

Aboriginal Peak Organisations Northern Territory (APO NT)

Inquiry into food pricing and food security in remote Indigenous communities

Joint submission

9 July 2020

About Aboriginal Peak Organisations Northern Territory (APO NT)

Since 2010, the Aboriginal Peak Organisations Northern Territory (**APO NT**) alliance has been working to develop policies on critical issues facing Aboriginal people in the Northern Territory and to influence the work of the Australian and Northern Territory Governments. As peak organisations in the Northern Territory, we share the aim of protecting and advancing the wellbeing and rights of Aboriginal people and communities. Aboriginal empowerment, local ownership and community control are critical factors underpinning our work. We advocate for coordinated action to address the social determinants of health across a broad range of policy areas: in housing, employment, education and health; but equally important is ensuring that the right conditions are in place for creating strong, resilient communities.

APO NT welcomes the invitation to make a submission to the House of Representatives Standing Committee on Indigenous Affairs on the Inquiry into Food Pricing and Food Security in Remote Indigenous Communities.

To discuss the details of this submission further, please contact the APO NT Coordinator, Brionee Noonan on (08) 8944 6672 or via email: brionee.noonan@amsant.org.au.

Introduction

This inquiry is the latest in a long line of Government inquiries, plans and policies that have aimed to address food security and the higher cost of food in remote Aboriginal communities.

It should be acknowledged that a House of Representatives inquiry into this issue was undertaken in 2009 and a significant proportion of the recommendations that were provided to the Australian government at the time by Aboriginal community controlled organisations have largely been ignored. The Central Land Council made a submission to the 2009 House of Representatives Inquiry into Community Sores in Remote Aboriginal and Torres Strait Islander Communities.¹ Many of the recommendations made in this submission are still relevant today. APO NT urges the Chair, Mr. Julian Leeser, and the Committee to review these recommendations, and other reviews undertaken into food security in remote Aboriginal communities, to ensure recommendations regarding long term and effective solutions are adopted and implemented by the Australian Government.

Food insecurity impacts on all aspects of life including housing, education and health. While the terms of reference for this inquiry do not acknowledge the broader issues of food insecurity, it is anticipated that through this submission, the committee sees the need for long term, community-led and empowered solutions to this issue. APO NT is concerned that without addressing all aspects of food insecurity and its underlying causes, the Commission's recommendations will not lead to meaningful change to the current high levels of food insecurity in remote communities. APONT supports the view that food security as defined by the Food and Agriculture Organisation of the United Nations has not been achieved for people living in remote Aboriginal communities

¹ Central Land Council, 2009

and that urgent interventions, including subsidies, are required to address this as a human rights issue². APO NT believes that to address food insecurity in remote communities, all sectors must work together to address the underlying determinants of health. Food insecurity plays a critical role in the unacceptably high rates of chronic disease and the gap in health outcomes experienced by Aboriginal people. A systems approach is essential to tackling the social, political and environmental determinants of chronic disease and food insecurity. This requires coordination of policies and inquiries and a consistent and effective range of responses across multiple sectors and at local, national and regional levels.

The Aboriginal Medical Services Alliance NT (**AMSANT**) is currently undertaking a food security project working with Aboriginal community members and key stakeholders to identify and develop potential policies and programs to address long-term food insecurity in the Northern Territory (**NT**) and the Central Australian tri-state region (NT, South Australia and Western Australia). Consultation is currently underway with service providers and community members to hold a Food Summit in 2021. The Food Summit will be an opportunity for community leaders and stakeholders to come together, share ideas and develop recommendations that can be used to address food insecurity in the NT. The overarching goal of this approach is to improve health outcomes for Aboriginal people in the NT through improved access, availability, affordability and use of healthy food using community-led solutions.

² PHAA, 2019

Recommendations:

1. The Australian Government to acknowledge remote community stores are not just a local business but a critical social service upon which whole communities of vulnerable people are substantially reliant with respect to access to healthy food and other essential items.
2. Consistent with this view, the Australian Government to implement targeted strategies including subsidies where high overheads are consistently being passed on to consumers through unacceptably high retail prices.
3. Undertake reform to support remote community stores to better provide for the needs of consumers, such as:
 - a. Review wholesale rebates offered to remote stores and its impact on competition and store prices.
 - b. Improve the roll out of and access to ABA funding to support stores to increase the purchasing power and storage capacity of healthy food.
4. The Australian Government to:
 - a. Continue to support the AMSANT Food Summit project to gain community and Aboriginal organisation voice in developing solutions to food insecurity.
 - b. Commit to and work with community led solutions such as those that come out of the Summit.
5. The Australian Government to undertake broader reforms to the Australian food and beverages sector to support consumers to have healthy food choices such as:
 - a. Implement economic tools, including a 20% taxes on added sugar foods and beverages and a fruit and vegetable subsidy, to promote the consumption of healthier food products and discourage the consumption of less healthy options
 - b. Transfer of industry self-regulated Food and Beverage Advertising code to Government legislated regulations.
6. Implement initiatives to increase store turnover through greater purchasing of food from local and visiting services providers by:
 - a. Incentivising organisations to utilise community stores for programs
 - b. Funding for programs in remote communities to reflect the true cost of service delivery.
7. Increase funding for monitoring food security aspects of store licensing and for NIAA or an appropriate organisation to work more closely with local authorities in the implementation and monitoring of food security programs.
8. The Australian Government must undertake an independent review of the *Stronger Futures in the Northern Territory act* particularly with respect to food security and store

