


Submission No 62

RECEIVED  
03 MAR 2009  
BY: ATSLA 

**House of Representatives Standing  
Committee on Aboriginal and Torres  
Strait Islander Affairs**

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

**Submission by the Department of Families, Housing,  
Community Services and Indigenous Affairs**

**3 March 2009**

## 1. Introduction

The Australian Government has made a commitment to closing the gap on Indigenous disadvantage with respect to life expectancy, child mortality, access to early childhood education, educational attainment and employment outcomes.<sup>1</sup> Achieving this will require sustained action across all sectors and governments, including through the Council of Australian Governments (COAG), to address the structural and systemic problems that have resulted in unacceptable levels of Indigenous disadvantage.

Improving the affordability and availability of healthy food for Indigenous Australians, particularly those living in remote Australia, is a key part of the required response. This submission addresses the terms of reference through a broad examination of this issue using the conceptual framework of food security.

Section 2 briefly outlines the key elements of food security and provides evidence of food insecurity in remote Indigenous communities, particularly with regard to low affordability, availability and utilization of appropriate food.

In Section 3, the focus is turned to community stores and underlying factors that have contributed to food insecurity in remote indigenous communities, namely: market failure through imperfect competition and market power; structural impediments, including the small populations of many isolated Indigenous communities and associated diseconomies of scale;<sup>2</sup> regulatory failure; and poor store governance and management.

In Section 4, the submission concludes by looking at the range of current Commonwealth Government activity directed towards addressing these problems and improving food security in remote Indigenous communities. This includes: the licensing of community stores in the Northern Territory as part of the Northern Territory Emergency Response (NTER); income management in the Northern Territory, Western Australia and Queensland; financial management services; housing upgrades and kitchen repairs; public education to improve the governance of stores; the Outback Stores model; and a range of Commonwealth programs aimed at improving the uptake of healthy and nutritious foods in remote Indigenous communities.

---

<sup>1</sup> The Australian Government, along with the Council of Australian Governments (COAG) has agreed to targets:

- to close the gap in life expectancy within a generation;
- to halve the gap in mortality rates for Indigenous children under five within a decade;
- to ensure all Indigenous four years olds in remote communities have access to early childhood education within five years;
- to halve the gap in reading, writing and numeracy achievements for Indigenous children within a decade;
- to halve the gap for Indigenous students in year 12 attainment or equivalent attainment rates by 2020; and
- to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.

<sup>2</sup> Altman, J.C., McDonnell, S. and Ward, S. 2001. Indigenous Competition and Consumer Issues: An Interim Review of the Literature and Annotated Bibliography, CAEPR Working Paper No. 12, CAEPR, ANU, Canberra, <http://online.anu.edu.au/caepr/>

## 2. Food security in remote Indigenous communities

### 2.1 The importance of food security

The concept of food security is useful for examining issues of food supply, quality and cost in remote Indigenous communities and the impact of these factors on the health and economic outcomes of communities.<sup>3</sup> In the context of this inquiry, food security may be defined as:

*'when all Indigenous people in remote communities, at all times, have physical, social, and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.'*<sup>4</sup>

Improving food security in remote Indigenous communities would directly contribute to closing the life expectancy and infant mortality gaps between Indigenous and non-Indigenous Australians; and indirectly assist in closing the gap on education attainment.

#### 2.1.1 Closing the gap in life expectancy

It has been estimated that 3.5 per cent of the total burden of disease in the Indigenous population is directly attributable to low fruit and vegetable consumption.<sup>5</sup> The *National Aboriginal and Torres Strait Islander Health Survey 2004–05* found that Indigenous Australians aged 12 years and over were twice as likely to report no usual daily fruit intake and seven times as likely to report no daily vegetable intake as non-Indigenous people.<sup>6</sup> In remote areas, 20 per cent of Indigenous people aged 12 years and over reported no usual daily fruit intake and 15 per cent reported no usual daily intake of vegetables.

In recognition of these results, the *Aboriginal and Torres Strait Islander Health Performance Framework 2008* suggests that improving the supply and consumption of healthy food in remote Indigenous communities is required to reduce the high levels of preventable diet-related chronic disease suffered by Indigenous Australians, including renal disease, heart disease and diabetes.<sup>7</sup>

---

<sup>3</sup> A broader interpretation of food security is suggested by Article 25 of the Universal Declaration of Human Rights: 'Everyone has the right to a standard of living adequate for the health and wellbeing of himself and of his family, including food....' The human right to adequate food is also recognized in several prominent instruments under international law including the International Covenant on Economic, Social and Cultural Rights and the Universal Declaration of Human Rights. The FAO definition of food security is considered more appropriate for the purposes of this inquiry.

<sup>4</sup> FAO. 1996. Rome Declaration on World Food Security and World Food Summit Plan of Action. World Food Summit 13-17 November 1996. Rome.

<sup>5</sup> Vos T, Barker B, Stanley L, Lopez AD 2007. *The burden of disease and injury in Aboriginal and Torres Strait Islander peoples*. Brisbane: School of Population Health, The University of Queensland

<sup>6</sup> Australian Bureau of Statistics 2006a, National Aboriginal and Torres Strait Islander Health Survey 2004–05. ABS cat. no. 4715.0, ABS, Canberra.

<sup>7</sup> Australian Health Ministers' Advisory Council, 2008, *Aboriginal and Torres Strait Islander Health Performance Framework Report 2008*, AHMAC, Canberra.

### 2.1.2 Closing the gap in child mortality

The youthful demographic profile of the Indigenous population, which has a larger percentage of mothers, babies and young children than the non-Indigenous population also highlights the importance of addressing food insecurity. Poor diet and nutrition in pregnancy can reduce birth weight and increase the incidence of infant growth retardation, which increases the risk of death in infancy. Poor early life nutrition and impaired growth can have life-long consequences for the health of mothers, with flow-on effects to current and future generations, including increased morbidity and mortality.

### 2.1.3 Closing the gap in educational attainment

There are well-recognised links between a healthy diet for infants and brain development and cognitive functioning, which flow on to attainment of literacy and numeracy skills, and school retention rates.<sup>8</sup>

## 2.2 Evidence of food insecurity in remote Indigenous communities

There is considerable evidence to suggest that food insecurity is a problem for many Indigenous people in remote Australia. Poor affordability (economic access); availability (physical access); and utilization (social access) of suitable and nutritious food in remote communities are considered below.

### 2.2.1 Affordability

Food security and affordability of healthy food in remote Indigenous communities are affected by a combination of high food prices and low household income.<sup>9</sup>

#### 2.2.1.1 High cost of food

Community stores are the primary vehicle to ensure access to affordable and nutritious food supply to residents of remote Indigenous communities. Most estimates suggest that between 90 and 95 per cent of food eaten in Aboriginal communities is food purchased in the store, with traditional foods now contributing only a small amount to people's dietary intake.<sup>10</sup>

The cost of fresh and nutritious food in community stores in remote Indigenous communities is significantly higher than that experienced elsewhere in Australia. For example, the Market Basket Survey 2007 undertaken by the Northern Territory Department of Health and Community Services showed that prices for a standardised basket of goods (the market basket) in remote stores were, on average, around **17 per cent higher** than the market basket purchased in a Darwin supermarket in 2007.<sup>11</sup>

---

<sup>8</sup> MCEETYA Taskforce on Indigenous Education 2001, *Solid Foundations: Health and Education Partnership for Indigenous Children Aged 0 to 8 years*. Discussion Paper June 2001

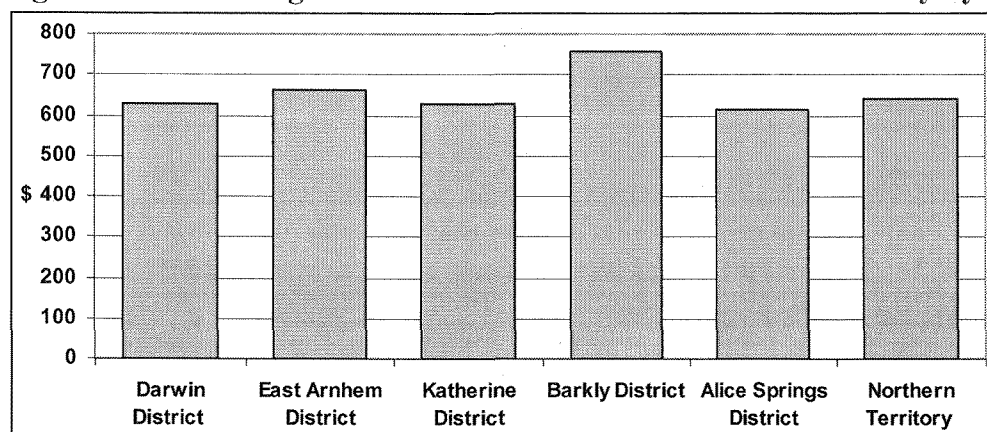
<sup>9</sup> Evidence indicates that poverty is a key determinant of dietary intake, for low income populations generally.

