only way of getting their money, apart from the few who still get paid by cheque from Centrelink.³⁸

- 5.55 Banking fees add up significantly for people living in remote communities. During a public hearing in the Torres Strait this issue was raised as one that increases the cost of living in remote areas:

...I wanted to say something to this committee about the ATM at the store – it is a St George's ATM. I do not know whether that is okay because most of us have National FlexiCard accounts. I am not an accountant but I talked to some of my family and they know and they understand. They said it would be good if we had a National ATM then we would save our pocket. We are talking about the high cost of living.³⁹

- 5.56 Welfare recipients who are regularly checking their account balance throughout the fortnight would use a significant amount of their money just in banking fees. The Committee believes that improvements could be made in this area for Indigenous Australians in terms of specific workshops that address the issue of checking account balances.
- 5.57 In the context of the Australian Securities and Investments Commission's (ASIC) expanded literacy mandate, ASIC stated: 'Our aim is to improve

38 Peter Johns, Kaltjiti Store Manager, *Committee Hansard*, Fregon, 29 April 2009, p. 38.

39 Glorianna Mosby, Community Member, *Committee Hansard*, Masig Island, 31 March 2009, p. 30.

the financial literacy of Australians, including Indigenous Australians, and to assist them to develop the attitudes and behaviours needed to achieve better financial outcomes.⁴⁰ The Committee noted the CD provided to its inquiry from ASIC titled *Money Talks*.⁴¹ This is a series of audio segments for Indigenous people about making good money decisions.

5.58 The Committee notes the work being carried out by Australian Bankers Association (ABA) member banks that focus on providing financial literacy training and financial inclusion programs to Indigenous communities, including:

- “Family income management” project focuses on working with Indigenous families to develop a better understanding of how to effectively manage income to achieve improved living standards for all the family and the benefits of budgeting and saving. (Department of Families, Community Services and Indigenous Affairs, Centrelink and community representatives, Westpac),
- “Financial First Steps” training materials and workshop developed for young adults in basic money management that has been delivered to CDEP participants and other communities across Australia. Specific materials have been piloted in remote Indigenous communities of Northern Territory and North Queensland (Westpac), and
- “MoneyBusiness” is a community based money management skills and savings program including financial literacy workshops and training on topics relevant to the individual community. The program is delivered in partnership with the Department of Families, Community Services and Indigenous Affairs to people in Katherine, Tennant Creek, Galiwin’ku, Niguiu, Kununurra and Geraldton (Department of Families, Community Services and Indigenous Affairs, ANZ).⁴²

5.59 In the Torres Strait the committee also received evidence in relation to high banking fees. It was claimed that Islanders Board of Industry and Service (IBIS) EPTPOS facilities were charging \$30 per transaction fee. The Committee asked IBIS how expensive it was to provide banking and electronic fund transfer services at IBIS stores.

40 Australian Securities and Investments Commission (ASIC), *Submission 106*, p. 6.

41 ASIC, *Exhibit 36E*.

42 Australian Bankers Association (ABA) Inc, *Financial Literacy and Inclusion, ‘Info for Indigenous Communities’*, <www.bankers.asn.au/default.aspx?ArticleID=984> accessed September 2009.

5.60 The Committee received the following response from IBIS:

Some of these services are more expensive to provide than others. The services include: bill paying; transfer of funds from one island to another; and payments into peoples' bank accounts. IBIS is currently investigating the feasibility of charging a sliding scale of charges dependent on the size and type of transaction and the cost of providing the service. We hope this will reduce the overall cost to the Community.⁴³

Book up

5.61 Book up is an arrangement under which a store offers short term credit to customers, usually for the purpose of purchasing goods. Problems can arise when a customer has run out of funds before their next payment is due and are offered credit on the condition that the customer provides their debit card, Basics Card, together with their personal identification number (PIN) to the merchant. The store then uses its EFTPOS facility to debit the customers account on the customer's social security pay day.⁴⁴

5.62 Surveys indicate that the practice of book up in remote communities is widespread and often involves provision of both the card and PIN. ASIC's 2002 report *Book Up: Some Consumer Problems* found examples of traders holding over 300 debit cards and PINs of Aboriginal customers.⁴⁵

5.63 It was generally acknowledged that excessive use of book up can lead to high debt levels in a store, posing a threat to store viability and risking insolvency.⁴⁶ The Western Australian (WA) Government's Office of Aboriginal Health cited the example of the community store in Burringurrah (450 kilometres east of Carnarvon in the Gascoyne region) which closed as a result high book up use, necessitating an emergency air delivery of food by Commonwealth and state agencies and FoodBank WA in November 2008.⁴⁷

5.64 Excessive use of book up is sometimes caused by a lack of banking facilities in some stores. In other situations the use of the Basics Card, which does not provide access to the balance on the card, boosted the incidence of bad debt. Kimberley Aged Care and Community Services

43 Islanders Board of Industry and Service (IBIS), *Submission 28A*, p. 17.

44 ASIC, *Submission 103*, p. 3.

45 ASIC, *Submission 103*, p. 3.

46 The Heart Foundation, *Submission 26*, p.7; Outback Stores, *Submission 47*, p. 32; Ninti Corporate Services, *Submission 8*, p. 25.

47 Office of Indigenous Health, Western Australian Department of Health, *Submission 21*, p. 13.

surveys indicated that elderly people are particularly vulnerable as they are less likely to know their account balances.⁴⁸

5.65 The Central Land Council observed that book up can be offered selectively enabling a few people to monopolise the store's profits. The Office of Aboriginal Health, Western Australian Department of Health, reported incidences where communities have gained control over store management in order to manipulate staff into providing book up under threat of being fired.⁴⁹

5.66 ALPA advised of a situation where traditional owners were receiving payments from a private operator running book up in competition with the community owned ALPA consultancy store, which did not accept book up:

ALPA has run the much cheaper store to this day in the old shed. The private operator survives trading at night and "book up" holding debit and basics cards as security. ALPA has managed to put aside a small surplus as a deposit to build a new store but those influential people on the private operator's pay roll are stopping progress by blocking the allocation of a suitable site in the community.⁵⁰

5.67 John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, advised that APY stores have decided not to use book up but compete with private operators in the mining towns of Mintabie and Watinuma which do. The banks, the Office of the Registrar of Indigenous Corporations and the Australian Competition and Consumer Commission had confirmation of the practice as some Anangu people's full entitlements were being withdrawn by traders overnight to pay book up debts on large purchases.⁵¹

5.68 The South Australian Government explained that once traders have the card and pin all future purchases must be made with the trader that holds the card and PIN, so consumers are no longer able to make purchases from their own local community stores. Around Mintabie the nearest community stores of Indulkana, Mimili and Kaltjiti had experienced

48 *Submission 39*, p. 2.

49 Central Land Council *Submission 57*, p. 4; Office of Indigenous Health, Western Australian Department of Health, *Submission 21*, p. 13; Professor Jon Altman and Dr Kirrily Jordan, *Submission 64*, p. 3.

50 ALPA, *Submission 61*, p.16.

51 *Committee Hansard*, Alice Springs, 28 April 2009, pp. 17-18.

severely reduced turnovers and the viability of Indulkana community store was threatened.⁵²

- 5.69 ASIC reported that it had taken action to address problems in the region in 2005. As a result of lobbying the Australian Bankers Association (ABA) and major banking institutions, most main bank merchant agreements now prohibit the request or retention of a personal identification number. However, Mr Tregenza noted that the banks' decision to withdraw electronic banking services to traders continuing the practice has been pending Federal and South Australian Government approval for over 18 months.⁵³
- 5.70 Despite these concerns, it was nevertheless recognised in evidence that credit arrangements are important to Indigenous peoples to provide urgent short term credit for food and necessities, and to enable them to purchase larger items such as white goods which they otherwise could not afford.⁵⁴ ASIC, among other agencies, acknowledged that while reliance on book up in the long term can promote credit dependency among Indigenous clients, the practice itself is not illegal or unconscionable. There is a need, however, for transparency of process.⁵⁵
- 5.71 The Committee notes that there are a range of mechanisms in place for regulation of book up. The Department of Families and Communities in South Australia, for example, has a 'Casual Credit' strategy whereby a deposit is made every week to the store supporting future purchases of food. This has proven effective in Coober Pedy.⁵⁶
- 5.72 ASIC has taken the national lead on book up producing a follow up to its 2005 publication of *Dealing with Book Up: a Guide* which set out ways for stores to provide alternative credit extension systems. The publication is also intended as a resource for government and agencies. ASIC advises it will take the program to 115 communities over next two years.⁵⁷

52 South Australian Government, *Submission 86*, p. 3.

53 ASIC, *Submission 106*, pp. 3-4; John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 18.

54 Joseph Grande, Administrator, Jarlmadangah Burru Aboriginal Corporation, *Committee Hansard*, Darwin, 22 July 2009, p. 98; *Committee Hansard*, Janet Chisholm, Alice Springs, 22 July 2009, pp. 106-07.

55 Professor Jon Altman, *Committee Hansard*, Canberra, 12 March 2009, p. 10; ASIC, *Submission 106*, pp. 3-4.

56 South Australian Government, *Submission 86*, p. 4.

57 ASIC, *Submission 106*, pp. 3-4

Committee comment

- 5.73 The Committee believes the *Money Talks* CD is an excellent tool and ASIC should ensure that this tool continues to be delivered to Indigenous communities that would benefit from this financial money management training. The Committee emphasises the need for a facilitator or trainer to deliver this tool as part of a training program. Consideration should be given as to whether the information could be delivered in local Indigenous languages. The Committee commends ASIC for its innovative work in this area and urges it to expand the assistance provided to include workshops preferably delivered by local facilitators.
- 5.74 The Committee also commends the ABA on its commitment to assisting in the area of financial literacy skills and improving money management for Indigenous Australians. The Committee encourages the ABA to continue to collaborate with member banks and FaHCSIA to continue to delivery training programs and workshops in this field.
- 5.75 While these initiatives are positive in improving the financial literacy of Indigenous Australians in remote communities, the Committee remains concerned by the frequency of charges, the lack of banking choices available to communities, and the high fees for some transactions. The Committee considered a more collaborative approach is required to investigate, address and monitor financial services charges in these communities and to oversee targeted financial literacy support.
- 5.76 While the Committee received some disturbing evidence relating to fees paid, it did not receive sufficient evidence on this matter to investigate fully and its jurisdiction is limited. Consequently, the Committee recommends that this issue is taken up by the Australian Government, state and territory governments, the ABA and remote community store operators.
- 5.77 The Committee notes that book up remains a significant problem in most states and territories and that ASIC will be taking a leading role as the national regulator of all consumer credit on 1 November 2009.⁵⁸ This holds promise for greater consistency in regulation.
- 5.78 At the same time, the Committee notes evidence that the features of the Basics Card, which uses a standard PIN for identification and does not provide in store access to account balances, may be a contributor to excessive book up debt. This contrasts with the ALPA FOODcard system,

⁵⁸ ASIC, *Submission 106*, pp. 3-4

which has photo identification and provides immediate access to customer card balances.

- 5.79 The Committee considers that Centrelink could evaluate the utility of the features of the ALPA FOODcard in any review of the Basics Card. Book up should also be covered as part of a working group addressing financial charges and literacy in remote Indigenous communities.

Recommendation 24

The Committee recommends that the Australian Government establish a working group with representatives from the Department of Families Housing, Community Services and Indigenous Affairs, the Australian Securities and Investments Commission, state and territory governments, remote community store operators and the Australian Bankers Association. The working group should be tasked with:

- **investigating the transaction fees being charged in remote Indigenous communities,**
- **investigating the impact of the limited banking choices available in remote communities, such as the consequent extent of fees charged for using foreign Automated Teller Machines,**
- **ensuring Indigenous Australians in remote communities have the financial literacy and access to facilities to make informed decisions regarding money management options, including the use of book up, and**
- **investigating mechanisms to lower or waive financial fees and charges for Indigenous people in remote communities.**

Housing and food preparation

- 5.80 During the Committee's visits to remote Indigenous communities it became clear how challenging the issue of providing a daily well balanced diet was for many people given the high proportion of inadequate housing that is available. The Committee received evidence in public hearings about the need to improve housing in remote communities and in particular, the need to either provide, replace or repair essential kitchen hardware in order for people to be able to make healthy food purchases at the store which in turn could be prepared in the home kitchen.

- 5.81 In its submission FaHCSIA outlined two key elements to food security: availability and affordability. The third key element of food security involved utilization of food through adequate 'health hardware' – that is, the equipment and resources necessary to safely store and prepare foods in the home, including refrigerators, potable water supply and waste management, and other resources for safe food preparation.⁵⁹
- 5.82 Having the ability to store food safely reduces household costs, by reducing food wastage, and enabling purchases of bulk quantities of staple items and perishables. This can improve overall food security, as well as maintaining nutrient value of perishables for longer.
- 5.83 The Healthhabitat survey data provided in the *National Indigenous Housing Guide* indicated that in 2006 only 15 per cent of surveyed Indigenous households had the health hardware needed to support food storage, cooking and preparation.⁶⁰
- 5.84 The survey showed that kitchens were poorly designed and constructed, poor quality materials and hardware were used, and kitchens were not maintained. Two thirds of surveyed houses did not have benches suitable for preparing food. Less than 75 per cent of houses surveyed had combined refrigerator/freezers. Nine per cent of surveyed houses did not have a cook-top installed and only 29 per cent of stoves had all hotplates and control knobs working. These problems impact on residents' ability to prepare healthy meals, especially meals that include vegetables.
- 5.85 Improving utilization of food through adequate 'health hardware' was one of the key objectives of the Community Clean-Up program of the Northern Territory Emergency Response (NTER) and is currently being addressed through the Strategic Indigenous Housing and Infrastructure Program.⁶¹
- 5.86 During the Committee's inspection visits to remote communities the Committee became aware of the inextricable link between the need for adequate housing and 'health hardware', and the access and availability to healthy and affordable food in remote Indigenous communities.
- 5.87 At a public hearing in Alice Springs, Dr Bruce Walker, Executive Officer, Centre for Appropriate Technology (CAT), made the following comments in relation to community housing and store purchases:

59 FaHCSIA, *Submission 62*, p. 10.

60 Australian Government, *National Indigenous Housing Guide: Improving the Living Environment for Safety, Health and Sustainability*, 2007, cited in FaHCSIA, *Submission 62*, p. 10.

61 FaHCSIA, *Submission 62*, p. 10.

Houses provide access to personal hygiene and health facilities for individuals. Stores should in fact in our view provide access to services that actually enable people to sustain a livelihood in their place of living. It is not clear to me that all stores are charged with the responsibility of doing that. There is a big investment going on at the moment in Indigenous housing. Those houses are generally supplied without whitegoods and furniture and all the things that make a house work. It is like providing a car with no petrol. If you do not have access to not only purchase and then sustain and maintain those things, then it is difficult to make that house work for you, and the store quite clearly has an incredible and essential part to play in that ongoing household maintenance and in people being able to actually sustain their livelihood in their community.⁶²

- 5.88 In conclusion, Dr Walker remarked that stores can make a tactical response but cannot alone create the demand for higher consumption of the nutritional foods. In most cases inappropriate food preparation facilities, usually in the home, reduced the store's capacity to provide a healthy diet.⁶³
- 5.89 It is not only the large essential items such as fridges and ovens, tables and chairs that people do not have; they also lack bare essentials such as crockery and cutlery. Stephan Rainow from Nganampa Health Council highlighted the acute lack of housing hardware in the APY Lands: 'Tables and chairs are very rare. People still sleep on the floor, on mattresses'.⁶⁴
- 5.90 Similarly, Mr Rainow also commented:
- I did an exhaustive survey of houses in one community back in 1992. Part of the work involved mapping every item that was in that house over a 12-month period. We could not find enough utensils to feed more than four people.⁶⁵
- 5.91 Mr Rainow informed the Committee that as part of the capital cost of a house there is the provision of a stove and a hot water system.⁶⁶
- 5.92 The Australian Government Community Cleanup Program in the NTER is providing essential repairs to houses in remote Indigenous communities

62 *Committee Hansard*, Alice Springs, 28 April 2009, p. 64.

63 *Committee Hansard*, Alice Springs, 28 April 2009, p. 64.

64 *Committee Hansard*, Fregon, 29 April 2009, p. 36.

65 *Committee Hansard*, Fregon, 29 April 2009, p. 35.

66 *Committee Hansard*, Fregon, 29 April 2009, p. 34.

in the Territory. In a sample of 53 NTER communities, 1 684 kitchen repairs were undertaken out of a total of 2 351 surveyed houses.⁶⁷

5.93 Further repairs will be undertaken as part of the \$547 million Strategic Indigenous Housing and Infrastructure Program (SIHIP), announced by the Australian and Northern Territory Governments in April 2008. SIHIP will fund capital works in 73 targeted communities and urban living areas and will provide:

- about 750 new houses including new subdivisions,
- more than 230 new houses to replace houses to be demolished,
- more than 2500 housing upgrades,
- essential infrastructure to support new houses, and
- improvements to living conditions in town camps.⁶⁸

5.94 The FaHCSIA submission highlighted the following: of the \$547 million for SIHIP, \$420 million will be directed to 16 high-need communities for major capital works. This will include building new homes and upgrades to existing dwellings. More than \$124 million of refurbishments will be funded in 57 other Indigenous communities. A further \$98 million will be set aside for town camps and urban living areas, and \$5 million for a small number of existing housing programs.⁶⁹

Committee comment

5.95 The Committee recognises that improving the housing for Indigenous people in remote communities is a significant and much needed undertaking.

5.96 The Committee acknowledges and encourages the continued use of the comprehensive *National Indigenous Housing Guide*. It is a valuable resource that assists in the design, construction and maintenance of housing for Aboriginal and Torres Strait Islander peoples, with a particular focus on providing and maintaining the health hardware that supports a safe and healthy living environment.

5.97 The Committee believes that adequate housing and food preparation and storage facilities in the home is critical to ensuring better health outcomes for the Indigenous people living in remote communities. The Committee urges the Government to continue to work to improve the housing conditions in remote communities and ensure that Indigenous families

67 FaHCSIA, *Submission 62*, p. 21.

68 FaHCSIA, *Submission 62*, pp. 21–22.

69 FaHCSIA, *Submission 62*, pp. 21–22.

have appropriate cooking and food storage facilities, and are equipped with the knowledge to best use and maintain these facilities.

- 5.98 The Committee supports the current housing and kitchen refurbishment program in remote communities being undertaken by the Australian Government. This will be critical to continue improvements for the benefit of safe and healthy food preparation.

Cooking lessons

- 5.99 In the context of health and nutrition, cooking lessons could be an extension of this training. Learning to prepare nutritious cheap family meals is an essential life skill that should be encouraged in remote Indigenous communities.

- 5.100 During a public hearing on Masig Island there was a suggestion that cooking lessons would be one way of improving the quality of food provided for families in remote communities:

I believe that you could improve the quality by having somebody out here to do cooking lessons and to look at what food you can buy, what you can add and what value there is for people.

You will see that a lot of families eat a lot of rice and sort of traditional tin hamper food which they have on top of rice with tomato sauce. It is a filling food and it is all that they can afford, bearing in mind that hampers can have a high salt content. That, again, look at the kidney problems that they have. So they need to be able to have better choices and to look at nutritious and cheaper ways that they can feed their families.⁷⁰

- 5.101 Some cook books that have been written for Indigenous communities suggest low cost nutritious meals. The *Deadly Tucker* cookbook was produced as part of the FOODcents for Aboriginal and Torres Strait Islander People in WA Program, in 2004. Patrick Davies, Nindilingari Cultural Health Services, gave the *Deadly Tucker* cookbook '10 out of 10':

Our people are interested in knowing how to cook different meals and foods. They want to learn because they just snatched the books. Single guys were snatching the books... That book was cleverly put together in the way that its ingredients in the recipes are all stuff that you can find in the stores and stuff that you know as opposed to food that you do not know – a lot of Asian

70 Robyn White, Clinical Nurse Consultant, Queensland Health, Torres Strait and Northern Peninsular Health Service District, *Committee Hansard*, Masig Island, 31 March 2009, p. 26.

vegetables are all new to our mob. That *Deadly Tucker* cookbook is where I see the gold in that basic stuff. You can try and find big complicated answers to these questions, but a lot of the time it lies in those simple basic resources and education programs.⁷¹

- 5.102 The recipes in the book are easy to prepare and do not cost a lot of money. The cookbook has a section on suggested foods to stock in the cupboard and safe food handling recommendations. The cookbook even rates meals for people with diabetes. Another valuable concept of the *Deadly Tucker* cookbook is that it provides photos that demonstrate what to buy, the cooking process, and what the finished product looks like.⁷²
- 5.103 Mai Wiru has also produced a very good *Stores Handbook on Food and Nutrition* which includes healthy recipes.⁷³

Committee comment

- 5.104 The Committee saw a number of excellent resources aimed at increasing the skills of Indigenous families to provide nutritious low cost meals. The Committee considers that a more co-ordinated approach is required to disseminate available resources and potentially adopt resources to be appropriate to specific communities. The Committee also considers that, in addition to cooking guides, there should be shopping guides and a range of workshops provided that teaches Indigenous families how to purchase, store and prepare healthy food for low cost meals.

