



DESERT KNOWLEDGE SYMPOSIUM

By John Kop, CEO

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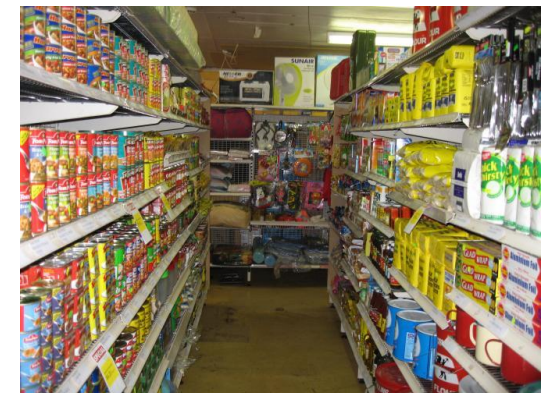
Who are we?

A close-up photograph of a person's hands holding a bright orange. The person's face is partially visible in the background, looking down at the fruit. The background is a warm, orange-toned wall.

- Outback Stores was set up as a private company to improve the health of indigenous people in remote Australia.
- We bring a good range of affordable food to remote communities that previously were unable to provide families with the most basic human right: food on the table.

Our goals

- To ensure remote communities have access to reliable and affordable food supplies, just as people in cities buy food in a supermarket
- To provide nutritious food to improve the health of people living in remote communities
- To ensure stores are properly managed and become commercially viable, so they don't need any more government money
- To increase indigenous employment through local recruitment and training
- Self-funded, focusing on social and economic outcomes



Our history

A close-up photograph of a person's hands holding a whole, bright orange. The person's face is partially visible in the background, looking down at the orange. The background is a warm, orange-toned blur.

- Outback Stores was set up in November 2006 by a group of senior retailers passionate about making a difference.
- Initially government funding was provided to cover start up costs of \$8 million and to make commercial loans for store improvements of \$40 million.
- An additional \$29 million in Northern Territory Emergency Response funding was provided to accelerate store growth in the NT.
- Outback Stores is a private company. It was originally owned by Indigenous Business Australia (IBA) but is now moving to FaHCSIA with a voluntary and experienced board.
- Currently Outback Stores has 24 stores under management and employs 85 indigenous store staff.

Key elements

- We engage at the request of the community
- Partnership, not ownership – we operate on a fee for service basis
- Engagement through relationship managers and store committees
- A strong emphasis on nutritious foods
- Bring retail expertise, systems and training
- Store managers are trained in Darwin and have a strong support network
- Centralised buying to keep prices low , boosted by local suppliers;
- Centralised support systems such as accounting and IT
- Clear rules (no 'book up', stores separately incorporated and no profits paid to individuals)



Our contribution to closing the gap



Early childhood	Affordable and constant supply of baby food and formula Baby essentials and clothing
Schooling	School breakfast and lunch programs Learning about healthy eating
Health	Set take-away menus Discouraging the display or promotion of tobacco or confectionery In store promotion of fruit and vegetables
Economic participation	Large employer of indigenous people (currently 85 store employees) Training and development programs for indigenous staff Viable stores returning profits to the community

Our contribution to closing the gap



Healthy home	Children's and adult clothing Bedding and Manchester Household appliances Cooking and eating equipment
Governance and leadership	Partnering with communities so stores can eventually be run commercially by the community Transparent legal entities Store committees work closely with qualified trainers and managers 'Money Story' teaches governance

What we find

- We generally find community stores in very poor condition.
- Lack of available food and high prices
- Failure of governance often linked to corruption and mismanagement a
- Lack of compliance
- People paying \$400 in taxi fares to go shopping
- Families and especially children not getting a decent meal
- Lack of proper nutrition
- People leaving communities



Successes

- Well run stores, clean and tidy
- We increase product range from 200 to 1000 lines
- Providing affordable food
- 150-400% increase in turnover
- Indigenous staff getting training
- Proper retail systems
- Kids eating fruit and vegetables, getting meals at school
- Transparent accounting and profits going back to the community
- People proud of their stores



Yuendumu



- Women had been shopping at Nyirripi
- Worried about their kids
- FaHCSIA provided funding for refurbishment of the women's centre
- Community asked Outback Stores to manage in July
- Turnover in excess of \$50k per week
- Large and affordable range of goods
- 400 people on income management

“It is really good to have the store. It has lots of fresh fruit and veggies. It is good for Yuendumu kids to get healthy food. All of the community shop in the store.”

Yuendumu Women's Centre have fought really hard to get the store and are now happy working with Outback Stores.”

Georgina Wilson, store committee, Nguru Walalja (everybody's place)

Governance

A close-up photograph of a person's hands holding a whole orange. The person's face is partially visible in the background, looking down at the fruit. The background is a warm, orange-toned wall.

- Outback Stores as a company has strong governance
- Outback Stores can provide governance when it engages and manages a community store
 - Dealing with debt and corruption
 - We help to provide transparent entities
 - Clear rules on credit and debt
 - Ensure stores are compliant in tax, insurance, licensing, and other statutory requirements
 - Use the ‘Money Story’ to teach about profit and loss, balance sheet and cash flows
 - Building capacity through training and imparting of knowledge
 - Assist in policy development for nutritional improvement

The vacuum at the back end



- Outback Stores is a service provider for retail services
- Once entities have been formed how are they governed?
- Communities have limited or no capacity to manage governance
 - Auditing
 - Contracts
 - Tax requirements
 - Company compliance
 - Constitutions, charters, minutes, quorums, resolutions, rule books

Outback Stores cannot provide as this is a conflict

The dilemma

A close-up photograph of a person's hands peeling a bright orange. The person's face is partially visible in the background, looking down at the fruit. The background is a soft, out-of-focus orange color. A decorative horizontal line of small grey dots runs across the top of the slide, partially overlapping the image.

- Outback Stores can engage and provide governance at the front end.
- Outback Stores can not provide governance at the back end (community entities)
- As Outback Stores can provide proper food and economic development through community stores, the dilemma is that communities have no capacity for managing their enterprise appropriately
- How can you have economic development if you don't have capacity building?
- So who is helping them?