



Government of **Western Australia**  
Department of **Health**  
Office of Aboriginal Health

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Secretariat  
Standing Committee on Aboriginal & Torres Strait Islander Affairs  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Secretariat

### **Inquiry into community stores in remote Indigenous communities**

Thankyou for the invitation to respond to your inquiry into community stores in remote Indigenous communities.

The Office of Aboriginal Health, WA Department of Health, plays a crucial role in guiding Indigenous health policy and programs across Western Australia. Community stores play a vital role in providing essential nutrition and resources, and thus in improving Aboriginal people's health outcomes.

The Office of Aboriginal Health has collaborated with the WA Health Population Health Policy Directorate, Health Protection Group Environmental Health Office, Goldfields Health Region and Pilbara Health Region to provide expert responses to your Terms of Reference.

Please find the WA Department of Health submission to your inquiry attached. Additional information regarding this submission can be obtained from Ms Marcelle George, 08 9222 2269, [marcelle.george@health.wa.gov.au](mailto:marcelle.george@health.wa.gov.au).

Yours sincerely

Conjoint ~~Professor~~ Kenneth Wyatt AM  
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12 February 2009

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Department of Health – promoting a smoke free environment

**Office of Aboriginal Health, WA Department of Health**  
**submission to the**  
**House of Representatives Standing Committee on**  
**Aboriginal and Torres Strait Islander Affairs'**  
**Inquiry into community stores in remote Indigenous communities**

The Western Australian (WA) Department of Health welcomes and supports the current inquiry into the operation of local community stores in remote Aboriginal and Torres Strait Islander communities.

Responsibility for improving food safety and nutrition in remote Indigenous communities is shared between all levels of government. Much of the new *National Healthcare Agreement* (NHA) is relevant to improving the functioning of, and products available at, remote community stores. For example, the NHA affirms that Australia's health system should (among other characteristics):

- Be shaped around the health needs of individual patients, their families and communities
- Focus on the prevention of disease and injury and the maintenance of health, not simply the treatment of illness
- Support an integrated approach to the promotion of healthy lifestyles, prevention of illness and injury
- Provide all Australians with timely access to quality health services based on their needs, not ability to pay, regardless of where they live in the country.

Under this Agreement, 'all governments agree that the healthcare system will strive to eliminate differences in health status of those groups currently experiencing poor health outcomes relative to the wider community'.

The Agreement further states that:

- The Commonwealth will fund community-controlled Aboriginal and Torres Strait Islander primary healthcare and facilitate access by Indigenous people to mainstream health services to help close the health equity gap
- The Commonwealth and States/Territories will jointly fund Aboriginal and Torres Strait Islander health services and public health programs, and respond effectively to public health emergencies
- States/Territories will fund food safety/regulation, environmental health, public health and health promotion

The NHA's long-term social inclusion and Indigenous health objective – 'Australia's health system promotes social inclusion and reduces disadvantage, especially for Indigenous Australians' – will be measured by two performance benchmarks:

- Close the life expectancy gap for Indigenous Australians within a generation
- Halve the mortality gap for Indigenous children under five within a decade.

These challenging targets will require improvements in remote community stores. While these stores provide the only access point for food purchasing within vast areas, the quality and price of food and other goods available profoundly affects governments' ability to meet the outcomes for the Agreement's Prevention and Social Inclusion and Indigenous Health objectives:

- Children are born and remain healthy
- Australians have access to the support, care and education they need to make healthy choices
- Australians manage the key risk factors that contribute to ill health
- Indigenous Australians and those living in rural and remote areas or on low incomes achieve health outcomes comparable to the broader population.

It is a basic human right that remotely residing Indigenous people have access to the food they require to live with levels of infirmity and life expectancy synonymous with mainstream Australia. The high prices and limited availability of nutritionally sufficient foods provided in these stores exacerbates the already higher rates of chronic disease, malnutrition, and premature mortality experienced by Indigenous Australian populations.

