

# Delivering the goods

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**Some of the answers to a healthier future** for Indigenous people in remote parts of Australia can already be found within the communities themselves.

**STORY AND PHOTOS: ANDREW DAWSON**

**S**eisia sits at the tip of Cape York. It’s one of Australia’s smallest and remotest communities.

The jetty is a gathering point for locals and tourists because the fishing there is so good. As one travelogue writes, “the day is measured not by the clock but by the flow of people and nature”.

Another gathering point is the local supermarket. It’s an important lifeline supplying fresh food and other essentials to the community. And, just as importantly, it makes a healthy profit that is used to fund local projects for the community.

Jospeh Elu, mayor of the Northern Peninsula Area Regional Council, is proud of the store. He believes it’s a good example of how Indigenous communities can successfully operate their own businesses and how well-run community stores can contribute to people’s health.

“We’ve had our shop running for 10 years and we’ve always increased our takings in those 10 years,” he said. “This year we’re budgeting for \$7.15 million turnover



**HEALTHY BUSINESS:** *Supplying fresher food for Indigenous communities in Aurukun and Kowanyama.*



**FRESH IS BEST:** Joseph Elu (left) shows MPs Danna Vale, Bob Katter and Jim Turnour locally butchered meat in Seisia.

and hopefully we make about three-quarters of a million dollars profit out of that, which is basically just over 10 per cent profit.”

Members of the House of Representatives Aboriginal and Torres Strait Islander Affairs Committee recently visited Seisia as part of their investigation into remote community stores. The committee is looking at whether such stores are best run by government agencies, private retailers or Indigenous communities themselves.

With grocery wholesalers located thousands of kilometres away, providing fresh and affordable food is not easy. Freight in supplies up the coast by sea barge adds a lot to the cost of everyday items.

“We’re very much reliant on barges but somebody once said if you live in paradise you have to pay for it,” Mr Elu said.

The cost of freight is factored into the prices that are charged at the supermarket. But this presents its own challenges.

“The people up here are very low earners, their expendable income is very low,” Mr Elu said.

One thing that is not compromised is the quality of the food. Mr Elu said the store operators shop around and haggle with fruit and vegetable suppliers in Cairns to ensure good quality produce. And, unlike other stores in remote parts of northern Australia which sell their meat either frozen or plastic sealed, the Seisia store butchers its own meat locally.

“We’ve had good feedback on our store not only from the locals but from people visiting from down south. Some of them come up and they say we have better quality meat than in their supermarkets in regional towns,” Mr Elu said.

The extra effort put into sourcing fresh produce carries important health benefits for a local population struggling to combat higher rates of diabetes, obesity and heart disease than non-Indigenous Australia.

Pricing is also used to promote healthier options. By making nutritious food and fruit juices better value than the cheaper processed foods and soft drinks, the store is helping to improve the overall health of families.

“What we’re trying to do is have the healthy stuff at a less marked up cost so that we can put mark ups on other things like Coke and things that are bad for your health. Of course people still buy that stuff and we still make some money out of

it, but we make your healthy items much cheaper so that they can buy more of it,” Mr Elu said.

Four hundred kilometres south in Aurukun the local supermarket was once a government run enterprise, operated through the Queensland Department of Communities, but is now run by private company Island and Cape, which has a chain of stores in north Queensland and the Torres Strait. Company owner John Smith firmly believes that local involvement in the running of the stores is crucial to their success.

“I think the difference between our stores and others is that each and every one of our store managers orders for their store so they know what the community people want and require,” he says.

Current Aurukun supermarket manager Craig Oxlade previously managed the store on behalf of the Queensland government. He is able to compare his current hands-on stock ordering system to his past experience with a centralised ordering system that resulted in some food items being out of stock for weeks on end.

“The control of ordering was being centralised back to Brisbane. We found that the store stock levels were running down dramatically. We experienced a number of weeks of being out of stocks,” he said.

According to Mr Oxlade, food shortages also occurred because the government opted for a fortnightly sea freight service.

### **“What we’re trying to do is have the healthy stuff at a less marked up cost.”**

“Since we have been taken over by Island and Cape, we are back to weekly barges. That has made keeping decent fruit and veg on the shelves much easier, and we have been able to build our stock levels back up. At any point in time, the store sits on about three-quarters of a million dollars worth of stock across the range. We were dramatically running down once the ordering processes were centralised back to Brisbane.”

But Mr Oxlade highlighted to committee members the huge cost of shipping food up the Western Cape coastline to Aurukun from Karumba, after it had been trucked across



**LOCAL INVOLVEMENT:** Aurukun store manager Craig Oxlade (second from left) with supermarket staff.

Queensland from Cairns. He estimated transport added at least 15 per cent to the cost of his groceries.

