Remote Indigenous community stores—more than a shop

2.1 A community store is a shop located in a remote Aboriginal or Torres Strait Islander community. The store is owned by the community who employ a store manager to run the store on behalf of the community. In some cases, the community appoints a store committee to make representations to the store manager on its behalf. A large proportion of stores in remote Aboriginal or Torres Strait Islander communities throughout Australia fit this definition of a community store.

2.2 Individual communities take great pride in their stores as they have ownership and responsibility for what is sometimes the only business and source of income being generated in their community. This is especially true for small communities that have limited economic opportunities.

2.3 Community stores in remote Aboriginal and Torres Strait Islander communities provide the community with food, drinks and other consumer items. In some cases the store is the only provider of food, drinks and clothing and therefore plays a critical role in the health and well-being of the community.

2.4 The quality of fresh food and availability of food plays an important role in the health and well-being of the community. It is the role of the store manager to ensure enough groceries, including fresh fruit and vegetables, are ordered and transported efficiently and safely to the store:

Most community stores in remote Indigenous communities have a unique food security role, commonly holding a high degree of
local market power as either the monopoly provider, or as one of few providers of food to the community.¹

2.5 The community store also sells a range of non-food items such as household hardware, for example, fridges and ovens, cleaning products, clothing, televisions, DVD players and DVDs, toys and sports equipment.

2.6 An inquiry into food prices in the Northern Territory found that community stores are the primary vehicle to ensure access to affordable and nutritious food supply to residents of remote Indigenous communities. Most estimates suggest that between 90 and 95 per cent of food eaten in Aboriginal communities is food purchased in the store, with traditional foods now contributing only a small amount to people's dietary intake.²

2.7 Further evidence received by the Committee suggested that while the access to food supply had varied over time, community stores were still key players for Indigenous health in remote communities:

The food supply in remote communities has changed significantly in recent years with community members having access to various sources, such as takeaways and private vendors; school canteens and nutrition programs; and aged care programs. Despite this the community store remains a major contributor to the food supply in remote communities.³

2.8 During the inquiry several witnesses commented that it was necessary to rely almost wholly on the store because in some regions of Australia, such as the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands there is ‘very little bush tucker available.’⁴

2.9 However an alternative perspective suggested the reliance on stores for food may be much lower in regions of Australia such as the outstation communities near Maningrida:

In 2002 the National Aboriginal and Torres Strait Islander Social Survey (NATSISS) showed that over 82 per cent of respondents had fished or hunted in a group within the past three months.⁵

¹ The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), Submission 62, p. 11.
² FaHCSIA, Submission 62, p. 4.
⁴ John Tregenza, Coordinator, Mai Wiru Stores Policy Unit, Nganampa Health Council, Committee Hansard, Alice Springs, 28 April 2009, p. 20.
⁵ Professor Jon Altman and Dr Kirrily Jordan, Submission 64, p. 4.
2.10 Many of the store models that the Committee received evidence about had attached or associated takeaway services. In some cases the takeaway section of the store was small and only provided an area for heated pies, sausage rolls and pizzas. A small number of takeaways were more substantial and had a kitchen that could prepare and sell both dry and wet takeaway foods such as sandwiches, salads, boiled eggs, pies, sausage rolls, pizzas, curries, stews, stir fry vegetables and soups.

2.11 Across remote regions of Australia there is varying reliance on community stores for basic food supplies, however it is apparent that the provision of good quality and nutritious foods can greatly affect the health and education outcomes of a community.

2.12 The Australian Government has made a commitment to closing the gap on Indigenous disadvantage, in particular, in respect to life expectancy. It has been estimated that 3.5 per cent of the total burden of disease in the Indigenous population is directly attributable to low fruit and vegetable consumption. The *Aboriginal and Torres Strait Islander Health Performance Framework 2008* states:

> Improving the supply and consumption of healthy food in remote Indigenous communities is required to reduce the high levels of preventable diet-related chronic disease suffered by Indigenous Australians, including renal disease, heart disease and diabetes.\(^6\)

**More than a shop**

2.13 It was reiterated throughout the inquiry that the community store is more than just a store—in effect, it is a social hub of the community. The Committee was told that people might be going to the community store to shop and to get their food but there are a lot of other interactions that are going on with the community store.\(^7\) For example, Automated Teller Machines (ATMs) are often located in the store and therefore the store may be the only place where banking can be carried out if people do not have access to phone or internet banking.

