

Cost of living in remote Indigenous communities—the price of health

Cost of living

- 5.1 The price of goods and services in remote Australia is high compared with capital city prices. Perishable goods such as fresh fruit and vegetables are particularly expensive. As discussed in Chapter 3 and throughout the report the epidemic of chronic disease in remote Indigenous communities such as heart disease, obesity and diabetes is predominantly related to poor diet.
- 5.2 The financial capacity of remote Indigenous communities is limited and this poses an even greater strain on accessing healthy and affordable food. The National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan (NATSINSAP) submission commented that: ‘The majority of Aboriginal and Torres Strait Islander people living in remote Australia are of low socio-economic position – living primarily off pensions and other welfare payments.’ This results in a situation where: ‘Healthy food is the most expensive for a population group that can least afford it.’¹
- 5.3 Research has highlighted that people experiencing financial difficulties tend to purchase foods that provide the most calories for the least cost. Research undertaken by Dr Julie Brimblecombe at the Menzies School of Health Research suggests that this may apply to Aboriginal people living in remote Australia where flour, sugar, rice, fats and oils cost the least in terms of energy value (calories per dollar) compared to the recommended

1 National Aboriginal and Torres Strait Islander Nutrition Strategy and Action Plan (NATSINSAP), *Submission 59*, p. 7.

foods – fruit, vegetables, lean meat and fish – that are 10 to 100 times more expensive in calories per dollar.²

- 5.4 This research demonstrates the negative health impact that high food prices have on remote communities thereby contributing to chronic illness in Indigenous communities.
- 5.5 The Northern Territory (NT) Government conducts a market basket survey each year to monitor food costs, availability, variety and quality in remote community stores.³ Results from the 2008 survey showed that the cost of the healthy basket of foods was, on average, 23 per cent more expensive in remote stores than in a Darwin supermarket. The cost of the basket of foods increased by four per cent in remote stores and five per cent in NT supermarkets from 2007 to 2008.⁴
- 5.6 In addition to providing statistics on average costs of food baskets for the Territory the market basket survey was able to break down the figures between districts. This demonstrated that some districts were more expensive than others; for example, the Barkly district was \$95 more expensive than the Alice Springs district. The average cost of a basket of food, for a hypothetical family of six for a fortnight, was \$720 in the Barkly district, whereas the average cost of a basket of similar food in the Alice Springs district was \$625.⁵
- 5.7 The Committee found there was no comprehensive current data available on the cost of living for Indigenous Australians living in remote communities. The Committee is aware of a cost of living study carried out by John Tregenza in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in 1993.
- 5.8 A report written in 2002 by the Centre for Aboriginal Economic Policy Research (CAEPR), *Competition and Consumer Issues for Indigenous Australians*, commented:

...that a concerted effort to establish the cost of living at remote Indigenous communities has been largely limited by an absence of statistical information. In particular, there have been few, if any,

2 NATSINSAP, *Submission 59*, p. 8.

3 The survey includes a basket of foods which meets the average energy and recommended nutrient needs of a hypothetical family of six people for a fortnight. The family was chosen to represent a cross-section of people who had important nutrient requirements because of their age and sex. The family consists of: a grandmother aged 60 years; a man aged 35 years; a woman aged 33 years; a male aged 14 years; a girl aged 8 years, and a boy aged 4 years.

4 Northern Territory (NT) Government, *Submission 98*, p. 18.

5 NT Government, *Submission 98*, p. 6.

studies that have rigorously examined Indigenous expenditure patterns and set these against income. This contrasts with data on the wider Australian community provided by the Australian Bureau of Statistics' (ABS) regular Household Expenditure Survey (HES). From its establishment in 1990, CAEPR has on a number of occasions made cases to the ABS to include an Indigenous identifier in the HES so that any particularities of Indigenous expenditure could be assessed.

Without such information it is difficult to assess the overall economic impact of price differentials on Indigenous consumers. Indeed the literature suggests that while researchers have alluded to these differentials there has been little attempt to break data down into analysable components such as structural factors (e.g. freight costs), inefficient store practices, unconscionable conduct and cultural practices which may hinder commercial objectives.⁶

5.9 Stephan Rainow, Public and Environmental Health Officer, Nganampa Health Council, commented at a public hearing in Fregon (Kaltjiti⁷): 'I would like to see a couple of things. One is an adequate and proper cost of living study based on the fact that the people in these areas are economically vulnerable'.⁸

5.10 Professor Jon Altman and Dr Kirrily Jordan also highlighted in their submission a lack of statistical information available on the cost of living in remote Indigenous communities or whether income levels meet the requirements for basic nutrition. They stated:

...there is very little information available on Indigenous expenditure patterns because there is no Indigenous-specific data reported from the regular Household Expenditure Survey carried out by the ABS.⁹

Committee comment

5.11 The Committee considers it would be valuable to carry out a study on regional cost of living standards for Aboriginal and Torres Strait Islanders

6 Jon Altman and Sally Ward (eds), *Competition and Consumer Issues for Indigenous Australians*. A Report for the Australian Competition and Consumer Commission by the Centre for Aboriginal Economic Policy Research (CAEPR), Australian National University (ANU), September 2002, p. 8.

7 Kaltjiti is the Aboriginal (Anangu) name of the community.

8 *Committee Hansard*, Fregon, 29 April 2009, p. 24.

9 Professor Jon Altman and Dr Kirrily Jordan, *Submission 64*, p. 6.

living in remote communities. This would be a beneficial study to identify poverty in areas of remote Australia and could aid in policy formulation to address these issues. Given the commitment to close the life expectancy gap, the Committee considers informed and ongoing data is a priority. It recommends commissioning a cost of living study for remote Indigenous communities. It also recommends that the Australian Bureau of Statistics consider expanding its Household Expenditure Survey to enable disaggregation of the data on remote Indigenous communities.

Recommendation 21

The Committee recommends that the Australian Government commission a regional cost of living study for Aboriginal and Torres Strait Islanders living in remote communities in Australia and report by the end of 2010.

Recommendation 22

The Committee recommends the Australian Bureau of Statistics consider expanding the Household Expenditure Survey to capture Indigenous specific data and remote community data.

