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The Parliament of the Commonwealth of Australia

# **Report on food pricing and food security in remote Indigenous communities**

House of Representatives  
Standing Committee on Indigenous Affairs

November 2020  
Canberra

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**The Indigenous Affairs Committee acknowledges the Aboriginal and Torres Strait Islander peoples of this nation and the traditional custodians of Country throughout Australia. The Committee pays respects to ancestors and Elders past, present, and future, and is committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to land, waters and seas.**





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## Chair's foreword

In early 2020, while many Australians were watching toilet paper supplies disappear from supermarket shelves, stories were emerging of people in remote Aboriginal and Torres Strait Islander communities facing extremely high prices for particular food and grocery items. News outlets reported an iceberg lettuce costing \$7.89 and a jar of coffee selling for \$55.

This inquiry was initiated in response to those reports and to other long-standing concerns regarding the availability and affordability of nutritious food in remote communities.

While there was an answer to each of the reported prices, it also became clear that these stories reflected a persisting disquiet regarding the supply of affordable, nutritious, quality food in many remote Aboriginal and Torres Strait Islander communities. That supply is tenuous and needs to be improved.

Food security issues for remote Aboriginal and Torres Strait Island communities are not new. For many people living remotely, food security is an annual concern. The supply of quality and affordable food is often unstable due to poor infrastructure, seasonal changes and the high costs of living and operating stores remotely.

Community stores are not a lucrative business. Stores are operating in situations that are very difficult and where costs are much higher than in urban centres. A broken fridge can't be quickly and cheaply fixed when the closest fridge repair person is located 200 kilometres up a 4-wheel-drive track. Goods can travel halfway across the country before they arrive at the stores and there is a substantial cost and fragility involved in food supply to remote places.

However, despite these challenges, the committee also learned that there is a very good story to be told about what happened in remote communities this year during the COVID-19 pandemic.

In March this year, bio-security zones were created to keep very vulnerable remote communities safe from the coronavirus pandemic. Those bio-security zones meant more people returning to live in remote communities without the capacity to travel into regional centres for supplies. Population influx, coupled with state border closures, heightened demand on stockpiles and social distancing affecting manufacturing, put additional pressure on the already fragile supply chain.

With a potential new crisis emerging, industry, NGOs, communities and governments of all stripes collaborated with stores to ensure food supply was maintained despite these myriad pressures.

The advent of the Supermarket Taskforce and the Food Security Working Group allowed for essential collaboration and solution-driven planning to occur. The committee heard stories of food being donated, new initiatives like food baskets being developed at pace and competitors helping one another remove blockages to ensure the problems were resolved.

We have an opportunity to harness some of the lessons of the Supermarket Taskforce and the Food Security Working Group and can build on the networks and goodwill generated through that process. There is an opportunity to make some important changes that could make a positive difference to the food security and health outcomes experienced by people in remote Aboriginal and Torres Strait Islander communities. This report recommends several measures to build on the cooperative momentum of 2020.

We also recommend measures to support local food supply, to improve governance and oversight and to ensure competition between management groups continues.

Finally, it is important to acknowledge that this is the third time this matter has been examined in recent years and none of those inquiries has resolved the concerns about food prices and security that have been expressed.

Consequently, complaints concerning food pricing need to be examined by a body that is equipped to do the thorough, forensic examination that will satisfy the public. That is why the Committee is recommending these matters be investigated by the ACCC undertaking an enhanced market study which they have never done in remote communities. In addition, real time price monitoring and much better governance training at the local level should help bolster public confidence.

On behalf of the Committee, I would like to acknowledge and thank everyone who has worked with us including those who made submissions and gave evidence at hearings. Conducting this Inquiry was particularly challenging due to our inability to travel but we were able to gather evidence from a wide range of stakeholders including residents and business operators in remote communities.

I hope this report leads to positive change.

**Julian Leaser MP**  
**Chair**





## **Membership of the Committee**

**Chair** Mr Julian Leeser MP

**Deputy Chair** Hon Warren Snowdon MP

**Members** Ms Sharon Claydon MP

Hon Warren Entsch MP

Ms Celia Hammond MP

Ms Anne Stanley MP

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## Terms of reference

The House Standing Committee on Indigenous Affairs will inquire into and report on the issue of food prices and food security in remote Indigenous communities ("Remote Communities").

The Inquiry will identify and report upon factors contributing to higher prices and situations where prices are considered unreasonable and in particular investigate whether there is price gouging in any remote community stores.

This investigation should pay particular attention to the availability and pricing of fresh and healthy foods in remote community stores.

The Inquiry will also consider licensing and regulation as well as the governance arrangements for remote community stores across Australia, and what action, if any, that the Australian Government and State and Territory governments could take to address price gouging in Remote communities.

The Inquiry should consider, report and where appropriate make recommendations on:

1. The licensing and regulation requirements and administration of Remote Community stores;
2. The governance arrangements for Remote Community stores;
3. Comparative pricing in other non-Indigenous remote communities and regional centres;
4. Barriers facing residents in Remote Communities from having reliable access to affordable fresh and healthy food, groceries and other essential supplies;
5. The availability and demand for locally produced food in Remote Communities;

6. The role of Australia's food and grocery manufacturers and suppliers in ensuring adequate supply to Remote Communities, including:
7. identifying pathways towards greater cooperation in the sector to improve supply;
  - a. the volume of production needed for Remote Communities;
  - b. challenges presented by the wet season in Northern Australia as well as any locational disadvantages and transport infrastructure issues that might be relevant;
  - c. geographic distance from major centres;
8. The effectiveness of federal, state and territory consumer protection laws and regulators in:
  - a. supporting affordable food prices in Remote Communities particularly for essential fresh and healthy foods;
  - b. addressing instances of price gouging in Remote Communities; and
  - c. providing oversight and avenues for redress;
9. Any other relevant factors.