The *National Aboriginal and Torres Strait Islander Nutrition Strategy Action Plan* (NATSINSAP) (2000) recognises that community stores are essential providers to remote Indigenous communities, but that the context in which these stores operate is preventing them from meeting their customers' needs. Without a strategic approach to stock delivery, storage and operational processes, the future of remote Indigenous communities and community stores remains uncertain.

In September 2002, Northern Australian Health Ministers called together a nutrition committee to investigate strategies to improve the availability and affordability of food in remote communities. This led to the 2003 *FoodNorth: Food for Health in Northern Australia Report* which made recommendations with the aim that 'Indigenous people in remote communities in north Australia would be able to purchase food they need to stay healthy, on a consistent basis, from their stores and takeaway food outlets, at a price they can afford'.

In the last decade, NATSINSAP and the *Remote Indigenous Stores and Takeaways Project* (RIST) (2008) have conducted thorough evaluations and provided strategic recommendations to improve the sustainability and operational outputs of remote community stores. Many of the findings and recommendations from these reports are still relevant today. The WA Department of Health supports these recommendations, and recognises that the current state of remote community stores is largely due to the failure to implement these recommendations.

Further to these preliminary comments, please find following WA Department of Health responses to the Inquiry's Terms of Reference:

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

## Food supply, quality, cost and competition issues

*FoodNorth* (2003) provided a summary of key issues surrounding food supply to remote communities. While recognising that many of the barriers to healthy food supply lie outside Health Department mandate, strategies to improve food supply and nutrition in remote Aboriginal communities were identified.

In response, the Strategic Inter-governmental Nutrition Alliance (SIGNAL) wrote to jurisdictions requesting funding to implement the *FoodNorth* recommendations. Queensland Health coordinated contributions from the Australian Government and several State/Territory health departments. The resultant RIST project was undertaken by the Northern Territory Department of Health and Community Services.

In accordance with *FoodNorth* recommendations, RIST developed a package of resources to provide remote stores with information on minimum standards and best practice guidelines for store operation.

The pilot of the RIST resources was limited in scope and time-frame, so no firm conclusions could be drawn regarding the RIST resources' effectiveness in influencing food supply. Nonetheless, the need for standardised training tools and benchmarks across remote stores and takeaways is an essential element in improving food supply. The pilot also highlighted the critical role nutritionists play in food supply projects in remote settings.

### Freight

Australia is one of the least densely populated countries in the world. Uneven distribution of habitation results in remote community stores being situated in locations with varying geographical characteristics and degrees of accessibility (Attachment 1). According to the National Rural Health Alliance *Freight Improvement Toolkit* (2007), many of the foods remote Indigenous communities require to avoid ill health are perishable. The quality and availability of these foods in remote stores is severely restricted by issues arising through freight type, availability and cost.

The *Freight Improvement Toolkit* provided information and guidelines for to provide sufficient service and product quality to meet their customers' needs. However, this resource's effectiveness has been constrained by circumstances: food transport is costly, under resourced, infrequent and unreliable. Poor access to, and use of cold chain logistics (the maintenance of produce temperature from harvest to consumer), affects the quality and safety of perishable foods, and dramatically reduces its shelf life.

For example, food in the Coonana community store (approximately 280 kms east of Kalgoorlie – see Attachment 1, p21) rarely meets the National Health and Medical Research Council's *Dietary Guidelines for Australian Adults* (2003) five core food group recommendations. In June 2008, the bread shelves and fresh vegetable boxes were completely empty.

Nutritional value of stock
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The 2004 *Environmental Health Needs of Indigenous Communities in Western Australia* survey evaluated results from 274 remote and town based Indigenous communities (the total sample of 16 952 persons was drawn from 801 households). 40% of respondents lived in 7% of WA's remote communities (a total of 19 communities, each with a population of  $\geq 200$ ).

This survey identified that half of WA's community stores did not have a nutrition policy, and respondents in 17% of the communities reported that they did not have regular access to fruit and vegetables. In addition, 84% of communities had to travel an average 101 kms to access fruit and vegetables.