Higher costs

- 5.12 Over the past few years there has been a substantial increase in the price of goods and services throughout Australia. In particular, the cost of fresh fruit and vegetables has increased partly due to increases in fuel prices and partly due to the ongoing drought.
- 5.13 The Northern Territory MBS has been conducted since 1998. Overall the cost of the basket of foods increased by 39 per cent (\$479 to \$665) between 1998 and 2008.¹⁰ There is also a Queensland Healthy Food Access Basket (HFAB) which demonstrates similar results to the NT Market Basket survey. 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, the basket cost around 33 per cent more than the cost of the basket in Brisbane. In addition, evidence from the HFAB

10 NT Market Basket Survey, Northern Territory Government, *Submission 98*, p. 12.

indicated that the price of healthy foods is increasing at a greater rate than the price of non-healthy foods.¹¹

5.14 In its submission, the NATSINSAP discussed many of the reasons for high food costs in remote areas. These cost elements included the following:

- Store managers' wages and the additional cost of housing store managers in remote communities can be the largest store costs. A manager in a remote store is approximately twice the cost of a manager in urban areas,
- Store infrastructure and repair costs for electrical equipment such as freezers and air conditioners are higher in remote communities. Expenses are heightened when trades people typically need to be flown in from outside the communities and can be expensive, unreliable and irregular,
- Fresh fruits and vegetables and some other healthy foods are more costly because they are perishable and are not sourced locally. If they are not sold, stores have to write these off as 'wastage'. As such, remote stores are often reluctant to order sufficient supplies of perishable foods,
- Storage requirements are higher in locations where wet season access is limited so that non-perishable items must be forward purchased and stored for periods of many months before sale. As well as higher infrastructure costs, this necessarily means higher financial costs due to the long delay between expenditure on stock and sales of the goods,
- Transport: freight costs to remote locations are high, especially during the wet season, which results in higher store prices.
- Fuel prices in remote communities can be twice that of cities and are likely to increase proportionally over time, and
- Lack of accountability, poor store management practices and inefficiencies can result in large financial losses and the cycle of boom and bust that many small stores experience on regular basis.¹²

5.15 All of these costs are absorbed and passed onto the consumer as higher retail costs (or accrue as store debt). Consequently financial pressures bias food sales towards high profit, non perishable snack food, soft drinks and high fat convenience foods. This has a considerable impact on the nutritional health of the community.¹³

11 Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), *Submission 62*, p. 5.

12 NATSINSAP, *Submission 59*, p. 7.

13 NATSINSAP, *Submission 59*, p. 7.

- 5.16 Small remote communities with populations of just a few hundred cannot take advantage of bulk buying practices, especially for perishable goods, and the cost of freighting chilled and frozen goods over several days is expensive. As a result, remote Indigenous communities pay much higher prices for goods and services than people living in urban Australia. In its submission, the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) highlighted the diseconomies of scale that exist for small remote communities:

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.¹⁴

- 5.17 It is not only the cost of goods that is very high in remote area of Australia. The cost of service delivery is also very high. For example, high freight and fuel prices, energy charges, maintenance costs, management fees and banking fees are all high for delivering respective services to remote locations.

Freight—how much does it cost?

- 5.18 Evidence gathered during the inquiry into remote community stores revealed that freight costs varied anywhere between two per cent and 20 per cent of retail costs for goods. A number of factors contribute to the variances in freighting costs, such as where the store is located and what sort of infrastructure is available to enable the transportation vehicle or vessels to reach the store.
- 5.19 In its submission FaHCSIA brought this debate surrounding the varying costs of freight to the Committee's attention. It commented:

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

14 FaHCSIA, *Submission 62*, p. 13.

centres to be a significant contributing factor to higher food prices in the Northern Territory.¹⁵

- 5.20 Distance is part of the reason for high freight charges. This is especially true for island communities where it is necessary to use more than one means of transportation to freight the goods to the store. For example, groceries leaving the Cairns warehouse for Badu (Mulgrave) Island in the Torres Strait would require a truck to transport the goods to the Cairns dock, then the goods would be loaded onto the ship to Thursday Island, then a barge would be loaded to transport the goods to Badu Island, and then the goods would be eventually transported to the store. During a public hearing on Badu Island it was brought to the Committee's attention that goods leaving Cairns on Wednesday would arrive at the earliest on Badu Island on Monday:

Our highly perishable lines are on the barge by Wednesday; we receive it on the Monday. What is that – a five-day turnaround? That is on average. But this week it is six days. We have had cases where it has been anywhere up to eight days.¹⁶

- 5.21 Evidence received by the Committee suggested that up to 50 per cent of the groceries purchased by the store were perishable and would require cold storage facilities throughout the freighting process.
- 5.22 Transporting goods and services long distance costs more not only due to high fuel consumption but also due to the cost of maintaining these vehicles often on unsealed corrugated roads or the risk of navigating through coral reefs and rough seas. Such costs are factored into the freight charges.
- 5.23 In addition a fuel surcharge is probably incurred to recover the cost of returning the vessel or vehicle back to base. Sea Swift highlighted this in its submission:

Sea Swift does charge a fuel surcharge that is calculated on a percentage of freight charge revenue to recover the extra cost of fuel from base 38.5 cent per litre (2003/2004) ex diesel fuel excise.¹⁷

15 FaHCSIA, *Submission 62*, p. 13.

16 Robert Mitchell, Store Manager, Island and Cape, *Committee Hansard*, Badu Island, 31 March 2009, p. 35.

17 Sea Swift, *Submission 110*, p. 5.

Freight in the Torres Strait

- 5.24 The Torres Strait is unique in that the entire region is dependent on marine transport to deliver almost all of the requirements of daily life. The Committee received evidence from Sea Swift, a privately owned company based in Cairns, that provides a shipping service to the Torres Strait and has operated for over 20 years. Sea Swift provides sea freight needs to some of Cape York and all Torres Strait Island communities.
- 5.25 Over the years other freighting companies have tried to enter the market, however it appears that two freighting companies are not able to be sustained for this unique region. In its submission Sea Swift highlighted the following constraints for the regular provision of freight services to the Torres Strait. These include:
- The climatic conditions, eg wet season,
 - High travel and rental costs (for labour and crewing),
 - A varying quality of infrastructure (in particular ramps and access channels), and
 - A lack of commercial enterprises worthy of providing volumetric back freight options.¹⁸
- 5.26 In terms of calculating freight rates, the company takes into account that the:
- ... relatively high cost of shipping from southern ports over 1000km away also have an impact. Port charges add further to the cost base with levy's being applied in Port Kennedy (Horn Island and Thursday Island) 5 times higher than those applied in Cairns, this consequently has a further negative impact on the cost of goods for all Torres Strait residents.¹⁹
- 5.27 Sea Swift pointed out that sea freight rates are charged by whichever is greater between the cubic metre measurement or the tonnage weight. The cubic metre measurement is nearly always the greater and the accepted transport industry conversion is that 0.333 tonne equals one cubic metre. The Committee was interested to find out that Sea Swift does provide a scale of freight discounts which are determined by freight usage. Discount levels are five per cent, 10 per cent and 15 per cent.²⁰
-