<sup>10</sup> Legislative Assembly of the Northern Territory 1999. *Inquiry into Food Prices in the Northern Territory, Vol 1, August 1999*. Legislative Assembly, Darwin.

<sup>11</sup> Department of Health and Community Services, Northern Territory Government 2007. *Northern Territory Market Basket Survey 2007*. Note that the difference has decreased significantly compared with the 2006 Survey data, as a result of a marked increase in Darwin supermarket prices. The 2006

The Market Basket Survey also demonstrated significant regional variability in food prices (Figure 1). Stores in the Northern Territory Barkly region were most expensive, with prices around **55 per cent higher** than the market basket from an Alice Springs supermarket.<sup>12</sup>

**Figure 1: 2007 average cost of food basket in the Northern Territory by region** <sup>13</sup>



Source: Northern Territory Government (2007)

The Northern Territory Market Basket Survey also revealed that the average cost of the market basket peaked for communities of between 800 and 1599 people. Surprisingly, the average cost of the market basket, while remaining high, fell in line with community size below 800 people (Figure 2).

Similar discrepancies in food prices between remote and non-remote regions have also been demonstrated in Queensland through the Healthy Food Access Basket (HFAB) Survey (Figure 3). The 2006 HFAB survey indicated that the cost of food was **24 per cent higher** in very remote stores compared with major cities. Within the very remote category (for stores greater than 2000 kms from Brisbane), the basket cost around **33 per cent more** than the cost of the basket in Brisbane. In addition, evidence from the HFAB indicated that the price of healthy foods is increasing at a greater rate than the price of non-healthy foods.

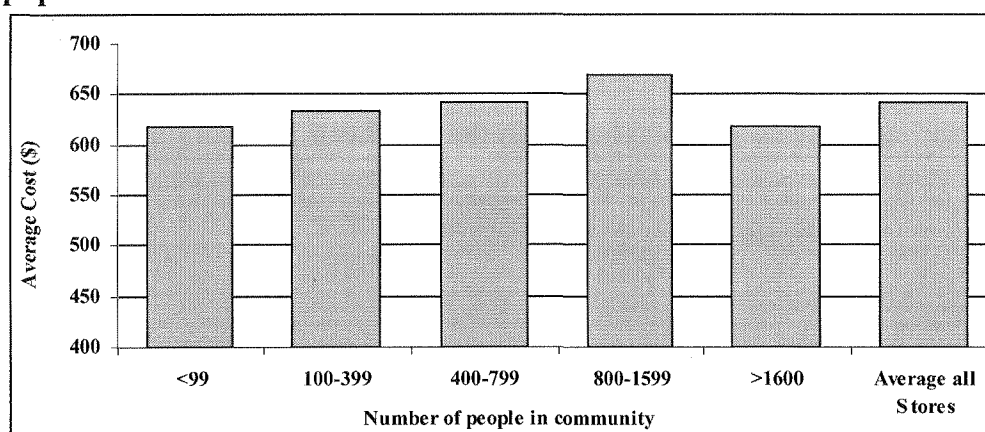
---

Survey found that prices were 26 per cent to 41 per cent higher in remote stores, compared with Darwin supermarket prices.

<sup>12</sup> A different sample basket of groceries and prices from three very remote stores in Central Australia is at **Appendix 1** (two of these stores are very close to the NT-WA border). This information was collected by Government Business Managers in June 2008, as part of the review of the licenses of these stores.

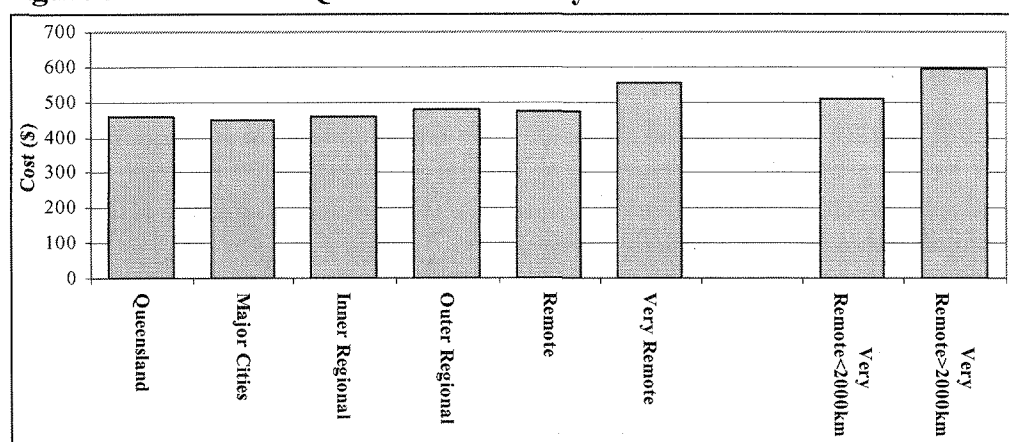
<sup>13</sup> Department of Health and Community Services, Northern Territory Government 2007. *Northern Territory Market Basket Survey 2007*.

**Figure 2 2007 Average cost of the Northern Territory food basket by population<sup>14</sup>**



Source: Northern Territory Government (2007)

**Figure 3 Mean cost of Queensland Healthy Food Access Basket in 2006<sup>15</sup>**



Source: Queensland Government 2007

### 2.2.1.2 Low Incomes

In addition to high food prices, affordability of healthy food in remote Indigenous communities is also affected by household income.<sup>16</sup> In 2006, the mean (average) equivalised gross household income<sup>17</sup> for Indigenous people was \$460 per week, compared with \$740 for non-Indigenous people.<sup>18</sup> As shown in Figure 4, mean

<sup>14</sup> Department of Health and Community Services, Northern Territory Government 2007. *Northern Territory Market Basket Survey 2007*.

<sup>15</sup> Queensland Health 2007. *The 2006 Healthy Food Access Basket (HFAB) Survey*. Brisbane. [www.health.qld.gov.au/ph/documents/hpu/33125.pdf](http://www.health.qld.gov.au/ph/documents/hpu/33125.pdf)

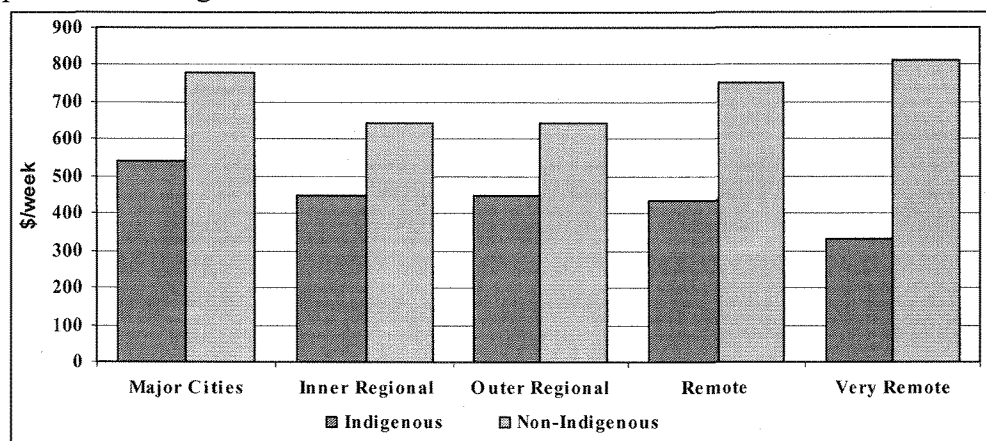
<sup>16</sup> Evidence indicates that poverty is a key determinant of dietary intake, for low income populations generally.

<sup>17</sup> Household income is regarded as the most useful indicator of people's command over economic resources since income is usually pooled and shared by members of a household. Household income is equivalised to allow households of different size and composition to be compared. The equivalised income estimate for a household represents the amount of income that a single person household would require to maintain the same standard of living as that household.

