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Summarising: McDonnell & Martin (2002), *Indigenous community stores in the 'frontier economy': Some competition and consumer issues*
Responsibility for the preparation of this research summary rests with the authors of the MCEETYA report *Education, Training and Indigenous Futures: CAEPR Policy Research 1990–2007* and not the original author(s) of the summarised material.

Title of Research:
Indigenous community stores in the ‘frontier economy’: Some competition and consumer issues

Research Publication:
CAEPR Discussion Paper No. 234/2002

Name of Researcher(s):
S. McDonnell and D.F. Martin

Time period:

Geographic location:
Remote Australia

Methodology:
The remote Indigenous communities visited during fieldwork included Yuendumu (NT), Yuelamu (NT), Mutitjulu (NT), Ntaria (Hermannsburg - NT), Maningrida (NT) and Aurukun (Qld). In addition, two pastoral station stores were also visited. Interviews were conducted with the managers of community stores and pastoral stations, members of store committees, presidents and clerks of local councils, local business people, representatives from various community organisations, and Indigenous and non-Indigenous members of communities. Interviews were also conducted in Alice Springs (NT) with Aboriginal and Torres Strait Islander Commission (ATSIC) staff, Department of Fair Trading staff and the Tangentyere Council financial counselling officer as well as employees from a range of accounting firms who provide services to community stores.

Aims:
This purpose of this project, commissioned by the Australian Competition and Consumer Affairs Commission (ACCC), was to identify the implications of the Trade Practices Act for Indigenous communities. The paper aims to:

- develop the notion of the ‘frontier economy’ as a conceptual framework for analysing the TPA issues relevant to Indigenous consumers and businesses;
- identify those characteristics of Indigenous consumers which increase their potential vulnerability to commercial exploitation;
- examine factors likely to inhibit the operation of competitive markets in Indigenous communities; and
- discuss the implications for ACCC compliance and suggest education strategies to assist Indigenous consumers and organisations to operate in the world of commerce.

Selected findings and insights:
This paper provides a detailed account of Indigenous consumer and business practices in remote Indigenous communities.
• Indigenous people bring values, knowledge and practices to bear when acting as consumers of goods and services, some of which may be different from those of non-Indigenous people. Such differences may relate to the extent to which cash is treated in economic terms and the primacy of social capital, demand sharing (where cash is expected to be shared among kin) and how commercial transactions are personalised. Furthermore these types of Indigenous economic values and practices can be found in rural and urban settings.

• The frontier economy represents the intersection of the non-Indigenous domain of market-informed economic (and legal) practices and the Indigenous domain of Indigenous-specific economic values and practices and may, as a concept, apply beyond remote settings. It is an economy in which both Indigenous consumers and Indigenous-operated businesses operate.

• The experiences of Indigenous consumers within this frontier economy will differ according to location, level of education, income and whether they are employed.

The paper also examines a wide range of factors which affect the operation of competitive markets in remote Indigenous communities: limited access to alternative markets, structural impediments such as transport and labour costs and relative demand inelasticity of ‘valued’ items. Particular emphasis is given to:

• governance structures of community stores, including Indigenous and non-Indigenous differentiation of roles and responsibilities, the influence of Indigenous culture upon governance and the extent to which cultural requirements sit comfortably with the legal obligations of operating a commercial business.

The study identified significant educational needs among both Indigenous consumers and Indigenous-operated businesses:

• the Trade Practices Act and the obligations it places on businesses were poorly understood. Those Indigenous consumers living in remote areas are more likely to have low literacy and numeracy skills and thus be more vulnerable to commercial exploitation. At the same time, Indigenous-operated businesses may unwittingly breach the Trade Practices Act.

Educational implications:

The major educational implication of this paper is that it identifies another area that training modules developed to assist Indigenous people establish small business must address: the legal underpinnings of fair trading. At the same time, by identifying the difficulties associated with the establishment of small businesses in remote localities, the paper provides a realistic appraisal of the ease with which small business enterprises can provide sustainable employment in remote regions.

As in the case of financial literacy, consumer education courses in secondary schools are well placed to include courses dealing with the legal underpinnings of business enterprises and consumer rights. [curriculum]
Relevance:

Domain 5: Pathways to training, employment and higher education

- The challenge for Pathways to training, employment and higher education
- Adult return to education and/or training

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