

## Fresh food access and supply

- 4.1 The main source of food to people living in remote Indigenous communities is the store. While some people supplement their supply of fresh food through market gardens, fishing, and small food industries, they rely on the store for the bulk of their food stock.
- 4.2 Therefore, consistent regular access to healthy food at the store in remote Indigenous communities is essential. Health experts maintain that many of the foods that remote Indigenous communities need in order to avoid ill health are perishable and it is essential that stores are stocked with fresh food at least every week.<sup>1</sup> Freight expert Ian Lovell contended that of the products which need to be consumed to counter health problems in remote Indigenous communities, 50 per cent are perishable. This means there is a need for weekly transport service to remote Indigenous communities to deliver appealing fresh produce. If weekly transport is not possible, adequate storage is required at the store.<sup>2</sup>
- 4.3 The Committee found that food quality and supply is poor and costs are high in remote Indigenous communities, particularly for fresh fruit and vegetables.<sup>3</sup> Surveys, such as the Northern Territory Market Basket survey, the Queensland Healthy Food Access Survey and surveys of Government Business Managers in the Northern Territory reveal that remote communities have insufficient access to fresh fruit and vegetables.<sup>4</sup>

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1 Robyn Bowcock, Public Health Nutritionist, Kimberley Population Health Unit, WA Country Health Service, *Committee Hansard*, Broome, 20 July 2009, pp. 38, 43.

2 *Committee Hansard*, Canberra, 10 September 2009, pp. 1-2, 7.

3 Solange Rousset, Senior Training and Quality Coordinator, Kimberley Aged and Community Services, *Committee Hansard*, Broome, 20 July 2009, p. 71.

4 Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), *Submission 62*, p. 8.

- 4.4 Dr Adam Pritchard, Medical Officer, Royal Flying Doctor Service, Queensland was frustrated that, due to poor supply, people were unable to take action on his advice to eat healthy food:

It is disheartening, in a way, to give someone some advice and then see them not be able to put that into practice – if you say, ‘Eat more fruit and vegetables. Eat healthy options’ and they are not then able to buy those things at the store.<sup>5</sup>

- 4.5 Poor food supply in remote Indigenous communities undermines efforts to address the poor nutrition and health status of the Indigenous people living there. The National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan (NATSINSAP) states:

Strategies to address improved access to good quality, affordable, healthy foods – particularly fresh vegetables and fruit – in remote communities is fundamental to the prevention of chronic diseases such as diabetes, heart disease, overweight and obesity.<sup>6</sup>

- 4.6 This chapter considers issues related to ensuring the security and integrity of the food supply chain to remote communities, including the development of alternative purchasing and delivery models. It also considers store infrastructure to maintain food quality and opportunities to encourage the local supply and production of fresh foods.

## The tyranny of distance

- 4.7 The challenges of freighting goods, especially perishable goods, to remote Indigenous communities include: the time it takes to travel the distance, the ease of access due to the conditions of roads, rail, access channels and barge ramps, and weather conditions. Many witnesses described the difficulties of getting goods freighted to remote communities within good timeframes. Some stores order two weeks before the stock is received and when managers order they generally have another order in transit.<sup>7</sup>
- 4.8 There are seasonal disruptions to road access in some communities, such as during the wet season. Aboriginal communities in Cape York and

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5 *Committee Hansard*, Kowanyama, 2 April 2009, p. 31.

6 National Aboriginal and Torres Strait Islander Nutrition Working Party, *National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan: a Summary 2000-2010*, 2001, p. 17.

7 Craig Spicer, Accountant, Remote Community Management Services, *Committee Hansard*, Broome, 20 July 2009, p. 30; Alastair King, General Manager, ALPA, *Committee Hansard*, Darwin, 22 July 2009, p. 61.

Arnhem Land are geographically isolated during the 'Wet' from August to the November. During the wet season road food supply can be cut off entirely for a month or more. In the Torres Strait, safe navigation and access is impeded by tides and currents.<sup>8</sup> Some communities across Australia rely on air drops.<sup>9</sup>

- 4.9 In the Torres Strait, the effectiveness of freight is totally reliant on the condition of the sea and infrastructure at delivery points. Seaswift, the only freight company servicing the Torres Strait Islands, referred to problems with infrastructure which affect delivery times. The Committee heard that poor road conditions affect the timeliness and cost of freight to remote Indigenous communities.<sup>10</sup>
- 4.10 In Western Australia, the Government introduced the *State Isolated Communities Freight Subsidy Emergency Management Plan* which provides a freight subsidy for the difference between the normal freight cost and the cost incurred using an alternative means of supply. The freight subsidy only applies to approved life sustaining commodities for communities with retail outlets and the communities prone to isolation are required to minimise the need by stockpiling supplies before the wet season.<sup>11</sup>
- 4.11 Because of the access and time challenges associated with freighting large distances to remote Indigenous communities, consideration must be given to threats to the cold chain for perishable items.<sup>12</sup>
- 4.12 To highlight the importance of the cold chain link during the transportation of fresh food to remote Indigenous communities, Ian Lovell, freight logistics expert, asked the question: 'Would you rather eat a crisp lettuce or a limp one; a rotten apple or a fresh one?' Mr Lovell referred to a study which found that after a customer buys a poor plum or nectarine, they will not re-buy that product for at least another six

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8 Sea Swift, *Submission 110*, p. 3.

