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**Submission from The Fred Hollows Foundation-
Indigenous Program to the House of
Representatives Standing Committee on
Aboriginal and Torres Strait Islander Affairs.**



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Inquiry into community stores in remote Aboriginal and Torres Strait Islander communities

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Introduction

Indigenous Australians experience higher rates of morbidity and mortality than the wider Australian population, primarily due to preventable chronic conditions including diabetes, circulatory disease, kidney disease, respiratory disease and cancer¹. This disparity in health and wellbeing is attributable to the relative social and economic disadvantage of Indigenous Australians. The 2006 Census tells us that unemployment rates amongst Indigenous people are three times that of the non-Indigenous population; over a quarter of Indigenous Australians are living in overcrowded conditions; and although there have been small increases in school retention rates, Year 12 completion rates are around half that of the non-Indigenous population.

Inadequate diet is major contributor to poor health status, particularly in the case of people living in remote parts of Australia. In remote areas, Indigenous people report significantly lower daily fruit and vegetable intake than people living in non-remote areas. The factors contributing to the poor nutritional health of Indigenous Australians in remote areas include poor food security; limited access to healthy foods; high cost of food coupled with low income; poor facilities for the safe storage and preparation of food; and limited control over community store management².

It is stated in Article 25 of the Universal Declaration of Human Rights that “everyone has the right to a standard of living adequate for the health and wellbeing of himself and of his family, including food”³. To effectively ‘close the gap’ between the health of Indigenous and other Australians, the human rights of Indigenous peoples must be realised⁴, which includes equal access to a safe and healthy food supply.

About The Fred Hollows Foundation

The Fred Hollows Foundation (The Foundation) is an independent, non-profit and secular development agency that works both internationally and in Australia.

The Foundation’s vision is for a world where no one is needlessly blind and where Indigenous Australians enjoy the same health and life expectancy as other Australians.

The Foundation strives to achieve four key goals:

1. End avoidable blindness in the communities and countries where we work
2. Improve the life chances and choices of Indigenous Australians through improving their health
3. Work through strong partnerships and cross sector collaborations – at local, national and global levels

4. Build a strong and dynamic organisation, capable of facilitating effective eye health and Indigenous health programs, and having a positive impact on public opinion, policies and practices.

The Foundation's development work is underpinned by the principles of partnerships, capacity building, sustainability and respect for fundamental human rights. Our role is to support our partner organisations to achieve the goals that they set for themselves. We do this through programs focused on skills development, building sustainable systems and infrastructure, and developing local networks for advocacy, collaboration and support.

While The Foundation is renowned internationally for its work to treat cataract and other forms of avoidable blindness, the Indigenous Program in Australia has always acknowledged the full range of health priorities in Indigenous communities and placed emphasis on addressing the social determinants of health as well as the specific area of eye health.

As a result The Foundation currently supports a wide range of programs and projects in the Northern Territory, Western Australia and western New South Wales that cover areas such as nutrition, women's health and development, aural health, literacy, advocacy, training and governance development, community engagement and eye health.

These programs have been and continue to be developed in collaboration with Indigenous partners including Traditional Owners' organisations, Aboriginal Community Controlled Health Services, women's centres, store committees and local government structures.

Access to healthy food supply and food security is one of the key social determinants of health that The Foundation seeks to address through its Indigenous Program.

The Fred Hollows Foundation Food Supply Program

The Foundation has been working with the Jawoyn communities since 1998 address food supply and nutrition in the Katherine east region, also known as the Nyirranggulong region. This partnership commenced with commissioning the Centre for Aboriginal Economic Policy Research (CAEPR) to conduct a scoping study into structural elements impeding better nutrition and the capacity to measure and monitor health impacts that would arise as a result of intervention⁵. This scoping document was the basis of the involvement of The Foundation in food supply and nutrition programs in the Nyirranggulong region which have included:

- Employment of a community based nutritionist and Aboriginal community nutrition workers

- Piloting a store management model in two communities
- Scoping project about food supply models for small communities
- Governance and financial literacy training and support for community store committees