The Traffic Light System is being utilised in some WA community stores to label and classify the food and drink items. (It is recommended that of all food people eat, 60% should come from the green category, 30% from the amber category and 10% from the red category).

At present, percentages of food and drink items from each category are not stocked in proportion to recommended consumption, and are often inaccurately labelled. This has predominantly resulted from high turnover of trained store employees and local nutritionists. In a Goldfields region community store in 2008:

- There was a fridge door full of copha and a refrigerator shelf full of chocolate biscuits, compared to one 2kg bag of carrots.
- Pies, pizza, and other convenience meals were in the top of the chest freezers, and vegetables were underneath.
- The amount of canned coconut milk and full cream milk powder was greater than the amount of skim milk powder in the store.
- There was a large variety of instant mix packages, eg. tacos, macaroni cheese, Gravox and cake, containing high levels of fat, salt, and sugar.
- All of the snack options available came from the red category, illustrating the poor nutrition content of the ready to eat stock.
- Healthier products were limited to tinned soup, baked beans, long-life skim milk, canned fish, some canned vegetables (peas, corn, carrots, beetroot), and Weetbix.

The 2007 RIST pilot provided evidence from sales data that if strategies promoting healthy food choices are used within a supportive environment, sales of fruit and vegetables increase. For example, the fresh fruit and vegetable boxes in the Leonora community store (250 kms north of Kalgoorlie – see Attachment 1, p21) were often found to be empty or filled with poor quality produce. Potatoes and carrots were commonly stocked, but leafy green vegetables were not.

Following a change in management, the Leonora store recently began stocking boxes of in-season fresh fruit and vegetables at prices comparable to those in Kalgoorlie. New commercial display refrigerators were also purchased, which increased the produce's aesthetic appeal. Subsequently, the community's demand for fresh produce increased significantly.

The higher cost of fresh food compared to pre-packaged food results in fewer customers purchasing fresh foods. This translates into fewer fresh foods being ordered and made available in stores, which in turn renders the purchase of adequate refrigeration systems unfeasible. An additional consequence is that many people are also consuming high quantities of take away foods with high saturated fat, sugar and salt content.

#### Food quality

The quality of community stores' food is directly influenced by cost and storage facilities for fresh and nutritionally appropriate foods. Poor knowledge and adherence to food safety practices during transport, storage and handling results in many items being of poor quality at the point of delivery.

Adequate refrigeration is essential to maintain the quality and shelf life of fresh produce. However, many remote community stores lack storage capacity and are fitted with poor quality refrigeration systems. A WA Health Environmental Health Officer 2008 site visit of one store in the Kimberley identified that all refrigeration systems were turned off at night.

Community stores' refrigeration system usually consists of: two domestic refrigerators, one display refrigerator, and two chest freezers. Some stores have received complaints from local communities that the food storage space is not sufficient to store the amount of food required by weekly or fortnightly deliveries. This recently resulted in disposal of approximately 5-8 kg of kangaroo tails (that had been delivered from Perth) prior to sale.

A recent analysis of the 2004 *Intervention Portfolio for WA Aboriginal Food and Nutrition Strategies* identified that priority infrastructure support interventions to increase access to fruit and vegetables in WA had not been acted on a year after they were agreed (Attachment 2) (Pollard, Binns, 2008).

Food safety in WA is the Department of Health's responsibility under the *Health Act 1911*. As of 1 July 2009, this legislation will be superseded by the *Food Act 2009*. Local governments currently have delegated authority to enforce the *Health Act 1911*, but that Act has no jurisdiction over Crown land (on which most communities are located). As such, local governments consider Aboriginal communities fall under State and Commonwealth jurisdiction. The one exception to this is *Part VIII Food Generally* of the *Health Act*, which covers food safety and binds the Crown. However, due to limited resources, Local Governments find it difficult to enforce food safety legislation in remote communities.

### Access

During periods of heavy rain (ie. the wet season), communities might be isolated by flooding and other hazards. Many community stores do not have the appropriate storage or funds to hold additional stock during these periods, which can last up to three months. To assist these communities, the WA Government introduced the *State Isolated Communities Freight Subsidy Plan*, but limitations apply to the transport of perishable items.