9 Kowanyama Aboriginal Shire Council, *Submission 48*, p. 1.

10 Sea Swift, *Submission 110*, p. 4; Andrew Carter, Chairperson, One Arm Point Community/ Ardyaloon Inc., *Committee Hansard*, Broome, 20 July 2009, p. 80.

11 Kimberley Population Health Unit, *Exhibit 34C*.

12 The cold chain consists of the series of businesses engaged in manufacturing, transporting, storing, retailing and serving chilled and frozen foods, as well as the consumers who buy those products. National Rural Health Alliance, *Freight Improvement Toolkit: Getting Quality Healthy Food to Remote Indigenous Communities*, November 2007, p. 25.

weeks.<sup>13</sup> When poor food is presented on shelves in remote Indigenous communities it will not be sold and is often thrown out.<sup>14</sup>

4.13 Alternatively, when good quality fresh food is presented it will be bought, sometimes despite high costs.<sup>15</sup> Joseph Elu, Mayor, Northern Peninsula Area Regional Council (NPARC), put the success of the Seisia store down to the better quality fresh fruit and vegetables, meat and smallgoods available for purchase.<sup>16</sup>

4.14 The Committee heard that there is demand for fresh fruit and vegetables and in many communities children are choosing oranges cut into quarters as a reward instead of lollies.<sup>17</sup> Professor Johnathan Carapetis, Director, Menzies School of Health Research, stated:

... the concept many people have that if good quality affordable food were available to Aboriginal people they would still choose to eat an unhealthy diet. This is an absolute myth that needs to be busted. There is evidence available already that if good quality affordable food is available it will be purchased and consumed.<sup>18</sup>

4.15 Ian Lovell referred to an apple possibly passing 34 sets of hands from orchard to store customer.<sup>19</sup> Products are being packed and unloaded in the sun and transport systems may be temperature compromised. Therefore there are many steps along the freight journey which potentially interrupt the cold chain. Stock does get damaged and witnesses referred to the criticality of not breaking the cold chain; as soon as the cold chain is broken the quality of the food deteriorates.<sup>20</sup> Arnhem Land Progress Aboriginal Corporation (ALPA) stated that from time to time it does not accept goods due to a quality issue. The predominant ongoing problem

13 *Committee Hansard*, Canberra, 10 September 2009, p. 1; Ian Lovell, 'Freight and Health in Remote Indigenous Communities', *Issues*, vol. 83, June 2008, p. 32.

14 Andrew Carter, Chairperson, One Arm Point Community, *Committee Hansard*, 20 July 2009, Broome, p. 92. Andrew Passi, Store Assistant, Islanders Board of Industries and Services (IBIS), *Committee Hansard*, Mer (Murray) Island, 1 April 2009, p. 5.

15 Sue-Ellen Kovack, Remote Area Nurse, Chronic Disease, Maningrida Health Clinic, *Committee Hansard*, Maningrida, 23 July 2009, p. 29; Robyn Bowcock, Public Health Nutritionist, Kimberley Population Health Unit, WA Country Health Service, *Committee Hansard*, Broome, 20 July 2009, pp. 39-40, 81.

16 *Committee Hansard*, Bamaga, 1 April 2009, p. 7.

17 Alison Lorraine, Women's Development Coordinator, Fred Hollows Foundation, *Committee Hansard*, Darwin, 22 July 2009, p. 108.

18 *Committee Hansard*, Darwin, 22 July 2009, p. 77.

19 Ian Lovell, *Freight and Chronic Disease in Remote Indigenous Communities – the Story of an Apple from Tree to Table*, Presentation to 9<sup>th</sup> National Rural Health Conference, 7-10 March 2007, p. 6.

20 John Kop, Chief Executive Officer, Outback Stores, *Committee Hansard*, Alice Springs, 28 April 2009, p. 39.

affecting the quality of product is directly linked to packaging and transport.<sup>21</sup>

- 4.16 Store groups, such as the Islanders Boards of Industry and Service (IBIS), will inspect the quality of produce before it is shipped and select only produce which can withstand the rigours of the supply chain.<sup>22</sup> Island and Cape management inspect the quality of fruit and vegetables at their Cairns warehouse before they are dispatched in the chiller to their stores in Cape York and the Torres Strait islands. Island and Cape also use a mini data-logger system every two to three weeks in each store to monitor the temperature of the products through to store, which highlights where any problems might lie.<sup>23</sup>

## Purchasing and supply models

- 4.17 Different stores have developed different supply models to increase frequency of supply and reduce freight costs. Different supply models are addressed below. The issue of freight costs to remote communities is discussed in Chapter 5.