Terms of Reference

1. Food supply, quality, cost and competition issues

The inequality in food access, food availability and food use experienced by Indigenous Australians living in remote areas has been well documented⁶. The common issues are:

- High cost of food compared to cities and regional centres and a high proportion of income utilised to purchase foods
- Limited variety of foods, particularly fresh fruits and vegetables
- Poor quality of fresh fruits and vegetables
- Infrequent and unreliable transport and freight systems, particularly during the “wet season”
- Inadequate housing and facilities for safe storage and preparation of foods in the home
- Lack of competition as there is often only one food retail outlet
- Substandard infrastructure for stores

Recently the Dietitians Association of Australia and Public Health Association of Australia released a joint policy statement on *Food Security for Aboriginal and Torres Strait Islander Peoples*⁷ which provides an overview of the disparities experienced by Aboriginal and Torres Strait Islander communities in relation to access, availability and use of healthy foods.

Since 1995, the Northern Territory government has published results of the annual *Market Basket Survey* that monitors food cost, availability, variety and quality in remote community stores. There has been some improvement in the disparity of food costs between Darwin and remote stores as shown by the fact that in 1998 the average cost of a basket of food was 41% more expensive in remote stores than in a Darwin supermarket. By 2006 the differential was 29%. However the proportion of income required to purchase the same basket of foods has continued to increase in remote communities, with 36% of family income required to purchase the food basket compared to 28% of family income in Darwin.⁸

The National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan 2000-2010 (NATSINSAP) provides a national framework for action⁹. However funding for the implementation of the strategy has been minimal, particularly in the area of food supply and food security, and this should be urgently addressed.

The 2003 report *FoodNorth: Food for Health in North Australia* provides a comprehensive summary of the key issues around food supply to remote communities. While recognising that many of the barriers to a healthy food supply are very difficult to address, traditionally lie outside the mandate and expertise of the health sector and require a shift in the thinking of how a store should operate in a remote Indigenous community, the report also identifies a number of strategies that have the potential to be developed and applied nationally to improve food supply and nutrition for Aboriginal and Torres Strait Islander people in remote communities.

At the 2008 National Nutrition Networks Conference a key recommendation was to ensure food security in all remote and urban Indigenous communities, regardless of population size and the store's capacity to be economically viable¹⁰.

The *Remote Indigenous Stores and Takeaways Project* is an example of the cross-jurisdictional collaboration that is required to address the omnipresent food supply issues in remote Australia. This project came about as a result of the combined efforts of FoodNorth and NATSINSAP. The project developed a suite of tools to assist community stores with the stocking, marketing and monitoring of healthy foods. It emphasised the need for better strategies to improve both the supply and demand sides in remote Indigenous communities and a stronger focus on monitoring and evaluation requirements.¹¹

The latter point is particularly important but often overlooked. There is no national system in place to properly monitor and evaluate food supply and food security in remote Indigenous communities at a national level. There are no standard indicators or benchmarks for food security at the community and household level and no system to link this with health and wellbeing indicators. However, a recent report provides a recommended framework for food and nutrition surveillance in Australia¹² and deserves close attention.

2. The effectiveness of the Outback Stores model, and other private, public and community store models

The store has a special place in the life of a remote community. It fulfills a range of social and economic functions and plays a key role in strengthening the social fabric of the community. It is not only a source of food and drinks and other household goods but also a banking and credit facility, a source of employment and training and a social gathering/meeting place.

The effectiveness of a community store can therefore be judged in a number of ways but, for the purposes of this submission, The Foundation will consider effectiveness primarily in relation to **community control** and **access to a safe and healthy food supply**.

Community stores are operating under a range of financing, governance and management arrangements. The Australian Indigenous population is made up of many culturally diverse groups living in diverse and unique communities. Therefore a “one size fits all” approach to store models cannot be applied across all Indigenous communities. The models must reflect and adapt to the needs, aspirations and capacities of individual communities. FoodNorth poses two questions when considering governance of community stores: *‘Who owns the store?’* and *‘What is the purpose of the store?’* By answering these questions, the community can determine the most appropriate model for their store.