<sup>18</sup> ABS 2008. 4713.0 - Population Characteristics, Aboriginal and Torres Strait Islander Australians, 2006.

equivalised household income was lower in remote areas compared with non-remote areas for Indigenous people (\$539 per week in Major Cities and \$329 in Very Remote areas). This pattern differed for non-Indigenous people, where mean income was highest in Major Cities (\$779) and Very Remote areas (\$812).

**Figure 4 Mean Equivalised Gross Household Income, Residents of occupied private dwellings<sup>19</sup>**



Source: Australian Bureau of Statistics 2008

This income disparity reflects the very high level of welfare dependency for Indigenous people in remote areas. According to the 2002 National Aboriginal and Torres Strait Islander Social Survey, around 60 per cent of Indigenous Australians aged 15-64 in remote Australia received Government pensions and allowances or CDEP as their main source of income – this proportion rises to more than three-quarters in very remote areas.

When viewed alongside high food prices it is apparent that Indigenous people in remote communities have the highest food costs as a proportion of income. This finding was reinforced by the Northern Territory Market Basket Survey, which indicated that the proportion of family income spent on food was higher for residents of remote communities than in Darwin. On average, in 2007, a family of six needed to spend 35 per cent of family income on the estimated weekly food basket in remote communities in the Northern Territory, compared with 30 per cent for a family on a similar income in Darwin.<sup>20</sup>

### 2.2.1.3 Lower proportion of income available for food

Affordability of food is further reduced in instances where a relatively high proportion of available household income is allocated to alcohol, tobacco, illicit drug use and gambling. This is of particular concern in remote Indigenous communities where incomes are lower and drug and substance abuse typically higher - one study found

<sup>19</sup> ABS 2008. 4713.0 - Population Characteristics, Aboriginal and Torres Strait Islander Australians, 2006.

<sup>20</sup> Department of Health and Community Services, Northern Territory Government 2007 *Northern Territory Market Basket Survey 2007*.

that up to a third of the weekly income for thirteen to thirty-six year olds in two remote communities was spent on cannabis alone.<sup>21</sup>

Income Management has been introduced by the Australian Government to directly address this problem and is outlined in more detail in section 4.2. Financial literacy and management services are important tools to develop the capacity of individuals and families to effectively manage their income and increase the proportion of income spent on essential living expenses, such as food. More information on these programs is provided in section 4.3.

### 2.2.2 Availability

Ensuring the availability of sufficient quantities of appropriate food for all people at all times is the second key requirement for food security. The 2007 Northern Territory Market Basket Survey found that, on average, there were eight different choices of fresh fruit and 15 different choices of fresh vegetables in remote stores in the Northern Territory at the time of the survey.<sup>22</sup> Considerable variability in availability was demonstrated by the 2007 Northern Territory Market Basket Survey, with some stores having no fresh fruit and as low as only one fresh vegetable available (Table 1). These results also indicate considerable regional variability, with the Barkly district (where prices for fresh food are highest) having the poorest availability.

**Table 1 Comparison of the range of fresh fruit and vegetables available in remote Northern Territory stores**

	Darwin District	Katherine District	East Arnhem District	Alice Springs District	Barkly District	All Districts
Average number fresh fruit choices	9	8	10	8	5	8
Range (lowest-highest)	3-17	1-16	2-16	0-17	1-12	0-17
Average number of fresh vegetable choices	18	15	15	13	11	15
Range (Lowest-highest)	11-25	7-21	2-22	3-31	3-19	1-31
Total stores surveyed	14	17	9	20	7	67

Source: Department of Health and Community Services, Northern Territory Government (2007)

In addition, a survey of Government Business Managers (GBMs) in remote communities in the Northern Territory in July 2008 suggested that many communities have periods where they do not have access to any fresh food. For instance, fresh fruit and vegetables were found to be not always available in around 55 per cent of surveyed communities, while fresh meat was not always available in 70 per cent of communities (Figure 5).<sup>23</sup> The survey of GBMs also found that fresh

<sup>21</sup> Clough A, d'Abbs P, Cairney S, Gray D, Maruff P, et al. 2004. Emerging patterns of cannabis and other substance use in Aboriginal communities in Arnhem Land, Northern Territory: a study of two communities. *Drug and Alcohol Review*;23(4):381-390

<sup>22</sup> Department of Health and Community Services, Northern Territory Government 2007. *Northern Territory Market Basket Survey 2007*.

<sup>23</sup> TNS Consultants 2008. *Survey of Government Business Managers Relating to the Impact of the Northern Territory Emergency Response: Report of Findings*, Prepared for the Department of Families, Housing, Community Services and Indigenous Affairs. July 2008.

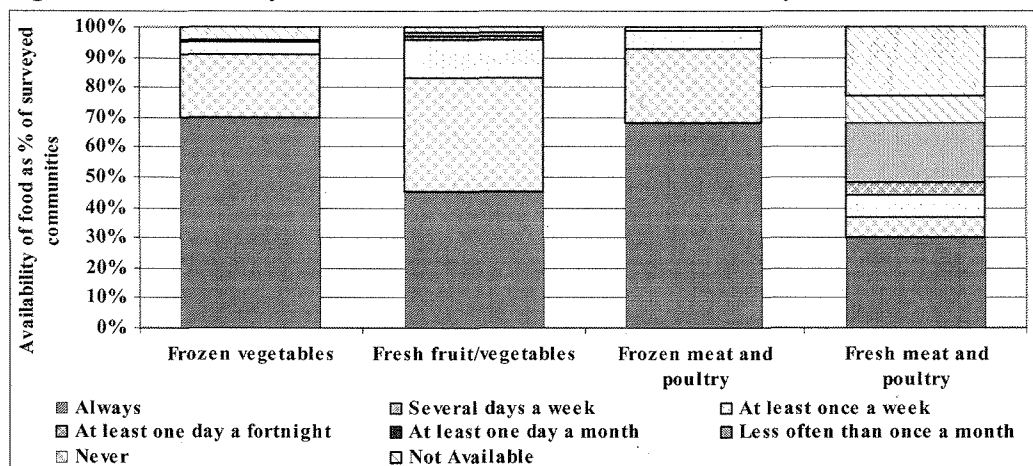


fruit and vegetables are available at least several days per week in 83 per cent of communities.

While these results are not directly comparable to the 2007 Northern Territory Market Basket Survey due to differences in survey methodology,<sup>24</sup> they highlight the difficulty remote community stores face in maintaining an ongoing supply of fresh fruit and vegetables.

Food availability in remote Indigenous communities may also be severely impacted by the sudden closure of the community store or temporary disruptions to supply. In many cases this is the result of seasonal flooding or natural disasters, including cyclones. In some instances, store closure may occur due to management problems. This was recently demonstrated by the closure of the community store in Burringurrah in Western Australia in November 2008.

**Figure 5 Availability of food in remote Northern Territory communities**



Source: TNS Consultants (2008)<sup>25</sup>

While not as severe as in the Northern Territory, a similar pattern of food availability is demonstrated in Queensland by the 2006 HFAB survey. Fewer varieties of fruit and vegetables were available in the very remote regions of Queensland compared to the major cities and around nine per cent of surveyed basic healthy food items were not available in very remote stores.<sup>26</sup>

<sup>24</sup> While the GBM survey reflects the GBMs impression of general food availability over the time in which they have been in the community, the Northern Territory Market Basket Survey reflects a point in time snapshot of food availability based on a standard basket of foods which has been determined to meet the average energy and recommended nutrient needs of a family of six for a fortnight. It includes breads and cereals; vegetables (potatoes; onions; carrots; cabbage; pumpkin; tomatoes; peas; beans); fruit (apples; oranges; bananas); fresh and frozen meat; and a range of other foods.

<sup>25</sup> TNS Consultants 2008. *Survey of Government Business Managers Relating to the Impact of the Northern Territory Emergency Response: Report of Findings*, Prepared for the Department of Families, Housing, Community Services and Indigenous Affairs. July 2008.

<sup>26</sup> Queensland Health 2007. *The 2006 Healthy Food Access Basket (HFAB) Survey*. Brisbane. [www.health.qld.gov.au/ph/documents/hpu/33125.pdf](http://www.health.qld.gov.au/ph/documents/hpu/33125.pdf). The most frequently missing HFAB items were bananas, wholemeal flour, powdered skim milk, tinned ham, dry biscuits, orange juice and wholemeal bread.

