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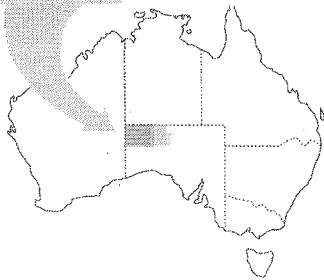
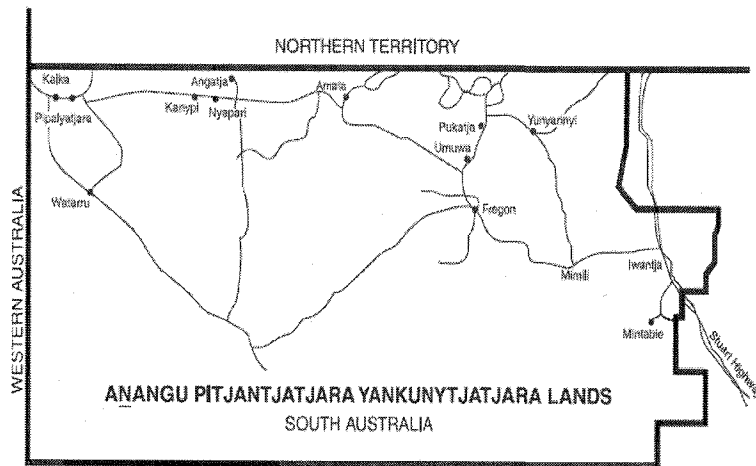
BY: ATJIA

Ministerial Inquiry
into

Remote Community Stores in Aboriginal and Torres Strait Communities

Submission from Nganampa Health Council
3 Wilkenson Street
Alice Springs NT 0871

Regarding **The Mai Wiru Regional Stores Policy**
Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, SA



Introduction

The Anangu Pitjantjatjara (AP) Lands cover one-fifth of South Australia, or 103 000 square kilometres, in the remote far north-west of the State. The AP Lands have a population of 3000 people living in seven municipalities and up to 50 occupied homelands. There are six stores in the larger towns of Iwantja (Indulkana) which also services Railway Bore and other homelands, Mimili store servicing Mimili and homelands, Kaljiti (Fregon) servicing Irintata and homelands, Pukatja (Ernabella) also servicing Anilalya and other homelands, Amata servicing Tjurma homelands and others and Pipalyatjara store also serving Kalka and other homeland residents. There are three smaller stores at Watarru, Kalka and Kanpi.

For some years, Anangu at community level have been demanding action on food accessibility (including affordability) and food availability (including range and quality) in local community stores. They recognised that their stores, store management and store policy are key determinants of nutritional status. The need for a regional stores policy on the AP Lands was first identified in 1987 Report of Uwankara Palyanyku Kanyintjaku – An Environmental and Public Health Review. Subsequently 1998 a report submitted to Anangu Pitjantjatjara (AP) Services showed that Anangu cannot afford to be healthy. Anangu do not have enough money at the store door to buy the food and other essential goods they need to be healthy. Acting on this “ Cost of Living” study Anangu Pitjantjatjara (AP) the land holding body decided that a health based stores policy needed to be applied to all stores on the APY Lands. With funding support from the then Facsia the Mai Wiru (Good Food) Policy was developed and signed off in 2001.

Food Supply

Mai Wiru community stores receive weekly freight of fresh fruit, fresh vegetables, and other perishable foods and variety items. Fresh fruit and vegetables are sourced from the Mai Wiru Preferred fruit and vegetable supplier in Alice Springs. Fresh meat is sourced from the Mai Wiru Preferred meat supplier in Alice Springs. There is a flat freight charge (\$230 per pallet) to all Mai Wiru Stores regardless of their distance from Alice Springs. This was established so that communities located in the far north west of South Australia were not penalised compared to the communities located

closer to the Stuart Highway. Under the Preferred Supplier Agreement (outlined later in document) ABC Transport are the nominated freight company.