## Regional coordination models

- 4.18 Some remote Indigenous community stores within close proximity of each other have consolidated their freight logistics to receive a more efficient supply. Most remote Indigenous community stores in a cluster group receive weekly deliveries.<sup>24</sup> Successful regional coordination models include:
- Outback Stores uses aggregated buying power and retail experience to create clusters of stores that give communities access to the best suppliers and the best food at the best quality and price. The clustering of stores gives the group buying power to negotiate good deals with suppliers.<sup>25</sup>
  - In the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in South Australia, eight stores joint tender for the supply of produce. The stores

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21 Arnhem Land Progress Aboriginal Corporation (ALPA), *Submission 61*, p. 10.

22 Islanders Boards of Industry and Service (IBIS), *Submission 28*, p. 21.

23 John Smith, Owner, Island and Cape, *Committee Hansard*, Bamaga, 1 April 2009, pp. 24, 26.

24 John Kop, Chief Executive Officer, Outback Stores, *Committee Hansard*, Alice Springs, 28 April 2009, p. 39.

25 Outback Stores, *Submission 47*, p. 33.

receive weekly deliveries from Alice Springs. Also, all the communities have agreed to have standardised freight costs across the stores. So, in negotiations with the transport company the freight costs were averaged out across the stores, irrespective of how remote they are.<sup>26</sup>

- IBIS has a centralised group buying process that operates out of Cairns. Costs are absorbed by the group as a whole, not by individual stores, and IBIS doubted that the outer island stores would break even if they operated under a single store model. The supply chain to the islands of the Torres Strait is complex and accumulates significant freighting costs, especially to the outer islands. IBIS cross-subsidises unhealthy food against healthy food in order to sell fresh produce at a cheaper rate than it would otherwise be.<sup>27</sup>
- In the Ngaanyatjarra Lands in Western Australia, a single supplier services 12 community stores in the Lands which provides for reliable supply and reduced costs to the stores.<sup>28</sup>
- Communities in the Dampier Peninsula in Western Australia are working collaboratively to a combined freight strategy.<sup>29</sup>

4.19 Regional supply models can be effective ways to increase the frequency of supply. The Committee heard that in 2006 three stores (Balgo, Mulan and Billiluna) in the East Kimberley coordinated freight so the stores received weekly instead of fortnightly deliveries. Sales of fruit in the Billiluna store went up 70 per cent.

4.20 However, freight monopolisation can increase costs to other stores or knock out regional buying power options. For example, in April 2008, the Balgo store (mentioned in the above paragraph and operated by Outback Stores) withdrew from the group freight arrangement, so the other two stores went back to fortnightly deliveries and the percentage of sales of fruit went down again.<sup>30</sup>

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26 John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, pp. 16–17.

27 IBIS, *Submission 28*, pp. 7, 14.

28 Government of Western Australian (WA), *Submission 81*, p. 9.

29 Andy McGaw, Chief Executive Officer, Djarindjin Aboriginal Corporation, *Committee Hansard*, Broome, 20 July 2009, pp. 23–25.

30 Robyn Bowcock, Public Health Nutritionist, Kimberley Population Health Unit, WA Country Health Service, *Committee Hansard*, Broome, 20 July 2009, pp. 38, 42.

## Group purchasing models

- 4.21 Store group operations such as ALPA, Outback Stores, Island and Cape, IBIS, and the Queensland Department of Communities stores have evolved group purchasing models to reduce cost and improve quality and supply of stock. These purchasing models produce stock volumes sufficient enough to negotiate favourable trading terms from wholesalers and improved services from freight suppliers.
- 4.22 An example is IBIS which operates in the Torres Strait and uses Seaswift, the freight company which has the monopoly in the region to provide the freight service from Cairns to its stores. Supply is generally weekly, even to the outer islands.<sup>31</sup> IBIS also maintains a computer system which allows IBIS management in Cairns to capture data on stock levels in the stores.<sup>32</sup>
- 4.23 An independent purchasing group in Western Australia is WA Buying Services (WABS) which services 14 remote stores by offering an online shopping catalogue for store managers to order from. WABS coordinates freight of all dry, frozen and chilled goods, groceries, fresh fruit and vegetables, and meat and dairy products. Also, WABS worked with the state health department to review and endorse healthy alternatives in their catalogue which they review regularly.<sup>33</sup>
- 4.24 Purchasing groups can ease the burden on store managers who do not have the time to research better freight strategies for their communities.<sup>34</sup> However, Alastair King, General Manager, ALPA stated that it is 'critical' that store managers have control over ordering and described the ALPA central buying model:

You put standard operating procedures in your store, you give your managers policies to abide by and you have central buying. ... We also have a minimum core range that they must stock, but the store managers actually do the ordering and they can add to the range any time they like. They can have a go at anything they want to have a go at.<sup>35</sup>

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31 Sea Swift, *Submission 110*, p. 3.

