SHOPPING FOR HEALTH

Improving health conditions in remote Indigenous communities depends on better stores, writes **Sara Hudson**

The only Community Store and Takeaway shop at Gapuwiyak (population of approximately 1,000) in East Arnhem Land

The poor health of Indigenous Australians, particularly those living in remote communities, has been recognised for some time. Less well-known is the role of community stores in determining the health outcomes of people living in these remote communities.

Often the local store is the only source of food in a community. Most do not stock a range of healthy food options such as fresh fruit and vegetables, and when they do they are very expensive and of poor quality. As a result, residents are unlikely to have fresh produce as part of their regular diet. Although Aborigines and Torres Strait Islanders used to eat traditional foods and grow their own fruit and vegetables during missionary days, few Aborigines and Torres Strait Islanders do so now.

Studies conducted by the National Health and Medical Council found that 90–95% of Aborigines and Torres Strait Islanders' dietary intake consists of packaged food and drink. A Menzies School of Health Research study found that only four foods—white bread, white flour, milk powder, and sugar—provided more than half the energy intake of residents in remote northern Australia. These four foods are called long-life foods because they can be stored over the pay/pension cycle and satisfy people's hunger for the least amount of cost—they give you more calories for your buck.

Diets heavy in refined sugars, saturated fats, and salt mean that conditions such as obesity, Type 2 diabetes, and cardiovascular disease are now much more common among Indigenous

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Australians than a few decades ago. Indigenous children are 30 times more likely to suffer from nutritional anemia or malnutrition than non-Indigenous children. The prevalence of these diseases and illnesses, particularly amongst those living in remote communities, contributes to the large gap between Indigenous and non-Indigenous life expectancy figures. Owing to the unreliability of official statistics, this gap is estimated to be between 11–17 years.

As part of his Apology speech to the Stolen Generation, Prime Minister Kevin Rudd set some bold targets to reduce the gaps between Indigenous and non-Indigenous Australians, particularly the gap in infant and child mortality rates. This commitment is now known as 'Closing the Gap' and forms the Commonwealth government's overall approach to Aboriginal and Torres Strait Islander issues.

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To a certain extent, Closing the Gap is about bringing Aboriginal and Torres Strait Islanders up to the level of the mainstream Australia. If the gaps are expected to close, then Indigenous people need the same level of services and facilities that other Australians have come to expect and take for granted.

However, Aboriginal and Torres Strait Island communities are unlike other small towns in Australia in many respects. The absence of private property rights has stymied the development of an economy, so there are few private enterprises. Providing retail services for small townships has inherent difficulties, but other Australian townships of comparable size have thriving shops, motels, service stations, and other commercial enterprises.

In contrast, most remote Indigenous communities (even those with 1,000 or more people) have few retail facilities. The 2006 Census estimated that there were around 175 stores operating in approximately 1,112 remote or very remote Indigenous communities. Often these communities consist of fewer than a hundred residents. It is unlikely that communities of this size will ever be able to support more than one store. This means that the future well-being and health outcomes of many remote Indigenous Australians rests on how well that one store in their community operates or how it easy it is for residents to travel to neighbouring communities with a store when they don't have one locally.

The importance of remote Indigenous community stores has been recognised by the Australian government and was the subject of an inquiry by the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs in December 2008. In November this year, the Committee released its report 'Everybody's Business: Remote Aboriginal and Torres Strait Community Stores' based on submissions and evidence heard at hearings. Yet, nowhere in the 220-page report does the government admit that it may be part of the problem. One of the principal complaints to the inquiry was the role of government in subsidising Outback Stores, and how this had given Outback Stores an unfair advantage over community run stores. Instead of increasing communities self reliance, the government is stepping in and running their community stores for them. However, the last thing residents of remote communities need are more government hand outs. A saying by the Chinese philosopher Lao Tzu sums up the principle which should underpin government involvement in Indigenous communities:

> Give a man a fish; you have fed him for today. Teach a man to fish; and you have fed him for a lifetime.
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> — Lao Tzu

Prohibitive cost of fruit and vegetables in remote communities

In many cases, fruit and vegetables at remote community stores are three or even four times more expensive than in towns and cities. For example, at one store in the Torres Strait a yellow and ageing bunch of broccoli cost $9 ($17 a kilo), while a head of lettuce cost $5. The irony in promoting healthy food, when fruit and vegetables are often overpriced or of poor quality, appears lost on government.

To promote 'healthy practices' in remote stores, the Commonwealth government, along with state and territory governments in South Australia, Western Australia, the Northern Territory, Queensland, and New South Wales, established the Remote Indigenous Stores and Takeaways Project in 2005. The aim was to provide guidelines for stocking healthy food, maximising the shelf-life of fruit and vegetables, marketing ideas for healthy food, providing healthy fast food options, supplying checklists to determine the quality of stores and takeaways, and a toolkit to improve freight transport of healthy food. Yet, the Project failed to take into account why fresh produce is so expensive.