### 2.2.3 Utilization

A third key element of food security involves utilization of food through adequate 'health hardware' - the equipment and resources necessary to safely store and prepare foods in the home, including refrigerators, potable water supply and waste management, and other resources for safe food preparation.<sup>27</sup>

Having the ability to store food safely reduces household costs, by reducing food wastage, and enables purchases of bulk quantities of staple items and perishables. These savings can improve overall food security, as well as providing the means to store perishables in conditions that maintain nutrient value.

The Healthhabitat survey data provided in the National Indigenous Housing Guide<sup>28</sup> indicated that in 2006 only 15 per cent of surveyed Indigenous households had the health hardware needed to support food storage, cooking and preparation. The survey showed that kitchens were poorly designed and constructed, poor quality materials and hardware were used, and kitchens were not maintained. Two thirds of surveyed houses did not have benches suitable for preparing food. Less than 75 per cent of houses surveyed had combined refrigerator/freezers. Nine per cent of surveyed houses did not have a cook-top installed and only 29 per cent of stoves had all hotplates and control knobs working. These problems particularly impact on residents' ability to prepare healthy meals, especially meals that include vegetables.

Improving utilization of food through adequate 'health hardware' was one of the key objectives of the Community Clean-Up program of the NTER and is currently being addressed through the Strategic Indigenous Housing and Infrastructure Program. More information on these two initiatives is provided in section 4.5.

## 3. Factors contributing to food insecurity

High prices, low incomes and poor availability and utilization of appropriate food all combine to reduce food security in remote Indigenous communities. In line with the terms of reference for this inquiry, this section will examine the underlying factors contributing to two of these elements – higher prices and poor availability – with particular emphasis on the way in which the structure and operation of remote community stores has contributed to these problems.

In particular, it is suggested that the following elements have impinged on the efficient operation of community stores: market failure through imperfect competition and market power; structural impediments, including the small populations of many isolated Indigenous communities and associated diseconomies of scale;<sup>29</sup> regulatory failure; and poor store governance and management.

---

<sup>27</sup> Utilization is highlighted as a key element of food security by the Ryerson University Centre for Studies in Food Security (<http://www.ryerson.ca/foodsecurity/>)

<sup>28</sup> Commonwealth of Australia 2008. National Indigenous Housing Guide: Improving the Living Environment for Safety, Health and Sustainability. [http://www.facsia.gov.au/indigenous/housing\\_guide3/default.htm](http://www.facsia.gov.au/indigenous/housing_guide3/default.htm)

<sup>29</sup> Altman, J.C., McDonnell, S. and Ward, S. 2001. *Indigenous Competition and Consumer Issues: An Interim Review of the Literature and Annotated Bibliography*, CAEPR Working Paper No. 12, CAEPR, ANU, Canberra, <http://online.anu.edu.au/caepr/>

### 3.1 Market failure: Imperfect competition and market power

Most community stores in remote Indigenous communities have a unique food security role, commonly holding a high degree of local market power as either the monopoly provider, or as one of few providers of food to the community.<sup>30</sup> The Australian Competition and Consumer Commission (ACCC) define market power as ‘...the ability of a firm to behave persistently in a manner different from the behaviour that a competitive market would enforce on a corporation facing otherwise similar cost and demand conditions.’ (ACCC 1999)<sup>31</sup>

For remote community stores, the existence of local market power is largely a reflection of the realities of providing goods to generally small and very remote Indigenous communities. Through remoteness, high costs and small market size, many communities are in effect closed or captive markets – that is, community members are entirely dependant on purchasing goods from the local store and store owners and managers are not subject to competitive market forces.<sup>32</sup>

A high degree of local market power may contribute to food insecurity through enabling a community store to provide inferior products and/or poor service and/or charge excessive prices without a commensurate reduction in demand (so-called ‘price gouging’).<sup>33</sup> In one remote store in the Northern Territory it is estimated that the mark-ups on staple goods such as sugar, eggs and flour were between 100-500 per cent. A direct competitor to this store, sourcing products from the same region, was introduced during 2008 and managed to supply goods at substantially lower prices. In response to the competition, the existing food outlet reduced the price of some products by as much as 47 per cent.<sup>34</sup>

The problems associated with high local market power are compounded by the very small degree of market power held by remote community stores in the broader food market – remote community stores account for a very small proportion of food suppliers across Australia. As discussed below, this is likely to result in higher cost structures. It is also likely that remote community stores have limited opportunities to take advantage of competitive discounting (promotions) because of lack of competition and low volume sales, further increasing the discrepancy in prices of goods between remote and urban centres.<sup>35</sup>

<sup>30</sup> McDonnell, S. and Martin, D.F. 2002 *Indigenous community stores in the ‘frontier economy’; Some competition and consumer issues*, CAEPR Discussion Paper No. 234,

<sup>31</sup> Australian Competition and Consumer Commission 1999. *Submission to the Joint Select Committee on the Retailing Sector*, Canberra.

<sup>32</sup> Altman, J.C., McDonnell, S. and Ward, S. 2001. *Indigenous Competition and Consumer Issues: An Interim Review of the Literature and Annotated Bibliography*, CAEPR Working Paper No. 12, CAEPR, ANU, Canberra, <http://online.anu.edu.au/caepr/>

<sup>33</sup> While there is considerable anecdotal evidence of stores charging higher mark-ups than can be justified solely by the costs of getting goods to market (price gouging), it is important to note that the impact on food prices in remote Indigenous communities of imperfect competition and market power has not been quantified.

<sup>34</sup> Internal licensing assessments, FaHCSIA

<sup>35</sup> Territory Health Services 1999. *Submission to the Legislative Assembly of the Northern Territory Select Committee on Territory Food Prices: Inquiry into Food Prices*. April 1999.

## 3.2 Structural impediments

### 3.2.1 Small market size

Data from the 2006 census shows a total of 1112 discrete Indigenous communities where located in remote or very remote localities (Table 2). Of these, 947 communities (85 per cent) had a population of less than 100. These are typically small outstations without a community store located on-site. Of the remainder in remote and very remote areas, there were 66 communities with a population of between 100 and 200; 66 communities with a population of between 200 and 499; 19 communities with a population of between 500 and 999; and just 14 communities with a population greater than 1000.

**Table 2 Number of discrete Indigenous communities and stores by remoteness and population**

	50<	50-99	100-199	200-499	500-999	1000 or more	Total
<b>Major Cities</b>	2	0	2	0	0	0	4
<b>Regional</b>	25	14	24	5	0	3	71
<b>Remote</b>	71	14	8	7	2	2	104
<b>Very Remote</b>	767	95	58	59	17	12	1008
<b>No. of stores</b>	4	29	47	61	18	16	175

Source: ABS 2006<sup>36</sup>

These figures demonstrate the very large number of small Indigenous communities in remote and very remote Australia. They also highlight the highly fragmented nature of the market in remote and very remote areas with 80 community stores located in remote Indigenous communities with a population of less than 200 people. This is an important factor when considering food security as there is a direct correlation between community population, market size and the stores' financial viability. Maintaining profitable and sustainable stores in small geographically diverse communities is typically very difficult.

It is also likely that stores where they exist in these smaller communities are more vulnerable to mismanagement, low infrastructure investment, and accumulation of bad debt with consequent effects on food security. Marginally viable stores can drift into insolvency, and have to close their doors, and the local community is then forced to travel to the next closest store to purchase food. Some people do not have access to transport, and the costs of fuel and vehicle maintenance eat into limited family budgets, with negative impacts on food security.<sup>37</sup>

<sup>36</sup> ABS 2006. 4710.0 – *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities*, Australia, 2006.

<sup>37</sup> In Remote areas, around two-thirds (69%) of Indigenous households had a registered motor vehicle, whereas less than half of Indigenous households (47%) in Very Remote areas had a registered motor vehicle: ABS 2008. 4713.0 - *Population Characteristics, Aboriginal and Torres Strait Islander Australians*, 2006.

### 3.2.2 Diseconomies of scale

Remoteness, geographic dispersion and low population size provide a significant structural impediment to the efficient operation of community stores. In particular, stores in these circumstances which choose to operate independently, rather than as part of a chain, are less able to exercise bargaining power in discussions with freight providers and tend to experience higher costs for the transport of goods by sea, air and road.<sup>38</sup> Inefficient freight arrangements may contribute to higher prices, particularly where stores have separate, uncoordinated freight arrangements, and limited purchasing power.