32 IBIS, *Submission 28*, p. 8.

33 Karen Mellot, Managing Director, WA Buying Services, *Committee Hansard*, Broome, 20 July 2009, pp. 50–51.

34 Nicole Hines, Store Manager, Wangkatjungka Store, *Committee Hansard*, Broome, 20 July 2009, p. 57.

35 Alastair King, General Manager, ALPA, *Committee Hansard*, Darwin, 22 July 2009, pp. 63–64.

- 4.25 Ian McDowell, who has worked as a store manager in various locations in Northern Territory and Queensland, reflected on the importance of store managers being able to have some influence over what is being ordered into the community:
- I think so, because you are able to reflect what is required. However, there is that core range of products that you have to carry. Given that there is a core range, the range that you do carry should reflect what is going on in that community.<sup>36</sup>
- 4.26 In speaking about range of products in the store, John Kop, Chief Executive Officer of Outback Stores, stated that all store committees should have input on their range. There would be a 'core range' which is the minimum range of goods that people would purchase and the community has absolute discretion over things they would like in their store. Despite the ordering being controlled in a centralised environment, the store manager makes the decision on quantity and is the crucial contact point for anything the community requires.<sup>37</sup>
- 4.27 The communities the Committee visited with stores managed by ALPA and Outback Stores were happy with their ability to engage with store managers about the store generally and the produce that was being ordered in.<sup>38</sup>
- 4.28 Conversely, the Committee was advised that group operators in Queensland were not engaging with communities or store managers on what was being supplied to their store. Joseph Elu, Mayor, NPARC asserted that local store managers working for IBIS did not have ordering powers 'so they are not really managers; they are just shop assistants...They just sell whatever Cairns supplies them with'.<sup>39</sup>
- 4.29 In communities in the Torres Strait and Cape York, store managers and community members believed they had no influence in supply when they

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36 *Committee Hansard*, Kowanyama, 2 April 2009, p. 21.

37 *Committee Hansard*, Alice Springs, 28 April 2009, pp. 32-33.

38 Anna Godden, *Committee Hansard*, Jilkminggan, 21 July 2009, pp. 9-11; Lazarus Murray, Community Councillor, Roper Gulf Shire Council, and Michael Stevens, Vice President, Store Committee, *Committee Hansard*, Bulman, 21 July 2009, p. 6; Keith Lapulung, Community Representative, *Committee Hansard*, Milingimbi, 23 July 2009, pp. 8-9; Nancy Ngalmindjalmag, Store Committee Member, Ajurumu Self-Service Store and Damien Fitzpatrick, Store Manager, *Committee Hansard*, Goulburn Island, 23 July 2009, pp. 3-9.

39 *Committee Hansard*, Bamaga, 1 April 2009, p. 8.



gave feedback about stock levels and the types of products they wanted in their stores.<sup>40</sup>

- 4.30 IBIS responded that it is the job of IBIS store managers to provide feedback relating to stock levels and requests for stock holdings; store managers are welcome to make suggestions to the buyers and the Regional Managers about new product lines or discontinuing non-selling stock: 'The IBIS Store Managers are the IBIS managers on the ground and we rely on them to tell us how to serve our customers.'<sup>41</sup>
- 4.31 The Queensland Government stated that store managers of the Department of Communities stores have access to the centralised ordering system and are required to review, confirm and change any order generated. Store managers may add or reduce quantities and request additional items not in the order.<sup>42</sup>

### Committee comment

- 4.32 The Committee observed some risks associated with centralised supply models as there was a sense of loss of influence by communities and store managers.
- 4.33 An important factor in the supply of foods and goods is whether they are to client preference and the correct amount stock has been ordered. There must be mechanisms in place for communities to provide input on supply preferences.
- 4.34 The Committee strongly urges all community store operators, whether federal, state or privately owned and managed, to ensure that there are appropriate opportunities for communities to request items and that store managers have the autonomy to meet the preferences of different communities.
- 4.35 The Committee considers that every remote Indigenous community should be empowered to provide input into the supply of goods to their store.

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40 Andrew Passi, Store Assistant, IBIS, *Committee Hansard*, Mer Island, 1 April 2009, pp. 5–6; Jo-Ann Adidr-Poipoi, Community Member, *Committee Hansard*, Bamaga, 1 April 2009, p. 38; Craig Oxlade, Store Manager, Island and Cape Aurukun, *Committee Hansard*, Aurukun, 2 April 2009, p. 14; Wendy Graham, Amelia Hosking, Laure Baumgartner, Royal Flying Doctor Service—Queensland, *Submission 36*, p. 2.

41 IBIS, *Submission 28A*, p. 11.

42 Queensland Government, *Submission 90A*, p. 4.

## Other supply models

4.36 Some witnesses asserted that there is not one blanket solution to fresh food supply to remote Indigenous communities; it has to be solved community by community.<sup>43</sup> Ian Lovell is the author of the Australian Government Department of Health and Ageing funded *Freight Improvement Toolkit* which states:

Freight service requirements vary for different supply chains, so each community store, or group of communities and stores, need to make sure they develop their own freight documentation and business plans and contracts to reflect their individual needs.<sup>44</sup>

