



COMMONWEALTH OF AUSTRALIA

## Official Committee Hansard

# HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ABORIGINAL AND TORRES  
STRAIT ISLANDER AFFAIRS

**Reference: Community stores in remote Aboriginal and Torres Strait Islander  
communities**

MONDAY, 20 JULY 2009

BROOME

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES



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**HOUSE OF REPRESENTATIVES STANDING  
COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS**

**Monday, 20 July 2009**

**Members:** Mr Debus (*Chair*), Mr Laming (*Deputy Chair*), Mr Abbott, Ms Campbell, Mr Debus, Mr Katter, Ms Rea, Mr Kelvin Thomson, Mr Trevor, Mr Turnour and Mrs Vale

**Members in attendance:** Mr Laming, Ms Rea and Mrs Vale

**Terms of reference for the inquiry:**

To inquire into and report on:

The operation of local community stores in remote Aboriginal and Torres Strait Islander communities, with a particular focus 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.

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**Committee met at 9.26 am**

**Ms Appleby**—Good morning, everyone. My name is Dianne Appleby. I welcome you on behalf of the Yawuru people. Unfortunately, my mother and the other elders cannot make it this morning because they have a Yawuru PBC meeting. I come from the Gurindji people from the Bidyadanga area, which is 170 kilometres south of Broome, and my grandfather is Yawuru. On behalf of the elders, I welcome you this morning. You have come from everywhere to come to this country called Rubibi, which is what we call Broome. You have come from the north, the south, the east and the west to talk here this morning. I hope the Aboriginal and Torres Strait Islander affairs committee has a good meeting this morning. Welcome and thank you.

**ACTING CHAIR (Mr Laming)**—Thank you very much, Dianne. I declare open this public hearing of the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs. The committee is inquiring into stores in remote Aboriginal and Torres Strait Islander communities. I acknowledge the traditional custodians of this land, the Yawuru people, and pay our respects to elders past, present and future. I also acknowledge the Aboriginal people who now reside in this area. The committee members are thankful to the Broome community for receiving us to conduct this public hearing.

Please note this meeting is a formal proceeding of parliament. Everything that is said today should be factual and honest, and it is considered a serious matter to attempt to mislead the committee. I invite you to make comments that will assist us in our inquiry, with the intention of making some improvements to the current government administration of remote community stores. At the conclusion of the formal part of the hearing today, we will be conducting an open forum. We welcome hearing from those of you in the audience who would like to speak on the operation of remote community stores. Members of the committee will now introduce themselves.

**Mrs VALE**—I am the federal member for Hughes, which is in southern Sydney. It takes in the Sutherland shire. Perhaps you might know where Botany Bay is in Sydney. That is in my part of the world. The Indigenous people from that area are the Dharawal people and the Gandangara people. My electorate is characterised mainly by residential areas in very outer, leafy-green suburbs of Sydney. It is a real privilege to be here and make this inquiry with the parliamentarians.

**Ms REA**—I am the federal member for the electorate of Bonner, which takes in the south-east suburbs of Brisbane in Queensland. You may have heard of Moreton Island and the Stradbroke islands—North Stradbroke being in Andrew's electorate—and Moreton Bay. That is my part of Brisbane. I echo Danna's words and say it is a real privilege to be here and have the opportunity to discuss this inquiry with you, particularly as Bonner is named after Senator Neville Bonner, who, of course, was the first Indigenous politician in the federal parliament. It is a real privilege to represent that electorate and to be part of this inquiry.

**ACTING CHAIR**—I am Kerry's southern neighbour from the electorate of Bowman, which includes North Stradbroke Island and the Quandamooka people. I now call the first witnesses.

[9.31 am]

**PALING, Mr Doug, Chief Executive Officer, Foodbank Western Australia**

**RYAN, Mr Denis OAM, Chairman, Foodbank Western Australia**

**ACTING CHAIR**—Welcome. Would either of you like to make a brief introductory statement before we proceed to questions?

**Mr Paling**—Foodbank is here to listen to the members of the community. Our only position is to try to change a generational problem with the distribution and economy of food and the improvement of food security for people in remote and regional WA. We have a three-minute DVD that we will show. It outlines the Foodbank operation. I ask the people at the back of the room to gather around so they can see the DVD. When it is concluded I will give a summary for the record.

*A DVD was then shown—*

**Mr Paling**—Thanks very much for your attention in watching the DVD. It was necessary to show that, in that it is very hard to use words to convey the size of the Foodbank. We are very much a whole-of-community operation. We operate as a bridge of support to the food industry, which was dumping literally millions of dollars worth of food. Our business plan showed that \$12 million to \$15 million worth of edible food was being pushed into landfill every year. You probably saw some of the product on the screen—the juice coming out of the carrots, the snow-white cauliflowers. We intercept at the vegetable export end. The exporters gather more produce than they need and ship the very best overseas, and they were burying the difference. The reason they were burying the difference was that they did not want to disturb the local growers.

There are some different cultures in each particular aspect of the food industry. I have been there for 15 years now, and some of the figures on the DVD were slightly out of date. We are now distributing 2.2 million kilos of food a year. We have distributed, since 1994, 19 million kilos of food. That is donated food that comes into Foodbank. Because we are a registered PBI, it means that the food donors get a tax claim on their product. Our trucks are there to pick the produce up, and the cost of landfill is saved. What we have stopped to date is 190,000 cubic metres that would have been landfill that would have been leaching methane into the atmosphere. So the Foodbank at the end of the day is a blow for common sense. That was our mission—we were set up to serve people likes St Vincents and a number of Aboriginal agencies. We have Aboriginal people feeding white people, we have Russians feeding Romanians, we have the Adventists, and we have people of all class, race, colour and creed under one roof for the common good of the people. As such, it is a lesson for the world.

What happens finally with the food that comes into the Foodbank? We need money to keep the operation going. What we did, with consultation with community agencies from day one, was to say, ‘We’ve got to work some way to keep this place operating, because we can’t rely consistently on corporate support.’ So what we did, with the agreement of the agencies, was invoke a handling fee, which is 75c a kilo. It does not matter what the product is. Lake salt is \$5



in the shop; an agency pays about 12c to withdraw it out of the Foodbank. A dozen loaves of bread would be about the cost of one loaf of bread. It means that they are paying something like a 10th or a 12th of what the actual price would be for the product.

But, importantly, we have accountability on the product, because we knew that if it was just given away there would be two problems. The first is that we would not be able to sustain the operation, and the second was that the control of the food would probably go out the window. It was very important that we controlled this. So agencies undertake through seven-page agreements not to resell food. They can actually produce meals and ask for a gold coin to help their operation. People feel like they can proffer a donation. As long as it is not a set figure, that is acceptable and preserves the dignity of the people.

The other aspect that started back in 2001 was that we had a dozen schools approach Foodbank saying, 'We have instances of children coming to school without having had breakfast and, in some cases, dinner the night before.' They asked us for our help. We had a look at the products that we needed to get. They needed to conform to the health department's and the education department's traffic light—that is, red: eat most; amber: eat moderately; and red: eat in a minimum type fashion. We determined we could not get the food we needed on a regular basis through donation channels, so we provisioned it through third parties, such as a telethon at the Burswood international complex. They provided the money for Foodbank to go and get the particular foodstuffs we needed to promote early healthy eating habits for the children. We get the money to buy canned fruit, canned beans, canned spaghetti, wheat biscuits, UHT milk and vegemite, and that is provisioned free of charge to the schools.

We are now in 310 schools and we are dispensing very close to 1½ million breakfasts per year. Our aim is to get into another 100 schools, and then we will have basically gone out to every poor child in the state through the school system. We have a fully fledged nutrition department that is funded by the health department of WA. Behind the breakfast program there is also a nutritional education program and fiscal activity programs happening. The Foodbank's role is really as a facilitator. We use a myriad different ways to get products through to different places. NATS go into the western desert and we provide a surplus of apples for them to distribute. They take what I believe is about a third off their freight rate, and the corporates pick up the bill for that also. It means that we are using our own resources—about 18 per cent of our resources—to make sure that this food is provisioned through to the children at no cost to them whatsoever.

The analytical data we have is that there is an 80 per cent improvement in the children in academic outcomes, attendance, social interaction, respect and a whole heap of other issues. We are a very simple operation in that we broker solutions to ensure that life is a lot better for people who are in need in the community. We have a look at FoodNorth, which was a document published by the health department back in 2002, I think. It would not necessarily be done by the Foodbank, but if it is Ernie Bridge or the WA Buying Group or something similar we could help with the provisioning through brokerage. There is product that becomes available because of production overruns et cetera. Also some product can be gleaned from overseas.

We really wanted to throw open a dialogue saying that we believe that we can help attain maybe 18 of the products that are needed and are vital to future health, particularly of children and young pregnant women, and we would undertake to push products—probably carrots and apples—through into the community food stores on the basis they are actually gifted. That is one

sure way that you can start to change the eating habits of the people. We are more than willing to operate as a collaborator with a third party that might already be involved with the system that is happening with the stores to make sure that the very best possible prices can be given at the store level.

The other thing we were looking at is that we operate with quite a few disabled people, and some of them are permanent part-timers. If the dollar value occasion was done where there is a reasonable mark-up for the store manager then it could well be that people with disabilities could be given permanent part-time work to actually affix a sticker onto the particular products. Again I am talking only about 18 products because this process would need to be managed, and managed properly. So it would generate more work for the people with disabilities and also give a security of price at the end of the system. We do not know enough about remote and community food stores to make considered comment on what the process is. However, having had a dialogue with some people in government, Aboriginal people can be trained up in a franchise system where they have actually got a template out of, say, one of the stores to have a look at the best possible way of operating.

There is one thing that occurred to me. I mentioned that the foodbank operates in respect of a handling fee, which gives us a break even. That caused me to think that it might be worth considering taking a dollar value of the store—what the running costs of the store are, reasonable wages et cetera—have a look at what the total dollar value is, and then take an estimate of the volume of the foodstuffs that go through and strike up a price per kilo. Then everybody knows when they go into the store that this is X amount of cents per kilo. We hear second-hand through the grapevine about people who go into shops and then they are embarrassed because they do not have enough money to buy a particular product. It would be just another way of looking at things and asking, ‘Could this be an effective way of doing things for everybody?’

It is not our purpose to get in the way of any existing system that is in place. What we are saying is that we are willing and able to operate as facilitators. Obviously we would need to shore up part of our operation. So we would obviously be looking at government support to fund part of the operation that we are doing because it would be increased, particularly if we were provisioning. But our intent would be to see the best possible price get through to the community food store, and with some of the fresh produce that can be given away. I believe it would start to make a difference, because this is a massive, massive problem. I do not think you can solve things overnight. Indeed I think we have to move forward with this process and ask, ‘Where do we start and, more importantly, when do we start.’

We are going to have a food bank established in Kalgoorlie-Boulder by December. We have food banks operating in Geraldton, Albany, Mandurah and also in the south-west so that is how we can glean produce out of the system. The south-west foodbank in Bunbury pushed 140,000 kilograms of fruit into the system. That is donated. On the very odd occasion when we do have to buy, we would pay \$50 for about 450 kilograms of apples. So the foodbank is in a position to be able to make a difference, particularly from a fresh produce point of view. We also get eskies from Qantas International catering. The size of our warehouse is around 3,000 square metres. We have chillers, and our freezer has a capacity of about 250 pallets. We are about the fourth-largest general food warehouse in this state. The fact is that we are not-for-profit and we have a whole-of-community focus to make a difference to what is happening in society. So that is the foodbank in a nutshell. I welcome any questions.

**Mrs VALE**—Thank you very much, Doug, for taking the time to come and share your evidence with us this morning. As you know we have a real concern and a real problem about how we get food to remote communities, and particularly children. Doug, you have spent a lot of time telling us about how you source the food; and I think it is just amazing that there is so much fresh fruit and vegetables that were getting ploughed in. How do you go about your freight arrangements? Do you do all the freight yourself or do you have freight connections with these remote communities?

**Mr Paling**—We liaise with a variety of people. With the schools in remote zones we do term packs. Because it is shelf-stable food—by that I mean it is not subject to conditions—it can just be stored in a pantry. Instead of trying to transport food every couple of weeks, there is an efficiency in doing that. The state education department will pick up the fees for some of that because they are actually freighting their own goods through their own system. We actually liaise with people and say, ‘Who is doing what where?’ For example on occasion we have used the ANZ Bank clearing house. We have put shelf-stable food into document boxes and have flown it up to Derby to get it to the community nurse. We have commandeered the RAAF Hercules to move food out of Sydney. We have used international shipping to move food off the eastern seaboard.

**Mrs VALE**—Do you have specific people within your organisation who source freight or freight ability?

**Mr Paling**—There would be an operations manager and a breakfast manager working in coalition. We get very good rates, as I mentioned, with NATS. They get the bonus also of getting the fruit to be dispensed and also Nexus Freight give us discounted rates because of what we do. I think Peter gives us around 50 per cent off the regular discount rates. It is really myriad people. We have used several transporters depending on what zone they are going into. We have the knowledge of where the chiller freight goes. With NATS the chiller truck goes into the Western desert area every couple of weeks which is 1,400 kilometres inland from Kalgoorlie-Boulder and we give them to produce to take through so that the fresh produce actually goes through. The other great thing is that when we get the produce in, it is not just for breakfast but available to the children all day. So if they did not bring lunch or whatever and I know in some places some of the food is put into a child’s knapsack to ensure that the child has something to eat in the evening.

**Mrs VALE**—What kind of food is given to children in these breakfast packs that, say, last for a term.?

**Mr Paling**—We try everywhere to get them fresh fruit on occasion but the regular sustained supply has been canned fruit usually in 825 gram cans, baked beans, spaghetti, wheat biscuits, UHT milk and Vegemite. Then it means that we have the power to negotiate with the food brokers, which we do on the eastern seaboard, to get the best possible price. I gave that illustration with the canned fruit. The other thing is that we get bright cans, which means that they do not have a food label on them. They are a lot cheaper to procure and then it gives jobs to people with disabilities to stick labels on.

**Mrs VALE**—Do you mean generic lines?

**Mr Paling**—No, they are bright cans with no labels whatsoever. The supplier gives us a computer copy of the label and we produce the stickers. It provides part-time work or work experience for people with disabilities. They put the label onto the can. There is a scale of economy. Unlike some other operations, we are deliberately putting labour intensity into something because it gives people with disabilities a job opportunity.

**Mrs VALE**—That is very targeted isn't it?

**Mr Paling**—Yes.

**Mrs VALE**—The cost of freight for remote communities in the provision of food has been one of the big stumbling blocks that we have seen. Do you see a benefit in certain groups and communities getting together and maybe organising one particular freight delivery?

**Mr Paling**—Yes, I think so. I think if people open up a dialogue and there is volume. Again, we respect the people who are supplying food now, but I think we need a better cohesion amongst all people. The Foodbank has the backing of over 600 corporations and we create the outcomes. Burswood Hotel produce soup for us every day which is gifted to the community, 9,125 litres per year. I am seeing their CEO on Thursday. I believe they are going to make another offer to produce minestrone soup which has vegetables in it. It is a surreptitious way to get vegetables into the children's system. We pick that up, freeze it and it is then ready to go.

We have got connections right through. From the top we have got more than 600 companies that support Foodbank, and we drop at 600 community agencies plus the schools. We are in a unique position where we have got a corporate overview right across the community, and if we join hands in a circle that is when we will start to see the outcomes for the community. We have got to have that dialogue.

**Mrs VALE**—From my observation, it does appear that you have got an architectural structure that is focused on distribution of food. That to me seems to be the biggest difference between what you are doing so effectively and some of the other community stores we have seen that are still trying to operate like a little satellite.

**Mr Paling**—We came into being because a lot of the agencies were trying to cover a lot of issues right across the board, and you cannot do everything well.

**Mrs VALE**—Like food delivery.

**Mr Paling**—With a peak welfare body. We also run nutrition education programs behind that. For example, Ernie Bridge, who is the president of Unity of First People of Australia, operates very heavily in the Kimberley. He has a wellness program and we have operated in conjunction with each other since about 1998. His diabetic program is then allowed to be pushed through when we do the breakfast program. Ernie had difficulties with his diabetic program. People were saying, 'I don't know,' but when the food comes, with the breakfast program, it allows Ernie Bridge to slip his diabetic program in. We have actually pushed books through into remote and regional schools where libraries have been replenishing the books. We have gone through and had volunteers assess the books, send them through, and in some of the remote communities the

kids actually have a reading time before they have their breakfast. We gave a talk in remote regional WA and the engagement rate of parents and grandparents has been superb.

**ACTING CHAIR**—I need to come back to the community store interface, if I can—and, Denis, you can jump in if you would like. I am trying to understand roughly how many of the community stores—we have a list of 45—Foodbank are servicing.

**Mr Paling**—We do not go into any at the moment. As I mentioned, we have come here to listen and to say that we have a conduit which people may be able to use—

**ACTING CHAIR**—You said about 120 Indigenous agencies around the state, of the 600 that you serve—

**Mr Paling**—Yes, but that is based in metro and regional WA. With remote WA, at the moment we are only in with, say, Ernie Bridge. But when we get Kalgoorlie-Boulder food bank going at the end of December, that will then open the avenue where Foodbank actually reaches through those zones. It is not city-centric. Geraldton actually pushes way up the coast, and it is the same with Kalgoorlie-Boulder. That will push into the goldfields, Esperance—

**Mr Ryan**—If I could just make a comment on this. Dana, you picked up on the point that we are really a food distribution organisation, and I think we are a resource that is being underutilised by both government and business. We see a role for Foodbank in this in being able to support this process in some way, shape or form. We do not want to reinvent what is going on, but we see some obvious things that are not working and we are looking at how we might make that work better. We have a lot of large corporates working in this environment, and they really struggle to have a significant impact in the Indigenous community. How do we throw a little bit of money here and a little bit of money there? I think there is an opportunity for government to also work with business. Food is one of the critical things. It is one of the things that is really hidden. The problem of hunger, nutrition and impact on health is almost a hidden thing. We deal with the end result. We need to get on the front—

**Mrs VALE**—And the end result at great expense, I might point out—huge expense.

**Mr Ryan**—If we can come in at the other end, I think this is where the opportunity is for this committee to say, ‘There are a whole lot of people who have got right intention.’ We want to be able to work. There is no other organisation that is in a position to do what Foodbank does in WA. There is no other organisation that has the network. We are sustainable. I can tell you from a board perspective that we are currently working on an infrastructure project. You saw our facility there. We are looking at a facility that is going to be four times that size. We are in the process of doing that right at the moment. We are putting new facilities, as Doug has already mentioned, into Kalgoorlie, and we can go into Geraldton, Bunbury and Albany.

So the structure is going to be there for somebody to leverage off. We can quadruple the amount of food from a throughput perspective but we have to source it differently from the way we are now. It is not just the things, I guess, that have been ploughed into landfill. I guess it is a matter of what is a more positive way of using money effectively to get food to these Indigenous communities.

**ACTING CHAIR**—How do you postulate that will occur when you push into some regional areas that have community stores? How do you see Foodbank overlaying the current supply lines and how will that work if you do not have Foodbank staff there basically in the community to receive the goods? How do you see it working?

**Mr Ryan**—Look at it as being a distribution model: we basically provide the food. So it is a matter of the infrastructure that we need to put into place at the community store level to make it work. That is why we are here to listen on those issues.

Our role is essentially to be the food distribution source. What we need to do at a community store level is to find out what model works there and then replicate that. That is what we have done. We are not the solution to all of the issues. But certainly, in terms of certainty of food supply and getting it to where it needs to be, there is still a lot of available food out there that could be distributed to these people and we have the capacity to do that. What hangs off that also needs to be looked at separately and then put into the whole process.

**Mr Paling**—I would like to make one of the final comments. Through Denis and other connections, the CBH are actually donating 800,000 kilos of grain. We are now working as third-party facilitation to create wheat biscuits, oats and muesli. Again, it is another situation where we are solving a particular problem by facilitation, and on the sharp end of innovation at the end of the day.

**ACTING CHAIR**—You are open-minded; you are agnostic as to whether you are going to use existing supply lines or whether you provide your own. What happens when potentially your supplies reach community stores? I know that you listen, but do you have a proposal about how that would work that would not crowd out current supply lines of healthy fruit and vegetables in communities that are already operating under a revenue model? What is the impact of having, effectively, free fruit and vegetables arriving in an unpredictable manner and how does that marry in with existing services?

**Mr Ryan**—We probably do not fully understand how that operates at the moment, but that is what we are getting to come to grips with. We know that three times in the last three months we have had to provide emergency relief supplies to community stores. So something is not working there. We believe that we can supplement and the model may be that we are provided with some funding to secure certain lines and then commercially they are dealt with in a particular way at the community store level. So I think that is the detail that really needs to be worked through.

I just have to make the point again, though, that there is a huge resource here that can be utilised by government and business in partnership to support the community. I think that is really the key thing, and it is about how that is done and how we get that to work together rather than coming along and putting the band-aids on when it is really too late.

**Mrs VALE**—Denis, just to clarify, all the food that you do provide is all good, healthy, nutritionally based food? You do not do Coca-Cola; you do not do highly sugared stuff; you do not do chocolates, sweets or anything like that—I just want that on the record. It is all good, wholesome quality, nutritionally based food?

**Mr Ryan**—We do have some of those treat things that come through our facility. That is just the reality of life. We are not in a position of denying people choice. So, yes, we certainly promote the healthy food message and we certainly get as much healthy food out there as we can, but I am afraid I have to say that there are some treats and I think that everyone is entitled to some treats in their life as well.

**Mrs VALE**—I am not going to argue with that.

**ACTING CHAIR**—Thank you very much. I appreciate that. Thank you for your submission and I hope that you are staying for the group discussion.

[10.04 am]

**CASSIDY, Mr Chris, Project Manager, EON Foundation Inc.**

**ACTING CHAIR**—Welcome. I invite you to make an opening statement.

**Mr Cassidy**—Firstly, EON stands for ‘edge of nowhere’. Lots of people ask that question. EON started giving financial support to the previous witnesses, who mentioned the UFPA, the Unity of First People of Australia, which is Ernie Bridge’s diabetes foundation. EON is still in partnership with that organisation. There seemed to be a need to set up edible gardens to back up all this anti-diabetes work. This thing is based in schools in remote communities so that kids from a very young age can learn to grow their own food, see all the processes of growing and distributing it and eat well.

The purpose of edible gardens in remote communities is to give access to good fresh food, improve children’s diet and develop their life skills. For this concept to work you definitely need community involvement, and that is part of the deal with any remote community. The community must be fully behind it as well, so it is not just: walk in, set something up and here you go. That is why EON has a minimum of three years commitment to each project. When we begin something, the community is well aware that EON will be there for technical and financial support—it does not cost the community a cent—for three years. EON has non-government status and is funded through donations from private individuals and corporations.

The effects so far include: the excitement and enthusiasm of the kids, who love getting out there and basically getting stuck into it; improved school attendance; and kids taking the knowledge home. A lot of the kids are really keen to get things growing in their own places and that enthusiasm is starting to infect other community members, so it has a trickle-down effect. Also, we train up school gardeners. We find that if it is based at a school there is some structure already: you have teachers and a principal who are committed. So far we have had great support. In all these places it is very hard to get anyone to actually look after these places. We can only be there for a certain amount of time in the year and we have to spread ourselves around a bit, so it is really important to train up individuals. That is successfully happening at Djarindjin-Lombadina, with one young guy doing a great job, and at Beagle Bay.

The first project was Lombadina-Djarindjin, and Beagle Bay is being set up as we speak. By the end of 2010 there is interest in having five other places, so there could be seven EON gardens, with some support also given to places like Lombadina community, which is a very dynamic community. They actually want to be self-sufficient, so EON is going to give them technical support. It is all about eating healthily, and it is about not just the Western diet but also setting up bush tucker gardens. We go out with traditional elders, learn about all the plants and start propagating them. A lot of plants are already being propagated in Kings Park at the moment, so bush tucker is a very big part of it as well. EON has a website which explains everything, has photographs and is updated with the newsletter. EON’s focus is currently in the Kimberley. It takes a lot to get these things started, but we see no reason why it could not eventually be expanded to other remote communities in, say, the Pilbara.



**Mrs VALE**—How many did you say you had established at the moment?

**Mr Cassidy**—Lombadina-Djarindjin is one. Beagle Bay is happening at the moment. The fence has just about been built, but it has been planted out and that is up and running. It still needs a bit of further work perhaps. Looma, Noonkanbah and Fitzroy Crossing are very interested; I am heading out there this week.

**Mrs VALE**—How long have you been established? When did you begin?

**Mr Cassidy**—This particular garden?

**Mrs VALE**—Actually, the whole program.

**Mr Cassidy**—It was about two years ago.

**Mrs VALE**—Okay. So you have done quite well in that two-year time frame.

**Mr Cassidy**—Yes, we have come across a lot of hurdles in these communities, lots of practical things like transport, getting a fence or the gear up there, and things for the garden beds, like cow manure—even though there are lots of scrub cattle up there. But it is hard.

**Mrs VALE**—I can imagine. One of the things that the committee noticed in our travels around Australia is how many of the remote communities we visited actually had a market garden in the past. Some of them even had piggeries and some of them cattle, but that has all gone by the bye. Some of the gardens, the plots, are still there and could be nurtured. It is amazing to me that no-one has ever done that. But it does appear that it depends on a core group of people actually taking ownership of it. Would you say that that is what your experience has found?

**Mr Cassidy**—I know of two places like that, Lombadina-Djarindjin and Beagle Bay. Beagle Bay used to supply Broome with all its food, I am pretty sure. As far as I am aware, that was back in the missionary days, when the Catholic Church was there. It was all pushed and regimented, and that is why it was a success, I think. But now that is not happening. So we see it as starting at grassroots level with children. It also involves giving them educational material; it is about trying to educate the kids from day one.

**Mrs VALE**—In several of the schools in my electorate, the schools themselves have market gardens and the children grow the vegetables and supply them to the school tuckshop. This is not because they actually need the food. It is part of the educational process, about understanding nutrition and how things grow. Only about four of my schools in the whole of my electorate actually do it, which I think is a bit sad. They also have worm farms as part of the experience, which is another interesting aspect of how vegetables grow and what they need to grow. When you go into these communities, do you find that the general community is receptive about being involved in doing the garden or that it is only from the schools that you get support?

**Mr Cassidy**—No. Community meetings were set up to begin these two projects that are going at the moment, and they are keen as. But things can slacken off, and that is just a natural thing. That is why it is a three-year commitment: 'We're not going away, we're committed; so come

on, guys.' I think it is definitely catching on at Lombadina-Djarindjin, so much so that we have got this young guy now who is really keen on maintaining the garden and the school. Every time I am there I check that community members are still involved. It is not a matter of just the school keeping it; it has got to be owned by the community. Young Shaun, during the school holidays, had a heap of food in there, so he took it and gave it to the shop to distribute—I do not know whether they sold it or just gave it away—because it could not be given to the kids.

**Mrs VALE**—What things do you normally plant? What things do you find work really well?

**Mr Cassidy**—Just your normal—

**Mrs VALE**—Leafy green vegetables, like spinach and cabbage?

**Mr Cassidy**—Yes, exactly—and watermelons. Tomatoes always go well with corn, and there are zucchinis, lots of things. There are even coffee trees in there. There are lots of different fruit trees, and of course your bush tucker. Anything will grow up there. Any vegetable will grow.

**Mrs VALE**—Do you have the opportunity of planting macadamia nuts? I know they take a long time to actually fruit, but once they do fruit you have an incredible supply for a long time.