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6 FaHCSIA, *Submission 62*, p. 3.
2.14 During the Committee’s site visits to remote community stores it became apparent that the area in front of the community stores was often the general meeting place for the community. Many communities hold community meetings outside the store and on several occasions the Committee held its public hearings outside the community store.

2.15 Some of the stores the Committee visited had sheltered areas outside where people could sit and meet each other. Many communities and families also organised social events around the delivery day to stores. Such areas were valuable additions to remote Indigenous communities.

2.16 Mulan Aboriginal Community summed up the role of the community store in its submission:

The local Store on all ATSI [Aboriginal and Torres Strait Islander] communities are the same as it is in Mulan, they are the heart of the community, the meeting place for the adults, the place where the children know they can score treats from family members and where the teenagers congregate to discuss topics of interest to them. The community takes great pride in the presentation, operation and stocking of its Community Store and comparisons to other neighbouring stores is a topic of daily discussion. 8

2.17 The Centre for Appropriate Technology (CAT) discussed some findings with the Committee that demonstrated that the health of the store could essentially determine the stability of the community. Dr Bruce Walker, Chief Executive of CAT, made the following statement:

… the store was the centre of social activity for the community, that it provided essential services in the monopoly market and that it was required to perform multiple functions. This group of people felt that the performance of the store was an indicator of the stability of the respective communities, it was a key mechanism for delivering better services and infrastructure and it was a gauge of the morale and stability of the community. 9

2.18 The Northern Territory Government submission also noted that community stores can contribute to community capacity building by providing community members with the following:

- a voice and a role in an important community institution,
- a form for the development of leadership and management skills,

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8 Mulan Aboriginal Corporation, Submission 10, p. 2.
9 Committee Hansard, Alice Springs, 28 April 2009, p. 64.
an income source that is not reliant on government and can be used as untied funds for community needs or for bigger projects such as economic development, and

- a venue for social interaction as an informal meeting place.\(^{10}\)

2.19 According to Indigenous store management experts Burdon Torzillo, a good store is one that is financially viable, has a good range of fresh healthy foods, has affordable prices as far as possible, has healthy takeaway options, and has a sheltered area where people can meet, eat and socialise:

> A good store is the social hub of the community, has huge effects on health and well-being of individuals and the community as a whole and helps create economically viable and sustainable communities.\(^{11}\)

### Extending business opportunities of the store

2.20 Economic and social business is often an extension of the business of the store. If other business opportunities can extend from the store, there is more opportunity for communities to be self-sustaining.

2.21 The Committee heard that stores have an important role in stimulating the local economy in fresh market garden produce and a potential to generate spin-off developments through diversification of product, for example, in ornamental trees and plants, ecotourism, and in bush foods, medicines and beauty products.\(^{12}\) John Kop, Chief Executive Officer, Outback Stores stated it is important to encourage Indigenous business development through a viable store:

> I think it is a really important opportunity. Once you have a large number of stores, you vertically integrate for the Indigenous economy and continue to grow that. Market gardens are certainly part of that. Some might be quite sustainable and can supply either a region or a particular group…

> It all comes back to this capacity building. We generally find there is a very low level of capacity in communities. How do you start to

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12 Roger Goebel, Submission 5, pp. 3–4; Len Kiely, Acting Chief Executive Officer, Bawinanga Aboriginal Corporation (BAC), Committee Hansard, Maningrida, 23 July 2009, p. 38; Andy McGaw, Chief Executive Officer, Djarindjin Aboriginal Corporation, Committee Hansard, Broome, 20 July 2009, p. 24.
build that? From our view, it starts with a central hub, which is the store operating effectively. If you do that and it becomes a viable option, you can start to bring other viable options around that.\textsuperscript{13}

2.22 Further discussion of community gardens and farming and supplementing local fresh food supply is provided in Chapter 5.

**Store manager’s role**

2.23 The store manager plays a key role in the supply and quality of items available at the community store. As a result of the remoteness and often a monopoly situation for remote community stores, the store manager has a much greater responsibility for the community’s health and well-being than other store managers working in an urban setting. The influence of store managers on the health of the community is discussed further in Chapter 3.

