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Presentation to House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs

Kenneth Hunt
Human Resources Manager
Deputising for John Kop, Chief Executive Officer
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Indigenous business development – Outback Stores Essential Elements

1. SUSTAINABLE RELATIONSHIPS

- A. Sustainable relationships in the Outback Stores context demand time and complementary funding until the balance between our Commercial Charter and Social Charter reaches equilibrium in each Community.
- B. Successful enterprise development must be driven and owned by Indigenous people and requires patience as community and individual business capacity is developed.
- C. The first sustainable relationship with the broader business sector for Outback Stores is primarily centered around stores successfully supporting and being supported by suppliers in the very decentralised environment Outback Stores is operating in.

Sustainable relationships (cont)

- D. The second sustainable relationship is the potential to develop career paths for indigenous people within the retail industry in Australia.
- E. Sustainability must be underpinned by a business model that is able to be flexible and able to be reviewed regularly as the real cost of business becomes apparent, or people are just being set up to fail

2. Advantage and strength

- A. A significant strength of the Outback Stores community stores model is including community members in decision-making on improving their food supply security, choice of food, pricing of food and personal and community nutrition profile, such as health and living
- B. Another strength is the advancement of better paid and trained job opportunities within the Community through the Stores
- C. Larger volume turnovers results in better pricing as commercial terms of engagement become possible with suppliers

Advantage and strength (cont)

- D. Better commercial outcomes means larger profits are returned to each community for other or related community development
- E. “Long support” is required for what is already working – communities are tired of well-intentioned but misdirected change
- F. Outback Stores has a goal that community stores will become self managed and time needs to be allowed for this to occur
- G. Indigenous Business Australia’s involvement with Outback Stores has resulted in the business being able to start but the Outback Stores Business Model has to balance both commercial and social charters in a focussed health and development environment – a almost unique circumstance requiring unique structures, support, understanding and management

3. Minority business council/business concept

- A. Outback Stores and its partner communities have a threshold mission *"to make a positive difference in the health, employment and economy of remote indigenous communities by providing quality, sustainable retail stores"*. Within that "threshold operational context", the present is all about first establishing sustainable food security as the window to the rest of the Mission.
- B. However, Outback Stores would always consider against the threshold requirement in Point 3 A, opportunities that may arise for vertical relationship and capacity growth by supporting commercial indigenous enterprise of a Community – or a group of Communities - either working alone or in partnership with existing industry.
- C. Commercial initiatives that may create Indigenous "supplier" opportunities for goods for sale and logistic provision including transport, may be such possibilities.
- D. Lateral support of other community-based capacity creation activities as a result of Outback Stores operations within that community, is a matter for that community.

4. Program use and support

- A. As a threshold position, Outback Stores proposes that all programs relating to its operations should be developed in consultation with Indigenous communities and Outback Stores
- B. Supporting this position, Outback Stores respectfully suggests that before policy decisions are made and funds allocated, the reality of practical deliverables and their timeframe, from Government policy initiatives and direction, should be fully discussed with Outback Stores which now has a deep but not yet finished understanding of the task it has been given
- c. The real cost of business implementation of those deliverables on-the-ground in remote and very remote Australia, must be obtained and analysed

Conclusion

- A. Outback Stores is faced with four significant “on the ground” issues in funding as it attempts to reach self-funding within four years – as it is currently required to do. They are –
- a) Sufficient seed funding to cover its establishment “across Australia” and not just the Northern Territory
 - b) Full access across Australia to underpinning funds for those stores that cannot reach commercial viability status
 - c) Access to full funding of its nutritionist resources requirements to allow full professional application of nutrition advancement and making healthy food choices easy choices in remote indigenous communities through the implementation of Outback Stores Nutrition Strategy
 - d) Full funding of the training programs for support staff in Indigenous stores including the store management staff – again across Australia - a matter never provided for in initial Government funding. This is a sector need and does not match the current proposed models of funding offered by Government.