The Foundation believes that the underpinning principle of all models should be the right of Indigenous communities to have real control and real participation in decision making about matters that affect their community, including the type of store model. This reflects the direction The Foundation is taking with regards to food supply, where our focus is on the development and governance of store committees to empower them to fully participate in decision making processes about their community food supply.

As highlighted above, there is no national food and nutrition monitoring framework and in the absence of consistent benchmarks the effectiveness of the various store models cannot be measured.

The licensing of community stores in the NT under the Australian Government Northern Territory Emergency Response (NTER) has provided a framework to ensure that good practices are in place in stores, regardless of the store model. A recent report by FAHCSIA found that licensing has had a favourable impact on the availability of healthy foods¹³.

Outback Stores model

Outback Stores is a recent initiative of the Australian Government and has been in operation since late 2006. Since that time the number of stores managed by Outback Stores has grown rapidly as a result of the NTER and it appears that it has moved some way towards achieving its goals around improved food supply¹⁴. However, given the short timeframe in which it has been operating, it would be prudent to allow some time to prove the model and to have an independent evaluation conducted.

The centralised systems of the Outback Stores model present a number of benefits, particularly in the areas of buying power, human resource management and financial management. Store managers are recruited centrally, so each individual community does not need to undertake recruitment and training of store managers – something which has always been a challenging and costly process in remote and rural Australia. At this stage, it is not clear whether Outback Stores will be able to keep pace with the growing demand for suitably trained store managers over a vast geographic area, and whether there are sufficient monitoring systems in place to ensure that store managers continue to adhere to the values and conduct of the organisation after placement in the communities.

Nutrition policy and nutrition expertise is built into the structure and philosophy of Outback Stores and this certainly has benefits in relation to access to healthy foods. The Nutrition Policy sets high standards which are integral to store management contracts. However, greater emphasis needs to be placed on the health and wellbeing functions of the store, such as stocking of healthy foods and supporting community nutrition programs. There is a need to strengthen systems to ensure that the goals of commercial success are not achieved at the expense of these broader goals. Strengthening the health and wellbeing workforce within Outback Stores would assist in this as there currently only three staff focused on this area to assist the 24 stores managed by Outback Stores. More resources need to be dedicated to this area given the rapidly growing number of communities entering contracts with Outback Stores.

The Outback Stores management model has both positive and negative features. Community stores operate within the context of complex and important family relationships which include kinship obligations that may conflict with good retail practices. On the positive side, having managers employed by an external agency rather than by the community itself means they are less likely to have family pressures placed upon them.

On the negative side, the model disempowers community store committees as Outback Stores removes their decision-making role in the area of store management practices. Ironically and unfairly, while the store committees must sign over control to Outback Stores, they still bear full financial responsibility if the store operations fail.

This approach does not support the aspirations of many communities, particularly those with well established store management committees, to own and operate their own store. In such situations the standard Outback Stores model may not be appropriate, and the store committee should be empowered to negotiate with Outback Stores around management practices and the role of the committee.

In communities where there is a fledgling store committee, the Outback Stores model presents both benefits and disadvantages. On the one hand, the model ensures the store is managed according to good retail practice due to the larger organisational capacity of Outback Stores regardless of the governance and management capacity of the store committee. On the other, the struggling committee will have more difficulty negotiating their rights with a large corporation and may enter into contracts that do not meet the needs and aspirations of the community.

Outback Stores charges a management fee of 4% that is based on the turnover of the store rather than the profit it makes. In economic models, this constitutes a perverse incentive in that Outback Stores receives its fee regardless of whether or not it assists the store to be profitable. This issue warrants further investigation.

Another major drawback with the Outback Stores model is that it does not address the needs of small communities where a store is not commercially viable and there is no external funding. A number of “commercially unviable” stores have been established and are managed by Outback Stores with funding from the NTER. However, should external funding be withdrawn from those stores, it would not be viable for Outback Stores to remain in those communities and those communities are at risk of have no food supply without alternative models being considered. Policies and plans must be developed now to address the longer-term sustainability of these stores.