2.24 The store manager is responsible for the regular supply of goods to the store which can be expensive and problematic in remote areas due to seasonal variations. For example, Maningrida is cut off for six months every year by the tropical wet season. The community is serviced year round by a barge service that is a monopoly.\textsuperscript{14}

2.25 The store manager works closely alongside members of the community and is often employed by a community store committee depending upon who owns the store.

2.26 Many remote stores are owned by the community and a number of these communities establish store committees to oversee the operations of the store and employ store managers. A well informed and active store committee is essential for a well functioning store. Some of the duties of a store committee include employing and liaising regularly with store managers, having an understanding of the financial position of the store, ensuring good governance practices are being implemented, talking with the community about specific wants and needs available through the store, and making decisions about how store profits should be spent. Governance is discussed further in Chapter 6.

2.27 The strength of the store can often be a gauge of the strength of the community. From the stores that the Committee visited, it was evident,

\textsuperscript{13} Committee Hansard, Alice Springs, 28 April 2009, pp. 34–35.

\textsuperscript{14} BAC, Submission 51, p. 1.
particularly for smaller communities such as Papunya, that good store managers usually resulted in a well run store and an overall sense of satisfaction within the community. When asked by the Committee whether there was a secret to running a good community store in a remote community the store manager from Papunya stated:

You have to understand people, treat them with common decency and fairness, listen to what they want and really go out of your way to try and get what they want for them. Good customer service goes a long way. Ultimately, you need to try and install the pride and thought of ownership with regard to the store. Once you get that momentum happening, people start to enjoy the store.\textsuperscript{15}

2.28 The Committee received evidence from various sources stating that the community store was often the main or only generator of employment in small remote communities. In this context ‘community stores are an extremely important economic and social resource. This is especially the case owing to the absence of commercial and employment opportunities in remote contexts.’\textsuperscript{16}

2.29 From the evidence received and the communities visited, the Committee concludes that a well functioning store has the potential to provide a range of local services to the community which in turn provide significant economic outcomes. A well qualified store manager who takes into consideration the needs of the community, in addition to applying his or her knowledge of retail best practice and business acumen, plays a vital role in the sustainability of remote Indigenous communities.

\section*{Store models}

2.30 In remote Aboriginal and Torres Strait Islander communities there are a number of different store models in operation. The Committee visited several of the store models to see them operating first hand and took evidence at public hearings about other models they did not visit.

2.31 The majority of the stores in remote Indigenous communities are community owned not-for-profit organisations or community-based enterprises where some of the profits are directed back into the community for improvements to store infrastructure and or benevolent

\textsuperscript{15} Greg Giumelli, \textit{Committee Hansard}, Papunya, 27 April 2009, p. 16.

\textsuperscript{16} Professor Jon Altman and Dr Kirrily Jordan, \textit{Submission 64}, p. 6.
activities. Other store models are privately owned for-profit businesses. There are also some state and territory government owned stores.\(^\text{17}\)

2.32 The following sections describe various store models—community owned, state and territory government owned, and privately owned—and their operations in different communities. The ownership and management of a community store has evolved differently in each community and even within one model, such as community owned, there are differences.

**Community owned**

2.33 There are several store models that are community owned and managed. There are those that are community owned and managed by an individual or couple. There are also those stores which are community owned and managed by a company or benevolent organisation, such as the Arnhem Land Progress Aboriginal Corporation (ALPA), Outback Stores, Island and Cape, the Finke River Mission, the Maningrida Progress Association, the Bawinanga Aboriginal Corporation, and Ninti Corporate Services to name a few examples.

2.34 Some small communities in Western Australia, such as Jarlmadangah Burru, One Arm Point community/Ardyaloon and Djarindjin, have community owned and managed stores. The Jarlmadangah Burru Store is community owned and run by Joseph Grande, who is an accountant, a project manager and a member of the community.\(^\text{18}\) The store services about 60 families and has a governing committee which holds monthly meetings within the community. The ‘store runs on a profit and loss basis and has only made one loss in the last 10 years, and was only a small loss.’\(^\text{19}\)

2.35 In Broome, the Committee received the following evidence about the ownership and management of community stores in the area:

> All the stores in the Kimberley are actually owned by the community. Some are part of the Aboriginal corporation and some are incorporated separately. Some communities have community members running their stores...Most communities either hire a management company—like Peter Grundy and associates, Arnhem Land Progress Association or Outback Stores—or they

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\(^{17}\) In the Northern Territory, about 15 per cent of stores licensed under the Northern Territory Emergency Response (NTER) are not owned by an Indigenous organisation. FaHCSIA, *Submission 62*, p. 14.