licensing prior to its scheduled completion in 2022. Terms of Reference should encompass consideration of transferring responsibility for store licensing and monitoring to the NT Government's Health Department which also has responsibility for the Market Basket Survey.

9. NIAA to introduce monitoring of fair pricing as a regular component of the regulatory system and work with remote communities to ensure community members are aware of their consumer rights and have access to easily accessible pathways to action these rights.
10. Greater operational distance be developed between Outback Stores and NIAA to allow for greater independence of NIAA to apply fair and fearless advice to the Minister in regards to remote stores management and operation.
11. Greater Aboriginal community involvement in the governance and management of Outback Stores and the Australian government to undertake a review of Outback Stores with the goal of increasing Aboriginal community controlled organisations operating in the sector.
12. Australian Government to work with state and territory governments to introduce a standardised and comparable cross-jurisdictional measure of a store basket survey across all remote stores. The survey should:
 - a. Transparently report store results with identified stores to allow community members to assess their community store against others, similar to programs undertaken for schools and petrol stations to create a virtual market.
 - b. Measure stores performance against benchmarking of community store availability, affordability and quality of healthy foods and essential products.
 - c. Measure the cost and availability of both a healthy basket of food and current diet basket.
 - d. Measure the cost of both a healthy basket and current diet basket in major towns and cities to allow for comparison of prices between remote communities and urban centres.
 - e. This survey should be implemented annually and results released in a timely and coordinated manner to enable national and regional comparisons.
13. That the NT and Australian governments work together to develop and implement policy and practice responses to address the growing disparity in the MBS results between remote and urban/regional centres.
14. Adopt a 'housing for health' approach in Aboriginal communities that:
 - a. Supports an environmental health workforce to implement evidence based initiatives that improve health outcomes.'

- b. Support a proactive Housing for Health 'survey and fix' program which adheres to the '9 Healthy Living Practices' particularly with respect to improving nutrition, the ability to store, prepare and cook food.³
 - c. Supports culturally led sustainable design of housing to address overcrowding and culturally appropriate food storage, preparation or serving facilities.
15. The Australian Government to retain the current increase in welfare payments and implement an increase and indexation of the remote area allowance for welfare recipients for both remote and very remote areas to reflect the higher cost of living in these areas compared to the rest of Australia.
 16. The Australian Government to implement the recommendations from APO NT plan 'Fair work and strong communities; proposal for a remote development and employment scheme' to enhance employment opportunities for local people in stores.
 17. Introduce standardised store opening hours as a condition of store licensing to ensure daily access for community members to essential food and grocery items. *This recommendation should be undertaken with Rec 1. to ensure the viability of all remote stores.*
 18. The Australian and Territory Government engage and work with Aboriginal organisations, such as Aboriginal Land Economic Development Agency (ALEDA), and communities to develop agricultural businesses within the Northern Territory.
 19. The Australian and Territory Governments to improve freight access to remote communities and economic development areas by investment in transport infrastructure such as sealing of roads and building of critically needed bridges
 20. The Australian Government to invest in a multi-strategy public health program that is developed and delivered by Aboriginal community controlled organisations that empowers people to make positive changes to food choices similar to that undertaken in the Tackling Indigenous Smoking program.
 21. Major retailers and wholesalers use their market power to support small community owned stores with formal agreements and ordering pathways to supply consistent, reliable stock at reasonable prices.
 22. The Australian Government to scope the development of a remote store supply co-op to improve supply and freight systems for all remote stores.

³ HealthHabitat, 2020

The environment in which remote community retailers operate

Remote Aboriginal communities present particular challenges for food security. As you can see from **Figure 1** there have been numerous attempts over more than two decades to address this issue by both Northern Territory and Australian Governments with no improvement in the cost of food in remote stores. Most stores operate in a monopoly environment, and this lack of competition can have negative impacts for consumers. Residents have little capacity to shop around, unless they travel great distances to regional centres. Any savings may then be reduced by the cost of travel. There are also no clear or accessible avenues for complaint, should a remote resident be concerned that the service provided is not adequate.

