

Submission No 112

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Submission



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6 October 2009

Committee Secretary
House of Representatives Standing Committee on
Aboriginal and Torres Strait Islander Affairs
PO Box 6021
Parliament House
CANBERRA ACT 2600

By way of email: atsia.reps@aph.gov.au

Dear Secretary,

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

I refer to discussions with your office and thank you for the opportunity to make a submission.

The intention of our submission is to highlight the link between grocery prices and home ownership and economic development more broadly. World Vision Australia recognises that the level of disadvantage faced by Indigenous Australians is unacceptable in a developed nation like ours. We consider non-governmental organisations like World Vision have an important role to play in supporting the social and economic development of Australia's Indigenous communities.

World Vision takes a partnering approach to working with Aboriginal and Torres Strait Islander communities in rural, remote and urban Australia. Our ongoing work is through invitation into communities. It is based on consultation with community leaders and members to ascertain the role we can best play in the ongoing development of these communities.

Although World Vision has a number of projects in Australia, this submission focuses solely on our recent experience in the Indigenous community of Mapoon, Queensland.

World Vision is currently working with the Mapoon community, located on western Cape York, Queensland, on a three year project to facilitate Indigenous home ownership. World Vision is developing a Home Ownership Scheme which involves assisting the community, government and stakeholders to navigate a path through the tenure, planning and native title environment to allow for the granting of 99 year residential leases over communally held Deed of Grant in Trust land.

Other elements of the scheme and our involvement include facilitating community town planning, financial education, family estate planning, and community education.

World Vision is investigating a range of issues that impact on affordability and how to minimise families being put into mortgage stress. We have recently produced a brief – “The Affordability Challenge” which we enclose for your information.

Our anecdotal evidence shows that the cost of groceries is one of the most significant areas of financial expenditure for households where there is responsible spending behaviour. The other major direct financial cost for households living in this remote community appears to be transport (vehicle purchase costs, petrol and maintenance) and this cost is higher than in non-remote communities.

Mapoon community members that own a vehicle, or have access to reliable transport, can travel to the regional centre of Weipa (86 kilometres from Mapoon) to purchase groceries at a lower cost than purchasing at the community store. They also travel to Cairns annually or biannually (960 kilometres from Mapoon) in order to make bulk purchases of groceries. A number of families also purchase through Amway in an effort to save money on groceries. For those people without transport their only option is to shop at the community store at a higher cost, with the effect that their ‘disposable income’ is reduced. These people are disadvantaged even more than those with transport, by the higher cost of community store shopping and are caught deeper in the poverty cycle. Even for those who do purchase shopping at a regional centre, they also purchase from the community store.

We understand that the income from the Community Store is the only source of income to the Mapoon Shire Council that is not tied to the conditions of funding arrangements and obligations. The store in Mapoon has been under new management for the past year and during that time it has turned around from making a loss to breaking even. As the store becomes profitable there will be a strategic decision for Council to make as to whether to have a pricing structure that keeps prices lower and delivers benefit to individual community members, or to retain an overall higher profit margin and use this income to spend on activities and infrastructure for the benefit of the whole of community. It is likely that the recommendation from Store Management will be to operate on a profit generating basis to reinvest in community building initiatives.

The costs of living in this remote community, in this case specifically the cost of groceries, directly impacts on household disposable income. Lower community store prices are one way to increase disposable income for households. This creates more opportunity for households to invest more of their income in paving their way to a better economic future, for example through buying a car or paying off a home loan. Ways to reduce the cost of groceries other than by significantly reducing the profit margin should be investigated.

We understand the inquiry is also interested in economic development within communities. One of our project tasks is to facilitate the grant of leases for residential purposes. We note that the major activities required for residential leasing are largely the same for achieving commercial leasing for private enterprise in Queensland. That is, investment in town planning will be needed to identify appropriate land use, agreement secured from the trustees of land as well as an Indigenous Land Use Agreement reached, development approval given by the local council and governance arrangements in relation to lease administration and use of proceeds from leasing.

In Mapoon, the home ownership project is initiating the shift from blanket communal ownership, to a mix of public and private benefit, and is thus this project is at the forefront of socio-economic development and private entrepreneurship in Queensland.

We suggest that the Committee should also investigate these necessary and appropriate (albeit resource intensive) procedural steps for community economic development and make recommendations as to how the Australian Government can support the long term planning, native title and tenure resolution required to facilitate home ownership and other private enterprise

We submit that it is critically important to create a coordinated policy environment, with a long term vision, that promotes commercial viability and creates pathways for individual wealth creation.

Yours sincerely,

**Mark Moran
Head Australia Program
World Vision Australia**