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

19 Sea Swift, *Submission 110*, p. 4.

20 Sea Swift, *Submission 110*, pp. 4-5.

5.28 In relation to this inquiry and comments about exorbitant freighting costs Sea Swift wrote:

There have been many examples cited throughout the Parliamentary Enquiry of high priced goods, the inference being that the high costs are as a direct result of freight charges. This misconception must be addressed as freight charges represent 10-20% of the retail price of goods in the region even though anecdotally the retail price is, in many cases, reportedly priced twice that experienced in Mainland centres.²¹

5.29 There have been many suggestions of introducing a freight subsidy into the Torres Strait region. If this were to be the case then Sea Swift noted that careful consideration would need to be given to the following:

- How a subsidy would provide parity across the region, ie. the level of subsidy provided to Bamaga or Seisia (which are able to be supported by road based transport for part of the year) compared to Horn Island and the Outer Torres Strait islands which rely solely on sea based transport,
- How a subsidy would be calculated, as some of the Island communities Sea Swift currently supply freight services to are heavily cross subsidised by other services within Sea Swift. If the true cost of providing services to these communities (ie. More remote, with minimal infrastructure and population) was taken to account they would therefore be more heavily subsidised than Thursday Island for example,
- How a subsidy would be applied. In Tasmania for example subsidies are predominately applied to those industries exporting to the mainland in order to provide parity with similar mainland industry groups. As there are little to no export industries in the Torres Strait, consideration would need to be given to where such a subsidy would be targeted, ie with the freight provider, with the retailer, or with the customer, and
- How a subsidy would be paid, ie assuming a rebate is paid to the end user proof of charges rendered would need to apply. Further, allowance would need to be made for actual payment to be remitted either into bank accounts or as tax rebates for example.²²

5.30 There are recent examples of where government subsidies have been placed with transport providers (such as Macair) yet due to the failure of the organisation have not been passed on to end users in one form or

21 Sea Swift, *Submission 110*, pp. 5–6.

22 Sea Swift, *Submission 110*, p. 6.

other. Additionally placing subsidies with a provider of services could essentially place the provider in an anti-competitive position.²³

- 5.31 In some circumstances, the government offers freight subsidies to people working in remote Indigenous communities, such as teachers and nurses. Also, people working in remote Indigenous communities often purchased their goods from outside the local store because it was a cheaper.²⁴
- 5.32 Additionally, should the introduction of a freight subsidy occur, heavy scrutiny of pricing and charges in the region would need to apply as unscrupulous operators could see this as an opportunity for profiteering.²⁵

Committee comment

- 5.33 The Committee appreciated the candid points of view Sea Swift raised in relation to possible freight subsidies for the Torres Strait region. The Committee acknowledges that whilst the notion of providing a freight subsidy appears to be a good idea, especially given the existence of the Tasmanian Freight Equalisation Scheme (TFES) which compensates for additional shipping costs to and from that island, the implementation of a fair and equitable subsidy to the Torres Strait does seem fraught with difficulty.
- 5.34 The Committee has received numerous calls throughout the inquiry for a freight subsidy scheme in the Torres Strait. Several witnesses have said they want the Australian Government to provide freight subsidies since Tasmanians have access to a freight subsidy.
- 5.35 It is clear to the Committee that the Tasmanian scheme, the TFES, serves a specific industry focus. The scheme assists in alleviating the comparative interstate sea freight cost disadvantage incurred by shippers of eligible non-bulk goods carried between Tasmania and mainland Australia by sea. Its objective is to provide Tasmanian industries with equal opportunities to compete in mainland markets, recognising that, unlike their mainland counterparts, Tasmanian shippers do not have the option of transporting goods interstate by road or rail.²⁶

23 Sea Swift, *Submission 110*, p. 6.

24 Phil Maunder, Principal, Warruwi School, *Committee Hansard*, Goulburn Island, 23 July 2009, p. 13. Also see Bulman Primary School, <www.schools.nt.edu.au/kathgs/bulman/bulAbout.htm> accessed 16 September 2009.

25 Sea Swift, *Submission 110*, p. 6.

26 Department of Transport, Infrastructure, Regional Development and Local Government, Tasmanian Freight Equalisation Scheme, <www.infrastructure.gov.au/transport/programs/maritime/tasmanian/index.aspx> accessed 16 September 2009.

- 5.36 The TFES was introduced in 1976 and has been providing economic benefits to Tasmanian industry for over 30 years. Similar to Tasmania, Torres Strait communities are island communities without links to mainland transport routes.

Improvements to freight coordination

- 5.37 Improvements to freight coordination were discussed in the previous chapter. The Committee received evidence that demonstrated a real need to improve the supply chain and innovative management strategies such as regional buying in order to ensure better quality fresh produce being supplied to remote community stores at a cheaper price.
- 5.38 Ian Lovell, a cold chain and freighting specialist for remote communities, suggested that streamlining the efficiencies in the supply chain was the first and most important step before considering freight subsidies. He stated:
- ...if you cannot be convinced that the supply chain is working at the optimum already then to put a freight subsidy in is going to perpetuate inefficiencies. I would say that before you entertain a freight subsidy to anywhere you really need to be satisfied that the supply chain is working effectively – both cost-effectively and in terms of service and delivery.²⁷
- 5.39 Mr Lovell highlighted the difficulty in ensuring that the freight subsidy is passed on effectively to the consumer. He gave the following example of how freight subsidies can become absorbed by the market:
- ...if you give a subsidy of, let us say, 10 per cent, who is actually going to get it? In a free market, you will find that suddenly costs change, and of that 10 per cent maybe four per cent will get through to the community and the other six per cent will go to either the store, the transport company or the supplier, because the price signal is there.²⁸
- 5.40 In conclusion he offered the Committee some frank advice in relation to freight subsidies:
- Freight subsidies, I believe, are a nightmare administratively, and the real costs are really variable. I would say that, if a freight subsidy is going to be applied, you might be better off applying it at the consumer level, to buy the healthy, nutritious foods, but

27 *Committee Hansard*, Canberra, 10 September 2009, p. 8.

28 *Committee Hansard*, Canberra, 10 September 2009, p. 8.

keeping a close eye on the cost of the fresh or the healthy, nutritious food in the stores, and drive it that way, rather than giving it to the transport service provider.²⁹

- 5.41 The Committee received information from the Government of Western Australia about innovative management strategies that are proving successful. In its submission it suggested that one of the key strategies is to facilitate group operations:

Economies of scale are possible through innovative management strategies that establish group arrangements for consolidated purchasing, freighting, staff recruitment and training. Community stores within proximity of one another should be encouraged to consolidate their logistics including exploring opportunities with nearby mining companies or other public sector services with similar logistical needs. The *Freight Improvement Tool Kit* provides excellent information and guidelines to assist in this respect.³⁰

Committee comment

- 5.42 The Committee recognises the many challenges that remote communities in Australia face in relation to having a constant supply of nutritious healthy food in community stores. As pointed out in paragraph 5.14 there are a range of issues that contribute to the high cost of living that are not always apparent to community members.
- 5.43 The Committee supports the regional buying model that aims to take advantage of economies of scale that would otherwise be not possible for smaller communities. The Committee encourages small community stores not yet using a group buying model to investigate the potential benefits it would gain from such a model.
- 5.44 The Committee urges all store managers to access the Remote Indigenous Stores and Takeaways (RIST) *Freight Improvement Toolkit* to investigate the benefits of improving the supply chain of goods to remote community stores.³¹

29 *Committee Hansard*, Canberra, 10 September 2009, p. 8.

30 Government of Western Australia, *Submission 81*, p. 9.

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

- 5.45 The Committee also urges communities to grow market and local produce where possible so that the freshest of food is available in shops. However, much food will still need to be freighted in to communities.
- 5.46 The Committee argues that the health outcomes of Torres Strait communities are being impacted by the high cost of transporting healthy food alternatives and perishable goods. The Tasmanian freight subsidy enables industries to be competitive in mainland markets and so returns an economic benefit to Tasmania. Any freight subsidy to the Torres Strait would be premised on a different purpose and outcome. However, the Committee recommends that a freight subsidy for fresh produce is given consideration in light of the long term health benefits of an improved diet in the area.

Recommendation 23

The Committee recommends that, following implementation of supply chain coordination and efficiencies, the Australian Government give consideration to a freight subsidy for fresh produce for the Torres Strait.

High fuel prices

- 5.47 The Committee heard from many locals in various remote communities about the extremely high fuel prices. For example, in 2009, fuel was selling for \$1.69 on Thursday Island in the Torres Strait.³² Other evidence collected during the Committee's visit to the Torres Strait commented that fuel prices could be as high as \$2.65 on Masig Island.³³ In Mimili in the APY Lands the Committee was told that fuel was \$2.06 per litre.³⁴ These exorbitant fuel prices restrict the use of private vehicles such as cars and boats, which are often needed for hunting and fishing purposes.
- 5.48 At a public hearing on Masig (Yorke) Island in the Torres Strait community leader John Mosby discussed his concerns about the high prices and quantity of fuel accessible to the community:

Pricing is of great concern and the quantity can be a concern too with weather like this where 3,000 litres can go in a couple of days.

32 Leo Akee, Community Member, *Committee Hansard*, Thursday Island, 30 March 2009, p. 62.

33 John Mosby, Private Capacity, *Committee Hansard*, Masig Island, 31 March 2009, p. 4.

34 Stephan Rainow, Nganampa Health Council, *Committee Hansard*, Fregon, 29 April 2009, p. 37.

Our local community has many great fishermen with lots of vehicles. Even though it is \$2.29, and sometimes \$2.65 or so, 3,000 litres can still go in a week. We buy what is there for us and price is not an issue when it comes down to it. If it gets to \$1.10 we are happy, but it is still of great concern for us. I think last week they only brought in 1,400 for us and we were out of fuel for a couple of days. It was only yesterday that we got more fuel. In a week, 3,000 litres is not enough.³⁵

- 5.49 Glen McConnell, island mechanic, also advised that not enough fuel is delivered to Masig year around, and especially during the Christmas period when the barge does not operate.³⁶
- 5.50 During the Committee's visit to Amata in Central Australia high fuel prices were raised by local resident Owen Burton who commented: 'In the remote community, people are talking about going hunting and all that. The price of fuel is really up, and also the prices in the store'.³⁷
- 5.51 The Committee understands the importance of fuel for Indigenous people living in remote communities. It is evident that they rely on it not only to supplement food sources through hunting and fishing but in addition for the use of cars and boats for travelling and visiting purposes which are an integral aspect of Indigenous culture.
- 5.52 The Committee considers that coordinating supply chains, regional purchasing strategies and potentially improving storage infrastructure capacity in all communities could have the effect of reducing fuel prices and ensuring a more secure supply of fuel. The Committee concludes that the recommendations already made should provide assistance in this area.

Banking

- 5.53 Often low income earners check their account balance more frequently to ensure they can still afford to buy goods. This can be a very costly practice in remote communities as often the Automated Teller Machine (ATM) is the only banking facility available, and requesting an account balance comes at a cost of \$2 when using a 'foreign' ATM (that is, when using a key card issued by a bank other than that operating the ATM). Some banks also have limits on the number of free transactions after which an ongoing fee is incurred. The Committee heard that people can also access

35 *Committee Hansard*, Masig Island, 31 March 2009, pp. 4-5.

36 *Committee Hansard*, Masig Island, 31 March 2009, p. 31.

37 *Committee Hansard*, Amata, 29 April 2009, p. 21.

telephone banking to get account balances however this option is not used often as people need access to a telephone and then must wait to speak with an operator. This takes additional time and is considered more challenging than using the ATM.

