

**Report to the Commonwealth Inquiry into Community Stores in Remote  
Aboriginal and Torres Straight Islander Communities 2009**

To Secretary of the Committee

Submission No 23

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By Finke River Mission (FRM) of the Lutheran Church of Australia

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There are so many things that affect a successful remote indigenous store operation so I have simply briefly mentioned various aspects as experienced at this location.

1. History
2. Demographics
3. Managers
4. Staff
5. Indigenous Staff
6. Freight
7. Sales
8. Hours of Operation
9. Financial Management
10. Board of Management
11. Product Variety
12. Housing
13. Licencing
14. Income Management (IM)
15. Basicscard
16. Financial training
17. Competition
18. Centrelink
19. School attendance
20. Health / Nutrition
21. Conclusion

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## Acronyms

FRM .. *Finke River Mission*

TO's .. *Traditional Owners*

IM .. *Income Management*

CPD .. *Centre Pay Deduction*

A/S .. *Alice Springs*

### 1) History

Hermannsburg was established by the Lutheran Church in 1877 and amongst many other activities, operated a rations store, followed by a cash store and gradually progressed to the present building in 1974. The Traditional Owners (TO's) requested that FRM remain and operate a store after the community was handed back to the people in 1982.

The Purpose of FRM is primarily to provide spiritual training and support through local congregations; but also to 'translate spiritual realities into day to day practicalities' and 'to concern ourselves with the needs of the whole person'. (*Strategic Plan 2007*)

### 2) Demographics

Hermannsburg is 130km west of Alice Springs with a double lane bitumen road all the way.

Population is estimated at about 800 (500 in community and 300 on outstations).

Of that there are about 40 white fella workers .. police, clinic, education, stores, council.

There are 170 school aged (5-16yo) children on the Centrelink records . At present there are only about 140 attending regularly.

The store is locally known as 'The Bottom Shop'

This store caters predominantly for the local indigenous however we are now seeing a steady flow of tourists between Easter and November.

The building of concrete and block was done in 1964 and was built as an 'eating house' for school children and old people, but when that closed in 1975 it became the store, and has been adapted as best as possible.

It is situated adjacent the school, clinic, church, historical precinct and on the banks of the Finke River at the base of Mt. Hermannsburg.

The store provides much more than saleable product .. counseling, comfort, assistance with documents, explanations of white fella language/terminology, assistance with budgeting, support and encouragement to parents including managing children, ..... . It is often the place of first resort when frustrations or grief overwhelm the indigenous populous.

The community has generated power so there are regular short term outages. This has at times caused considerable damage to fridges and computers.

### **3) Managers**

There have been five Store Managers since 1965. This demonstrates the commitment to the job and to the people, and reflects the respect returned by the local people. The managers are appointed by the Board.

I have been manager for nearly 7 years and as such try to ensure that indigenous persons are given a chance to learn and be involved in most aspects of running a store. Unfortunately, as there is very low numeracy and literacy skills, many jobs are inappropriate, training takes a long time with much supervision.

### **4) Staff**

Key staff are sourced throughout the Lutheran Church of Australia through the normal advertising/application/selection processes.

Other staff are sourced from the local community. At present there are 2 indigenous and 1 non-indigenous supposedly full time staff. Often a policeman's wife is the only white person available.

Staffing is often very difficult .. lack of suitable relief people when illness attacks or at funeral time. School holidays, day after pay day, footy days can be very frustrating times for management. However only once in 7 years have I not opened the store due to lack of staff.

### **5) Indigenous Staff**

It has only been since the intervention that I have been able to maintain indigenous staff for more than about 6 weeks. The 2 now working have been employed continuously for over 14 months. I wish I had more time and funds to increase their training.

Limited literacy and numeracy skills of local employees means a lot of patience and increased work load for other experienced/educated staff. There is a huge productivity/wages gap between 'white and black' and this frustration boils over at times especially when there is a huge work load where speed and efficiency is important. Wage subsidies are only available for new indigenous staff otherwise the store covers the entire wage bill. Work ethics as the general society knows it is simply not instilled in the locals. Economically it is less viable to employ local people but as a church we are committed to the welfare and future life of the community and so persevere with employment and training despite the challenges.