There is some debate around the actual impact of higher freight charges on food prices. McDonnell (2002) suggests that freight costs account for between just two to five per cent of total costs relative to turnover and, as such, are not a significant factor. Conversely, the 1999 Inquiry into Food Prices in the Northern Territory found that the impact of freight costs of goods to remote centres to be a significant contributing factor to higher food prices in the Northern Territory.<sup>39</sup>

High labour costs and high staff turnover, particularly with regard to community store managers, are also likely to contribute to higher prices. Higher price levels are likely to result from higher cost structures due to higher wages being required to attract and maintain experienced food retailing staff in remote locations. Indirect increases in price are also likely to occur due to disruption in community store management as a result of staff turnover.

### 3.2.3 Overcoming structural impediments

Store viability and economies of scale and scope may be optimised for a given population size with good management, vertical integration of supply, bulk purchasing power, centralised back-office processing and standardisation of management practices. These advantages are offered by operators of chain stores, such as Outback Stores (OBS) and the Arnhem Land Progress Association (ALPA).<sup>40</sup>

Both operators have demonstrated that with good governance and centralised management and administration, the viability and stability of stores in low population communities can be greatly improved, enabling stores to provide much greater and more sustainable food security to these communities. Focussing on regional clusters of stores is an important element of this approach: in particular, rationalisation of freight arrangements and group purchasing significantly reduces costs.

More detailed discussion of the OBS model is provided in section 4.6. A short summary of other store models is provided in Appendix 2.

---

<sup>38</sup> Legislative Assembly of the Northern Territory 1999. *Inquiry into Food Prices in the Northern Territory, Vol 1, August 1999*. Legislative Assembly, Darwin.

<sup>39</sup> Legislative Assembly of the Northern Territory 1999. *Inquiry into Food Prices in the Northern Territory, Vol 1, August 1999*. Legislative Assembly, Darwin.

<sup>40</sup> Other consortium groups include Mai Wiru (SA), Ngaanyatjarra Agencies and Transport services (NATS) (WA); Islander's Board of Industry and Service (IBIS) and DATSIP (Qld).

### 3.3 Regulatory failure

Many community stores are operated by separate legal entities with store committees, whose membership is drawn from the community. Store committees do not always understand how to perform their functions effectively and/or are not necessarily given access to the information that would enable them to do their job well. These problems are compounded by the often heavy compliance burden of financial management that is placed on store committees.

A number of commentators have also suggested that this corporate structure leads to a clear tension between the economic/commercial interests of the store committee and the social obligations to return revenue to the community.<sup>41</sup> The community store is often one of the few sources of revenue for the community and this may affect pricing policies.

Moreover, there may be circumstances where committee members receive financial benefit via high prices in a store or via 'special discounts' (formal and informal), to the detriment of other community members. Store committees may also be controlled by vested interests seeking control over store profits, and sometimes privileged access to goods. There may also be limited accountability between the store manager and the store committee – a problem further compounded by a lack of transparency in the way the store is operated.<sup>42</sup>

The existence of these problems points to potential regulatory breakdown. Community stores may be incorporated under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act), which is administered by the Office of Regulation of Indigenous Corporations in the FaHCSIA portfolio or are an Australian company under the *Corporations Act 2001*. Alternatively, they may be incorporated under a State or Territory based associations incorporations laws. Privately owned stores that are not owned by Indigenous organisations can also be incorporated under different regulatory arrangements. While the majority of stores in remote Indigenous communities are community owned, a small number of stores servicing Indigenous people in remote Australia are not owned by an Indigenous organisation. In the Northern Territory, around 15 per cent of stores currently licensed as part of the NTER are not owned by an Indigenous organisation (see section 4.1 for more detail on the licensing scheme).

Many community stores are incorporated under State and Territory legislation that is primarily intended for small non-profit organisations, such as sporting clubs, and have significantly less stringent compliance requirements and penalties than the CATSI Act or the Corporations Act. For instance, while the Northern Territory Associations Act contains some powers to investigate potential breaches of the Act and defines penalties for non-compliance, these cannot currently be enforced other than by way of prosecution because there is no administrative infringement scheme made in regulations under the Act.

---

<sup>41</sup> Altman, J.C., McDonnell, S. and Ward, S. (2001); Brimblecombe, J.K. (2007); McDonnell, S. and Martin, D.F. (2002); Legislative Assembly of the Northern Territory (1999)

<sup>42</sup> McDonnell, S. and Martin, D.F. 2002 *Indigenous community stores in the 'frontier economy'; Some competition and consumer issues*, CAEPR Discussion Paper No. 234

In all cases, stores are required to comply with the regulatory requirements as determined by their incorporating legislation, which is primarily aimed at promoting good corporate governance, particularly with regard to transparency and accountability.

Non-compliance with the requirements of these Acts is likely to be wide-spread. While no data is available regarding non-compliance for community stores specifically, the FaHCSIA annual report on Indigenous corporate compliance indicated that 41 per cent of all Indigenous corporations in Australia were not fully compliant with reporting requirements under the CATSI Act.<sup>43</sup>

In summary, there are inconsistent and inadequate governance regimes, which can put food security at risk. The myriad of problems discussed in this section suggest the need for a simplified and strengthened regulatory framework for stores, particularly in remote Australia.

### **3.4 Poor store governance and management**

The quality of retail and financial management and store governance has direct implications for cost structures and the prices passed on to consumers.<sup>44</sup> This applies to store committees and store managers – both must be working well to improve food security outcomes.

Store management has been found to be particularly critical for food availability and quality. A survey of Government Business Managers in the Northern Territory found good quality fresh food is synonymous with good management, while poor management often leads to inconsistent levels of stock and produce quality.<sup>45</sup> This finding has been reinforced by the ongoing observations of Community Stores Licensing case managers, and information elicited, during the course of undertaking more than 100 licensing assessments throughout the Northern Territory.<sup>46</sup> In particular, observations strongly suggest that there is a relationship between poor food security and the calibre of store managers.

---

<sup>43</sup> Commonwealth of Australia 2008. *Department of Families, Housing, Community Services and Indigenous Affairs Annual Report 2007-08*.

<sup>44</sup> McDonnell, S. and Martin, D.F. (2002) define governance as ‘the processes and structures through which communities and organisations are controlled and directed, and necessarily involves questions of power, influence and accountability.

<sup>45</sup> TNS Consultants 2008. *Survey of Government Business Managers Relating to the Impact of the Northern Territory Emergency Response: Report of Findings*, Prepared for the Department of Families, Housing, Community Services and Indigenous Affairs. July 2008.

<sup>46</sup> This finding is also consistent with Lee *et al* (1996) in their study of the relationship between store managers and food supply in remote Indigenous communities and by Brimblecombe (2007) in her study of community stores in Arnhem Land.

Brimblecombe, J.K. 2007 *Enough for rations and a little bit extra: Challenges of nutrition improvement in an Aboriginal community in North-East Arnhem Land*, Unpublished Thesis.

Lee, A., Bonson, A.P., and J.R. Powers 1996. The effect of retail store managers on aboriginal diet in remote communities, *Aust NZ Journal of Public Health*, Apr 20(2): 212-4.

In general, a good store manager has the skills and knowledge to:

- ensure effective stock management;
- understand and cater for the nutritional requirements and food choices of the community;
- ensure that the suppliers and methods they use maintain the cold food chain during transport and until the food is displayed for sale;
- actively seek the most cost-efficient means of freighting the supplies;
- ensure transparency and accountability in their business practices; and
- have contingency stock available in cases where there is a likelihood that they will be cut off from their supply routes for any length of time.

A particular concern with poor store management is the way in which debt is managed. Store debt levels are often very high. Poor governance and financial/retail management can mean that stores have significant amounts of debt, as a result of large scale book-up<sup>47</sup>, pilfering and wastage of stock or corrupt practices. Licensing assessments undertaken as part of the NTER indicate that around half of the assessed community stores in the Northern Territory provided book-up at the time of assessments.<sup>48</sup>

Longstanding problems with management may also lead to less investment in store infrastructure, including cold storage facilities, air conditioning, security and stock management systems. Subsequent increases in stock wastage may reduce availability of fresh food and lead to higher prices. This problem presents a particular challenge as necessary maintenance and infrastructure costs are often well beyond the financial capacity of the store. In particular, stores that have been poorly managed or service a small population may not have the capacity to undertake the necessary capital works.<sup>49</sup>

Poor stock control may also result in high levels of shrinkage and markdowns, putting significant upward pressure on store prices. Shrinkage is the difference between the store inventory of stock and what is actually on the shelves. The difference results from a number of factors including pilfering, poor inventory management and inaccurate record keeping. Improving skill levels and training of management can significantly reduce the levels of shrinkage and markdowns of goods in a store, with the potential flow-on to prices. The contribution of high levels of shrinkage due to poor store management can exceed the contribution of freight costs to price.