Recommendation 25

The Committee recommends that the Department of Families, Housing, Community Services and Indigenous Affairs support remote Indigenous community service programs that develop lifestyle skills, such as home cooking and shopping, to ensure Indigenous families have the skills to prepare healthy and nutritious meals in the home at low cost.

71 Patrick Davies, Spiritual Health/Health Promotion, Town Community, Nindilingarri Cultural Health Services, *Committee Hansard*, Broome, 20 July 2009, pp. 69–70.

72 Robyn Bowcock, *Exhibit 34E*.

73 Nganampa Health, Mai Wiru, *Exhibit 9*.

Healthy and affordable takeaways

- 5.105 Healthy and affordable takeaways provide an alternative option for remote Indigenous communities. This is particularly important for those communities that do not have the household hardware in place to provide daily nutritious meals.
- 5.106 The Committee believes healthy takeaways provide a good option for the community to access nutritious food. However, in the long term, it would be preferable if people were able to prepare safe and nutritious food in their own homes regularly rather than relying on the store and takeaway for every meal.
- 5.107 During the Committee's visits to remote communities in the Northern Territory it was shown around several of the takeaway stores. The Committee was impressed with the healthy food options available at some of the takeaways.
- 5.108 The Committee was told how some takeaway outlets were investing in Combi ovens to bake food rather than deep frying food. This was the case in Milingimbi in Arnhem Land, which is an Arnhem Land Progress Aboriginal Corporation (ALPA) owned store and is focussed on delivering nutritious food for the community. At a public hearing, Geoff McLean, ALPA Store Manager commented that the takeaway had a new cook who was promoting healthy lines of takeaway food at night. Mr McLean commented that:
- We are trying to promote a healthy menu across the line, such fresh salads and fresh hot meals, especially at night. When the community come in, there is something available as an actual meal, not as a snack type of meal.⁷⁴
- 5.109 The ALPA Australian Retail Consultant store on Goulburn Island also had a nutritious takeaway store that offered boiled eggs, pre-made sandwiches, salads, curries and baked vegetables. Both of the abovementioned takeaways were an extension of the community store.
- 5.110 A takeaway business operating in Maningrida called the Bawinanga Good Food Kitchen has been noted as a benchmark takeaway for remote communities in the Northern Territory. This takeaway outlet has been operating for five years with an emphasis on freshly cooked healthy food.

74 *Committee Hansard, Milingimbi, 23 July 2009, p. 9.*

The Committee was told the Good Food Kitchen is 'doing a very good job of providing very nutritious and safe food for the community.'⁷⁵

- 5.111 In its submission the Good Food Kitchen outlined the food it sells and its focus on healthy food items:

...we sell prawn and salmon wraps, fresh meat and salad sandwiches, salads, homemade pies and quiches, sausage rolls, hot roast rolls, toasted sandwiches, breakfast plates with real tea or coffee, curries, stews, casseroles, roast dinners, local mud crabs, fresh healthy snacks for kids and gourmet pizzas.

Nothing in the Good Food Kitchen is deep fried. We stock juices, low sugar drinks and light milk, instead of coca cola and other sugary drinks. Lollies are banned and we offer fresh fruits, boiled eggs, nuts and salty plums in their place.⁷⁶

Committee comment

- 5.112 The Committee was encouraged to see first hand some healthy takeaway options being sold in communities. The Committee strongly supports the Remote Indigenous Stores and Takeaway (RIST) resources and considers the *Healthy Fast Food: a Resource for Remote Stores and Takeaways* provide an excellent model for use across remote communities in Australia.
- 5.113 The Committee believes that healthy takeaway outlets offer another viable business option for remote communities. There would be positive flow on effects in terms of improved health outcomes for better nutrition, food education, and training and employment opportunities. These would all contribute to capacity building for the community and future economic sustainability.

Recommendation 26

The Committee recommends that the Department of Families, Housing, Community Services and Indigenous Affairs coordinate the dissemination of a healthy takeaway food guide, such as the Remote Indigenous Stores and Takeaways (RIST) *Healthy Fast Food: a Resource for Remote Stores and Takeaways*, and provide appropriate start-up training for remote store operators.

⁷⁵ Sue-Ellen Kovack, Remote Area Nurse, *Committee Hansard*, Maningrida, 23 July 2009, p. 31.

⁷⁶ Bawinanga Aboriginal Corporation, *Submission 51A*, p. 1.

5.114 Appropriate governance structures in remote community stores are fundamental to an efficient and well-run store and the provision of nutritious food at reasonable cost. The following chapter discusses the governance, cultural protocols and regulatory obligations of remote community stores.

Regulating for governance

Good store governance in a remote economy

- 6.1 It was recognised during the inquiry that a healthy store is one where the community has the opportunity to participate in decision making about store well-being outcomes.¹ For this to happen there must be appropriate governance structures in place to ensure that input.²
- 6.2 While a small percentage of remote community stores are privately owned and operated, a majority are owned and controlled by the Indigenous community in which the store is located. In these communities the governance body established to manage community funds may have charge of the store or a separate legal entity called a 'store committee' may be formed for that purpose.³ Commonly, a non-Indigenous manager will be appointed privately or a consultancy such as Australian Retail Consultants or Outback Stores will be contracted to manage the store.
- 6.3 Community stores in most remote Aboriginal and Torres Strait Islander communities are run as not-for-profit institutions, but they are also the social and economic engines of the community. The Office of the Registrar of Indigenous Corporations (ORIC) estimates the annual turnover of an entry level store at \$1.3 million, but many trade far in excess of this.

1 Fred Hollows Foundation, *Submission 30*, p. 6.

2 Burdon Torzillo Associates Pty Ltd, 'Ownership, Governance and Management of Stores on Remote Aboriginal Communities', *Exhibit 41*, pp. 1, 5.

3 Anthony Beven, Registrar, Office of the Registrar of Indigenous Corporations (ORIC), *Committee Hansard*, Canberra, 14 May 2009, p. 7; Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), *Submission 62*, p. 14.

Indigenous store management experts Burdon Torzillo Associates advised that a 'good' store – one that is viable, provides healthy foods at a reasonable cost, and maintains standard hours of service – may achieve a small operating surplus of between five and eight per cent.⁴

- 6.1 For stores servicing larger communities with larger operating budgets a surplus can be sufficient to employ many people, fund seed enterprises or support major infrastructure projects. Even for smaller stores, surpluses are important to the community to fund a range of social, cultural or other needs which could not otherwise be supported.⁵
- 6.2 The tensions between commercial and health objectives provide unique challenges to those involved in running the store.⁶ Good store management thus relies on, both:
- the governance capacity of the community body to direct store policy and hold store management to account, and
 - the store manager's ability to maintain a viable business and preparedness to work towards objectives set by the governance body.⁷
- 6.3 For Indigenous owned community stores, well developed and appropriate governance structures are therefore essential supports to the necessary consultation, to ensure that both store managers and owners meet their obligations in operation of the store, and that processes are transparent and accountable.⁸

4 Anthony Bevan, Registrar, ORIC, *Committee Hansard*, Canberra, 14 May 2009, p. 9; Burdon Torzillo Associates Pty Ltd, 'Ownership Governance and Management of Stores on Remote Aboriginal Communities', *Exhibit 41*, p. 2.

5 For example, see Bawinanga Aboriginal Corporation (BAC), *Submission 51*, p. 1; Maningrida Progress Association (MPA), Bill Young, General Manager, *Committee Hansard*, Maningrida, 23 July 2009, p. 16; Jarlmadangah Burru Aboriginal Community (Joe Grande), *Submission 3*, p. 1.

6 Northern Territory (NT) Government, *Submission 98*, p. 5; FaHCSIA *Submission 62*, p. 14.

7 See discussion Professor John Altman, Director, Centre for Aboriginal Economic Policy Research (CAEPR), Australian National University (ANU), *Committee Hansard*, Canberra, 12 March 2009, p. 6; and S McDonnell and D F Martin, 'Indigenous Community Stores in the "Frontier Economy": Some Competition and Consumer issues', *Discussion Paper No. 234/202*, CAEPR, ANU, 2002.

8 Burdon Torzillo Associates Pty Ltd, 'Ownership Governance and Management of Stores on Remote Aboriginal Communities', *Exhibit 41*, p. 2.

The role of store committees

6.4 While comprehensive data is not available, many Indigenous communities establish a store governance body, known as a 'store committee', to run their community store.⁹

6.5 While the store committee members may not have responsibility for daily management of their store, they can have an important influence as decision makers: in choosing management models, determining store food policy, making decisions about any surplus expenditure, and monitoring store financials.

6.6 Store committee entities are structured under state or federal legislation in a range of corporate or non-corporate forms.¹⁰ A strong store committee is often comprised of strong leaders, called directors, who are usually traditional owners. In some areas these will mainly be senior men, but in other communities women predominate.¹¹ Lieutenant General John Sanderson AC advised that a respected leader will have not only cultural seniority but a capacity to unite the community, with benefits for the store:

...where they have strong leadership, the community stores function well. People have a sustained presence in that process...
There is a community commitment to what the store does.¹²

6.7 The Committee received evidence from many Aboriginal corporations and store committees proud of their stewardship of 'happy' stores in healthy communities:

The community takes great pride in the presentation, operation and stocking of its Community Store and comparisons to other neighbouring stores is a topic of daily discussion.¹³

9 Research conducted on ownership and management of stores in the Northern Territory in 2000 showed that 37 out of 56 were Aboriginal owned and roughly half had store committees. Jon Altman and Sally Ward (eds), *Competition and Consumer Issues for Indigenous Australians*. A Report for the Australian Competition and Consumer Commission by the Centre for Aboriginal Economic Policy Research (CAEPR), Australian National University, September 2002, p. 46; and see Anthony Beven, Registrar, ORIC, *Committee Hansard*, Canberra, 14 May 2009, p. 7; FaHCSIA *Submission 62*, p. 14.

10 Australian Securities and Investments Commission (ASIC), *Submission 106*, p. 2.

11 For contrast see *Committee Hansards* Jilkminggan, 21 July 2009; Aurukun, 2 April 2009.

12 *Committee Hansard*, Canberra, 18 June 2009, p. 3.

13 Mulan Aboriginal Corporation, *Submission 10*, p. 1; ref. 'happy stores': Robyn Bowcock, Public Health Nutritionist, Kimberley Population Health Unit, Western Australia (WA) Country Health Service, *Committee Hansard*, Broome, 20 July 2009, p. 50.

- 6.8 A good relationship between store committees, store managers and nutritionists founded good health outcomes in many communities. Papunya Store Company President Sam Anderson stated:

It is up to people to have their choice, but we have still got to understand to look after our health as well...if we have got good store managers, a good committee and people supporting otherwise, we will go a long way on that stuff.¹⁴

- 6.9 Jarlmadangah Burru Aboriginal Community store, located 120 kilometres south east of Derby, demonstrated that a community council can own and run a strong store with prudent management, accounting advice and a measure of government funding :

The store contributes to the cost of fuel for the powerhouse and has provided the community with an essential service [it] has had to look at how it can offer community member's food supplies that will enable them to receive value for money and not lose money in the process. During its' ten years of operation the store has only recorded one small loss. All profits generated have been reinvested into the store for improvements and upgrading computers/POS.¹⁵

- 6.10 Many remote communities comprise numerous clans, some of whom share traditional custodianship or claim it, and reside with others from other areas.¹⁶ Helen Williams, Chairperson of the Maningrida Progress Association (MPA) described how the community mediates store cultural contributions in a multi-clan town:

We have got a reference group that gets together. It is a big group and then we are able to take it back within our board meetings within our own organisation that we represent...¹⁷

- 6.11 Store committees are responsible for appointing store managers, many of whom are non-Indigenous, to their stores. While some managers are very skilled and committed to the community others are not. Poorly developed

14 *Committee Hansard*, Papunya, 27 April 2009, pp. 2, 6.

15 *Submission 3*, p. 1.

16 Professor Jon Altman, Director, CAEPR, *Committee Hansard*, Canberra, 12 March 2009, p. 2; and see Janet Hunt, Diane Smith, Stephanie Garling and Will Sanders, (eds), *Contested Governance; Culture, Power and Institutions in Indigenous Australia, Understanding Indigenous Australian Governance*, CAEPR, Research Monograph no. 29, 2008.

17 *Committee Hansard*, Maningrida, 3 July 2009, p. 15.

governance with poor store management leads to financial instability. In these instances the store may typically experience high prices, poor supply of low quality stock and a high incidence of stock pilfering or other fraudulent behaviour.¹⁸

- 6.12 It was very apparent during store inspections that running a viable remote community store is an extremely challenging and complex task for any remote store manager. Equally, it was clear that some Indigenous communities have poor capacity for effective store governance despite a very strong commitment to it. The variance of quality, governance and manager capacity was the single unifying factor among the diversity of community stores during the inquiry.¹⁹

Obstacles to governance

- 6.13 Community stores face many more challenges than stores run in other situations. Few other Australian communities are locked into a situation where their health and well-being, as well as their local economy, is largely dependent on one store.²⁰
- 6.14 Remote community stores operate in an environment which is not conducive to running a business. Small market size, diseconomies of scale in food supply, high costs for transports and low profits mean that the few private operators in the area are either very good or extremely bad, with low commitment to their host communities' needs (for example, ordering in specific food for diabetics).²¹
- 6.15 The role of the store as the economic centre of a remote community adds additional challenges: the store must comply with financial standards of accountability and democratic governance models that do not fit well with cultural practices of clan ownership and obligation between kin.²²

18 Menzies School of Health, *Submission 12*, p. 5.

19 Vicki Gillick, Coordinator, Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Women's Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 132.

20 Joy McLaughlin, Manager Indigenous Program, Fred Hollows Foundation, *Committee Hansard*, Darwin, 22 July 2009, p. 106.

21 Joy McLaughlin, Manager Indigenous Program, Fred Hollows Foundation, *Committee Hansard*, Darwin, 22 July 2009, p. 106; FaHCSIA, *Submission 62*, p. 11.

22 S McDonnell and D F Martin, 'Indigenous Community Stores in the "Frontier Economy": Some Competition and Consumer Issues', *Discussion Paper No. 234/202*, Centre for Aboriginal Economic Policy Research, Australian (CAEPR), Australian National University, 2002, p. 3.

Distortion of market power

- 6.16 The Committee was advised by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) that a 'lack of competition in remote locations leads to a distortion of market power in favour of store operators, while remoteness compounds consumer vulnerability.'²³
- 6.17 Due to cultural factors Indigenous people may not contest the quality of goods or services they receive, and cannot afford regular travel to other stores for better prices or services.²⁴ This supports the incidence of 'price gouging', where high prices, inferior products or poor services are provided without affecting sales.²⁵ Bifurcation of demand between Indigenous and non-Indigenous consumers in remote communities further reduces the bargaining capacity of Indigenous people, while driving up store prices and undermining store viability.²⁶
- 6.18 The Australian Securities and Investments Commission (ASIC) brought to the Committee's attention the role ASIC plays in consumer protection under these circumstances:
- ASIC produces targeted information and resources for different sections of the community, including resources for Indigenous Australians. Our Indigenous consumer strategy has three key elements: consumer education/financial literacy; combating exploitative business activity; and working with mainstream providers to improve practices and practical access.²⁷
- 6.19 Another challenge that remote Indigenous community stores face is the shortage of experienced and qualified individuals available to manage remote community stores. The Northern Territory Government advised:
- ...there was a shortage of qualified individuals available to manage remote community stores and the difficulty of retaining

23 FaHCSIA, *Submission 62*, p. 11.

24 Visits to remote communities demonstrated that the concept of 'shame' meant that people (especially women) may not make public complaints even where there was corroborating evidence on the record. For fuel and travel see Western Australian Department of Health, *Submission 21*, p. 7 and FaHCSIA, *Submission 62*, p. 11.

25 FaHCSIA, *Submission 62*, p. 11

26 Professor Jon Altman and Dr Kirrily Jordan, *Submission 64*, p. 1.

27 ASIC, *Submission 106*, p. 2.

them makes poor store management more likely, with communities having little choice whom they appoint.²⁸

- 6.20 In turn boom and bust cycles associated with good – management – bad management, as store managers come and go, affects service and the sustainability of the store.²⁹

Cultural obligations and stores

- 6.21 Indigenous cultural protocols bring another dimension to the operation of remote community stores. As the financial and social hub of the community, remote stores are at the centre of Indigenous ‘demand sharing’ practices and power relationships.

- 6.22 In Aboriginal communities obligations to provide goods or finances to clan members confirm mutual relationship and assert difference.³⁰ John Greatorex, Coordinator of Yolngu Studies at Darwin University, gave a Yolngu perspective from Mapuru in North East Arnhem Land:

We have our own financial literacy, and that means sharing. It’s ethically responsible for us to offer people money or resources that we have before we’re asked.³¹

- 6.23 Problems with this in the store context were widely discussed in evidence. The Committee heard that pressures could be placed on staff to provide free goods or staff be sacked if they would not provide credit to clan or kin in community run stores. In store committees the potential for clan conflict or lack of democratic process could be exploited by store managers in determining store expenditure.³²

- 6.24 FaHCSIA observed that store committee corporate structures can produce a ‘clear tension between the economic/commercial interests of the store committee and the social obligations to return revenue to the community’, noting potential for committee members to receive financial benefit via

28 NT Government, *Submission 98*, p. 4.

29 Alastair King, General Manager, ALPA, *Committee Hansard*, Darwin, 22 July 2009, p. 59; Katherine Cullerton, Senior Project Officer, NATSINSAP, *Committee Hansard*, Canberra, 25 June 2009, p. 3.

30 S McDonnell and D F Martin ‘Indigenous Community Stores in the “Frontier Economy”’: Some Competition and Consumer issues’, 2002, pp. 25-27.

31 Private Capacity, *Committee Hansard*, Darwin, 22 July 2009, p. 33.

32 Sara Hudson, Centre for Independent Studies (CIS), *Submission 84*, p. 3; Emmanuelle Barone, *Submission 14*, p. 2; Western Australian Department of Health, *Submission 21*, p. 13; ALPA, *Submission 61*, p. 16.

high prices in a store or via 'special discounts', and other accountability issues.³³

- 6.25 Indigenous stakeholders acknowledged that practices such as 'humbugging' and nepotism can pose a serious risk to the viability of the store.³⁴ Some considered that partnerships with non-Indigenous people in store governance and management can be helpful to diffuse cultural pressures. Ric Norton works as the non-Indigenous General Manager of Laynhapuy Homelands Association:

... why we are a relatively stable organisation and have been quite successful is that our members recognise these problems and take a bit of a hands-off approach and say, 'We want this to be run properly, which means we need non-Indigenous involvement to make sure that happens.' As individuals, they can be put under enormous amounts of stress if they are ultimately the ones who hold the key or whatever.³⁵

- 6.26 Other Indigenous stakeholders maintained that 'demand sharing' behaviour as currently understood is not traditional but has evolved in response to need. In Alice Springs, Darryl Pearce, Chief Executive Officer of the Lhere Artepe Aboriginal Corporation, commented:

...there is a new model of Aboriginal people who have started this thing – it is only realistically about 20 or 30 years old – about the pressure that we apply to families and other people to get something off them. This whole idea is that 'I'm your family and you have to pay for me; you have to buy this and you have to give me that. Give me your car and give me your clothes.' That is new. That is not traditional in any shape or form. Traditionally, when you went to a person's country you sat down. If a kangaroo were killed people did not just jump up and grab whatever they wanted out of the kangaroo on the fire; it was broken up and distributed amongst each of the family groups, who then distributed it amongst themselves.³⁶

33 FaHCSIA, *Submission 62*, p. 14.

34 Irene Fisher, Chief Executive Officer, Sunrise Health Services, *Committee Hansard*, Jilkmिंगgan, 21 July 2009, p. 8.

35 Ric Norton, General Manager, Laynhapuy Homelands Association Inc., *Committee Hansard*, Darwin, 22 July 2009, pp. 47–48.

36 Darryl Pearce, Chief Executive Officer, Lhere Artepe Corporation, *Committee Hansard*, Alice Springs, 28 April 2009, p. 10.

- 6.27 Reverend Dr Djiniyini Gondarra OAM, Chairman of the Arnhem Land Progress Aboriginal Corporation (ALPA) one of Australia's largest independent employers of Indigenous people, explained that traditional Yolngu law provides strict distinctions applicable to store management:

Most of contemporary society understands or is being told that the Aboriginal people of this country share and give. The word for giving in Arnhem is 'witj'. They see people working in a store who may be taking a very important role as a manager or assistant manager and they wonder how that store is going to survive and make a profit, because their wife, daughter, son, nephew or whoever might come into the store and say, 'I want money.' We are not stupid. We use the word 'malu'. Malu is a special word. It is the revenue, the profit, and that profit is owned, by law. The people who work there know what is inside the business and what is outside the business. In a contemporary society people need to know that; that is very clear.³⁷

- 6.28 During a public hearing in Canberra, Professor Jon Altman advised the Committee that Indigenous management is desirable, but education is needed and the realities of kin pressures must be recognised as part of the business of remote store operation: bad external managers can get caught up in these pressures leading to poor outcomes for the store.³⁸

Committee comment

- 6.29 The Committee notes that there is potential for tension between profit incentives and health outcomes as store committees exercise their respective responsibilities to the store and to the community.
- 6.30 For Indigenous people the measure of success of a community-owned and managed store is often gauged by its capacity to support a range of cultural, community development and recreational projects, as well as provide affordable healthy food. Community members see this as an important contribution to community well-being, a source of pride and a demonstration of cultural autonomy.
- 6.31 The Committee recognises that store committees can find arriving at the right balance difficult, and that frameworks are needed to ensure that the

37 Arnhem Land Progress Aboriginal Corporation (ALPA), *Submission 61*, p. 1; *Committee Hansard*, Darwin, 22 July 2009, p. 72.