\(^{18}\) *Committee Hansard*, Broome, 20 July 2009, p. 96.

\(^{19}\) *Committee Hansard*, Broome, 20 July 2009, p. 98.

2.36 The Committee heard that most Indigenous communities prefer to retain ownership of the store even if the store becomes unprofitable and requires external assistance. The community store plays an important role in keeping the community informed and working cooperatively with each other. A well run store usually equates with a well run store committee.

2.37 The Chief Executive Officer of the Djarindjin Aboriginal Corporation outlined the benefits of a community run store:

\begin{quote}
We believe that a community controlled store is the best outcome because the community has a sense of ownership in the business and there is an opportunity for education and learning, because if you have a complaint about the store and you bring it to the council then it will get addressed. Whether you like it or not, you have to go through the reasoning process as a community member of why a decision was made. So it means there is a higher level of literacy about the dynamics that drive the community store.

Overheads are kept as low as possible. They have to be because everyone on council asks, ‘Why are you spending that money if it is going to put up the price of bread, butter et cetera?’

Our store also contributes to the sense of community by supporting things like our monthly tidy town barbecues, our scout troop and, for example, our interschool sports team, which recently won the trophy for the first time in 11 years. As they paraded around the community they were given free icy poles from the store. So it is an integral part of the community.\footnote{Andy McGaw, Djarindjin Aboriginal Corporation, \textit{Committee Hansard}, Broome, 20 July 2009, p. 23.}
\end{quote}

2.38 ALPA is a benevolent organisation and provides benefits to its community members from the profits made by the store. ALPA owns five stores in member communities and manages 11 others under fee for service management agreements. ALPA was established in 1972 and employs and trains local staff, ensuring that its Board of Directors and Chairman are local Aboriginal people.\footnote{Arnhem Land Progress Aboriginal Corporation (ALPA), \textit{Submission 61}, p. 1.}
2.39 During the early 1980s ALPA developed a retail consultancy called Australian Retail Consultants. All the stores are owned by the community and managed by ALPA. The stores are:

… profitable and viable commercial enterprises with an emphasis on local employment and training, nutrition, and range with the best possible prices. Surpluses are reinvested back into the business to improve services or used for community benefit. Many of these businesses are long-term clients happy to be part of a successful group and be out of the boom/bust cycle in which so many community stores become trapped.23

2.40 The Committee visited two ALPA stores in the Northern Territory. One was in Milingimbi, north west Arnhem Land, and was community owned and managed. The other ALPA store was at Warruwi, on Goulburn Island, and was community owned and managed by the consultancy arm of ALPA, Australian Retail Consultants.

2.41 Outback Stores is a not-for-profit company established by the Australian Government in 2006 which manages 27 community owned stores. Outback Stores was formed to provide ‘available, affordable, quality food from sustainable stores to improve health in remote Indigenous communities.’24 The operation of Outback Stores is based on the ALPA consultancy model, Australian Retail Consultancy.

2.42 Outback Stores is invited into communities to manage stores on a fee for service basis. Outback Stores stated in its submission that: ‘Communities are our partners, so we take on store management by invitation only.’25

2.43 Outback Stores is presently a wholly owned subsidiary of Indigenous Business Australia (IBA). However, given the commercial charter of IBA, it is intended that the operation of Outback Stores will be transferred to FaHCSIA. IBA commented that it considered this would allow a better alignment of Outback Stores with the Government’s social policy objectives.26

2.44 The Northern Territory Government submission commented that the Outback Stores model includes a strong focus on local training and employment, nutrition and returns store profits to communities. Outback

23 ALPA, Submission 61, p. 5.
24 Outback Stores, Submission 47, p. 8.
26 Indigenous Business Australia (IBA), Submission 67, p. 7.
Stores utilises central supply and partnerships with local suppliers to make goods more affordable.\footnote{Northern Territory Government, Submission 98, p. 6.}

2.45 The Committee inspected two community owned stores managed by Outback Stores in Jilkminggan and Bulman in the Northern Territory. A description of the communities visited by the Committee can be found at Appendix A.