- 5.54 This issue was also raised during a public hearing in Amata, Central Australia:

...no matter what your situation is with your own bank, in using a foreign ATM everyone has to pay a \$2 fee. What I have noticed is that the people who can least afford to pay any bank fees are the ones who are paying the most – for example, the people who are on Centrelink benefits. I have seen instances of people doing a balance check of their account through an ATM, which incurs a \$2 fee, two or three times a day. If the money is not there the first time then they will try again a little bit later and keep trying again until their benefit is actually in their bank account. I would be horrified to see the bank statements of some of these people who live in these communities because the ATM is the only way of getting their money, apart from the few who still get paid by cheque from Centrelink.³⁸

- 5.55 Banking fees add up significantly for people living in remote communities. During a public hearing in the Torres Strait this issue was raised as one that increases the cost of living in remote areas:

...I wanted to say something to this committee about the ATM at the store – it is a St George's ATM. I do not know whether that is okay because most of us have National FlexiCard accounts. I am not an accountant but I talked to some of my family and they know and they understand. They said it would be good if we had a National ATM then we would save our pocket. We are talking about the high cost of living.³⁹

- 5.56 Welfare recipients who are regularly checking their account balance throughout the fortnight would use a significant amount of their money just in banking fees. The Committee believes that improvements could be made in this area for Indigenous Australians in terms of specific workshops that address the issue of checking account balances.
- 5.57 In the context of the Australian Securities and Investments Commission's (ASIC) expanded literacy mandate, ASIC stated: 'Our aim is to improve

38 Peter Johns, Kaltjiti Store Manager, *Committee Hansard*, Fregon, 29 April 2009, p. 38.

39 Glorianna Mosby, Community Member, *Committee Hansard*, Masig Island, 31 March 2009, p. 30.

the financial literacy of Australians, including Indigenous Australians, and to assist them to develop the attitudes and behaviours needed to achieve better financial outcomes.⁴⁰ The Committee noted the CD provided to its inquiry from ASIC titled *Money Talks*.⁴¹ This is a series of audio segments for Indigenous people about making good money decisions.

5.58 The Committee notes the work being carried out by Australian Bankers Association (ABA) member banks that focus on providing financial literacy training and financial inclusion programs to Indigenous communities, including:

- “Family income management” project focuses on working with Indigenous families to develop a better understanding of how to effectively manage income to achieve improved living standards for all the family and the benefits of budgeting and saving. (Department of Families, Community Services and Indigenous Affairs, Centrelink and community representatives, Westpac),
- “Financial First Steps” training materials and workshop developed for young adults in basic money management that has been delivered to CDEP participants and other communities across Australia. Specific materials have been piloted in remote Indigenous communities of Northern Territory and North Queensland (Westpac), and
- “MoneyBusiness” is a community based money management skills and savings program including financial literacy workshops and training on topics relevant to the individual community. The program is delivered in partnership with the Department of Families, Community Services and Indigenous Affairs to people in Katherine, Tennant Creek, Galiwin’ku, Niguiu, Kununurra and Geraldton (Department of Families, Community Services and Indigenous Affairs, ANZ).⁴²

5.59 In the Torres Strait the committee also received evidence in relation to high banking fees. It was claimed that Islanders Board of Industry and Service (IBIS) EPTPOS facilities were charging \$30 per transaction fee. The Committee asked IBIS how expensive it was to provide banking and electronic fund transfer services at IBIS stores.

40 Australian Securities and Investments Commission (ASIC), *Submission 106*, p. 6.

41 ASIC, *Exhibit 36E*.

42 Australian Bankers Association (ABA) Inc, *Financial Literacy and Inclusion, ‘Info for Indigenous Communities’*, <www.bankers.asn.au/default.aspx?ArticleID=984> accessed September 2009.

5.60 The Committee received the following response from IBIS:

Some of these services are more expensive to provide than others. The services include: bill paying; transfer of funds from one island to another; and payments into peoples' bank accounts. IBIS is currently investigating the feasibility of charging a sliding scale of charges dependent on the size and type of transaction and the cost of providing the service. We hope this will reduce the overall cost to the Community.⁴³

Book up

5.61 Book up is an arrangement under which a store offers short term credit to customers, usually for the purpose of purchasing goods. Problems can arise when a customer has run out of funds before their next payment is due and are offered credit on the condition that the customer provides their debit card, Basics Card, together with their personal identification number (PIN) to the merchant. The store then uses its EFTPOS facility to debit the customers account on the customer's social security pay day.⁴⁴

5.62 Surveys indicate that the practice of book up in remote communities is widespread and often involves provision of both the card and PIN. ASIC's 2002 report *Book Up: Some Consumer Problems* found examples of traders holding over 300 debit cards and PINs of Aboriginal customers.⁴⁵

5.63 It was generally acknowledged that excessive use of book up can lead to high debt levels in a store, posing a threat to store viability and risking insolvency.⁴⁶ The Western Australian (WA) Government's Office of Aboriginal Health cited the example of the community store in Burringurrah (450 kilometres east of Carnarvon in the Gascoyne region) which closed as a result high book up use, necessitating an emergency air delivery of food by Commonwealth and state agencies and FoodBank WA in November 2008.⁴⁷

5.64 Excessive use of book up is sometimes caused by a lack of banking facilities in some stores. In other situations the use of the Basics Card, which does not provide access to the balance on the card, boosted the incidence of bad debt. Kimberley Aged Care and Community Services

43 Islanders Board of Industry and Service (IBIS), *Submission 28A*, p. 17.

44 ASIC, *Submission 103*, p. 3.

45 ASIC, *Submission 103*, p. 3.

46 The Heart Foundation, *Submission 26*, p.7; Outback Stores, *Submission 47*, p. 32; Ninti Corporate Services, *Submission 8*, p. 25.

47 Office of Indigenous Health, Western Australian Department of Health, *Submission 21*, p. 13.

surveys indicated that elderly people are particularly vulnerable as they are less likely to know their account balances.⁴⁸

- 5.65 The Central Land Council observed that book up can be offered selectively enabling a few people to monopolise the store's profits. The Office of Aboriginal Health, Western Australian Department of Health, reported incidences where communities have gained control over store management in order to manipulate staff into providing book up under threat of being fired.⁴⁹
- 5.66 ALPA advised of a situation where traditional owners were receiving payments from a private operator running book up in competition with the community owned ALPA consultancy store, which did not accept book up:
- ALPA has run the much cheaper store to this day in the old shed. The private operator survives trading at night and "book up" holding debit and basics cards as security. ALPA has managed to put aside a small surplus as a deposit to build a new store but those influential people on the private operator's pay roll are stopping progress by blocking the allocation of a suitable site in the community.⁵⁰
- 5.67 John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, advised that APY stores have decided not to use book up but compete with private operators in the mining towns of Mintabie and Watinuma which do. The banks, the Office of the Registrar of Indigenous Corporations and the Australian Competition and Consumer Commission had confirmation of the practice as some Anangu people's full entitlements were being withdrawn by traders overnight to pay book up debts on large purchases.⁵¹
- 5.68 The South Australian Government explained that once traders have the card and pin all future purchases must be made with the trader that holds the card and PIN, so consumers are no longer able to make purchases from their own local community stores. Around Mintabie the nearest community stores of Indulkana, Mimili and Kaltjiti had experienced

48 *Submission 39*, p. 2.