4.37 Some remote Indigenous communities are developing innovative ways to access quality foods, for example:

- **Hub and spoke** – Laynhapuy Homelands Association Incorporated was in negotiations with Outback Stores to develop a hybrid model involving distribution warehousing, bush orders, kiosk style outlets and the potential for conventional stores at largest homelands. The model seeks to have freight cost equalisation across the homelands. The model is a significant departure from the conventional community store model that Outback Stores has been involved in. The business plan seeks capital funding from Government,<sup>45</sup>
- **Bush orders** – the Bawinanga Aboriginal Corporation (BAC) provides a mobile store service to remote dwelling outstation people. This service supplies the people in the Homelands at same price as is paid in the shop in Maningrida,<sup>46</sup>
- **Regular pick up from major centre** – the Jarlmadangah Burru Aboriginal Corporation in remote Western Australia runs a truck to Broome every fortnight to pick up a pre-packed supply of vegetables, eggs, frozen meats and chickens from distributors, and other groceries and dry goods from the major supermarkets. The community can take advantage of the weekly specials and will pay the same price as they

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43 Jon Ford, Member for Mining and Pastoral Region, Western Australian Parliament, *Committee Hansard*, Broome, 20 July 2009, p. 19.

44 National Rural Health Alliance, *Freight Improvement Toolkit: Getting Quality Healthy Food to Remote Indigenous Communities*, November 2007, p. 2, prepared for the Remote Indigenous Stores and Takeaways (RIST) National Transport Forum Project, July 2006.

45 Laynhapuy Homelands Association Inc., *Exhibits 31B & 31C*; Ric Norton, General Manager, Laynhapuy Homelands Association Inc., *Committee Hansard*, Darwin, 22 July 2009, pp. 48–49.

46 Bawinanga Aboriginal Corporation (BAC), *Submission 51*, p. 2.

would in Broome.<sup>47</sup> The Finke River Mission store also operates its own refrigerated trailer to Alice Springs weekly,<sup>48</sup> and

- **Own freight service** – the BAC runs its own road freight service which costs approximately 40 per cent less than the barge service and has a shorter turnaround time of two days as opposed to four days.<sup>49</sup>

4.38 Mr Lovell proposed the Commonwealth Government establish a small national remote Indigenous food supply chain coordination office to foster and facilitate:

- commitment by supply chain partners to improve performance,
- cooperation of communities to group-buy services and operate to common benchmarks,
- communication specifically on supply chain issues,
- capability to gain knowledge and resources to improve supply chain performance, and
- capacity to spend enough time on improving supply chain operations and monitoring food temperatures.

4.39 Mr Lovell explained further that the small group of freight facilitators – perhaps one person in each state coordinated by one person centrally – could work with individual communities and stores to review how their supply chain is performing:

They could maintain a freight issues log so you could pick up where problems are occurring. They could improve cold chain management and supply chain performance. More importantly, they could look at connecting communities through group freight buying and they could assist in setting performance benchmarks for each person in the supply chain. They could ensure that the procurement of freight services and suppliers is clear and transparent, which is not always the case.<sup>50</sup>

4.40 He suggested the coordination team be funded for a term of about three years and ensure that learning is shared broadly. Supply models

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47 Joseph Grande, Administrator, Jarlmadangah Burru Aboriginal Corporation, *Committee Hansard*, Darwin, 22 July 2009, p. 96.

48 Selwyn Kloeden, Store Manager, Finke River Mission, *Committee Hansard*, Alice Springs, 28 April 2009, p. 57.

49 Mark Hutchings, Manager, Barlmarrk Supermarket, BAC, *Committee Hansard*, Maningrida, 23 July 2009, p. 2.

50 *Committee Hansard*, Canberra, 10 September 2009, p. 3.

developed by some of the initial communities could be used as demonstrations of what can be done. Freight coordinators would made connections with freight sinks or receivers, such as mining operations, to approach freight providers with enough facts about volumes for an improved service.<sup>51</sup>

## Committee comment

- 4.41 Clustering stores in order to bulk purchase would appear to achieve cost savings and efficiencies in purchasing power and transport logistics including the frequency of delivery (for example, weekly rather than fortnightly). Regular freight into communities reduces the need for additional storage and mitigates any stock deterioration that may occur during transport.
- 4.42 The Committee is supportive of individual or regional groupings of communities developing supply models which suit their long term sustainability. The Laynhapuy Homelands Association Incorporated's hub and spoke business proposal demonstrates that if communities are committed and have the resources, they will develop a supply model to suit their unique circumstances.
- 4.43 The Committee supports the proposal of Ian Lovell that the Australian Government establish a national remote Indigenous food supply chain coordination office to work with different communities to be innovative and develop sustainable supply models to suit their distinctiveness. It is important that the government coordination body does not enforce any particular model but provides the logistical expertise for communities to develop the most effective and efficient model for their location and needs.
- 4.44 The coordination office would supply information to communities and provide practical advice on the implementation of supply models. This would also address concerns that some stores may be being negatively impacted by their exclusion from the Outback Stores regional cluster model. A coordination office may assist them to participate in this cluster model or develop their own appropriate supply model.
- 4.45 The Committee contends that all government initiatives to improve freight arrangements should aim to deliver perishable goods on a weekly basis where possible. In addition a data logger, as mentioned earlier, could be used to identify any dysfunction in the cold chain during delivery.

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51 *Committee Hansard*, Canberra, 10 September 2009, pp. 4-5.