### Competition

Travelling to alternative stores for better quality and less expensive food is not an option in the Western Desert region (see Attachment 1, p19), where fuel has cost up to \$2.90 per litre (due to the costs of transporting it there):

- Punmu Community is approximately 600 kms from Port Hedland and 400 kms from Marble Bar
- Kunawarritji Community is a further 178 kms east from Punmu
- Parnngurr is 395kms from Newman
- Jigalong is 167 kms from Newman
- Yandeyarra Community is 142 kms from Port Hedland.

This situation is typical for most communities in the north and east of WA (see Attachment 3).

### Poor Water Quality

Water quality significantly affects communities' ability to establish and maintain fruit and vegetable gardens. For example, Parnngurr currently records an average concentration of 48ppm of uranium in their water supply (the acceptable maximum is 20ppm) and a 2008 test at Yandeyarra found 32ppm of uranium in the water supply. Other communities, such as Jigalong, have failed tests for faecal contamination of water supplies (this has in some cases been due to power system failure).

### Operational expenditure

Running costs for community stores are covered by a combination of profit and Commonwealth subsidies. An unintended consequence of the GST's introduction was that the cost of food in remote Aboriginal communities rose approximately 22%, with the additional costs being due to excise on fuel and transport-related charges. As few Aboriginal people in remote communities were employed (outside the Community Development Employment Program)



and thus in receipt of the GST's taxation benefits, the most socio-economically disadvantaged group in our society was further disadvantaged.

## **Recommendations**

- Undertake an economic analysis to identify effective strategies for applying subsidies to achieve equity in the cost and availability of basic healthy foods.
- Develop specific accountability measures for food supply nutrition outcomes.
- Work collaboratively with the food industry to modify existing products to improve the nutritional profile and develop more nutritious takeaway options.
- Encourage more investment in developing a local nutrition workforce to promote the consumption of healthy food in communities.
- Provide resources to sustain and build nutrition awareness and knowledge among community store management and workforce.
- Include nutrition and health experts in the implementation of the mandatory store licensing program for remote communities.
- Develop a set of competencies in nutrition in retail settings (including takeaways), and include nutrition as a core unit for remote retail training.
- Ensure remote areas are included in national food pricing inquiries and monitoring (eg. the national Market Basket Survey).
- Stores – and state/territory and local governments – to collaborate with freight companies to use free space in trucks that are not fully loaded for stock. This will reduce community stores' freight costs, improve the frequency of deliveries, and increase the quality of stock through improved use of cold chain logistics. The cost to use existing services is dramatically lower than that of contracting individual services.
- To ensure partnerships are sustained beyond short-term project funding, build on existing and established collaborations and custodianship partnerships between: governments (national, state/ territory); local health, agriculture and business agencies; and local Indigenous communities and industries.
- Where cold chain freight is unavailable, insulated pallet covers must be utilised to protect stock from ambient temperatures.

- Stores situated along freight routes must enter into group freight buying agreements so that the combined freight loads will reduce overall delivery costs for each store.
- Freight companies must be subsidised for providing transport services to remote stores.
- Greater support and funding needs to be made available for local food production mechanisms.
- Establish sustainable, coordinated, state wide monitoring and surveillance mechanisms.
- Implement specific retail trading, utilising the RIST resources for remote store managers and staff.
- Up-skill local Aboriginal Health Workers and Environmental Health workers to educate store operators regarding proper refrigeration for the preservation of fresh food stuffs
- Local food production and sale at the community store must be encouraged and developed. This must focus on foods (fruits, vegetables, meat) that are native and/or suitable to local environments. Seasonality of foods must not be seen as an impediment.
- Increased funding needs to be allocated to stores.
- Large grocery chains should be encouraged to support stores through subsidies and contributions of food stuffs.
- Coordinated inter-governmental action must be taken to improve existing freight, stock range and quality, and food supply.
- A public health representative should be appointed to the board of Outback Stores.
- Continue to engage governments, industry and non-government health and other organisations to support the development of healthy food supplies through community stores.
- Continue to support the evaluation and outcomes of NATSINSAP, RIST, Outback Stores, and other local initiatives. Disseminate the results and develop a well-funded nationally coordinated policy response.
- Establish education and support plans to provide nutrition education and cooking skills (including food safety) to Indigenous community members and rural/remote prisoners prior to and after transfer to self-care.
- Pilot and extend the mandatory store licensing requirements to all stores, including those situated on crown land that are not presently required to comply with existing licensing requirements.