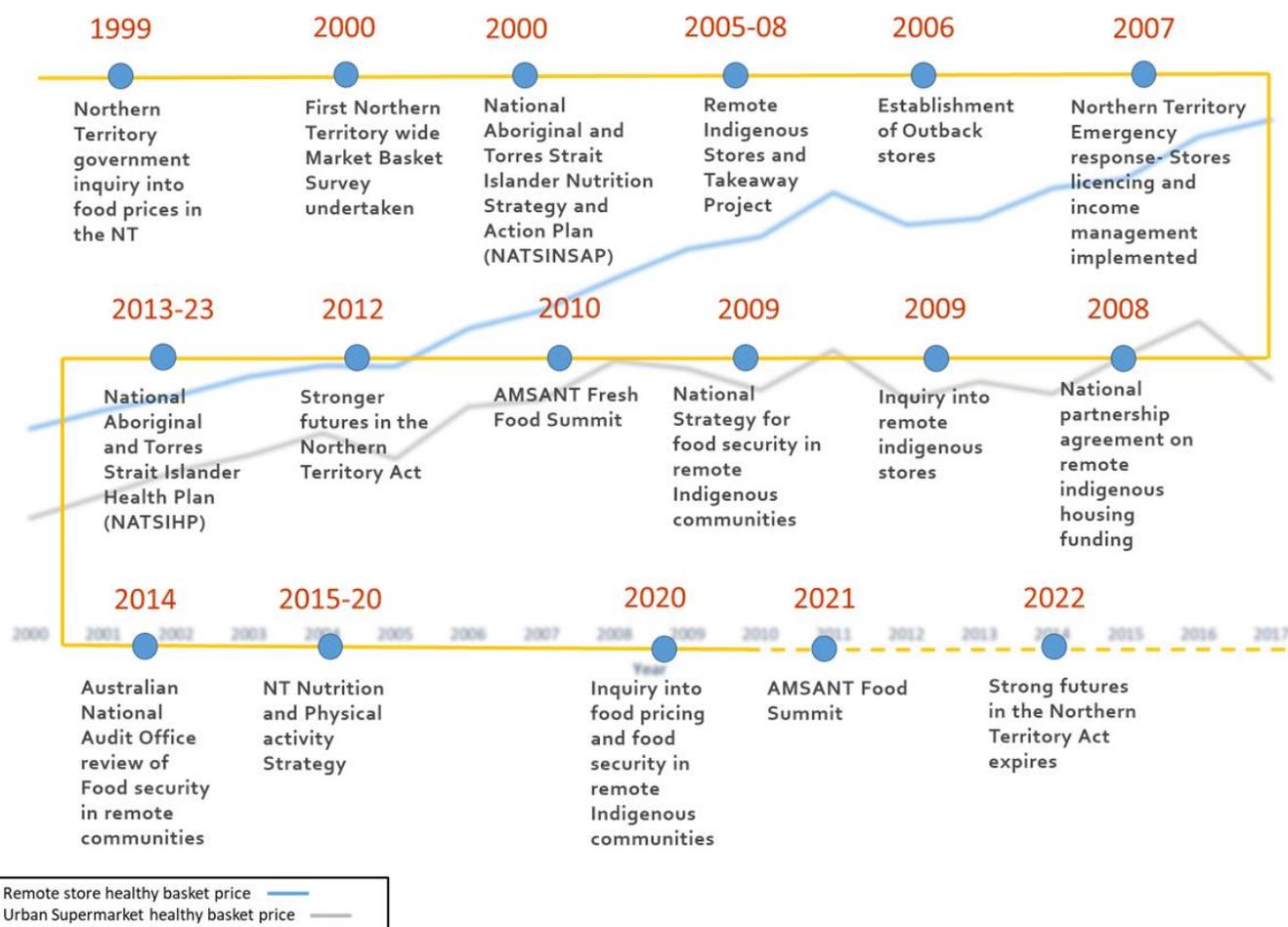


Figure 1. Remote community food security initiatives over the last 20 years and remote and urban store pricing 2000-17

The geographical isolation of Aboriginal communities adds complexity to the operation of remote community stores. Remote stores face higher service delivery costs including: higher transport costs due to poor road conditions and long distances; high overheads, including the capital required to build and maintain store infrastructure; high staff wages; and greater wastage of food

stock, some of which is related to the short shelf life that food has once it has arrived in remote stores.

Stores that become seasonally isolated face additional barriers to carrying sufficient stock. Ngukurr in the Katherine East region provides one such example. Previously in the wet seasons, the only mechanism for food supplies to be delivered to the community was a barge across the Roper River. Perishable food must travel hours in a truck along a dirt road, be unloaded and then transported by barge across the Roper River in the hot sun. The quality of the food after this journey could be poor due to movement and inconsistent temperature storage. This community would also build up non-perishable stock over the dry season to minimise the amount of stock that was brought in over the wet season. The building of bridges and upgrading of sections of the road have now led to a reduction in costs to the store over the wet season and improved quality of food on arrival with longer shelf life.

Whilst other services in remote communities are considered essential services, remote stores must attempt to operate as a profitable business while also juggling the competing demands of providing social benefits, including the important health role that the store plays in communities. Reducing margins on healthy food may be an important objective but a challenging one if the store is struggling to be profitable. