

Submission No 44

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20 FEB 2009
BY: ATSCA

**House Standing Committee on Aboriginal and Torres Strait Islander Affairs,
Inquiry into community stores in remote Aboriginal and Torres Strait Islander
communities**

Submission 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.

Please find a submission to the inquiry with three areas:

- 1. Key ongoing operational issues for stores/remote food supplies**
- 2. Key food supply, quality, cost and competition priorities and actions**
 - **Priority Objectives**
 - **Priority Actions**
- 3. Background information**
- 4. References**

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1. KEY ONGOING OPERATIONAL ISSUES FOR STORES/REMOTE FOOD SUPPLIES

1. Governance and purpose of stores –emphasis should be to sustain food supplies to promote health
2. Retail practices –to promote and sustain the consumption of healthy foods
3. Incentives to improve the availability (stock) of healthy foods in store
4. Incentives to encourage purchase of healthier foods –including economic incentives/
5. Monitoring and surveillance of food and nutrition outcomes –including sales data on the types and amounts of foods and health related outcomes of community members
6. Contingencies for emergency food relief
7. Apply standard credit options to remote areas, remove function from stores.
8. Transport and freight systems –are detrimental to the provision of high quality healthy foods at affordable prices
9. Local production of foods, particularly fresh fruit and vegetables

2. KEY FOOD SUPPLY, QUALITY, COST AND COMPETITION PRIORITIES AND ACTIONS

Priority Objectives:

1. Establish strategic management systems (with embed custodianship and resources) to implement public health infrastructure support interventions, such as those identified in the NATSINSAP
2. Develop the infrastructure to improve access to affordable, nutritious food
3. Develop and disseminate materials to support the sale of nutritious foods.
4. Develop the infrastructure to improve the quality of supply of perishable produce in remote/rural stores
5. Influence food supply in community stores
6. Develop an infrastructure for local production and handling of traditional foods
7. Increase awareness of the social and cultural values associated with traditional foods
8. Build the capacity of community decision leaders and store managers and workers to manage the food supply through training (environmental health, nutrition, retail and store practices)
9. Raise awareness in knowledge of nutrition and health issues and increase food purchasing and preparation skills
10. Develop community education and training programs
11. Raise awareness of environmental health and food safety issues and increase food storage and preparation skills
12. Build capacity of Environmental Health Officers and Aboriginal Health workers through training
13. Develop institutionalised, nationally coordinated, locally implemented, systematic approaches to food supply in remote communities.

Priority Actions:

A. Develop regulation and fiscal policies to encourage consumption of healthier foods, for example fresh fruit and vegetables in remote and community stores to provide equity with pricing of foods in urban areas.

Use fiscal policy to create an economic environment where community stores can thrive as a profitable business enterprise with the primary aim of providing an essential community service -- that is to enable the purchase of safe, and nutritious food.

Fiscal policy, broadly speaking, the national government's planned, discretionary spending and taxes (Aspromourgos 2006) can be used to as an economic incentive to improve food consumption in community stores. Taxation raises revenue and influences demand, and can have a net effect of the change of food consumption on subsequent nutrition indicators (Nestle and Jacobsen 2000). Applying a food tax can send a direct message to the public that the government is committed to improving issues related to healthy eating (Caraher and Cowburn 2005). These types of fiscal measures, for example taxing high fat or high sugar foods or subsidizing healthier foods, are being discussed in relation to reducing obesity and would have to be justified in terms of health and social benefits (Millstone and Lobstein 2007) (Mohebati, Lobstein et al. 2007). Fiscal options considered included reducing subsidies on the price of over-consumed foods, for example cakes and biscuits, or reducing the price of fruit and vegetables by increasing subsidies (Lobstein and Millstone 2006). Although less accepted by the private sector than the health sector, the cost of not taking action was considered more important than taking actions (Millstone and Lobstein 2007).