2.46 Island and Cape is an example of a privately owned store management model servicing the Cape York and Torres Strait regions. Island and Cape is a unique management model as it has its own wholesale warehouse. Its main business is delivering wholesale food throughout the cape and gulf regions of the Torres Strait. Island and Cape is a locally owned Cairns-based operation, employing local and regionally based people. Its facilities include four buildings in Cairns, including dry warehouses, chiller and freezer facilities and four retail store sites in the Torres Strait region.\footnote{Island and Cape, Submission 2, p. 1.}

2.47 The store operations are overseen by the Cairns office and two experienced management teams based in the islands. Island and Cape encourage local Indigenous staff to participate in management roles and currently have two stores operated by locals. The stores are overseen and mentored by a company management team.\footnote{Island and Cape, Submission 2, p. 2.}

2.48 During a public hearing in Alice Springs the Committee took evidence about the Finke River Mission store and its history:

> The Finke River Mission is part of the Lutheran Church of Australia. We owned all of the Hermannsburg area until 1980. The people invited us and wanted us to continue running a store there. So now we are there by invitation of the people.\footnote{Selwyn Kloeden, Store Manager, Finke River Mission, Committee Hansard, Alice Springs, 28 April 2009, p. 54}

2.49 The Mission has a governance committee in Adelaide, comprising people from both Victoria and South Australia. In addition, it pays rent for the store. There are also two stores in Hermannsburg. One of the stores is promoted as a community store. Store manager Selwyn Kloeden commented that ‘generally, as manager, I have free rein as to what I sell, how we promote it and what other things we can do from the shop.’
profits of the stores go to subsidise the spiritual formation of pastors within Central Australia.\textsuperscript{31}

2.50 The Maningrida Progress Association (MPA) runs several enterprises in Maningrida including a supermarket. It is a community owned store that has 12 executive members on the board, comprising two members from each clan group in Maningrida. During the public hearing the Committee was told that: ‘The Maningrida Progress Association store is one of the oldest shops in Maningrida.’\textsuperscript{32} Any profits from the store go back into the store infrastructure as well as back to the community for things such as sorry business:

\ldots the money also goes back to the people, because every death that we have is $1 000 that we have put towards the family that still goes back for the ancestor ceremony food.\textsuperscript{33}

2.51 In its submission the Committee was informed that the Bawinanga Aboriginal Corporation (BAC), another community-owned entity, operates a supermarket and some twenty other commercial enterprises in the Maningrida community. The BAC employs fifteen local Aboriginal people in the Barlmarrk supermarket, and there is a range of training and career options available to them. Profits from the store are returned to the community principally in the form of employment and as seed money for the establishment of additional commercial enterprises.\textsuperscript{34}

2.52 The BAC provides a mobile store service, also referred to as ‘the tucker run’ to remote dwelling outstation people. The considerable costs of delivery are absorbed by the Corporation as a benefit to members, and customers pay the same price for goods as they would pay in the supermarket in Maningrida.\textsuperscript{35}

2.53 Ninti Corporate Services is an example of a community corporate body which manages community owned stores. It is owned by Wana Ungkunytja which is in turn owned by the Nyangatjatjara Aboriginal Corporation. The corporation’s members are the residents of Mutitjulu, Imanpa and Kaltukatjara, which are the three communities in the south of the Northern Territory.
In its submission, Ninti Corporate Services said its focus was on generating enterprise and employment opportunities for its communities. All of the surpluses are distributed back to the Nyangatjatjara Corporation to provide education and directly to the three communities for beneficial purposes. Ninti is a not-for-profit and a public benevolent institution.\textsuperscript{36}

**Government owned**

The Queensland Government operates six stores (five of which it owns) in remote Aboriginal communities in Queensland. These stores are referred to as the Retail Stores. A separate statutory body, the Island Industries Board, trades as Islanders Board of Industry and Service (IBIS) and operates 15 stores in the Torres Strait and one in the Northern Peninsula Area of Cape York. These stores are referred to as the IBIS stores.