38 *Committee Hansard*, Canberra, 12 March 2009, p. 7.

sustainability of the store and health outcomes are the priority, over and above other surplus expenditures.

- 6.32 The Committee is therefore of the view that strong self-governance structures are needed to ensure Indigenous communities are better equipped to make effective decisions about the management of their store, to define their community goals and objectives and determine how they can be achieved.

Regulatory frameworks for store governance

- 6.33 Remote community stores can be established under a range of Commonwealth, state or territory regulatory regimes, leading to complexity and lack of accountability in their operation.
- 6.34 At the Commonwealth level, community stores may incorporate under the *Corporations Act 2001* or the *Corporations and Aboriginal and Torres Strait Islander Act 2006* (CATSI Act). Many also operate as associations under the relevant Associations Act in a particular state or territory.³⁹
- 6.35 A separate category of stores are those controlled by Torres Strait or Northern Territory shires, and those established under state legislation in Queensland by the Islanders Board of Industry and Service (IBIS) under the *Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984*.⁴⁰
- 6.36 While the majority of stores in remote Indigenous communities are community owned, a small number of stores servicing Indigenous people in remote Australia are not owned by an Indigenous organisation. For example, in the Northern Territory around 15 per cent of stores currently licensed as part of the Northern Territory Emergency Response are not Indigenous owned.⁴¹
- 6.37 Responsibility for the regulation of Indigenous-owned stores is spread across different Commonwealth, state and territory agencies:
- the Office of the Registrar of Indigenous Corporations (ORIC) has responsibility for those registered under the CATSI Act,

39 ASIC, *Submission 106*, p. 4.

40 ORIC, *Committee Hansard*, Canberra, 14 May 2009, p. 16; Queensland Government, *Submission 60*, p. 2; Islanders Board of Industry and Service (IBIS), *Submission 28*, p. 5.

41 FaHCSIA, *Submission 62*, p. 14.

- the Australian Securities and Investments Commission (ASIC) oversees governance matters for stores under the Corporations Act, and
 - state and territory business affairs agencies deal with corporate governance issues for stores, assisted by ASIC.⁴²
- 6.38 Stores may additionally be structured differently under each jurisdiction:
- the CATSI Act provides for either store-specific entities or operation under registered community councils or corporations,⁴³
 - the Corporations Act provides for stores to be registered as proprietary and public companies, and the classes of each,⁴⁴ and
 - state and territory associations acts provide the most variation, with non-corporate forms of associations comprising sole traders, partnerships, trusts and joint ventures.⁴⁵

Jurisdiction and non-compliance issues

- 6.39 ASIC advised the Committee that the potential for stores to be formed in overlapping jurisdictions and with different individuals adds to the complexity for remote store operators. Some community stores, for example:

...use more than one form of association and, within that group, a mix of corporate and non-corporate bodies... The shareholders of a proprietary company limited by shares may be an ORIC company or an association. A proprietary company may also act as the trustee of a trust and enter into a management agreement with another entity to run a store.⁴⁶

- 6.40 ASIC concluded that this leads to confusion about ownership of the store, where information can be obtained about the store (that is, which state, territory or Commonwealth agency is responsible), and what a person's rights are in relation to the management of that store.⁴⁷

42 ASIC, *Submission 106*, pp. 2, 5.

43 Anthony Bevan, Registrar, ORIC, *Committee Hansard*, Canberra, 14 May 2009, pp. 2, 4.

44 Classes of proprietary companies are (a) limited by shares and (b) unlimited with share capital. The classes of public companies are (a) limited by shares, (b) limited by guarantee, (c) unlimited with share capital and (d) no liability. *Submission 106*, p. 5.

45 ASIC, *Submission 106*, p. 4.

46 ASIC, *Submission 106*, p. 5.

47 ASIC, *Submission 106*, p. 5.

- 6.41 The Registrar of Indigenous Corporations Anthony Beven confirmed that ORIC regularly deals with store governance bodies structured in complex subsidiary trusts or ASIC registered entities, citing two contemporary examples:

... the other store we are currently running in Burringurrah in Western Australia is the Burringurrah Community Aboriginal Corporation. It then has a subsidiary, and the subsidiary is registered with ASIC and it runs the store. In Mutitjulu, you have the Mutitjulu Community Aboriginal Corporation, which is registered with my office. It owns all the shares in Gumlake Pty Ltd, which is an ASIC corporation, and it is the trustee of a trust, the Ninti Trust, which runs the store in Mutitjulu. So the complexities of the registration schemes around the country are... difficult to deal with.⁴⁸

- 6.42 ORIC further advised that this complexity limits its capacity to regulate Indigenous stores. Even if the parent body is registered with ORIC, it cannot assist with advice or services as these subsidiary trusts or entities as the Office's powers under the CATSI Act only apply to the registered body.⁴⁹
- 6.43 Overall, advice from government agencies involved in regulation of the stores made it clear that the variety and complexity of arrangements for store registration also makes it difficult to assess both compliance rates under each regime and the number of stores under each jurisdiction.
- 6.44 Research conducted on store governance in 2002 identified problems such as lack of accountability of store managers and disagreements concerning distribution of store profits, bad debts, and high committee costs.⁵⁰ FaHCSIA considered that non-compliance rates are still likely to be high but had no consistent data on this:

While no data is available regarding non-compliance for community stores specifically, FaHCSIA's annual report on Indigenous corporate compliance for 2007-2008 indicated that 41

48 ORIC, *Committee Hansard*, Canberra, 14 May 2009, p. 17.

49 ORIC, *Committee Hansard*, Canberra, 14 May 2009, pp. 5, 17.

50 S McDonnell and D F Martin, 'Indigenous Community Stores in the "Frontier Economy": Some Competition and Consumer issues', *Discussion Paper No. 234/202*, CAEPR, Australian National University, 2002, cited in ASIC, *Submission 106*, pp. 5-6.

per cent of all Indigenous corporations in Australia were not fully compliant with reporting requirements under the CATSI Act.⁵¹

- 6.45 The introduction of income management and a store licensing system in the Northern Territory (discussed in more detail later in the report) has given some confirmation that non-compliance is an issue under current governance structures while also providing estimates of the number of stores in different jurisdictions. These are that 75 stores, 30 per cent, are registered with ORIC, less than ten per cent are regulated by ASIC, and the majority are formed under the *Northern Territory Associations Act 2003* (NT Associations Act).⁵²
- 6.46 More significant limitations for store governance under Association Acts cited were that:
- these Acts are intended for small not-for-profit organisations such as social and sporting clubs and so are unsuited to a not-for-profit functioning uniquely as an essential service and a commercial entity generating million dollar turnovers, and
 - there is a lack of well-developed remedies for non-compliance, in particular, there is no administrative infringement scheme, meaning that prosecution is the only means of enforcement.⁵³
- 6.47 As noted, the various corporate and non corporate associations and trusts are the most common forms of governance structures adopted by Indigenous organisations in the Territory, and are likely to be prevalent in other states. Lynne Curran, Manager of the Office of Indigenous Policy Coordination Group, FaHCSIA, advised this supported widespread regulatory failure and non-compliance:

Unfortunately, in many cases, the existing state and territory regulations are not enforced. That goes to standards in respect of basic things about associations – there is no follow-up or compliance activity around financial statements or things of that type. More fundamentally, there is often very poor or no enforcement of OH&S or food safety standards. That is just as important for food security as having things on the shelves.⁵⁴

51 The Committee notes that it is not clear here whether this refers to stores registered under CATSI Act or stores generally. See FaHCSIA, *Submission 62*, p. 15.

52 ORIC, *Committee Hansard*, Canberra, 14 May 2009, p. 16, ASIC, *Submission 106*, p. 5.

53 FaHCSIA, *Submission 62*, p. 14.

54 Lynne Curran, Manager, Office of Indigenous Policy Coordination Group, FaHCSIA, *Committee Hansard*, Canberra, 20 August 2009, p. 10.

- 6.48 The Committee also heard that even where corporate governance requirements are technically complied with, store committees and directors may not be informed of the store's business position. The Kaltukatjara Community Corporation (KCC), for example, described apparent conflict of interest and transparency issues evolving out of overlapping governance structures for its store, consultant manager and the accountancy firm:

From an audit perspective the accounting firm and Nin[ti] stores maintain appropriate records and show them to the appropriate authorities; however the management is constructed in several layers and set up in such a way that it is hard to identify where any profits are heading. From an annual turnover of between \$2-\$3 million the community receives \$46,000 and that is not by way of cash but stock from the store. Profit in abeyance is also stock not cash reserves.⁵⁵

- 6.49 The submission also reported that Ninti Stores did not provide adequate notice of meetings or documentation, including financial statements, to store directors. In response in Alice Springs, Operations Manager of Ninti Corporate Services Richard Bugg advised that the management consultancy obeyed corporate governance requirements but did not provide minutes and statements because of a lack of English literacy among directors. Provision of financial statements had also led to 'agitation' for store surplus reserves.⁵⁶
- 6.50 The Committee is of the view that store committees should understand their obligations to direct the store for community benefits, and managers should understand their responsibility to report on the store operations in a way which can be understood by the directors.
- 6.51 A further complexity arises due to factionalism between clans. Difficult personalities in store committee or councils can exacerbate factionalism with potential threats to store stability. The Committee heard from John Tregenza, Mai Wiru Health Unit Manager, Nganampa Health Council, about personality issues in the community council at Amata, in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, which prevented the community from dealing with problems of quality and pricing in the store over a period of five years.⁵⁷
-

55 Greg Ranse, Kaltukatjara Community Corporation, *Submission 50*, p. 2.

56 *Committee Hansard*, Alice Springs, 28 April 2009, pp. 116-17.

57 *Committee Hansard*, Amata, 29 April 2009, p. 21. The Amata store committee was registered with ORIC subsequent to the Committee's visit in July 2009.

- 6.52 In this respect the Committee notes that registration with ORIC under the CATSI Act would have provided benefit. When a store committee is formed it is required to design a dispute resolution process and set this out its rule book. As the Registrar advised, the fact that the dispute rules are determined by the corporation gives legitimacy to the process and creates a greater sense of ownership and commitment to resolve issues.⁵⁸
- 6.53 ORIC also advised that registration under the CATSI Act provides a useful range of remedies for non-compliance. The Registrar can authorise an examination of the governance affairs and financial records of Indigenous corporations to ensure that store governance processes and agreed constitution rules are followed. An examination of key corporations is conducted annually, in effect providing a free annual audit.⁵⁹
- 6.54 Greg Gumielli, store manager at Papunya store, advised of improvements to store accountability and transparency processes since the store committee registered its constitution with ORIC:
- Now that they have the committee, we are held under our constitution to have a minimum of four meetings a year. I have asked Centre Accounting Services, and they must attend at least two to three of them per year, so there should be a financial report given at each of those meetings. At stock takes we are audited by Deloitte. They come out and do a full audit of our stock take, financials on hand. They go right through Centre Accounting Services and their operational capacity with our financials, and they ensure that everything is correct.⁶⁰
- 6.55 The main aim of the examination process is to identify governance and financial issues within a corporation before they become major issues. If intervention is warranted, ORIC will appoint a special administrator to assist corporation members to solve problems and return the corporation to their full control, while ensuring business operations continue during the process.⁶¹
- 6.56 In some instances, community stores may need the assistance of an administrator, appointed by ORIC, to assist a store that may be heading

58 *Committee Hansard*, Canberra, 14 May 2009, p. 3.

59 ORIC anticipated examining 86 corporations in 2009 with the majority part of its strategic monitoring program and a small percentage complaint and intelligence driven. Anthony Bevan, Registrar, ORIC, *Committee Hansard*, Canberra, 14 May 2009, p. 5.

60 *Committee Hansard*, Papunya, 27 April 2009, p. 17.

61 Anthony Bevan, Registrar, ORIC, *Committee Hansard*, Canberra, 14 May 2009, pp. 4–5; ORIC *Submission 108*, pp. 5–6.

towards insolvency or already insolvent. In Mimili, located in the APY Lands in South Australia, Meertens Chartered Accountants were brought in as an administrator to assist the store in November 2008. The Registrar advised that Mimili store is now a solvent, financially viable and profitable store under the management of Outback Stores.⁶²

- 6.57 The Registrar advised that the cost of the administration process is high, with a maximum period under administration being to six months. Costs start at \$7 000 per month for administration of an art centre, for example, and peak at \$66 000 for more detailed work. At Mimili, costs on average were between \$10 000 to \$15 000 a month but peaked at \$40 000.⁶³
- 6.58 Given the expense of assisting an insolvent store, there is big price incentive to Government to ensure that store governance and management structures are functional and meet their obligations effectively.

Committee comment

- 6.59 The Committee considers that current arrangements for the regulation of community stores are inconsistent and provide inadequate governance regimes. The complexity and overlapping regulations do not facilitate optimal levels of good governance for community stores.
- 6.60 Current complex arrangements not only confuse store committee members about their rights and obligations under each jurisdiction, but simultaneously open up loopholes for non-compliance while reducing regulator capacity to apply enforcement and deliver advice.

Proposal for a national registration framework

- 6.61 In response to the problems outlined above, ORIC has recommended that all remote stores which are Indigenous owned should be incorporated under the CATSI Act. The Registrar of Indigenous Corporations, Anthony Beven maintained that the CATSI Act offers an existing national framework uniquely framed to both achieve community objectives and meet high standards of compliance:

Registration under the legislation I administer, the CATSI Act, provides a wide range of benefits. It provides a strong regulatory

62 *Committee Hansard*, Canberra, 14 May 2009, pp. 10-12.

63 *Committee Hansard*, Canberra, 14 May 2009 pp. 10-11.

framework at a national level. It operates across Australia – it is not restricted to certain jurisdictions. It also has the flexibility to take account of local customary needs and obligations. We also provide corporate governance support and services and we have specialist staff that only deal with Aboriginal and Torres Strait Islander people. So our role is delivering services in the corporate governance area to Aboriginal and Torres Strait Islander people. That is 100 per cent of what we do.⁶⁴

6.62 The Registrar further maintained that as most stores are Aboriginal-owned or controlled, a well-structured store committee, aware of its governance responsibility and obligations, is the key to both the stability of the stores and the realisation of health and well-being objectives for an Indigenous community as a whole.⁶⁵

6.63 The Committee notes that Indigenous corporations registered under the CATSI Act must comply with obligations to ensure accountability and promote transparent practices in decision making:

- Indigenous corporations are obliged to discharge their duties with care and diligence, in good faith and in the best interests of the corporation. An offence is committed if a Director uses their position dishonestly or recklessly to directly or indirectly gain an advantage, or cause detriment to the corporation,
- store directors are required to adhere to the rules of the corporation's rulebook, which sets out additional directors' obligations and responsibilities when making financial decisions for the corporation. If rules to achieve particular objectives are specified, such as how store profits or surpluses are to be used, then directors are obliged to act in accordance with these rules,
- a corporation's directors must obtain member approval to give a financial benefit to a related party of the corporation. The CATSI Act clearly specifies procedures to ensure open and transparent disclosure to members when seeking approval for the payment of related party benefits,
- the Registrar may authorise an examination of the financial records of an Indigenous corporation and may also initiate an examination in response to an apparent risk within a corporation,

64 *Committee Hansard*, Canberra, 14 May 2009, p. 2.

65 *Committee Hansard*, Canberra, 14 May 2009, pp. 2–3.

- Indigenous corporations with a consolidated gross operating income of \$100 000 or more are required to provide the Registrar with an annual audited financial report, or financial reports based on reports to government funding agencies (where applicable), and
 - the Registrar has the power to investigate alleged breaches of the CATSI Act and refer breaches to the Commonwealth Director of Public Prosecutions for prosecution. If laws other than the CATSI Act are breached, the Registrar will refer the matter to the relevant authority such as the Australian Federal Police.⁶⁶
- 6.64 ORIC also advised of its powers to provide a fully developed service to build capacity for compliance, support community control and store viability, namely:
- tailored incorporation advice, governance training, financial monitoring and mentoring, a dispute resolution system and, in the event of store failure, the power to take the store into administration to restore viability track, and
 - assistance to Indigenous store committee to design their own corporate structures, or 'rule books', which take into account customary needs and obligations as well as make community specific requirements, such as provisions for health policy, instructions for uses of surpluses and rules on book up.⁶⁷
- 6.65 ORIC's proposal was supported in the evidence as providing the right balance between robustness and flexibility.
- 6.66 Store governance and management experts Burdon Torzillo and Associates saw that incorporation under the CATSI Act should be compulsory for all Indigenous corporations, in providing the necessary framework to meet compliance and store committee member's needs. It also recommended that terms for directors should be two years and rotational, and that there should be expert appointed non-member directors on store committees to mentor and attend quarterly meetings.⁶⁸
- 6.67 ASIC identified a range of problems for regulators and stores under current complex incorporation arrangements. The Commission considered that, in addition to consumer protection benefits, incorporation under one

66 ORIC, *Submission 108*, pp. 4–5.

67 ORIC, *Submission 108*, p. 4.

68 Burdon Torzillo Associates Pty Ltd, 'Ownership, Governance and Management of Stores on Remote Aboriginal Communities', *Exhibit 41*, pp. 1, 5.

jurisdiction could reduce business costs, improve training opportunities and provide a more consistent regulatory approach.⁶⁹

- 6.68 As noted above, under current arrangements ORIC can not provide firm advice on the number of stores it currently administers under the CATSI legislation. Changes to registration in July 2007 allowed preliminary assessment indicating that 48 registered corporations currently run a 'shop', being a business of some type.⁷⁰ Otherwise, the Registrar advised, there are 2 700 Indigenous corporations registered under the CATSI Act, with half in remote and regional Australia. Progress is being made under Memoranda of Understanding (MOUs) in place with South Australia, Western Australia and the Northern Territory to promote transferral to ORIC.⁷¹
- 6.69 The Committee notes, given numbers, that a mandatory requirement for transferral of Indigenous store governance bodies under associations legislation to the CATSI Act should be relatively straightforward under most state and territory legislation. It is notable, however, that Queensland does not have an MOU with ORIC and that stores operated under Queensland legislation and those run by shire councils in the Torres Strait would apparently not be covered under any requirements for transferral to the CATSI Act.
- 6.70 Similarly, improved regulation of privately owned and run stores could not be effected under any mandatory requirement applying to Indigenous owned and controlled stores. The Committee notes that reported poor consultation and compliance among private-owned stores supports the need for improvement in this area.⁷²

Committee comment

- 6.71 The Committee sees advantage for store operators in registration under the CATSI Act. The flexibility it offers will more effectively match the needs and responsibilities of store committees in their governance roles: to structure their governance rules and objectives according cultural requirements, and incorporate health objectives according to their own design. This in itself would provide an empowering experience, bringing

69 ASIC, *Submission 106*, p. 6.

70 ORIC, *Submission 108*, p. 10.

71 *Committee Hansard*, 14 May 2009, pp. 2, 6.

72 Fred Hollows Foundation, *Submission 30*, pp. 9–10.

with its ownership and confidence to engage more effectively in the management of the store.

- 6.72 The Committee also notes that store committees have the power to specify health and other objectives in their rule books which must then be complied with. An annual audit of key corporations by ORIC, along with constitutional requirements for regular meetings with accountants, also provides a model of probity which will support store stability in the long term.
- 6.73 The Committee considers that registration under the CATSI Act offers an appropriate balance of autonomous direction and regulatory safeguards which will provide transparency, sound financial management practices and ultimately have positive outcomes for community well-being.

Recommendation 27

The Committee recommends that the Australian Government support proposals that Indigenous owned and controlled community stores register as corporations under the *Corporations and Aboriginal and Torres Strait Islander Act 2006*.

In addition, the Committee recommends the Australian Government actively promote and encourage registration under the Office of the Registrar of Indigenous Corporations.

- 6.74 The Committee also considers that, in the process of designing corporate rule books, ORIC should offer a nutrition policy template to assist store committees. This template and requirements should be consistent with the recommendations made earlier in this report regarding healthy store policies.
- 6.75 The Committee notes that store constitutions allow for 'observers' to attend store committee meetings. The Committee is of the view that this provides capacity for store committee members to require, at designated meetings, that store manager/s and nutritionists should attend if the community wishes it.
- 6.76 In making these recommendations the Committee is aware that stores in Queensland, as government run and IBIS stores, do not currently have formal mechanisms to promote community input into the management of

their stores. The Committee urges the Queensland Government to remedy this and to do so in consultation with ORIC where appropriate.

- 6.77 The Committee also considers that, with any proposal to promote the national licensing of stores, consideration should be given to requiring privately run stores to be incorporated under the *Corporations Act 2001*, to improve probity of private store operation under regulation of ASIC.