**Mr Cassidy**—I will let Sabrina know about that.

**Mrs VALE**—Okay. It is natural things. Thank you very much. I had better let my colleagues ask questions.

**Ms REA**—Chris, I have just a couple of questions. The first one is: who makes the decision about which community you go into to establish the garden? Do you do it on the basis of request or do you make an assessment about areas that you think have a need? How does that decision get made?

**Mr Cassidy**—As far as I am aware, it will be upon request, but it must be a remote community; they will not do it in mainstream Broome—although Fitzroy Valley District High School is interested as well. It is upon request, and they have to show a great interest in it, because otherwise it just will not work. It is just too hard.

**Ms REA**—So somebody would make a request, but you would have someone go out, talk to the community and make an assessment about whether you really thought it was a goer or not.

**Mr Cassidy**—Yes, that is what I will be doing this week with a couple of new communities who are very interested. We have already sent representatives—a couple of our directors have been out and met them already—and now I will be heading out to sort out some technical stuff and just meet the people myself. As long as the interest is there and it is genuine, we are more than happy to put our resources into those communities.

**Ms REA**—On that basis, then, in most of the communities that you have gone and spoken to, what is the situation of the community store, if there is one? Is it usually places that are already focusing on diet, nutrition and wellness within the community or is it people who are trying to

find an alternative because they are not getting that choice? Is it usually a healthy community that is making the request?

**Mr Cassidy**—I think it is a definitely a community that realises it needs help. Breakfast could be fried chicken and a coke from the store, and that is fairly common. In the particular places I have been to, I have experienced that case. It is not to actually supply the store, but I suppose that eventually the community could. The ideal would be to have a community garden that could supply the whole community. But I think the starting point is with the kids in education.

**Ms REA**—Sure. I have one last question, on your governance and the way the foundation is set up. Do you have a board of directors? How does the foundation operate?

**Mr Cassidy**—There are three directors. I am fairly new at this, but as far as I know there are three women who are directors. Just recently I have come on board, being employed as a subcontractor, basically, and there are two other people: a horticulturist and someone in administration, because we have found that things are starting to get too big. Obviously it all depends on the funding we get. Enough money is coming forward that I can be involved more and a lot more can be achieved. Basically, it has been a visit once every three or four months, and then when I could, to get these things started already. That is why it has taken a long time as well, but now we are hoping to get things happening a bit quicker.

**Ms REA**—Thanks.

**ACTING CHAIR**—Thank you. You referred to funding, Chris. Do you receive any funding from the government sector?

**Mr Cassidy**—Just recently, the state government has been interested in providing some funding. I think the Minister for Health was up here recently and was quite impressed with what he saw when he visited. So I am not quite sure—I am not privy to that information—but there may be a chance. I do not think it has come through yet and I do not know if it will. So far, up to date, it has all been private and corporate donations.

**ACTING CHAIR**—Do you have an annual report for the 2008-09 year available yet—or your first annual report? Are you aware of that?

**Mr Cassidy**—I will find out, obviously.

**ACTING CHAIR**—Thank you; you will take that on notice. Finally, there is often scepticism about community gardens based on a long history of, in the main, failures. What do you regard as the key challenges and the factors that would help you to succeed where many have failed before?

**Mr Cassidy**—The three-year commitment and education and hands-on with the kids. I am really impressed with the three-year commitment.

**ACTING CHAIR**—I want to ask about any capital that remains in the community in the form of equipment and the security for it. I understand that you are building a fence. Is that a dog-proof or a person-proof fence?

**Mr Cassidy**—The one at Djugarargyn is person-proof. The one at Beagle Bay is just dog-proof because we have got a church there and we did not want it to be big. It fits in nicely as it is. Number 1, you have got to keep the dogs out. The kids are pretty good. I know that at Beagle Bay they have not been in or done anything. I would prefer that the one at Beagle Bay be bigger but—

**ACTING CHAIR**—Do you have any equipment like tractors or anything automated, or is it all hand tools?

**Mr Cassidy**—It is all hand tools to try to get the community involved. So we are using community machinery and community members to help with the building. Obviously we need a water supply to begin with. I am not going there to put in the irrigation myself. It has got to be people helping out. I will show them how to do it as I will be there, but it requires community involvement. A fence needs to be built. The community will have to build it with my advice. I will be there but I have got to have help. That is important.

**ACTING CHAIR**—Is the produce distributed by the children who have helped with the work? Is it all children led in all cases—school focused?

**Mr Cassidy**—During the school term all of the produce is distributed within the school. It is cooked up at play time and lunch time. It is just about all consumed. In the school holidays the children distribute it to the shop. When a lot of other things come online there might be just a box at the office telling people to come and get the excess from the edible garden.

**ACTING CHAIR**—Thank you for your evidence and your submission. Will you be staying for the discussion later today?

**Mr Cassidy**—I will try to get back. I have a bit to organise yet so I will see how I go.

**Mrs VALE**—Thank you for your commitment on this. It is something that I have been particularly interested in from the beginning of this inquiry and I have not really understood why it has not happened. So thank you for actually putting it into place. Don't give up.

**Mr Cassidy**—No.

**Proceedings suspended from 10.22 am to 10.53 am**

**FORD, The Hon. Jonathan (Jon), Member for Mining and Pastoral Region, Western Australian Parliament**

**ACTING CHAIR**—Welcome. I invite you to make a brief statement to back up your written submission before we start with questions.

**Mr Ford**—I would like to go a little bit beyond the submission. I have discovered some issues in my eight years as a member of parliament for the Mining and Pastoral Region, which covers most of the desert country from Esperance to Kununurra. My office is based in Newman, so I deal mainly with the Western Desert mob. I come up here on invitation. There are jurisdictional issues that are impediments to the development of good nutrition and remote stores.

The example I can give is from Kiwirrkurra. About a year-and-a-half ago the store there was burnt down. What they did with the store is move it into the early childhood centre, so they lost that facility. As the regional development minister at the time, I had the budget and the wherewithal to get a physical building out there, but then it became a massive jurisdictional issue as to whether I could actually deposit this out there. Health services were supplied by the Commonwealth, some support was supplied by the state and then there were interagency issues around whether I could legally give them the money or buy the store. For nearly a year, we were arguing the toss, when I had the budget to fix their immediate issue. Then we had an election. We lost government. We had another minister put in charge who has some empathy regarding the same issues, but I am sure he is going through exactly the same problems.

One of the things that I would like to see is a negotiation at the start about who is responsible. You would nearly have to do it community by community. Kiwirrkurra is interesting, because it is about a 4½-hour drive from Alice Springs, so it tends to be in a Northern Territory jurisdiction, but it is based in Western Australia. The Commonwealth has a role there. Ardyaloon certainly has Commonwealth assistance but is 200 kilometres north of here and is a state responsibility. If we could have a negotiated outcome on who is responsible, that would be good. There are all these great charitable and philanthropic organisations that are quite willing to overcome the logistic issues and quite willing to put their expertise in growing fresh vegetables and nutritional issues to work. But even they do not know who they should be talking to. Many of the people here behind me would I am sure nod their head if you said, ‘They’ve got the wherewithal and the resources to help—even if they have limited resources—but they get stuck in this bureaucracy.’

I feel almost guilty when I go out to these communities, because they have heard it all before, so you are starting over and over again. Basically, it is the government’s issue. In my electorate, I have about 6,000 kids on last count who suffer from some level of malnutrition. That was one of the primary driving reasons for me to get into politics and move out of my very comfortable life before into a very uncomfortable life now. It is a big issue. I am very happy that the committee is dealing with it.

**ACTING CHAIR**—If your passion, then, is around addressing malnutrition, do you have any view on a store model that best suits a community? Without saying that every model has to be the same, can you see any way that we can use hub and spoke models and have a system that works best with a mix of private and government control over stores?

**Mr Ford**—I do not think that you can get away without subsidy. I am putting in a submission to the Henry tax review based on having special area exemptions and getting away from the current zone rebate scheme. Some of the logistics trains are very long. You need to have inducement for the companies to overcome that so that you can get access to fresh fruit and vegetables. Vehicles get damaged. Diesel is extraordinarily expensive, and therefore limits the quality and the range of products that are available.

Generally, I think some sort of assisted governance model in very remote communities would help—that is, those people giving guidance as to what is good for them. But any model needs to be focused on meeting the developmental and nutritional of the children. It is always the children who suffer most in this. It is trough no fault of their parents: w are talking about people who are continuously disenfranchised from society. It should not just be about nutrition; it is about re-enfranchising people back into the mainstream community. It is great to see Andrew Carter here, from Ardyaloon-Djarindjin. If you go in and have a look at their store, it is like going into any other store. There is a range of goods. People feel like they are going to Woolies or Coles anywhere else. The nutritional needs of the kids and everybody else are met.

**Mrs VALE**—Thank you very much for coming, Jon, and thank you very much for taking time out to give a submission to the committee. Were you hear earlier to hear the evidence given by Foodbank WA?

**Mr Ford**—No, I was not.

**Mrs VALE**—They have already established freight lines and delivery in a very significant area. Have you ever had discussions with Foodbank to see what they do and how they do it?

**Mr Ford**—I am certainly aware of what they do. I understand that they are establishing somewhere in Port Hedland. The difficulty for organisations like Foodbank is that if you are talking about, say, well 33, which is on the Canning stock route, which is a long way away from here, and Kiwirrkurra, how do you supply them with fresh vegies and fruit? It is good to hear about gardening, but you still need to have good quality food—fresh and frozen vegies—available. In some of these communities, you do not have the ability to supply that. If you go to Jigalong, which is two hours out of Newman, or to Balgo, which is south of Halls Creek, they have some specific challenges. It is very difficult to maintain consistency of supply for those communities. One of the biggest reasons is jurisdictional matters: who does Foodbank go to see to resolve some of those issues?

**Mrs VALE**—For the benefit of the committee could you expand on those jurisdictional issues.

**Mr Ford**—Okay. If you want to physically build a store, you first have to find out who is responsible for building in that community: is it the Commonwealth, is it the state or is it a partnership agreement? Somebody will want to have some recurrent expenditure identified for maintaining and operating that store: does the community have the ability to maintain recurrent expenditure or some sort of money to run the air conditioning, run the power and maintain the building? If not, where do you get the funding to do that? Do you get the money from the state? Does local government have the money? Does the Commonwealth? On that matter alone you will find that most people have the money but are not willing to give the money over because

they actually want this mob over here to give you the money. So you end up going round and round in circles. That is one example.

If you are talking about subsidising the supply chain to, for instance, Balgo, the long dirt road damages vehicles and tires, and the fuel to get there costs a lot of money. That is an issue in itself. The roads might be maintained by the local government, and the Commonwealth has the ability to do something about the excise on fuel. But there is an argument that, because it is a state jurisdiction, the state should put some money aside to assist—mainly through a reduction in registration fees, insurance or whatever. If you do not have somebody taking all authority for it the questions get lost.

**Mrs VALE**—Jon, who do you suggest should do that?

**Mr Ford**—I think there should be a single point. As I said earlier, it should be a negotiated point. Either the Commonwealth should take responsibility or the state should take responsibility. It does not necessarily have to be an overall whole-of-state thing. I am not suggesting that the Commonwealth should take responsibility for every remote community in Western Australia—in fact, I believe that the state has—but I do think there needs to be an agreement at the start as to who has overall responsibility for the delivery of whatever service comes up.

**Mrs VALE**—But, if you accept that fresh food and vegetables is an essential service, and I am making an assumption from your evidence that you do, surely then it should be a combination of Commonwealth and state governments that actually do this in partnership on the basis that it is an essential service.

**Mr Ford**—Sure. Kiwirrkurra is a good example. Let us say that the state decides that it is responsible for housing and successfully argues that the Commonwealth should take some role in supplying food and health—maybe health inspection services provided by the state or a combination or whatever. You then need to say, ‘In this case all that responsibility, the single point person for coordinating that, will be the state,’ or, ‘The single point person will be a Commonwealth agency’, so that there is a one-stop shop for the community. These people need to be problem solvers, and they need to have the authority to resolve it so that the funding gets pooled and set aside from all those authorities in one area but there is one person or one agency responsible for coordinating the delivery of the service.

**Mrs VALE**—Jon, what you are suggesting is exactly the evidence that we have heard here this morning from Foodbank WA, to the limit that they are doing it. Even, ultimately, if the state and federal government accept ultimate responsibility, they are going to have to designate the delivery to a particular organisation to do it.

**Mr Ford**—That is great, but Foodbank cannot be expected to be responsible for the security of men, women and children in these communities. That is either a state or a Commonwealth responsibility.

**Mrs VALE**—No, just in the delivery of the supplied food. That is what we are talking about here.

**Mr Ford**—You cannot isolate it. In my submission to the committee I said that security was the No. 1 issue to deliver this service. If you do not have security in a community, you can forget about how much good food you are sending into it.

**Mrs VALE**—So you are not talking about food security; you are talking about personal security, are you?

**Mr Ford**—I am.

**Mrs VALE**—Okay. I just wanted to clarify that.

**Mr Ford**—It is not just security. It is the delivery of health services: who deals with debilitating long-term diseases?

**Mrs VALE**—Ultimate the government does, Jon, and that is the big bill we have at the end of this whole process. The end outcome is a huge cost to all Australian taxpayers for renal dialysis or, for really serious cases, transportation into regional centres or cities to assist people. Maybe if fresh fruit and vegetables were provided free up front, it would be a fraction of the cost and they would not have the health issues down the back end, if you understand what I am saying.

**Mr Ford**—I understand what you are saying. I was a minister of the Crown not that long ago and I could not deliver what they need, so what hope does anybody else have? I and my staff spent an inordinate amount of time arguing jurisdictional issues on delivery of a whole range of different services. It would have helped if we had just one person—I was happy to take responsibility; I am sure anybody here on the committee would be happy to take responsibility for a community, a range of communities or a region—to deliver those services. It is too easy for people to get involved in what I see as petty interjurisdictional issues not only between jurisdictions but between government departments as to who is responsible for delivering what.

**Mrs VALE**—I have not had the benefit of reading your report, Jon. Do you have a solution? If you ruled the world, what would you like to see?

**Mr Ford**—If I ruled the world, I would like to combine budgets, and I am happy to take responsibility. You need to have one jurisdiction take overall responsibility for the delivery of all the services.

**Mrs VALE**—So, not just food supplies. You are also talking about health delivery, education, housing, transportation, roads and that sort of stuff.

**Mr Ford**—That is exactly right. I will give you a good example. Three months before Christmas two years ago, I went out to Jigalong. They had not had fresh water at Jigalong for a number of months. The e. coli level—

**Mrs VALE**—I should have added fresh water to that list.

**Mr Ford**—They had gone through the right channels. As a minister of the Crown it took me three months to fix their water problem. We did that—it took another three months—and we did a whole lot of other work out there. The contamination was so great that the community could



not even boil their water. So they were relying on bottled water, which was overpriced. The community nurse at Jigalong was feeding formula to nursing babies by using use eyewash water to mix the formula.

**Mrs VALE**—Sterilised water.

**Mr Ford**—Yes. I had to go to 18 different authorities to find out who was ultimately responsible for sterilisation of the bore water. There were 18 levels all the way down.

**Mrs VALE**—And you were the minister?

**Mr Ford**—I was not the minister who was responsible. I was the Minister for Regional Development, so I took responsibility. That gives you an idea of how things are. The delivery of service at the community is the Commonwealth; the Commonwealth has taken over responsibility. The reason why I had never heard about it until I actually arrived was that the health issues that we had been reporting back through the lines to the Commonwealth were not getting back to me.

**Mrs VALE**—I understand. Jon, there are a lot of questions I would love to ask you, but I had better give an opportunity to my other colleagues. I would like to have a chat with you over a good glass of red wine one night!

**ACTING CHAIR**—And Danna does love red cordial! In our notes we have details of a 2005 survey of Djugarargyn, where they found that grocery prices were 46 per cent higher than in Perth but only eight per cent higher than in Halls Creek. I do not know if that is representative, or whether people have questions about the methodology, but that suggests there is a regional premium but that we do not have such a significant price differential between Halls Creek and the remote communities. That does not make intrinsic sense to me. How do you subsidise the supply line without causing flow-on problems, without crowding out the private sector, without simply introducing a subsidy that can be judged out or surplus-captured by the retailer? How do you subsidise these supply lines? Is it easy, or is it hard to do?

**Mr Ford**—I think you should start by asking what the community can afford and what you want to deliver and then working your way back from there. It is true that a subsidy for the supply chain to Balgo would be very different from the costs associated with delivering to Jigalong.

**ACTING CHAIR**—We have got some prices here. The prices are just higher but, in the end, what are you going to do? Are you suggesting a per kilometre or per kilogram subsidy? If I get cheap fruit and veg arriving at Jigalong, don't they simply not order any other fruit and veg because they have the cheap stuff? How do you stop the dumping of fresh fruit and vegetables from crowding out the normal operations of a store?

**Mr Ford**—Jigalong is 200-odd kilometres east of Newman. It is stuck out in the Western Desert. Their problem with running the community store is not about having fresh fruit and vegies dumped on them, it is about actually getting fresh fruit and vegies. You cannot have a blanket solution; you have to solve it community by community. Let us say we want to deliver apples to a community. We know what the salaries in the community are, because most people

are on some sort of Commonwealth social wage. We know what they can afford, so the subsidy should work back from there. If you take on a big company—I will put on my private sector hat from a previous life—I am sure that, through an open tender program, you could negotiate the delivery and supply at a reasonably low level. The Commonwealth and the states can then look at what they need to subsidise.

The focus should be on ensuring that children get the nutritional value they need so that they can not only survive school but also gain from it—gain from education and be given the opportunities that everyone else gets. At the moment—and this is a generalisation—they and their parents are so far behind that they will never catch up. In the past, we have well-meaningly put a lot of money into different areas, but we have not been concentrating on the outcome. And the outcome has to be the kids. So you can work your way back from that. There are hundreds of remote communities across the country. There are big food supply and delivery companies. If you give them a decent economy of scale, the economics will allow the price to be pushed down.

**ACTING CHAIR**—Would you not still be setting up a situation where the retailers themselves charge, say, \$3 per piece of fruit no matter how cheaply it is delivered to the shop? If the market will bear a price of \$3 on payday, that is what it will be priced at. If you subsidise it down to \$1 per piece of fruit, how do I know it will make a difference for the 25 per cent of families in that community, the most vulnerable families, who routinely never buy fruit or vegetables at all? How do I know that is going to make any difference? How do I know it will end up in children's tummies?

**Mr Ford**—Like all of these programs, you actually had to have people on the ground. That gets back to the issue of the single jurisdiction: if you have a community worker who has a line of command that feeds back to the responsible department, you can make adjustments accordingly and make sure you are actually delivering the required outcome. But if you do not have people on the ground, everything we are talking about here is a waste of time. I will fall back on the example of Jigalong, because it is a community I have spent a lot of time with. As soon as we put a police station and a full-time child protection officer in that community, the whole community changed. We get direct feedback. Everybody gets direct feedback from these people; it is only a matter of a phone call.

**Ms REA**—A lot of the things you have spoken about are very interesting, and I look forward to reading your submission. Obviously a lot of the focus is on the cost of freight and the cost of supplying communities with nutritious food. But from our discussions with people and the evidence we have heard at this inquiry, it seems to me that almost as significant is the governance of the way these community stores are run. From your experience, could you tell us where the stores are being successful not only on a commercial basis but also as providers of products that enhance the health and wellbeing of the community by giving them the sustenance that allows them to flourish in a range of different ways? Do you think the leadership, the management model and the governance of the stores go some way towards that, or is it purely a question of how much it costs to get products back into those particular areas?

**Mr Ford**—I have always regarded the Ardyaloon store as one of the best models to have a look at. I think I put it in my submission. Andrew Carter, who I think is up the back, is the chairman of that community. The great thing about that store is that it is community run. They have some advantages and they have some disadvantages. When you talk to the leaders of that

community, they identify the issues and work out a solution. They have quality food. It is what the community wants and needs to have delivered. It is an example of a good store. They have some very challenging logistics issues, especially in the wet. There are all the things we have talked about, including broken axles and flat tires. It is quite a challenging drive to go out there.

So that is a good model. I really do not want to name specific communities beyond that. For good reasons, other community stores are not as successful. That can simply be location. There is what I will call good bush tucker, good local community food, fish and meat—kangaroo or whatever. Communities suffer more or less depending on their access to that bush tucker. Most of those people supplement their diets. If you do not have access to that supplementary food, it will drop down. If the community has governance issues, what you see is fast food being delivered. So you see lasagnes, high-fat curries and lots of sugar drinks. People talk about alcohol as being a problem. In this community in Western Australia—I am talking about the general Koori community—it might be a high-profile issue, but I can tell you that sugar saturated drinks are a much bigger problem, as far as length of life goes, than alcohol is.

**CHAIR**—Thank you very much. I appreciate your time to address us. Thanks for your submission.

[11.21 am]

**McGAW, Mr Andy, Chief Executive Officer, Djarindjin Aboriginal Corporation**

**Mr McGaw**—The submission that I am presenting has been developed by our council and our store management. For your interest's sake, our store managers were previously the managers at Well 33, so they have experience not only here at Djarindjin but also in the remote desert country. I was hoping to work through our submission and embellish it a bit. If you have any questions or if you want to head off on some byways as we are going through, please do that. This is coming from the community and from how the community sees the world.

The regime we are experiencing as a community—as all communities are from both state and federal governments—is very unilateral. That is the regime that we are under. It is very apparent that there is an indifference as to whether or not the communities survive. We have had some very brutal funding cuts recently, and there is a blatant indifference as to whether or not the community can survive that shock. Council are very concerned that any tinkering with remote stores, which will probably follow your deliberations as a committee, could have very serious negative effects. They will not be negative effects for government or for governments' operatives but they will be negative effects for remote community members. So this briefing note is provided in the hope that you will have some sensitivity to the harm that could be wrought by your committee and through the knowledge that you are acquiring. We are finding, for example—after assurances and all the best intentions—changes to housing, changes to municipal services and changes to CDEP have a very different look once those changes land on the ground.

Djarindjin Store is a community controlled store. The store runs with very small margins. It has to because most people are on fixed incomes. Our costs are around 30 per cent higher than in large regional towns. We noticed the stimulus dollars. That really gave us a big bump. Most of that money was spent on food and on other goods. That really flowed through very directly.

At Ardyaloon, which is 25 kilometres up the road, they have a very modern and quite well fitted out community store. Ours is very run down. Everything in it, basically, could do with replacement. But there are not government grants available anymore for that type of thing. Basically you have to run on a commercial model. So capital upgrade and maintenance of community stores is particularly difficult.

The normalisation of power generated real and substantial cost for the community, including for the community store, and we have found those very difficult to accommodate. Those normalisation changes that are being driven by government have a direct financial consequence on those communities that are being normalised. We have found that the removal of CDEP management from the community—it has been taken off the community and regionalised—has cut the dollars coming into the community and into the store quite significantly. There is simply less money around through those changes. We are of the understanding that over the last three years up to \$1 million less has gone out to the peninsula than there was historically.

A further side effect has been to transfer that wealth into Broome. So what you are finding is that the remote communities have less money and the money that used to be out there being

controlled and managed is now centralised in these regional centres. The part-time jobs that used to exist disappear and are lost under normalisation, which also diminishes the total amount of dollars available locally. People used to live in communities, have a social role and have part-time employment but the changes that are coming through are seeing people living in housing department homes and being unemployed. So it is a big shift in world view that is being driven through this major reform agenda.

In our case we have made the very tough decision to work towards incorporating the store into a roadhouse. That will be developed 1½ kilometres out of the community on Cape Leveque Road. Our business modelling suggests that that will enable us to replace all of our capital and to get some new infrastructure in there. That business model should also stand up and ensure the future of the store for decades to come. We are very fortunate that we actually control that lease. If you are on government land, it is an utter nightmare to do anything—it is fraught with layers and layers of bureaucracy. Fortunately we have a special-purpose lease and we control that land for another 40 years. So we can now go ahead with development out there.

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.

We believe, from where we sit, that the best way to assist in bringing the cost of food down is to subsidise our haulage costs. They are very large. We had a nasty experience with a major company the year before last where they ramped up our freight costs by \$70,000 in a year. That was just for us, and they did the same for the other communities on the peninsula. They then attempted to strong-arm us into a contract extension. We were running up to the wet season and they said, 'Sign up for two years or at the first rain we will stop delivering and you will be stuffed—you will have no food.' We worked collaboratively, came up with a different mix and were able to move to a different provider. But that freight cost is very large and it is a brutal commercial realm out there. There is a long tradition of making money out of Aboriginal communities and there are some people who do that very well. If freight costs go down, food costs will go down.

We have a community garden. I notice that Chris Cassidy spoke earlier, and unfortunately I could not come along. We are very pleased with this garden. It is a very interesting project and the kids are benefiting greatly from it. But with the loss of our CDEP, we do not believe that we can expand that to have a large-scale community/commercial garden. That is something that we would like to do, and under the old model of CDEP it would have been possible but it is now no longer possible. It is a pity, because where we are used to be a mission—it was up until around 1985—and it was a self-sustaining community. I mentioned Balgo, and Kutjungka was

mentioned. These places used to run very well. But that conscious change of model has really removed those things, and we are facing the problems of that shift from self-sustainable communities to something else.

An issue that we think you need to consider is that of just providing fruits and vegetables. People may not necessarily eat them. It is a cultural issue—it is called ‘cuisine’. If people do not know how to cook tasty, nutritious food, they do not cook it. Traditionally, Aboriginal people did not have a cuisine because they hunted and gathered and ate what was in season. There are some very interesting stories around that.

We work with UFPA, Ernie Bridge’s mob—I do not know if you know them: Unity of First People of Australia. I worked with them when I was at Warmun community as well. They do things like bringing in a nutritionist and a cook and showing you how to make something that is tasty. If you have never eaten it before, it blows your mind. The one that really took off at Warmun was minestrone, which you can get out of your community store. It is a low-GI food, it is really yummy and it is very easy to cook. I can remember some funny stories, like the one from the lady there who I was friends with who bought rissoles for the first time and boiled them to pieces. I can remember my gran did that with spaghetti. Unless you have a cultural inheritance about how to prepare nutritious food, just having the stuff in the store does not mean you will buy it. So we would recommend programs like UFPA’s which teach people about yummy food that is healthy for you and work from a very young age. That is a successful program.

I would support what the earlier presentations said: if you have a good supply of bush tucker it helps enormously. People at the top of the peninsula are very cash poor but they have great access to protein and still have a strong access to bush fruits and other things. That really does help people a lot.

Our local store supports local business. We have a strong mix of Asian people with our Aboriginal community, and some of that cuisine has permeated through to the local people. So there is the manufacture of foods like belacan, which we sell locally. The other things that you can buy—

**ACTING CHAIR**—Sorry, what was that?

**Mr McGaw**—Belacan—it is used in making laksa; you mix it with coconut milk and other things. So our store supports local people who manufacture goods, like bush medicines, beauty products and other things. They sell them through the store. So it supports microbusiness, which fits with the business model that we are attempting to progress.

The model that we would love to use and really want to aspire to is growing our vegetables locally and harvesting our fish. Also there is still beef, from when the area was a pastoral station. Everything you need to be self sustainable is there, but the loss of CDEP means that that cannot happen.

The cost of service providers is very high. It would be much higher even further out in some of those desert communities, but we pay a \$600 flag fall to get anyone on the ground and then a remote hourly rate. So the costs of keeping a community store are very high. If a refrigerator goes out et cetera then you are up for a lot of money.