Both Retail Stores and IBIS are government owned entities and are therefore not-for-profit organisations. As well as the provision of food and other essentials, these stores stock items such as white goods, furniture, drapery and variety products. They operate as general stores with standards and operating methodologies commensurate with private sector best practice.

IBIS received financial support from government until 2006, when government assistance was provided to pay outstanding liabilities incurred prior to 2002 and to complete a stores replacement program commenced in 2001. There has been no subsidy of IBIS retail operations since 2002. Retail stores are not dependent on assistance from the state government and are self-sustainable for capital and operating activities.\textsuperscript{37}

There are also a number of government owned stores in the Northern Territory. Five newly formed Shires in the Northern Territory have recently acquired community stores as assets under the local government reforms (Victoria-Daly, Roper Gulf, East Arnhem, West Arnhem and MacDonnell).\textsuperscript{38}

**Privately owned**

A small number of privately owned and managed stores exist throughout Australia. In a submission from the Port Augusta Hospital and Regional

\textsuperscript{36} Submissions 8 and 8A, Matthew Ellem, Chief Executive Officer, Ninti Corporate Services, Committee Hansard, Alice Springs, 28 April 2009, p. 110.

\textsuperscript{37} Queensland Government, Submission 90, p. 2.

\textsuperscript{38} NT Government, Submission 98, p. 5.
Health Services, South Australia (SA) Health, this issue was raised. The submission noted:

Not all remote areas of SA have a store that is community owned—many are private businesses, operating on a for-profit basis. In another situation there are two stores: a community owned store and a private business/roadhouse servicing both local and tourist needs at prices tourists expect and can afford.39

2.60 One example of privately owned and operated stores that was brought to the Committee’s attention was stores which have evolved around outback stations over many years and provide critical goods and services to the local people. The Committee received evidence from several station store operators and managers in Alice Springs. Lynne Leigh, who operates the Epenarra Store and Murray Downs store, stated in her submission:

Most Station Stores came to be as a result of need many years ago to provide a Store for our local people. For many years Station Stores have been assisting in the delivery of many services to our communities.40

Committee comment

2.61 During the inquiry the Committee was able to travel to in Queensland’s Cape York Peninsula and the Torres Strait Islands, Central Australia and the Northern Territory to inspect a variety of stores in remote Indigenous communities. The Committee inspected several different models of stores and observed how central the stores were to the social, health and economic well-being of these communities. The stores were at times very busy, particularly around mealtimes. The Committee noted long queues to access money from the ATM, usually located in the store, in particular before lunch and dinner.

2.62 This supported the evidence that the Committee received during the inquiry suggesting that people tended to buy food as required for their next meal. In many instances this was to make use of the refrigeration that the shop had, as households may not have refrigeration or may share a house with a large number of kin.

2.63 In general, the stores varied greatly in terms of the infrastructure of the store and the quantity of line products and quality of groceries. Some of the reasons for these differences included: population size; geographical

39 Submission 1, p. 2.
locations; freight options available, such as road transport and or barges; and different store models supporting different styles of store management.

2.64 The Committee recognises that all these variables play a significant role in the success or otherwise of the community store in remote Indigenous communities.

2.65 Many communities expressed a great deal of pride in their local store, although some also observed that produce was not fresh, the range of goods was limited, and the costs high. A small number of communities expressed frustration around issues such as community involvement, governance, hygiene and food quality.

2.66 Given the central role of a store in a remote community, the Committee considers that all stores, regardless of the ownership model, have a social responsibility to the community. While private enterprises seek to be commercially viable, the Committee notes that, for many stores, profits are returned to the community and the primary focus of the store operation is to serve the community’s needs.

2.67 The Committee considers that this social responsibility of a remote community store includes contributing positively to the social and economic capacity of the community. This may be by providing leadership on healthy eating habits, opportunities for training and employment, access to some necessary services such as banking, as well as ensuring a secure supply of quality and affordable produce.

2.68 Across the communities that the Committee visited it was apparent that all viewed their store as more than just a shop—it sustained their day to day life, it provided a social meeting place, and it represented opportunities for improved community outcomes in the future.

2.69 Finally, the Committee agrees with the evidence gathered emphasising that a store is not just a shop. The Committee believes it is necessary for the store to influence the community on healthy eating habits. The following chapter discusses options on how best to deliver nutrition policies into stores.