49 Central Land Council *Submission 57*, p. 4; Office of Indigenous Health, Western Australian Department of Health, *Submission 21*, p. 13; Professor Jon Altman and Dr Kirrily Jordan, *Submission 64*, p. 3.

50 ALPA, *Submission 61*, p.16.

51 *Committee Hansard*, Alice Springs, 28 April 2009, pp. 17-18.

severely reduced turnovers and the viability of Indulkana community store was threatened.⁵²

- 5.69 ASIC reported that it had taken action to address problems in the region in 2005. As a result of lobbying the Australian Bankers Association (ABA) and major banking institutions, most main bank merchant agreements now prohibit the request or retention of a personal identification number. However, Mr Tregenza noted that the banks' decision to withdraw electronic banking services to traders continuing the practice has been pending Federal and South Australian Government approval for over 18 months.⁵³
- 5.70 Despite these concerns, it was nevertheless recognised in evidence that credit arrangements are important to Indigenous peoples to provide urgent short term credit for food and necessities, and to enable them to purchase larger items such as white goods which they otherwise could not afford.⁵⁴ ASIC, among other agencies, acknowledged that while reliance on book up in the long term can promote credit dependency among Indigenous clients, the practice itself is not illegal or unconscionable. There is a need, however, for transparency of process.⁵⁵
- 5.71 The Committee notes that there are a range of mechanisms in place for regulation of book up. The Department of Families and Communities in South Australia, for example, has a 'Casual Credit' strategy whereby a deposit is made every week to the store supporting future purchases of food. This has proven effective in Coober Pedy.⁵⁶
- 5.72 ASIC has taken the national lead on book up producing a follow up to its 2005 publication of *Dealing with Book Up: a Guide* which set out ways for stores to provide alternative credit extension systems. The publication is also intended as a resource for government and agencies. ASIC advises it will take the program to 115 communities over next two years.⁵⁷

52 South Australian Government, *Submission 86*, p. 3.

53 ASIC, *Submission 106*, pp. 3-4; John Tregenza, Coordinator, Mai Wiru Stores Policy, Nganampa Health Council, *Committee Hansard*, Alice Springs, 28 April 2009, p. 18.

54 Joseph Grande, Administrator, Jarlmadangah Burru Aboriginal Corporation, *Committee Hansard*, Darwin, 22 July 2009, p. 98; *Committee Hansard*, Janet Chisholm, Alice Springs, 22 July 2009, pp. 106-07.

55 Professor Jon Altman, *Committee Hansard*, Canberra, 12 March 2009, p. 10; ASIC, *Submission 106*, pp. 3-4.

56 South Australian Government, *Submission 86*, p. 4.

57 ASIC, *Submission 106*, pp. 3-4

Committee comment

- 5.73 The Committee believes the *Money Talks* CD is an excellent tool and ASIC should ensure that this tool continues to be delivered to Indigenous communities that would benefit from this financial money management training. The Committee emphasises the need for a facilitator or trainer to deliver this tool as part of a training program. Consideration should be given as to whether the information could be delivered in local Indigenous languages. The Committee commends ASIC for its innovative work in this area and urges it to expand the assistance provided to include workshops preferably delivered by local facilitators.
- 5.74 The Committee also commends the ABA on its commitment to assisting in the area of financial literacy skills and improving money management for Indigenous Australians. The Committee encourages the ABA to continue to collaborate with member banks and FaHCSIA to continue to delivery training programs and workshops in this field.
- 5.75 While these initiatives are positive in improving the financial literacy of Indigenous Australians in remote communities, the Committee remains concerned by the frequency of charges, the lack of banking choices available to communities, and the high fees for some transactions. The Committee considered a more collaborative approach is required to investigate, address and monitor financial services charges in these communities and to oversee targeted financial literacy support.
- 5.76 While the Committee received some disturbing evidence relating to fees paid, it did not receive sufficient evidence on this matter to investigate fully and its jurisdiction is limited. Consequently, the Committee recommends that this issue is taken up by the Australian Government, state and territory governments, the ABA and remote community store operators.
- 5.77 The Committee notes that book up remains a significant problem in most states and territories and that ASIC will be taking a leading role as the national regulator of all consumer credit on 1 November 2009.⁵⁸ This holds promise for greater consistency in regulation.
- 5.78 At the same time, the Committee notes evidence that the features of the Basics Card, which uses a standard PIN for identification and does not provide in store access to account balances, may be a contributor to excessive book up debt. This contrasts with the ALPA FOODcard system,

⁵⁸ ASIC, *Submission 106*, pp. 3-4

which has photo identification and provides immediate access to customer card balances.

- 5.79 The Committee considers that Centrelink could evaluate the utility of the features of the ALPA FOODcard in any review of the Basics Card. Book up should also be covered as part of a working group addressing financial charges and literacy in remote Indigenous communities.

Recommendation 24

The Committee recommends that the Australian Government establish a working group with representatives from the Department of Families Housing, Community Services and Indigenous Affairs, the Australian Securities and Investments Commission, state and territory governments, remote community store operators and the Australian Bankers Association. The working group should be tasked with:

- **investigating the transaction fees being charged in remote Indigenous communities,**
- **investigating the impact of the limited banking choices available in remote communities, such as the consequent extent of fees charged for using foreign Automated Teller Machines,**
- **ensuring Indigenous Australians in remote communities have the financial literacy and access to facilities to make informed decisions regarding money management options, including the use of book up, and**
- **investigating mechanisms to lower or waive financial fees and charges for Indigenous people in remote communities.**

Housing and food preparation

- 5.80 During the Committee's visits to remote Indigenous communities it became clear how challenging the issue of providing a daily well balanced diet was for many people given the high proportion of inadequate housing that is available. The Committee received evidence in public hearings about the need to improve housing in remote communities and in particular, the need to either provide, replace or repair essential kitchen hardware in order for people to be able to make healthy food purchases at the store which in turn could be prepared in the home kitchen.