We do not support the accreditation concept. Our belief is that it would provide a layer of bureaucracy that would do nothing to assist in driving costs down or improving quality, and, indeed, may well drive costs up. The only feedback that we have had on outback stores is on the loss of community ownership and control of the cost structure.

We believe that remote community stores should be supported by government as national assets that allow a footprint of human settlement and visitation in extremely remote locations. Remote community stores provide services that are generally not available in locations in other nations—areas like Siberia, Central Asia, the Sahel and the Amazon—which are as remote as these places. So we hope that you can frame your discussion of community stores in a positive way and attempt to support them—that is what we would ask you to do. But we would also ask you to be hesitant in the decisions that you make, because these things are, by nature, fragile and very cost sensitive. That is the conclusion of our submission.

**ACTING CHAIR**—Thank you. Could I ask for a couple of clarifications before we go to questions. What is the status of CDEP in your community at the moment?

**Mr McGaw**—In the West Kimberley, none of the communities control their CDEPs anymore; they have been centralised, which is the model of normalisation, as we understand it, where remote communities are defunded of everything, and CDEP given either to a government agency or to a large regional provider.

**ACTING CHAIR**—Secondly, how many communities are there on the peninsula?

**Mr McGaw**—There is Djarindjin-Lombadina plus their outstations, which has around 400 people; Beagle Bay, which has around 400 people; and Ardyaloon, which has around 400 people. They are the three major communities.

**ACTING CHAIR**—And those three do not work together on a supply chain for supermarket deliveries?

**Mr McGaw**—Not Beagle Bay. My understanding is that they may be facing some difficulties with their store. But there are the communities at the top—plus Kooljaman, which you may have heard of, which is co-owned by Djarindjin and Ardyaloon. That is how we got out of these strong-arm tactics of the haulage—by working collaboratively.

**Ms REA**—I am interested in the issue of the CDEP. When you say it has been regionalised, and that there is a major provider now handing out money, are they based here in Broome?

**Mr McGaw**—Yes.

**Ms REA**—What is the impact that that has had? You talked about things like expanding a community garden to the scale where it could be commercial. Is that simply because the workforce is not there if you do not have something like CDEP? What is the—

**Mr McGaw**—The community has no control over CDEP. These changes have dissolved community governance. You have power, as parliamentarians, because you can direct actions. Councils used to have governance of their communities but, with the pulling away of housing,

municipal and other things, they can now no longer direct activity to occur. So the locus of control for CDEP now resides 200 kilometres away. The on-costs that used to be the backbone of communities have been removed. For example, there used to be three functioning workshops on the peninsula; there is now none, because the on-costs have been drawn into Broome. So these are the practical ramifications of removing the CDEP—the erosion of community governance and the diminishment of local economies.

**Ms REA**—That includes, I imagine, the ability for the community to decide where they want that workforce to go to prioritise the projects that you think—

**Mr McGaw**—Yes; and it has stopped. Apparently, there are no more new people allowed to go onto CDEP. So the mindset is—this is what I was trying to communicate—that we have gone from being a community where everyone had a social role and worked part time, to being a housing department estate with unemployed people. It is a vastly different world view to operate within, but that is what the re-engineering is re-engineering.

**ACTING CHAIR**—I wanted to get a rough idea of the financials of the community store. Do you employ a couple on a fixed salary per year and all of the profits are repatriated to the council?

**Mr McGaw**—Legally it is 100 per cent owned by the community but we have it set up in a separate entity to firewall both organisations. Basically, it runs on no profit. It makes no profit. That is the pressure from the community: keep the margins as low as possible so that the food price is kept as low as possible. You have a limited range of product lines because you cannot afford to have product or capital locked on the shelf. In fact, we purchased the power cards because we cannot have \$5,000 or \$6,000 locked up in power cards. That is how little we run the margins at. So they are run as fine as possible to keep the cost of food as low as possible.

**ACTING CHAIR**—So does that make you reluctant to hold stock that may be unsaleable because it is poor quality, and therefore you are less likely to buy perishable goods?

**Mr McGaw**—No; we have a good supply of fruit and veg. That is a priority. We get it directly from Perth. We do not purchase through Broome, because we believe we can get a fresher, more reliable quality of fruit and vegetable. I think the cuisine thing is important there because people love their rice and salads and fish. So there is a local demand for those products and, as the earlier person said, there will be a range. I know government hates it but every community is different, every tribal group is different and every heritage they bring to the table is different.

**ACTING CHAIR**—We are going to hear about a submission later on a survey of costs performed by the Population Health Unit, but from what you are telling me you should have produce and stock keeping units about as cheap as you can do it in your area. My question is: if I sent down an individual to do a basket survey unannounced every month would I be able to find communities charging way more than your community does?

**Mr McGaw**—People shop at each other's supermarkets. Andrew is here from Ardyaloon, which is up the road. Our community people used to say that Ardy was cheaper, but we believe ours is cheaper now. That basket survey is done regularly, because people are moving between



the three communities. Our people are; they have family there. My understanding is that we are the cheapest at the moment.

**ACTING CHAIR**—Just for clarification, what is the model employed at that other community?

**Mr McGaw**—Ardyaloon is community controlled, as is ours. We call them a sister organisation. My understanding of Beagle Bay is that it has been outsourced to an outside management entity.

**Mrs VALE**—Andrew, thank you very much for your submission today. I am a little bit concerned to hear about the changes in CDEP and the fact that there is less money available in Indigenous communities for spending money on fresh fruit and vegetables and better food choices. Also, you said in your report that your funding has been withdrawn. Why was that?

**Mr McGaw**—The state government said, ‘You have to ask us to take over your housing management or we will cut all your funding for repairs and maintenance, for upgrades and for management.’ The council in the community said, ‘We want to remain responsible for our lives and we don’t want to become totally passive and dependent on outside service providers. No, thank you. We will continue to do it.’ As a consequence, all funding has been removed from the community. The Commonwealth government said, ‘We will no longer fund you. We will fund Ardyaloon, which can then subcontract you to do your rubbish collection et cetera.’ So all our major Commonwealth and state funding has been taken off the community. We alerted both levels of government—we wrote to Jenny Macklin and to others—that this could threaten the entire viability of the community. This is what we are saying: there was a gross indifference to that fact.

**Mrs VALE**—Have you had any responses?

**Mr McGaw**—In bureaucratise. But fortunately for us we got another commercial venture up and operating in November last year. That means that we are still able to offer fuel services, postal services and banking services because we got our own businesses going—but not through government support. Indeed, the conscious decisions of government, if we had been able to do that, would mean I would not be here speaking to you now and we may well not have had those essential services available on our community.

**Mrs VALE**—Who is taking care of the maintenance of your houses?

**Mr McGaw**—We are.

**Mrs VALE**—So you have your own maintenance teams?

**Mr McGaw**—We bring in contractors and we have two local men who we pay top-up wages to. We have been advised that under the changes to CDEP those people are technically unable to remain on CDEP, as are people doing child care or doing aged care or working in our office or doing our municipal work.

**Mrs VALE**—They are not supposed to be on CDEP?

**Mr McGaw**—No. They are meant to be normalised, properly funded jobs.

**ACTING CHAIR**—I will just go back to community stores for two very quick clarifications. Does the community of Bidyadanga have a store?

**Mr McGaw**—My understanding is that that is community controlled as well.

**ACTING CHAIR**—And you do not have any supply-line coordination with them?

**Mr McGaw**—No. Our councils communicate because they are in the same position as we are with housing; they have had their housing funding pulled as well.

**ACTING CHAIR**—The second question is: if you are running effectively a non-profit model, where are the options? Have you tried cross-subsidising and giving unhealthy food a larger margin in order to deliver healthy foods below cost?

**Mr McGaw**—No, we have not. What we do is provide choice. We also have a community kitchen. Our HACC service cooks excess meals, and for \$7.50—because it costs a lot of money to provide it—you can have a healthy alternative. We do not take a coercive approach, but people have healthy food options and choices. That is the approach of council. It is a democratically elected council, so it sees its role not as ruling people but as providing them with options and choices.

**ACTING CHAIR**—You do not have a takeaway in the community?

**Mr McGaw**—Yes. You can buy fast food on Thursdays and Tuesdays through our community store—that is, chips, fish and chips and chicken. We have had outside people write to council asking to come and set up stalls, and they have been told: ‘No, you can’t do that.’

**Mrs VALE**—I would like to talk to you a little bit more afterwards, Andrew, if I can. I am a little bit stunned at the fact that you have a community that is obviously functioning despite the rulings of government, if you understand. You are trying to be independent. One would have thought that this is exactly what we want Indigenous communities to be—to be self sustaining, to be democratic, to actually make their own decisions.

**Mr McGaw**—I think if you read the opening comment you will see that we do not know what government wants. There is no dialogue.

**Mrs VALE**—This is what Jon Ford was saying.

**Mr McGaw**—It is a unilateral, assimilationist approach.

**Mrs VALE**—But it seems to be changing.

**Mr McGaw**—Our analysis would be that Brough-Howard put forward a policy and Rudd-Macklin are following it to neutralise Indigenous affairs as a political issue—it is the same policy. That is how we understand it. I do not know if that is right or wrong, but, from where we sit when we try to understand the world, that is what we believe is happening. So my opening

comments are: if you are going to tinker be very careful because the other tinkering has hurt us very badly.

**Mrs VALE**—And often sometimes what is actually decided at the government policy level is entirely different when it is implemented at delivery level. This is what is important about parliamentarians like us coming out into communities and getting feedback from you, Andrew, who is there at the coalface. We need that information; we need to know how it is working; we need to be able to take it back to Canberra. Thank you.

**ACTING CHAIR**—Thank you very much.

[11.45 am]

**SPICER, Mr Craig, Accountant, Remote Community Management Services**

**ACTING CHAIR**—I welcome you to give evidence. Would you state the capacity in which you appear before the committee.

**Mr Spicer**—I am the accountant principal for Spicer Accounting and I work with Peter Grundy of Remote CMS. We have an informal partnership and we manage a number of stores, some wholly and some partly, across the Kimberley and Pilbara. I apologise for Peter. He could not make it; he was in Perth, tried to travel across and is sick. So I am speaking on behalf of him and am a little ill prepared.

**ACTING CHAIR**—That is quite okay. Would you like to make a brief statement?

**Mr Spicer**—I will just say a little about myself and our operations. I was a CEO in Bayulu community, just outside Fitzroy, from 1997 to 2000. I managed 150 CDEP participants over seven outstations and got my trade, I guess, on the ground for three years there. I went off to uni, came back, set up business as an accounting service provider and got a lot of calls from networks for Aboriginal corporations. My client base includes communities at Kundat Djaru out at Ringers Soak and the Ngallagunda community on the Gibb River Road. I look after Gibb River Station and a couple of pastoral stations and we cover stores and roadhouses. It was interesting listening to Andy. We have not met, actually, but at Djarindjin I do the books on a quarterly basis. I do the Illawarra store, Wungkul store, Warmun roadhouse, Looma store, Ngiyali roadhouse in Fitzroy, Roebourne General Foodstore in Roebourne and Uraro store at Kalumburu. So we have quite a share of clients and cover a lot of area. Peter and I met in 2005 just on a handshake—or not even that—and he had some work out at Balgo. I have spent time as the accountant at Balgo store and Mullen store but have been moved on because of changes in their structures. That is a little about us.

I will just go on to talk about the challenges we face, if that is all right. I guess it has been discussed before with Jon. There are the freight logistics, the costs, the timeliness of getting stock from the supplier to the actual store, the frequency, the actual service times and service providers. The Kalumburu store is serviced by a barge. We get our orders put on hold and get put on the backburner because the barge supplies mining companies who pay a higher rate. We can spend two or three weeks organising stock only for the barge company to turn around and say, 'Hold up for a couple of days.'

Electricity is another big cost driver for us. For stores close to the bitumen and on the Horizon grid we are paying 19.2c per unit, but with our outstations, such as Djarindjin, Illawarra and Uraro, we are paying 34.1c per unit. So our electricity costs are just about double in remoter areas. Not only is that cost higher, so is electricity. Those are the two biggest cost drivers for us.

Very quickly, an issue for us is community economy, the stable nurse of the community. We need to ask: is the community functional and do people want to hang around the community? The big thing for us is: how much money is in the community and what is the circulation of the

cash? That has deteriorated since the introduction of electronic funds transfers. We used to pay wages in cash. We used to pay \$30,000 in cash out of a window, and the store would be just over there. The stores would get a whole lot of that money. Now with electronic funds transfers anyone can be anywhere and get their money. The CDEP participants and pensioners could be anywhere, so you do not have that guaranteed market.

We have competition in the communities as well. In Uraro we face the mission providing a volunteer service. They have a bit of a market share, which puts a dent in the amount of money that can come through. They have volunteers while we are paying wages. Also communities next to towns is an issue. Some of our stores are not far off the bitumen and towns are only 100 to 200 kilometres away, so we compete against that.

Our sales margins and stock selection are always issues for us. Healthy foods are just a battle. If we sell fruit and vegies at cost price, a lot of the stuff is damaged and we do not make a lot of money on vegies. Even as expensive as they are, we still do not make any money on them. It is just too expensive to manage them through freight, selection and all that sort of stuff. So we have our high-profit items, such as chocolate and lollies, to try to capitalise on some of that loss in profit. We get a few complaints from teachers and health officials regarding that. We do like to work with all the agencies, but we face the same competition as we would in towns. If you go to, say, Coles at Easter time you will see Easter eggs everywhere. We do try to manage our stock selection so that everyone has a choice and the choice is as cheap as possible while also making as much money as we can on high-profit items to cover that loss.

Our infrastructure—buildings and storage—needs to be secure. It needs to be weatherproof for food security, just to keep the food at a decent temperature. Temperature ranges from zero degrees to 45 degrees. It is a constant battle just to keep up with our infrastructure costs. A lot of these buildings are quite old. The Illawarra building is as old as the Balgo building. I think they are about 20 or 30 years old now. They do not have any insulation at all. Our machinery breaks down. We have high overheads for breakdowns, and service providers tend to charge double what we would normally come up against.

Our managers are always doing everything for everybody. They live in extreme conditions. We find it hard to find our managers suitable accommodation and a secure place of rest after their day's work. It is hard to keep them on board for long periods of time and have that stability. With my and Peter's—who I work with—duty of care, we are careful that we do not dictate what people should buy but we let them make the choice. It is a fine balance.

Because we do not get any funding for our stores—all our stores are generated from our own experience—if we do not make them tick over and work, we do not get paid. All the work that we do is private investment. Sometimes we find it very difficult and sometimes we carry a lot of debt to keep the doors open. Some of the places are not profitable, but our main objective is to keep the doors open and a service existing in the communities. After that, we look at recapitalising the places and then we try and return a share back to the shareholder through either a rental arrangement, a lease agreement, or just a dividend, a sponsorship or something like that.

With the governance, we are torn—we need to be accountable, we are a service provider to our clients, but we end up just about organising all the director, CEO and council meetings and all that sort of stuff. We find ourselves crossing the boundary of a service provider to our

customer. We probably sometimes take on too much of their governance responsibilities to keep the process accountable and transparent.

Takeaways were mentioned before. They are high maintenance and high cost. There are shire restrictions on takeaway places. There are so many brick walls to come up against. It is hard to get healthy takeaway food. When I am speaking to the Djarindjin managers, Ross and Lucy, they say: 'Craig, we've got to do all this and we need to run the takeaway as well.' Usually the takeaway ends up just supplying HACCC meals for the old people; that is an issue in itself. There is so much work to do on these community stores. The stores are sometimes only open for six hours a day, but it can take 10 or 11 hours to keep them open—counting cash, organising stock and all that sort of stuff.

That is basically it. Please ask any questions. I hope I have not rambled on too much, but there are a lot of issues there.

**ACTING CHAIR**—I just need a clarification, before the questions. You are operating in eight Kimberley locations—you have not told us which ones.

**Mr Spicer**—There is Djarindjin store, where I just do the accounts—it is nothing to do with Remote CMS. There is the Wungkul store and the Warmun roadhouse: Remote CMS. There is the Illawarra store, the Looma store, the Roebourne General Foodstore and the Uraro store. And I look after Ngilyali roadhouse—Remote CMS does not play a big role in that client. So we manage and are responsible for over \$22 million worth of sales.

**ACTING CHAIR**—With every one of those, you have been invited by the community to have a contract to manage the store. Can you tell us more about that revenue model?

**Mr Spicer**—A lot of these clients have basically rung us up—after hearing about us through word of mouth—at some time over the last three or four years. We usually get a phone call from somebody and get invited to supply a service. We are trying to formalise the agreement. Sometimes it is a case of, 'We don't have any food; what can you do for us?' as it was for Kalumburu. We went through a liquidator and the Kalumburu council with the old store, and we had to pay the liquidator a certain percentage of net profit over the previous three years. Each site is different, but we are usually invited just because of our reputation. Some people might say, 'Craig and Peter aren't doing the right job.' There might be some bad talk around the place, but it is hard work and we cannot please everybody in everything.

**ACTING CHAIR**—So you take a proportion of net profit. If you have a loss-making entity, how long do you stay keeping the doors open until it comes impossible?

**Mr Spicer**—Our fees are quite minuscule and are reported. You can see those accounting fees and administration fees in those reports I have given you. Each site is usually different, but it is usually only around \$2,500 to \$3,500 a month. That is basically enough for the business to bear and also enough for the amount of work that we have to put into the business. We are trying to sign two- or three-year contracts with clients, but it is hard to get all the council members and the lawyers. Sometimes we organise the lawyer on behalf of the council. We say this is independent but to make sure that it is legit. That is a fight in itself—to get that formalisation.

**Ms REA**—Thank you, Craig. That was really interesting. You have handed out some financial reports here. I think they are all different.

**Mr Spicer**—They are all different. The reason I gave you those was just to show that this is what we try and do once a month for our customers. That is open and is on the website that can be accessed.

**Ms REA**—I was just looking through the store report that I have here you were talking. This may not be reflective of everywhere. The graphs are really quite good, because they did you a picture of what is going on. We hear a lot about freight costs, but there does not necessarily seem to be, in this store report at least, a direct correlation between freight costs and operating profit. Even where there are quite wild fluctuations of operating profit, the freight costs might be fairly consistent or slightly changing. Even sometimes where they have gone up the profits have not necessarily gone down. From your experience what are the factors in there that would create that fluctuation?

**Mr Spicer**—Not as much time has been put in into generating those reports as there needs to be. We can talk about a month, for example, that we have a full insurance expense. Sometimes we should be transferring that across month by month.

**Ms REA**—Okay. So these are not averaged out over the year?

**Mr Spicer**—It would be best if you look at the average, yes. Some of them are and some of them are not. All stores differ regarding their freight expenses relative to where they are located on the bitumen and how far they are away from our suppliers.

**Ms REA**—Sure, but you would expect that to reflect the fluctuations in the operating profit.

**Mr Spicer**—There are three different stores there. Illawarra has been really struggling. We have managing that one for the last 12 months. We have had the Uraro store for three years and it is really going well. Looma store is another one that we have had for 24 months now and has really increased.

**ACTING CHAIR**—On your reporting, is that month on month for the 12 months prior?

**Mr Spicer**—Yes.

**ACTING CHAIR**—So we cannot actually look at an operating statement for one month?

**Mr Spicer**—Not from last year, no.

**ACTING CHAIR**—I have a couple of questions, if I could. You have referred to I have high profit items. What are they?

**Mr Spicer**—Your TVs and all that sort of stuff. We like to try to get as much money on those 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.

If you have chocolate over there and bananas over there, most times the kids are going to go for the chocolate. That is just education. It happens in Perth, in Broome and it will happen in Looma. We have the opportunity in our stock selection, but we cannot not stock chocolates because we would be seen to be dictating what people eat. We would be controlling what people eat and have control over people's habits when we do not have the jurisdiction to do that. It is an age-old argument.

**ACTING CHAIR**—It is a good question and one that we are still struggling with. We will keep asking the question: how do you subsidise a supply chain in a way that does not simply lead to other costs or problems? One proposal might be that, when you have finished your shopping and you have spent \$100, that then entitles you to a certain amount of fresh fruit and vegetables. It is a little bit like our fuel discounts in mainstream Australia. Is there any way that you can see where people take away more fresh fruit and vegetables than they otherwise would without crowding out that sector of the market?

**Mr Spicer**—One thing with fresh fruit and vegies is that, if you cannot have it today, there is no use buying it for tomorrow, because a) we have to have fridges in people's houses, b) we have to have power and c), even if there are enough vegetables for tomorrow, they will probably be gone due to other community people living in those houses. We talk about food security in our premises. I have been in communities where we have tried sticking a fridge in every house with a padlock so people cannot get into each other's fridges. It is a case of living for today—you buy for today. It is no use having too many capsicums in your fridge or too many apples and bananas, because they will not last.

**ACTING CHAIR**—The other proposal was that you would have a shipping container that has been modified to have a small refrigeration unit. Families would have completely secure access to a small refrigerated area by padlock. Is that going to have the same problems—that there is simply no incentive to leave fresh fruit and vegetables in small locked areas within a container? There would probably be room in there for 60 families to access a small refrigerated area by padlock inside a shipping container.

**Mr Spicer**—Food security on the premises is always the responsibility of the managers.

**ACTING CHAIR**—This is for 24-hour access to a fridge that is not in the house.

**Mr Spicer**—Who monitors how much they can have?

**ACTING CHAIR**—The door is open. You slide the door open and you walk in and you simply unlock a padlock that gives you access.

**Mr Spicer**—But you would need to have someone who can do it. Your manager is currently counting \$20,000 in cash, is on the till, is unloading a truck, is ordering stock—

**ACTING CHAIR**—No, they have already bought it. They can leave it there once they have bought it.



**Mr Spicer**—Yes, but I am saying: who is going to organise that to happen? The individuals—that is fine. The nurse? It takes personnel. The council?

**ACTING CHAIR**—Does it help greatly to have a secure area of refrigeration for families that do not have fridges?

**Mr Spicer**—I do not know.

**ACTING CHAIR**—One of the problems is you do not have able reliable daily delivery of fruit and vegetables to these communities anyway.

**Mr Spicer**—But even when we do get the fruit and vegies, as soon as it leaves our door, it is problematic. That is out of our control.

**Mrs VALE**—Thank you for a very comprehensive submission. I have one question. You made mention about padlocking fridges if people had a fridge in their own house. Is there a problem then with say a mother buying food and putting it in her fridge and not being able to rely on the fact that it will be there when she wants to use it? Is that an issue in remote communities?

**Mr Spicer**—We tried that when I was a CEO back in 1997-98.

**Mrs VALE**—You actually put a fridge in people's houses?

**Mr Spicer**—People bought fridges and we organised padlocks for them so that they could have that. They were just broken off. They would lose a key. People would be drunk. It is just the way it is. I am not saying that is the case for all communities. It is an option. I tried it as a CEO. It is a difficult one to do.

**Mrs VALE**—It actually limits mothers in remote communities to using the store as their pantry every day. To have to go to the shop every day is a very expensive way of providing food for your family, even in suburban Sydney—

**Mr Spicer**—That is correct.

**Mrs VALE**—and having no storage facilities for dry food, let alone food that needs to be refrigerated. I think what Andrew was suggesting was having a cold storage unit where a mother could actually buy what food she wanted. She could then place it in something like a safety deposit box with a key and when she wants it she could come and unkey it. It would not be sort of vulnerable to pilfering in the home.

**Mr Spicer**—That makes a lot more sense.

**Mrs VALE**—I was not sure; that is what he meant.

**Mr Spicer**—Maybe we need to think outside the box a little bit with some of those necessities, because it is an issue.

**Mrs VALE**—We have been into a lot of remote communities but we actually have not been into any private homes in those remote communities. We have received evidence that actually says there is very little by way of facilities to prepare food, keep and store food in homes. We take for granted that we will have a proper cooktop or a stove that works or indeed a refrigerator, utensils, tables, serving areas—anything like that—in our homes. Those things are not available in these homes. Have you been able to visit homes like that?

**Mr Spicer**—There are quite a few houses out there in some of these communities that do not have any cooking facilities at all just through the number of people living in the houses and them being destroyed.

**Mrs VALE**—Our problem is that we have not wanted to trespass on people's privacy, so it is a little bit of a delicate area. I do not even know how we can address this issue unless we go and ask upfront whether we could visit a private home and who would be available. We have had some evidence from people who have been into the homes to say there is very little by way of just basic kitchen logistics in preparing food for families, let alone knowing how to prepare it. I think we have had some evidence today about white man's tucker and that there is just no knowledge about the nutritional value or even how it should be prepared. We have some really huge issues here.

**Mr Spicer**—That is right. A lot of it is about education. As the guys were saying before, we are trying to make these people cook like we would do in Perth, with a nice supply of fresh fruit and vegetables which we can keep in the fridge for a week. It just will not happen in some of these communities. It is impossible.

**Mrs VALE**—We have even got similar problems in white communities—

**Mr Spicer**—That is true.

**Mrs VALE**—inasmuch as some of the young mothers today do not know what to do with a pound of mince. You can feed a whole family on a pound of mince.

**Mr Spicer**—That is the first meal I cooked at home—just mince!

**Mrs VALE**—It is essential learning. We have a whole spectrum to look at here.

**ACTING CHAIR**—Thank you for your submission.

[12.14 pm]

**BOWCOCK, Miss Robyn, Public Health Nutritionist, Kimberley Population Health Unit, WA Country Health Service; and WA Representative, RIST Steering Committee 2006-2008**

**ACTING CHAIR**—Welcome. Would you like to make an opening statement?

**Miss Bowcock**—In opening I would like to inform the committee that I was the WA representative on the Remote Indigenous Stores and Takeaway, RIST, project steering committee from 2006 to 2008. I understand that the committee has heard various submissions and information regarding the RIST project through the NATSINSAP talk in Canberra last week or the week before and through some of the Mai Wiru discussions as well.

I personally did not put in a submission to the inquiry, but I did have some input into the NATSINSAP submission in my role on RIST. I was on holidays at the time.

There are a couple of things I would like to cover this morning if possible and this directly relates out of the RIST recommendations. One of them is weekly freight deliveries to remote community stores and nutritional support at community level. I have bought a number of items with me that I would like to table and I would like to acknowledge that there is some confidential information that I have been given permission, through Sharon Marshall, who is the chairperson of the community store at Kururrungku—the Billiluna community—and the store manager at that same community and also Palyalatju Maparnpa, which is a health committee here, and you did receive a submission from Palyalatju Maparnpa. The reason I have brought this information is that the Kururrungku store was the pilot store for the RIST project in WA and it was one of the successful project pilots. It will give a good indication of some of the things I would like to bring up.

To give you a bit of background information, as part of the RIST project through the National Rural Health Alliance a transport forum was organised in Adelaide in 2006 and, as a result of additional money left over from that, I had the opportunity of bringing the person who organised the forum, Ian Lovell—who I think used to work for the department of transport but may just consult now; I am not certain—to the Kimberley. He also worked in a couple of other places in Australia following the transport forum. If you want information regarding the transport forum, there is a book in the RIST materials, but most of it was filmed. Hearing some of the stuff that I have been hearing today I feel that it might be opportune for the committee to ask Ian Lovell to present to the committee because I found it to be a very enlightening procedure to have somebody who knows transport working with communities on transport. He is based in South Australia and I can give you his details if required.

In regard to getting a start on the weekly freight deliveries, when Mr Lovell came to the Kimberley we nominated two areas: one of them, because we knew there was a problem, was the Tanami, which incorporated the communities of Mulan, Billiluna and Balgo. Kururrungku store is at Billiluna. Another area we went to, at the request of some store managers, was the Dampier Peninsula. I acknowledge Mr Andrew Carter, who is here from Ardyaloon community; he was part of those discussions.