- 4.46 Information on options, lessons learnt and best practice in supply of fresh food to remote Indigenous communities could be disseminated widely via the national remote Indigenous food supply chain coordination office. This could include options for investigating a cross-subsidisation model on healthy food for interested communities. However, the Committee strongly recommends that any cross-subsidisation model that is implemented requires an open and transparent policy arrangement. This is important so that communities participating in such a model are aware of the cross-subsidisation arrangements taking place with other communities.

### **Recommendation 13**

**The Committee recommends that the Australian Government establish a national remote Indigenous food supply chain coordination office to:**

- **support individual communities or regional groupings of communities to develop supply models by examining the possibilities appropriate to them,**
- **facilitate the establishment of cooperative arrangements including transparent cross-subsidisation models, if appropriate,**
- **assist to develop supply models that deliver healthy perishables to remote communities weekly where possible, and**
- **disseminate information on options for supply models to remote Indigenous communities.**

- 4.47 The supply of free fruit and vegetables to remote communities, such as through schools, should be considered as part of supply network. For instance, FoodBank Western Australia, which has a large food warehouse and distribution network across the state of Western Australia, could possibly partner with government and communities to coordinate the supply of gifted healthy produce. FoodBank Western Australia sees itself as being underutilised by governments and business.<sup>52</sup>

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52 Denis Ryan, OAM, Chairman, Foodbank Western Australia, *Committee Hansard*, Broome, 20 July 2009, pp. 7–8.

- 4.48 The Committee suggests that the remote Indigenous food supply chain coordination office investigate the merits of working with charitable delivery organisations, such as FoodBank Western Australia, to aid in the supply of fruit and vegetables to remote Indigenous communities.

### Recommendation 14

**The Committee recommends that the Australian Government, through the proposed national remote Indigenous food supply chain coordination office, investigate working with charitable delivery organisations, such as FoodBank Western Australia, to aid in the delivery of fresh fruit and vegetables to remote Indigenous communities.**

## Store infrastructure

- 4.49 The criticality of store infrastructure and maintaining the cold chain continues in the store. Once food has been delivered to the store, its shelf life depends on the store having:
- prompt off loading and packaging for shelves,
  - appropriate chill display and storage areas,
  - reliable electricity supply, and
  - timely access to maintenance.
- 4.50 The Committee found that many remote community stores lack the storage capacity to store large amounts of foods, especially perishables.<sup>53</sup> In most cases, chiller areas are required to store perishables for at least seven to ten days until delivery by the freight provider. Storage was a problem in Jilkminggan where there was insufficient space to store larger quantities of produce.<sup>54</sup> Communities which have prolonged inaccessibility due to weather conditions require greater storage infrastructure.
- 4.51 The Committee also heard that stores run out of fresh produce soon after delivery because there is a rush on purchasing fresh food. For example, fresh foods are in short supply after barge day in the Torres Strait

53 Ian McDowell, Private Capacity, *Committee Hansard*, Kowanyama, 2 April 2009, p. 18.

54 Anna Godden, Community Member, *Committee Hansard*, Jilkminggan, 21 July 2009, p. 10.

Islands.<sup>55</sup> Stores also reported increased sales when people have money to spend on days when income was paid.<sup>56</sup>

4.52 If infrastructure breaks down in a remote store, it can take a significant amount of time to fix. The Committee notes that maintaining equipment in remote locations is a challenge and costs are high.

4.53 In its submission, IBIS commented on the time taken and the costs associated with maintaining store infrastructure, particularly in maritime environments which are not conducive to longevity of equipment.

4.54 The Committee notes, however, that IBIS currently invests all its profits into infrastructure in its stores across the Torres Strait and Cape York.<sup>57</sup> ALPA also contributes significant amount of profits back into the infrastructure of the store and the Committee observed new fridges and other equipment in the stores in Warruwi (Goulburn Island) and Milingimbi. ALPA's submission states:

ALPA spends on average \$1,500,000 to \$2,000,000 each year on maintenance, new equipment, refrigeration, takeaway upgrades, store renovations & extensions on its 5 member stores. In fact this is the largest allocation of operational surpluses year on year. We believe we must offer our customers the best possible retail service we can and that by doing this it is a positive way to meet our mission, support our members and create real jobs.<sup>58</sup>

4.55 The Community Stores Licensing Section of FaHCSIA contributed some funding to infrastructure in stores in the Northern Territory in the 2008-09 financial year. 'That, of course, cannot create their commercial viability or solve it, but we have helped with infrastructure.'<sup>59</sup>

## Committee comment

4.56 If perishable produce arrives in good condition to a remote community store, the store must have appropriate storage facilities to maintain quality and freshness.

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55 Dympna Leonard, *Submission 40*, p. 3.

56 Mark Hutchings, Manager, Barlmarrk Supermarket, BAC, *Committee Hansard*, Maningrida, 23 July 2009, p. 6.

57 IBIS, *Submission 28*, pp. 9, 16; *Submission 28A*, p. 9.

58 ALPA, *Submission 61*, pp. 10-11.

59 Brian Aarons, Manager, Northern Territory Emergency Response Unit, Northern Territory State Office, *Committee Hansard*, Darwin, 22 July 2009, p. 17.