Governance training and support

- 6.78 While there are store committees which have very well developed governance skills, there are many who are poorly prepared to meet the challenges and responsibilities of store directorship.
- 6.79 As noted above, the role of a store committee is to act as a conduit to the appointed store managers about community expectations and to participate in decision-making and monitoring of the financials of the store. The requirements can be set out in store corporation rule books and in the contractual agreements made with any store manager or consultancy a store committee may appoint.⁷³
- 6.80 Surveys indicate that compliance with these obligations for most store committees is nominal. In turn failure to meet reporting obligations and inability to oversee and assess store managers/consultancy compliance with contracts opens the way to fraud and threatens the viability of the store.⁷⁴
- 6.81 Stakeholders strongly supported the need for both financial literacy and governance training so that store committee members better understand their rights and obligations, and are more confident to act on them.⁷⁵
- 6.82 The Committee notes that ASIC, ORIC and the Australian Taxation Office presently operate joint initiatives with Commonwealth, State and Territory agencies responding to the national need for Indigenous governance training and support.⁷⁶

73 ORIC, *Submission 108*, p. 3; Desert Knowledge Cooperative Research Centre, *Submission 53*, p. 5.

74 FaHCSIA, *Submission 62*, p. 15; Central Land Council (CLC), *Submission 57*, p. 7.

75 Kadar Pearson and Partners Pty Ltd, *Submission 29*, p. 5; CLC, *Submission 57*, p. 5.

76 ASIC, *Submission 106*, p. 6.

- 6.83 ORIC leads on this in work with the Northern Territory Government, the Community Stores Unit of FaHCSIA and the Institute for Aboriginal Development on delivery of the 'Building Strong Stores' (BSS) training program in regional centres across the Territory. ORIC also offers accredited training up to certificate level IV and a diploma in business governance which it delivers regionally. All courses are offered free on a voluntary basis, with preference given to participants from FaHCSIA licensed stores for the BSS. ORIC pays the travel, meals and accommodation costs for all participants.⁷⁷
- 6.84 ASIC has also collaborated with ORIC on the BSS program and has produced publications for Aboriginal directors of corporations and to improve the financial literacy of Indigenous consumers. The Commission identified a national need for culturally and corporate effective programs and recommended that an independent assessment of existing programs should be conducted.⁷⁸
- 6.85 FaHCSIA advised that the department has Indigenous engagement officers working through the Remote Services Delivery National Partnership to 'grow the capability of community members to participate in their store'.⁷⁹
- 6.86 ORIC is at present the only body that consistently allocates funds for training of Indigenous corporations among bodies responsible for stores.⁸⁰

Committee conclusions

- 6.87 The Committee believes that the *Corporations and Aboriginal and Torres Strait Islander Act 2006* (CATSI Act) provides an appropriate combination of rigour and flexibility for Indigenous store governance. Regulation under one corporate regulator would result in benefits for Government and its agencies, which would have an improved capacity to collect statistical information about the sector, identify the challenges and aspirations of Indigenous store owners, and develop initiatives to improve governance and hence community health outcomes.

77 NT Government, *Submission 98*, p. 5; ORIC, *Submission 108*, pp. 2–3.

78 ASIC, *Submission 106*, p. 6; Duncan Poulson, NT Regional Commissioner, ASIC, *Committee Hansard*, Darwin 22 July 2009, pp. 53, 58.

79 Lynne Curran, Manager, Office of Indigenous Policy Coordination Group, FaHCSIA, *Committee Hansard*, Canberra, 20 August 2009, p. 5.

80 ASIC, *Submission 106*, p. 6.

- 6.88 The Committee concludes that the registration of Indigenous owned stores under the CATSI Act would provide a foundation for certainty and security for both communities and store operators with improved accountability in store governance and management.
- 6.89 If a greater number of stores become registered corporations under the CATSI Act, then the training and oversight role of ORIC will also increase. Given the importance of training and support to ensure sound governance systems and well functioning store committees, the Committee is concerned that any expansion of ORIC's role is accompanied by an appropriate increase in funding to ensure it is able to continue to deliver its valuable services to a greater number of Indigenous corporations.
- 6.90 The importance of governance, financial management and literacy training being conducted in the language local to Indigenous communities was also emphasised throughout the inquiry, although it is acknowledged that there are difficulties in sourcing skilled interpreters.⁸¹
- 6.91 The Committee emphasises that training should always be culturally appropriate. Given the importance of communities understanding governance requirements and responsibilities and acquiring a degree of financial literacy, greater use should be made of skilled interpreters for training and consultations.

Recommendation 28

The Committee recommends that the Office of the Registrar of Indigenous Corporations receive additional funding to provide governance and financial management training to community stores that register under the *Corporations and Aboriginal and Torres Strait Islander Act 2006*.

81 NT Government, *Submission 98*, p. 5.

Future of remote community stores

The national licensing proposal

- 7.1 In July 2009, the Council of Australian Governments (COAG) agreed to consider national licensing of remote community stores as a core commitment to close the gap on health between Indigenous and other Australians.¹
- 7.2 The Government announced that the policy proposal would be developed by the COAG Reform Working Group on Indigenous Reform and would be considered as part of COAG's plan for a national food security strategy for report late in 2009.²
- 7.3 The licensing of community stores was introduced in the Northern Territory to facilitate the introduction of income management under the Northern Territory Emergency Response (NTER). A second purpose was to ensure that approved stores in the Northern Territory were offering a reasonable range and quality of groceries and consumer items.³
- 7.4 Under the Government's policy all stores in NTER 'prescribed areas', covering 73 remote communities, associated communities and town

1 Hons K Rudd and J Macklin, 'COAG: Closing the Gap between Indigenous and Non-Indigenous Australians', *Media Statement*, 2 July 2009.

2 Hons K Rudd and J Macklin, 'COAG: Closing the Gap between Indigenous and Non-Indigenous Australians', *Media Statement*, 2 July 2009.

3 Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), *Submission 62*, p. 17.

camps, would be licensed to participate in the income management regime.⁴

- 7.5 In 2007 Outback Stores was funded to ensure licensed stores were operational to provide fresh food to income managed participants in prescribed areas.⁵ On 13 October 2008 the Government committed to the continuance of the NTER with income management as a fundamental element on the basis of its demonstrated benefits to women and children.⁶
- 7.6 During 2009, the agenda for legislation reform progressed with proposals for amendment of the *Northern Territory National Emergency Response Act 2007* (NTER Act), released in the discussion paper *Future Directions for the Northern Territory Emergency Response* (2009). Key reforms included:
- a redesign of licensing assessment criteria with a focus on store manager character, nutrition focus, store operation, retail and financial practices,
 - proposals for Government to require that a new store manager be appointed if the store is operating at poor standard or without a licensed operator,
 - Government decisions on licensing to be reviewable by the Administrative Appeals Tribunal, and
 - a revocation of Government's power to compulsorily acquire stores under the Act.⁷

NTER store licensing definitions and requirements

- 7.7 Part 7 of the NTER Act sets out the definitions for community store licensing, defining that 'one of the main purposes of the business is the provision of grocery items and drinks' and excluding roadhouses and businesses which operate solely as takeaway or fast food shops.⁸ Under

4 *Northern Territory Emergency Response: Report of the NTER Review Board*, October 2008, p. 9.

5 In particular, to support unviable stores and provide infrastructure. Outback Stores, *Submission 47*, p. 7.

6 Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin, MP, *Media Release*, 'Compulsory Income Management to Continue as Key NTER Measure', 23 October 2009, pp. 1, 4.

7 Australian Government, *Future Directions for the Northern Territory Emergency Response*, Discussion paper, 2009, pp. 7, 19–20.

8 Part 7 Division 1, sections 92(1) and 92 (2) respectively.

subsection 123 (4) the Minister may also specify businesses not applicable for the purposes of the Act.⁹

7.8 To achieve a licence the store is assessed on requirements that:

- it must be able to administer income management,
- it must offer a reasonable range and quality of groceries and consumables, and
- it is managed and governed soundly and has sound financial structures and practices.¹⁰

7.9 To be assessable the store must also be located in a prescribed area, or other areas identified in the Act. Under subsection 125(2) the Minister has discretion to specify additional assessable matters.¹¹

7.10 Licences are issued for 12 months, or sometimes less if stores are not considered stable. The licence can be issued to a single store operator, or a joint licence may be issued with the store owners if they have particular input into the store operations. A separate category of licence, a corporate licence, can be issued to a management consultancy like Outback Stores or a regional corporate like the Arnhem Land Progress Aboriginal Corporation (ALPA) to manage its stores.¹²

7.11 On 20 July 2009 there were 86 community stores licensed and participating in income management in the Northern Territory. Of these, 27 stores are under corporate licences issued to Outback Stores and ALPA. Fifteen per cent of stores licensed are not Indigenous owned.¹³

Evaluations and assessments of licensing

7.12 Government statements have indicated that the proposal for a nationally consistent licensing scheme, as agreed to by COAG, is to be advanced on the basis of substantial benefits achieved under the NTER licensing system, including wider access to nutritious food and families' increased purchasing of it.¹⁴

9 Ref: Part 7 Division 1, section 92(2)(d).

10 Part 7 Division 1, section 93.

11 Part 7 Division 1, section 93(1)(d) and 93(1) (e).

12 Laura Toyne, Director, Community Stores Licensing, FaHCSIA, *Committee Hansard*, Darwin, 22 July 2009, pp. 14, 16.

13 Laura Toyne, Director, Community Stores Licensing, FaHCSIA, *Committee Hansard*, Darwin, 22 July 2009, p. 4; FaHCSIA, *Submission 62*, p. 14.

14 Hons K Rudd and J Macklin, 'COAG: Closing the Gap between Indigenous and Non-Indigenous Australians', *Media Statement*, 2 July 2009.

- 7.13 In October 2008, the NTER Review Board provided an independent assessment of the first 12 months of the NTER and did not find that licensing had advanced store standards significantly. Instead there was wide variability, with high prices, limited range, and poor quality noted.¹⁵
- 7.14 Government assessments of the NTER are based on three 'post licensing' surveys conducted with store managers over the first eighteen months of the NTER (2007-09). Overall the outcomes of these reviews indicated positive results for health with increased purchasing of healthy foods. However, final surveys also indicated no improvement in affordability of food items, particularly fresh healthy foods, and no decrease in nicotine sales.¹⁶
- 7.15 As noted earlier in the report, Menzies School of Health analysis of early Remote Indigenous Stores and Takeaways Project (RIST) data, which provided a breakdown of actual sales, did not support the finding of increased fresh food sales. Instead sales of whitegoods and non-food items had increased but there was no change in (low) fruit and vegetables and (high) nicotine sales.¹⁷ There was mixed confirmation of these results in the inquiry. While overall sales increases were reported, some store operators attributed these to sale spikes under Government bonuses and stimulus packages delivered during the NTER assessment period.¹⁸
- 7.16 In relation to pricing, the Committee notes that Northern Territory Market Basket surveys for 2007-08 and Central Land Council (CLC) surveys over the same period respectively found that prices had decreased at community stores, and by contrast that they had increased since licensing was introduced. The CLC considered that other factors such as fuel prices may have influenced this outcome and that this merited a review of pricing issues generally.¹⁹

15 *Northern Territory Emergency Response: Report of the NTER Review Board*, October 2008, Chapter 2, p. 21.

16 FaHCSIA, *Submission 62*, p. 18, quoting Commonwealth of Australia 2008, *Second Stores Post Licensing Monitoring Report – 41 Stores, 2008*; *Final Stores Post Licensing Monitoring Report – 66 Stores, 2009*, p. 1; Australian Government, *Future Directions for the Northern Territory Response*, Discussion paper, 2009, p. 19.

17 Professor Jonathon Carapetis, Director, Menzies School of Health, *Committee Hansard*, Darwin, 20 August 2009, p. 78; *Submission 129*, p. 1.

18 Some stores confirmed increases in sale of whitegoods and others indicated a fall off due to the banning of book up. See respectively Mark Hutchings, Manager, Barlmarrk Supermarket, Bawinanga Aboriginal Corporation (BAC), *Committee Hansard*, Maningrida, 23 July, 2009, pp. 5-6 and Janet Chisholm, *Committee Hansard*, Alice Springs, 22 July 2009, pp. 106-07.

19 Central Land Council (CLC), *Submission 57*, p. 3; Carrie Turner, Acting Program Director Nutrition and Physical Activity, Department of Health and Families, Northern Territory (NT) Government, *Committee Hansard*, Darwin 22 July 2009, pp. 28, 29.

- 7.17 The range and significance of unintended consequences reported by the Commonwealth Ombudsman also suggested the need for more caution and review before regulatory change. In 2007 the Commonwealth Ombudsman set up an Indigenous Unit to handle complaints under the NTER. Its summary of some 600 of these complaints revealed:
- failure to gain a licence meant that people had to travel long distances to shop at another location, sometimes by air and often by taxi at great expense,
 - lengthy timeframes to licence stores meant that Income Managed funds could not be accessed leading to loss of business and significant disadvantage to community residents,
 - a reported loss of community control of the store to the Australian Government and Outback Stores under licensing arrangements, and
 - closure of stores due to inability or unwillingness to process Income Management, with associated workload and lack of compensation for this.²⁰
- 7.18 Given the range of impacts, the Ombudsman recommended that Government should ensure that any proposed changes to the model of community stores acknowledges Indigenous expectations for their stores and be conducted in a spirit of genuine consultation and community engagement.²¹
- 7.19 The Committee notes that, overall, most of the unintended consequences reported under NTER are associated with both the process of licensing and the consequences of income management, which are referred to interchangeably in the FaHCSIA evaluations and ministerial statements about the advantages of licensing.²²
- 7.20 There was strong support for national licensing among a range of stakeholders who saw that the system could provide better health outcomes, stronger accountability and more transparent store operations. Positive responses to Outback Stores, which entered communities as a licensed provider of income management, reported improved food supply and in some instances, greater confidence in the store:

20 Commonwealth Ombudsman, *Submission 68*, p. [3].

21 Commonwealth Ombudsman, *Submission 68*, pp. [5–7].

22 *Final Stores Post Licensing Monitoring Report*, 2009, p. 1; Hons K Rudd and J Macklin, 'COAG: Closing the Gap between Indigenous and Non-Indigenous Australians', *Media Statement*, 2 July 2009.

From the day Outback Stores took over there was vast improvement and we felt secure in the fact store managers had to answer to someone. For too long stores in communities relied on the honesty of people who came into communities for one reason only and that was to make money. Just like stations where business no longer relies solely on cattle etc now they rely on the stations store.²³

7.21 A key recommendation for the extension of store licensing nationally was to raise the standards of stores, providing a benchmark for store management standards and store operation.

7.22 John Smith, owner of Island and Cape, a private consultancy running stores in Cape York and the Torres Strait, saw that a national licensing scheme would open opportunities in a market otherwise dominated by Queensland government run or the Islanders Board of Industry and Service (IBIS) stores:

Anywhere you have private enterprise, there needs to be some guidelines. It must meet certain standards, whether they be about food security, employment or a wide range of other issues. As much as Island and Cape try to do the right thing, we suffer a lot from the wrongdoings of previous private enterprise.²⁴

7.23 However, a number of submitters took the position that holding a licence was of secondary importance to the process of getting one: that is, under FaHCSIA's provision of external accounting and auditing during the assessment period. For this group, additional auditing assistance and advice was a preferred alternative to licensing; effectively a 'bottom up' approach to capacity building among existing community stores.²⁵

7.24 Maningrida Progress Association (MPA) General Manager Bill Young, for example, considered that an annual licensing process was no replacement for Financial Officer Jimmy Tan's rigorous daily and monthly internal audits. While 'not a silver bullet', such audits would protect stores against the carpetbaggers circulating in Central Australian communities and Top End communities.²⁶

23 Kathy Gers, Yungngora Association Inc, *Submission 6*, p. [1]; see also Conway Bush-Blanasi, *Submission 7*; Tanya Luckey, Imanpa Yaatitjiti Store Committee Chairperson, Imanpa Community, *Submission 18*, p. 1.

24 John Smith, Owner, Island and Cape, *Committee Hansard*, Bamaga, 20 August 2009, p. 20.

25 Austin Taylor, Managing Partner, Meertens Chartered Accountants, *Committee Hansard*, Darwin, pp. 117-18, 120; Yuendumu Mining Company, *Committee Hansard*, Alice Springs, p. 92.

26 *Committee Hansard*, Maningrida, 23 July 2009, p. 26.

- 7.25 As administrators of stores which had licences revoked by FaHCSIA, Meertens Chartered Accountants were also not confident that licensing in itself was any guarantee of a store's financial viability.²⁷

Committee comment

- 7.26 The Committee notes the conflation of outcomes under the introduction of licensing with income management and considers that Government should engage in further consultation with Aboriginal communities about the future of their stores and conduct more rigorous data assessment in advance of a national licensing proposal.
- 7.27 As a step toward this, the Committee commends the consultation process conducted throughout the year over the *Future Directions for the Northern Territory Emergency Response* discussion paper. This paper proposed key community store licensing reforms, among others to be made to the NTER establishing legislation.²⁸
- 7.28 The Committee otherwise holds the view that an evaluation of income management is not within the scope of this inquiry into remote community stores and considers that any national licensing proposal should concentrate on raising standards in the operation of stores which can be covered under a licence.

The licensing process

- 7.29 The Committee notes that the licensing process is rigorous and can be lengthy, with licences taking between five months and a year to be processed. FaHCSIA advised that while an average licence may have 13 conditions attached these may number up to thirty. Assessors will at minimum conduct an annual visit but up to six visits may result if licensing conditions are to be met. At the end of the twelve month licensing period a new licence must be applied for.²⁹
- 7.30 Licensing involves an intensive process of monitoring and assessment, especially if stores do not immediately meet licensing criteria. FaHCSIA's

27 Stuart Reid, Manager, and Austin Taylor, Managing Partner, Meertens Chartered Accountants, *Committee Hansard*, Darwin, 22 July 2009, p. 120.

28 Involving continuing consultations in town camps and communities under the NTER, regional workshops in Darwin, Katherine, Nhulunbuy, Tennant Creek and Alice Springs, and consultations with key NT Aboriginal stakeholder bodies. Australian Government, *Future Directions for the Northern Territory Emergency Response*, 2009, pp. 7, 19-20.

29 Laura Toyne, Director, Community Stores Licensing, FaHCSIA, *Committee Hansard*, Darwin, 22 July 2009, pp. 4-5.

Director of Community Stores Licensing, Laura Toyne, advised that this is a constructive process for stores:

Such a regime brings transparency to the operations of stores. We can identify problems in the operation of stores and solutions that might work for that particular store and that particular community to fix those problems that have been found.³⁰

- 7.31 Stanton's International, which was appointed by FaHCSIA to conduct assessments in the early days of the NTER, confirmed this reporting that remote store managers often have limited business knowledge and training and benefited from Stanton's intensive assistance to get their stores ready for income management administration.³¹
- 7.32 For stores with well developed financial management mechanisms in place the process went smoothly. Selwyn Kloeden of Finke River Mission advised:
- The FAHSCIA licensing audit was carried out last week of January and we received excellent comments about overall management and accounting. I personally do not find this regulation intrusive and welcome any activity to ensure quality service and positive outcomes for the locals.³²
- 7.33 In addition to meeting food supply and storage standards, stores had to demonstrate technical capacity and probity in administration of the recipient's managed funds. While FaHCSIA provided financial assistance for this,³³ some witnesses considered the compliance burden and costs were significant impositions on store managers and store operating budgets.
- 7.34 Large stores like that run by MPA in Maningrida commented on the inefficiencies and costs associated with the NTER's rapid implementation of income management, followed by the shift to the more flexible Basics Card issued by Centrelink. MPA estimated it had cost \$150 000 to install the income management system alone.³⁴
- 7.35 Smaller community run stores and private operators considered the ongoing costs of keeping a licence could put their business at risk,

30 Laura Toyne, Director, Community Stores Licensing, FaHCSIA, *Committee Hansard*, Darwin, 22 July 2009, p. 5.

31 Ben Pace, Director, Stantons International, *Committee Hansard*, Canberra, 19 March 2009, p. 4.

32 *Submission 23*, pp. 5, 6.

33 Selwyn Kloeden, *Submission 23*, p. 6.

34 Bill Young, General Manager, Maningrida Progress Association (MPA), *Committee Hansard*, Maningrida, 23 July 2009, p. 21.

- contrary to the policy intentions to ensure viable community stores. As one store operator advised, the process involved a great amount of paper work – a fortune in staples – in an already heavy work schedule.³⁵
- 7.36 On this basis, Andy McGaw, Chief Executive Officer of Djarindjin Aboriginal Corporation, the Dampier Peninsula WA, rejected the idea of a national licensing system, considering the process would increase bureaucracy, may not improve store standards but could drive up costs in the community's owner operated store.³⁶
- 7.37 Under corporate licences ALPA and Outback Stores are not subject to regular individual store assessment on the basis that a corporate entity can demonstrate a consistent methodology in management and operation of multiple stores.³⁷ Mark Hutchings, Manager, Bawinanga Aboriginal Corporation (BAC) Barlmarrk Supermarket in Maningrida considered this burdened the single operator disproportionately and asked for a 'level playing field' for store operators. He also reported that FaHCSIA requires a three full years of documentation on each inspection visit for price monitoring.³⁸
- 7.38 A number of criticisms were raised regarding stores being refused licences or being subject to delays which had adversely affected businesses.³⁹ The Committee is not in a position to comment on these individual cases but it considers that any licensing or registration regime must take into account the diversity of communities and be able to assess businesses on their operations and the delivery of services rather than business structures.
- 7.39 The Committee is advised that FaHCSIA has commissioned a consultant to determine the financial costs of participating in licensing to stores, with a report due at the end of August 2009.⁴⁰ At the time of writing the report was not available.