Following the discussions with the Tanami, there was an agreement between the three community stores down at the Tanami about combining on a freight transport service. They all agreed that they would use a freight transport service out of Darwin to supply those communities. Before this happened the biggest store was getting freight from Alice Springs and the other two were getting theirs from Darwin, so one was coming up the Tanami and the others were coming down the Tanami. As a result of them working together they all came down the Tanami. As an addendum to that, in the communities in the east Kimberley if things come from Darwin there are some regulations regarding quarantine matters for fruit and vegetables, because they have to source their fruit and vegetables in Western Australia. I am sorry that Mr Peter Grundy is not here because he knows a lot more about that than I do.

The graph that I have given you—this particular graph here—has blue columns which indicate the direct result of those freight negotiations in 2006. That was when the freight negotiations occurred. That was when we took the baseline data for the RIST project. The pilot for the project actually happened in early 2007. After the change in freight, Kururrungku store, which was pilot site in WA, ended up with weekly freight deliveries of perishables. Because they are a small store they were getting fortnightly freight deliveries, but when the three stores combined that meant that the biggest store in the area, which is Balgo store, got their deliveries on the alternate week and then the smaller stores could get weekly freight deliveries. As a result of that, sales of fruit alone went up by nearly 70 per cent, and I know that Palyalatju Maparnpa's submission actually commented on that.

This continued up until about April 2008, if I remember rightly, when there was a change in management in one of the stores and they went back to fortnightly freight deliveries. The two smaller stores could not afford to have weekly perishable deliveries so they went back to fortnightly, and that is where you see the drop-off in the blue line. So there was quite some difference in that. That is one of the reasons why, when RIST was putting up recommendations, we did recommend that you look seriously at weekly freight deliveries to remote communities.

In WA we have so many stores in small isolated communities and they are not on regular runs. The Tanami is a reasonable one where you have got three stores at the end of the road. The Dampier Peninsula is another one where you have got stores in the general area. But as my colleague from Fitzroy Valley, who will be talking later, would know, we have communities that are not in a general area and therefore freight to those is difficult. The other area where more work could be done would be the Gibb River Road where there are very small stores. I feel that there could be better coordination of freight there and I am thinking of how I can facilitate that at a later date.

Following on from that, the second thing I would like to talk about is the nutritional support at the local level. As part of the RIST project we commissioned Menzies School of Health Research, and in particular Dr Julie Brimblecombe, to come up with the RIST store monitoring tool. You have heard about this. In front of you are the results of the store monitoring tool. It has got to the stage where the store manager at Kururrungku asked the nutritionist to come and check on how she is going. It is a very strong tool to feed back and make change in the community store in some ways which does not necessarily impact too much on what people purchase in the community store but certainly impact on the health of the community.

As an example of that I would like to point out things like recommended fats and oils. People will still buy fats and oils but some choices are better than others. If you look at the page to do with bread, before the pilot started the store manager was sourcing high-fibre white bread from Darwin. Because of some cost and transport issues, she changed her supplier. When we presented back the information after the first assessment and showed that there was basically no fibre in the bread, she immediately went back to sourcing the original supply. It is still white bread, which community people in some cases prefer, but it makes a lot of difference because of the GI content, which people mentioned earlier, and the fibre content.

So there are some things that can be done just by feeding back and talking to store managers and looking at how they might source things that can make a lot of change to a community store. This is a good example: fats and oils and bread are classic ones. If you look through this you will find that there are also big changes in things like takeaway items—meat pies and a whole variety of other things.

**ACTING CHAIR**—Just as a clarification, was there an intervention in the study or is it observational?

**Miss Bowcock**—There was a nutritionist based in the community at the time. I think from about March 2007 to about August-September 2007 was when the RIST trial was actually going on in that community, which the community store and the store council, and the nutritionist based in that community were very much involved in. But the nutritionist, funded through OATSI and based with Palyalatju Maparnpa Health Services, remained in the community and was working there until last Christmas. She has since moved to Balgo community, which is the big community, and is working with a number of those communities there now. For the first 12 months of her role there she was dedicated to that community. She was based in the school, worked with the store and the school and any other organisations in the community. I note that there has been some comment about training people in cooking. That was a big role that she was playing. All through the school every class was involved in cooking and then there were evening cooking sessions for adults, men and women. It was very comprehensive and there were a lot of things happening in that community. The nutritionist did a lot of work and she has, as I said, moved into another area.

One thing I would also like to comment on is fruit and veg sales here. In the late 1990s I did look at a number of stores, and most fruit and veg sales were about 10 per cent of total sales. When the preliminary RIST figures came out before we did the intervention, I was very disappointed to see that in the West Australian store from that area the fruit and veg sales were about 6.5 per cent of total sales in the store, because that is really quite low compared to the 10 per cent that I had seen 10 years earlier. As a result of the transport increasing in intervention we actually managed to get it up to 8.4 to 8.5 per cent of sales, which still sounds a bit low to me, as most of the other RIST intervention sites where the pilot was happening were all well over 10 per cent before the pilot even happened. Translating that 8.4 per cent to weight, and this is very rough, it basically equated to at the best time members of the community were getting something like 50 to 60 grams of fruit a day, which is about 20 per cent of the recommended amount, and vegetables about half the recommended five serves of vegetables a day. So even at best we still have a long way to go in that. What the store did was great and the managers were very proactive in sourcing that. They had a nutritionist to encourage it. But the other thing that I think was very good is that the managers made sure that the fruit and veg look good, and people will

buy good fruit and veg. I must admit that when I go down to that store I often purchase fruit and veg there. It is expensive but if it looks good then people are very interested in it.

There are other things in that report which are useful but I would like to mention two other things. Ian Lovell did the freight transport things. What was educational to me when I was travelling around with Mr Lovell when he was negotiating with store managers about freight, and this is in 2006, about August-September, was that most of the store managers that he talked with really had no idea what they were paying for freight. They knew what their overall costs were but they did not know a lot about what the hidden costs were. He would say, how much are you planning per kilo for freight? They would say, oh, 67c a kilo and 85 for frozen. I am just putting some figures out of my head here. Then he would get them to look at their sheet of paper that they get from the freight company and it turned out that there were a lot of other additional costs that most of them were paying. It was turning out that even in one particular area, using the Dampier Peninsula as an example, there did not seem to be any rhyme or reason between any of the stores or the pooling companies or the other people that were actually sourcing freight, and this was off the same freight company. I think that if you are going to look at freight then it is probably a lot more complicated than just saying, 'We're paying so much.'

The other thing I found a real lesson on this was a whole pallet story. Pallets cost stores a lot of money if they do not return them. I am told that there is a whole industry of a billion pallets a year going missing, basically, around the world and pallets are quite expensive. Inexperienced store managers sometimes do not even realise that they are sitting on a lot of money there or if they are not monitoring it closely then those pallets could go missing and they are actually charged for them. I am sure Karen Mellot from WA Buying Services can give you more information on that.

Two other things I was asked to mention by store managers and other people are, first, the freight costs. People are actually paying more to freight from Broome to their community up the peninsula the last couple of hundred kilometres than they do to get the food from Perth to Broome. This is probably a story right across the Kimberley, that that last bit over the dirt roads is generally the most expensive bit. The other is out of date foods, and you have properly had this elsewhere. Foods are being sent to communities very close to their use-by date, sometimes after their use-by date, and inexperienced store managers generally accept these without realising that they really do not have to. That is something that the environmental health people here have also mentioned to me, but certainly store managers mention it to me and I often hear from nurses on that. In most cases it is a buyer beware thing but there are some foods like baby foods and dairy products that really should not be sold out of date. I think we are very fortunate that we do have some very good environmental health officers that manage that.

I will also mention a thing that was brought up to me by the chairperson of the community. That is the GST cost in stores. Even though most food does not involve GST, you have heard from my counterparts elsewhere that the type of food that is often being sold in community stores often does attract GST, so the cost of food in stores is incredibly high. My counterpart from Nindilingarri Cultural Health Services will talk about that when he comes to the table. People are actually paying the GST at point of sale and therefore they are paying more GST than most other people in Australia are paying, because basically they are paying such high amounts for food. That is something I was asked to mention. I am not an expert on GST.

Finally, I have given you a copy of the WestPlan. In WA we are very fortunate in that we have a system that is administered through Fire and Emergency Services for picking up the additional cost of transporting food to communities during the wet season if communities are actually isolated. This is an extremely good system that is being administered very well throughout the north-west. Since I have been in the Kimberley we have had times when some communities have been cut off for five or six months during the wet season. Even though FESA work very closely with stores to make sure that they are well stocked before the wet season, in some cases they just cannot last that length of time. You never know each year. FESA has given me the figures for the last couple of years, where the wet season has not been too bad and only some communities in the Fitzroy Valley and the Gibb River Road needed the WestPlan support. But in previous years, certainly in the Kutjungka area it has been a very essential service for them to have that.

I would like to go back to my original point about weekly freight deliveries. One of the things that WestPlan does do is that it will ship out fruit and veg. At the back of the WestPlan document they will tell you what they will pay to be sent out. I have given you all a copy of that. I think it is about page 27 or something. We are talking about areas where the health is extremely marginal and where things like fruit and veg, as you have heard from my counterparts in other parts of the state who are more learned than I am, are important. If you are looking at some sort of subsidy or assistance, it would be good to look at that whole issue of what happens during the wet season in some of these areas. Essentially that is when people are likely to get more infections, they are more likely to have diarrhoea. I was talking to the paediatricians about this before I came this week that this is quite a big issue and it is probably the time of the year that they need the best food. Thank you.

**ACTING CHAIR**—What were you asking us to note in the WestPlan submission?

**Miss Bowcock**—That there is a system like that in WA. In one of the appendices it gives you a list of the foods that they will supply. But there is a process involved in that where FESA actually work with the communities to ensure that their stocks are well and truly up before the wet season. Some stores that are very small do not have a lot of storage space and so they need more assistance than others.

**ACTING CHAIR**—You have suggested two areas. We might divide the questions up so that first of all we talk about freight issues and when we have concluded that we will move on to nutritional support issues. I will kick off with freight. You were alluding to the fact that the costs are primarily in the tertiary leg where you are delivering from regional centres out to the remote community itself.

**Miss Bowcock**—That is where I have been informed the highest costs are by store managers but there are probably other people here, who will be presenting later, who are much more knowledgeable about this than I am.

**ACTING CHAIR**—By way of notice, we would like to ask, particularly those who are following, about the costs of delivering from regional centres like Broome, Kununurra and other centres into the communities and whether that is an area, (a) that is expensive and (b) where efficiencies can be achieved.

**Miss Bowcock**—My understanding from what store managers have told me is that it is very expensive. An example that I have shown you with what happened with the RIST project is that, if they work together, there are probably a lot of benefits in doing that. I know that is difficult when you are talking about the competition issues, but some of these are very small stores and unless people work together it can make it very difficult.

**ACTING CHAIR**—I was concerned that you were talking about small communities falling back to a fortnightly delivery which makes it very difficult to have healthy perishables available. You were referring to the Tanami. Why are there not deliveries to communities like Lajamanu or Daguragu and then secondary trips made from those communities down to the small ones that cannot afford to have weekly deliveries? Why isn't there some sort of coordinated supply chain that brings deliveries to the nearest Indigenous community from which then people actually pay to deliver out of a community like Lajamanu down the Tanami?

**Miss Bowcock**—It needs to be a hub and spoke type of thing. Lajamanu is actually in the Northern Territory, it is not on the Tanami.

**ACTING CHAIR**—But anything that comes from the NT, as you were saying will come through Lajamanu.

**Miss Bowcock**—Sorry, from the NT you have two sources of getting to, say, the Kutjungka region, which is what we are talking about. They can either come up the Tanami or down the Tanami.

**ACTING CHAIR**—I am just saying hypothetically if you are coming down the Tanami from whatever community there is, why isn't there some rationalisation of those supply chains so that supplies are taken as far as they can and then a secondary leg is incorporated to deliver to these communities.

**Miss Bowcock**—Originally when it was set up—and I can only go on memory here—they were sourcing their food from IGA in Darwin and it was coming down the highway to Halls Creek and then down to the communities. There was an issue with fruit and vegetables because they were being sourced from WA and they were actually being held in Kununurra. The trucks would come down from Darwin, pick up fruit and veg in Kununurra and then come down to the communities. That is still how two of those communities get their supply. When they all sourced their goods from Darwin and picked up stuff in Kununurra on the way down, it went down to the three communities. That is no longer occurring in that two of the communities are sourcing their stuff through Darwin under that system and the other community are sourcing theirs through Alice Springs and that community is actually bringing theirs up the Tanami. There are implications for why that is occurring because that store is now being managed by Outback Stores and most of their goods and services are coming out of Alice Springs.

**ACTING CHAIR**—The final freight question is: can you see a way of subsidising freight delivery in a way that is going to work for both community controlled supermarkets and privately run community stores? Can you see any way of subsidising the supply chain that will actually lead to cheaper fruit and vegetables for Indigenous families?



**Miss Bowcock**—In some places, as I said, if stores can get a weekly supply then certainly we have shown that that increases consumption. I do not know enough about the freight industry to know this, but I know that it is probably not viable, with a lot of these stores, to get a weekly supply—for the stores to actually be able to pay for that. We have a lot of stores in the Kimberley. I think we probably have up to around 30 stores in the Kimberley. Some of them are near main roads—it is almost bitumen to their door—and that makes it a lot easier for them to get their supplies. There are others that are quite a long way from the bitumen. These tend to be a lot of the smaller communities—less than 100 people or less than 200 people. They have stores and that makes it a lot more difficult. Some of those communities pick up their stores in a town. An example is probably Fitzroy Crossing. The freight company that comes up from Perth will drop the freight off in Fitzroy Crossing, and they will bring their own trucks in and pick it up and take it out to the communities. I have not investigated very closely the implications of what sorts of vehicles they are using for that, because I feel that getting a food supply is pretty important, but there could be some environmental health implications to do with how they are getting it out there.

**Ms REA**—I just want to clarify this graph that you handed out. The disparity between the blue and the red is the cost of fruit and vegetables; it is not that—

**Miss Bowcock**—No. It is the percentage of sales. It is the percentage of money spent on those items.

**Ms REA**—That is different between the percentage of sales—

**Miss Bowcock**—It is the percentage of money that community people are spending on those items. When that store was selected as the RIST pilot site and I looked at the breakdown of where the money was being spent in that store, I found that more money was being spent on confectionery and sugar than was being spent on fruit and vegetables. Both confectionery and sugar are quite inexpensive in a way. The confectionery made up of a lot of the first part of that graph, the first red bit. Following the intervention and negotiating with the store manager on how the store manager set up the store—where she had the confectionery placed in that store—there was a massive drop in sales of confectionery. With sugar, there was a minor drop. The detail of those graphs is in the complete report. It made a massive difference in what was happening there.

**Ms REA**—I just wanted to clarify that, because there are two ways of interpreting it, in that you might spend more on fruit and veg, but it does not actually mean that you are buying more of it than you are buying of confectionery and sugar. But this graph means people were, after the intervention, actually spending more and buying more fruit and veg—

**Miss Bowcock**—They were buying more fruit and veg and they were buying less confectionery.

**Ms REA**—as a percentage of their household food and they were buying less confectionery.

**Miss Bowcock**—Yes.

**Ms REA**—And the drop down here is when they went from weekly to fortnightly.

**Miss Bowcock**—Yes.

**Ms REA**—Thank you. That makes sense now.

**Miss Bowcock**—My apologies.

**Ms REA**—That is all right. I just wanted to make sure I was reading it the right way.

**ACTING CHAIR**—On that question, we might just get a better understanding of the methodology of RIST. I think we have all got questions around it. First of all, the intervention was negotiation with the store manager and presence of a dietician in the community.

**Miss Bowcock**—When it was set up, each of the participating states, if you bear in mind that RIST was actually funded as a result of *FoodNorth*—and I do have additional copies of *FoodNorth* in the RIST materials here if you would like additional copies—

**ACTING CHAIR**—What about the methodology of the research?

**Miss Bowcock**—Okay, yes. What actually happened with this is that each of us who were part of the steering committee was asked to nominate or find some stores that were prepared to be part of the pilot to test the RIST materials. What RISTs did was to follow the health recommendations of *FoodNorth* to come up with a selection of materials that could be used to target store managers to make better choices within the store, marketing ideas and what we feel would be ideal things for the stores to stock. As a part of that, we needed to pilot those materials. Originally we wanted two stores from each of the participating states and the Territory to participate in the pilot; unfortunately that did not happen, and there are a number of reasons why that did not happen. In WA we had a couple of stores that were interested, but they did not have the right computer system to be able to monitor.

In conjunction with the piloting, we also commissioned Dr Julie Brimblecombe, of the Menzies School of Health Research; you are interviewing Julie, I think, next Wednesday. Julie has done a lot of work looking at point-of-sale data and linking that with bar coding to be able to do a nutritional analysis of that. For years nutritionists have wanted ways of evaluating interventions at community level a lot more easily than had been done in the past. Dr Amanda Lee developed a thing called the store turnover methodology which was based on hand invoices, and it was a long and involved process and took months. Julie being able to link in the national nutrition surveys helped this, because ANZFSAs linked nutritional composition data with the bar coding on foods, so essentially you scan a bar code of baked beans and straightaway you have a nutritional profile for those baked beans; it is linked to their weight and everything else. What we wanted was a monitoring tool that did not necessarily pick up every single food that went through the store; we wanted some indicator foods.

What you have in front of you is what we came up with as indicator foods. They were selected from data that Julie had already done as part of her work. As well as the pilot stores, she looked at all the food that went through the pilot stores in the third quarter of 2006—three months in 2006, July through to September. She analysed that and came up with what foods were contributing significantly to macro- and micronutrients. Those are the foods that went into the monitoring tool, but there are also some foods that went into the monitoring tool that are the

ones that we recommended that people should be eating. So we wanted to look at what we as nutritionists were promoting to improve not only fruit and vegetable sales but nutritional sales in communities, as opposed to what was actually being consumed in communities. If you look at things like hot chips, meat pies and sausage rolls, which I think are the main takeaway items, you see that those were the ones that made the most significant contribution to the saturated fat in takeaways. All other takeaway foods were not really included, because they did not make a significant difference.

**ACTING CHAIR**—Why do the data stop at March 2008?

**Miss Bowcock**—I do have data after that, but it will only pick up five readings on it. The nutritionists rapidly did some assessments last Friday, right up until the end of the last quarter, and I do have that data, but I did not include it, because basically I was trying to fit it into one graph and I could not give you all that information. She had a few concerns about some of the work that she had done because she is no longer based in the community and she could not go back to validate some of the food items in the store. Even though the monitoring tool is good once you get used to using it—I think Jo Cox, who put that together, can probably do a quarterly assessment on a store within a couple of hours, whereas in the past it used to take up to six weeks—you still need to be on site to go and keep checking when there are some things that are scanned through the point-of-sale system but sometimes have not been entered correctly into the store database. So you need to be able to go back and recheck. As Jo was not wholly certain about some of the things, I did not include the last few. As I said, the store manager has pushed that more of these be done, because she can see the benefit of it. When I spoke about being able to address the committee about that data today, they felt it was quite positive. As store managers and as a community, they are to be congratulated on how well they have done.

**Mrs VALE**—I have some questions on basic nutrition. Is it still the practice of mothers in these remote communities to breastfeed their children when they are babies, at what age are they normally weaned and what are they weaned onto?

**Miss Bowcock**—My apologies, I am more than a little bit out of date on this. We have a paediatric dietician in the Kimberley who is our specialist, and I would like to refer to her and get that information to you. When I first came here, breastfeeding went up to a couple of years. I do not know whether my colleague from Nindilingarri has more detail on that, but I am not up to date with it.

**Mrs VALE**—Do you have any idea of what transitional food is available in these stores for children who are being weaned?

**Miss Bowcock**—Most community stores that I have been in have a full range of baby foods. They are generally very well stocked on that. You would generally find that there is baby food in even the smallest ones.

**Mrs VALE**—There would be no point in me even asking the question about whether or not mothers have the capacity to do their own vegetables for babies.

**Miss Bowcock**—That is very unlikely.

**Mrs VALE**—Have you had the benefit of going into some of the homes in remote communities to see what kinds of facilities the mothers and grandmothers have for preparing food?

**Miss Bowcock**—Like you, I have not been invited in, and I am always very wary about questions like that. My observation is that a lot of people cook outside. They do one-pot cooking on fires outside. There are people from Nindilingarri Cultural Health Services coming on after lunch, and they will have more information on that because they are working more closely at community level. I brought this issue up with Jo, the nutritionist down at Palyalatju Maparnpa, who has done a lot of work down there. Her observation is that if people are cooking inside the houses then they are more likely to use electric frypans. I am not saying that is everybody; that is just an observation. When I was involved in cooking sessions, which I have not done for a long time, we tended to use electric frypans and look at one-pot type cooking so that everything could be done in one go.

**Mrs VALE**—Besides availability of fresh fruit and vegetables, I think we have to look at what facilities are available for mothers to prepare food. One of the remarkable things of the inquiry so far is that mothers have very little available to them, from what we have observed. But at this stage we have not been able to access homes, which is difficult.

**Miss Bowcock**—Some of the work that I have done over previous years has been in helping educate some of the childcare centres and things like that. I continually supplied kitchen utensils and containers over quite a few years and the next time I went back they would no longer be there, and that was in a number of areas throughout the Kimberley. Certainly there is a very high turnover, though probably more so in the East Kimberley than the West Kimberley. I remember Mr Peter Grundy, who the previous witness works with, telling me quite a few years ago that when he was managing one of the stores in the Kutjungka region he sold more rice cookers than he had ever sold before. He had to have a continual supply of rice cookers because people were continually burning them out. But they were using lots and lots of rice cookers. Cooking is happening in houses; it is just that I personally have not had experience of that.

**Mrs VALE**—Thank you very much, and thank you for your evidence.

**Ms REA**—I have one last general question. You talked at the beginning about Kururrungku community, which was obviously quite successful as part of the RIST pilot. Your focus is obviously on nutrition, education and awareness about food preparation and the use of fresh food as well as freight, but what was the mysterious ingredient that made this a successful pilot?

**Miss Bowcock**—There are a number of reasons why that community was selected as the pilot site. Food supply is one of my areas of interest. The other area of interest that I have a lot more to do with than I do with food supply is that I run a program in schools on how to beat type 2 diabetes, a full term program in schools. It was actually developed in the Pilbara and it has been administered throughout most of regional and remote WA. That particular community school was always very supportive of having that program running in their school, so I knew that we had a very supportive school that would be interested in anything that was happening. We also had store managers there that were very keen to participate. The store manager was actually part of the transport forum in Adelaide and was one of the people who initiated Mr Lovell coming up.

**Ms REA**—And how is that store managed? Who are the store managers?

**Miss Bowcock**—That manager has since moved on. The store is a community owned store. 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, and I think you are hearing from one of those community store people in Darwin on Wednesday, from Jarlmadangah community. Most communities either hire a management company—like Peter Grundy and associates, Arnhem Land Progress Association or Outback Stores—or they recruit their own managers. In the case of Kururrungku community, they recruit store managers to manage the store. At that time there were a lot of critical or key success factors that we felt would make it good to run the pilot in that community.

The other issue that we had was that Palyalatju Maparnpa Health Committee, which is the cultural health service in the Kutjungka area and cover Balgo, Billiluna and Mulan, had not had much involvement in that community and, when OATSI funded a nutritionist to work in that area, it was a good place to put her because of the supportive environment in that community.

Also—I keep forgetting about things that have happened down there—when ATSIC folded, a large amount of money went throughout Indigenous Australia to look at improving the quality of stores, and the Kutjungka area was a recipient of a few million dollars of that money to upgrade their stores. They called it a ‘stores for better health’ program. Because I had had a fair bit to do with various government agencies up here and I have been around long enough, I was invited onto the committee to do the better health part of the ‘stores for better health’ program. Unfortunately, it took a long time for those stores to happen. If you look at the results that were achieved, particularly the initial time with the Kururrungku store, for most of that period that store was undergoing major renovations and had in some places been almost completely gutted, so what they did is really quite amazing. I have a lot of admiration for the store management at that time and that community for what they put up with and the fact that they were prepared to be part of a pilot site.

**ACTING CHAIR**—We have had slightly differing evidence from the two witnesses who proceeded you. Djarindjin Aboriginal Corporation told us that they preferred not to intervene in the cost structures of healthy and unhealthy foods and that that was in some way—I cannot remember the term that was used—not their job to alter costs according to what was healthy and what was not. Then we heard from Remote Community Management Services, who said effectively they have to make their profits on high-profit items in order to be able to afford to even have some of the healthy stock there that is often of fairly poor quality and in low demand, and they do not make any money at all on fruit and vegetables. So they were two very different stories, and that is fine. But my question to you is: on this issue of supply, do you see (a) that we should and (b) a way that we can make fruit and vegetables below cost or even free for a community? Is that the way we should be heading?

**Miss Bowcock**—I do not know. This has been a dilemma for all the time that I have been here. When I came here, I inherited a market basket survey.

**ACTING CHAIR**—From which date?

**Miss Bowcock**—It was one of the original ones in Australia. It was a Kimberley market basket survey that was set up based on purchasing patterns in the Fitzroy Valley.

**ACTING CHAIR**—Throughout the 1990s.

**Miss Bowcock**—Throughout the 1980s and 1990s, yes. The person who set it up had it originally as what people were purchasing. The whole idea of that survey was to negotiate at a federal level for an increase in the remote area allowance. I am passing the buck to my colleague from Nindilingarri, who has recently done another survey. I continued that survey in the Kimberley and it ended up going throughout most of regional and remote Western Australia right up until the end of the 1990s. It became a problem, because the methodology was not great, as it was based on purchasing patterns in the Fitzroy Valley not those in most of regional and remote Western Australia. There were a lot of issues regarding the methodology. I had neither the skills nor the money to be able to upgrade the survey. The final crunch for me was that there were no outcomes from running the survey. There was a small increase in the remote area allowance, I understand, in the early 1990s before I came to work in the Kimberley. But other than that, most people who seemed to use the results of the survey were white people coming to negotiate union agreements or wage agreements—though some people did use it for grants. So I really could not see the point. With the amount of effort that went into it and with the fact that the methodology became outdated, we decided not to continue. But there has been discussion about redoing that.

**ACTING CHAIR**—Why I ask the question is that the two inputs here are remoteness and the size of the community. They are the two things the cost of getting the fresh SKUs into the premises. My question to you is: can you see a day when we do these random surveys at announced times so that we can look at prices and do some comparisons? Your two inputs are degree of remoteness—the cost of getting it there—and the size of the community, which is basically to do with whether there is a revenue model large enough to make the whole enterprise profitable. But you then have to benchmark these communities. The more remote and the smaller they are, the more expensive that it will be. We appreciate and understand. But we need to find the outlying communities that are either profit gouging or doing something really impressive and delivering things more efficiently. We will never know that unless we collect that data.

**Miss Bowcock**—Unfortunately, for something like the Kururrungku store, while we are very positive about those results, I have no idea about the viability of that store. We were just looking at the nutritional outcomes. There is something else that I showed earlier. This is old data from when we were running the market basket survey. I should perhaps give this to you. It is interesting how some things stand out. Between 1997 and 1998, prices went up between the East and the West Kimberley. On the graph, the green ones are the East Kimberley stores and the orange ones are West Kimberley stores. Prices in some stores actually went down. I was congratulating the CEO of the One Arm Point community. In other stores, they went up. I could look at all those stores and I could tell you the size of each community and how remote they are. The West Kimberley ones were a lot more economical. But sometimes I do not understand why some of these things happen.