- 4.57 The Committee believes remote stores should have access to advice about store infrastructure including accepting delivery of products, unloading and repacking, and acquiring and maintaining chill display and storage areas. All stores should maintain appropriate infrastructure for chill display and storage and the Committee recognises that this carries high costs.
- 4.58 Accordingly, the Committee supports the establishment of a remote Indigenous community fresh food supply fund to support the provision and maintenance of store and storage infrastructure.
- 4.59 Communities or regional groupings of communities would apply for grants to support aspects of their supply model. Grants could be provided for a range of necessities in the healthy food supply chain, from transport to infrastructure in the store.
- 4.60 The Committee notes, however, that it must be demonstrated that stores making profits are adequately investing in store infrastructure. This has been one of the reasons ALPA has been a successful, self-sustaining store model.

### Recommendation 15

**The Committee recommends that the Australian Government establish a remote community store infrastructure fund to assist stores to invest in delivery, refrigeration and storage facilities that will support the supply of fresh and healthy produce to Indigenous communities. Access to the fund may be contingent on stores having a healthy food policy and participating in a nutrition education program.**

## Supplementing nutrition with local supply

- 4.61 The Committee heard that stores have potential to market and supply fresh local produce to supplement other fresh food supplies.<sup>60</sup> NATSINSAP supported initiatives to promote activities involved in increasing the production and supply of vegetables, fruit and traditional foods by Indigenous people in remote locations. It recommended the government facilitate partnerships in the development and ongoing

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60 Alastair King, General Manager, ALPA, *Committee Hansard*, Darwin, 22 July 2009, p. 76.



management of local food production systems including the cultivation of traditional foods.<sup>61</sup>

- 4.62 Some stores have associated businesses which supplement the supply of fresh local produce as well as keeping prices down. For example, the Northern Peninsula Area Regional Council (NPARC) owned Seisia store runs a beef farm which is the source of the majority of its meat. 'What we are telling people is that we breed our own beef from hoof to plate.'<sup>62</sup> Also, the Jarlmadangah Burru Aboriginal Corporation in remote Western Australia runs a cattle station so the meat they buy in is minimal.<sup>63</sup>
- 4.63 There are a number of federal, state and territory government programs which support Indigenous horticulture.<sup>64</sup> However, the Department of Health and Ageing have stepped back from investing in market gardens because there was no evidence of long term systematic change in terms of public health care.<sup>65</sup>
- 4.64 Some communities themselves are supporting training for the maintenance of community gardens or farming as a means to supplement diet with adequate vitamins.<sup>66</sup> John Greatorex, who has worked with people in north-east Arnhem Land for over 30 years, stated that it is usual that the permanent homelands grow fresh fruits and vegetables.<sup>67</sup>
- 4.65 In other communities there had been community farming and gardens in the past, however they had discontinued due to many challenges associated with the longevity of these community initiatives including:
- regulatory impediments and quarantine,<sup>68</sup>

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61 National Aboriginal and Torres Strait Islander Nutrition Working Party, *National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan: a Summary 2000-2010*, 2001, pp. 17-18.

62 Joseph Elu, Mayor, Northern Peninsula Area Regional Council, *Committee Hansard*, Bamaga, 1 April 2009, p. 5.

63 Joseph Grande, Administrator, Jarlmadangah Burru Aboriginal Corporation, *Committee Hansard*, Darwin, 22 July 2009, p. 100.

64 For example: Federal Department of Innovation Industry Science and Research, Remote Indigenous Gardens Network, *Exhibit 25*; Torres Strait Regional Authority, *Submission 65A*, pp. 5-6; Department of Agriculture, Fisheries and Forestry, *Submission 80*, pp. 4-6.

65 Lesley Podesta, First Assistant Secretary, Office for Aboriginal and Torres Strait Islander Health, Department of Health and Ageing, *Committee Hansard*, Canberra, 28 May 2009, p. 22.

66 Mulan Aboriginal Corporation, *Submission 10*, p. 4; Joseph Grande, Administrator, Jarlmadangah Burru Aboriginal Corporation, *Committee Hansard*, Darwin, 22 July 2009, p. 99.

67 John Greatorex, Private Capacity, *Committee Hansard*, Darwin, 22 July 2009, p. 31.

68 Bill Young, General Manager, MPA, *Committee Hansard*, Maningrida, 23 July 2009, p. 23; Andrew Carter, Chairperson, One Arm Point Community/ Ardyaloon Inc., *Committee Hansard*, Broome, 20 July 2009, p. 92.