35 Lynne Leigh, Epenarra Station, *Committee Hansard*, Alice Springs, 28 April 2009, p. 107.

36 Ninti Corporate Services, *Submission 8*, p. 1; Andy McGaw, Chief Executive Officer, Djarindjin Aboriginal Corporation, *Committee Hansard*, Broome, 20 July 2009, p. 25.

37 Laura Toyne, Director, Community Stores Licensing, FaHCSIA, *Committee Hansard*, Darwin, 22 July 2009, p. 15.

38 Mark Hutchings, Manager, Barlmarrk Supermarket, Bawinanga Aboriginal Corporation (BAC), *Committee Hansard*, Maningrida, 23 July 2009, p. 8.

39 Lynne Leigh, Janet Chisholm and Joan Parton, *Committee Hansard*, Alice Springs, 28 April 2009, pp. 106-07; Robert Gosford, Spokesperson, Yuendumu Social Club, *Committee Hansard*, Alice Springs, 28 April 2009, p. 82. For FaHCSIA response see Laura Toyne, Director, Community Stores Licensing, *Committee Hansard*, Darwin, 22 July 2009, pp. 20-21.

40 FaHCSIA, *Submission 62A*, p. 2.

- 7.40 The Committee also notes calls for store committees to be empowered by more direct engagement in the licensing process. At present, licences are usually issued to the store operator, which may include an accountant in larger operations. However, there is also potential for joint licence holder arrangements. FaHCSIA advised that a chairperson of the store owner body or store committee may be involved depending on their capacity, and if they have day-to-day management or significant decision making responsibilities in the store.⁴¹
- 7.41 Fred Hollows Foundation saw the need for additional professional assistance to ensure that store committees are better able to undertake director decision-making, such as choosing the appropriate management model for their community store.⁴²
- 7.42 The Central Land Council agreed that this is needed, recommending that all stores should have independent advice before entering into a contract with Outback Stores or any other manager or consultancy:

It is difficult to see how store committees can maintain their obligations under their contract with Outback Stores, and increase their knowledge and awareness of store practices, without some form of external assistance. In our view, it would be preferable that external assistance would come from a body other than Outback Stores (as the role of the store committee is to keep a check on Outback Stores).⁴³

Non-standard models

- 7.43 The main purpose of the licensing system is to monitor those stores that supply substandard food and are afflicted by poor management that puts food security at risk.
- 7.44 It was clear during the inquiry that most Indigenous communities want their own store irrespective of the challenges. To achieve this some may run co-operatives or small shopfronts that provide a more limited or selective range of stock. Other stores may act as a hub for supply to a network of 'homeland' communities, small clan or family based groups, by running bush order or bush delivery services. This is described as the hub and spoke model of supply.⁴⁴
-

41 Laura Toyne, Director, Community Stores Licensing, FaHCSIA, *Committee Hansard*, Darwin, 22 July 2009, p. 16.

42 *Submission 30*, p. 12.

43 *Submission 57*, p. 7.

44 Professor Jon Altman and Dr Kirrily Jordan, *Submission 64*, pp. 1-5.

- 7.45 The Committee was therefore concerned by some evidence that the rigidity of the definitions and assessment conditions applied under the NTER Act are causing problems for some of the less conventional but most innovative community run initiatives in the Northern Territory.
- 7.46 At hearings in Darwin, John Greateorex, an expert in Yolngu language and culture, reported on the impact the licensing regime had on the community owned and run co-op store at Mapuru, a small remote community in North East Arnhem Land.⁴⁵ Mapuru Co-op was set up in 2002 by community members to provide essential goods, provide employment and promote understanding of English and financial literacy in the community. The store was entirely community owned, run and staffed and had a healthy food policy in contrast to shops in nearby towns. In 2005 the Co-op won a National Heart Foundation Award for small rural and rural remote initiatives.⁴⁶
- 7.47 Mr Greateorex advised that the introduction of income management in 2007 had effectively closed the store. Since that time a number of families had relocated to Galiwin'ku (Elcho Island) while others had to charter planes to shop there. The impact was greatest on the elderly.⁴⁷
- 7.48 At the time of the hearing Mapuru Co-op was being assessed by FaHCSIA for licensing and a decision was pending. Mr Greateorex was of the view that the Co-op store would not comply:
- They do not qualify for that because they do not stock much of the fruit and vegetables. They do not stock lamb chops, T-bone steaks or things like that. It is virtually impossible for them to get frozen goods because of the time delays in travel. Also, they have made an active decision that it is much better for them to be hunting – that is, active on country – fishing, shooting a kangaroo or a wallaby or collecting shellfish and other things in the mangroves nearby than purchasing from the co-op. That has been an active decision.⁴⁸
- 7.49 In some remote communities small population size, seasonal population shifts, or clan dispersal, means a community cannot support a store. In

45 *Committee Hansard*, Darwin, 22 July 2009, p. 31.

46 John Greateorex, *Submission 109*, p. 1.

47 *Committee Hansard*, Darwin, 22 July 2009, pp. 31–33.

48 *Committee Hansard*, Darwin, 22 July 2009, p. 32.

these situations the hub and spoke model and bush delivery services can support food security.⁴⁹

- 7.50 The Committee notes that a hub and spoke, or bush delivery system, is currently run by the BAC in Maningrida. This service offers outstation customers food and other goods at the same price as in town and there are no fees associated with this service. Goods can be purchased using Income Management or Basics Card under the licence held by BAC, and these are then delivered out to communities free of charge.⁵⁰
- 7.51 Similarly, the Laynhapuy Homelands Association was developing a franchised system for delivery to homeland communities.⁵¹ FaHCSIA indicated obstacles may be encountered for these types of proposals which are difficult to classify under the legislation. However, it also advised that these business models are not necessarily excluded.⁵²
- 7.52 One of the strongest messages to this inquiry was that whatever regulatory arrangements are imposed, they must be flexible enough to allow for diversity of store models to not only survive but to thrive.⁵³
- 7.53 Tania McLeod, Senior Coordinator – Governance, Fred Hollows Foundation, emphasised that the best way to do this is to ensure that the requirements are not too prescriptive:
- The more complicated it is, the more people will walk away because they are a bit confused. Keeping it simple and going across the major points that you need to know to run the store and to evaluate should be the best way to go.⁵⁴
- 7.54 Others suggested that the best licensing process for stores should also take into account the essential questions for governance in community stores: 'Who owns the store?' and 'What is the purpose of the store?'⁵⁵ This would

49 Dr Fay Rola-Rubzen, Core Project Leader, Desert Biz, Desert Knowledge Cooperative Research Centre (CRC), and Associate Professor, Curtin University of Technology, *Committee Hansard*, Alice Springs, 28 April 2009, pp. 47–48; Andy McGaw, Chief Executive Officer, Djarindjin Aboriginal Corporation, *Committee Hansard*, Broome, 20 July 2009, pp. 22, 29.

50 Mark Hutchings, Manager, Barlmarrk Supermarket, BAC, *Committee Hansard*, Maningrida, 23 July, 2009, p. 2.

51 *Committee Hansard*, Darwin, 22 July 2009, pp. 48–49.

52 Laura Toyne, Director, Community Licensing, FaHCSIA, *Committee Hansard*, Canberra, 20 August 2009, p. 12; FaHCSIA, *Submission 62A*, p. 2.

53 Fred Hollows Foundation, *Submission 30*, p. 12; Dr Fay Rola-Rubzen, Core Project Leader, Desert Biz, Desert Knowledge CRC and Associate Professor, Curtin University of Technology, *Committee Hansard*, Alice Springs, 28 April 2009, pp. 47–48.

54 *Committee Hansard*, Darwin, 22 July 2009, p. 111.

55 FoodNorth, quoted in Fred Hollows Foundation, *Submission 30*, p. 6.

require a greater recognition of the cultural context of community needs in running its store, including its vision for the health and well-being of the community.

- 7.55 Currently the system is not structured to take into account these factors. FaHCSIA advised:

The specific cultural aspects are not taken into account in terms of licensing because that is very much about the quality and range of food in the stores and standards of governance and that there are appropriate retail and financial accountability arrangements in place.⁵⁶

A licence for health

- 7.56 As outlined above, the Government's final review of community stores post-licensing in 2009 identified a wide range of benefits accruing to communities and to stores under the licensing regime, including improved ratios of fresh fruit vegetable availability and consumption, increased expenditure on whitegoods and clothing, decreased tobacco consumption and less incidence of humbugging.⁵⁷
- 7.57 Despite reservations outlined, a range of nutritionists and regional health experts supported the introduction of national licensing regime. The Menzies School of Health, for instance, maintained that a national licensing scheme would have real merit to address non-competitive markets and promote consumer protection in remote communities.⁵⁸
- 7.58 Fred Hollows Foundation saw the potential to put in place a framework to ensure that good practices are in place in stores, regardless of the store model. It noted that licensing of community stores under the NTER had foreshadowed this potential, but emphasised: 'The purpose of the licensing is to ensure there is food security rather than facilitating income management'.⁵⁹ The Foundation recommended that resources should be dedicated to assisting communities to improve their store to meet and exceed these minimum standards, within an acceptable timeframe.⁶⁰

56 Lynne Curran, Manager, Office of Indigenous Policy Coordination Group, FaHCSIA, *Committee Hansard*, Canberra, 12 March 2009, p. 21.

57 *Final Store Post Licensing Monitoring Report*, 2009, cited NT Government, *Submission 98*, p. 4; FaHCSIA, *Submission 62*, p. 18.

58 Menzies School of Health, *Committee Hansard*, Darwin, 20 August 2009, p. 78; *Submission 129*, p. 1.

59 Fred Hollows, *Submission 30*, p. 13.

60 Fred Hollows, *Submission 30*, p. 13.

- 7.59 There was also strong support for requiring that stores provide a core range of healthy foods under licensing. The Heart Foundation suggested this should be based on the Heart Foundation Buyer's Guide for managers of remote Indigenous stores and takeaways. It also considered that any store licensing system and/or funding arrangement should be dependent on compliance with a minimum core range.⁶¹
- 7.60 The Public Health Association referred to the 2008 National Nutrition Networks Conference Australia recommendation that, as part of a program for food security, government should focus on 'promoting the value of traditional food systems and ensuring community consultation and nutrition expertise is sought in key aspects of store licensing for remote communities'.⁶²

Committee comment

- 7.61 The Committee considers that there is potential to build ownership and develop the skills of store committee members by engaging them more directly in the management of their stores under the licensing system.
- 7.62 The Committee considers that any licence should have formal recognition of Indigenous ownership of the store. The licence should be issued to the Indigenous Corporation which owns the land on which the store is based, usually representatives on the store committee, or the owners should be engaged in a joint licence. This will ensure greater continuity when store managers leave but also engender greater community responsibility for and commitment to the sustainability of the store.
- 7.63 During the inquiry FaHCSIA advised that a licence may have more than thirty conditions attached. The Committee questions the need for this degree of prescription and cautions against making the process and administration unduly onerous for the store.
- 7.64 The Committee is also concerned that at times the licensing criteria may be too prescriptive and should support rather than exclude well functioning Indigenous business models that provide benefits within Aboriginal cultural frameworks. Government policy should not restrict the entrepreneurial flair of communities or individuals, but rather seek to provide safeguards to ensure the continuance of successful and innovative models.

61 *Submission 26*, p. 14.

62 *Submission 27*, p. 2; see also Menzies School of Health, *Committee Hansard*, Darwin, 20 August 2009, p. 78 and *Submission 12*, p. 1.

- 7.65 The Committee recommends that FaHCSIA develop clear and simple licensing assessment criteria to ensure that the model can accommodate the full range of community owned and run store models. Written explanation of these criteria, in pamphlet or poster form, should be provided to stores in advance of processing to facilitate compliance.
- 7.66 Additionally, the Committee notes that the Minister for Families and Community Services and Indigenous Affairs has some flexibility in specification of stores and assessment criteria for the purpose of licensing.⁶³ The Committee considers that the Minister should give consideration to exemption of store and food supply models which have clear community benefit but do not meet the licensing requirements for community store.
- 7.67 The Committee also considers that licence refusal processes should be more transparent. While the referral of a Government decision on a licence to the Administrative Appeals Tribunal, as proposed under NTER legislation reforms, will provide a remedy, the Committee remains concerned that community owned and run stores would carry a significant burden in pursuing a matter.
- 7.68 The Committee holds the view that any regulatory arrangement applying to store managers must take into account the dual obligations to provide healthy produce at a good price and to run a viable business. The Committee considers that the licensing of stores can be a tool to support this.
- 7.69 In particular, as discussed earlier, the Committee sees merit in proposals that all remote community stores should be required to display pricing, promote healthy food consumption by using appropriate display techniques, and cross-subsidising healthy product in stores. But equally the Committee recognises that the imposition of a mandatory requirement for cross-subsidising healthy products, as desirable as it is, may impose an insurmountable burden for some stores.
- 7.70 The Committee therefore concludes that a licensing regime that focuses on ensuring that stores have a good range of fresh produce and have competent and honest managers in place provides the best assurance. To enable the widest range of store models to meet Indigenous needs, these criteria must be widely interpreted with a focus on fresh foods, quality and price.

63 At Subsection 123(4) the Minister may specify businesses for the purposes of the Act, and under Subsection 125 (2) may specify assessable matters for stores. Refs: Part 7 Division 1 Sections 92 (2) (d) and 93(1) (d), respectively.

- 7.71 The Committee considers that the licensing of stores under the NTER has provided advantages to communities, governments and to stores and provides a means to better manage challenges to food security in remote communities.
- 7.72 If a national licensing scheme is to be introduced across Australia, the Committee urges the Australian Government to take a number of factors into account, including concerns raised about the licensing process, governance structures, healthy store policies, and eligibility.

Recommendation 29

The Committee recommends that, if the Australian Government proceeds with the proposal for a national licensing regime for remote community stores, the following should be taken into account:

- administrative processes to apply for and maintain a licence should be streamlined and easily complied with by Indigenous corporations, store committees and managers,
- there should be a well-defined procedure to appeal any decision to refuse a licence, such as through the Administrative Appeals Tribunal, and a refusal should also consider the interim and longer term impacts it may have on a remote community's food supply security,
- the definition of a community store should be sufficiently flexible to encompass bush delivery, hub and spoke operations and other food supply models which offer economic and health benefits to communities,
- licence assessment should be undertaken in a timely manner,
- licences should be issued either to store owners, or jointly to store owners and store managers,
- mandatory qualifications and accreditation should apply to store managers,
- licences should include a requirement for a healthy store policy and to display pricing, and
- licensing should be subject to a review to ensure it is not providing unfair advantages to corporately managed stores over individual and community stores.

An assessment of Outback Stores

7.73 As part of the terms of reference for this inquiry the Committee has considered the effectiveness of the Outback Stores model for remote community stores.

7.74 The Committee received a submission from Outback Stores and took evidence on two occasions from the then Chief Executive Officer of

Outback Stores, John Kop.⁶⁴ During the Committee's inspection tour of remote community stores in the Northern Territory, it also visited two stores that were managed by Outback Stores. These stores were located in Jilkminggan and Bulman.⁶⁵

- 7.75 In its submission FaHCSIA commented on the purpose of Outback Stores and the funds that were allocated to Indigenous Business Australia (IBA) for the specific funding of Outback Stores.

Outback Stores (OBS) is a non-government enterprise that was established by the Australian Government in 2006 to improve the commercial viability of remote community stores; provide a better range of affordable healthy foods; provide consistency in delivering and supplying quality products; increase local employment opportunities for Indigenous workers; and establish more efficient and reliable stores.

Indigenous Business Australia has received a total of \$77 million in funding for OBS. Of this funding, \$48 million was provided in the 2006-07 Commonwealth Budget for the management of viable community stores nationally, and \$29.1 million was provided as part of the NTER for both viable and not potentially viable stores in the Northern Territory.⁶⁶

- 7.76 At hearings in August 2009, FaHCSIA advised that Outback Stores had been 'reasonably successful' in its role in having established 27 stores. It also considered that the model has proven it has the potential to be national provider: 'A network such as Outback Stores gives a sustainable platform for [food security] to be delivered in remote Australia'.⁶⁷

- 7.77 In submissions to the Committee, however, Outback Stores indicated that that its cost model will not presently cover Northern Territory needs:

A stable population of 150 - 200 people is required to run a commercially viable store where all its operating costs can be recovered from reasonable selling prices. We are currently operating unviable stores in seven small communities of fewer than 150 people where we are supporting other government

64 John Kop resigned from his position as CEO during the inquiry and Mr Alastair King has been appointed CEO Outback Stores. Alastair King was formally the General Manager of the Arnhem Land Progress Aboriginal Corporation (ALPA).

65 An overview of the Committee's visit to Jilkminggan and Bulman is at Appendix A.

66 FaHCSIA, *Submission 62*, p. 22.

67 Lynne Curran, Manager, Office of Indigenous Policy Coordination Group, FaHCSIA, *Committee Hansard*, Canberra, 20 August 2009, pp. 2, 3.

initiatives and we are contributing up to \$160,000 a year per store to cover the operating losses. We have funding to cover 10 unviable stores in the Northern Territory until 2011. We estimate there are 3000 people living in 20 small communities.⁶⁸

- 7.78 Meertens Chartered Accountants confirmed from experience at Mimili that Outback Stores is not currently sustainable. Its management fees are often unpaid, meaning it pays its suppliers but not itself. However, Managing Partner Austin Taylor considered the model valid as it provided food security and other benefits to the communities involved.⁶⁹
- 7.79 In effect the success of Outback Stores as a model depends on what the criteria for success is judged to be.
- 7.80 Outback Stores' food security role was generally supported in evidence, on the basis that circumstances in remote communities merit subsidisation. Desert Knowledge CRC, among others, saw that Outback Stores has a 'comparative advantage and a reason' (as a government funded entity) 'to get into areas where market failure exists'.⁷⁰

The findings

- 7.81 A combination of the evidence drawn from submissions and public hearings demonstrated that overall Outback Stores were contributing positively to the management of remote community stores to which they had been invited in to manage. However the Committee did receive evidence remarking on discontent with the operations of Outback Stores. The range of evidence is summarised below.
- 7.82 It should also be noted that some submissions commented that it was too early to give a fair appraisal of the Outback Stores model:
- ...given the short timeframe in which it has been operating, it would be prudent to allow some time to prove the model and to have an independent evaluation conducted.⁷¹

68 Outback Stores, *Submission 47*, p. 44.

69 *Committee Hansard*, Darwin, 22 July 2009, p. 117.

70 Dr Fay Rola-Rubzen, Core Project Leader, Desert Biz, Desert Knowledge CRC and Associate Professor, Curtin University of Technology, *Committee Hansard*, Alice Springs, 28 April 2009, p. 48.

71 Fred Hollows Foundation, *Submission 30*, p. 7.

Positives

7.83 A majority of health sector stakeholders supported the Outback Stores model to some extent. This can partly be attributed to Outback Stores focus on improving nutritional outcomes by way of encouraging healthy food sales. Some of the strategies to promote healthy food choices include in-store promotion of fruit and vegetables, low margins on fresh fruit and vegetables and the involvement of a nutritionist working with the remote community store.

7.84 The Fred Hollows Foundation commented that the nutrition policy and nutrition expertise that is built into the structure and philosophy of Outback Stores 'certainly has benefits in relation to access to healthy foods'.⁷²

7.85 Joanne Cox prepared a submission on behalf of the Palyalatju Maparnpa Health Committee and made the following comments in relation to Outback Stores:

Comments from community residents and agency workers suggest that the OBS [Outback Stores] model has improved the variety and quality of healthy food items available at the store over the past 12 months OBS have been in management. Other improvements include the introduction of pricing on the shelves, improvements in the quality of take-away meals and the reduction in costs of several healthy food and drinks.⁷³

7.86 Anna Godden, a community member of Jilkminggan, commented on the improvements that have come to Jilkminggan since Outback Stores signed on to manage the store in July 2008:

The general consensus in Jilkminggan is that the variety of everything in the shop is much better than previously. The quality and prices of the fruit and vegetables especially is of a high and most satisfactory standard, and there are now 5 aboriginal employees in the shop.⁷⁴

7.87 The Committee received other submissions from communities happy to have a good food supply under Outback Stores. Tanya Luckey, Yaatitjiti store committee Chairperson at Imanpa, stated that she 'would like to see Outback Stores manage all community stores around our area', and

72 Fred Hollows Foundation, *Submission 30*, p. 7.

73 Palyalatju Maparnpa Health Committee, *Submission 43*, p. 2.

74 *Submission 58*, p. 1.

considered that regionally consistent prices would keep business for Imanpa store, and produce projected surpluses.⁷⁵

- 7.88 ALPA also expressed support for the Outback Stores model, which it considered offered choice to the consumer. ALPA Chief Executive Alastair King advised that ALPA works closely with Outback Stores under a Memorandum of Understanding, and together the models offered a way out of the boom and bust cycles that afflict stand alone stores.⁷⁶

Negatives

- 7.89 Some of the evidence received by the Committee highlighted negative impacts that Outback Stores have had on some remote communities.
- 7.90 The Fred Hollows Foundation expressed a number of concerns about the Outback Stores model in its submission. Firstly, it considered that a greater emphasis needs to be placed on the health and well-being functions of the store, such as stocking of healthy foods and supporting community nutrition programs.⁷⁷
- 7.91 Secondly, the submission stated that the model disempowers community store committees, as Outback Stores removes their decision-making role over store management practices. The Foundation suggested that it is both ironic and unfair that store committees must sign over control to Outback Stores but must still bear full financial responsibility if the store operations fail.⁷⁸
- 7.92 Thirdly, the Foundation was concerned about the future of unviable stores. This was emphasised in the following comment:

A number of "commercially unviable" stores have been established and are managed by Outback Stores with funding from the NTER. However, should external funding be withdrawn from those stores, it would not be viable for Outback Stores to remain in those communities and those communities are at risk of have no food supply without alternative models being considered. Policies and plans must be developed now to address the longer-term sustainability of these stores.⁷⁹

75 Tanya Luckey, Imanpa Yaatijiti store committee, *Submission 18*, p. 1.

76 *Committee Hansard*, Darwin, 20 July 2009, p. 61.