---

<sup>47</sup> Book-up is the practice of allowing consumers to buy goods, usually groceries, on credit. The drawbacks of book-up and government initiatives to eliminate them are outlined in the Australian Security and Investment Commission's *Book up – not always consumers' friend*.

<sup>48</sup> It is possible that this is an underestimate as stores were provided with notice of assessment teams arriving and evidence of book-up may have been removed.

<sup>49</sup> Brimblecombe, J.K. 2007 *Enough for rations and a little bit extra: Challenges of nutrition improvement in an Aboriginal community in North-East Arnhem Land*, Unpublished Thesis.



Stock spoilage and short shelf life of fresh food has also been identified as a major contributor to higher prices in remote Indigenous communities.<sup>50</sup> Improved management can help alleviate these problems.

Poor contingency planning by store managers may result in premium rates for freight during unexpected events, such as the early onset of the wet season or flooding. In the extreme, this may result in food supplies having to be flown in at a considerable premium. These additional costs have to be either absorbed by the store or result in increased costs being passed on to consumers.

The factors discussed above impact directly or indirectly on food security. Poor management may mean that no contingent liability provision is made, and so poorly functioning refrigeration is not able to be replaced, or profits are not reinvested in store infrastructure, such as larger cool rooms, to preserve nutritional value. Bad debts arising from poor management impact on the range of stock able to be sold, particularly perishables, and the terms on which stock is purchased from wholesalers. Prices may have to be increased to cover these debts.

In part, these problems may be attributed to the lack of appropriate training and workforce development for managers and staff in remote Indigenous stores. Introductory and ongoing retail and corporate governance training for store managers is required to encourage the adoption of best practice management practices and to equip them for the unique challenges posed by managing a store in a remote Indigenous community.

## **4. Current Commonwealth Government activity**

### **4.1 Licensing of stores in the Northern Territory**

The licensing of community stores in the Northern Territory is a key component of the Government's efforts to improve the lives of Indigenous people through the NTER. The purpose of stores licensing is firstly to ensure that a store is able to participate in the income management regime as part of the NTER and secondly to ensure that the store offers a reasonable range and quality of groceries and consumer items.

The *Northern Territory National Emergency Response Act 2007* sets out provisions for the licensing of community stores in the Northern Territory. For the purpose of the Act community stores are businesses mainly concerned with the provision of grocery items and drinks. They do not include businesses that are solely takeaway food shops or fast food shops. Stores potentially covered by the measure are those in prescribed areas in the Northern Territory, including those on Aboriginal Land Rights Act (NT) land, community living areas land and town camps.

As at 20 January 2009, licenses had been issued to 75 community store operators throughout the Northern Territory. Licenses were issued to these stores on the basis that they:

---

<sup>50</sup> Legislative Assembly of the Northern Territory 1999. *Inquiry into Food Prices in the Northern Territory, Vol 1, August 1999*. Legislative Assembly, Darwin.

- had a reasonable quality, quantity and range of groceries and consumer items, including healthy food and drinks, available and promoted at the store;
- demonstrated the capacity to participate in the requirements of the income management regime; and
- had sound financial structures, retail and governance practices.

Stores which do not meet acceptable standards are either not licensed until changes are made or are issued with a six month conditional licence which requires them to make improvements within a specified time period. As a last resort, the Government may compulsorily acquire a Northern Territory store and put in an operator who can meet the required standards.

## **4.2 Income Management**

### **4.2.1 NTER Income Management**

Income management is a critical part of the NTER, designed to establish a safe and healthy environment for children and improve food security. By redirecting 50 per cent of a person's income support and family assistance payments to food, school nutrition programs, housing and utilities, the amount of excess cash flow, which can often fuel abusive behaviour such as substance and alcohol abuse, is reduced. Funds that are income managed cannot be used to purchase excluded goods such as alcohol, tobacco, pornography or gambling products.

Income management is now in place in all NTER communities and town camps and more than 15,600 people currently have their welfare payments income managed.

There are strong indications that income management and stores licensing together are improving the quality and range of foods purchased, including consumption of more fruit and vegetables. The findings of a review of the first 41 stores to be income managed include:<sup>51</sup>

- Customers shopping habits have changed significantly, with an increase in the amount of healthy food purchased, including items such as fruit and vegetables, dairy foods and meat;
- These changes in habits have been most marked in stores where customers previously did not purchase much healthy food;
- Some customers have used income management to 'save' for the purchases of whitegoods, including fridges, supporting storage of perishables at home; and
- Many stores report an increase in turnover with a consequent capacity to stock a wider range of goods, including fresh fruit and vegetables.

---

<sup>51</sup> Commonwealth of Australia 2008. *Second Stores Post Licensing Monitoring Report – 41 Stores*. [http://www.fahcsia.gov.au/nter/docs/reports/second\\_monitoring\\_report.htm](http://www.fahcsia.gov.au/nter/docs/reports/second_monitoring_report.htm)

#### ***4.2.2 Cape York Income Management***

As part of the Cape York welfare reforms, an independent statutory body called the Family Responsibilities Commission (FRC) has been established to help rebuild social norms in the four Cape York Welfare Reform communities.<sup>52</sup> Since commencing operations, the FRC has been referring welfare recipients to a range of support services, including income management. As at 17 January 2008, 12 welfare recipients were being income managed in Cape York and around 50 people had been referred to Family Income Management (FIM) for financial education and support. Such referrals are made to educate and support families to manage their money better to meet essential living expenses (such as food) for children and other family members.

#### ***4.2.3 Western Australia Income Management***

On 27 February 2008, the Minister for Families, Housing, Community Services and Indigenous Affairs, announced that income management would be trialled in selected Western Australian communities, including the Kimberley region. Income management commenced in Kununurra in the Kimberley region and in the Cannington district of Perth on 24 November 2008 and has since expanded to include the remainder of the Kimberley region.

Under this measure, the Western Australian Department for Child Protection (DCP) has the option of requesting that Centrelink manage a family's income support and family payments in cases where poor use of existing financial resources is wholly or partially contributing to child neglect.

Similar to income management in the Northern Territory, income management involves Centrelink directing income support and family payments to meet priority needs such as food, clothing and housing. Income managed funds cannot be used to purchase alcohol, tobacco, pornography or gambling products.

Under this model, recipients of income support payments may also volunteer to have their funds income managed and there has been good take-up of this option in some communities. More than 120 people were on voluntary income management in Western Australia as of 23 February 2009.

---

<sup>52</sup> The FRC is an independent statutory body, established under Queensland law, consisting of a legally qualified Commissioner and Local Commissioners for each of the four Cape York Welfare Reform communities.

The FRC has the power to enforce obligations attached to welfare payments. These obligations require welfare recipients to send their kids to school, protect them from harm and neglect, and comply with tenancy requirements. Welfare recipients also come within the jurisdiction of the FRC if they are convicted of an offence in the Magistrates Court. If a welfare recipient breaches their obligations, the FRC has the power to hold conferences, issue warnings, refer people to services or recommend compulsory income management. It has been holding conferences with welfare recipients in Aurukun, Coen, Hope Vale and Mossman Gorge since July 2008.

#### **4.2.4 The BasicsCard**

In September 2008 the Australian Government began introducing a new income management card, known as the BasicsCard for use by income managed customers in the Northern Territory and selected Western Australian communities. The BasicsCard is also being introduced into the four Cape York Welfare Reform communities of Aurukun, Coen, Hope Vale and Mossman Gorge for customers who are being income managed under the direction of the Family Responsibilities Commission.

The BasicsCard provides people on income management with greater choice and flexibility to purchase everyday priority goods and services from a broad range of merchants via the existing EFTPOS network. It also reduces the administrative requirements for merchants wishing to provide goods and services to income-managed customers making it easier for them to process transactions. The card is PIN protected and customers are able to discuss with Centrelink a regular fortnightly allocation of income-managed funds to be put on the card.