- lack of community sense of ownership and succession planning,
  - inadequate training in technical skills of farming or horticulture, and governance and business,
  - arson,
  - inadequate water resources and infrastructure, and
  - feral pests.
- 4.66 Allan Cooney, General Manager, Centrefarm Aboriginal Horticulture Ltd (Centrefarm), stated that community farming initiatives can be successful provided external assistance with succession planning, skills acquisition, governance issues and product marketing networks are developed. Centrefarm received \$88 425 in funding from the Aboriginal Benefits Account to undertake feasibility studies on potential market gardens in 15 Central Australian communities.<sup>69</sup> Centrefarm was in discussions with Outback Stores to supply produce from the market gardens through its network.<sup>70</sup>
- 4.67 The Committee has also heard of the positive influences garden projects in schools can have in assisting communities with supply as well as introducing children to the health and taste benefits of fresh produce. For example, the EON Foundation, operating out of Broome, is helping schools set up gardens to educate children about growing and distributing food and supplementing their nutritious food intake.<sup>71</sup>
- 4.68 In the Torres Strait the Horticulture in Schools Initiative provides children with the ability and knowledge to grow their own healthy food alternatives. The Torres Strait Regional Authority stated that through educating children, it is hoped they will reach the greater community and slowly build on the existing capacity in the community.<sup>72</sup>
- 4.69 The Committee also notes the recommendation of the House of Representatives Standing Committee on Health and Ageing in its report on obesity in Australia that the Federal Government continue to support

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69 Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin, MP, *Media Release, '\$12.2 Million Worth of Grants in the NT'*, 11 June 2009, Joint Media Release with the Hon. Warren Snowdon, MP, Minister for Indigenous Health and Member for Lingiari.

70 *Committee Hansard*, Alice Springs, 28 April 2009, pp. 75–79.

71 Chris Cassidy, Project Manager, EON Foundation Inc, *Committee Hansard*, Broome, 20 July 2009, p. 10.

72 Torres Strait Regional Authority, *Submission 65A*, p. 7.

community garden projects such as the Stephanie Alexander Kitchen Garden Program which operates in schools.<sup>73</sup>

## Committee comment

- 4.70 Community gardens have the potential to benefit a remote community by improving nutrition through greater access to fresh fruits and vegetables. The practice of community gardening also has the potential to build relationships, foster knowledge sharing and training, and promote self-determination in remote communities.
- 4.71 Due to damage to food during transit over large distances, food quality in the store can be problematic. Therefore the Committee believes that the local production of suitable food for the district should be supported in remote communities. In some circumstances, particularly in coastal communities, people already rely on bush tucker as a supplement to food supply and the continuation of this practice should be encouraged.
- 4.72 There is also potential for small commercial industries to be developed through the supply of fresh local produce, including bush tucker. The gardens could be integrated as far as possible with the local school, health clinic, council and store to enhance community ownership and achieve health and economic benefits.
- 4.73 The Committee notes that feral animals also destroy the natural habitat and that this impacts on the availability of bush tucker and traditional foods. Therefore the Committee recommends that feral pest eradication programs continue to be funded where appropriate.
- 4.74 The Committee notes that community gardening and farming initiatives work well in some, but not all, remote Indigenous communities. There are a number of significant challenges, including availability of water, associated with their sustainability. Nevertheless, local fresh food initiatives can improve nutrition and support the local economy in remote communities.
- 4.75 Any government funding towards local food production should include training in budgeting and planning as well as horticulture and farming to build the capacity of the community members to manage the project in the longer term. Community garden and bush tucker projects are considered useful investments in remote Indigenous communities and the reformed

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73 House of Representatives Standing Committee on Health and Ageing, *Weighing It Up: Obesity in Australia*, May 2009, p. 158.

CDEP provides employment and capacity building options in these projects.

### **Recommendation 16**

**The Committee recommends the Australian Government ensure health clinics in remote Indigenous communities are aware of the nutritional value of bush tucker and other traditional foods and actively encourage communities to continue to engage in traditional practices.**

### **Recommendation 17**

**The Committee recommends that the Australian Government support community garden, traditional food and farming projects in remote Indigenous communities for the local production of food, particularly in schools, where it is demonstrated that long term sustainability can be attained.**

- 4.76 The Committee believes that the full benefit of local gardening and farming projects could be realised with collaborative arrangements with the store for marketing and distribution. The Committee notes that Outback Stores along with Centrefarm are investigating ways in which this can be done.
- 4.77 To assist with the sustainability of community gardens and traditional hunting and gathering of food it is important the Government continues to fund programs that will eradicate feral animals in order to protect native flora and fauna.

**Recommendation 18**

**The Committee recommends that the Australian Government continue to fund programs to eradicate feral animals in remote areas as required.**

**Recommendation 19**

**The Committee recommends that the Australian Government examine ways to facilitate remote Indigenous communities undertaking collaborative arrangements with stores to distribute and /or sell locally grown or harvested produce.**

**Recommendation 20**

**The Committee recommends that the Australian Government assist stores across Australia in remote Indigenous communities to develop partnerships with local food production and harvest industries and expand operations to also function as market places for community grown produce. The Committee recommends that the Australian Government trial a partnership that requires Outback Stores to support local food production and harvesting industries and buy an annual minimum of goods from these local sources.**

- 4.78 Ensuring the secure supply of quality produce to remote stores has several facets. Supply chains must function effectively, there must be adequate storage infrastructure on site, and efforts should be made to supplement external deliveries with locally grown or harvested produce. While these factors will improve the quality and quantity of fresh good available and also increase the nutritional value of the local diet, in many instances cost remains an inhibitor to better eating habits.
- 4.79 The following chapter considers the cost of living in remote areas, possible cost efficiencies and affordability measures.