- 5.81 In its submission FaHCSIA outlined two key elements to food security: availability and affordability. The third key element of food security involved utilization of food through adequate 'health hardware' – that is, 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.⁵⁹
- 5.82 Having the ability to store food safely reduces household costs, by reducing food wastage, and enabling purchases of bulk quantities of staple items and perishables. This can improve overall food security, as well as maintaining nutrient value of perishables for longer.
- 5.83 The Healthhabitat survey data provided in the *National Indigenous Housing Guide* indicated that in 2006 only 15 per cent of surveyed Indigenous households had the health hardware needed to support food storage, cooking and preparation.⁶⁰
- 5.84 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 impact on residents' ability to prepare healthy meals, especially meals that include vegetables.
- 5.85 Improving utilization of food through adequate 'health hardware' was one of the key objectives of the Community Clean-Up program of the Northern Territory Emergency Response (NTER) and is currently being addressed through the Strategic Indigenous Housing and Infrastructure Program.⁶¹
- 5.86 During the Committee's inspection visits to remote communities the Committee became aware of the inextricable link between the need for adequate housing and 'health hardware', and the access and availability to healthy and affordable food in remote Indigenous communities.
- 5.87 At a public hearing in Alice Springs, Dr Bruce Walker, Executive Officer, Centre for Appropriate Technology (CAT), made the following comments in relation to community housing and store purchases:

59 FaHCSIA, *Submission 62*, p. 10.

60 Australian Government, *National Indigenous Housing Guide: Improving the Living Environment for Safety, Health and Sustainability*, 2007, cited in FaHCSIA, *Submission 62*, p. 10.

61 FaHCSIA, *Submission 62*, p. 10.

Houses provide access to personal hygiene and health facilities for individuals. Stores should in fact in our view provide access to services that actually enable people to sustain a livelihood in their place of living. It is not clear to me that all stores are charged with the responsibility of doing that. There is a big investment going on at the moment in Indigenous housing. Those houses are generally supplied without whitegoods and furniture and all the things that make a house work. It is like providing a car with no petrol. If you do not have access to not only purchase and then sustain and maintain those things, then it is difficult to make that house work for you, and the store quite clearly has an incredible and essential part to play in that ongoing household maintenance and in people being able to actually sustain their livelihood in their community.⁶²

- 5.88 In conclusion, Dr Walker remarked that stores can make a tactical response but cannot alone create the demand for higher consumption of the nutritional foods. In most cases inappropriate food preparation facilities, usually in the home, reduced the store's capacity to provide a healthy diet.⁶³
- 5.89 It is not only the large essential items such as fridges and ovens, tables and chairs that people do not have; they also lack bare essentials such as crockery and cutlery. Stephan Rainow from Nganampa Health Council highlighted the acute lack of housing hardware in the APY Lands: 'Tables and chairs are very rare. People still sleep on the floor, on mattresses'.⁶⁴
- 5.90 Similarly, Mr Rainow also commented:
- I did an exhaustive survey of houses in one community back in 1992. Part of the work involved mapping every item that was in that house over a 12-month period. We could not find enough utensils to feed more than four people.⁶⁵
- 5.91 Mr Rainow informed the Committee that as part of the capital cost of a house there is the provision of a stove and a hot water system.⁶⁶
- 5.92 The Australian Government Community Cleanup Program in the NTER is providing essential repairs to houses in remote Indigenous communities

62 *Committee Hansard*, Alice Springs, 28 April 2009, p. 64.

63 *Committee Hansard*, Alice Springs, 28 April 2009, p. 64.

64 *Committee Hansard*, Fregon, 29 April 2009, p. 36.

65 *Committee Hansard*, Fregon, 29 April 2009, p. 35.

66 *Committee Hansard*, Fregon, 29 April 2009, p. 34.

in the Territory. In a sample of 53 NTER communities, 1 684 kitchen repairs were undertaken out of a total of 2 351 surveyed houses.⁶⁷

5.93 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.⁶⁸

5.94 The FaHCSIA submission highlighted the following: 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.⁶⁹

Committee comment

5.95 The Committee recognises that improving the housing for Indigenous people in remote communities is a significant and much needed undertaking.

5.96 The Committee acknowledges and encourages the continued use of the comprehensive *National Indigenous Housing Guide*. It is a valuable resource that assists in the design, construction and maintenance of housing for Aboriginal and Torres Strait Islander peoples, with a particular focus on providing and maintaining the health hardware that supports a safe and healthy living environment.

5.97 The Committee believes that adequate housing and food preparation and storage facilities in the home is critical to ensuring better health outcomes for the Indigenous people living in remote communities. The Committee urges the Government to continue to work to improve the housing conditions in remote communities and ensure that Indigenous families

67 FaHCSIA, *Submission 62*, p. 21.

68 FaHCSIA, *Submission 62*, pp. 21–22.

69 FaHCSIA, *Submission 62*, pp. 21–22.

have appropriate cooking and food storage facilities, and are equipped with the knowledge to best use and maintain these facilities.

- 5.98 The Committee supports the current housing and kitchen refurbishment program in remote communities being undertaken by the Australian Government. This will be critical to continue improvements for the benefit of safe and healthy food preparation.

Cooking lessons

- 5.99 In the context of health and nutrition, cooking lessons could be an extension of this training. Learning to prepare nutritious cheap family meals is an essential life skill that should be encouraged in remote Indigenous communities.

- 5.100 During a public hearing on Masig Island there was a suggestion that cooking lessons would be one way of improving the quality of food provided for families in remote communities:

I believe that you could improve the quality by having somebody out here to do cooking lessons and to look at what food you can buy, what you can add and what value there is for people.