#### **4.3 Financial Management Services**

FaHCSIA's financial management services (including Money Management, Commonwealth Financial Counselling and Emergency Relief) provide crisis and capability building support to people across Australia. These services are supporting the welfare reforms being undertaken in Western Australia, the Northern Territory and far north Queensland.

Money Management services (which include Family Income Management in Cape York and MoneyBusiness in the Northern Territory and Western Australia) are a voluntary, confidential and free service designed to provide education, information and ongoing support to help people manage their money with confidence. Money Management services aim to develop the financial knowledge and skills needed to effectively manage money and achieve improved living standards. Participating in Money Management services empowers people to:

- make better and informed decisions about managing their money, including managing money from payday to payday to ensure essential living expenses are covered, such as food, rent, clothing, education and regular bills, and household expenses are shared fairly;
- plan and set goals for items such as whitegoods, furniture, cars, boats and leisure goods and putting something aside for their children and for the future;
- better use financial services to manage their household funds and access technology such as ATMs and phone and internet banking;
- be aware of their rights as consumers, know how to avoid exploitation when using their money and how to get better deals when making purchases; and
- better deal with financial hardship and money stresses.

The 'footprint' of Money Management services, including locations and client numbers is provided in Appendix 3.

Money Management services may refer clients with complex financial issues or people in crisis to financial counsellors and/or emergency relief services. While most of these services are not specific to Indigenous people, they provide important crisis support and help for people to build longer-term financial capability.

Around 50 Commonwealth Financial Counselling services provide free quality financial counselling to people who are experiencing personal financial difficulties, including due to circumstances such as unemployment, sickness, credit over-commitment and family breakdown.

Emergency Relief funding assists approximately 700 community organisations across Australia to deliver financial or other support to people in immediate financial crisis. For example, support is provided for food, transport or chemist vouchers, food parcels, clothing, help in paying rent or utility accounts, limited cash and referrals to other services to address underlying causes of financial crisis. Eight per cent of Emergency Relief funding is distributed to providers servicing the Indigenous population. Support has included food packages for income-managed people in two Northern Territory communities to assist in the transition to income management.

#### **4.4 Improving governance of stores**

Of the 75 community store operators licensed in the Northern Territory approximately one third are registered under the CATSI Act. The Registrar of Indigenous Corporations, who is part of the FaHCSIA portfolio, administers the CATSI Act and regulates entities registered under the Act.

One of the functions of the Registrar in section 658-1 of the CATSI Act is 'to conduct public education programs on the operation of the CATSI Act and on the governance of Aboriginal and Torres Strait Islander corporations.' The Registrar provides accredited and non-accredited governance training around Australia. In 2009 the Registrar, in partnership with the Northern Territory Government, will be delivering a corporate governance training program to the directors and committees of licensed community stores in the Northern Territory. The program is designed to strengthen the governance capacity of the stores to improve the security and delivery of food in the communities serviced by the stores.

#### **4.5 Housing upgrades and kitchen repairs**

The Community Cleanup Program in the NTER provided essential repairs to houses in remote Indigenous communities in the Northern Territory. In a sample of 53 NTER communities, 1684 kitchen repairs were undertaken out of a total of 2351 surveyed houses.

Further repairs will be undertaken as part of the \$547 million Strategic Indigenous Housing and Infrastructure Program (SIHIP), announced by the Australian and Northern Territory Governments in April 2008. SIHIP will fund capital works in 73 targeted communities and urban living areas and will provide:

- about 750 new houses including new subdivisions;
- more than 230 new houses to replace houses to be demolished;
- more than 2500 housing upgrades;

- essential infrastructure to support new houses; and
- improvements to living conditions in town camps.

Of the \$547 million for SIHIP, \$420 million will be directed to 16 high-need communities for major capital works. This will include building new homes and upgrades to existing dwellings. More than \$124 million of refurbishments will be funded in 57 other Indigenous communities. A further \$98 million will be set aside for town camps and urban living areas, and \$5 million for a small number of existing housing programs.

#### 4.6 Outback Stores

Outback Stores (OBS) is a non-government enterprise that was established by the Australian Government in 2006 to improve the commercial viability of remote community stores; provide a better range of affordable healthy foods; provide consistency in delivering and supplying quality products; increase local employment opportunities for Indigenous workers; and establish more efficient and reliable stores.<sup>53</sup>

The OBS management model is based on providing retail excellence, improving vertical integration of supply, taking advantage of group purchasing power, and offering a comprehensive range of goods. Developing regional store clusters is a critical element of the OBS approach. As discussed in section 3.2.3, this affords economies of scale and allows for staff efficiencies.

OBS also has an explicit focus on improving nutritional outcomes, and improving sales of healthy food, through in-store promotion of fruit and vegetables, preferential pricing of key nutritional lines and basic foods, inclusion of nutritional options in takeaway menus, and selective sourcing of nutritional lines.<sup>54</sup> In addition, OBS employs a senior nutritionist and a regional nutritionist with specialist skills in rural and remote Aboriginal and Torres Strait Islander nutrition issues. The nutritionists are implementing the Outback Stores Nutrition Strategy which aims to improve the health and wellbeing of Indigenous people living in remote communities by improving access to a nutritious and affordable food supply and, where appropriate, 'health hardware' such as tooth brushes and toothpaste.

Indigenous Business Australia has received a total of \$77 million in funding for OBS. Of this funding, \$48 million was provided in the 2006-07 Commonwealth Budget for the management of viable community stores nationally, and \$29.1 million was provided as part of the NTER for both viable and not potentially viable stores in the Northern Territory.

As at 20 January 2009, OBS had management agreements with 27 stores (21 in the Northern Territory, 3 in Western Australia and 1 in Queensland) and relief

---

<sup>53</sup> Outback Stores is a wholly owned subsidiary of Indigenous Business Australia (IBA). IBA is a Commonwealth authority subject to the Commonwealth Authorities and Companies Act 1997 (CAC Act). IBA is now part of the FaHCSIA portfolio.

<sup>54</sup> Outback Stores 2008. *Nutrition Strategy; Affordable, nutritious, quality food: fundamental to Outback Stores, 2007-2009*. At <http://www.outbackstores.com.au/publications.html>

management agreements with 1 store in the Northern Territory and 1 store in South Australia.

GBMs have reported that a change in management to OBS had reduced prices; seen improvements in store infrastructure; improved the product range; and increased sales.<sup>55</sup>

#### **4.7 National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan 2000-2010**

The National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan 2000-2010 (NATSINSAP) provides a framework for action to improve Aboriginal and Torres Strait Islander health and wellbeing through better nutrition.<sup>56</sup> The Australian Government provides support for NATSINSAP initiatives, such as the National Nutrition Networks Conference 2008,<sup>57</sup> and funds a project officer to progress the following priority areas of the NATSINSAP

- food supply in remote and rural communities;
- food security and socioeconomic status;
- family focused nutrition promotion;
- nutrition issues in urban areas;
- the environment and household infrastructure;
- Aboriginal and Torres Strait Islander Nutrition Workforce; and
- national food and nutrition information systems.

One of the major initiatives supported by the NATSINSAP is the Remote Indigenous Stores and Takeaways (RIST) project. This three-year project (2005-2008) developed guidelines, standards and staff training packages for community stores and takeaways.<sup>58</sup>

---

<sup>55</sup> TNS Consultants 2008. *Survey of Government Business Managers Relating to the Impact of the Northern Territory Emergency Response: Report of Findings*, Prepared for the Department of Families, Housing, Community Services and Indigenous Affairs.

<sup>56</sup> NATSINSAP was developed concurrently with the national strategic framework, Eat Well Australia.