There has been discussion in some of the paperwork about unscrupulous store managers as one reason. Something that has not been mentioned too much is incompetent store managers. You have a lot of fairly genuine people there who are working as store managers. I certainly could not be a store manager in a remote community store, because the demands on store

managers are absolutely massive. But I have come across quite a few very incompetent ones. When I hear about the possibility of licensing stores, I wonder whether we should be licensing managers.

**ACTING CHAIR**—In the group discussion I will be coming back to all participants to ask that question of whether we know, when we control for remoteness and size of community, which communities are outliers and why. There could be very good reasons for it; there may not be. But until we have that information, we cannot really have an informed discussion about supply chains and the efficiency of delivery.

I guess the last area that you have addressed is in relation to once a product arrives in the community. When it is fresh, how do we encourage not only the community but the families who need it most within the community to access it and take it home? What we have lost in the risk survey is information about which family groups are doing what. That would be very useful information. I also note that this risk data ceases prior to when the dietician leaves. I want to see a cross-over to see what happens when the dietician leaves the community—to see whether it goes back to the way it was.

**Miss Bowcock**—I am sure we can furnish you with that information. It has not necessarily gone back. It is still doing quite well. There have been some changes but, as I said, Jo wanted to validate the information. I would also like to make one comment because there was a lot of discussion earlier about people sourcing the store three or four times a day. I think something that really needs to be considered is that most community stores that operate well—and even ones that are not necessarily operating well—are the social hubs of their communities. 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. That is something that needs to be discussed. People are very proud of their community stores.

I remember having a forum in One Arm Point in the late 1990s. The community people that were at that forum were from a variety of communities from the desert, river and coastal areas talking about happy stores and what you needed to have to have a happy store. Essentially, people were proud of their store; that was where you went to gossip, find out what was going on, and talk about important community matters. As I said, it is a social hub of the community. Certainly, if workers want to go and see somebody they generally just go and hang around outside the community store and the person will eventually turn up that day. I think it needs to be acknowledged how important the role that the store plays is.

**ACTING CHAIR**—Absolutely, that is right in the centre of our recommendations.

**Mrs VALE**—Thank you, Robyn.

**ACTING CHAIR**—Thank you very much, Robyn, we look forward to seeing you for the roundtable discussions this afternoon.

**Proceedings suspended from 1.06 pm to 2.07 pm**

**CRUMP, Ms Louise, Director, WA Buying Services**

**MELLOT, Ms Karen, Managing Director, WA Buying Services**

**HINES, Miss Nicole, Store Manager, Wangkatjungka Store**

**ACTING CHAIR**—Welcome. Do you wish to add anything about the capacity in which you appear?

**Ms Crump**—I am also the director of Aboriginal business development.

**Miss Hines**—I am the store manager of Wangkatjungka store, a remote community store between Fitzroy Crossing and Halls Creek. We are managed by WA Buying Services.

**ACTING CHAIR**—If anyone would like to make an introductory statement they are welcome to begin before we go to questions.

**Ms Mellot**—I would like to outline WA Buying Services—or WABS, as we are known—to give you an idea of what our operation is all about. WABS is an independently owned buying entity. It currently services 14 remote stores in the north-west of Western Australia. When WABS was initiated, we were looking for a way to ease the store managers' time and we created what is known today as an online shopping catalogue for them to use. We have created a catalogue called Look and Buy, which allows the remote Aboriginal community store managers to order everything for the community through a one-stop shop, basically. We primarily focus on supply of all dry, frozen and chilled goods, groceries, fresh fruit and vegetables, meat and dairy products. All the orders are collated from the remote PCs to our head office in Perth and then they are distributed to our preferred suppliers and arrangements are made to freight via the nominated transport company.

A year after we first built this catalogue we invited the Kimberley health department to review and endorse any healthy alternative items within the catalogue, which they did with the help of Robyn Bowcock. They met with our meat supplier and advised them on the healthy cuts of meat for supply to the stores and also on cutting down the fat content of the less healthy lines, which worked, and continues to work, very well. We review this as much as we can.

Having supplied these remote stores for over a decade, WABS has accumulated a very big purchasing power with different suppliers of fresh fruit and vegetables, meat et cetera, but, as stated by everybody else here today, the major cause of the high retail costs is the freight. Nicole will talk about that a little bit later. For example, we can buy for the stores a loaf of bread at \$1.33—I cannot buy a loaf of bread for \$1.33 from the supermarket—but by the time it gets to the store and they have added on the store overheads and the freight costs in some cases the price can double. That is basically what we are talking about here today. We have endeavoured to work with local suppliers to try and alleviate the freight—that is, from Perth to Broome and out to stores—but these suppliers, particularly in Broome, see us as competition rather than as an entity working towards the same goal, so we have not succeeded there.



One way in which we think we have succeeded is that we have secured the services of a local Cash & Carry outlet. Wangkatjungka was the first to trial Cash & Carry rather than IGA. Going back to Robyn's comment about pallets, they do not charge for pallets. The goods are delivered and the next time there is a delivery to the store the store manager hands them back. There are no charges. They do not charge service fees to the WABS clients. They have worked very well with WABS in decreasing as much as they can the major core lines. We also get good pallet buys from them, such as on UHT milk, which Djarindjin takes quite regularly. Also, they see our clients as a client not as a number, as with IGA. We will get a phone call as soon as we put in the order and they say, 'We can't supply you with this particular brand of UHT milk but we have another one', so these remote stores are always provided with core lines. As far as IGA was concerned we were just a number. The stores never knew whether they were going to get milk or not. If IGA did not have it it did not go, and when the guys got their orders there was no milk. Then it could be a fortnight or another week. They did you know when they were going to get it. Cash & Carry has worked really well, and we feel that they feel that we are quite important to them.

We are also working at the moment with Coca-Cola to provide the WABS clients with new cooler units to be prominently placed and only carry water, juice and diet drinks. That is going to be trialled at Wangkatjungka very soon. We are working with Cash & Carry as well to try to reduce the consumption of the full-sugar drinks.

To summarise the purchasing, it is necessary for all the communities to unite in their purchasing through groups—that is, WABS or any other purchasing services. Obviously, this would increase volumes for us to negotiate with whichever supplier we are dealing with, and that would dramatically reduce the price of goods. If you say you are dealing with two stores you will not get much of a reduction but if you are dealing with 20 stores then you will get a reduction. We work at this every day to try and get things reduced. The freight subsidies are, I think, the essential part of what we are looking at to get to the stores. How that will happen—we were just discussing it—we do not really know. Maybe it will be based on volumes or some other sort of subsidy, but it is just killing them.

**ACTING CHAIR**—Freight costs?

**Ms Mellot**—Yes. As I was saying, \$1.33 for a loaf of bread is pretty cheap these days, but add on the freight costs—

**Miss Hines**—It is \$2.80 a loaf in the store.

**Ms Mellot**—So that is basically what WABS is all about: trying to supply fresh, healthy goods at a reasonable price but trying to get the freight cost reduced. That is it in a nutshell. Louise wanted to go through a little bit about store management.

**Ms Crump**—Firstly, I would like to say that we sprung from a company called Aboriginal Business Development, which stemmed from a state government-owned company called Aboriginal Enterprises Company back in the late 1980s. It was set up with an aim to provide loans to Aboriginal business people who were wanting to become economically independent. From that company, a program was set up called Aboriginal Community Stores Program, whereby the stores were managed by our group, and the management fees were subsidised by

state government. I was employed in 1991, so I guess I have been around for about 18 years in the same vein.

The state government changes from time to time, so obviously we underwent disbanding here and setting up there, and eventually we were contracted by the Department of Commerce and Trade to provide further business management services to remote Aboriginal community stores. The funding was provided for three years. After another three years, that was wound up. ABD set up as a management services company when that was disbanded, and all ABD staff who were previously employed by the government became shareholders of ABD—Aboriginal Business Development.

At the conclusion of the contract with the Department of Commerce and Trade, and with no further funding assistance coming from the government, and with several ABD staff retiring or relocating, the current directors of ABD—mainly Karen and myself—decided that it was more important to concentrate on providing the food services and the buying services to these remote Aboriginal community stores, and we have concentrated on becoming a cooperative buying service trying to provide cheaper prices, coordination of freight, et cetera. We do, however, still employ some store managers in several remote Aboriginal community stores. Although we do not charge large fees, we assist these stores with record keeping, payroll management and monthly cashflow statements. We also assist with quarterly BAS returns and any other issues with which store managers may require assistance.

Over the past decade or so, we have assisted a number of stores to overcome financial problems by maintaining payments directly from our office. Again we do not charge a fee for this, because we have a close relationship with the suppliers that we use with WA Buying Services. They know that if we take on the management of the store's debt, current debts are maintained and old debts will be gradually paid off. Most suppliers are happy for this to happen. With nearly 20 years involvement in Aboriginal community stores, we believe that the store in an Aboriginal community is one of the most important economic entities that can be owned by the community; however, problems often arise in communities due to ongoing family politics and other cultural issues. It is sometimes beneficial, therefore, to have an 'outsider' to manage the store who can be impartial while still maintaining a wide knowledge of cultural issues.

Our experience is that often these stores—not in all cases—are poorly managed, on the verge of collapse, and this results in financial loss to the community and its members, and then it becomes the responsibility of government agencies to come to their rescue. This often fails because, as someone pointed out earlier, whose responsibility it is is often hard to track down. I do not have a perfect solution as to how a community stores management program should be set up; however, I am not convinced that the Outback Stores program is the answer for everyone. As we heard earlier, we have had a lot of feedback that these community stores are having policies imposed upon them that they disagree with. They are being told what they can and cannot buy into stores, and therefore the people are dissatisfied with the range of products available to them, because they are used to having the choice in what they could buy.

We believe that Aboriginal communities feel empowered if they are able to participate in resolving their stores issues and that a program of discussion, consultation and request for assistance is essential. Remote Aboriginal community stores urgently need to be supported by way of subsidies to reduce transportation and fuel costs, all of which you have heard about

earlier today, I am afraid. In many instances, they are crippling the community financially and pushing food prices up dramatically. The possibility of also subsidising fresh food prices should be investigated. We are all in agreement that if fresh food was more affordable, we would have healthier communities. Also, in relation to major health issues faced by many Aboriginal communities, I believe that representatives from health organisations need to work not just with community members but also with store managers. I believe that store managers should be compelled to attend any meetings between health workers and community members so that this could ensure that everyone is on the same page, so to speak, as to the range of fresh and health food alternatives to be sold by the store.

**ACTING CHAIR**—Thank you very much, Louise. Nicole, are there any particular comments that you want to make about your community?

**Miss Hines**—All I have to say is that we know our pricing that we get from the WA Buying and Cash and Carry services from Perth are all fine; they are all in line. We have two main downfalls in our business, and they are the cost of freight to our store and the cost of the power supply to the store. They are the two things that drag our business down and make it a non-profitable store.

**ACTING CHAIR**—Are you able to tell us roughly the size of the annual turnover is year on year and roughly what the profit margins are?

**Miss Hines**—It would be in excess of \$1.8 million? Is that right?

**Ms Crump**—Yes.

**ACTING CHAIR**—And the size of the population that uses the store?

**Miss Hines**—I would say about 400.

**ACTING CHAIR**—And your net profit after expenses?

**Miss Hines**—We have no profit.

**Ms Crump**—It is a break-even situation. Again, that is directly as a result of the high overheads and trying to maintain lower prices. We could push the prices up but—

**ACTING CHAIR**—It is a community owned and run store. Are any non-Indigenous managers employed on site?

**Miss Hines**—Yes, myself.

**ACTING CHAIR**—You are not from or do not have a connection to the community?

**Miss Hines**—No.

**Ms REA**—I am trying to work out your history and where you fit into all of this. You came out of a state government owned entity, as such, and then the staff decided to actually create their own company?

**Ms Crump**—That is correct.

**Ms REA**—And you are a profit-making business?

**Ms Crump**—We would like to be.

**Ms REA**—Yes, that is the aim.

**Ms Mellot**—We are very small.

**Ms REA**—You are a privately owned company—

**Ms Crump**—Yes, we are.

**Ms REA**—who provides this service to communities. Obviously, what we have got here is focused mainly on the buying—

**Ms Crump**—Correct.

**Ms REA**—part of your business, but you did say that you have managers in some stores.

**Ms Crump**—Yes, we do.

**Ms REA**—Are they employed by you?

**Ms Mellot**—Correct.

**Ms REA**—I am interested to know a little bit about how, as you said, often having a manager from outside the community can actually be quite helpful. But I imagine that does not work unless you have got strong leadership from within the community as well that manage the store. I would be interested to hear your observations about why you are not more into management and more just doing the buying stuff. What are your experiences of having managers in there? What do you think works and what do you think does not?

**Ms Crump**—The reason we have not taken on more contracts with managing stores is because we no longer have the resources. When we were subsidised by the state government, those subsidies were passed on to the community to pay management fees.

**Ms REA**—And you would do management if you had the resources?

**Ms Crump**—If we had the resources, yes.

**Ms Mellot**—Yes.

**Ms Crump**—The outside managers have to work very closely with the community as to what the community want in their store. That is vital. We find that the two stores that we do manage have that relationship with the community. I think that without it the store would fold very quickly.

**Ms Mellot**—It is slightly important to note here that when we did this company on by ourselves, a lot of it was by request from the clients that we already had.

**Ms REA**—Thank you.

**ACTING CHAIR**—You made some reference to the difference between yourselves and Outback Stores. I am not sure if you have seen their submission. They have, I believe, three stores in WA but the major presence in the NT. It sounds like both your model and theirs are the kind of rationalisation of the system that we need to be heading towards. Would you agree that you operate 90 per cent of the time in a similar way to them and that just at the margins you are different, or is it more than that? If so, how are you fundamentally different?

**Ms Mellot**—I will give my side of it. We do not know a lot about the Outback Stores model. All we have had really is the feedback from store managers or people that have been to their stores. I just feel that we have a more personal management outlook on it.

**Miss Hines**—Outback Stores take away ownership of the store from the community, which is more important than a lot of things. The community store, as everyone else has said, is the hub of the community—not just shopping happens there. Taking away policies—not being able to make choices on what you sell in store and buy in for the locals—is a big thing, and I believe that is what Outback Stores have done.

**Ms Mellot**—Nic is actually employed by us, so her orders all come down to me and they are all reviewed before they actually go out to the different suppliers. If we feel that maybe Nic is overordering on nonessentials or underordering on essentials, then we just phone her up and have a chat about it—which we have done in the past, haven't we?—and say, 'We perhaps need to knock some of the electrical stuff back and increase something else.' It is that involvement with the managers that I feel is the difference, from what I have heard. I do not know a lot, as I say, about Outback Stores. I did have a conversation with one particular Outback Stores manager quite some time ago. His attitude to me—when I was just trying to assist him if I could in any way with supply out of Perth, if he was coming out of Perth—was quite rude, saying: 'You're doing exactly the same as us. You're in competition with us and basically we don't want to talk to you.' Is that how a government run outfit should be talking? I just find that really, really disgusting.

**ACTING CHAIR**—So you have not had any real talks at high level then, which is possibly part of the problem.

**Ms Mellot**—No.

**Ms Crump**—When Outback Stores was first set up, we did our best to contact various people and try and establish that kind of link. We had no feedback, no returned phone calls, so basically we just gave up and carried on doing our own thing, to ensure supply.

**ACTING CHAIR**—You are basically operating outside of the prescribed areas, in the main, so was there really much need for overlap? They were created as a creature of the prescribed areas. Apart from a couple of stores in WA, is there really much need to work together, if you have your own discrete areas?

**Ms Crump**—Not really, but we were under the impression when it was first set up that there would be more involvement in Western Australia, and that is why we wanted to offer working together or assisting or whatever.

**ACTING CHAIR**—How many of your stores fall in the 91 prescribed communities under the federal act?

**Ms Crump**—I really could not say.

**ACTING CHAIR**—That is really the reason for the division. It is good that we have it on record that you have not been able, despite your efforts, to make some connection with that organisation at the highest level.

**Mrs VALE**—In part of your submission, Karen, you actually say that you try to encourage your clients to have more healthy choices in their grocery lines. On the basis that they can decide on what they order themselves, how do you do that? How do you try and encourage them?

**Ms Mellot**—When it is managers that we are employing, that is easy because we just say, ‘We need to cut down on these unhealthy lines and increase the healthy ones.’ But we try to do that across all the stores. We know that pies are a big issue. Mrs Mac’s contacted us and said, ‘Would you be interested if we produced a healthy eating pie?’ I said, ‘How do you make a healthy eating pie, for goodness sake?’ But it was a healthy eating pie and it was better than a normal Mrs Mac’s pie.

**Mrs VALE**—So it was a healthier eating pie.

**Ms Mellot**—Yes, exactly. When that happened we actually marketed that out to the stores and for the ones that we managed, which at that time I think was probably two more than we do now, we actually replaced their purchase of the normal pie and put in the good eating pie and the good eating sausage roll. So we tried to do it through marketing rather than saying, ‘You will buy this or you will buy that.’ We tried to explain to them that it is healthier and it was not going to cost them any more money—it is just a different coloured packet really, because a lot of them were going in and saying, ‘It is not the same coloured packet as the one I bought last week so I will not buy it.’ So we tried to just market it rather than force it onto them. I agree with the previous speaker that there has to be a choice; you cannot go in and say, ‘You cannot have a Mrs Mac’s beef and onion pie because it is not healthy for you.’

**Mrs VALE**—Okay, fair enough. So you are really just trying to encourage people to change.

**Ms Mellot**—Yes, we try to ease it in via the store managers. It is the store manager’s job, if you like, at the end of it all to try to promote it at store level. I think they need a lot of assistance with that.

**Mrs VALE**—Do you have any nutritionists on board or anyone you ever use?

**Ms Mellot**—We are in contact with Robyn Bowcock quite a lot. She has done a lot to help us actually with that side of it. But, no, we do not have a nutritionist on board with WA Buying Services.

**ACTING CHAIR**—So do you have only 14 stores on board or is that just in the north west of Western Australia?

**Ms Mellot**—No, it is 14 stores that we actually service.

**ACTING CHAIR**—So what are the issues for you as far as expansion goes and approaching new communities to come on board with WABS?

**Ms Mellot**—If we had 10 more staff then we would take on 50 more stores.

**ACTING CHAIR**—Would they invite you to do that? Would they would be willing to take you on?

**Ms Mellot**—I guess that would depend. We do a lot of work for the stores who are represented here today. We are limited in our resources. The last few stores that came on board and that we are actually servicing came on board through hearsay. So we do not have to go out there and market ourselves as such—it is that much of a personal service that we are happy attending to the people that we have got. If we could get other stores on board then yes, obviously that is going to help decrease the costs for the rest of the stores because, as was said previously, the more stores you have on board obviously the more buying power you have to negotiate with the supplier and get these prices knocked down. It is surprising how you can do that.

There is actually a new manager at One Arm Point. He brought it to our attention that he could buy something cheaper out of Broome than he could out of Perth, once he had added his freight on. So we went back to that supplier and challenged them. We said, 'Hey, come on. We're purchasing here for 14 stores and now we are being told that somebody in Broome is getting a cheaper price.' And eventually down comes the price. That is what we do every day.

**ACTING CHAIR**—I will address this question to Nicole. When you speak to store managers from communities that are not part of WABS, what do they say about your service?

**Miss Hines**—Basically the reason I like WA Buying Services is that it takes a lot of time being a store manager and you are involved in a lot of other things but if I have a problem then I can always turn to Louise or Karen at the drop of a hat. They handle a lot of other things, like buying power and transport issues—basically any problems with any supplier they will handle. A lot of store managers out there do not have that kind of support. They do not have time to search themselves for better prices for transport—it all falls back on the store and the community and the community suffers in the end. So just having that point to turn to there makes a big difference.

**ACTING CHAIR**—We are just not getting to the question. I just do not understand why it is not viable to expand. I am trying to understand two things. Firstly, if it is viable at the moment, just, then it should be slightly more viable if you expand your base. Secondly, were you to expand your base, what resistance would you encounter?

**Ms Crump**—I guess the first reason why we are expanding slowly is that we are limited by resources. We are not making a lot of money. Our service fee is five per cent on everything, which is nothing.

**Ms REA**—Just to interrupt, that I guess is what I am trying to find out: how is it that you do make your profit? You say that it is a service fee of five per cent to the community. What is that percentage based on?

**Ms Mellot**—The community store is charged the price that we are charged by the supplier. Because of the purchasing power of the supplier, we get a five per cent service fee. So it is from the supplier; it is not charged to the community.

**Ms REA**—You get a commission from the supplier to sell their products into the community?

**Ms Mellot**—Yes.

**Ms Crump**—That is correct.

**Ms REA**—Do you get a fee from the two communities where you have managers?

**Ms Crump**—We get some fees for managing things like their BAS, payroll and that sort of thing. That is \$750 a month.

**Ms REA**—Where you put a manager into a community store, do you get any return?

**Ms Crump**—No, we just charge them a straight salary plus on-costs.

**ACTING CHAIR**—How do you pay the salary out of the five per cent?

**Ms Crump**—No, the store pays the salary but no extra. We do not make a profit on the salary.

**Ms Mellot**—We do not make a profit on that.

**Miss Hines**—Our store pays nothing to WABS or ABD.

**Ms Crump**—It is just wages, payroll tax, PAYG and superannuation.

**Ms REA**—So the only profit you make is that five per cent that you put on the supplies?

**Ms Mellot**—That is what we survive on.



**ACTING CHAIR**—It is actually a five per cent discount that suppliers offer you which you keep?

**Ms Crump**—Yes.

**Ms Mellot**—If it offered more then we would give half of that back to the store, as happened just recently with Nestle. They gave us 20 per cent, so the store got the extra discount and we got five.

**ACTING CHAIR**—Just to be provocative, why don't you keep that and expand? It seems like you are determined to run on almost no profit and you are impeding your own ability to expand a very good service.

**Ms Crump**—We do not want the overheads to go up. We are trying to keep the food prices down.

**ACTING CHAIR**—But the community could have access to your services and be even better off?

**Ms Crump**—Perhaps.

**Mrs VALE**—Does that five per cent actually pay your salaries?

**Ms Crump**—Yes.

**Mrs VALE**—I was not sure how it happened. You are not registered as a non-profit organisation; you are a private company. So you just exist on that five per cent.

**Ms Crump**—It pays us a wage and we believe in what we are doing, and that is why we are doing it.

**Mrs VALE**—I appreciate that.

**Ms REA**—Is it too simplistic to say that the commercial viability of the store does not impact on your bottom line? Your connection in terms of raising money is with the suppliers. Obviously you need a store to be a viable. How does your focus on providing supplies and healthier products for the store affect the commercial viability of the store? I know that is not the only reason that stores exist but obviously that is the focus of this inquiry. Whether or not the store is making a profit does not affect your bottom line. You can influence purchasing in a different way than if you were dependent on getting a fee out of the store—is that correct?

**Ms Mellot**—Yes.

**Ms Crump**—That is correct.

**ACTING CHAIR**—Have you seen any perverse incentives for store managers or have you heard around the traps that if you sell a certain amount of unhealthy, high-sugar soft drinks, you can get some sort of bonus?

**Miss Hines**—Have I heard of any?

**ACTING CHAIR**—Yes, or incentives for store owners to go on holidays or receive other awards? If they are there, I am sure you would have heard of them by now. Can you give any credence to those rumours?

**Miss Hines**—No. I have not heard anything like that. That is the first time I have heard that.

**ACTING CHAIR**—Back to freight, are you aware of more economic freight options other than the ones you have at the moment? If so, are they able to be expanded across the country and into different parts of West Australia?

**Ms Mellot**—The CEO from Djarindjin mentioned that they changed their freight company and they all came together on the peninsula. We handled that contract to get them a cheaper price. It is difficult with freight with some communities, because some will go for the lower cost and some will go for the service. We know of freight companies that are really good, but they charge that little bit more. If it is in the wet, we know that those guys will go out of their way to get it there somehow. They will not just give up and say, ‘Well, I can’t get across because of the flood so I’m going back to Perth.’ On the other hand, another freight company will say, ‘Okay, well you wait there and wait for the shire to ring and see whether we can get across,’ or they will sit there overnight and wait to get there the next day. We do not tell the community, ‘You have to go with this freight company.’ They nominate the freight company. We just try and negotiate a good price for them.

**ACTING CHAIR**—Can you shed some light on the community store that withdrew from your services as a result of credit obligations that were unresolved?

**Ms Mellot**—Is this from the earlier submission?

**ACTING CHAIR**—Could you expand a little bit on the credit control issues that give you a price advantage, just so we know what you mean by ‘credit control issues’.

**Ms Crump**—Simply, the cheques would be sent to our office. We would hold them, watch the cash flow, have access to the bank statements to see how the accounts could be paid and release the cheques in the order that we felt was more important to maintain supply. We would hold back those we knew could wait a little longer. That is the sort of credit control that we did for them. We did that for Jilgu store for probably 12 to 18 months. It worked well; the suppliers were happy and the debt was being reduced. Then the CEO changed and kicked out the store manager, and it all basically went to hell in a basket.

**Ms Mellot**—That was to the point where I believe the government had to actually fly in groceries to that store, because they had built up a debt at the local Farmer Jacks in excess of about \$60,000. They were getting no further forward and just going backwards.

**Ms Crump**—I think that comes back to management issues and communities working together with the store managers and their CEOs. If there is a good relationship between CEOs, store committees and store managers, I do not think you get these issues. But, when you get somebody in who has differing ideas and will not work with the other people, it all falls apart.

**ACTING CHAIR**—Thank you very much.

[2.44 pm]

**BUSSEY, Mr Clint, Nutritionist/Health Promotion Team Leader, Nindilingarri Cultural Health Services**

**DAVIES, Mr Patrick, Spiritual Health/Health Promotion, Town Community, Nindilingarri Cultural Health Services**

**YUNGABUN, Mr Harry, Environmental Team Coordinator, Djugerari Community, Nindilingarri Cultural Health Services**

**ACTING CHAIR**—Welcome. Is there anything you would like to add with respect to your appearance?

**Mr Davies**—I have been part of this organisation since its beginning, in 1998. I have worked in all the different program areas. Harry and I are basically here to support Clint. He is feeling a bit nervous!

**Mr Bussey**—I'm fine!

**Mr Davies**—We will just cover any community aspects that he may not be able to speak about. We are basically here to back one another up.

**Mrs VALE**—I will need to be told about what questions I cannot ask Clint!

**Mr Davies**—Ask anything.

**Mr Bussey**—I am actually feeling quite good!

**Mrs VALE**—Oh, good!

**Mr Davies**—Well, we do not need to be here then! Clint is the head man, but we will assist him in any way that we can.

**ACTING CHAIR**—Would you like to start with an introductory statement? Any or all of you may say a few words before we go to questions.

**Mr Bussey**—We would, but first I would like to acknowledge the traditional owners of this land. As we have heard, there have been quite a few communities thrown around the place. If we could, we would like to let you know our jurisdiction in the Fitzroy Valley. We have a map here.

**Mr Davies**—This map, as simple as it looks, was put together in around 1998 by Nindilingarri largely because a lot of people did not even know these communities even existed out there. They are colour coded into language groups. There are four languages spoken in the valley—five, if you include Nyikina. It was instrumental in highlighting that these communities were out

there. There were a lot of service providers that came from other towns that did not even know they were there.