77 Fred Hollows Foundation, *Submission 30*, p. 7.

78 Fred Hollows Foundation, *Submission 30*, p. 7.

79 Fred Hollows Foundation, *Submission 30*, p. 8.

7.93 The Palyalatju Maparnpa Health Committee advised that the introduction of Outback Stores to its region had adversely affected neighbouring community stores. It stated:

The poor consultation process between OBS and the other community run stores in the Kutjungka resulted in a change of freight company which resulted in a reduction in delivery of food from a weekly service to each of the community stores to a fortnightly delivery.⁸⁰

7.94 Kadar Pearson and Partners (KPP), a Broome-based business working across the Kimberley, expressed concerns about a lack of transparency under Outback Stores management. The submission highlighted the tensions between Outback Stores' health objectives and the broader commercial role of the store as the economic hub of the community. KKP recommended that government funded Outback Stores should be required to operate more transparently, and training be offered to ensure the community's capacity to monitor contractual agreements with the store group.⁸¹

7.95 A number of Aboriginal community members, otherwise satisfied with having a viable store and secure food supply, worried that government funding would cease or were uncertain about their future control of the stores. Still other community owned and run stores feared or experienced pressure to 'invite' Outback Stores in or failed to be licensed.⁸²

7.96 At hearings FaHCSIA discounted these concerns, and those about competition issues under Outback Stores, noting that communities enter a contract with Outback Stores voluntarily.⁸³

7.97 A small category of stores experienced direct competition from Outback Stores as the licensed store because they were located in or near prescribed areas in the Northern Territory. Professor Jon Altman confirmed that in situations where there was a mix of licensed and unlicensed stores, competitive neutrality failed. In Yuendumu, for example, the community controlled store had suffered a significant turnover decline as income

80 Palyalatju Maparnpa Health Committee, *Submission 43*, p. 3.

81 In a meeting with Outback Stores, Kadar Pearson and Partners Pty Ltd representatives were advised that information about the profits of a store were 'commercial in confidence'. *Submission 25*, pp. 5-7.

82 Lazarus Murray, Community Councillor, Roper Gulf Shire Council, *Committee Hansard*, Bulman, 21 July 2009, p. 6; Sunrise Health Service Aboriginal Corporation, *Submission 76*, p. 4; Mulan Aboriginal Corporation, *Submission 10*; Fred Hollows Foundation, *Submission 30*, p. 8.

83 Diane Hawgood, Manager, Indigenous Remote Service Delivery Group, FaHCSIA, *Committee Hansard*, Canberra, 20 August 2009, p. 4.

management directed buyers to use the Outback Store.⁸⁴ In this situation, licensing created a distortion which gave the government funded Outback Stores a commercial advantage over existing stores that are unlicensed.⁸⁵

- 7.98 Proposals that Outback Stores would move from Indigenous Business Australia (IBA) ownership to FaHCSIA in the near future intensified concerns about this.⁸⁶ At hearings, FaHCSIA reassured the Committee that the food security and commercial management arms of Outback Stores would be rigidly fire walled between department agencies in Darwin and Canberra with 'very clear protocols' for separate governance of licensing, food security policy and Outback Stores management.⁸⁷
- 7.99 The current owner of Outback Stores, IBA, nevertheless expressed concerns that the shift to FaHCSIA would marginalise Indigenous direction of the model at board level, with a serious impact on the strategic direction and running of the stores as vehicles for economic and social empowerment of Indigenous communities. It considered however that the transferral to FaHCSIA would allow a better alignment of Outback Stores' policy with the government's social policy objectives.⁸⁸

Committee comment

- 7.100 The Committee has evaluated the effectiveness of the current operations of Outback Stores and the response of many communities where Outback Stores are located. The Committee inspected both the Jilkmिंगgan and Bulman stores, managed by Outback Stores, which were operating well during the Committee's visit to stores in remote communities in the Northern Territory.
- 7.101 The Committee is satisfied that Outback Stores is able to increase access to a greater range of groceries, including fresh produce, in remote community stores. Therefore the potential improvements to health outcomes are recognised by the Committee.
- 7.102 The Committee also sees great merit in the training that Outback Stores provides for local Indigenous people in the area of retail management and

84 Director, CAEPR, ANU, *Committee Hansard*, Canberra, 12 March 2009, p. 9.

85 Professor Jon Altman and Dr Kirrily Jordan, *Submission 46*, p. 1.

86 Robert Gosford, Spokesperson, Yuendumu Social Club, *Committee Hansard*, Alice Springs, 28 April 2009, p. 87.

87 Lynne Curran, Manager, Office of Indigenous Policy Coordination Group, FaHCSIA, *Committee Hansard*, Canberra, 20 August 2009, pp. 2-3.

88 IBA, *Submission 67*, p. 7.

good governance. This is an effective way of increasing capacity building for communities.

- 7.103 The Committee notes the transition of Outback Stores from IBA to FaHCSIA raises concerns about potential loss of Indigenous direction in the future operation of the model. The Committee supports Indigenous representation on the Outback Stores Board.

Recommendation 30

The Committee recommends that the Australian Government require that membership of the Outback Stores board include Indigenous representation.

- 7.104 The Committee has some concerns regarding the operation of Outback Stores. Firstly, the Committee is aware that Outback Stores appropriated \$48.1 million to establish the company in 2006–07. This funding was provided for a four year period after which it was intended that the model would break even and would be self-sustaining.
- 7.105 The Committee is aware that Outback Stores is currently only managing 27 stores. It was expected that Outback Stores would be managing approximately 40 stores by the fourth year of operation. Initial estimations of the Outback Store model considered that the uptake of stores would be much greater. The Committee also understands that a number of stores which are currently being managed by Outback Stores are not commercially viable.
- 7.106 Clearly Outback Stores is not meeting the targets it originally established and it is difficult to envisage it becoming self-sustaining in the next few years, unless it does so by withdrawing from unviable stores and leaving these communities with no dependable food supply. Obviously this is not an option and the Committee is *not* critical of Outback Stores' overall performance to date.
- 7.107 The Committee has determined that there is a significant variance between the business task Outback Stores was established to fulfil, and the needs of food security which it is currently meeting. The Committee concludes that the issue is one of clarity of purpose for the Outback Stores group, and that the policy objectives behind Outback Stores should be adjusted to reflect the role it is currently fulfilling.
- 7.108 In short, from the volume of evidence received, the first hand assessment of a range of store models, and the anecdotal stories from many different

communities, the Committee makes the following comments regarding the future purpose and role of the Outback Stores group.

- 7.109 Firstly, the Outback Stores model offers a successful store management option for communities. In the long term operation of its stores it should be self-sustaining and stores should aim to be commercially viable and return any profits to the community in which they are located. A number of the recommendations set out in this report, such as efficiencies in supply chain logistics and accountable governance structures, will contribute to this. As with any small business, the first years of operation are unlikely to yield profits and some operating losses may be expected as infrastructure, business systems and training are established.
- 7.110 Outback Stores should continue to operate with the expectation that it will expand its number of viable stores and be available for those communities who wish to choose this store management model. The Committee recognises that there are also other store models which are working successfully in different areas of Australia and communities should always have the choice of a management model. Additionally care must be taken that Outback Stores, as a government supported enterprise, does not skew competition or create a monopoly. These issues have also been raised by the Committee in its recommendation relating to possible licensing and FaHCSIA's oversight of Outback Stores.
- 7.111 In addition, there are a number of community stores which are currently being managed by Outback Stores, some of which are currently unviable and may not have the capacity (due to size of a community or location) to become commercially viable in the future. The Australian Government has a serious responsibility to ensure not just food security, but the regular and secure provision of healthy food options to these communities year round.
- 7.112 This government responsibility will at times be inconsistent with the commercial responsibility of Outback Stores. However Outback Stores is well placed to be the delivery arm of this government responsibility while alternative models for community food delivery, such as the hub and spoke systems or regional clusters, are investigated.
- 7.113 These alternative models to ensure food security and the viability of these delivery models can only be negotiated with the community as it is the community who will assume long term responsibility for their own food management. The aim of any such interim assistance should be to establish community ownership and governance of a sustainable and well functioning delivery model that positively contributes to the health of its community.

- 7.114 The provision of interim store services to ensure continued food security should not be considered part of the business arm of Outback Stores. Rather, through a contractual arrangement with FaHCSIA, Outback Stores should be provided top-up funding on a case by case basis in order to maintain a store service in a community in the short term until more viable long-term delivery and supply options are established by the community.
- 7.115 In effect, Outback Stores would then have two roles. The first role is the management of commercially viable stores in communities that have made such arrangements with Outback Stores. This is consistent with the current stated purpose and start-up funding provided for Outback Stores. A second and essential task of Outback Stores would be to provide store services on a case by case basis as determined by FaHCSIA in consultation with the community while that community develops the capacity to oversee its own store or set up a supply model which is cost effective, meets the needs of the community and ensures sustainable food security into the future.
- 7.116 The Committee considers that the purpose of the Outback Stores group should be revised to recognise these two distinct roles. The funding already appropriated and any future funding to Outback Stores should be separated so that the commercial operations are not compromised by the interim need to intervene in those communities with non-viable stores or a lack of food security.
- 7.117 Government should, at the same time, ensure that food security is not at risk where Outback Stores currently manages unviable stores. Where appropriate alternative food supply models should be developed and supported.
- 7.118 Overall the Committee recognises that the Outback Stores model is performing very well and carrying out a delicate balancing act between running a commercial business and meeting social responsibilities in the delivery of food security. In this regard, the success of Outback Stores should not be put at risk by confusing its commercial operations with those of delivering food security to small currently not financially viable stores.

Recommendation 31

The Committee recommends that the Australian Government revise the purpose of the Outback Stores model to recognise the following two distinct roles:

- **the commercially viable operation of a remote store where a community contracts it to manage their store, and**
- **under advice from the Department of Families, Housing, Community Services and Indigenous Affairs, the delivery of store services to communities where the current store is unviable or the regular supply of healthy food is not secured. Supplementary interim funding for these services be provided on a case by case basis.**

7.119 In line with the revised purpose of Outback Stores, the Committee considers that Outback Stores should disclose a financial statement of expenditure of the appropriated funds received to date.

Recommendation 32

The Committee recommends that the Australian Government require Outback Stores to disclose a financial statement of expenditure of the appropriated funds received to date.

7.120 The Committee has seen different models and operators deliver food security successfully in different communities and these have been discussed through the report. The Committee considers that effective governance, community engagement by store operators and adequate infrastructure were the principal characteristics of successful stores and this was seen across the country.

Recommendation 33

The Committee recommends that, rather than support particular service providers, the Australian Government work proactively with individual communities to develop and support a diversity of good store operations or delivery models that recognise the unique needs and situations of those communities and ensure food security to all remote communities.



Appendix A: Committee visits to remote Aboriginal and Torres Strait communities

As part of the Committee's inquiry into remote Indigenous community stores the Committee visited seventeen communities, all of which had a distinctive culture, history and identity.

The Committee began its community visits on 30 March 2009 travelling to the Torres Strait and the Cape York Peninsula in Queensland over four days. In late April the Committee visited communities in Central Australia over a three day period. Final consultations were held in Broome, Darwin and various remote regions in the Northern Territory including North West Arnhem Land. These visits took place in July over a five day period.

At each location the Committee held a public meeting followed by an open forum. These meetings demonstrated to the Committee the importance of the store in remote community life. The Committee appreciated the generous hospitality and evidence provided to the Committee by traditional owners and elders, clans and families in all the remote Aboriginal and Torres Strait communities visited during the inquiry.

The Committee would also like to thank everyone who assisted with the administrative organisation of the Committee's community visits including ICC managers, Torres Strait Councils, Government Business Managers and many others within the communities.

A brief synopsis of each community visit is set out below.¹

¹ Where population figures are given, these are taken from a range of sources including 2006 Census data and Grants Commission figures.

Torres Strait Islands

The Torres Strait Islands (TSI), traditionally called Zenadth Kes, comprise 274 small islands in an area of 48 000 square kilometres (kms), from the tip of Cape York north to Papua New Guinea and Indonesia. Only eighteen of the islands are populated. Australian Bureau of Statistics (ABS) Census data for 2006 indicated 6 958 Torres Strait Islanders live in the region, 15 per cent of the total population.

Torres Strait Islanders have a distinctive cultural identity as a seafaring people. English is a minority language, the local languages being: Torres Strait Creole (53.6 per cent), Kalaw Kawaw Ya/Kalaw Lagaw Ya (12.7 per cent), Meriam Mir (1.6 per cent), Kriol (0.8 per cent), and Djambarrpuyngu (0.1 per cent).

Serviced by a single freight carrier, deliveries are shipped from Cairns once a week to Horn Island then ferried to Thursday Island and then barged out to the other islands.

Waiben (Thursday) Island

The Committee began its community visits on Thursday Island in the inner island group immediately north of Bamaga at the tip of Cape York Peninsula. Thursday Island has the highest population of all islands in the Strait with 2 547 people.

The Committee's meeting was held in the Torres Strait Regional Authority building. The Committee met with Mayor Fred Gela, Torres Strait Island Regional Council, Mayor Pedro Stephens, Torres Shire Council and with representatives of other key regional organisations and councillors. The Islanders Board of Industries and Service (IBIS) store and private store owners, along with local shoppers, spoke about the high freight and fuel costs which boost food prices in the Torres Straits.

The Committee inspected the IBIS store after hours with the assistance of the store manager and the former IBIS Chief Executive Officer, Richard Bowler.

Badu (Mulgrave) Island

Badu Island is in the west-central Torres Strait, approximately 45 kms north of Thursday Island. The island has a population of about 1 200 people. Badu is an administrative centre for the central strait region and has a successful garden enterprise.

The Committee's meeting was held in the community hall opposite the council chambers and was well attended by Badu Island residents. Dr Peter Warriia, elder and traditional owner, opened the meeting with a blessing and closed it with a dedication. The Committee heard from representatives from the family owned

Donga Town General Store and from Badu Supermarket, managed by the private consultancy Island and Cape. The Committee inspected the Island and Cape store.

Masig (Yorke) Island

Masig is a tiny coral cay, about 2.7 kms long and 800 metres at its widest point in west-central Torres Strait. The people have occupied a central position in the Straits trading networks as skilled navigators. A successful fishing, prawning and cray-fishing business operates on Masig Island.

The Committee's meeting was held in a beautifully decorated covered area outside the IBIS store. The meeting was well attended by Masig families, and by quarantine, health and education staff. It began with a welcome by Councillor John Mosby who spoke in a private capacity on behalf of the Masig people. The meeting concluded with a prayer offered by Father Ned Mosby.

The Committee inspected the Masig Grocery Store and also the IBIS store with thanks to the store manager Mrs Elizabeth Warria.

Mer (Murray) Island

Mer is a small mountainous island, the most eastern in the Torres Strait, and home to the Meriam people. Numbering around 450, the Meriam are well known for Edward Kioki Mabo's ten year struggle to achieve land title for his people in the Mabo/Murray Island native title case in 1992.

The Committee's meeting was held in the community hall on the island shore, and opened with a welcome by Elder and Torres Island Regional Councillor for Mer, Ron Day. Thank you to Councillor Day for taking time in a busy month to support the inquiry, and also to the local people who came and shared their views about the store on the day.

The Committee inspected the IBIS store and is grateful for the guidance provided by store assistant Andrew Passi.

Cape York communities

The Cape York Peninsula region is a vast area of cattle grazing land and natural wilderness covering approximately 137 000 square kilometres north of the Jardine River in Queensland (16° south). It is sparsely populated (estimated 18 000, less than one per cent of Australia's total) with 60 per cent being Aboriginal and Torres Strait Islanders.

The Peninsula's largest settlement is the mining town of Weipa on the Gulf of Carpentaria. There are also small service centres at Lakeland, Laura and Coen. Bamaga, a Torres Strait Islander settlement, is the main services centre at the tip of Cape York. Cape Indigenous communities are at Hopevale, Pormpuraaw, Kowanyama, Aurukun, Lockhart River, Napranum, Mapoon, Injinoo, New Mapoon, Umagico and Seisia.

Communities in the region can be cut off entirely during the wet season, from approximately November to April. Stores must stockpile non-perishable items with long shelf-life in preparation for this time and rely on air and barge deliveries for fresh food.

Northern Peninsular Area (NPA) communities

Bamaga, New Mapoon, Umagico, Seisia and Injinoo are five settlements known collectively as the Northern Area Peninsular communities. They are located along a single sealed road from three to four kilometres apart at the tip of Cape York in Queensland.

The five communities are separately populated by the Atambaya, Wuthathi, Yadhaikgana and the Gudang tribes. There are a majority Indigenous residents (1 791 out of 1 939 people) living in the NPA communities. Languages spoken include English, Torres Strait Creole, Kriol, Kalaw Kawaw Ya/Kalaw Lagaw Ya and Mauritian Creole.

Food supply during the dry season is by road train and ferry. Air access to the NPA is via a sealed and all weather tarmac airstrip, and includes an established terminal. Many people from Thursday Island go across the Strait to Bamaga to source cheaper fresher foods from Bamaga and NPA stores.

Bamaga and surrounding area

Bamaga is the most northern township in Queensland located 983 km north of Cairns. Bamaga is the commercial and administrative centre for government services and the headquarters of the NPA Regional Council.

The Committee's public meeting held in the Reginald Sebasio Community Hall was well attended by residents of all ages who contributed to the inquiry. The Committee was pleased to hear from NPA Mayor Joseph Elu who played a key role in the establishment of Outback Stores, and oversees the operation and management of the successful NPA Seisia store.

The Committee wishes to thank the acting IBIS manager and staff in Bamaga for showing them around the store after hours.

Umagico Alau, New Mapoon and Seisia stores

After the public hearing in Bamaga, the Committee visited the following nearby stores: Umagico Alau; New Mapoon; and Seisia stores.

The Umagico Alau store is owned by the NPA and is operated by long term manager Peter Craven.

The New Mapoon Store and Takeaway is a small store which provides popular takeaways, household goods and other services and is managed by Nathan Demey.

In addition to groceries the Seisia Supermarket provides a delicatessen and freshly made salads. The Seisia store sources its fresh meat from its community owned abattoir. The store is managed by Tracey Sands.

The Committee wishes to thank all the store managers for showing the Committee around their respective stores.

Aurukun

The shire of Aurukun covers an area of 7500 square kilometres about two-thirds of up the western side of Cape York Peninsular, between the communities of Pormpuraaw and Weipa. Aurukun is approximately 900 kilometres north-west of Cairns via the Peninsula Development road, which is unsealed for most of the distance travelled.

The majority members of the Aurukun community are the Wik and Wik Way peoples, traditional owners of the area, comprising 17 tribal nations and five spiritual clan groups.

Aurukun has had negative press in recent times but the Committee found it an attractive community in recovery. The Committee held its meeting in the community hall, formerly the local pub and shared sandwiches with local inquiry participants. Particular thanks are due to Councillor Neville Poochemunka, Aurukun Shire Council Mayor, Aurukun Councillors and the Wik and Way families who went ahead with the public hearing and community forum despite a recent death in the community. The Committee wishes to thank staff and shoppers who shared their experiences in the store.

Thanks also to the Aurukun Supermarket Manager, Craig Oxlade, and John Smith owner of Island and Cape which runs the well stocked store.

Kowanyama

Kowanyama, meaning 'place of many waters', is a remote Aboriginal community situated on the Mitchell River in western Cape York Peninsula, 620km north west of Cairns. Kowanyama can be accessed by road, however it is cut off during the wet season. The area is governed by the community-elected Kowanyama Aboriginal Shire Council (KASC).

Kowanyama has an estimated resident population of 1 013 people (at 30 June 2007) varying during the year. Resident tribes include the Kokoberra, Yir Yorant (or Kokomnjen) and Kunjen clans. The three main language groups are the Yir Yorant, Yik Thangalkl, Uw Oy kangand and Olgol and Kokobera.

The major food supplier in Kowanyama is operated by Queensland Government. There is also an Anglican Church Coffee Shop, the Guest House, and the Takeaway shop.

Thank you to KASC Mayor Thomas Hudson who welcomed the Committee on behalf of the community and to store manager Ian McDowell, Manager, of the Kowanyama Store for facilitating the inspection of the store. The Committee was also pleased to hear from local women who perform important roles in their community.