Lack of locally produced produce

The 1987 UPK Report on healthy living practices in communities in South Australia found that 'there was no evidence of productive food plants within any community housing yard areas …' Despite widespread awareness of this fact not much was done to promote gardening, and communities still do not grow their own fruit and vegetables. The Commonwealth Department of Health and Ageing used to invest in market gardens in remote communities, but ceased doing so because 'there was no evidence of long-term systematic change in terms of public health care.' The Committee's report on remote stores cites numerous reasons for the lack of gardening in remote communities, including the communities' unwillingness to take long-term responsibility once the hard work needed to grow their own produce became apparent.

Even those gardens that have been established have not been successful because there is no one responsible for maintaining the communal gardens. People live in community or public housing and do not own their gardens so they don't have much vested interest in growing vegetables. In some cases, wild pigs and buffalo have broken into gardens and destroyed crops because residents had not built or properly secure fences surrounding the gardens.

Remote communities lack knowledge about the best way to grow produce for local conditions, which are usually tropical or very dry. These communities lack adequate water resources or infrastructure and the specialist knowledge and training needed to grow common vegetables like tomato, pumpkin, sweet potato, cucumber, beans, carrots, cabbage, and lettuce. Government training initiatives rarely provide remote community residents this type of training.

Thirty years of welfare dependency and appalling separatist schooling have left many remote residents illiterate and non-numerate. Used to receiving government money for doing nothing, they lack both the incentives and skills needed to undertake training and secure employment. There are plenty of vocational training programs but because the underlying illiteracy problems are not addressed, the certificates these training courses award are often not worth the paper they are written on and considered worthless by employers. Nor do they provide the training needed for people to take responsibility for running their own market garden or stores.

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The tyranny of distance

The cost involved in transporting goods is considered the main culprit behind the high cost of fruit and vegetables and, in fact, all food in remote communities.

Vast tracks of the Northern Territory and other remote communities in Australia are not serviced by all weather roads. Some roads are so badly maintained that it is difficult for food suppliers to reach many remote communities. What could be a two-hour drive during good weather and road conditions generally takes much longer due to the poor condition of most roads. During the wet season, roads are often impassable, and the only way for stores to receive supplies is to have them flown in by air charter, or by barge, which results in higher food prices.

In East Arnhem Land, groceries, fruit and vegetables are brought to Nhulunbuy by barge. For economies of scale reasons, barge traffic was recently reduced from three times a week to once a week. This has resulted in Nhulunbuy (and surrounding small communities) having the highest grocery prices in Australia. For example,

at one community store a two-litre carton of milk costs $6.50 and a kilo of plain white flour costs $6.

Due to the difficulty in transporting goods during the wet season, it is common for stores to stockpile food. However, perishable items such as fruit and vegetables are not able to be stored for long. If they are not sold, stores have to write them off as 'wastage' so they tend to mainly stock packaged goods.

Few residents have vehicles in remote communities, so if there is no local store or if people want to do their shopping in towns or cities where grocery prices are cheaper and there is more variety, they have to spend hundreds of dollars on four-wheel drive 'bush taxis.' A return trip from Baniyala in East Arnhem Land to Nhulunbuy (a distance of 200 km) costs around $1,000. It is therefore more economical for residents to buy overpriced goods from community stores than make the trip into town to buy groceries.

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Permit system

Adding to the difficulty in transporting goods along impassable roads is the permit system. Under the *Aboriginal Land Rights (NT) Act 1976*, a permit issued by an Aboriginal Land Council is required to travel along main arterial highways such as the Central Arnhem Road or visit Aboriginal communities. Depending on which parts of the territory you plan to visit, you may need permits from several Aboriginal land councils. Though the cost of a permit is not prohibitive (some are free, some cost up to $100 a vehicle), it generally takes about two weeks (and sometimes months) to process an application, delaying the delivery of goods to remote stores and preventing any last-minute transport plans.

Monopoly stores

There is little consistency or transparency in pricing goods and it is hard to believe that additional freight costs justify the mark-up in some stores. But because there are few alternatives or real competition, stores are able to able to sell goods at high prices with no repercussions, such as loss of revenue. There is also little incentive for stores to provide better customer service or management. Poor store management and practices have resulted in large financial losses, which are then passed onto customers through higher grocery prices.

Book-up

Due to the absence of other commercial services in remote communities, stores often operate as a bank and provide the only means of credit in a community. The practice of book-up (running up a tab) where the store provides short-term credit to customers so that they can purchase goods is widespread in remote communities. Owing to illiteracy and numeracy problems, families often cannot manage fortnightly incomes paid electronically into their bank accounts. In these cases, some stores hold customers' EFTPOS cards and even take down their personal identification numbers until they have paid off their tab. This not only restricts how residents can spend their money but also leaves them open to exploitation. Stores are known to charge customers up to $30 as transaction fee for using EFFTPOS facilities.