**Mr Bussey**—In saying that, the five representative tribes all have their own unique language. They are not simply dialects or variations. Nindilingarri was first established in late 1995 after complex discussions with the community. At present, more than half of our employees are local Aboriginal people. Currently, we service 39. That is a little debatable. It can be as high as 44, I believe. It just depends on where those communities are at. It is not easy to see on the overhead, but the bitumen line from the far west out at Jimbalakudunj, which is almost 150 kilometres from Derby, extends right through to Yiyili, which I think is close to 150 kilometres from Halls Creek. The distances on the bitumen alone are about 275 kilometres. As you can see on that map, they extend further into the desert, north and south of the river.

The majority of the communities are classified as remote. In fact, all of the communities, including Fitzroy Crossing, are classified as remote. They have an ARIA score of 12, which we do not tend to use but it is an indication. At certain times during the year accessibility to these communities is highly variable. We have just come out of the wet season. Even the bitumen on the west side of town was washed away. That cut off half a dozen to a dozen communities. If you go through there now you will see that it is still in disrepair. It is passable, but they still have not repaired the bitumen. On the east side, the Fitzroy River side, the river rose a metre. Patrick might be able to help here. It was impassable for motor vehicles. On that side of the river there were probably close to 20 communities that were cut off. That is a regular occurrence during the wet season.

English can often be the second, third or even fourth language spoken, which is astonishing to me. That is just from tribes interacting with family. Little kids have grown up with grandmothers or grandfathers from different tribes. In order to understand their children and vice versa they have to learn the different languages and they do that well.

Currently five remote stores are up and about. One of these stores is out of operation due to financial difficulties; we will show you further down the track. That is the market basket research that we have done; that is the second column from the left, I think. That store is no longer operational. It is going to be up and about, though, in a few more weeks. One of the other stores has had quite a bit of strife with management, so it is still recovering.

As we can see in this display, on 8 July the main centre in town where people were purchasing their foods to consume was destroyed by fire. That is it there. The complex is further to the left, but everything in that block was destroyed. That is a picture of the complex. It went straight through the roof, so the place was completely destroyed.

**Mrs VALE**—What has happened with that?

**Mr Bussey**—At present the community has got together. It has been great to see that people have pulled together, so community has really come about. ‘Community’ gets thrown about a lot—‘community, community, community’—but at this time people just worked together. It is operating on the basketball courts of their local rec centre, and they have all the essential items there. In this fire the meat was saved—which some people are not happy about. The entire frozen section was okay.

**Mrs VALE**—Has the place been totally demolished? Is there anything—

**Mr Bussey**—I believe it will be—

**Mr Davies**—It will be, yes.

**Mr Bussey**—which could be a good thing.

**Mr Davies**—The Shell roadhouse, which is owned by Coles, has been given the go-ahead to expand its stock to cater for the shortfall. The Yiyili roadhouse, a BP roadhouse, has removed all its dining area tables and that, and it is bringing in extra stock there. The Bayulu store reported that there was hardly anybody who touched the store, and they had ample supplies out there. So it did not really put too much of a hole in supply in the valley, because a lot of people come to Broome and Derby for various reasons and shop here too. For things that you cannot buy in Fitzroy, you come here. You might come to see people in prison or for dialysis. There are a lot of other reasons why people travel. So losing the supermarket was not as dire as most people thought it was going to be.

**Ms REA**—Was it a viable store?

**Mr Davies**—It must have been. Yes, I am sure they made money, with the prices they charged! Well, that is the truth; we paid them. I feed my family, or try to, at least. They had a monopoly.

**Mr Bussey**—The importance of remote stores in Aboriginal communities is undeniable. There have been recent papers circulated showing that up to 95 per cent of the food consumed in communities comes directly out of the community store. In the Kimberley area, the Kimberley Aboriginal people suffer the fourth highest rates of type 2 diabetes in the world, and obviously diet and the foods that are consumed are impacting on these figures. In the valley, dental health is poor and rates of kidney disease are also amongst the highest in the world. Although Aboriginal people are less likely to be overweight, they are twice as likely to be obese.

We spoke before about the destruction of the town community store. Two thousand people, generally town based people, were dependent on that store. Now they have to find alternative ways to get food. Not all the essential items are in the store yet; they will be shortly. But many things are available, like Kimbies and fruit and veg. As part of our nutrition program at Nindilingarri, we have gotten hold of a market basket survey. We believe one has not been attempted since 1999. Looking back on the 1999 survey, you can see the costs are increasing.

We often get questions from people in town and communities about stores that are worth them purchasing their foods from. Yiyili store is only a short drive from Halls Creek. As you can see, the goods are close to being twice the price. Regrettably, if people are strapped for cash, which generally is the case, we will say they are better taking a trip to town. The demand side of things is low. We find that once people can afford foods they will consume fruit and vegetables. Presently I think that about 60 per cent of the consumption of fruit and vegies in Aboriginal communities is by non-Aboriginal people.

There are obviously transport costs, which we have discussed. One of the main problems we will begin to encounter in the next couple of years is the CDEP program. Most of the stores encourage their participants to work within the stores. As of 1 July, CDEP is no longer taking participants and I believe it is due to unwind in 2012. That makes it even more significant when we know that 95 per cent of people in these communities rely on CDEP for employment.

**ACTING CHAIR**—Would either of you other gentleman like to make an introductory statement or shall we go straight to questions?

**Mr Davies**—Go to the questions.

**Ms REA**—Roughly how many people live in all those communities?

**Mr Davies**—In the entire valley, 4000 people. I suppose now they are evenly spread between town and the communities—probably 2,000 each. I think the list in front of you shows that the population in remote communities is 1,900.

**Ms REA**—Okay, and what percentage of those people would be on CDEP?

**Mr Bussey**—We have spoken to a number of people; we have found the figure to be 95 per cent to 100 per cent. In the more remote communities it would be 100 per cent. The figure would be anywhere from 95 per cent to 100 per cent.

**Ms REA**—Thank you.

**Mr Davies**—The population in that service area is the largest Aboriginal population in the Kimberleys.

**ACTING CHAIR**—And the point we should make is that they are all served by that single store. All of the communities around the main township of Fitzroy are of less than about 200 people, aren't they? So, basically, there is no other community outside that is large enough to sustain its own store. They all shop at Fitzroy, don't they?

**Mr Bussey**—The communities that have a store generally have a population above 200. Djugeridi is an exception; that is just becoming established now. That is not on that list. We did this a month ago. They are establishing a store. I believe their population is a little bit under 200. Harry is a Djugeridi man.

**Mr Yungabun**—We only just started our store recently—a couple of months ago. The problem people are probably facing now is the cash flow. There is no EFTPOS machine or anything there for people who shop. They have to go to town to get the cash but that makes a bit of a problem also. By the time they get to town they have to spend money on fuel both ways and do their shopping in town. By the time they get back to the community they do not have much cash. So we are looking for help for that community to get some sort of EFTPOS so that people can stay in the community to do their own shopping there instead of going into town.

**ACTING CHAIR**—Am I correct that there are about seven stores on this sheet? Are there seven stores that you have done the survey on?

**Mr Bussey**—There would be. Fitzroy, the second one, is labelled as Tarunda. That is no longer, obviously, but they are operating out of town—not in the same capacity. Djugeridi should be one this little format but they have just begun. Ngalapita, in the third column, are not viable at the moment. Yiyili is recovering from quite an event.

**ACTING CHAIR**—What event?

**Mr Bussey**—I am not sure whether I am at liberty to say but they had trouble with management. That is in other hands.

**ACTING CHAIR**—So there are four functioning stores on this sheet at the moment?

**Mrs VALE**—Sorry, Clint; you said they had trouble with what?

**Mr Bussey**—Management.

**Mrs VALE**—I beg your pardon; I did not hear that.

**ACTING CHAIR**—So you have four stores on this sheet at the moment.

**Mr Bussey**—You have Bayulu, Noonkanbah, Wangkatjungka, which you have heard from, Yakanarra and Yiyili. The others are for comparison: Broome and Derby. We have compared Broome, Derby, Perth, Adelaide and Halls Creek.

**ACTING CHAIR**—You have provided us with three graphs and this one up here cuts off a couple of—

**Mr Bussey**—Sorry about that. We have also got one which is more important. It is a graph with the cost of fruit and vegetables.

**ACTING CHAIR**—So what these graphs are showing, essentially, is that there are fairly modest differences between the capital cities and the regional centres and then a significant jump out to communities, as far as prices go; and that in general fresh fruit was about twice the price of the cities—

**Mr Bussey**—Absolutely.

**ACTING CHAIR**—but with fresh vegetables that differential was much smaller—in the vicinity of 30 per cent.

**Mr Bussey**—Yes. Fresh fruit can have a threefold increase by the look of the price in Perth—the same state. So for a couple of the communities it is over \$233.

**ACTING CHAIR**—It is interesting that you noted that one community was slightly lower—in Yakanarra—and you have gave a reason for that.



**Mr Bussey**—Yakanarra are the only community also to have a policy in place that I am aware of. Their foods are generally home brand. That is their choice. The items that we had in this survey were predominately home brand or equivalent.

**ACTING CHAIR**—So you simply surveyed what was available. Without going through the whole methodology, if you are surveying home brand then the price differential should not have been there. But what you are saying is that in Yakanarra home brand was more available, which might have explained that differential.

**Mr Bussey**—In many cases it was the only thing available. I think there were 40 items on the list, and in many instances the home brands were the only ones available. When we continued on with the rest of the stores, even in the regional and city stores, we did not use home brands.

**ACTING CHAIR**—Yakanarra uses WABS, as does another store. I am interested that even in this fairly small region there is no consolidation of buying practices or any working together between those stores to—

**Mr Bussey**—Not that I am aware of. We have been harping on about transport costs today. We find that at Bayulu, which is about 15 kilometres out of town on the bitumen, their transport costs are quite good and they are happy with them. There is another community that is about an 80-kilometre drive on the bitumen and then a 20-kilometre drive inland, and their transport costs are seven times more. We inquired about that—

**ACTING CHAIR**—Which community is that?

**Mr Bussey**—Wangkatjungka. There is only a 20-kilometre drive from the bitumen, and we cannot figure the difference out.

**ACTING CHAIR**—That is the most expensive store on your overall graph. I understand graph A is an overall basket.

**Mr Bussey**—It is. Other stores like Noonkanbah spend well over \$125,000 a year on their supplies. A lot of the time, especially in the wet, they are cut off for three, maybe four, months and have to fly their goods in, and even their costs are greatly below others'.

**ACTING CHAIR**—It comes back to the point I was making earlier: if we can control the size of the population using the store and the remoteness, we can still see that there are outliers for which we need to find explanations as to why costs are high. Your survey is an important first step, because even now you are able make observations about stores. There could be very valid reasons why those prices are different. Can you postulate that the 20 kilometres of dirt road into Wangkatjungka is the reason why they up the price significantly? Is it purely because they are driving on a dirt road and do not know how far it is? Do they ramp the price up because it is not a sealed road to the community? Are you stereotyped as being remote and expensive simply because there is some dirt road?

**Mr Bussey**—In all truth, Wangkatjungka is not as remote as half the stores in the valley. Noonkanbah, Milijidee, Ngalapita and Yakanarra can be completely closed off. I cannot see a

reason for these costs. They are phenomenal. I am sure there is a reason but I am yet to discover one.

**Ms REA**—I am keen to find a little bit more out about what you do as an organisation and about the level of connection that you have with community stores in terms of nutrition and dealing with overall health. Can you fill us in a little bit about what you do and why you are interested in this? Other than us doing our inquiry, what is it that has given you an interest in this?

**Mr Bussey**—I am a nutritionist and so I have a key role.

**CHAIR**—But as an organisation.

**Mr Bussey**—As an organisation, each of us here is in different programs. Harry is in environmental health, which is equally important in terms of food and nutrition.

**Mr Davies**—Our organisation is the AMS for the valley. We are different from other AMSs where we do not do clinics at all. We do not have doctors. We are basically prevention and education programs. A lot of the program areas that are established under Nindilingarri are based on health issues that exist in the valley. It has got a holistic view on health. There are a lot of issues like housing, housing maintenance and the lack of dental service in the valley too that I see as part of this ill-health that is being experienced by the whole valley. Food is a big part of it too. There are a lot of basic needs in communities that have not been addressed yet. With the government, it has always been catch-up from 1967. Every department you look at, it is always catch-up. Until we start getting at least some of the basic things happening in communities, a lot of this ill-health that we see is just going to keep on going. Housing is a big part of that. You can have 20 people in a house, maybe two or three buying food and the rest come in and eat it and all of a sudden you have got a house that is starving. There are a lot of underlying issues outside we are what we are discussing here.

**Ms REA**—I guess we have heard those messages many times over. It is the preventative health aspect of your work that has really made you focus on what is happening in communities and why food costs so much to buy in those stores.

**Mr Davies**—The organisation has established a partnership, we are co-located with the hospital and health services, so we work in partnership with WACHS. One of the reasons why that partnership was set up was to cut out duplication in the town and in that service area. The lot of stuff that comes in from outside, we like it to go through the partnership.

**Mr Bussey**—It is early days. These tools being used, I have heard about half a dozen today. What we wanted to get out of it was a bit of transparency from the stores. I have talked to all the store managers about this. One in particular had a look at this and was not happy. He said, 'I'm going to pull my finger out and do something about this, particularly with fruit and vegies.' So in that regard there is the potential for it to be invaluable, I suppose. Talking about dentists, an example of our health services and partnership with community health and the hospital, we have got a new dentist chair there fully equipped but we cannot get a dentist in. In our own organisation we have got three jobs available at the moment, all quite well paid, new houses, new motor cuts—cannot fill them.

**Mrs VALE**—What jobs are they?

**Mr Bussey**—Child health, female sexual health, and there is a drug and alcohol service manager.

**Mrs VALE**—Obviously there are some high needs in your community for those services.

**Mr Bussey**—Absolutely.

**Mr Davies**—I heard it mentioned earlier that sugar is more of a problem than alcohol. I beg to differ a little bit with that. One thing that has happened in Fitzroy with the restrictions is families have actually started buying more tucker. There were millions of dollars made on profits from take-away alcohol in our town. Millions were being spent there and not spent on food. Since the restrictions, families have actually started spending more money on food. So alcohol is part of the problem in this big picture too.

**Mrs VALE**—Are there any better health observations since you can say there is more money being spent on food? Is it a bit too early to tell?

**Mr Davies**—This is just reports, two from the roadhouse manager just reporting that he has noticed more families since the restrictions.

**Mrs VALE**—Anecdotal evidence is pretty important. Usually it is the leading kind of information that governments get. Harry, what are the major challenges you find? You are the environmental health officer for this particular health service. What are your areas of concern and what are the challenges that you find you have in your environmental capacity?

**Mr Yungabun**—The challenge we have is mostly educating our people, teaching them the Aboriginal way but also the European way. We are linked together now. We are talking about food today and we are talking about vegies. Our people did not even know what vegies were. I took on this role to educate my own people about new things that have come in. We are living in houses; we are not living in tents any more. I educate my people about what we eat and what we store, especially how to store food properly in the fridge. You can get cross-contamination of food and things like that. That is my role of educating my people. Clint got this cookbook which shows you how to cook food up and it is easy to follow the instructions. It is about what you can get from the shop and how to prepare your meals. That is really good.

**Mrs VALE**—Do any of your communities in the Fitzroy Valley have community gardens? Do you have a particular interest in helping to establish them? We had some evidence this morning from the EON people about trying to establish community gardens in schools. Is there any impetus within your community to establish community market gardens?

**Mr Yungabun**—Clint is organising the community with growing vegies. He is working with the community people there.

**Mr Davies**—When we were kids on the station all the stations grew their vegies. A lot of the older generation still do, but our new CDEP generation do not know that life. The book that Harry was talking about is the *Deadly Tucker* book. I give that book 10 out of 10. We took a

whole bundle of those books out to the communities. 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. So they want to know. It is about having a simple format where it is laid out. 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 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.

**Mrs VALE**—Often it lies within the community itself. I think it was interesting to hear the evidence today that many of these communities were self-sustaining once upon a time.

**ACTING CHAIR**—Thank you very much. There will be a chance for you to contribute again in the open forum which is not too far away. I would like to continue those very important topics in our roundtable.

[3.19 pm]

**NIXON, Ms Maxine, Remote Program Coordinator, Kimberley Remote Home and Community Care, Kimberley Aged and Community Services**

**ROUSSET, Miss Solange, Senior Training and Quality Coordinator, Kimberley Aged and Community Services**

**ACTING CHAIR**—Welcome. Do you have any comments to make on the capacity in which you appear?

**Miss Rousset**—I have been living in the Kutjungka communities and covering Balgo, Billiluna and Mulan communities.

**ACTING CHAIR**—Thank you for making the time. We appreciate your submission, which we have received. Would you like to make an introductory statement, particularly about the services that you provide and your size, scope and funding?

**Ms Nixon**—We provide aged and younger disabled services from Commonwealth and state programs across the Kimberley. We currently work with about 15 remote Aboriginal communities across the Kimberley, and have worked with about 30 communities over the 15 years that Kimberley Aged and Community Services must have been operating for. I have been working in this role for seven years. Generally we do a whole range of programs related to the frail aged and younger disabled people.

**Miss Rousset**—I go to the communities in a training role, to train Home and Community Care workers. I agree that the *Deadly Tucker* cookbook is 100 per cent fantastic, but the difficulty I have, of course, is in getting the fresh food. We do budgeting, and it changes all the time because one week the fruit and vegies will be a certain price and then the next week the price will go really high. We can pay up to \$7.50 for half a cauliflower that is not even fresh. That is why I am here.

**ACTING CHAIR**—Do you purchase your foodstuffs locally or do you bring them in from larger townships?

**Ms Nixon**—We encourage people to learn to cook and to use the store. We train them in using the store and budgeting. We use the *Deadly Tucker* cookbook as a resource. We say, ‘From that amount, you can go and buy so much of this or that,’ but the fluctuation of prices makes it difficult. We do encourage them—it is a teaching tool—to learn to use fresh fruit and vegetables as soon as possible.

**ACTING CHAIR**—How many of the communities you go to have old people’s flats or small campsites where predominantly people that have higher needs live and receive hostel type care?

**Ms Nixon**—We do not have anything outside of the towns in the Kimberley that is actually a registered hostel or nursing home. We have what we call pensioner units, and we support a

HACC type service. People are getting basic services there. They get meals on wheels and a scattering of other services that may or may not be very reliable—like laundry, social support and transport, if there is a vehicle available. It is really about trying to keep people in the communities as long as possible. One of our programs is Community Aged Care Packages, which is a Commonwealth program. Our HACC service works in conjunction with that to try and support people to stay in their communities. It is very much about what Solange was talking about before when you asked about bringing food in—skill development and empowerment in the communities. People do not necessarily have the transport to go and shop in a bigger place, so it is very important that we make the best of what is there in the community. So the shop is an extremely important resource for those communities in learning about food, budgeting and all sorts of stuff. It is a really important place as far as our services go.

**Mrs VALE**—When you say that you are especially trying to take care of frail and aged people and people with disability, do you actually try and bring services to them?

**Ms Nixon**—What we try to do is develop the services there in the community, so we try to actually skill people up who live in those communities, like family members and carers, to actually care for those people. We develop a formal service where we make an agreement with the community whereby they employ people. It used to be under the CDEP program and now it is going to be going to part-time wages that the government is going to give us money for, for 28 positions.

**Mrs VALE**—Are the people that you are trying to care for in the very remote communities—

**Ms Nixon**—Yes.

**Mrs VALE**—or are they in more regional centres?

**Ms Nixon**—Our service, Kimberley Aged and Community Services, works across towns and remote areas, because we are an aged-care assessment team. Respite services work in the towns. Kimberley remote HACC, the CACP program, are specifically in those remote communities. Any remote Aboriginal community outside of Broome, Derby, Fitzroy Crossing—although a lot of the clients move back and forth; Fitzroy Crossing is a very transient place where community people move back and forth from remote communities into the town—Halls Creek, Wyndham and Kununurra are all not really where remote HACC goes. Each of those has their own specific HACC service.

**Mrs VALE**—How many people does Kimberley Aged and Community Services employ to do this sort of work?

**Ms Nixon**—We have about 25 staff.

**Mrs VALE**—That is a lot of area to cover, isn't it, for 25 staff?

**Ms Nixon**—Yes. People were talking about the employment issues and all that before. Our aim is very much about trying to get more positions out in those communities and to get people who are local skilled up to do those jobs. That is a big thrust of what we do.

**Mrs VALE**—This will be Solange's role, to actually train people to do that particular work.

**Ms Nixon**—Yes. We have a few people involved in that role, and there are a lot of programs that we try to draw on. We work closely with the environmental health officers, like Harry and Chicky, to try to develop skills in those communities. And that is across programs, not just for the frail aged and younger disabled.

**Mrs VALE**—You also see the community store as a very important hub within the community?

**Ms Nixon**—It is essential.

**Ms REA**—Just very quickly, I want to just ask for a comment or confirmation of what we assume. You would see, with the clients that you service, the issues of diabetes and a whole range of what should be preventable illnesses having significant impact, because you are dealing with people who are frail aged. How many clients use your service, and what would their average age be?

**Ms Nixon**—For Kimberley remote HACC it is 230 clients, and there are probably more out there. We are not into all the remote communities. Like we said, it is 25 staff, and they do not all deal with the remote communities. We see people of 45 and above. We see the chronic illnesses in people of 45 and above. For Aboriginal people, 45 is our target area, although we work with younger disabled people as well, so we really look at people's abilities and disabilities rather than an ageing thing. But certainly the ageing conditions are a lot younger in the Aboriginal population, as is well known.

**ACTING CHAIR**—Thank you, everyone. You are going to have a very important contribution to make in a roundtable, and we will have a number of additional questions at that point.

[3.36 pm]

**BOWCOCK, Miss Robyn, Public Health Nutritionist, Kimberley Population Health Unit, WA Country Health Service; and WA Representative, RIST Steering Committee 2006-2008**

**BUSSEY, Mr Clint, Nutritionist/Health Promotion Team Leader, Nindilingarri Cultural Health Services**

**CARTER, Mr Andrew, Chairperson, One Arm Point Community/Ardyaloon Inc.**

**CLEMENTS, Mr Chicky, Environmental Health, Nirrumbuk Aboriginal Corporation**

**CRUMP, Ms Louise, Director, WA Buying Services**

**DAVIES, Mr Patrick, Spiritual Health/Health Promotion, Town Community, Nindilingarri Cultural Health Services**

**FRYER, Mr Warren, Kimberley Regional Manager, Australian Red Cross**

**HINES, Miss Nicole, Store Manager, Wangkatjungka Store**

**HOLLIN, Ms Barbara, Senior Manager Community Services, Australian Red Cross**

**MARTIN, Mrs Carol MLA, Member for Kimberley**

**MELLOT, Ms Karen, Managing Director, WA Buying Services**

**PALING, Mr Doug, Chief Executive Officer, Foodbank Western Australia**

**RYAN, Mr Denis OAM, Chairman, Foodbank Western Australia**

**SPICER, Mr Craig, Accountant, Remote Community Management Services**

**ACTING CHAIR**—This is the last session of the afternoon, everyone. The idea is please to jump in at any time. Kerry, Danna and I will no longer be leading this. I am quite happy to break away from this, but I do need to make sure that in the end we walk away from Broome really understanding what you think are the issues around supply. How do we get particularly the healthy SKUs delivered to the store? What are the supply issues? We have not focused too much on the demand issues. What actually determines whether local people come into the store and actually purchase healthy foods? How are they presented? Are they actually getting to the families that matter? We have not broken communities down into family groups. There are obviously very different purchasing practices and different age demographics. In the middle, the store is the broker, isn't it? You have supply here. How do you get it along the supply chain? What drives demand for healthy versus unhealthy food? The store has the role to be in the end sustainable and to be able to broker supply and demand. We will be looking at recommendations around those. Because this is such a vertical topic, can we start thinking first about the supply



issues? We will work our way through to store management and finish right at the grassroots, on what determines food choices not just at the store but once they get home and what is going to maximise health outcomes.

I just wanted to give it some structure, so we knew where we were going. We are planning about 20 minutes on each topic, so roughly one hour. Please do not leave it until the end to make contributions. A number of groups here do not have much to do with supply and others do, so please lead off, but I do not expect you to speak only in your field of expertise. Please throw in some ideas. I am looking at you, Craig. Would you like to kick off?

**Mr Spicer**—Definitely for supply, you have to come out of what you are doing here with a result for freight and electricity to give the stores the best chance. That is the common denominator in all stores, whether metropolitan or country. Until we have that, we are on an unequal footing and we are behind the eight ball. In addition to that we should look at infrastructure. If we had those prices reduced and subsidised, everything else would be achievable.

**ACTING CHAIR**—How do we subsidise those?

**Mr Spicer**—We get subsidies for heaps of government rates, taxes and stuff like that. You would have to look at location, types of roads, distances from a metropolitan area and basically work it on a percentage or something like that. The power is easy. It has to be 19.2c, equal to anywhere across Western Australia. Freight, yes.

**ACTING CHAIR**—Per kilowatt-hour?

**Mr Spicer**—No, per unit. We should be paying the same cost per unit as Coles is paying in Broome.

**ACTING CHAIR**—So all of these are running on diesel generators?

**Mr Spicer**—Some are variable. It depends on the Horizon grid. Some of them are off the grid and others are off diesel generators.

**ACTING CHAIR**—Is there a big difference in price if you are off the grid?

**Mr Spicer**—Yes, 100 per cent more.

**ACTING CHAIR**—Can anyone propose something for groups that are off the grid? Should there be particular off-grid compensation for anyone who is not on the grid? Is that a start?

**Mr Spicer**—It has to be the same unit price as you are getting in town.

**Mr Ryan**—Andrew, could we take this back a step because if we are going to spend 20 minutes on each of these issues we get into the detail but we are not going to solve it this afternoon. Looking at this, I think there has got to be an anchor point for how we make decisions because a whole series of decisions need to be made out of this committee and, I guess, the process of gathering information. There are three things that come to mind for me. We need to

have food security, which relates to the demand thing. We do not know what the demand thing is because we do not have security around food. We do not have guaranteed supply. We do not know what the demand is, we do not know what the food security is and we do not have access to fresh food for a lot of people, whether it is from the store or through freight or whatever it might be. Looking at it, we certainly do not have equity. Here we have some of our most disadvantaged people, who are being even more disadvantaged by this whole process. I think the decision making has got to be security, access and equity and the decisions we make around that. Are we actually creating that in this whole process? Then you need to get into the detail of doing those things.

**ACTING CHAIR**—What are some of your recommendations to improve security, first of all?

**Mr Ryan**—You have to have security of supply. How are we going to secure a supply of good fresh produce that we can get there. You then need to have the right freight arrangements in place. First, you have to have supply and, second, you have got to lock that into freight. So it links into all three of those things. Then you have to have stores that are able to manage it. They have to charge an appropriate cost and not the inflated costs that I am seeing in some of these basket surveys that we are doing and some of the anecdotal things that are coming out today.

**ACTING CHAIR**—I note that that basket survey was one survey so do you need to do a follow-up to ensure there are not major errors? Single snapshots are not always reliable. You already highlight food security determined by cost and reliability—you can pay less but have less reliability. You have got to get the balance. But we have got to be solutions focused. The next one was access. Again, what would you change and what can we learn from WABS? Can you make a contribution?

**Ms Crump**—Do you mean security of supply?

**ACTING CHAIR**—Yes.

**Ms Crump**—We can get a supply of good quality fresh fruit and vegetable. to anybody. There is no question there at all. Again, it comes down to the freight costs. There is no problem with supply or continuity.

