

Submission No 49

**NEW INQUIRY
REMOTE COMMUNITY STORES IN THE ABORIGINAL AND
TORRES STRAIT COMMUNITIES**

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Torres/NPA ACC Inc.

Is one of 54 ACC's. The national network of Area Consultative Committees (ACCs) has been an important link between the Australian Government, remote, rural and metropolitan Australia.

The Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Anthony Albanese MP announced on 20 March 2008 that as foreshadowed in the Governments key regional election commitments, Area Consultative Committees (ACCs) would provide the basis for the creation of Regional Development Australia (RDA).

ACCs position themselves as key regional stakeholders to build networks and partnerships to find local solutions to local problems. Through these networks, ACCs promote and disseminate information on Government priorities and programs for the benefit of business and the community. ACCs are an example of how the Australian Government is working in partnership with business and the community to achieve regional economic growth.

So whilst "Remote Community Stores" are not our key expertise area, we are well place through our network and contacts to get stakeholder and community feedback with regards to issues/topics and provide an overview to an issue/topic raised for comment/consultation.

Terms of Reference Response

Community Stores

In our region we have two community type store models:

- (1) IBIS, which is a chain of grocery store, it receives State Government funding assistance as well as operates with a Board of Directors that include local and indigenous representation;
- (2) Island and Cape, which is a Cairns based private business operator that runs a number of grocery and grocery plus takeaway stores in various communities in our region.

Both stores operate with the State Government Nutritional Policies; IBIS has a pricing policy that reflects reduced prices for healthy and dietary products and higher prices for non-healthy items such as sugar, cigarettes etc. etc.

Island and Cape operations incorporate this policy as well promoting dietary and health as a priority product area.

The key success to Community Stores is that they MUST meet the needs of locals, these include:

- Dietary and health products (cost effective);
- Traditional Products (culture and traditional foods);
- Entrepreneur initiatives;
- Store Manager (Champion/ innovative/experienced);
- Presentation, maintenance, cleanliness and variety of goods and products;
- Staff recruitment, retention and career pathing.

Private Business

Our region is a bit different to other areas with community stores as we do have some privately owned stores in our region that are in competition with IBIS. It is worrying that comments received reflect that IBIS (government funded) is still not the cheapest store in our region with private business able to be competitive with its pricing and offer low prices on a range of items.

A concern from private business that has been raised is the new extension and business to the IBIS main store based on Thursday Island, with it's new introduction of a bakery and takeaway. This we would see as a "Competitive Neutrality issue" as a government funded establishment competing with private business in a small community where similar businesses are already established. It is fine to introduce a new business on a level playing field of business dollars to invest into the expansion but there are questions as to how IBIS generated funds to enable their expansion and is there any government funding that has been allocated, if so, this will need to be questioned and reviewed.

Community Stores

IBIS has been operating in our region for many years and even though it has tried many different strategies, it still has not got it right, so how long does it take and how much public money is needed to continue with a model that has not really delivered in the timeframe on its' life?

Island and Cape being a private company and being relatively new has got some good merits in the area of employing local and providing an additional service to just a grocery store, it has expanded to included "take away" which increases employment opportunities and skilling.

We would recommend researching a Community Co-operative Model, this kind of model can look at areas that IBIS and a private business would not necessarily and have not necessarily looked into as a main focus because of the nature of "Business".

- Incorporated Organisation – Not for Profit (profits going back into the community), this way it could attract grants and funding for various things. It could also look into members/shareholder (voting rights) similar to a Community Bank model.
Ownership – This kind of model would provide community ownership and with this comes pride and could be instrumental to encouraging work ethic's that have real value and benefits going back to the community.
- Community Entrepreneur – A model can be established as a "Business Success" and this would encourage other business opportunities. Profits from the Co-operative could be channeled into expanding the current business or develop other small business opportunities such as takeaway, clothing, small cottage industries like home based businesses in the area of Arts & Crafts, Sewing etc. etc.
- Economic Development – All of the above would add to a better life style and standard because the community is a working community and breaking the welfare cycle which has been installed over the years and has hurt our communities pride and future vision.

The key priority issue for our region is the freight cost being high and how this can be reduced so stores can provide and deliver quality fresh produce to our region other areas of general observation are:

- Profit Sharing (What is realistically going back into communities, this should be transparent and accountable);
- Rent/ Leasing land (through councils and PBC, Traditional land owners should receive some kind of return);
- Store Quality (presentation, maintenance, cleanliness and variety of goods and products);
- Pricing Policy to be realistic and meet community needs (quality and cost);
- Local Management;
- Manager Training (monitoring and ongoing);
- Empowerment and Skilling of local store managers to deal with distressed and unsatisfied customers. Frontline impact due to regional management eg. Local managers ordering goods, regional office changing order due to availability, pricing etc. etc., local managers face local people to explain why their store does not have stock available "Communication and Clear Policies".

Conclusion

This is a very broad submission that displays various opinions of Community Stores, in particular looking at the region of Torres Strait. The general view is that communities are getting more educated and expect a high quality service for their dollar. There are opportunities for the community to order shopping online and this is being practiced more and more regularly but there are still the essential needs of basic product, regular

service, quality and quantity of goods and pricing. There still seems to be a lot of non-indigenous influence and very little community ownership, non-indigenous people hold the majority of senior management positions as well as some store manager positions which should all be filled locally and the Community Store model has not been successful in developing and implementing an Indigenous or Community Employment Policy that will benefit the Community Store and the Community.

The information contained in this report are comments made by community members and stakeholders when asked their thoughts on Community Stores, some information and comments gathered over time and some basic knowledge and understanding of our current situation.



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