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15 Sep 2009

Mr Chris Trevor,
Federal Member for Flynn

Re Outback Stores

- 1) Our company Central Queensland Distributors, based in Gladstone, has been supplying variety goods and clothing to community stores across Australia for fourteen (14) years. We have worked in fair and open competition with other suppliers, and since no supplier has everything, together we provide a comprehensive range.
- 2) Outback Stores (OS) was appointed by the Howard government - see web site - with worthy objectives. At first there was a very big budget for a very few stores, eg Pigeonhole, Imanpa, and Wallace Rockhole, only small basket cases. NT council amalgamations, where the new 'super shires' did not want to run the stores, led to more take-overs. They are now targeting larger stores as they see that in many cases it is not financially viable to run the small community stores without the income from the profitable stores.
- 3) Outback Stores appointed G & R Wills as sole supplier of variety and clothing, with no tendering or consulting with other suppliers. This is a government sponsored monopoly which is threatening the livelihood of other small businesses in the same field who have traditionally served these community stores in open competition with the other suppliers.
- 4) The CEO of the Arnhem Land Progress Association (ALPA) Alistair King is on the board of Outback Stores, and indeed is now the CEO of Outback Stores. This is a conflict of interest as both ALPA and Outback Stores are vying for management rights of various stores. The role of the ALPA CEO in selecting Wills has to be questioned, as ALPA and Wills are hand-in-glove.
- 5) The good news stories put out by Outback Stores are unsustainable without massive government backing. Despite whatever good intentions they had, indigenous staff are just not being appointed to store management positions.
- 6) Decision-makers are being seconded by Woolworths and Coles for 1 years 'bush service'. There are no consequences (financial or otherwise) of decisions, success, or failure.
- 7) Training is being done by people who have never run an outback community store, and as a result of this inadequacy there is a 70% attrition rate of staff, as they get out to the communities and find out what it is really like.
- 8) Couples with young children were being placed in problem communities. Kids were being targeted by locals and refused to go to school. Head office management didn't understand that in some communities Aboriginal people take a long time to get used to and accept someone new. Store managers were being transferred at a moments notice, upsetting store managers and locals.

- 9) There are stories from store managers (not OS) of attempted coercion to influence the store to accept OS. See page 7 of submission 42 at <http://www.aph.gov.au/house/committee/atsia/communitystores/subs.htm>. Also there is the still ongoing saga at Yuendumu which is well documented at <http://www.crikey.com.au/2008/12/09/accc-alert-macklin-decides-where-dollars-go-in-yuendumu/> . See attached copy.
- 10) We have been told a number of times that store managers have been caused grief by OS promising some or all of the local people all sorts of things in order to get the management contract, and then renege on the promise.
- 11) We have met many sincere and capable people working for Outback Stores who really would like to be making a difference in the communities, but who are hampered by simplistic decisions about what is a very complex issue. All too often these good people are the ones who leave the organisation.

From our perspective Outback Stores is costly to the taxpayer, destabilising to the supply chain, and of little benefit to the communities they purport to serve.

Hoping that something can be done before too many more taxpayer dollars are thrown away.

Yours Faithfully,

Carol Holden and Hugh Bridge
Neatford Pty Ltd



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To: CEO Outback Stores
CC: Mr Chris Trevor, Federal Member for Flynn

Our company Neatford Pty Ltd T/A Central Queensland Distributors, based in Gladstone Qld, has been supplying variety goods and clothing to community and other remote stores across Australia for the last fourteen (14) years, in fair and open competition with other suppliers.

Outback Stores has taken over management of a number of stores in Northern Territory and Western Australia. They have appointed G & R Wills as the sole supplier of variety and clothing, with no tendering or consulting with other suppliers.

Can you please explain why a private company, with considerable investment in the supply industry, has been excluded from supplying goods to community stores which are our traditional markets and are now being run by Outback Stores, a government funded organisation? These stores are at Angurugu, Ngukurr, Bulman, Barunga, Yarralin, Balgo, Warrabri, Willowra, Nyirripi, Leonora, Titjikala, and Canteen Creek.

Thank You,

Hugh Bridge and Carol Holden
Directors
Neatford Pty Ltd t/a Central Queensland Distributors