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Submission No 55

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

From Janet Chisholm, Napperby Station

In response to your call for submissions into community stores, I would like to make a few observations and comments.

I have lived in the Northern Territory for over 23 years and operate a store on a cattle station. We have a nearby community of over 300 people which also has a community store. The community store has been in operation for the same period of time.

Firstly, I would like to address the perceived "need" for a community store. For sometime there has been an almost "obsessive" view by visiting government people that there must be a community store on every community.

Originally, this was based on the perception that the community store would represent a profit centre, providing jobs and income. The profits would then be either distributed amongst community members or re-invested in the community. This has never been the case at Laramba Community. The community store has been declared bankrupt three times in the past through mismanagement. On each occasion, grant funding has bailed the store out of its debts. The last 10 years or so, under ethical management, the store has remained liquid.

Along with this perception of stores as a profit centre, has been the expectation that community stores also provide an easy opportunity for store managers to "rip off" the community. Sadly, many times this has been the case and this has tarnished the reputation of all stores throughout the NT.

Fraudulent storekeepers have managed to squirrel off money through various means. Few have been charged with fraud and many have continued to remain on the "employment circuit" and move from store to store with ease, only to repeat the same offence..

The other significant change affecting the role of the community stores over the last few years, has been the increased mobility of community members. And, more importantly, the mobility of welfare payments since the introduction of EFTPOS.

With more reliable cars, this change has meant that members of the Laramba community for example, can readily access shopping in Alice Springs to visit Coles, Woolworths etc. Alternatively, they have access to four other outlets within 40 kms of the community, including that Napperby Station store, 2 kms away. They are not limited to shopping at the community store.

Napperby Station has had a store since the 1960's. Initially, this store, like other station stores, was established to assist the government in issuing rations (under instruction from the Native Affairs Branch of government). During this time, provisions were collected and distributed at the expense of station. Then later the stores were engaged to distribute social security cheques and now, as it is today,

operating as a commercial business. The Napperby store is licensed by FACIA and offers a full range of fresh foods and other variety goods. Again, as mentioned above, the station store represents simply one of the choices available to community members

This brings me to my second point of discussion, the introduction of the Outback Store model.

It is my understanding, based on reading the original briefing paper of Outback Stores, that the intention of this model was to provide services where people were not able to access a variety of healthy fresh produce (at competitive prices) or where viable stores did not exist.

I also understood, it was not the intention of this government-backed model to go into areas where successful stores existed and effectively “exterminate” businesses, be they community or privately owned.

To my knowledge this is exactly what Outback Stores has achieved.

In addition, during the first 6 months or so of operation, the organisation acted as a monopoly, refusing to deal with certain suppliers, without following the tender process.

This behaviour is completely contrary to the Trade Practices Act and the concept of free and fair trading.

As far as I am aware, current legislation does not support government bodies adopting a monopolistic approach to the detriment of private individuals and a free, competitive environment.

Following many complaints from those suppliers excluded from the process, I understand changes have now been made and a fairer system is in place.

I do believe, however the Outback Stores model in principle has merit, providing its introduction follows the objectives of the initial brief - where no viable or “suitable” store is in operation.

It is not the first time such models have been adopted. Over the years there have been numerous cooperative organisations, such as AWS and ALPA all designed with the objective of better, healthier delivery of goods to remote communities.

It always seems that the success or failure of these organisations is based on the culture of the organisation, its management procedures and most importantly, accountability of the people operating the business.

If the current model is to be a success, only sound corporate governance and open, honest accountability can make this happen.

However, it is not a matter of one size fits all. Every community is different and has different factors affecting it, including the factors mentioned above. The model needs

to be assessed against a standard list of criteria and business model applied as would be the case in the commercial world. Outcomes should be based on a real and measured need. Not a whim of the bureaucratic process.

From the point of community relationships, where the station stores have been forced to close through the introduction of income management and the monopolistic approach of Outback Stores , there is a real danger of disenfranchising the indigenous community with the pastoral sector.

The station stores, as well as being providers, are a communications network that enable a regular interaction between community members and the station, which amongst other things has in the past been the main facilitation for the recruitment of community members into the workforce.

It is also well documented that aboriginal people living on pastoral properties have had a better health and well-being than their settlement and urban counterparts.

In conclusion then, based on my experience, I believe it is a combination of all these factors which needs to be considered in developing policies for the future.

Yours sincerely

Janet Chisholm