Store group models

Other public and community store models include store group models such as those implemented by the Arnhem Land Progress Association (ALPA)¹⁵ and Mai Wiru Regional Stores¹⁶ which operate at a regional level. ALPA also operates a “fee for service” consultancy arm which has similarities to the Outback Stores model in that the individual community store association contracts ALPA to manage the store. The critical difference is that, in the ALPA model, the store committee or association retains ownership of the store.

Like the Outback Stores model, store group models have greater capacity to implement good retail management practices to keep the cost of foods down and maintain a reliable supply of healthy foods. The group models allow for regional implementation of a nutrition policy with support from centralised nutrition expertise. There were early

evaluations of the impact of the ALPA nutrition policy model with regard to healthy food supply¹⁷. However, there are no recent evaluations of the model, nor evaluation of the effectiveness of the 'fee for service' arm of the organisation. Evaluation of the Mai Wiru model has also demonstrated increased turnover in fruit and vegetables¹⁸.

Like the Outback Stores model, becoming part of a store group means that the community relinquishes some degree of autonomy and control over store management practices. However, an important difference is that ALPA and Mai Wiru stores are Aboriginal community-controlled organisations and as such Indigenous people have control over decision making about the governance and management of the organisations. These organisations are grounded in deep, pre-existing cultural relationships which facilitate culturally appropriate negotiation.

To address the issue of familial obligations ALPA employs non-Indigenous managers rather than Indigenous managers, which has posed some challenges in the past.

The Mai Wiru model grew from widespread community concern in the Anangu Pitjantjatjara lands about poor health, low quality food and high food prices. The model is founded on the belief that stores are not enterprises, but rather essential public health services in the community and that management practices should reflect this reality. The Mai Wiru model could only be applied to other stores and regions if accompanied by the same community development approach.

Community store model

Community store models generally involve a store committee (an incorporated Aboriginal Association) which employs managers to run the store. This model operates with varying degrees of success both in terms of healthy food supply and effective community control. In some cases, such as the Lajamanu Progress Association where the store committee has well developed governance skills, a long term and trusted relationship with a store manager, prioritises food and nutrition promotion and has a supportive health service to provide nutrition expertise, there can be improvements in sales of healthy foods¹⁹. In other cases, the community store remains poorly managed with a limited range of healthy foods.

Private models

Private models include arrangements whereby communities lease their store to a private business to operate. In The Foundation's field experience, private models have generally been unsuccessful. In this model the community has little control over dealings of the store and there is a very high risk of unscrupulous store managers and inappropriate management practices. There is little incentive for the store owner to stock healthy

foods, particularly in the area of takeaway food, because of the lower profit margin on most healthy foods.

Other models for small communities

The Foundation has investigated a number of alternative food supply models that could be considered in small communities where a store is not commercially viable²⁰. These include:

- Co-operatives
- Bush orders
- “Satellite” stores

Co-operatives and Bush Orders operate using a system whereby communities place orders with wholesalers and retailers directly and the goods are transported to a central point in the community. The key difference between the models is that the Co-operative model involves compiling individual families’ orders into one collective order which is placed with a wholesaler, whereas the Bush Order model involves individual orders being placed with a retailer.

There are a number of advantages and disadvantages of these models. Both models provide a solution in small communities where a store is not sustainable and empower the community to have active control over their food supply. Both models provide a source of employment for a community member who takes responsibility for collating administration of the ordering systems. The Co-operative model, has cost benefits as the price of goods through wholesalers is often cheaper than through retailers. The cost of freight is shared across the community, however it does add to the overall cost of the living, as does paying an administration position to oversee the process. In the Bush Order model individual orders are packed by the retailer, whereas the Co-operative model requires packing of orders at the community level.

The “Satellite” stores model involves a store in nearby larger communities establishing a smaller store in the small communities. The “Satellite” store would be managed by the primary store and transport the goods to the store usually locally established transport systems. Built into this model could also be a community transport system to assist people from small communities to travel to the larger nearby community store for goods not stocked in the smaller store. This may be an area that Store Groups such as Outback Stores and ALPA could consider for communities with where the store is not commercially viable.