In-house training has been the only satisfactory method, as attention spans, grasp of information and processes, suitability of remote training and living away from the community are issues that bring specific problems of great concern.

I don't consider it the store's responsibility to have to teach staff how to read, turn a computer on, write a sign, how to use a mop, but there is no or has been no other successful alternative. This is a huge cost to us.

## **6) Freight**

The store runs its own truck and refrigerated trailer weekly to A/S, and so is able to arrange specific requests. Special runs are done to freight furniture. Occasionally a second run for general produce is undertaken. The driver stays overnight (generally Monday unless that's a public holiday).

We also do half way meets for urgent supplies which includes cash for ATM when royalties are distributed and we have not been for-warned.

We don't have a fork lift or area to use one, so all goods are manhandled. That works fine with small pallets.

## **7) Sales**

Sales have remained steady through the changes from CPD to IM to Basicscard

Fruit, vegetables and meat sales have increased significantly (up as much as 60%) since IM introduction.

Cigarettes sales declined for a while after IM started but have recently risen again.

## **8) Hours of Operation**

8:30 – 5:15 Monday to Friday

8:30 -11:30 Saturday

Closed Sunday and public holidays. The other store is open those days

## **9) Financial management**

A fully computerized system (MYOB Accounting Version 17+) is operated by an Administrator in A/S with a link up with the FRM accountant in Adelaide, MYOB consultant, and financial specialist; audited by an Adelaide based company. Very transparent.

The in-store accounting is overseen by the Assistant Manager using MYOB Retail Manager.

A MYOB consultant from A/S provides training and support to the store and administrators on a near weekly basis.

## **10) Board of management**

A Board of Management is based in Adelaide and consists of 8 church representatives from South Australia and Victoria. 2 representatives of this Board are assigned specifically to the store. These meet and liaise with the manager on a regular basis.

## **11) Product Variety**

Product range includes food, clothing, footwear, manchester, sporting, whitegoods, electrical, automotive, hardware, housewares, music, stationery, art supplies, firearms and other.

Almost any product requested is sourced for the individual local or tourist; or agencies such as school, council, clinic, police.

As much as possible we source goods from A/S, but unavailable products like clothes, firearms, certain foods, haberdashery are sourced interstate ... approximately 2 pallets per month.

If we expect people to buy locally, we must do the same.

The quality of produce is similar to what is available in A/S. The range of fruit and vegetables is much less, but over time we have learnt what sells. Regularly we get in small amounts of 'new' product to test the response.

The meat comes pre-packed and priced, displayed as fresh product for 2 days then frozen.

Many fruit and veg items are packaged on site. It could come as pre-packaged but doing it ourselves creates employment and teaches food handling skills.

Bread is mainly 'high fibre' type with small sales of grain and wholemeal. No sweet cakes or buns.

We don't have deep fried food. Sell fresh sandwiches, microwaved burgers and pies. Occasionally we will do meal packs .. eg lasagna, sausages and rice, chicken and salad, salad and pasta.

Drinks .. prominently displayed juices and waters. Carbonated drinks also available .. large bottles at rear of store and cans at the counter. Water sales are increasing steadily.

We only have 2 varieties of lollies and maximum 6 varieties of chocolate. These are not sold before end of school day.

We also promote diet cordials and no sugar sport drinks and soft drinks. Sales of these have increased significantly the past few months.

As a treat for the community we have pizza nights about 4 times a term and as per staff availability.

We also cater for various groups using our training room.

## **12) Housing**

Only 2 houses are available for store staff so other staff have to come from within the community. Caravan accommodation is available for short term single relief staff and volunteers.

## **13) Licencing**

The FAHSCIA licencing 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.

#### **14) Income Management**

FRM was the 4<sup>th</sup> store to implement this.

Funding from FAHCSIA went a long way to cover the cost of computers & POS system.

We have worked closely with Centrelink to design a workable system.

Use MYOB Retail Manager linked to MYOB Accounting Plus.