## List of abbreviations

AIG	Aboriginal Investment Group
AMA	Australian Medical Association
AMSANT	Aboriginal Medical Services Alliance Northern Territory
APO NT	Aboriginal Peak Organisations Northern Territory
ALPA	Arnhem Land Progress Aboriginal Corporation
ACCC	Australian Competition and Consumer Commission
AFGC	Australian Food and Grocery Council
ANAO	Australian National Audit Office
ASIC	Australian Securities and Investments Commission
CRRH	Centre for Rural and Remote Health at James Cook University
CDP	Community Development Program
CEQ	Community Enterprise Queensland
CATSI Act	<i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i>
COAG	Council of Australian Governments
DPMC	Department of the Prime Minister and Cabinet
HACCP	Hazard and Critical Control Point
HFB	Healthy food basket
IAHA	Indigenous Allied Health Australia

MBS	Market Basket Survey
NATSIHS	National Aboriginal and Torres Strait Islander Health Survey
NIAA	National Indigenous Australians Agency
NRHA	National Rural Health Alliance
NSWALC	New South Wales Aboriginal Land Council
NTCOSS	Northern Territory Council of Social Service
ORIC	Office of the Registrar of Indigenous Corporations
PFA	Police Federation of Australia
PHAIWA	Public Health Advocacy Institute of Western Australia
PHAA	Public Health Association of Australia
QAIHC	Queensland Aboriginal and Islander Health Council
RPI	Regional Price Index
RIEL	Research Institute for the Environment and Livelihoods, Charles Darwin University
UQ	University of Queensland
UTS	University of Technology Sydney
WACOSS	Western Australian Council of Social Service



## List of recommendations

### Recommendation 1

The Committee recommends that the Treasurer direct the Australian Competition and Consumer Commission to undertake an enhanced market study into food and grocery prices in remote community stores. This study should make recommendations about how to increase competition in remote areas and put downward pressure on food prices.

The study should also identify better complaints handling mechanisms for people in remote communities, any changes to the consumer protection laws that might need to be made to address price gouging in these communities, which the current laws do not address, and a consideration of the impact, if any, of rebates.

The study should also recommend ways in which remote community members can be better informed of their rights as consumers, especially the right to make complaints.

### Recommendation 2

The Committee recommends that the Australian Government establish a real-time price monitoring and disclosure mechanism through a point of sale data system across all remote community stores. Such a system should allow for real time information about changes in price and patterns of consumption and supply. The price monitoring system should be reported and made publicly available by the NIAA.

### Recommendation 3

The Committee recommends that the Australian Government investigate the need for upgrading the infrastructure and shipping lanes in the Torres Strait and coastal areas of the Northern Territory, and road infrastructure into remote communities, to improve the supply of food to remote First Nations communities.

**Recommendation 4**

The Committee recommends that the Australian Government encourage the establishment of more local distribution centres by wholesalers in major regional centres closer to remote communities.

**Recommendation 5**

The Committee recommends that an independent review of the outcomes and quality of governance training conducted by ORIC be undertaken so that in future training be available in language, and that evidence be collected that those who have completed the training actually understand their duties and obligations as directors.

Completion of initial governance training and some level of continuing professional development for directors and staff should also become part of the national licensing scheme.

**Recommendation 6**

The Committee recommends that the Australian Government institute a national scheme of licensing and inspection of remote community stores.

**Recommendation 7**

The Committee recommends that the *Stronger Futures in the Northern Territory Act 2012* be amended to remove the requirement that stores be given notice before inspections.

**Recommendation 8**

The Committee recommends that remote stores provide material to inform communities on their use of rebates.

**Recommendation 9**

The Committee recommends as a means of applying competitive pressure that at the expiration of store management contracts, new contracts should ideally be open to competitive tender.

**Recommendation 10**

The Committee recommends that the Australian Government, in partnership with the States and Territories and First Nations people, develop a strategy for food security and nutrition for remote First Nations communities.

**Recommendation 11**

The Committee recommends that the Food Security Working Group that was established during the COVID-19 pandemic be maintained and tasked with:

- identifying improvements to the logistics of food and grocery supply into remote communities
- assessing the viability of warehousing greater volumes of food and groceries in more remote parts of the supply chain
- identifying ways to improve the replenishment cycle of food and groceries in remote community stores
- ensuring food supply during pandemics, natural disasters and seasonal changes
- identifying ways which the major supermarket chains can help play a role in driving down food prices and guaranteeing supply for remote communities
- identifying ways in which Outback Stores might assist independent community stores with the supply of food and grocery stock.

**Recommendation 12**

The Committee recommends that the Australian Government support local food production in remote communities to meet food safety standards and other regulations in order to encourage the greater use of locally sourced food.

**Recommendation 13**

The Committee recommends that the Australian Government introduce a remote community competitive grants program, with a focus on:

- access and continuity of power
- improving cold and dry storage in communities
- promoting and supporting local food production schemes such as mobile abattoirs, fishing enterprises and community gardens.

**Recommendation 14**

The Committee recommends that community stores be eligible to access and apply for any grants that might be available to other essential services in remote communities.

**Recommendation 15**

The Committee recommends that the Australian Government consult with the relevant State and Territory Government agencies to develop solutions to deliver reliable electricity to remote communities.

**Recommendation 16**

The Committee recommends that the NIAA consult with the relevant stakeholders to ensure that Aboriginal and Torres Strait Islander residents of town camps can receive food deliveries from supermarkets in their vicinity.