Central Desert communities

The Committee arrived in Alice Springs, the CBD of the Central Desert Region, on 27 April 2009 and travelled directly to Papunya in the Central Desert of the Northern Territory.

Papunya

Papunya is a remote community of 342 people located 245 kms west-northwest of Alice Springs. Papunya was established as a hub for Anangu desert communities in 1959 and is populated mainly by the Pintupi but also Luritja, Warlpiri, Arrente and Anmatyerre tribes.

Papunya is well known for the Papunya Tula Art Movement (dot art) and its art and music centres. The Committee was honoured to meet with elder Michael Nelson Jakamarra who designed the Possum and Wallaby Dreaming mosaic that features in Parliament House's forecourt in Canberra. The Committee was met Sammy Butcher, Vice President of the Papunya store committee, member of Papunya's Warumpi Band and uncle to the new generation Tjupi Band.

The Committee held a public meeting outside the Council Office and heard from locals about the pride they have in their community owned store. The Committee also thanks private store managers Greg and Michelle Giumelli showing the Committee around the well stocked store.

Anangu Pitjantjatjara Yankunytjatjara Lands

The Anangu Pitjantjatjara Yankunytjatjara (APY) Lands cover more than 103 000 square kms in the far northwest of South Australia, over 1 200 kms from Adelaide. The Anangu received title for this land under South Australian government legislation in 1981. The Anangu Pitjantjatjara Yankunytjatjara is the representative body for the region. All traditional owners of any part of the APY Lands are members of this body.

The APY Lands have a population of 3 000 people living in 50 municipalities and up to 50 occupied homelands. Anangu culture is strong and Pitjantjatjara/Yankunytjatjara is the first language.

Stores in APY lands are community owned and run by the Community Store Committees, often by arrangement with non indigenous store managers. Seven out of the nine stores in the APY Lands are Mai Wiru stores. Mai Wiru is a regional food policy developed by the Naganampa Health Council and the Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council, under direction of the APY land holding body.

The Committee visited Mai Wiru stores at Amata and Kaltjiti.

Amata

Amata community is at the western end of the Musgrave Ranges in South Australia approximately 500kms south-west of Alice Springs, the nearest major capital centre. The community was originally established as a cattle outstation in the 1960s to relieve growth of Ernabella (Pukatja) community.

Amata has a fluctuating population of 350 with Pitjantjatjara/Yankunytjatjara the main language spoken. The population includes Anangu who live in surrounding homelands.

The Committee held its public meeting in the open outside the new PYKu Centre using the community amplifiers to broadcast to local attendees sitting in cars, under the trees and on verandas. The Committee would like to thank Amata

Council Members Alan Wilson and Loyld Inkamala for opening the Committee's public meeting.

Angelina Dunnett, Acting Municipal Services Officer, also provided translation in Pitjantjatjara language and was accompanied by her three year old son Delquad at the public meeting.

The Committee inspected the Amata Mai Wiru store which adheres to a low sugar drink policy. A visit was made to the Amata Tjala Arts Centre where large original canvasses were being worked on by local artists, some of whom are internationally acclaimed.

Kaltjiti (Fregon)

Kaltjiti is 45km south of the Musgrave Ranges, 350kms east of Uluru and 500kms south-west of Alice Springs in the remote north-west of South Australia. It is 137km to Adelaide and 125km by road to Amata and the western communities and homelands. Kaltjiti, formerly known as Fregon, was founded in 1934 and the town built in 1961 as a base for cattlemen and their families.

Kaltjiti is a majority Indigenous town (78 per cent) with 212 Anangu usually resident in the village and surrounding Inintata Homelands. Languages include Pitjantjatjara, Luritja, Warlpiri and Yankunytjatjara.

The Committee held its meeting in the Kaltjiti Community Hall with key members of the store committee, Elders Robert Stevens and his wife Fairy. Nganampa Health Council, school staff, local residents and a camel hunter from the homelands provided perspectives on health and food supply in the community. The Committee wishes to thank John Tregenza of Nganampa Health Council for his assistance with translations during the meeting.

The Committee is grateful to Kaltjiti store managers Eileen and Peter Johns who provided an inspection of the Kaltjiti Mai Wiru store. The store managers had recently taken over the store, with immediate improvements to the quality and range of foods and goods available.

Arnhem Land

Arnhem Land is a remote area of Australia which covers 96 000 square kilometres on the coastal north and north east of the Northern Territory. It is bounded by Kakadu National Park, the Arafura Sea and the Gulf of Carpentaria. Declared an Aboriginal Reserve in 1931, Arnhem Land is largely in Aboriginal ownership.

The Committee travelled from Katherine to Jilkminggan, located just south of Central Arnhem Land before travelling to Bulman in the southern most area of Central Arnhem Land.

Jilkminggan

Jilkminggan is located 140km south east of Katherine on the Roper Highway and the nearest regional centre, Mataranka, is 35km away. The traditional owners of the land are the Mangarayi people. The population of the community is 266 which includes Mole Hill, 40km East of Jilkminggan on the Roper River and Mulgan Camp at Mataranka.

The Committee thanks community members and elders for the drive from the airstrip at Mataranka to Jilkminggan, which can be closed off for months of year when the Roper River floods during wet season. The Committee's meeting was opened by Store Committee Chairman Robert Smiler. The Committee heard from the women of Jilkminggan who told of their struggles before Outback Stores took on the management of their store. The Committee also thanks the Sunrise Health Services team who attended from Katherine.

The Committee later inspected the Jilkminggan Store. Particular thanks to the store managers Jenny and Nabeel Rashid and store assistant Lorraine Doctor who showed members the changes that have taken place to the store.

Bulman

Bulman is in forested country 300kms east of Katherine off the Central Arnhem Highway. The four hour road trip from Katherine passes through the communities of Barunga and Beswick. The road often gets cut off during the wet season and is rough and unsealed past Barunga.

The population of Bulman is around 160. The traditional owners of the land are the Rembarrnga and Dalabon people.

The Committee is particularly grateful to the people of Bulman for proceeding with the meeting given a significant recent death.

The Committee held its meeting in a covered open area adjoining the store. People in the community were very pleased with changes that had been made by Outback Stores. Unfortunately due to delays in the flight schedule, the public meeting had to be cut short.

Special thanks are due to Store Committee Vice Chairman Michael Stevens, to Councillor and community leader Lazarus Murray and to Elder Mrs Maggie Chikkapa. Also thanks to Store Managers Peter and Gayleen Aitken and others

who assisted with the administration of the visit and showed the Committee through the store.

The Committee was farewelled by a traditional dance with accompanying didgeridoo.

North East Arnhem Land

North East Arnhem Land has the highest concentration of discrete Aboriginal communities in Australia (communities with greater than 50 per cent of Aboriginal residents). Some 11 000 people live in this very remote area, many in homelands radiating out from larger communities and townships.

The Yolngu people are the traditional owners of North East Arnhem land. In 1963 the Government's decision to excise land for a bauxite mine at Yirrkala on Gove Peninsula prompted Yolngu estate owners to petition Parliament. The Yirrkala Petition, painted on bark, attracted international attention. Although the court case (*Milirrpum and Others v Nabalaco P/L and the Commonwealth 1971*) was lost, the actions of the Yolngu led to later successful land rights claims.

Food supply to the region is provided by a weekly barge from Darwin. Larger island communities have airstrips and mainland communities have road access which is closed during the wet season.

Goulburn Island (Warruwi)

The Warruwi people are the traditional owners of the Goulburn Islands, two islands located roughly three kilometres off the northern Arnhem Land coast and 300 kms north-east of Darwin. The Warruwi community is located on the southern tip of the south island and has an airstrip.

Warruwi has a population of approximately 415 people. It is a dry community (no alcohol) and fishing is the traditional practice of local people who hunt turtles and dugong prevalent in the area. There are four clan and language groups within Warruwi. The main languages spoken are Maung, Kunwinjku, Walang and Galpu.

The Committee visited that Ajurumu Self-Service Store and Takeaway which is owned by the Ajurumu Store Aboriginal Corporation and managed by Arnhem Land Progress Corporation's (ALPA) consultancy management arm, Australian Retail Consultants (ARC).

The meeting was held in the sheltered area in front of the store and was opened by Store Committee Member and Community elder, Jenny Inmulugulu, with a

welcome in Maung language. Thank you to ALPA store directors who attended the meeting and to the many families who shared their views about pricing and food supply in the store. Store managers Damien Fitzpatrick and Kirsty Slattery showed the Committee a range of produce and healthy takeaways that are available through the store.

Milingimbi

The Milingimbi community is the main settlement on Milingimbi Island (part of the Crocodile Island Group). It is located just off the north coast of Central Arnhem Land in the Arafura Sea, approximately 440 km east of Darwin and 206 km west of Nhulunbuy and has an airstrip.

Milingimbi has a total population of approximately 1 500 people. It is located on Yirritja moiety land, belonging to the Batjimurrungu and Walamangu clans. The northern part of the island is Dhuwa moiety land belonging to the Gorryindin and Gamalangga clans. The main languages spoken at Milingimbi are Gupapuyngu, Djambarrpuyngu and Wangguri, however several other Aboriginal languages are used.

The Milingimbi Community Store is one of Arnhem Land Progress Corporation's five member stores and is managed and covered by an ALPA Corporate Licence. The Store completed a major renovation in August 2008 resulting in a significant increase in floor space and storage capacity.

The Committee's meeting was held outside under trees with the sea in view in the Jessie Smith Park. The meeting was well attended by Milingimbi Elders and community members who positioned themselves in groups under the trees. Thank you in particular to Store Director Keith Lapulung, Store Committee members Ross Mandi and Dorothy Buyulminy, store manager Geoff Mclean and interpreter John Ryan.

The Committee inspected the new well stocked store which also runs a bakery and take-away offering a range of healthy options.

Maningrida

Maningrida is largest discrete Indigenous centre in North East Arnhem Land, with 2 700 people usually resident and 92.2 per cent being Indigenous. The township is approximately 550km east of Darwin and 250km west of Nhulunbuy and is located at the mouth of the Liverpool River.

The main languages spoken in Maningrida are Burarra, Djambarrpuyngu, Djinang, Gunningu, Gurrngoni, Kriol, Nakkara, Ndjebbana, Rembarrnga, Yanyangu.

Maningrida can be reached by road from Darwin (500km) between three and six hours, and one hour by air depending on the type of aircraft. Maningrida has regular daily flights.

The Committee held its meeting late in the day in Maningrida Town Hall, which was funded and built by the community itself. The meeting was attended by Managers and Directors of the town's two key Aboriginal corporations the Bawinanga Aboriginal Corporation (BAC) and the Maningrida Progress Association (MPA), both of which run stores and a range of other businesses in the town.

Particular thanks are due to traditional owner Helen Williams, Chairperson of the Maningrida Progress Association, who welcomed the Committee. Thank you also to youth centre staff, health clinic staff, and to Mark Hutchings, Manager of BAC Barlmark Supermarket, and Bill Young, General Manager of the MPA store for the evening inspections of their large well stocked and busy stores. The Committee would especially like to thank Lisa Ackerman from the BAC Good Food Kitchen for opening the takeaway for inspection on the following public holiday.



Appendix B: Submissions

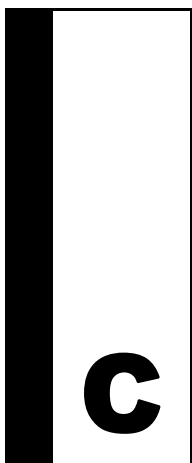
- 1 Port Augusta Hospital and Regional Health Services, SA Health
- 2 Island and Cape
- 3 Jarlmadangah Burru Aboriginal Community, Mr Joe Grande
- 4 Mr Graham Fist
- 5 Mr Roger Gobel
- 6 Ms Kathy Gers
- 7 Mr Conway Bush-Blanasi
- 8 Ninti Corporate Services
- 8A Ninti Corporate Services
- 9 Name Withheld
- 9A CONFIDENTIAL
- 10 Mulan Aboriginal Corporation
- 11 WA Buying Services
- 12 Menzies School of Research
- 12A Menzies School of Research
- 13 Ms Chloe Wehlow
- 14 Ms Emmanuelle Barone
- 15 Centrefarm Aboriginal Horticulture Limited
- 16 Ms Cara Brandt
- 17 Keep Australia Beautiful Council Northern Territory
- 18 Imanpa Community

-
- 19 Mr Rupert Felton
- 20 Foodbank Western Australia
- 21 Office of Indigenous Health, Western Australian Department of Health
- 22 Professor Kerin O'Dea AO
- 23 Mr Selwyn Kloeden
- 24 Ramingining Homelands Resource Centre Aboriginal Corporation
- 25 Kosmos Food N.T
- 26 Heart Foundation
- 27 Public Health Association of Australia
- 28 Islanders Board of Industry and Service
- 28A Islanders Board of Industry and Service
- 29 Kadar Pearson and Partners Pty Limited
- 30 The Fred Hollows Foundation
- 31 Copely and Marree Community Members
- 32 Mr Rex Milligan
- 33 Name Withheld
- 34 Ms Joan Parton
- 35 Ms Angela Siebert
- 36 Ms Wendy Graham, Amelia Hosking and Laure Baumgartner,
Royal Flying Doctor Service Queensland
- 37 Lockhart River Community
- 38 Nganampa Health Council
- 38A Nganampa Health Council
- 39 Kimberley Aged and Community Services, Western Australian
Department of Health
- 40 Ms Dympna Leonard
- 40A CONFIDENTIAL
- 41 Ms Meg McGrath

-
- 42 Nguiu Ullintjinni Association Incorporated
 - 43 Palyalatju Maparnpa Health Committee
 - 44 Dr Christina Pollard
 - 45 Dieticians Association of Australia
 - 46 Ms Lynne Leigh
 - 46A Ms Lynne Leigh
 - 47 Outback Stores
 - 48 Kowanyama Aboriginal Shire Council
 - 48A Kowanyama Aboriginal Shire Council
 - 49 Torres/NPA Area Consultative Committee Incorporated
 - 50 Kaltukajara Community Corporation
 - 51 Bawinanga Aboriginal Corporation
 - 51A Bawinanga Aboriginal Corporation
 - 52 Council of Remote Area Nurses of Australia
 - 53 Desert Knowledge Cooperative Research Centre
 - 54 Indigenous Land Corporation
 - 55 Ms Janet Chisholm
 - 56 National Rural Health Alliance
 - 57 Central Land Council
 - 58 Ms Anna Godden
 - 59 National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan
 - 60 Laynhapuy Homelands Association Incorporated
 - 61 The Arnhem Land Progress Aboriginal Corporation
 - 62 Department of Families, Housing, Community Services and Indigenous Affairs
 - 62A Department of Families, Housing, Community Services and Indigenous Affairs
 - 63 Department of Human Services

-
- 63A Department of Human Services
- 64 Professor Jon Altman and Dr Kirrily Jordan
- 65 Torres Strait Regional Authority
- 65A Torres Strait Regional Authority
- 66 CONFIDENTIAL
- 67 Indigenous Business Australia
- 68 The Commonwealth Ombudsman
- 69 The Hon. Jon Ford MLC, Western Australia
- 70 Oodnadatta Community Members
- 71 Glycemic Index Symbol Program, Glycemic Index Foundation
- 72 Department of Health and Ageing
- 73 Little Fish
- 74 RWM Consultancy
- 75 New South Wales Minister for Community Services
- 76 Sunrise Health Service Aboriginal Corporation
- 76A Sunrise Health Service Aboriginal Corporation
- 77 Centre for Appropriate Technology
- 78 Department of Infrastructure, Transport, Regional Development
and Local Government
- 79 Fregon Anangu School
- 80 Department of Agriculture, Fisheries and Forestry
- 81 Government of Western Australia
- 82 Northern Territory Government Department of Health and
Families
- 83 Mr Christopher Francis
- 84 Ms Sara Hudson
- 85 Australian Red Cross
- 86 South Australian Government
- 87 Torres Shire Council

-
- 88 Western Australian Department of Communities
- 89 Mr Michael Higgins
- 90 Queensland Government
- 90A Queensland Government
- 90B Queensland Government
- 91 Mr Leo Akee
- 92 Mr Ron Young
- 93 Ms Adrienne Storcken
- 94 Bamaga Enterprises Limited
- 94A Bamaga Enterprises Limited
- 95 Mr Peter Wallace
- 96 St Pauls Community, Moa Island
- 97 CONFIDENTIAL
- 98 Northern Territory Government
- 99 Mrs Catherine Titasey
- 100 Ms Samantha Devine
- 101 Mr Wayne Batchelor
- 102 Ms Kerry Arabena
- 103 Hydro Masta Pty Limited
- 104 Mr Jon Japp
- 105 Ms Margaret and Mr David Hewitt
- 106 Australian Securities and Investments Commission
- 107 Mr Alan Rasmussen
- 108 Office of the Registrar of Indigenous Corporations
- 109 Mr John Greatorex
- 110 Sea Swift
- 111 CONFIDENTIAL
- 112 World Vision Australia



Appendix C: Public hearings

Thursday, 5 February 2009 – Canberra

Individuals

Mr Kevin Murphy, PhD candidate (Anthropology), Australian National University

Thursday, 12 March 2009 – Canberra

Individuals

Professor Jon Altman, Director, Centre for Aboriginal Economic Policy Research, Australian National University

Dr Kirrily Jordan, Post-doctoral Fellow, Centre for Aboriginal Economic Policy Research, Australian National University

Department of Families, Housing, Community Services and Indigenous Affairs

Mr Brian Aarons, Chief of Staff, Northern Territory Emergency Response Operations Centre

Ms Lynne Curran, Group Manager, Office of Indigenous Policy Coordination

Dr Bruce Smith, Branch Manager, Intergovernmental Government and Policy

Thursday, 19 March 2009 – Canberra

Centrelink

Mr Graham Maloney, National Manager, Income Management

Mr Peter Searston, General Manager, Remote Servicing Division

Department of Health and Ageing

Ms Sharon Appleyard, Assistant Secretary, Rural Health Services and Policy Branch

Dr Geetha Isaac-Toua, Medical Advisor, Office for Aboriginal and Torres Strait Island Health

Ms Cath Peachey, Assistant Secretary, Healthy Living Branch, Population Health Division

Ms Lesley Podesta, First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health

Ms Alma Quick, Director, Rural Primary Health Section, Rural Health Services and Policy Branch

Mr Mark Thomann, Assistant Secretary, Policy Budget Branch, Office for Aboriginal and Torres Strait Islander Health

Department of Human Services

Ms Marie Johnson, Chief Technology Architect

Mr Brian Olson, Assistant Secretary

Stantons International

Mr Philip Belletty, Consultant

Mr Ben Pace, Director, Canberra Office

Mr Michael Wyatt, Consultant

Torres Strait and Queensland**Monday, 30 March 2009 – Thursday (Waiben) Island****Individuals**

Mr Peter Ah Loy

Mr Leo Akee

Mrs Samantha Devine

Ms Abigail Harry

Ms Vonda Moar-Malone

Mr Tim Sproal

Mrs Betty Tekahika

Mr Chicka Turner

Australian Quarantine Inspection Service

Mr Daniel Mosby, Acting Northern Australian Quarantine Strategy
Operations Manager, Torres Strait/Northern Peninsula

Ilan Health Foods

Mr Michael Higgins, Owner

Islanders Board of Industry and Service

Mr Richard Bowler, Chief Executive Officer

Sea Swift

Mr Michael Parry, Sales Manager

Mr Fred White, Chief Executive Officer

Torres Shire Council

Mr Bernie McCarthy, Chief Executive Officer

Mr Napau Pedro Stephen, Mayor

Torres Strait Island Regional Council

Mr Fred Gela, Mayor

Mr John Scarce, Chief Executive Officer

Torres Strait Regional Authority

Mr John (Toshie) Kris, Chairperson

Mr Wayne See Kee, General Manager

Tuesday, 31 March 2009 – Badu (Mulgrave) Island

Individuals

Mr George Morseau

Mr Laurie Nona

Mr Titom Nona

Dr Peter Waria

Island and Cape

Mr Robert Mitchell, Store Manager

Saint Pauls Community, Moa Island

Mr Charles Coleman

Pastor John Newie

Mrs Maureen Newie

Mrs Susannah Sailor

Mr Keith Taylor

Tagai State College – Badu Island Campus

Mrs Kay Ahmat, Head of Badu Campus

Ms Rita Kebisu, Project Co-ordinator, Mina Aigud, Matha, Zizimika
(Eat Well, Be Active)

Torres Strait Island Regional Council – Division 5 Badu Island

Mr Wayne Guivarra, Councillor

Mr Manuel Nomoa, Island Manager

**Ugar Kem Le Ged, Zeuber Er Kep Le (Torres Strait Islander Corporation),
Stephen Island**

Mr Seriako (Seri) Stephen, Chairman

Tuesday, 31 March 2009 – Masig (Yorke) Island**Individuals**

Father Douglas Billy

Miss Nazareth Gamia

Mrs Daisy Kabay

Mr Glenn McConnell

Mr Collin Messa

Mr Jaina Morris

Ms Hilda Mosby

Mrs Glorianna Mosby

Mr Daniel Mosby

Mr Simon Naawi

Mr Gabriel Nai

Island and Cape

Mrs Jessie Mosby, Manager

Father Ned Mosby, Assistant Manager

Island Board of Industry Service

Miss Elizabeth Warriia, Islanders Board of Industry and Service (IBIS)
Store Manager