We worked on the principal that if a person has at least 2 legs and 1 arm they had to come to the store and sign the receipt. This meant that many young men who I had never seen had to come and do the shopping. Now with Basicscard they give the pin to someone else and again we don't see many of those young men.

The older women particularly are very happy with IM. The men don't like it as they now have less for grog and can't force the women to hand over money. Less humbug.

A significant change is that we see men and women communicating in the store in a much friendlier way. Talking about what and how much to buy... 'Not that one, more of that'. I noticed a general happier clientele, more friendly, willing to communicate, less tension, less conflict.

#### **15) Basicscard**

Since this has been introduced at this store in October 2008, IM funds have reduced from about \$20,000 per week to less than \$7000.

Sales have remained steady.

It is a common occurrence for a customer to have 2 or more cards in their possession. A major concern is that people use other's cards and pin numbers. Very hard to regulate.

Basicscard provides about 24% of sales.

Installed a phone line direct dial to Centrelink .. averaged 21 calls a day to November 9<sup>th</sup>. Awaiting latest bill to calculate usage.

People have adapted to the card and comment regularly that it is 'good ... less humbug'

#### **16) Financial training**

Domestic budgeting training we find is a major necessary requirement to continue from IM.

People don't plan. They haven't the training or experience to save for another day. The pressure from family to spend everything is enormous. There must be some method for saving that works.

This training needs to be done as a family unit, regularly monitored, tailored to each situation, ...

Main events at Hermannsburg that require saving are :-

October for Christmas

November for Cultural Business

March for footy boots and clothing

August for Kaporilya celebrations

A couple of people we have introduced to using internet banking are grasping that with surprising confidence.

### **17) Competition**

There is another store in Hermannsburg - Ntaria Supermarket (Top Shop) which is open 7 days per week selling a similar range of product plus fuel.

Since bituminizing of the A/S road and better cars, stores like Kmart, Woolworths, Rivers clothing, Mad Harry's are easily accessed. Seasonally, people travel to A/S for football each weekend and also for grog supplies.

### **18) Centrelink**

I have found that the Centrelink reps have been very good in listening to our concerns, answering and solving problems, responding to concerns we have had about individual's payments, spending habits, abuse, neglect, victimization.

It became our role to continue the information flow to people about CPD and IM. Quiet chats with simple, clear information to allay fears, negativity and false information from other sources. This was time consuming but necessary.

We look forward to their regular visits.

### **19) School attendance**

Due to poor school attendance, or rather, children vandalizing, making noise all night most nights and general mischief, a public meeting decided that the stores close if parents had children with them while shopping or if children were causing havoc with in the community. After only a few days over 3 weeks where both stores closed for a few hours, school attendance increased from about 40 to 140 per day. A reminder of this occasionally, now brings immediate results.

Children must use 'please' and 'thankyou' otherwise are not served. We are hoping that parents too will get the message.

### **20) Nutrition / Health**

There seems to be an increased general awareness about eating healthy. A nutritionist is working with us in making signs for 'good food, best choice'. Having a local indigenous person working with her is good training which hopefully has a flow on effect to other community members.

Upon the nutritionist, dentist, diabetes and other professionals advise we generally add or remove certain products.

A nutritionist liaises with us to advise on food types particularly to help reduce diabetes. Signage is displayed on good food items. The nutritionist also does an annual survey of stores of product, prices, staffing. Copies of this are available to participating stores.

Healthy bush tucker is very minimal in this region, but is gathered when available.

When agencies co-operate then there is evidence of better health eg. School requiring students to be in clean clothes, store has various washing machines available, clinic doing their bit...or ... diabetes education at clinic, promotional notices in store.

## **21) Conclusion**

I don't think it matters who owns the community store but it is the attitude and community spirit of the managing body or manager that can ensure fair pricing, range and quality of product, and great service. The community store has the potential to control behavior and influence the eating habits and therefore the health of the locals.

Thank you for the opportunity to have input in this commendable project.

Please feel free to make contact for further information and for clarification on any aspect.

**Respectfully submitted**

**Selwyn Kloeden**

**Manager**