- Alice Springs to Indulkana, 470 kms, 460kms sealed road, 10kms unsealed
- Alice Springs to Mimili, 530kms, 460 sealed road, 70kms unsealed road
- Alice Springs to Fregon, 700kms, 460 sealed road, 240kms unsealed road
- Alice Springs to Amata, 600kms, 350 sealed road, 150kms unsealed road
- Alice Springs to Kanpi, 700kms, 350 sealed road, 350kms unsealed road
- Alice Springs to Pipalyatjara/Kalka, 800kms, 350kms sealed road, 450kms unsealed
- Alice Springs to Watarru, 950kms, 350kms sealed road, 600kms unsealed road

Issues in Food Supply

As Watarru is a very small community of approximately 50 persons the weekly order usually amounted to a couple of pallets and therefore, it was not financially viable, considering the distance and end of line stop, for the freight company to deliver each week. After 2 years the freight company now delivers once a fortnight. This highlights the need for a governmental freight subsidy. A fortnightly delivery compromises the quality of the fresh fruit and vegetables at the end of the delivery cycle. This has resulted in reduced consumption of fresh fruit and vegetables by the local population.

Food Quality

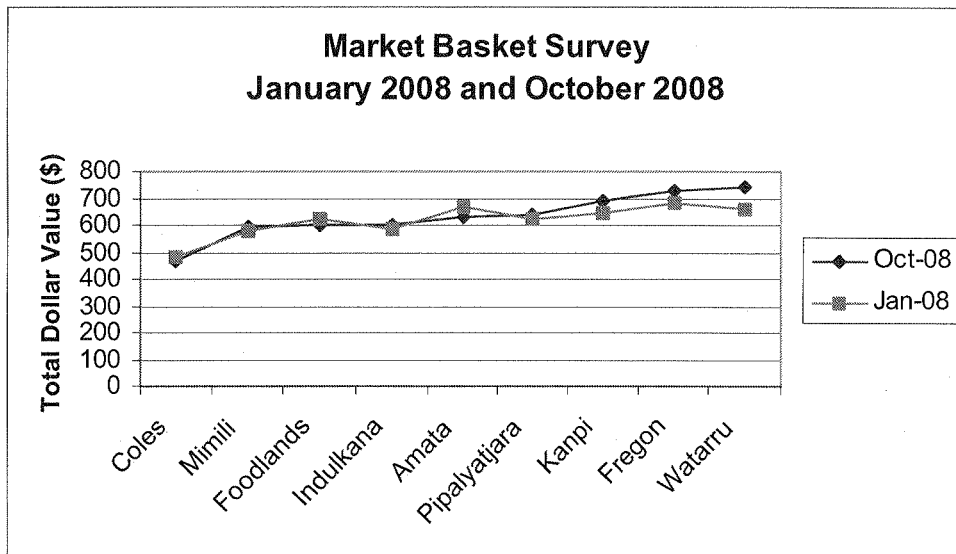
The quality of food is monitored on a regular basis through a variety of mechanisms, they are:

- Data loggers are placed randomly and surreptitiously in the freight truck to track and monitor the cold chain temperatures
- Regular visits to Mai Wiru Stores by members of the Mai Wiru Implementation team to review and observe food quality and food chilling and storage methods in the store. Any required feedback is passed onto the relevant supplier or store manager.
- Stores managers review quality of food items each week when receiving goods. If goods are not of an acceptable quality the preferred supplier for

that food item is contacted and credits or amendments are made to the invoice of food item

Cost of Food

In January 2008, October 2008 (and again in March 2009) a market basket survey is undertaken between all the Mai Wiru stores and prices are compared with Coles in Alice Springs and a local suburban IG supermarket in Alice Springs. Information gathered is then disseminated amongst store managers and store committees.



Issues in Food Cost

The Mai Wiru Stores have a strong health focus but even so, they must still be economically viable. Historically stores were often required to make a “profit” so that community donations from the store could be made that would provide resources or services to the community. Notwithstanding that the stores were all incorporated as Public Benevolent Institutions {PBI} and “not for profit”, this was and still remains a common practice and potentially an activity of interest for the Australian Tax Office.

The stores also face all the normal cost imposts and cost drivers that mainstream retail stores face, specifically the cost of supplies and services, wages, insurance, freight, repairs and maintenance and the need to future proof that would allow for capital upgrades on the store and housing associated with the store. The cost of repairs and maintenance are also considerably higher than in a regional centre. Some of these cost imposts can also vary ie. freight rates can increase when a load limit is imposed

on the road that services the community or a fuel levy is applied by the freight company when the price of oil increases. High staff turnover adds a cost burden on our stores. In the last six months 12 positions have been replaced at an average recruitment cost of @ \$10,000 / position. There are also abnormal costs such as fraud on the part of some store managers, which contributes to the boom and bust cycles of stores. All these demands impact upon the price of foods.