“To give an example, we landed a barge in here two weeks ago. I had 44 pallets of stock on it. It cost us \$29,000 for the barge component of the freight. You then add the road transport component from Cairns to Karumba and then we pay the council a further \$60 a pallet to move the stock from the barge landing to the store. So we are talking in excess of \$800 per pallet to land that stock here in Aurukun.”

More than 200 kilometres south of Aurukun is another remote community, Kowanyama, where the main food store is operated by the Queensland government.

The bulk of supplies are freighted into Kowanyama by road but that is not possible during the wet season from December to May when food is flown in. A submission to the Aboriginal and Torres Strait Island Affairs Committee from the chief executive of the Kowanyama Aboriginal Shire Council John Japp warned of food quality issues at the government run store. He alleged some perishable items were kept on the shelves beyond the use by date and he was concerned by a lack of any governing authority to monitor consumer complaints.

Some of his concerns were backed up in part by the manager of the store, Ian McDowell, who told MPs about inadequate food warehousing in very hot conditions. Mr McDowell has managed stores in many remote communities across Australia and seen what extreme heat can do.

The Kowanyama store has its chiller containers and freezers in a warehouse at the back where the ambient temperature can reach in excess of 35 degrees. He believes more suitable food warehousing is needed in these communities to keep food from perishing and help lower costs.

“If that storeroom was air-conditioned at a constant level then the product would be a lot fresher,” Mr McDowell said.

He believes Indigenous communities should own stores and eventually run them themselves, when locals are trained well enough.

“The question of ownership of these stores should not rest with anyone other than the community,” Mr McDowell said. “Until there are people trained and educated to the level where they are complete retailers, there is going to be a need for professional retailers to be employed. However, those professional retailers must also be teachers.”

At Seisia, Joseph Elu also advocated community ownership. Even if some Indigenous communities do not feel confident about managing the stores themselves, Mr Elu said they should be working towards that goal.

## Model management

Outback Stores is a federally-funded retail management company that runs 27 stores across Australia on behalf of the Indigenous communities they serve. Twenty-two of its stores are in the Northern Territory, and the rest are in Queensland, Western Australia and South Australia.

The effectiveness of the Outback Stores model of management is being closely investigated by the House of Representatives Aboriginal and Torres Strait Islander Affairs Committee as part of its inquiry into remote stores.

Outback Stores has received \$48 million in federal funding, which includes \$8 million for start-up and \$40 million in capital for commercial loans that have to be repaid. A further \$29 million was received as part of the federal intervention in the Northern Territory to support unviable stores.

Working on a fee-for-service basis, Outback Stores provides centralised support services and seeks to return any profits to the communities. It has taken on community stores previously considered ‘basket cases’ or insolvent and turned them into thriving, profitable stores offering a full range of healthy foods.

The chief executive of Outback Stores, John Kop, told the inquiry that his not-for-profit organisation has shown it is possible to “run a professional, well-stocked, cost-effective store that meets the need for basic healthy lifestyles and the needs of any remote community”.

The Dungalan Aboriginal Association had asked Outback Stores to take over management of a community store in Jilkminggan (NT).

“When Outback Stores staff were asked to manage the store it was in a mess financially and women were travelling greater distances, with children, to go to Katherine or Mataranka to find their food supplies,” Mr Kop said.

“The store was dark, dirty and in a hot tin shed. Most of the stock was unsaleable. The limited food items on the shelves were expensive. An environmental health inspection revealed multiple issues, including the need to seal walls, floors and ceilings from dirt and dust; conceal electrical pipes and wiring; provide hand basins, with hot and cold water; and provide correct shelving to display proper food.

“There was no air-conditioning and no control of vermin. Vermin were rampant in the store. The store manager lived in a small room as part of the store.”

The Dungalan Aboriginal Association negotiated \$160,000 in funding to insulate the roof, ceiling and walls, as well as install air-conditioning, a new floor, ventilation, lighting and a new office and storage area. Sales in Jilkminggan have doubled, it employs five Indigenous staff and two managers and it sells fresh fruit and vegetables.

“If they’re government-owned and they’re just an outlet for food items then people would always treat them like that, they have no ownership or feeling of being part of that operation,” he said.

“Maybe the infrastructure is owned by the community or someone in the community and the operators can come in and pay rent on the operation so that at least someone in the community is making money out of that shop and the profits go back there.” •

For more information on the inquiry into remote community stores visit [www.aph.gov.au/atsia](http://www.aph.gov.au/atsia) or email [atsia.reps@aph.gov.au](mailto:atsia.reps@aph.gov.au) or phone (02) 6277 4559.