The Australian Bankers Association and most main banking institutions now prohibit the request or retention of personal identification numbers. However, legislation to enable banks to withdraw electronic services to traders who continue with this practice has been pending approval for more than 18 months.

Book-up not only has negative repercussions for customers, but its excessive use has led to insolvency for some stores. Earlier this year, a store in Burringurrah in Western Australia was run into the ground through a series of unpaid loans to community members. The state and Commonwealth governments had to fly in emergency supplies when the shop ran out of food.

Cultural practices

Cultural practices often create enormous pressure for stores to operate in a way that is not strictly commercial. The practice of demand sharing for instance—where employees are pressured into

sharing a business's earnings, assets or stock with relatives or influential people in the community is not uncommon. An Aboriginal checkout operator, when confronted by relatives with a full shopping trolley but no money, may feel pressured to let them have the goods for free. Keeping the goodwill of family or esteemed members of the community is considered more important than following good business practices.

Some stores put proceeds back into the community to help fund activities like sports carnivals and for 'Christmas shopping bonuses for community members.' Although there is some merit in these types of practices, they affect the commercial viability of stores.

Because of large debts and lack of cash flow, many community stores are depleted of supplies. Stores often resemble those found in communist Russia, with no variety in products and hardly any supplies on the shelves.

Even more bizarre are the cultural practices that led to the cursing of a community store in Numbulwar, an Indigenous community in East Arnhem Land. The shop was closed down for at least two years after it had been cursed. The doors were padlocked and all the stock, including meat and other perishables, was left to rot and decay. Expensive refrigeration machinery sat idle collecting dust and slowly rusted away in the hot tropical climate.

At Gapuwiyak, another Indigenous community in East Arnhem Land, the traditional owner, upset at some government announcement, decided to stop selling fuel cards at the store for a day. Later on, he changed his mind, and allowed fuel cards to be sold to visitors but not locals. Such capricious practices indicate the distance that needs to be travelled before communities are able to operate stores in a business-like way.

Outback Stores

The Outback Stores model was initiated to address concerns over financial management, store governance, food stocking policies, and poor infrastructure that have inhibited the stocking of fresh, competitively priced produce. Outback Stores now operates 27 stores across the Northern Territory, Queensland, and Western Australia.

Under the Outback Stores initiative, the stores continue to be owned by the community, but community members are required to sign a sign a long-term management agreement (usually more than five years) with Outback Stores company on a fee-for-service basis. Community members have the right to question any decisions made on the community's behalf and are meant to receive regular reports on the financial and social performance of the project.

The stores have point of sale technology to enable regional and head office to keep a close eye on the store's performance on a daily basis. External management, coupled with standardised store policies and procedures, was expected to inhibit cultural practices like demand sharing and book-up.

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Indigenous Business Australia (IBA) spearheaded the scheme and registered Outback Stores as a subsidiary company of its organisation. The Australian government provided $8.1 million to establish the Outback Stores Company IT systems and procedures for the first three years, and an additional $40 million in loans to provide working capital and improve store infrastructure.

The board of Outback Stores is comprised of executives from Woolworths and Coles who made commitments to provide Outback Stores with ongoing support, including training of staff and negotiating regional contracts with freight suppliers to purchase goods in bulk.

Outback stores also employ nutritionists as part of their 'Wellbeing Unit' to educate communities on 'what a good diet is and what the benefits of healthy eating are.' Some aspects of what they do include ensuring that stores stock healthy food options and displaying them in prominent positions, for example, having a fruit bowl at the register rather than chocolate.

Crowding out competition

In the House of Representatives Standing Committee on Aboriginal and Torres Strait

Islander Affairs inquiry into remote community stores, many commented on the positive benefits of having Outback Stores manage community stores. Some suggested that the Outback Stores model had improved the variety and quality of healthy food items available at the store. Others stated that they would like to see Outback Stores manage all community stores in their area, as they were seen as more stable financially than other operators.

However, the Outback Stores model was unable to address the problems inherent in only having one store in a community and, in fact in a number of cases, it was felt that Outback Stores had created additional monopoly problems.

Chief among the complaints was the argument that the Northern Territory Intervention and the compulsory quarantining of welfare payments that followed had allowed Outback Stores to have an unfair advantage.

Outback Stores appear to be given favourable treatment under the licensing and supervisory regime.

The Department of Families, Housing, Community Services and Indigenous Affairs (FAHCSIA) administers Indigenous Business Australia (IBA), the statutory authority responsible for funding Outback Stores. FAHCSIA, along with Centrelink is also responsible for the licensing and supervision regime of stores under the Northern Territory Intervention. Licensing enables stores to accept Centrelink's BASICS cards and have access to 50% of residents' welfare payments quarantined under the Intervention. Essentially, under this scheme FAHCSIA and Centrelink control a significant amount of local residents' incomes and dictate what they can buy and from whom in nearly all remote NT communities.

