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Introduction

1.1   In early 2020, panic-buying resulting from the COVID-19 pandemic led to shortages of some food and grocery items across Australia. Panic-buying in urban centres had a flow on effect for remote communities where food security is already less stable.

1.2   At the same time, some stories appeared in media outlets reporting incidents of very high prices for food and groceries in particular remote Aboriginal and Torres Strait Islander community stores.

1.3   On 21 May 2020, the Minister for Indigenous Australians, the Hon Ken Wyatt MP, asked the committee to inquire into and report on food prices and food security in remote Indigenous communities. The committee adopted the inquiry and its terms of reference on 27 May 2020.

1.4   The terms of reference are listed on pages xv-xvi of this report and include the following:

- Licensing requirements and governance arrangements for remote community stores;
- Food prices in remote stores in comparison with those in other stores and centres;
- Access to affordable and healthy food by remote communities;
- The role of food and grocery manufacturers and suppliers in improving the supply of food to remote stores; and
- Effectiveness of current Federal and State laws to provide oversight and combat price gouging.

Conduct of the inquiry

1.5   The inquiry received 128 submissions and 23 supplementary submissions. These are listed at Appendix A. The committee also received five exhibits which are listed at Appendix B.

1.6   The Committee consulted widely with key stakeholders during this inquiry and conducted 13 public hearings. These are listed at Appendix C. All hearings were conducted by teleconference or videoconference, as indicated below.

No travel was possible due to the pandemic

1.7   Travel to remote communities was not possible for this inquiry due to the unprecedented situation caused by the COVID-19 pandemic.

1.8   The committee had planned to visit remote communities as part of this inquiry in the Northern Territory, Western Australia, and Queensland and had developed some proposed itineraries for these trips. The committee had also received a number of invitations from remote communities to visit them. These trips had to be cancelled due to border closures and quarantine restrictions imposed by the respective State and Territory Governments which applied to the Committee even after permissions were sought.

1.9   The committee was also cognisant that even if travel exemptions could have been obtained, there were potential risks involved in visiting vulnerable communities in remote areas during the pandemic.

1.10   The Committee determined that despite these limitations it was important to report as soon as possible so that any urgent issues identified by the Committee could be addressed.

Context and themes

1.11   The committee did not find evidence of systemic price-gouging in remote communities. However, the Committee did find evidence of high prices in many remote communities. While those high prices appear to be reflective of the genuine cost of operating supermarkets in remote communities, this reinforces long-held concerns regarding the food security of people living remotely.

1.12   It is worth noting that during this Inquiry, the dispute regarding food pricing and store management in Balgo, Western Australia was settled.

1.13   In the context of the COVID-19 pandemic the NIAA established the Food
        Security Working Group (Working Group) and a Supermarket Taskforce
        was convened by the Department of Home Affairs under the National
        Coordination Mechanism. The Supermarket Taskforce worked closely
        with the National COVID-19 Commission Advisory Board. The work that
        took place across these groups ensured that supplies were reserved for
        remote communities and that supply lines were maintained despite a
        biosecurity determination limiting general access to remote communities.
        The Committee regards this work as a success and has featured some of its
        insights in this report.

1.14   Outside the COVID context a number of core themes in relation to remote
        food insecurity emerged during the inquiry:

        ■ Indigenous people living in remote communities continue to face
          significant challenges with food security;

        ■ Food and grocery prices are consistently higher on average in remote
          areas than in the rest of the country;

        ■ Most remote community stores operate in a difficult trading
          environment and cannot purchase at volumes that allow them to
          negotiate for better wholesale prices;

        ■ The supply chains for food, particularly perishable food, into remote
          areas are costly, are often severely affected by seasonal weather
          conditions and the cold chain cannot be guaranteed causing food to
          spoil;

        ■ Local food production through market gardens and other operations
          has had mixed success.

Previous reports on Indigenous food security

1.15   This is not the first report that has looked at food security in remote First
        Nations communities. This committee conducted an inquiry in 2009
        entitled *Everybody's Business: Remote Aboriginal and Torres Strait Community
        Stores.*[1]

1.16   In that report, the committee made a number of recommendations aimed
        at improving fresh and healthy food availability and achieving better

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1   House of Representatives Aboriginal and Torres Strait Islander Affairs Committee, *Everybody's
    Business: Remote Aboriginal and Torres Strait Community Stores,* Parliament of Australia,
    November 2009.

nutrition policies in community stores. The committee also recommended the development of local food production through market gardens, improving the governance and licensing of community stores, and improving the infrastructure and supply chains for community stores.

1.17   It is notable all of these issues were raised again in this new inquiry, 11 years later.

1.18   The Australian National Audit Office (ANAO) conducted an inquiry in 2014 entitled *Food Security in Remote Indigenous Communities*.[2] In its report, the ANAO looked at the effectiveness of government programs which were being administered at that time by the Department of the Prime Minister and Cabinet (DPMC)[3].

1.19   The ANAO made four recommendations in that 2014 report which were all agreed to, or agreed with qualifications. These included reviews by DPMC of the regulatory practices and licensing requirements for community stores under the *Stronger Futures in the Northern Territory Act 2012 (Cth)*, and review of the 'National Strategy for Food Security in Remote Indigenous Communities'.

1.20   Also recommended by the ANAO was that DPMC review the capture and use of performance information, and DPMC's assessment process for future food security grants administration (in order to align them with Commonwealth grant rules and guidelines).

1.21   The fact that this is at least the third report to examine these issues in recent years indicates that reform is needed particularly in the way food is supplied, stores are governed, prices are monitored and complaints are handled. Action needs to be taken.

Report structure and style

1.22   The remainder of the report contains chapters that include recommendations for Government:

■ Chapter 2 discusses why food remains consistently more expensive for remote communities and what might be done to put downward pressure on these prices. The difficulties faced by remote community

2   Australian National Audit Office (ANAO), *Food Security in Remote Indigenous Communities*, Commonwealth of Australia, 2014.

3   The functions of DPMC relating to Indigenous policies and programs are now carried out by the National Indigenous Australians Agency (NIAA), which was established in 2019.

stores in their current operating and trading environments are highlighted and the question of price gouging by some remote stores is explored.

- Chapter 3 discusses the oversight and governance of remote community stores. This includes the ongoing training that is provided to the directors of the Aboriginal Corporations that own stores and the staff that operate these businesses. A national licensing scheme, similar to that used for remote stores in the Northern Territory is also discussed.

- Chapter 4 focuses on the persistence of food insecurity in remote communities and the resulting poor social and health outcomes. Possible long term solutions including investments to improve remote infrastructure and food distribution networks, and options for robustly enhancing local food production are discussed.