3. The impact of these factors on the health and economic outcomes of communities.

The ultimate result of the issues highlighted above in relation to the access, availability and use of healthy foods in remote Indigenous communities is that Indigenous Australians have much poorer health and die on average 17 years earlier than other Australians.

Poor nutrition is a contributing factor to the following appalling health inequities:

- The life expectancy of Indigenous Australians is 59 years for males and 65 years for females. This compares to 77 years for other Australian males and 82 years for all females.
- Up to 75% of Indigenous males die before the age of 65, compared to just 26% of non-Indigenous males.
- Between 1999 and 2003, the mortality rate of Indigenous infants was three times the rate of non-Indigenous infants.
- Indigenous Australians aged 35-54 years are between 23 to 37 times more likely to die from Type 2 diabetes than non-Indigenous Australians in the same age group.
- More than half (57%) of Indigenous Australians aged over 15 years are overweight or obese. Indigenous women are one and a half times more likely to be overweight or obese compared to non Indigenous women.
- Infants and young children living in remote communities experience high rates of anaemia and failure to thrive. In 2008, 38% of 6-24 month old children living in remote NT communities have anaemia which affects their physical and mental development, and 11% of 1-3 year olds had stunted growth (too short for their age) which results from chronic and intergenerational malnutrition.²¹
- In 2003, insufficient fruit and vegetable intake contributed to 3% of the total burden of disease and 6% of total deaths for Indigenous Australians

The pathways by which production, transport, storage, availability, demand, acquisition and consumption of food impacts on health outcomes has been described by Lester²². Positive changes at each of these points in the food system will lead to improved health outcomes.

As the majority of food consumed in remote communities is purchased from the community store, turnover of key foods can be used a proxy indicator for the nutritional status of the community²³.

Lee and Bailey's²⁴ seminal work in the late 1980s demonstrated positive health outcomes through food supply interventions in the community store. Whilst subsequent store-based nutrition interventions have found similar positive outcomes, the overall quality, affordability and variety of healthy foods in remote communities remains poor.

The store manager, and his/her attitudes and practices in relation to health and nutrition, has an important influence on the turnover of healthy foods, particularly fruit and vegetables²⁵.

Recommendations

The Foundation respectfully urges this Committee to recommend that the Australian Government:

1. ***Dedicates resources to fully implement the recommendations of FoodNorth, the Remote Indigenous Stores and Takeaways project and NATSINSAP***, in particular:
 - o Establish a high level 'whole of government' approach to resolve the issues of food supply
 - o Establish a monitoring and evaluation system
 - o Improve infrastructure and freight systems, including subsidies for freight
2. ***Establishes a National Strategic Network of key stakeholders*** to build on current food supply initiatives; promote the uptake of quality tools and resources; support networking and promote information sharing to ensure the development of consistent policy standards; and facilitate co-ordination of research, evaluation and advocacy strategies. The involvement of a wide variety of key stakeholders will avoid duplication and capitalise on expertise and experience from many jurisdictions and be a step towards developing a comprehensive monitoring and evaluation framework.
3. ***Strengthens and expands supports for store communities*** to make decisions about the most appropriate model for their community. This includes practical support for governance and financial literacy development, and the provision of legal representation in negotiation of contracts with store groups and managers,
4. ***Supports communities where a commercial store model is not viable***. This may include facilitating alternative food supply systems such as co-operatives, satellite stores and "bush orders" or ensuring there is recurrent funding to assist with store operations.

5. **Funds independent evaluation of the various store models** with a particular focus on the community engagement and consultation processes and practices undertaken by the store management groups and the nutrition and health outcomes of the models.
6. **Expands the licensing of community stores to all remote communities** to ensure that minimum standards are met for healthy food access, financial management and governance. Resources should be dedicated to assisting communities to improve their store to meet and exceed these minimum standards, within an acceptable timeframe. The purpose of the licensing is to ensure there is food security rather than facilitating income management.
7. **Encourages Outback Stores to establish more flexible contracts** that reflect the varying needs of communities, recognising the different degree of interest in retaining community control and degree of development of the store committee

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