A mix of food tax and subsidies may be beneficial (Caraher and Cowburn 2005). Other approaches including 'hypothecated revenue' should be considered, for example the taxing of cigarette sales for health promotion programs, for example HealthWay in Western Australia. Taxing food advertising as an effective alternative as most foods advertised are not nutritionally preferred (Caraher and Cowburn 2005). Categorisation of foods based on nutrient or energy content to allow for assessment against nutrition criteria is a prerequisite of any taxation system designed to encourage health eating and unprocessed fresh fruit and vegetables however do not require this level of assessment.

Fiscal policy in Australia has evolved over the last 25 years in response to two main drivers, sizeable account deficits, and the projected implications of an ageing population on future public health costs (Gruen and Sayegh 2005). There is an opportunity to consider this approach for Remote and Community Stores, particularly in view of the disparity between cost of foods in remote and urban areas. The Australian Goods and Services Tax (GST) introduced in 2000 to replace a number of indirect taxes, allowed basic or minimally prepared food commodities such as fruit and vegetables to be excluded (Caraher and Cowburn 2005). In 2000, Kenny (2000) found strong equity, simplicity and economic efficiency grounds for the GST food exemption system.

There have been no overarching evaluations of the impact of the GST food exemption system on food consumption in Australia. There have been a number of state based market basket surveys that show increases in the relative costs of fruit and vegetables since the introduction of GST, the 2006 Healthy Food Access Basket survey found

that the cost of healthy food had increased more than less nutritious alternatives (Queensland Health 2007).

2. ***Continue to support store manager training and quality improvement processes by building on Outback Stores and ongoing support and implementation of current national and State programs and initiatives.***
 - Emphasize the priority to address the pre-determinants of chronic disease with a particular focus on nutrition in all remote store initiatives
 - Continue to support the evaluation of outcomes of *NATSINSAP*, *RIST* project, *Outback Stores*, and other local initiatives. Disseminate results and develop a well-funded nationally coordinate policy response. An immediate action is to appoint a public health representative to the board of *Outback Stores*
 - Develop and require demonstration of attainment of competencies for nutrition in the retail setting –pilot and extend the mandatory store licensing requirements to all stores.
 - Develop specific outcome accountability for food supply nutrition outcomes as performance indicators
 - Conduct an economic analysis with the dual aims of food supply nutrition outcomes and business viability
 - Develop and support demand side interventions to promote consumption of foods consistent with Dietary recommendations in remote communities.
3. ***Ensure public health (nutrition and food safety) expertise in the governance of business and economic focussed interventions to improve remote food supplies.***
4. ***Establish a formal process for a whole of government approach to resolve and sustain improvements to food supply issues in community stores in remote Aboriginal and Torres Strait Islander communities.***
 - Build on existing and establish sustainable formal collaborations and custodianship partnerships with government departments (national, state, territory, local health, agriculture and business), local indigenous communities and industry. Ensure these partnerships are sustainable beyond short-term project funding
5. ***Support the implementation of current food and nutrition policies and strategies. This can be achieved through ongoing support and implementation of current national and State programs and initiatives.***
6. ***Establish and support ongoing monitoring, evaluation to measure indicators of food supply, nutrition and health status. Ensure dissemination of results:***

- Require routine measurement of availability, quality and cost of healthy foods in remote community stores. Market Basket Survey's are a priority. It is essential that this occurs across Australia to enable comparisons and coordinated response to issues.
 - Establish routine measurement of measure health status, growth and nutrition indicators
 - Conduct regular food security monitoring of in remote and urban Aboriginal and Torres Strait Islander communities.
7. *Continue to support the inclusion of nutrition as a core component in Aboriginal Health Worker training and national population health training.*
 8. *Use Building and Planning opportunities to improve 'food hardware' through housing and infrastructure support –include food storage and preparation facilities.*
 9. *Establish education and support plan to provide nutrition education and cooking skills (including food safety) to prisoners prior to and after transfer to self-care.*
 10. *Continue to support and disseminate results through interventions such as HeathInfonet*