## **The effectiveness of the Outback Stores model, and other private, public and community store models**

### **Outback Stores**

Outback Stores was established in 2006/07 as part of the Commonwealth Budget. This initiative was a \$48 million initiative intended to help address the disparity between the health of Indigenous Australians living in remote communities compared to that of mainstream Australia.

Outback Stores was established as a registered, wholly owned subsidiary company of Indigenous Business Australia, to provide a framework for group purchasing and better managerial, supply chain, food handling, nutrition and financial arrangements to participating community stores.

Although Outback Stores are only required to assist participating community stores, actions that negatively affect food supply to other remote communities must be avoided.

In 2007 a common freight arrangement between the three stores was established in the Kutjunkga area of the Kimberley region (see Attachment 1, p18). This process ensured that the smaller stores received weekly deliveries of perishable goods at reduced freight costs. However, in 2008 Outback Stores took over the management of the largest of the three stores and changed to a freight company operating out of Alice Springs. This rendered the Kutjunkga run no longer economically viable for the freight company servicing the two smaller stores, which operated out of Darwin.

### **Common Freight Arrangements**

The freight structures utilised by remote Indigenous community stores are ineffective. Community stores within proximity of one another should be encouraged to reach consensus on the following matters:

- Coordinate all freight where possible
- At the most competitive price available, and
- Ensure a steady and reliable source of fresh fruit and vegetables to all communities.

From the outset it is important that all store operators acknowledge that not all stores will benefit equally, and any decisions reached might not be inclusive of all communities. Commercial decisions should give precedence to the best interest of stores and communities.

## Housing and Infrastructure

Improved housing infrastructure is critical for the successful recruitment and operation of community stores. Turnover of store management in remote community stores is often high, resulting in inconsistent financial reporting, stock management, and store maintenance, in addition to inconsistent employee skills and training.

Improvements in the health and housing available at community store sites will greatly improve efforts to attract and retain skilled staff to manage and run community stores. High staff turn over necessitates an ongoing training scheme which would be costly and unsustainable.

The majority of remote community housing has inadequate facilities to store and prepare food. For example, many households do not have access to a working fridge, which means purchasing, preparing and storing perishable food is impractical. Fresh produce will often be beyond safe consumption after one day, and leftover cooked food can not be stored at a safe temperature. Without access to community kitchens, adequate refrigeration and cooking facilities, many Indigenous people are prevented from consuming adequate nutritional intakes. An additional consequence of this is that many remotely residing Aboriginal people are consuming high quantities of take away foods with poor nutritional value.

## Owner Operator vs. Community Owned Stores

When evaluating community stores, differentiation must be made between private enterprise stores and Outback Stores.

Private operators do not own Outback Stores, but rather are engaged in management of the stores by Indigenous community owners. Through this model, profits from the stores are returned to the community, and unlike other community stores operated by private owners, prices of stocked items are not raised in order to increase profit margins.

While private enterprise pricing is often in breach of consumer protection legislation, these pricing structures are currently utilised by many owner operated stores, resulting in significant over pricing of essential items.

## Community Hubs

Community stores are often used to create supportive community environments, and a forum for dissemination of nutrition education initiatives. However, the current model of remote community stores is failing to contribute to building community social capital, capacity and health benefits. The community store must be developed to become a social meeting (yarning) place to build community togetherness.