**ACTING CHAIR**—So if you pay for it it is going to be secure?

**Ms Crump**—That is correct.

**ACTING CHAIR**—Going back to your question, which is: what is the best way to subsidise it? Is it for us to write a large cheque to freight companies?

**Mr Spicer**—The store—somebody has to work with the government. I do not know, but it is got to be somehow paid to each individual store.

**Miss Hines**—I think volume based would be the easiest way.

**Ms REA**—What do you mean by volume based?

**Miss Hines**—You get an amount of product weighed into the store and you have a subsidy per kilo. It would be volume based on what you purchase into the store.

**Ms REA**—Regardless of distance and difficulty to get there?

**Miss Hines**—Yes, regardless.

**Ms REA**—The reason is asked is that I am conscious of the example that came up about the store in the Fitzroy Valley that has a 20-kilometre dirt road yet its freight costs are far higher.

**Mrs VALE**—Is that your store, Nicole?

**Miss Hines**—Yes, that is my store.

**Ms REA**—There is a subsidy but the fear is that the subsidy will not actually go to the end consumer if we do not have some sort of accountability back. You would look at why there are some massive prices in one place that do not reflect that it is lower over here even though it is harder to get there or there are lower volumes. What is the trade-off? How do we balance that out?

**Miss Hines**—There would have to be some kind of reporting.

**Ms REA**—That is always worth it.

**ACTING CHAIR**—So you have views about this approach that are not quite the same. Thank you. Doug, you said something about having kilo based pricing.

**Mr Paling**—Yes; it was just applying the same sort of system that we run at the Foodbank, saying that the cost of running the store is known, and it is great if you can get these subsidies on power and freight and so forth. So, you know the cost of running the store and then you work out an estimated volume and apply cents per kilo right across the board for every product. You get the divisor; so you get a fair wage paid to the operator of the store and you achieve a break-even point. That is the absolutely simplistic equation.

The other things we would mention is that it would be interesting to talk to WABS about some of the fresh supply product, because if they have the mechanism to move products to help the community we would probably be able to arrange to increase, say, the volume of apples that WABS can go through. We have pushed, through our food banks in the regions—as I think I mentioned this morning—40,000 kilos of fruit into the system out of Bunbury. And it is stuff straight out of the orchards, so it is high quality product. It has not gone through the chiller and it has not been held back, so it will not deteriorate quickly. So something like apples and possibly carrots we could push through the community stores now, through WABS. Somebody else picks up the freight bill but at least we have made a difference. Do you know what I am saying? It is a simple step but at least we are getting something practical out of the whole thing.

**ACTING CHAIR**—Does anyone have a view on hard fruit and vegetables—the ones that store more successfully—basically through your arrangements in working with WABS and getting them to communities at much cheaper prices?

**Mr Paling**—On the basis of somebody subsidising the freight and the product is given away to the community; that is one sure way. While you will endear the community food managers to the community, the other thing is that you would make an immediate difference. You would have the children and the people chewing on carrots and apples and what not. If WABS are confident they can get to everywhere we can make that arrangement. We will donate the product to them; in turn it is donated through the system but that relies on somebody picking up the freight bill.

**ACTING CHAIR**—Can I pick up on it being free at the community? Are there any views on that? In the end I am worried about that impact of it crowding out the normal supply chain—that no-one buys fruit and veg until it arrives free from Foodbank.

**Mr Paling**—Can I just mention something there? We are talking here about stuff that is not available on a regular basis. That was a case in point. The other thing is that the overdriving thing—I do not know whether it was Harry who was saying this—is that these isolated communities are rife with diabetes. One of the ways to stop it is to increase the fresh produce. It might be very much a baby step but at least we have done something.

**ACTING CHAIR**—I just want to play devil's advocate. I know that if I push prices up in a community all that leads to is less product going out to families on the way home. If I push the price of anything up they just buy less of what remains. If I make stuff free they will spend more money on junk food. They have more money available to spend on what is—

**Mr Paling**—You can be cynical if you like but I have been doing what I have been doing for a very long time. People say, 'If you feed them they'll go off and buy a box of beer or whatever.' I say this to everybody: 'Children matter.' It is the children that we have to look to.

**ACTING CHAIR**—So at least you know that that is getting into the households.

**Mr Paling**—That is exactly right. The store keepers can be given a simple instruction: give it to the mother who comes in with the children or whatever. Then you are sure of what the consumption is. We are practical people at the Foodbank and we do the things. We would rather see something happen. I do not really think the other thing will be a massive issue because it will be a great gift to the women and the children. It is desperately needed. There is not enough of the stuff going through; so we are not disturbing the market place now.

I was just talking about to Barbara about what the Red Cross is setting up here with Ernie Bridge and this wellness program. I said the same thing to Barbara: if they need some fresh produce we will arrange to do a donation up here.

**Ms REA**—I am just interested in how WABS are going to make money out of five per cent of a donated supply. You have just killed their supply base. And I thought, 'That's going to be an interesting predicament.'

**Ms Mellot**—I think that is a really good idea, in a sense.

**Ms REA**—But how do you make some money out of it?

**Ms Mellot**—The thing that worries me about that side of it—and we are saying just maybe apples and carrots—is that the stores have limited storage space. Most of our stores order fruit and vegetables weekly and the orders go out to the stores weekly. We are talking about them ordering maybe 10 kilos of apples and carrots—small amounts weekly. How would Foodbank work it? You say you would donate it. Would it be in bulk?

**Mr Paling**—We have programs going with people with disabilities. Foodbank provides job experience for disabled kids. Rotary and others supply plastic bags for us so we could package things.

**ACTING CHAIR**—No, that was not the question.

**Mr Paling**—Okay. Philanthropically, we are here for the common good of the community. WABS are running a business, but 20 kilos of apples and 10 kilos of carrots is bugger all. There is bugger all money coming out of that. Philanthropically and philosophically, the health of the people is paramount in this. If it were large quantities, I would agree that they would be messing with the market. But what I am hearing is that the produce is not available in a lot of stores. If people were actually being gifted it, the quantities surely would go up somewhat.

**Ms Mellot**—How are you going to organise three or four bags of apples and carrots for a weekly order? Our order is passed on to our supplier and fulfilled, and transported to the freight company free of charge.

**Mr Paling**—Which is Nexus.

**Ms Mellot**—Yes, Nexus, for a lot of them, though not all.

**Mr Paling**—Nexus and NATS are just around the corner from Foodbank, so we could just drop that off with our truck and say that is an addition to the WABS order.

**Ms Mellot**—Okay. The problem I have with that also is whether Nexus are going to give you that free of charge on a con note as well. Every time anything enters the freight company, it is charged at \$16 a con note plus \$6 insurance on that con note, if they do not have their own insurance.

**Mr Paling**—I am saying that we pick up a sponsor, whether it is the government or whatever, and nobody misses out.

**Ms Mellot**—Okay. Thank you.

**ACTING CHAIR**—Any other final views on whether there are channels, be they philanthropic or otherwise, so that fruit and vegetables are fundamentally free at the store or market price with a subsidy?

**Mr Ryan**—The other way of looking at it is that you could bring the model into the per kilo handling. If you were weighting your pricing on a per kilo basis across your whole product range, maybe that is the way to work your cost recovery—charging a per kilo base for fresh fruit and vegetables as well which would still be less than commercial rates.

**Mr Bussey**—Food miles is an issue. Obviously transport costs are going to be through the roof. In terms of food miles, you also need to see there is no local supplier. There is the potential to grow food, especially in the Kimberley and where water is not restricted. Food is coming from 2½ kilometres away.

**Ms Crump**—It is coming from Kununurra to Perth and back up again, and from market to Perth and back up again. That is a story across the whole of Australia.

**Mr Bussey**—Off to Fiji and back again.

**Mr Carter**—We run a profitable store in our community at One Arm Point. Just listening to Doug about getting free vegetables and fruit—apples and carrots were referred to—if they were to come in free, we would have to sell them at a profit to keep our store operational. Our store is run, owned and supported by our community. We get no support from outside areas, from government or anywhere. We have been fortunate enough to stay in that position.

The way we operate our store is through our community council, which overrides everything. Whatever the managers want to put in has to be authorised by the community council with regard to what happens on the ground to the locals. Yes, we do have a big problem with the amount of funds, the CDEP and everything else that is happening out in remote areas. We get our goods in, and we keep our essential items at a very low rate. We make our profits along the margins for non-essential items. I think Robyn can vouch for me in that area. We have probably the biggest store on the peninsula. It was completely paid for by the community with a bit of funding from Lottery West to upgrade our computer systems and everything like that and get everything on line. We do deal with Karen and Louise over here, and we have actually increased our buying power with them. They have been a good asset to the community.

Our biggest issue is the freight, as I am hearing. The minute a truck hits a dirt road, your freight cost goes sky-high. It is exactly the same as a towing company. A towing company, to go on a bitumen road, will charge \$2 a kilometre. The minute they hit the dirt road it is anything up to \$6 a kilometre. I think that needs to be rationalised if they are delivering freight to remote communities. Last financial year we were averaging \$15,000 a month just for freight. So it is over \$100,000 a year just for freight. By the same token we have to cover all those costs and also make a profit to cover the wages for our managers and also for the staff. From what I have heard today, freight is the biggest issue. That should be really identified by the federal government, not only in WA but nationally.

A lot of remote communities have the same thing as what is happening in the Northern Territory, with the intervention up there. A lot of communities rely heavily on their stores. If they have to travel further away, they are not bringing the income back into the community and making the community self-sustainable. What are the communities there for? They cannot be there forever and a day relying on the government for that support. They were set up by the government in the first place. It is like everything else. The government puts places into areas without looking at the viability and does not support them in the long term. My biggest issue is the freight.

**Ms REA**—Why are you profitable? What is the thing that makes your store a profitable store? And what would be the level of fresh fruit and vegies, nutritional food that would be purchased at your store?

**Mr Carter**—We get a good variety of fresh fruit there on a weekly basis. We have actually increased the volume. We recently changed over to new managers. We went back to our old freight company, which Andy was talking about earlier on, from Djarindjin. We have gone out on a limb on our own because we are a bigger community. Our fresh fruit is now on the shelf every day. Previously, on the Thursday when the truck came in it would be put on the shelves about lunchtime and, come knock-off at four o'clock on Thursday, there would be no fresh fruit.

Because of the amount of teachers, people in the community are eating better. We have a good program in our school. People are getting educated there, through our high school students. The high school has a little market garden. The children, in their home economics classes, actually do cooking programs and sell the food to the children for their smoko. They can actually buy fresh food from the school, which helps the school along, because we do have a lot of cultural programs that operate from the school to enhance the community's lifestyle. Everything is all about the lifestyle and living in our community. We also rely very heavily on the ocean, so that subsidises our healthy living as well.

**Miss Bowcock**—I will make a comment on that, because I did an analysis on the One Arm Point store quite a few years ago, as well as looking at a number of other stores throughout the Kimberley and another coastal store. Certainly, with both the coastal stores, the meat that they purchased was a very small percentage of their total costs, mainly because, as you say, a lot of people up there source their meat from the sea. Another thing that probably could explain some of these prices as well is that some communities in the Fitzroy Valley, the desert and other areas have access to 'killer' and more bush tucker—you understand when I say 'killer'—which is a lot cheaper than buying meat through the store. If you do not have access to that then basically that is going to wallop up your prices. Certainly there was a big discrepancy between different stores in the amount of money that was spent on their meat supplies, and meat is a very important item in people's diet up here. Just to clarify that, if you have a community that can source their meat a lot more cheaply, that gives them more disposable income to be able to spend in the store on other things, and if they are spending a lot of money on meat, which they do, then that makes a lot of difference.

Also, I have never found the cost of things to be what puts people off buying them, even fruit and veg. If the fruit and veg is good, people will buy it. My concern has always been: how many days in a pay period are they not accessing very much food? Are they living on damper and tea? If fruit and veg is good, people will spend whatever money it costs and buy it. I have seen people spending \$20 to \$30 a kilo on grapes when grapes come in, because people love grapes. What they give up for that—and they will buy it when they have money—means that it is very likely that on the other days of the week they are living on damper and tea.

**ACTING CHAIR**—I will ask a question. We have not talked about how family groups are different. Families that budget slightly better are able to buy fruit when it comes in on a non-pay day. Is there an issue that the most dysfunctional families, who only have the money for a few hours on payday, are more disadvantaged with irregular supply?

**Miss Bowcock**—I think that in any community or population group you are always going to have people who are good money managers and people who are bad money managers. One of the strengths and disadvantages here is that some families work very well together. I can give you a quick example of that if you like. I used to have an Aboriginal guy who worked with me in Wyndham, and he was dealing with a community of about six houses. One particular house could not manage money at all; the other houses were fine. He spent three months working with that one particular house—because the others were complaining about that house humbugging them for food and money—to get them to work out some way of being able to get a regular supply of food from the local supermarket. It does not matter where you come from or who you are; you will find good money managers and very bad money managers. But I think the issue that we have is that people here have such a low amount to start with, and that was something we talked about earlier. People here are on a lot of social security or CDEP. In some places they supplement it with artwork. The only difference between income here and income in the city, where you are talking about this, is basically the remote area allowance. From this survey that you did here, what was the difference between remote area allowance and what people earn? About \$50 for the family? Fifty to sixty dollars is about the difference that they get, whether you live in Adelaide, Melbourne or Wangkatjungka, for example. I think that, no matter how good you are as a money manager, it is very difficult to live on that sort of money.

**ACTING CHAIR**—Just as we finish off the freight issues, there is still a chance for comments. Does anyone have any view on an almost state-wide approach to making sure that the best possible freight strategies are employed? Are there areas that simply have not become aware of WABS yet? Is there some responsibility to disseminate good practice or is it just up to a store manager to work out where the cheapest freight supply is? It must be very difficult, as an overwhelmed store manager, to work all this out, so how do we go right across the state and try and find a solution? What is the best way of doing it? Do we deploy a public servant to do it? Do we do another survey? How do we make sure that communities that are purchasing in a less-than-smart way have some advantages that are being picked up by the community?

**Miss Bowcock**—I think that freight is one of those areas where perhaps the government should be looking at it being competition based. In the example that I used earlier about getting freight companies when we were negotiating freight agreements in these various areas, we actually had a Northern Territory company that were prepared to supply freight cheaper to the West Kimberley communities but none of the Broome depots would allow them to pick up fruit and veg in Broome. They were not allowed to use any depots at all in Broome and, in the end, they could not do it.

**ACTING CHAIR**—Was that because of quarantine?

**Miss Bowcock**—No, they just would not allow it. They did not want any competition coming from interstate, so I think that something that needs to be seriously looked at is that competition area.

**Mrs VALE**—That's against the Constitution, isn't it?

**Mr Bussey**—Remote allowances are meant to cover some of this. For local Aboriginal people within our valley—and I think it is pretty much uniform—their remote allowance per annum is \$465. For myself, for living there, it is closer to \$4,000. So I have a \$4,000 incentive to be there



and to work in a secure job which pays pretty well with all the other offsets, such as housing and a motor car, compared to \$465 for an Aboriginal person. Although it does nip at your wallet a bit, I can afford these things. But other people have got no chance.

**ACTING CHAIR**—It just does not compensate them for the additional costs?

**Mr Bussey**—Absolutely not.

**ACTING CHAIR**—We are almost going to wind up on this. If there is something there gnawing at you regarding freight that has not been touched on, I would like to hear it, because we will be basically saying that we have been through the roundtable with no objections in Broome. Is there nothing else there? Okay, we will keep moving. There will be a chance to come back if anyone feels strongly. We have not touched greatly on store management but we have had some very interesting submissions. We came here with an open mind as to whether communities should be controlled with a hired manager or the best way was the Outback Stores model. We have heard lots today about a similar method, whether it is completely privately run or it is contracted over to a private individual to run. Do you have any views on that spectrum from public to private ownership of stores? These are the areas that my colleague suggested: infrastructure provisions on how a store could work, governments and who is running and controlling it, feedback and control issues, the liability of supply, price and range. Is there anything that you want to fill in for potential recommendations around store management?

**Mr Spicer**—Again, there is no one perfect solution for all the problems. I think, for some stores, the Outback model is the only solution. For example, the Kundat Djaru store has only a \$700,000 to \$800,000 turnover, and you need to have a \$1.2 to \$1.4 million turnover to actually break even or make the store viable. So if Outback is available and they have got all that \$48 million worth of government money to support that then, yes, that is an alternative model. But I do not think communities need any more welfare based projects. They need commercial investors and they need to make it attractive for people to get in, do a job and provide a service. There are a couple of models floating around, whether it is Remote CMS, where we have got 20 to 25 managers on the books and we manage the store solely; WABS, who get their commissions from purchasing and organising supplies; or the individual managers. The only problem with individual managers is that you can get a great couple for a couple of years but then they burn out or leave and you are in the situation of having to get someone to replace them. You will find that, like CEOs, they go up and down. You need more of a constant supply. But communities are independent and they need to make their own decisions as to which model they want, so I do not think driving any necessary model should be the priority of this.

**ACTING CHAIR**—So if you take that hub to spoke approach, basically the governance spreads down the spoke according to the capacity of the community or its size. As they fall into either dysfunctional or become too small then that capacity moves back up to central control. Basically if a community is down here and their control is up here then they are going to be worried about too much central control and if it is all pushed out too far here then they are going to run into difficulties keeping their staff to run it. So that is the spectrum. Are there any comments on whether that explains how we should be thinking about this?

**Mr Paling**—I was just thinking that after Andrew finished speaking I turned around and shook his hand because he has obviously got the community well into gear. He has lassoed the

whole thing in terms of everything that has been talked about here today. That brings to mind part of my experience, which was partly through a franchise system. You have an outstanding model here with Andrew and it could well be that you can build a profile of what the ideal manager is through Andrew basically right at the shopfront. He has achieved a huge amount in the community, with the children and their garden and all the rest of it. I think it is the case that if you put the framework around that then surely you could start to replicate that. If you do it with the genuineness of people like Andrew and others then you start to get great role models going in the communities. You would have a model then.

We often hear with people in the community—and Robyn has basically almost killed herself over many years running here, there and everywhere—about what happens with the line of succession. If somebody falls over then the question is: what happens next? You might have a great principal here working on the school breakfast program, but if he goes somewhere else then all of a sudden that may fall over. I see it as offering better security to have that sort of model defined—and you could use somebody like Andrew as a model for the whole thing. Maybe even the government could pay Andrew, if he had the time, to actually visit other communities that might be misfiring.

**ACTING CHAIR**—That is right—almost as a sort of overview of best practice. We might bring Craig in here, because you get people who pick the phone up and say, ‘It has all gone to hell and high water—come and save us.’ So you are dealing with cases where there is not an ‘Andrew’ in the community.

**Mr Spicer**—We deal with cases where ‘Andrew’ has moved on.

**ACTING CHAIR**—That is right. So my question is: what do we do about that? When Andrew moves on and it has to fall back to you here or your management services, how do we get a system that guarantees continuity of service? What happens when Andrew disappears?

**Mr Spicer**—When Andrew disappears we get the call to say, ‘Come in and fix us.’ We go out to the community and try to develop a bit of governance and get some decisions made. We then get the store up and running and the doors open. We then assess it and work out whether it is viable. If it has the potential to turn over that \$1.2 million threshold then we will keep running with it.

**ACTING CHAIR**—How can they call you in quickly before they find themselves owing \$1 million or somebody has burnt the shop down or something?

**Mr Spicer**—They have to wait until they are on their knees before they make the call. That is just the way it is.

**ACTING CHAIR**—Are there any comments on this? How do we get early recognition of distress?

**Mr Spicer**—Maybe that could be done through the ICCs. I do not know.

**Ms REA**—I would like to ask two questions in that vein just to get people’s comments. Firstly, in terms of the models that Andrew has put up there, is there any example of a

community store that succeeded that was not owned by the community—I am not talking about management; I am talking about ownership. Secondly, what do you do, Craig, with those that are under the \$1.2 million turnover threshold? What happens to them?

**Mr Spicer**—No store is, off the top of my head, run or owned—

**Ms REA**—In Western Australia?

**Mr Spicer**—in Western Australia because they are all on Aboriginal land tenure and you cannot freehold them.

**Ms REA**—So it is all community owned—because that is not necessarily the case everywhere.

**Mr Spicer**—In terms of owner leased, off the top of my head, no—they are all either a private company or a trust from the corporation as the major shareholder. That is for the ones I deal with. And the second question was—

**Ms REA**—What happens to ones that are under the turnover threshold of \$1.2 million. What do you do?

**Mr Spicer**—The only one that we have said no to in the three or four years that I have been involved is the Kundat Djaru Aboriginal Corporation, or KDAC. We realised that it was not economically viable to run that store on a commercial basis—

**ACTING CHAIR**—What is the population required for a turnover of \$1.2 million? Is it about 200 people?

**Mr Spicer**—Yes, something like that. It is hard because it depends on what the income is. Again, that goes back to what I was saying about how much money there is, the circulation of money and how it is obtained. So there are lots of qualitative factors involved. But KDAC is the only one I have personally said no to because it was not worth our while—it was impossible.

**ACTING CHAIR**—Can I just throw a comment in. What this model is saying is that, if the community has more capacity than the store provision model has, they are going to want to do more. They will be frustrated that profits are being repatriated to you because they want to do it themselves. They have a guy like Andrew but he is not being given a go. If it is the reverse and the community has less capacity, you guys are called in and you are the only way to guarantee continuity of supply. There is complete dysfunction, but you have a store running. So it is about matching the capacity to the situation on the ground. How do we set up a system that, like I said, recognises where there are changes and makes sure that, when capacity changes, the community council collapses or whatever, we can guarantee that the store continues?

**Mr Spicer**—I do not know. Today is about recognising issues; working them out is probably going to take a bit longer. The ICC is one who really gets the ball rolling in some places—other than the goodwill, equity and experienced people that we have had over the years.

**ACTING CHAIR**—I can see WABS have something. Would you throw something in, because you see communities changing all the time?

**Miss Hines**—I was just saying to Karen that, as a manager, that is what these guys do—while everything is running fine, they are there on the phone and everything like that but they stay at arm's length, but, as soon as something goes wrong, they jump in and fix the problem before it becomes too big. The community runs the store—it is the community store—but they are always there. There is always that port of call.

**ACTING CHAIR**—So, WABS, are you in a position to have two or three hotshot store managers dropped in or do I have to come back to Craig and pay top dollar? You can see the dilemma—they would much rather have someone local doing it.

**Ms Mellot**—We would go back to Jilgu, as we said in the submission, where we were managing the store and it was running correctly. When we went in there they were faltering. They did not owe a lot of money but they were getting behind. Jilgu phoned us and we agreed to take somebody on to run that store. So we put the manager in, he reduced the debt that was outstanding and we kept all of the current accounts paid. But it was not the fact that the store went downhill quickly; it was the fact that a new CEO came in and took over and he did not like how the manager was running the store but he did not know how to do it himself—which was not a good thing. He was ordered to leave the community and within two or three weeks there was nothing in the store. Then they tried to employ a previous employee but that employee found it too hard, so the store closed. I think Craig and Peter are in the midst of taking that one over—aren't you, Craig?

**Mr Spicer**—Yes.

**Mrs VALE**—Can I just make an observation. What is actually happening here and what you are trying to accommodate, the fluctuations, is something that happens in big business all the time as well, with management changing and CEOs under contract for three years. Some CEOs are great and some are not so great. Those that are not so great cause damage and move on. You are looking at something that is highly refined and does not have very much margin for error, and that then has this critical and crucial impact on the health of a community. I do not know that you are ever going to get rid of that, so I am thinking that maybe there needs to be some kind of guardian angel body of some description to oversight these stores on the basis that the provision of food is an essential service. It might have to be a government department that takes ultimate responsibility for it and makes sure that it is delivered by the proper and appropriate facilities and amenities available in the community. I do not know how you are ever going to get rid of that, just from listening to what we are all saying, because, as we know, it happens in big business across the world—there are fluctuations and companies that do not do so well. The trouble is that, when your community store fails, it fails your whole community. When big business fails, okay, so the yield on the share price is not so great, and that is basically all that happens.

**ACTING CHAIR**—The small get hurt too.

**Mrs VALE**—Yes, the small get hurt. The small get hurt all the time. Right now the most precious people are getting hurt—the people who are on the lowest income in Australia and their

children. That is what Doug has referred to the whole time: getting that food to them. Who cares if we upset some market if it means that we get apples to a child? What is our major priority here? Let's get real. We are looking at a population that is in decline. The population of Indigenous people in Australia is in decline.

**Mr Bussey**—Aboriginal people are on the increase.

**Mrs VALE**—Their fertility is, but when it comes to their age and to the individual people and how long they live, that is in decline.

**Mr Bussey**—It is only 2.5 per cent of population. If we cannot sort that out—

**Mrs VALE**—Exactly. We should be able to. We need a guardian angel department. We need a safety net because the tolerances are just too fine when it comes to Indigenous community stores.

**Miss Bowcock**—In these communities where everybody says that they should be able to have choice and do whatever they like we know that there are children in primary school with type 2 diabetes. We are solving the failure to thrive business but now we are actually getting children under the age of 10 with mature-onset diabetes that we would expect in the white population about 60 years of age. To me that is obscene. We know that their rollover down to kidney failure and death is actually going to be a lot quicker than it is for older people. Therefore, I do not think there is a choice.

**Mrs VALE**—We need a safety net.

**Miss Bowcock**—Yes.

**ACTING CHAIR**—That is coming up in this final section. As we close of on store management there are a couple of areas to discuss. First, we need to make sure that the stores are operating efficiently and, second, there is the question of viability. You cannot make them so efficient that they fall over. Mindful of that, let us look at efficiency. This document tells us two things: when you look at the size of the community they become less viable as they become small and they become less viable as the food-miles increase. You have helped us to lay this on and you can see that some are above the curve—above the line—and more expensive than they should be. Some will be below the line. I want to know why they are achieving lower prices. We need to do this survey again to make sure that this is not a snapshot. I do not know why they are above the line. What is going to happen is that either they may be very efficient or they may be moving into trouble and cannot sustain themselves. Or maybe these guys I am indicating on the document are about to go under and they are pushing across before they fail. Whatever the reason is, there is an alarm bell going as they move away from the line on the graph, because according to their size, how much food they order and how far it goes they are not on the line. Is taking your data and doing it more reliably and more widely one way of early identification?

**Mr Bussey**—We will no doubt do it again.

**ACTING CHAIR**—But are we heading in the right direction? Can these guys learn anything from these sites, because you just pulled out the use of generic labels. That knocks 15 per cent

off prices instantly. So why aren't the different parties talking to each other about that? These are snapshots and by next week they may have flipped, but that is the point I am making in general terms.

**Mr Spicer**—The change of the CEO, as someone said before, can change a store in three weeks. There is no doubt about that.

**ACTING CHAIR**—So if we are doing a monthly survey through the population health unit or the local health boards they are going to pick that up that same month. It will hit the screen and they will say, 'What has happened at this store.' And you will say that there was a change of CEO and suddenly we are onto a problem.

**Ms Mellot**—I will just say something about the graph where you have Yakanarra and Wangkatjungka. Wangkatjungka have a dirt road to go down plus they are 210 kilometres further out from Fitzroy Crossing whereas Yakanarra actually go into Fitzroy to collect their goods.

**Miss Hines**—My community will not eat home brand goods. It sits there and has got dust on it.

**ACTING CHAIR**—That is fascinating. You would not know it unless we asked. That deals with efficiency, but then the question is viability. How do we identify stores that are about to fail, because that causes huge social costs. We are looking for ways to identify them.