You will see that a lot of families eat a lot of rice and sort of traditional tin hamper food which they have on top of rice with tomato sauce. It is a filling food and it is all that they can afford, bearing in mind that hampers can have a high salt content. That, again, look at the kidney problems that they have. So they need to be able to have better choices and to look at nutritious and cheaper ways that they can feed their families.⁷⁰

- 5.101 Some cook books that have been written for Indigenous communities suggest low cost nutritious meals. The *Deadly Tucker* cookbook was produced as part of the FOODcents for Aboriginal and Torres Strait Islander People in WA Program, in 2004. Patrick Davies, Nindilingari Cultural Health Services, gave the *Deadly Tucker* cookbook '10 out of 10':

Our people are interested in knowing how to cook different meals and foods. They want to learn because they just snatched the books. Single guys were snatching the books... That book was cleverly put together in the way that its ingredients in the recipes are all stuff that you can find in the stores and stuff that you know as opposed to food that you do not know – a lot of Asian

70 Robyn White, Clinical Nurse Consultant, Queensland Health, Torres Strait and Northern Peninsular Health Service District, *Committee Hansard*, Masig Island, 31 March 2009, p. 26.

vegetables are all new to our mob. That *Deadly Tucker* cookbook is where I see the gold in that basic stuff. You can try and find big complicated answers to these questions, but a lot of the time it lies in those simple basic resources and education programs.⁷¹

- 5.102 The recipes in the book are easy to prepare and do not cost a lot of money. The cookbook has a section on suggested foods to stock in the cupboard and safe food handling recommendations. The cookbook even rates meals for people with diabetes. Another valuable concept of the *Deadly Tucker* cookbook is that it provides photos that demonstrate what to buy, the cooking process, and what the finished product looks like.⁷²
- 5.103 Mai Wiru has also produced a very good *Stores Handbook on Food and Nutrition* which includes healthy recipes.⁷³

Committee comment

- 5.104 The Committee saw a number of excellent resources aimed at increasing the skills of Indigenous families to provide nutritious low cost meals. The Committee considers that a more co-ordinated approach is required to disseminate available resources and potentially adopt resources to be appropriate to specific communities. The Committee also considers that, in addition to cooking guides, there should be shopping guides and a range of workshops provided that teaches Indigenous families how to purchase, store and prepare healthy food for low cost meals.

Recommendation 25

The Committee recommends that the Department of Families, Housing, Community Services and Indigenous Affairs support remote Indigenous community service programs that develop lifestyle skills, such as home cooking and shopping, to ensure Indigenous families have the skills to prepare healthy and nutritious meals in the home at low cost.

71 Patrick Davies, Spiritual Health/Health Promotion, Town Community, Nindilingarri Cultural Health Services, *Committee Hansard*, Broome, 20 July 2009, pp. 69–70.

72 Robyn Bowcock, *Exhibit 34E*.

73 Nganampa Health, Mai Wiru, *Exhibit 9*.

Healthy and affordable takeaways

- 5.105 Healthy and affordable takeaways provide an alternative option for remote Indigenous communities. This is particularly important for those communities that do not have the household hardware in place to provide daily nutritious meals.
- 5.106 The Committee believes healthy takeaways provide a good option for the community to access nutritious food. However, in the long term, it would be preferable if people were able to prepare safe and nutritious food in their own homes regularly rather than relying on the store and takeaway for every meal.
- 5.107 During the Committee's visits to remote communities in the Northern Territory it was shown around several of the takeaway stores. The Committee was impressed with the healthy food options available at some of the takeaways.
- 5.108 The Committee was told how some takeaway outlets were investing in Combi ovens to bake food rather than deep frying food. This was the case in Milingimbi in Arnhem Land, which is an Arnhem Land Progress Aboriginal Corporation (ALPA) owned store and is focussed on delivering nutritious food for the community. At a public hearing, Geoff McLean, ALPA Store Manager commented that the takeaway had a new cook who was promoting healthy lines of takeaway food at night. Mr McLean commented that:
- We are trying to promote a healthy menu across the line, such fresh salads and fresh hot meals, especially at night. When the community come in, there is something available as an actual meal, not as a snack type of meal.⁷⁴
- 5.109 The ALPA Australian Retail Consultant store on Goulburn Island also had a nutritious takeaway store that offered boiled eggs, pre-made sandwiches, salads, curries and baked vegetables. Both of the abovementioned takeaways were an extension of the community store.
- 5.110 A takeaway business operating in Maningrida called the Bawinanga Good Food Kitchen has been noted as a benchmark takeaway for remote communities in the Northern Territory. This takeaway outlet has been operating for five years with an emphasis on freshly cooked healthy food.

74 *Committee Hansard, Milingimbi, 23 July 2009, p. 9.*

The Committee was told the Good Food Kitchen is 'doing a very good job of providing very nutritious and safe food for the community.'⁷⁵

- 5.111 In its submission the Good Food Kitchen outlined the food it sells and its focus on healthy food items:

...we sell prawn and salmon wraps, fresh meat and salad sandwiches, salads, homemade pies and quiches, sausage rolls, hot roast rolls, toasted sandwiches, breakfast plates with real tea or coffee, curries, stews, casseroles, roast dinners, local mud crabs, fresh healthy snacks for kids and gourmet pizzas.

Nothing in the Good Food Kitchen is deep fried. We stock juices, low sugar drinks and light milk, instead of coca cola and other sugary drinks. Lollies are banned and we offer fresh fruits, boiled eggs, nuts and salty plums in their place.⁷⁶

Committee comment

- 5.112 The Committee was encouraged to see first hand some healthy takeaway options being sold in communities. The Committee strongly supports the Remote Indigenous Stores and Takeaway (RIST) resources and considers the *Healthy Fast Food: a Resource for Remote Stores and Takeaways* provide an excellent model for use across remote communities in Australia.
- 5.113 The Committee believes that healthy takeaway outlets offer another viable business option for remote communities. There would be positive flow on effects in terms of improved health outcomes for better nutrition, food education, and training and employment opportunities. These would all contribute to capacity building for the community and future economic sustainability.

Recommendation 26

The Committee recommends that the Department of Families, Housing, Community Services and Indigenous Affairs coordinate the dissemination of a healthy takeaway food guide, such as the Remote Indigenous Stores and Takeaways (RIST) *Healthy Fast Food: a Resource for Remote Stores and Takeaways*, and provide appropriate start-up training for remote store operators.

⁷⁵ Sue-Ellen Kovack, Remote Area Nurse, *Committee Hansard*, Maningrida, 23 July 2009, p. 31.

⁷⁶ Bawinanga Aboriginal Corporation, *Submission 51A*, p. 1.

5.114 Appropriate governance structures in remote community stores are fundamental to an efficient and well-run store and the provision of nutritious food at reasonable cost. The following chapter discusses the governance, cultural protocols and regulatory obligations of remote community stores.