Some submitters argued that it is a conflict of interest that FAHCSIA isresponsible for the licensing of any potential competition. Outback Stores appear to be given favourable treatment under the licensing and supervisory regime and are more likely to be given the authorisation to accept BASICS cards than other community stores.

Sometimes, other community stores have had to wait months for their licence application to be accepted or are only given conditional or temporary licences—leaving stores trading in an indeterminate state with no idea of what their future may hold. A store in Mapuru a community in northeast Arnhem Land failed to secure a licence to accept BASICS cards because it did not stock a full range of frozen meats. However, the store had previously won National Heart Foundation Award in 2005 for its healthy food range and its decision not to stock frozen meat was a deliberate one to encourage people to hunt.

Some submitters claimed that the Outback Store in their community had admitted to trading at a loss but were able to keep operating due to financial support from the federal government. Following the NT Intervention, the government provided $29.1 million to ensure that Outback Stores remained open and were providing 'good healthy food choices for communities.' The Outback Store in Wutunugurra (by its own admission) orders well over the community's consumption of fruit and vegetables to show that it is stocking healthy food. But because they can always rely on federal funding, they don't have to worry about consequences such as bankruptcy for intentionally creating waste.

The Outback Stores website states that it is a non-government organisation, but this claim is somewhat dubious when stores receive significant amounts of government money to stay afloat. Since they were first established in 2006, Outback Stores have received a total of $77 million in government funding.

Proposals that Outback Stores would move from IBA to FACHSIA in the near future has increased people's concerns. At hearings, FACHSIA tried to reassure people that the different arms would be rigidly firewalled, with 'very clear protocols' for separate governance of licensing, food security, and Outback Stores management.

In their report, the Committee acknowledged the conflicting responsibilities that would arise if FACHSIA was responsible for all of this. It was noted that there were a number of community stores being managed by Outback Stores that were not profitable. But closing down these stores would leave these communities with no

dependable food supply. It was felt that in such cases, FACHSIA should provide top-up funding to keep the stores open. This is clearly at odds with the business aim of Outback Stores—to be self sustaining and commercially viable. However, the Committee appeared to accept that FACHSIA could carry out the delicate balancing act between running a commercial business and meeting social responsibilities in the delivery of food security.

Policy alternatives

Instead of micromanaging and controlling everything, government should be looking at how to create a true economy in remote locations, which will in turn bring about healthy competition and more consumer choice for Indigenous people.

Government involvement and subsidising of Outback Stores will only make it less economically attractive for communities to run their own stores or to explore alternative methods of obtaining fresh fruit and vegetables, such as growing it themselves. It continues paternalistic policies of the past and will only add to communities increasing their reliance on government to meet all their needs.

Rather than continuing to deny them the opportunity to take responsibility for their own lives, government should be looking at ways of making Indigenous communities more like other Australians towns. Along with introducing private property rights, there should be greater investment into all weather roads. Sealing roads and introducing culverts and bridges would help alleviate some of the problems involved in transporting goods during the wet season. If communities are to develop into proper towns, it is vital that they are not kept closed off and isolated.

The NT government, under its Working Future program, plans to develop 20 Indigenous communities such as Gapuwiyak and Wadeye into 'Growth Towns' with government services and facilities of a standard broadly comparable with that in non-Indigenous communities of similar size elsewhere in Australia.

However, remote Indigenous communities will never resemble other small towns as long as communal land ownership and the permit system exist. Communities in the Northern Territory and in other areas with communal title must have private property rights if they are to have real economies. Although communities of only 100–200 people will not be able to support more than one shop, larger communities of 1,000–2,000 people should have greater variety and choice in retail facilities.

Ninety-nine year leases could provide the mechanism for private enterprise development in remote communities. Rather than the government controlling the head lease, as is the case under current legislation, communities should have control under 'community leases.' These could operate similarly to company title, with eligibility rules and conditions for membership as well as covenants over the use of land. Under company title, an owner has a right to occupy a defined area in a company's building (for example, an apartment) by virtue of owning shares in the company that owns the building. All shareholders (apartment owners) get to decide who can or cannot live in the building.

With a 'community lease,' the community could decide what areas to make available for businesses, residences, and so on. If they owned their own homes, residents would be able to have gardens and keep chickens. Business leases would also encourage specialists in horticulture and gardening to establish market gardens. Individually owned stores may also encourage residents to learn the skills needed to run their own business.

The truth is, until remote Indigenous communities are opened up and allowed to become like other small towns with private property rights and proper schools, we will never know the true potential of remote Aborigines and Torres Strait Islanders.