**Mr Bussey**—There is healthy competition between the stores. We go to all the store managers and they are all generally keen to know what is happening with others. There is healthy competition between small communities and the regional stores: Derby and Halls Creek. The competition is lopsided. Obviously there are also Perth, Melbourne and Adelaide.

**ACTING CHAIR**—You are the first one to really show us figures we can table. Is this worth repeating on a quarterly basis? Are you happy to make that a recommendation?

**Ms REA**—I think that graph is, yes. It sums up where we as a committee are really focusing in this inquiry. I appreciate that we do have to keep our eye on the end game, which is making sure that people in remote communities get access to reasonably priced, good quality food and that their nutrition is improved. I think there are safety nets now. If a community fails, there are options, whether it is through the government or others, to get food in to people. There is not going to be a situation where a community is allowed to starve. I think we are going back to what that graph tells us not just about who should be the safety net but about how we can actually heed the warning signs and look at those stores that are succeeding, why they are and what the lessons are that can be learnt and applied elsewhere if possible. The one thing we do know is that every community is different, but at least we might be able to come up with some sort of a formula or a format that teaches some lessons and gives us the warning signs before we ever get to the point of talking about safety nets. That is why I think that that graph is quite useful.

**Mr Paling**—In November Burringurrah fell over, and we got emergency phone calls from the CDEP up in Geraldton. We responded very quickly. We actually sacrificed some of the food. I

think we sent a ton and a half or two tonnes of food. About a month ago, the same thing happened in the same location and we were back again.

**Ms REA**—That is the point that we are making. We want to find out about—

**Mr Ryan**—I disagree that the actual safety net is in place. The safety net is not in place.

**Ms REA**—Okay.

**Mr Ryan**—If we had not been here, there was a community that twice in three or four months would have had no food. There was another community as well, so the safety net does not exist.

**Ms REA**—But there are places like yours. What I am saying is that we do not want this discussion to just be about what the safety net is. We want it to be about how we can heed the warning signs and what we can do. What are the recommendations we can make that will assist communities to be more viable and what are the support networks they need in place so then when things do start to fall over, whether it is a CEO or other circumstances, what are the warning signs that enable us to get in there before we have a community that has no food?

**ACTING CHAIR**—As we move to the final area, we are now assuming that pallets full of fresh fruit and vegetables are arriving at the door of the community store, and we are now looking at this issue: what do you do inside the store to maximise the likelihood that the fresh fruit and vegies are being taken home by the families that really need it and that it is being turned into nutritious alternatives that continue as sustainable family practices that lead to healthy kids and healthy seniors? We are now at that end of the spectrum.

**Mr Fryer**—It needs to be marketed properly. There is an issue between the supply and the demand. A lot of stores have most of their meat products frozen. Most people in the communities do not have microwaves. That meat tends to hang on balconies and verandas to defrost. Milk products—and you can back me up on this, Nicky—are delivered frozen. A lot of the time they are very hard to thaw out and they generally go off very quickly, so those products are not purchased. Therefore, powdered milk is the alternative. There are strategies that really are affected through the supply.

**ACTING CHAIR**—Thank you. Is there a solution to that?

**Mr Paling**—I thought I would mention cryovac meals being stored in the community stores. They are impervious, and there is a company in Queensland that is actually making up particular meals for Aboriginal communities to make sure that there is the required amount of vegetables and the stuff that is acceptable to the community in them. So the community is requesting what they want in their meal packs.

**ACTING CHAIR**—Do you use water and heat them up in a pot?

**Mr Paling**—No, you just heat the pack up. It is food safe under all conditions and it is from a company up in Queensland. It would solve a lot, because you have a complete meal there with all the ingredients, and they tell me that they can specify it by community store.

**Ms Hollin**—I would like to say something about *Deadly Tucker*. The issue of choice has come up quite a lot today. To create demand for healthy food, people really need to be able to make informed choices. There is a difference between choice and informed choice, and there is also a difference between making an informed choice and accessing healthy foods. *Deadly Tucker* supports the FOODcents program, which is specially adapted for Aboriginal and Torres Strait Islander communities. It was developed by the health department of WA quite a number of years ago and remains in the condition in which it was first developed. It has not been updated for many years; however, it is still a live resource and is being actively used. We and Red Cross use it extensively in our engagement with Aboriginal communities, with some considerable success in engaging extremely hard to reach people who live in the town sites and in the camps around Kalgoorlie-Boulder. We can actually get them to learn about healthy foods, about how to budget and about making affordable and healthy choices. There are myriad resources out there that have already been developed by the Heart Foundation, Diabetes WA, RIST and a whole variety of other organisations. The actual resources are already there; it just needs the will to deliver them.

**ACTING CHAIR**—If I have an unlimited supply of apples and I halve the price of apples, do people buy twice as many? Can someone tell me about demand elasticity? If I make fruit and vegetables cheaper, do people take twice as much of it or just the same amount and spend more on other foodstuffs? People are saying they will buy more coke, chicken and cigarettes, so is pricing as big an issue as we are making out?

**Mr Bussey**—It is, but you expect to get what you pay for. There is a demand for healthy, tasty, reasonable quality fruit and vegies, but there is very little demand for second-class food that has come from someone else's store to the communities. I am sure that happens, because we get stuff that is blemished and rotten on the day it arrives. No offence, but that cryovac food is going back on what we have already started. We are looking for healthy, fresh, good quality food to go into the communities. Those are the rights we all have. We do not want to eat food that needs heating up. We all have the right to high-quality food, especially in Australia, where it should be available.

**Ms REA**—So you are saying it is about quality more than price.

**Mr Bussey**—I agree with that, but I am just one person.

**Mr Davies**—That is plain and obvious to everybody in Fitzroy. When you buy tucker at Turunda—and I am going to say Turunda because it is shocking—it lasts one week in your fridge. If I buy vegies at Bayulu, I don't know why it is different but that food is actually fresher and lasts longer in my fridge. If I buy food here in Broome or do everything at Woolies, for some reason the vegies and fruit last longer in my fridge.

**ACTING CHAIR**—Than what?

**Mr Davies**—Than fruit from Turunda. Most people in town—and you can ask anybody—guess that they must be buying old tucker at the end of its shelf life. What guarantee is there for customers that we are getting fresh tucker from these suppliers? A lot of the communities we are talking about are smack bang in the middle of pastoral leases full of cattle. We have always eaten that cattle and we like eating it more than the grain fed cattle from down south, which tastes like rubbish. We like free-range cattle, but a lot of it goes to Indonesia. They are eating all the good



tucker over there. Yakanarra found a solution to their problem: they pay 15 grand to Gogo every year, which allows them as a community to go out and slaughter a beast whenever they want one. So some ideas that community people have come up with need to be looked at too. We like our meat fresh, with blood running. It tastes better than shop stuff. I only buy shop stuff when I am between killers, and most families are like that.

**ACTING CHAIR**—So you pay 15 grand to a pastoral lease to—

**Mr Davies**—Yakanarra did that.

**ACTING CHAIR**—Is it common to find killers and just kill them illegally?

**Mr Davies**—Yes, that happens. It has always happened. The biggest station managers do that to one another. That is the history of this country.

**ACTING CHAIR**—So what happens? Do you bring it back and share it amongst your family groups in the community?

**Mr Davies**—Yes. They bring the killer back in and just spread it out—

**ACTING CHAIR**—It does not turn up in the store of course.

**Mr Davies**—No, it does not.

**Mr Bussey**—We have got to face it too that our westernised way of gathering food—walking into a shop—is pretty boring. This is why nutrition is so much more than just shopping. As an extended family you will go out and knock a killer off or you will go fishing or collect bush food. That enjoyment has gone in some ways. It is not all bad; there are many positives, but walking into a store and buying food that is not the best—

**ACTING CHAIR**—Is there any capacity for individuals particularly on the coast to bring seafood in and sell it in the store? Does that break any health rules? Would you accept a whole lot of seafood or maybe some locally grown vegetables in your store and put a price on them?

**Mr Carter**—We already looked at that option some 20 years ago. The restrictions you have in the way you package food or the health regulations make it difficult for communities to go into something like that and they do not have the funds to do it under their own steam unless it is federally funded. At the end of the day communities do not really want an outside organisation coming in there, doing everything and making a profit out of it.

**ACTING CHAIR**—If you went out there and shot some roos, chopped the tails off and brought them in, would your store say no to the roo tails?

**Mr Carter**—Our store actually supplies roo tails. We buy them from the shop because we do not get roos up where I am. That produce comes in, the same as kangaroo meat does for the dogs—it is used for dog food. A few of the old people like their kangaroo meat—the roasted tail—and they eat that.

We own an internationally recognised resort, which is called Kooljamon Resort, and we cannot even sell that resort our products from our aquaculture centre because of restrictions put in by fisheries, and not only fisheries but the health department and everything like that with processing requirements, so that it makes it very difficult to get into industries such as that.

**ACTING CHAIR**—Let me go back to that fresh fruit and veg idea. Should it all be free or should there be a gold coin? Just as an idea, you may well say to people that for every hundred dollars they spend in the store they get 10 fresh fruit and veg credits. That means that whenever fresh fruit and veg come in they can just come back with their credits and take away their fresh fruit and veg by showing the credits and collecting the produce. Is that too burdensome? Would it just make people say, 'I am not going to buy fruit and veg. I am just going to wait until I get a free credit,' so nothing moves on your shelves?

**Mr Carter**—In our store anybody who spends over \$100 gets a 10 per cent discount. Pensioners within our community automatically get 10 per cent discount regardless of how much they purchase in our store. Under the management of their income we have a credit system in place where people can put a credit into the store. They have to build up a credit system there—a bit like a lay-by but in reverse—before they can book up. If they did reach their limit, it goes back to the manager of the store and then it is referred back to me. We look at their credit history, a bit like the banks, and if they have a good credit history then we will bump up their credit rate.

**ACTING CHAIR**—In all of those incentives for these groups, which are across the board, how do I get more fresh fruit and veg going home to a household? Do I have some kind of incentive?

**Mr Carter**—If there is good presentation on your shelves and the produce is fresh and firm, it will get bought. If it is not fresh and the presentation is not good, it will sit there for ever and a day.

**ACTING CHAIR**—If the shelves are full of fresh apples and oranges, you reckon that if they are good quality they will go and they do not need to be subsidised?

**Mr Carter**—No, that is half of one and half of the other.

**ACTING CHAIR**—I am trying to work out how to get more of this into households. Does it need to be subsidised?

**Mr Carter**—If it is cheaper, it probably would sell a lot better.

**ACTING CHAIR**—Do we agree that it needs to be made cheaper? Okay, I see that lots of you have agreed with that. How do I do it? Do I subsidise the freight? Do I say to store, 'Here's the money, make the fresh fruit and veg cheaper'? How do I make it cheaper?

**Mr Carter**—Buy it in bulk.

**ACTING CHAIR**—You know the cents per kilo. If we assume it has arrived, it is in great nick and it is in the store, how do I get more of it out the door? At the moment, people are going

to buy as much of it as they are going to buy. What happens if I had twice as many apples? Will they buy more apples?

**Mr Fryer**—You have to market it properly.

**Mr Carter**—Yes, if it is marketed, presented properly and fresh, and you know that your community will purchase the fruit. I know that my people will because they love their fresh fruit and vegetables. If you reduce the prices on that and subsidise prices on your non-essential items, you manage it that way. It all boils down to the management of your store.

**ACTING CHAIR**—What if there is a piece of fresh fruit and veg available at the store for every child under the age of 18 every day? They could go to the store and get a piece of fresh produce. Is that a way of doing it?

**Mr Spicer**—Anything like that is quite possible and is well worth trying. How much work does it take to give that to everyone? If we spend half a day organising to give that fruit away for free, where are we making the money to pay for the managers to do everything else? It is not free. Even though you might give it away, it is not free because it is still a cost to somebody.

**ACTING CHAIR**—At the moment, I cannot find a way to do it.

**Mr Clements**—What about through the schools? Before, we used to give kids small bottles of milk at recess time—when I was a kid, anyway. Why can't they do it at school? They could give all the kids at school some fruit and a couple to take home.

**ACTING CHAIR**—One of the teachers could take a couple of boxes a day of fresh fruit and veg to the school, and everyone would get a piece on the days it is available.

**Miss Bowcock**—Most schools in the Kimberley provide a fruit and veg break, whether they fund it themselves, get it through the education department or through the community. One of the things that has always done quite well—I do not know why more schools do not do it; I am sure scanning does not help—is to have bowls of fruit sitting at the counter. When people come through they might have some small change and generally someone will say, 'Why don't you buy an apple or an orange or something with that change?' It is what you were saying, Warren: straight marketing. If you go into Coles and Woolworths, you will see all the incidental stuff at checkout. Community stores over the years have had bowls of fruit or pieces of fruit at the checkout for people as they go through. That is an easy way of doing it. One other thing I would like to mention is that I think you should ban those machines that contain all-day suckers that are out the front of stores.

**ACTING CHAIR**—Lolly machines?

**Miss Bowcock**—Yes. All-day suckers are the big ones—

**Ms REA**—Chupa Chups.

**Miss Bowcock**—Yes, that sort of thing. Sometimes you will find that that is the highest seller for stores. You have already heard today about the shortage of dentists and not being able to get

dentists out to communities. I have known school dentists who have gone to communities and found from one visit to the next that kids have gone from having no missing or decayed teeth to having a mouth full them. That has been because of an all-day sucker machine at the front of the community store.

**ACTING CHAIR**—They soak up all the small change that most kids carry.

**Miss Bowcock**—Yes, and they stay in the kids mouth until they are finished. I think there is room for kids to have confectionary, but it should certainly not sit in their mouths all the time rotting their teeth.

**ACTING CHAIR**—Can we move from fresh fruit and veg to the familiarity with some of these lines, cooking classes, instruction and confidence building for young mums? Do you have any views on the role of a social focus like the supermarket to get involved in cooking classes or instruction?

**Mr Fryer**—I think Clint can comment on some of the programs that Nindilingarri did at Bayulu. Do you want to talk about Bayulu, Clint, and the health promotion and marketing stuff that you did out there?

**Mr Bussey**—In our program it is essential really. It is not just aimed at women and young mothers, it is aimed at everyone. You will find in the Kimberley Valley, as Patrick said earlier, that the men are as keen as mustard for this type of thing. The men are often the first ones to come up and ask. They see something in the store that they are not sure about and they will ask about it and how they go about fixing it up.

**ACTING CHAIR**—What is a good time of day and what is a good forum to do it?

**Mr Bussey**—Usually in the morning and we do it at all the communities with a store. We go to every one of the communities. If they do not have a store, we will bring it along. We will bring it along uncooked, uncut, whack it on a table and go for it. You cannot beat traditional foods. A lot of the time we will take a kangaroo carcass, we will take fish, obviously, with sorry business and things like that going on. Rarely, we will get a killer. You cannot beat traditional foods.

**ACTING CHAIR**—How is it done in communities where there is not a NACCHO? Who is going to do it?

**Miss Bowcock**—There are lots of cooking classes going on in schools. I run a program, as I said, in schools that goes for normally all of second term and probably hits at least half the schools in the Kimberley. The classes get points, it is a challenge, it is a competition, the classes get more points if they have health education lessons and things like that and cooking is amongst the highest of the health education lessons they get. That is just working generally in second or third term but it happens in a lot of schools, particularly the remote schools. Clint's counterpart down in the Kutjungka region is doing lots of that too.

**Ms REA**—Does going to the classes and in other cases doing the education and awareness programs translate to people cooking more stuff back at home? It is not just about, 'Good, I'll go

down cook up a nice feed today, but when I go home I don't have to worry about it.' Does it actually work?

**Mr Bussey**—The most pleasing thing we see is that, if we introduce a particular recipe—we use a lot of cheap lentils and canned food—you go back into the store and the ingredients are gone. It does not happen all the time. Things are not always fabulous but that is one of the things that we notice. You get feedback from the store. We do a lot of talking with stores and stuff. A lot of the time the stores will have trouble. They will get a line of good quality, healthy foods in and they will have trouble moving them. They will come to you and say: 'We're having trouble here. We've got this in. What can you do about it?' You go home and think about it, give Robyn a call and come up with an idea to use that within a recipe.

**Ms Hollin**—We have been delivering our version of the FOODcents program for quite a number of years now in a variety of different environments. I think your question was: what is a good time? There is no such thing as a good time, it is whatever works for that community and whatever works with that group. So whether it is taught in schools, whether it is done in community venues, whether it is done in the middle of a paddock, which is often the case, it is about sitting down with people in whatever environment they find themselves in and then adapting it appropriately to your audience. It has huge applicability. We have found through external evaluation that when you teach people cooking skills and how to choose and select healthy, affordable food it does translate to changes in home behaviours because nobody knowingly wants to hurt their children. Once people realise what the foods that they are buying are actually doing to them and their families, they do not want them any more. I am happy to submit external evaluation in support of that comment.

**ACTING CHAIR**—We are moving to our last five minutes. Does anyone else have a comment? We really need to get down to final comments now before we close, so please have a think.

**Mr Paling**—FOODcents is a generic program. The home economics teachers now do FOODcents at the Foodbank as part of their professional development, so we are attacking from inside the schools now. The FOODcents program will become part of the high school curriculum. It is a very simple thing. Not only does it teach people to eat better nutritionally but there is a guaranteed saving on the family food bill of \$2,000. We, Red Cross and a heap of other people are trying to stop the leeching, if you like, of the schools, and if the store people come the rest of the distance I think we will meet in the middle and make a substantial difference at the end of the day.

**ACTING CHAIR**—We have had different views on the issue of cross-subsidy. Should we in the end be making unhealthy food that little bit more expensive and using it within the store to cross-subsidise? We have had both views expressed. Can I get a general consensus?

**Miss Bowcock**—I think that either way it does not really matter. People will buy what they want to buy. What is more important is placement of food in the store. Right from the beginning it is the whole marketing of the food. I know when Dr Amanda Lee did her work in Minjilang she found that just by moving sugar to the back of the store and putting it in an inconvenient place where people could not find it sugar sales dropped by 13 per cent.

**ACTING CHAIR**—By how much?

**Miss Bowcock**—By 13 per cent, if I remember rightly. I could be wrong on that, but it was a significant drop just by placement. My argument with store managers in discussions with them is that they should not put large bottles of cool drink where small kids can get them. That is generally what happens. The 1.25-litre bottles are the only things that the little kids can reach in the fridge and so that is what they get. Normally they will not drink the whole lot but they are still going to overconsume. If store managers think a bit more about the placement of their items, particularly in relation to kids, that could make a big difference. Marketing is much more important than cross-subsidising.

**Mr Bussey**—I have a bit of a problem with increasing the price of unhealthy foods. People are still going to buy those foods; they are going to have less money to spend on the healthy foods. It would be better to limit unhealthy foods in the stores.

**ACTING CHAIR**—Do you have some examples?

**Mr Bussey**—Cool drinks are a classic example, and chips.

**ACTING CHAIR**—There are two different categories here. One is that if you took Coke away there would be a riot, but you can replace ghee with trans fatty acid free cooking oils and polyunsaturated oils. Is that happening?

**Mr Bussey**—Or portion sizing. Instead of two litre bottles at the front of the store you could have the little 250 millilitre cans.

**ACTING CHAIR**—Can we go through the issues here. There is portion size and restricting access of placement but what about simply replacing unhealthy pies with healthy pies? Are all the oils on sale healthy oils?

**Miss Bowcock**—No, in some places they are not. I think it is a matter of economics. Talking about Coke, a classic example was a couple of years ago when a CEO of a community got the idea that Coke was causing diarrhoea in the community. There was a water alert for coliforms but there was no extra diarrhoea, so somehow or other he decided that Coke was causing the diarrhoea. Instead of not selling Coke he put it on the shelves and it was not sold cold. People still bought Coke but they bought it warm. Anything that the stores wanted to sell more of they put in the fridge and sold cold. So strategies like that make a difference. You do not say, 'We're restricting you' but if you want to drink cold Coke you have to take it home and then chill it yourself.

**Mr Fryer**—If they want to buy it they will go to great lengths to get the product they are after. Brand specific, product specific—it makes no difference. It is education; that is the key. They need to know why not to buy that product and why to buy the other product. Education is the key.

**ACTING CHAIR**—Lastly, the little pet issue that I mentioned earlier: in mid-sized communities where there are simply very few places where they can store fresh fruit and veg, is there any place for a community cool area which has lock-up areas for individual families to

store fruit and vegetable items? I know it does not happen anywhere. Is it worth a trial or do you think it is futile to have a mini coldroom where you can unlock the padlock to your family stuff?

**Mr Davies**—It would only get broken into. They will find a way of breaking into it.

**ACTING CHAIR**—You can't make a CDEP project to make something out of something pretty tough?

**Mr Davies**—I think there was a guy who was trying to run with that idea, but that is sort of going backwards. That is not bringing our people forward.

**Mr Spicer**—How is that any different?

**Mr Davies**—That is just allowing us to tick our little boxes.

**ACTING CHAIR**—Let me just defend the benefit of it. It gets you refrigerated fruit and vegies between two-weekly deliveries in communities of 200 or 300 people 10 years earlier than you are going to.

**Mr Davies**—People will get access to that food. You have a lot of cultural links to them. You know: 'You are my aunty. You won't say no to me. Go and get that tucker.' People have ways of getting it. Outside cultural ways, they have ways of getting it.

**ACTING CHAIR**—We will burn that one? Communities get a two-weekly delivery. I do not mind if they break in; at least someone is eating it! Will we burn that one?

**Mrs Martin**—Just one thing. That is a great idea for a remote community, but then you have to take the fuel in to keep the generator going to feed the refrigerators. Who is going to pay for that? There are all these other things. You cannot walk into a remote community with a great idea, go like that and get power. It comes from somewhere. The fuel is carried in via freight. Then you have things like water. The water is great for the people who live there because they are used to it. Or are they used to it? Are their kids sick from it? I do not know. Sometimes those questions are not asked, which is for the government a good thing. But, when you actually go there and you want to provide a service that incorporates the use of the community's water, it is not always good water. Strangers that come in there get sick.

**ACTING CHAIR**—What sort of water service are you talking about?

**Mrs Martin**—In a remote community, you know, bore water—drinking water. Some of the waters have so much mineral in them that people get sick. There are two towns. Fitzroy is much better now. Halls Creek is in crisis. Halls Creek do not have water that does not make them sick. Women have to drink—

**ACTING CHAIR**—Do they get diarrhoea from contamination or minerals?

**Mrs Martin**—It is the mineralisation of the water. Pregnant women cannot drink the water there. They are asked to drink bottled water, which is provided by the Water Corporation. There are other places in the state that do the same thing. I am sorry. I just thought I would put it in

now. For all these great ideas, we have to find a way to make them work. I have to say, looking at some of the people in this room, that we have done it all; we have tried all this. Some of us have been working in the communities for 25 years—and some of us for 27, but we will not go there! The only thing I ever saw that worked was the homemakers. They were people who lived in the community and contributed to the community. If you wanted to get fruit out there, they would find a process to do it. The only ones who come close are Nindilingarri, up there in Fitzroy. They are the only people who are actually doing something there on the ground.

**ACTING CHAIR**—What is their job and who are they?

**Mrs Martin**—That is that mob. Do you see what I mean?

**ACTING CHAIR**—If these guys did not exist, would it be the—

**Mrs Martin**—Hang on. Do not say that, because they should exist. This is the point. You can keep saying they do not exist in other places, but we actually need to get over that little hump—that is, that they only exist in one place at the moment—and look at where it can apply in other areas. Andrew is an amazing resource. You have these young people who have clout in their community. They are the ones you should be sitting on the ground with. Without them, we are not going to be thinking about the fact that, if you want more refrigerators in the community, you need more power and therefore you need more fossil fuel or whatever. Do you see what I mean? Homemakers did it all. The other thing is that you work on the culture. Here in Broome, if one of my daughters went out with a bloke who could not cook, she would not bring him home. Come on. If you do not bring home a bloke who can cook—no. It is a part of the culture here in Broome. Men here in Broome are taught to cook. Andrew is one of the best cooks, but his missus makes the best chilli. But that is not the point. Do you see what I mean? There are lots of ways that we can do things if we can get these young people together. They have the benefit of lots of other people in their community who have been part of the homemakers.

I coordinated the homemakers in the West Kimberley for about four years because nobody else would do it. That program worked: (1) it made sure that kids had a feed and (2) there was fresh fruit, because it was all subsidised. There are only two places in Western Australia that still have the homemaker program. One of them is Pandanus Park—they still give the kids fresh fruit—and the other is in the Pilbara.

**ACTING CHAIR**—Which community?

**Mrs Martin**—I am not sure where it is in the Pilbara, because I keep to my own turf, but here it is in Pandanus Park. It was going for years and it was successful, but that program was stopped because they employed non-Indigenous people. I do not get that. I did not get it then and I do not get it now. Between what you are doing at cultural health and what the old homemakers used to do you would have it all. Cultural health are the only way to go because they understand the culture of the community, and they also have intimate knowledge about what is happening in those communities.

**ACTING CHAIR**—So where there is no NACCHO there are health clinics, and those health clinics have Aboriginal health workers. Is there a role for expanding their activities out of the



health centre down to the store, where you guys don't exist? I mean, I cannot create NACCHOs everywhere.

**Mr Davies**—The homemaker programs used to run out of Family and Children's Services, which back then we used to call 'welfare'. My mother did that in Kununurra in the seventies.

**ACTING CHAIR**—So you have Aboriginal health workers. Is that a good place to start? I cannot make a new program begin, but you have existing senior Aboriginal health workers—

**Mr Davies**—In communities there are a lot of senior women that were cooks. They would cook bread, meat, vegies and everything in the ground clean. A lot of that knowledge is still in some of the senior ones. A lot of them know how to cook. It is not like all our mob do not know how to cook.

**ACTING CHAIR**—But they would be pretty senior women now, wouldn't they?

**Mr Davies**—Yes, but there are younger ones that learn from them. A lot of people say our mob eat too much meat and it is no good for you, but it is about how you cook it. If it is cooked on coals in a ground oven, a lot of the fat goes from the meat. A few years ago I heard news about a doctor that worked with people in Utopia. They were the healthiest Aboriginal people in the Northern Territory and they were living more of a traditional life. It was interesting to read that.

**Mr Spicer**—There is a lot of great stuff coming out of this, but for it to succeed you would strangle the vehicle, being a commercially operated store. Unless you have subsidies and other grants to help with that, it would be a struggle. The stores in the communities are just about the only non-grant business going on.

**ACTING CHAIR**—It could work through the store. We have the HACCC people here, but all the ingredients come from the store.

**Mr Spicer**—That all happens now, but achieving those outcomes would strangle the store.

**ACTING CHAIR**—I am not sure what you are saying.

**Mr Spicer**—It is not commercially viable for us to spend all our time promoting fresh food. It requires all the agencies, and it should not be the sole responsibility of the store.

**ACTING CHAIR**—Absolutely not. That is why we are talking about welfare, Aboriginal health workers, local senior volunteers and the homemaker program. You cannot put any more of an onus on the store.

**Ms REA**—But you cannot have one without the other. If the store does not provide the ingredients then all those education programs do not work, and if the education programs do not work then the store won't sell the nutritious food. The two have to go hand in hand. The issue is how we find that balance between providing good quality food and, where possible, having a sustainable and commercially viable store.

**ACTING CHAIR**—The committee will take into consideration everything that has been discussed in today's hearing. We are due to report our findings to the government in the latter part of this year. I thank everyone for coming.

Resolved (on motion by **Ms Rea**):

That this committee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 5.05 pm**