The Mai Wiru stores provide 95% of energy requirements for the community residents and if the store fails the community cannot function. Therefore, it is vital that stores are acknowledged to be an essential service and it is imperative that a subsidy be applied to reduce the cost of foods and essential health hardware items.

In 2003 the National Centre for Social and Economic Modelling {NATSEM} produced a model for such a subsidy for the APY Lands at the request of the Mai Wiru Stores Support Unit. To date there has been no interest in the application of such a subsidy despite the fact that by any measure the population of people on the Lands can be defined as economically vulnerable.

Competition Issues

Stores are an essential service however they operate inside an economy. If this economy is unstable, fractured, dispersed, unregulated, systemically plundered and lacking any focussed attention then the stores will face an ongoing battle to remain economically viable and provide the essential service. Professional, expert well researched macro and micro financial / economic advice is needed to build an APY Economy that meets the needs of the people and resists leakage and depredations. A strong commercial relationship with a “ Regulated Financial Institution” is critical for the underpinning of any efforts to stabilise, consolidate and build an economy and economic development.

Poverty needs to be tackled before major health gains can be expected. This requires that the local economy be recaptured, stabilised, consolidated and regulated. Stores that are trading effectively are able to identify and source affordable and nutritious food and essential items which can contribute to a stable economy and the health of the population.

Both the Australian Securities and Investment Commission [ASIC] and OCBA have exercised their regulatory responsibilities at Mintabie (also on the AP Lands) with a visit to the mining town. This has been followed with a meeting with the main four banks, the Australian Bankers Association, OCBA, ASIC, the APY Land Council Chairperson and a member of the Mai Wiru Stores Support Unit.

Of serious concern is the decline in store turnover across the Lands. This is attributed to the credit system available at Mintabie and another private store trading on the APY Lands. This involves the extending of credit if a customer is prepared to leave their keycard and their pin number with the Traders. This type of system is open to abuse and has serious negative consequences on people's disposable income, their health and wellbeing.

A meeting has been held with the four banks, their national association ASIC and OCBA and a strategy has been put in place to address the abuses of this system. It has been estimated that around \$4 million per year leaks out of the Anangu economy and into the businesses at Mintabie. Unfortunately there has been no further action from the SA Government on this abuse of the keycard system. The APY Land Council has included compliance with the Mai Wiru Policy by the Mintabie traders as a precondition for APY agreeing to any renewal of the Mintabie mining lease. CentrePay appears also to be problematic at Mintabie and methods to introduce CentrePay responsibly into Community stores have been pursued.

Mai Wiru will continue to face a bumpy road. Internal resistance may increase as measures introduced by the Regulators and the Banks are deployed and impact the ability of Anangu to access unregulated credit. Changes to CDEP may also lead to a decline in income levels. Criteria defining when a client is in breach have been tightened up and will lead to Anangu being breached more often with the subsequent loss of income. Hunger will cause problems in communities and stores and questions will be raised in relation to the price of food in the stores.

The APY Economy requires urgent attention both at the macro and micro level. The Economy needs to be 'recaptured' stabilised and consolidated. At an individual level a

voluntary Income Management Scheme needs to be introduced to counter the loss of the unregulated credit.

Some cost structures and cost drivers can be mitigated with Government assistance. They can include a range of subsidies, capital and recurrent funding. These may reduce overtime as the Economy is bolstered and economic development achieved.

Store Models

Mai Wiru (Good Food) is a stores policy that has been developed under the auspices of Nganampa Health Council in conjunction with Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council, as a result of a directive from Anangu Pitjantjatjara (the land holding body). *Mai Wiru* is a first of its kind, in that it is a regional policy for remote Aboriginal community stores with a health focus and a legislative basis for enforcement. The locations of *Mai Wiru* Stores are in the communities of Iwantja, Mimili, Fregon, Amata, Kanpi, Kalka, Pipalyatjara and Watarru.

Community participation in the management of stores is encouraged through a number of mechanisms. They are; steering committee and store manager meetings, regular community and store visits by the *Mai Wiru* Implementation Team and the part time employment of two Anangu project workers and a full time Anangu project officer. Other evidence of community participation includes the signing of the Memorandum of Understanding between community committees and the *Mai Wiru* Regional Stores Support Unit. Along with Commercial Trading Agreements signed between Community Chairpersons and the Preferred Suppliers.