**Recommendation/s**

- Undertake a functional review of Outback Stores to ensure they continue to prioritise, and are held accountable to nutrition indicators and Indigenous employment and economic targets without negatively affecting the economic viability of non-participating community stores.
- Monitor the impact of taxation on store pricing.
- Continued education, support and facilitation of programs which address household budgeting issues.
- Develop and sustain delivery of best practice training and resources for store operators.
- A suitably skilled business operator must be employed by, and relocated to, remote store locations. Operators' roles must incorporate a mandate to provide up-skilling and mentoring to prospective local Indigenous employees.
- An emergency food supply plan needs to be developed for occurrences of a sudden loss of functioning of the community store.
- It should be recognised that one model can not provide solutions for all remote stores. Models must be developed and structured to fit each community's needs.
- A budget must be allocated for ongoing evaluation of progress and assessment of various models of community store delivery.
- Resources must be made available for stores to provide education and facilities to enable customers to prepare and cook fresh foods (ie. community kitchens).

## **The impact of these factors on the health and economic outcomes of communities**

It is widely recognised that fresh fruit, vegetables and other perishables (i.e. dairy products) are critical for good health. Life expectancy at birth of Aboriginal Western Australians is 17-20 years less than non-Aboriginal people. Mortality rates for diabetes and heart disease are around 10 and 2.5 times that of non-Aboriginal people respectively. Healthy perishable foods are essential for the prevention and management of chronic diseases such as diabetes, high blood pressure and heart disease, as well as for good maternal and child health. These facts indicate a higher need for Aboriginal populations to have access to nutritionally appropriate food. As the hub of daily life, remote community stores play a critical role in ensuring healthy improvement.

Without access to nutritious food options, health promotion initiatives are farcical. Once the availability of nutritious foods in stores is guaranteed, health promotion activities such as cooking demonstration, food hygiene, and diabetes self-management classes can be rolled out.

### **Credit**

The daily management and operation of community stores varies throughout WA. Most remote stores are managed by communities, which might:

- have total control of their store and be involved in the daily operations through a store or community management group
- employ a manager, giving them the right to hire and fire staff; or
- elect to employ an outside management group to take responsibility for daily operations and profitability, with limited input from the community.

In addition to food stuffs, remote community stores provide a range of equipment that may be necessary at a moments notice (eg. tools, car batteries, blankets, water containers etc).

There are many factors that affect store profitability and sustainability. Some communities have gained control over store management in order to manipulate staff into providing credit ('book up'). One commonly practiced threat is to have staff fired if credit is not provided. The book up system can quickly escalate to levels of debt that can't or won't be repaid. Once book up is given, it is exceedingly difficult to restrict other community members from gaining credit. The compounding effect on the store results in insolvency.

An additional cause of credit accounts is the lack of banking facilities at some community stores. This can prevent some customers from accessing funds to pay for purchases.

The practice of running credit accounts can be disastrous for remote stores, as recently illustrated by the November 2008 closing of the Burringurrah community store (450 kms, or 5 hours drive, east of Carnarvon in the

Gascoyne region - see Attachment 1, p20). The Commonwealth and State Governments, and FoodBank WA, provided two emergency plane loads of food (total of 500kg). The State is continuing to coordinate with the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs to secure Burringurrah's long-term food supply.

The State Minister for Health, Dr Kim Hames MLA, stated at the time that 'the critical importance for me is that we can't have people who don't have food, and we can't have children starving in their homes.' Dr Hames has also raised the connected issue of high prices being charged for food in some Indigenous communities with former WA Governor, Lieutenant General John Sanderson, who has been appointed to head the WA Government's working party on Indigenous issues. The Minister has also stated that 'Aboriginal people in those remote communities pay significant loadings for the cost of food to get into their communities... (and)...they pay far in excess of what you would expect any community to pay – including the non-Aboriginal communities in those same regions' (Attachment 3).

*The above quotes taken from the WA newspaper 25 Nov 08 (Author: Tim Clarke)*

### **Recommendation/s**

- Local community development programs must include the option of working in kitchen gardens in order to encourage the development of remote communities.
- Stores must provide facilities such as CentreLink and bank access.
- Store operators must be trained in techniques for refusal of service in the event of inappropriate requests for credit.