Queensland Health

Ms Robyn White, Clinical Nurse Consultant, Torres Strait and Northern
Peninsula Area Health Service District

Tagai State College – Yorke Island Campus

Mr Michael Nai, Head of Campus, Tagai State College

Wednesday, 1 April 2009 – Mer (Murray) Island**Individuals**

Mr Matthew Bon

Mr Kevin Malone

Ms Bai Tapau

Mr Kevin Zaro

Islanders Board of Industries and Services

Mr Andrew Passi, Assistant Manager

Mer Island Primary Health Care Centre

Miss Sainty Kaigey, Senior Health Worker

Torres Island Regional Council – Division 15, Mer Island

Mr Ron Day, Councillor

Wednesday, 1 April 2009 – Bamaga, Northern Peninsula Area**Individuals**

Mr Peter Lui

Ms Patricia Nona

Mr Neville Reys

Mr Jackson Sailor

Mrs Marika Seden

Mrs Lynda Symons

Mr Arthur Wong

Bamaga Dreamtime Pty Ltd

Mrs Jo-Ann Adidr-Poipoi

Ms Sonia Townson

Island and Cape

Mr John Smith, Owner

Northern Peninsular Area Council

Mr Joseph Elu, Mayor

Seisia Supermarket

Ms Tracey Sands, Assistant Manager

Thursday, 2 April 2009 – Aurukun

Individuals

Mr Douglas Ahlers

Mrs Patricia Sarago

Mr Derek Walpo

Mr Herbert Yunkaporta

Ms Hilda (name undisclosed: bereavement)

Aurukun Shire Council

Mr John Bensch, Chief Executive Officer

Councillor Angus Kerindun

Councillor Patrick Koongotema

Councillor Jonathon Korkaktain

Councillor Neville Poochemunka, Mayor

Councillor Phyllis Yunkaporta

Building Parental Skills Program

Mrs Johanna Hunt, Coordinator

Family Income Management, Cape York Partnerships

Mrs Angie Nathan, Consultant

Island and Cape

Mr (Michael) Craig Oxlade, Store Manager, Aurukun Supermarket

Royal Flying Doctor Service

Ms Wendy Graham, Dietician

Thursday, 2 April 2009 – Kowanyama**Individuals**

Mr Ian McDowell

Mr Rodney Whitfield

Anglican Church Coffee Shop

Mr Kevin Warbrook

Mrs Susan Warbrook

Kowanyama Aboriginal Shire Council

Ms Elizabeth (Liz) Cameron, Recreation Services Manager

Ms Josie Creek, Coordinator, Womens and Childrens Services, Mothers and Babies Centre

Mr James Dick, Councillor

Mr Thomas Hudson, Mayor

Mr Jon Japp, Chief Executive Officer

Mr Walter Parry, Councillor

Mr Griffith Patrick, Councillor

Mr Robbie Sands, Deputy Chief Executive Officer

Mr Michael Yam, Councillor

Kowanyama State School

Mrs Thelma Kitchener, Tuckshop Convenor

Royal Flying Doctor Service, Queensland

Ms Laure Baumgartner, Dietician

Dr Adam Pritchard, Medical Officer

Central Australia and Anangu Pitjantjatjara Yankunytjatjara (APY) Lands

Monday, 27 April 2009 – Papunya

Individuals

Mr Michael Nelson Jakamarra, Papunya Elder

Mr Lance McDonald

Aboriginal Interpreter Service

Ms Anne Williams

Papunya Aged Care Program

Mr Sifa Tasi, Coordinator

Papunya School

Ms Sue Sifa, Principal

Papunya Store

Mr Greg Giumelli, Store Manager

Mrs Michelle Giumelli, Store Manager

Papunya Stores Company

Mr Sid Anderson, President

Mr Sammy Butcher, Vice-President, Store Committee

Town Bore Outstation

Ms Ada Lechleitner

Tuesday, 28 April 2009 – Alice Springs

Centre for Appropriate Technology

Mrs Jennifer Kroker, Executive Officer

Dr Bruce Walker, Chief Executive

Centrefarm Aboriginal Horticulture Limited

Mr Allan Cooney, General Manager

Desert Knowledge Cooperative Research Centre

Ms Jan Ferguson, Managing Director

Ms Fay Rola-Rubzen, Core Project Leader, Desert Biz and Associate Professor, Curtin University of Technology

Finke River Mission

Mr Selwyn Kloeden, Manager, Hermannsburg Store

Lhere Artepe Aboriginal Corporation

Mr Darryl Pearce, Chief Executive Officer

Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council

Miss Julie Anderson, Womens Director

Ms Liza Balmer, Child Nurtrition Program Manager

Ms Vicki Gillick, Coordinator

Mrs Margaret Smith, Chairperson

Nganampa Health Council

Mr John Tregenza, Coordinator, Mai Wiru Stores Policy Unit

Ninti Corporate Services

Mr Richard Bugg, Operations Manager

Mr Matthew Ellem, Chief Executive Officer

Outback Stores

Mr John Kop, Chief Executive Officer

Station store managers

Mrs Joan Parton, Murray Downs Station

Mrs Janet Chisholm, Napperby Station

Mrs Lynne Leigh, Epenarra Station

Ms Angela Siebert, Macdonald Downs Station

Yuendumu Social Club Incorporated

Mr Robert Gosford, Spokesperson

Ms Valerie Martin, Spokesperson

Yuendumu Mining Company

Mr Frank Baarda, Manager

Mr Warren Japanangka Williams, Director

Wednesday, 29 April 2009 – Amata**Individuals**

Mr Owen Burton

Mr Jonathon Lyons

Mr Warren Tukin

Amata Community Council

Mr Leonard Burton, Member

Ms Angelina Dunnett, Acting Municipal Services Officer

Mr Lloyd Inkamala, Member

Ms Brenda Stubbs, Member

Mr Alan Wilson, Member

Amata Community Store

Mr Warwick Green, Manager

Wednesday, 29 April 2009 – Fregon**Individuals**

Mr Roger Kayipipi

Fregon Anangu School

Ms Julie Cedrych, Junior Primary teacher

Mr Dean McDonald, Teacher

Mr Tony Robinson, Administration Finance Officer

Kaltjiti Store

Mr Peter Johns, Store Manager

Mrs Eileen Johns, Store Manager

Kaltjiti Store Committee

Mr Robert Stevens, Vice-Chairman, Community Elder

Mrs Fairy Stevens, Member

Nganampa Health Council

Mr Stephan Rainow, Public and Environmental Health Officer, Mai Wiru Stores Policy Unit

Mr John Tregenza, Coordinator, Mai Wiru Stores Policy Unit

Thursday, 14 May 2009 – Canberra**Individuals**

Ms Kerry Arabena, Visiting Research Fellow, Australian Institute of Aboriginal and Torres Strait Islander Studies, at the Fenner School, Australian National University

Office of the Registrar of Indigenous Corporations

Mr Anthony Beven, Registrar of Indigenous Corporations

Dr Nathan Boyle, Governance Branch Manager

Thursday, 28 May 2009 – Canberra**Australian Government Department of Health and Ageing**

Ms Helen Catchatoor, Acting Assistant Secretary, Rural Health Services and Policy Branch

Department of Health and Ageing

Ms Michaela Coleborne, Director, Strategic Policy Section, Policy and Budget Branch

Dr Geetha Isaac-Toua, Medical Advisor, Office for Aboriginal and Torres Strait Island Health

Ms Cath Peachey, Assistant Secretary, Healthy Living Branch, Population Health Division

Ms Lesley Podesta, First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health

Ms Alma Quick, Director, Rural Primary Health Section, Rural Health Services and Policy Branch

Thursday, 18 June 2009 – Canberra**Individuals**

Lieutenant General John Sanderson (Retired) AC

Wednesday, 24 June 2009 – Canberra**Northern Peninsular Area Regional Council**

Mr Joseph Elu, Mayor

Thursday, 25 June 2009 – Canberra**Heart Foundation**

Mrs Deanne Wooden, Nutrition Manager

Mr Traven Lea, National Aboriginal and Torres Strait Islander Program Manager; Chair of National Aboriginal and Torres Nutrition Strategy and Action Plan

National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan

Ms Katherine Cullerton, Senior Project Officer

Dr Amanda Lee, Member of Steering Committee; Co-Chair of Reference Group

Western Australia and Northern Territory**Monday, 20 July 2009 – Broome****Individuals**

The Hon. Mr Jonathan (Jon) Ford MLA, Member for Mining and Pastoral Regions, Western Australian Government

Mrs Carol Martin MLA, Member for Kimberley, Western Australian Government

Australian Red Cross

Mr Warren Fryer, Kimberley Regional Manager

Ms Barbara Hollin, Senior Manager Community Services

Djarindjin Aboriginal Corporation

Mr Andy McGaw, Chief Executive Officer

EON Foundation Incorporated

Mr Chris Cassidy, Project Manager

Foodbank Western Australia

Mr Doug Paling, Chief Executive Officer

Mr Denis Ryan, Chairman

Kimberley Aged and Community Services

Ms Maxine Nixon, Remote Program Coordinator, Kimberley Remote Home and Community Care

Miss Solange Rousset, Senior Training and Quality Coordinator

Kimberley Population Health Unit, Western Australian Country Health Service

Miss Robyn Bowcock, Public Health Nutritionist; Western Australian Representative Remote Indigenous Stores and Takeaways (RIST) Steering Committee 2006–2008

Nindilingarri Cultural Health Services

Mr Clint Bussey, Nutritionist/Health Promotion Team Leader

Mr Patrick Davies, Spiritual Health/Health Promotion, Town Community

Mr Harry Yungabun, Environmental Team Coordinator, Djugerari Community

Nirrumbuk Aboriginal Corporation

Mr Chicky Clements, Environmental Health

One Arm Point Community/Ardyaloon Incorporated

Mr Andrew Carter, Chairperson

Remote Community Management Services

Mr Craig Spicer, Accountant

WA Buying Services

Ms Louise Crump, Director

Ms Karen Mellott, Managing Director

Wangkatjungka Store

Miss Nicole Hines, Store Manager

Yawuru Aboriginal Corporation

Ms Dianne Appleby, Welcome to Country

Tuesday, 21 July 2009 – Jilkmिंगgan**Individuals**

Ms Sheila Conway

Ms Anna Golden

Ms Cheryl Lardy

Ms Theresa McDonald

Ms Jessie Roberts

Dungalan Store

Mr Nabeel Rasheed, Store Manager, Outback Stores

Mrs Jenny Rasheed, Store Manager, Outback Stores

Dungalan Store Committee

Mr Robert Smiler, Chairperson

Sunrise Health Services

Ms Irene Fisher, Chief Executive Officer

Tuesday, 21 July 2009 – Bulman**Individuals**

Mrs Maggie Chikkapa

Mr Symone Pascoe

Bulman School

Mr Mike Puccetti, Principal

Gulin Gulin Store

Mr Peter Aitken, Manager, Outback Stores

Ms Gayleen Aitken, Manager, Outback Stores

Gulin Gulin Store Committee

Mr Michael Stevens, Vice-President

Roper Gulf Shire Council

Mr Lazarus Murray, Community Councillor

Wednesday, 22 July 2009 – Darwin**Individuals**

Mr John Greatorex, Coordinator Yolngu Studies, Charles Darwin University

Arnhem Land Progress Aboriginal Corporation

Reverend Dr Djiniyini Gondarra OAM, Chairman

Mr Alastair King, General Manager

Australian Red Cross

Ms Olga Havnen, Head of Indigenous Strategy

Mrs Kathy Sadler, Acting Executive Director

Australian Securities and Investments Commission

Mr Duncan Poulson, Northern Territory Regional Commissioner

Department of Families, Housing, Community Services and Indigenous Affairs

Mr Brian Aarons, Manager, Northern Territory Response Unit, Northern Territory State Office

Ms Laura Toyne, Director, Community Stores Licensing

Fred Hollows Foundation

Ms Danielle Aquino, Nutrition Development Coordinator

Ms Alison Lorraine, Women's Development Coordinator

Ms Joy McLaughlin, Manager, Indigenous Program

Ms Tania McLeod, Senior Coordinator, Governance

Larrakia Nation

Ms Allyson Mills, Welcome to Country

Laynhapuy Homelands Association Incorporated

Mr Ric Norton, General Manager

Jarlmadangah Burru Aboriginal Corporation

Mr Joseph (Joe) Grande, Administrator

Meertens Chartered Accountants

Mr Stuart Reid, Manager

Mr Austin Taylor, Managing Partner

Menzies School of Health Research

Dr Julie Brimblecombe, Post-doctoral Research Fellow

Professor Jonathan Carapetis, Director

Northern Territory Government

Mr Kenneth Davies, Deputy Chief Executive, Department of the Chief Minister

Ms Elizabeth Morris, Deputy Chief Executive Officer, Department of Justice

Ms Carrie Turner, Acting Program Director, Nutrition and Physical Activity, Department of Health and Families

RWM Consultancy

Mr Rollo Manning, Principal

Thursday, 23 July 2009 – Warruwi, Goulburn Island

Individuals

Ms Vicki Chyer

Mr James Mairawal

Mr Johnny Namayiwa, Principal Traditional Owner; Chairman former Warruwi Council Incorporated

Ms Rosemary Urabadi

Mr Ida Waianga, ESO Supervisor

Ajurumu Self-Service Store and Store Committee

Mr Damien Fitzpatrick, Store Manager, Australian Retail Consultants, Arnhem Land Progress Aboriginal Corporation

Ms Jenny Inmulugulu, Store Committee Member

Ms Nancy Ngalmindjalmag, Store Committee Member

Arnhem Land Progress Aboriginal Corporation

Mr Alastair King, General Manager

Warruwi Health Clinic

Ms Mary Hammond, Remote Area Nurse

Waruwi School

Mr Phil Maunder, Principal

Thursday, 23 July 2009 – Milingimbi**Individuals**

Ms Joanne Baker

Mr Jimmy Burpur

Ms Elizabeth Gangulaba

Mr John Ryan

Arnhem Land Progress Aboriginal Corporation

Mr Keith Lapulung, Director, Community Representative

Mr Mick Nemarich, Human Resources/Operations Manager

Milingimbi Clinic

Ms Carol Jobson, Manager

Milingimbi Store and Store Committee

Ms Dorothy Buyulminy, Store Committee Member

Mr Ross Mandi, Store Committee Member

Mr Geoff McClean, Store Manager, Arnhem Land Progress Aboriginal Corporation

Thursday, 23 July 2009 – Maningrida**Bawinanga Aboriginal Corporation**

Mr Mark Hutchings, Manager, Barlmarrk Supermarket

Mr Len Kiely, Acting Chief Executive Officer

Department of Families, Housing, Community Services and Indigenous Affairs

Mr Dene Herreen, Indigenous Engagement Officer; Member Maningrida Reference Group

Malabam Health Board

Ms Michelle Thumm, Community Well-being Coordinator

Maningrida Health Clinic

Ms Sue-Ellen Kovack, Remote Area Nurse, Chronic Disease

Ms Sandi Smyth, Remote Area Nurse, Child Health

Maningrida Progress Association

Mr Jimmy Tan, Financial Officer

Ms Helen Williams, Chairperson

Mr Bill Young, General Manager

Maningrida Youth Issues/Services

Ms Noeletta McKenzie, Youth Coordinator

Mr Kingsley Murphy, Youth Worker

Thursday, 20 August 2009 – Canberra

Department of Families, Housing, Community Services and Indigenous Affairs

Ms Lynne Curran, Group Manager, Office of Indigenous Policy
Coordination

Ms Dianne Hawgood, Group Manager, Indigenous Remote Service
Delivery Group

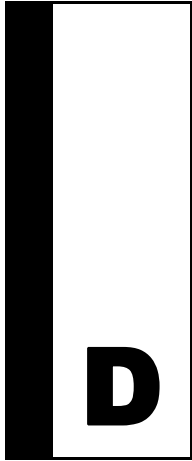
Dr Alison Smith, Assistant Secretary, Indigenous Policy Branch, Office of
Indigenous Policy Coordination

Ms Laura Toyne, Director, Community Stores Licensing

Thursday, 10 September 2009 – Canberra

Individuals

Mr Ian Lovell, Cold Chain and Freight Logistics Consultant



Appendix D: Exhibits

- 1 Outback Stores
Barunga Outback Blitz

- 2 Outback Stores
Various public documents by Outback Stores

- 3 Kimberley Aged and Community Services
Making a difference in Indigenous health - Some cost-effective recommendations

- 4 The Arnhem Land Progress Aboriginal Corporation
The Foodcard Story

- 5 Stantons International
Briefing Paper

- 6 Ms Rita Kebisu
Eat Well, Be Active - Healthy Kids for Life Badu Island - Summary

- 7 Mr Adam Adams
Gourmet to Go
- 8 Nganampa Health Council
Mai Wiru: Process and Policy 2002
- 9 Nganampa Health Council
Mai Wiru: Stores Handbook - Food and Nutrition October 2005
- 10 Nganampa Health Council
Market Basket Survey March 2009
- 11 Nganampa Health Council
Mai Wiru Store Policy Unit: Mimili Store visit 3rd March 2009
- 12 Mr Greg Guimelli
Price comparison - Alice Springs and Papunya
- 13 Centrefarm Aboriginal Horticulture Limited
Information brief on Centrefarm and the growing to grow project
- 15 Yuenumu Mining Company N.L.
Yuenumu Market Basket Survey, April 2009
- 16 Yuenumu Mining Company N.L.
Correspondence regarding income management

-
- 17 Centre for Appropriate Technology
Investing in the Outback: A Framework on Indigenous Development within Australian
- 18 Centre for Appropriate Technology
Bushlight project information
- 19 CONFIDENTIAL
- 20 Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council
Maiku Kulintjaku: Food for Thought DVD
- 21 Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council
Top 10 Sellers in NPY Communities in March 2009
- 22 CONFIDENTIAL
- 23 CONFIDENTIAL
- 24 National Rural Health Alliance
*10th National Rural Health Conference - Cairns 17-20 May 2009
Communiqué*
- 25 RIG Network Project
Remote Indigenous Gardens Network
- 26A Western Australian Government
Book Up - Discussion paper

- 26B Western Australian Government et al
Summary of Main Findings of Review of the Practice of Book Up
- 26C Western Australian Government
Book Up - Summary report on consultation
- 27 CONFIDENTIAL
- 28 CONFIDENTIAL
- 29A Nindilingarri Cultural Health Service
Map: Fitzroy Communities
- 29B Nindilingarri Cultural Health Service
Table: Accessibility of Fitzroy Valley Communities
- 29C Nindilingarri Cultural Health Service
Market Basket Survey: Kimberley Stores and State National Outlets
- 29D Nindilingarri Cultural Health Service
Photos: Fire at Fitzroy Crossing Supermarket
- 30 Sunrise Health Service Aboriginal Corporation
An introduction to Sunrise Health Service
- 31A Laynhapuy Homelands Association Incorporated
Map: Laynhapuy Homelands Service Area

-
- 31B Laynhapuy Homelands Association Incorporated
Ganybu Sales and Distribution Service
- 31C Laynhapuy Homelands Association Incorporated
Briefing to Minister Macklin - Ganybu Sales and Distribution Service
- 32 Foodbank WA
Banking on Food: Official Bulletin of the Foodbank of WA, Autumn 2009 - Vol 1,2 Issue 1
- 33 RWM Consultancy
RWM Consultancy - Power point presentation
- 34A Kimberley Population Health Unit
Graph: Comparison between contribution of fruit and vegetables to sugar and confectionary of total food expenditure by quarter
- 34B Kimberley Population Health Unit
Keeping track of healthy food: Monitoring and planning for better nutrition
- 34C Kimberley Population Health Unit
WA state isolated communities freight subsidy emergency management plan - November 1999
- 34D Kimberley Population Health Unit
The Remote Indigenous Stores and Takeaways (RIST) Project

- 34E Kimberley Population Health Unit
Book: Deadly Tucker - A Selection of Recipes from FOODCents for Aboriginal And Torres Strait Islander people in WA
- 34F Kimberley Population Health Unit
DVD + Slides: RIST transport forum - 19th June 2006
- 34G Kimberley Population Health Unit
FOODcents for Aboriginal and Torres Strait Islander people in WA - Program Manual for Health Workers
- 35 Remote Community Management Services
Financial reports from Uraro, Illawarra and Looma Enterprises store
- 36A Australian Securities and Investments Commission
Book Up: Some consumer problems March 2002
- 36B Australian Securities and Investments Commission
Comic: MOOLA TALK
- 36D Australian Securities and Investments Commission
Dealing with Book Up: A Guide
- 36E Australian Securities and Investments Commission
CD: Money Talks
- 37 Maningrida Progress Association Inc
Maningrida Progress Association Inc: Information pack

-
- 38 Department of Families, Housing, Community Services and
Indigenous Affairs
Licensing template
- 39 Malabam Health Board
Grocery cost comparison
- 40 National Aboriginal and Torres Strait Islander Nutrition Strategy
and Action Plan
*Survival Tucker: Improved diet and health indicators in an Aboriginal
community*
- 41 Burdon Torzillo Associates Pty Ltd
*Ownership Governance and Management of Stores on Remote
Aboriginal Communities*
- 42 Northern Territory Government
A Territory Government Initiative - Working Future