<sup>57</sup> The National Nutrition Networks Conference 2008 resulted in over 80 recommendations from delegates. This advice was framed around the priority areas of NATSINSAP. The outcomes of the conference, including these recommendations, can be viewed at:  
<http://www.ruralhealth.org.au/Conferences/NNNC2008/home.html>

<sup>58</sup> Further information on RIST may be found at  
<http://www.health.gov.au/internet/main/publishing.nsf/Content/phd-nutrition-rist>

## Appendix 1

### Comparative table of prices in sample stores<sup>59</sup>

Goods	Kintore store	Docker River store	Areyonga store
Breads and cereals			
Flour 1 kg packet	Black and Gold \$4.00	Farmland \$3.00 White Wings 2.40 Coles 2.60	Black and Gold \$2.30
Bread – white or wholemeal loaf	Wholemeal \$3.50	Mighty Soft 3.00	Buttercup \$3.70
Wheat biscuit cereal 1 kg packet	Weetbix \$7.50	Vita Brits \$3.40	Sanitarian \$6.70
Rolled oats 1 kg packet	Uncle Toby \$7.70	Uncle Toby 9.00	Uncle Toby \$5.80
Long grain rice 1 kg packet	Sunrise Jasmine 1.5 kg \$6.70	Coles 2.50	Sunrise Premium \$1.90
Canned spaghetti 425g can	Heinz \$3.00	Heinz \$2.40	Heinz \$2.30
Fruit			
Apples – per kg.	50 c small each \$1 large each	50 ea	60c ea
Oranges – per kg	50 c small ea 1.00 large ea	50 ea	60c ea
Bananas – per kg	\$1.00 med ea \$1.50 large ea	50 ea	\$1.00 ea
Orange juice (not concentrate) – per litre	Black and gold 2 ltr 4.00	Price not ticketed	P&N \$3.20
Canned fruit 440g can	Goulburn Valley \$3.10	Goulburn Valley \$3.60	SPC \$2.90
Vegetables			
Potatoes – per kg	50c small \$1.00 large	\$3.30	\$3.50
Onions – per kg	50c small each \$1.00 large each	\$1.80	\$1.00 each
Carrots – per kg	50 c each	\$2.55	\$3.50
Cabbage - 1 large	\$6.00 each	\$3.20 per ½	\$7.00 each
Pumpkin – per kg	\$2.50/quarter	\$1.60	\$2.50 /kg
Fresh tomatoes – per kg	50c each	\$5.00	.60c ea
Canned tomatoes 420g	Ardmona \$2.00	SPC 1.60	SPC \$1.90
Canned peas 420g	Edgell \$3.00		Edgell \$2.00
Canned beans 440g	Heinz \$2.20		

<sup>59</sup> Information collected by Government Business Managers in June 2008 as part of license review process.



<b>Goods</b>	<b>Kintore store</b>	<b>Docker River store</b>	<b>Areyonga store</b>
Baked beans 425g	Heinz \$3.00		Heinz \$1.90
Meat and Alternatives			
Corned beef 340g cans	Hamper \$5.90 Black and Gold \$6.10	Coles Hamper 5.00 4.80	Hamper \$5.80
Meat and vegetables 450g cans	Tom Piper \$4.00	Harvest Irish Stew 4.60	Harvest \$4.40
Fresh/frozen meat – use most popular cut sold in the store – per kg		Lamb Fqtr chops 12.66	Lamb Fqtr chops \$16.17
Fresh/frozen Chicken – per kg	Inghams pieces \$8.74	Breast fillet 19.89	Inghams pieces \$8.00
Eggs, 55's 1 dozen	\$4.60	2.80	\$4.60
Dairy			
Powdered milk 1 kg tin	Diploma Instant \$14.00	Coles Instant 11.70	Diploma Instant \$10.60
Cheese 250g packet	Devondale \$2.60	Coles Tasty 7.20	Mainland \$2.60
Other Foods			
Margarine 500g packet	Flora 4.00	Mrs McGregor 2.20	Black and Gold \$2.60
Sugar 1kg packet	Black and Gold \$2.00	Coles 3.60	Black and Gold \$2.40

### **Community Stores models**

In addition to Outback Stores, there are several other stores models within Australia that aim to provide food security, affordable and nutritious food to remote Aboriginal and Torres Strait Islander communities.

#### **Arnhem Land Progress Association Aboriginal Corporation (ALPA)**

Arnhem Land Progress Association Aboriginal Corporation (ALPA) is an Indigenous-owned benevolent organisation with retail operations across the Top End. Dividends from member stores are distributed to member communities for activities such as traditional ceremonies, educational needs and sports events. ALPA also runs a nutrition program, working with health professionals, local clinics and nutritionists. Further information may be viewed at: <http://www.alpa.asn.au/>

#### **Mai Wiru**

Mai Wiru is a regional stores policy which is designed to improve the health and wellbeing of Aboriginal people living on the Anangu Pitjantjatjara Lands and aims to ensure access to safe, nutritious and affordable food as well as essential health items through community stores. Mai Wiru translates as 'good food' in Pitjantjatjara.

The policy supports health promotion and nutrition programs and the employment and training of Anangu workers under appropriate wages. The Department of Health and Ageing provides funding to the Nganampa Health Council to support the implementation of the Mai Wiru Stores Policy.

Further information may be viewed at:

[http://www.healthinfonet.ecu.edu.au/html/html\\_community/nutrition\\_community/programs\\_projects\\_lessons/nutrition\\_sa\\_programs.htm](http://www.healthinfonet.ecu.edu.au/html/html_community/nutrition_community/programs_projects_lessons/nutrition_sa_programs.htm)

[http://www.nganampahealth.com.au/component/option,com\\_docman/task,cat\\_view/gid,12/Itemid,15/](http://www.nganampahealth.com.au/component/option,com_docman/task,cat_view/gid,12/Itemid,15/)

#### **Jawoyn – Fred Hollows Foundation Nutrition Program**

In 1999, the Jawoyn Association asked The Fred Hollows Foundation to help develop a nutrition strategy to tackle poor health in their communities. The *Nyirranggulong* ('all together as one mob') *Nutrition Project* combines interrelated programs that empower local people to gain long-term improvements in nutrition, in particular by increasing the availability of affordable, nutritious food in Jawoyn communities.

The underlying philosophy is to empower by building on existing initiatives, work in genuine partnership, and build the capacity of local people. Partnering with other philanthropic and corporate foundations has gathered funding, expertise and broad-based support for their programs. Further information may be viewed at: <http://www.hollows.org>

## **Queensland Office for Aboriginal and Torres Strait Islander Partnerships**

The Queensland Office for Aboriginal and Torres Strait Islander Partnerships administers six retail stores serving aboriginal communities in Queensland. The strategic objectives of the retail stores operation are to:

- Operate viably in an environment of price competition.
- Provide a quality retail service in accordance with current best practice in the private retail sector.
- Ensure that customers have access at all times to the foods they need to stay healthy.
- Monitor and report on the financial and operating performance of the business.
- Modernise plant and equipment.
- Operate network infrastructure, which meets the financial, administration and operating requirement of the business and administers the new taxation system.

Further information may be viewed at <http://www.atsip.qld.gov.au/programs/retail-stores.html>

## Appendix 3

### Money Management Services

Money Management services are currently delivered by 18 service providers from 19 locations, with outreach to a further 8 locations, in Queensland, Western Australia and the Northern Territory.

Established Money Management, Family Income Management (FIM) and MoneyBusiness services are delivered from 15 locations. These services supported around 2,200 clients in 2007-08.

In addition, another 10 services put in place in 2008-09 support welfare payments reform by delivering short-term money management education workshops and support: 6 services work in up to 40 communities across the Northern Territory and 4 services operate in the Kimberley region in Western Australia. Client numbers are not currently available as these services have not been operating for a full year.

### Money Management, FIM and MoneyBusiness Services by State/Territory

State/Territory	Number of On-going Service Providers 2008-09	Number of Physical Locations <sup>60</sup>	Number of Outreach Locations <sup>61</sup>	Client Numbers 2007-08
Queensland	2	9 (Mossman Gorge, Coen, Hopevale, Aurukun, Cooktown, Lockhart River, Weipa, Palm Island & Yarrabah)	3 (Wujul Wujul, Marpoon & Naprunum)	552
Northern Territory	4	4 (Katherine, Nguiu, Tennant Creek & Galwinku)	4	1,348
Western Australia	2	2 Geraldton & Kununurra		302
<b>TOTAL</b>	<b>8</b>	<b>15</b>	<b>7</b>	<b>2,202</b>

### Additional Money Management Services established in 2008-09 to support Welfare Payments Reform in the Northern Territory and Western Australia

State	Service Providers 2008-09	Number of Physical Locations	Number of Outreach Locations	Client Numbers 2007-08
Northern Territory	6	Up to 40 communities		
Western Australia	4	4 (Derby, Broome, Fitzroy Crossing & Halls Creek)	1	
<b>TOTAL</b>	<b>10</b>	<b>4</b>	<b>1</b>	

<sup>60</sup> Location may service more than one community within area.

<sup>61</sup> Location may service more than one community within area.