The preferred suppliers are;

- Independent Grocers
- Prime Cut Meat Supplies
- Stuart Bakery
- Central Fruit and Vegetables
- G&R Wills
- ABC Transport

The goal of the Mai Wiru Regional Stores Policy is to improve the health and wellbeing of Anangu living on the AP Lands by ensuring continuous access for them to nutritious and affordable food and essential health items.

The process associated with developing the *Mai Wiru* Regional Stores policy has been driven by Anangu from its inception. Wide-ranging community input and representation has been achieved through a participatory planning process, which has been operationalised through the 25 - member steering committee. The steering committee is representative of every community of the AP Lands.

The planning process for the *Mai Wiru* stores policy began in December 2000, when Commonwealth Department of Family and Community Services funding was made available. Community consultation was carried out through a series of meetings with each community, commencing with community council representatives and relevant staff, and then leading to larger public community meetings and smaller special interest groups meetings – for example, Aboriginal Health Workers. The process also included formal community council meetings. The community meetings were all conducted in Pitjantjatjara, and a portable PA system was used to ensure everyone could hear and could participate as required and as they wished. In addition to public meetings and discussion groups, the process has also included consultation with community council chairpersons and community store council chairpersons, store managers, and administrative officers in all communities.

There was a process of ongoing feedback of findings to community members that facilitated the achievement of jointly developed recommendations throughout. The dissemination of findings and feedback to community members was integral to the development of final recommendations. The participatory methodology adopted by the project team was designed to ensure that the interests of individuals and the interests of discrete community groups were taken into consideration. Community members had developed clear ideas about the issues relating to stores over a period of some years, and the planning process helped to crystallise community views. It was noted that communities chose representatives for the steering committee who had a clear understanding of the link between health and nutrition, and often a longstanding involvement in health promotion or store operations.

Impact on Health Outcomes

Nganampa Health Council records show that on the AP Lands the life expectancy of Aboriginal adults is about 20 years less than non Aboriginals for men and about 15 – 17 years less for women. The major reasons for this reduced life expectancy and for the high level of illness and hospitalisation are the high rates of chronic illnesses; failure to thrive, heart attacks, strokes, diabetes, high blood pressure, kidney disease and failure and lung disease. The Medical Director of Nganampa Health Council argues that the single most important factor in all these conditions is weight gain.

It needs to be emphasised that the rates of obesity and insulin resistance syndromes in the APY communities are now so high that the majority of the adult population over 35 will be effected. This provides a situation in which we are not aiming to target a subset or “at risk” group of the population with a nutrition strategy but our whole population is both at risk and suffering disease. This is why an effective and sustainable stores service is an essential prerequisite for changing the health profile in this region.

Achieved objectives of the Mai Wiru Regional Stores Policy that relate to positive health outcomes are;

- Food is safe and is sold in a clean store that meets the guidelines for the SA Environmental Health Branch
- Food is nutritious and of good quality
- Sale of food, including take away, will follow the Australian health rules, especially about storage, information and use-by dates
- Stores make nutrition the highest priority
- Stores support health promotion and nutrition programs
- Stores supply free chilled and filtered water

A focus of the *Mai Wiru* Stores Policy therefore is assisting adults in achieving a balanced diet that will maintain a healthy body weight and assist in foetal and child health and development.

Impact on Economic Outcomes

An important innovation of the policy that brings benefits to the users is the formal sign off between eight community Chairpersons and six suppliers of Preferred Supplier Agreements and Certificates of Commitment (Umuwa 6th April 2006).

Trading agreements have been negotiated for the transport and the supply of groceries, fruit and vegetables, meat, bread and variety merchandise. The agreements allow for the payments of primary cash rebates (payed to the individual communities) based on volume and performance as well as access to discounts and promotional support. Secondary rebates from manufacturers will be pursued in the future.

The eight stores have combined their purchasing power under the *Mai Wiru* Stores Group banner with the result that the suppliers are willing to engage in dialogue that will enable systems to be progressively improved and beneficial relationships to be developed. It will be through these types of measures that the current Anangu cash economy can become a better managed and regulated economy.

Recommendations

- That store management and store policy be viewed as key determinants of population and individual nutritional status
- That stores be viewed and resourced as an essential service
- That stores attract subsidies
- That health based store policies be framed into by-laws where the relevant legislation permits
- That public health nutritionists be resourced to collect, analyse and feed back store data that measures nutritional status
- That the cost of living for populations in remote areas be monitored on a regular basis to facilitate adjustments to subsidies
- That stores be subject to regular financial assessments that detail cost imposts and cost pressures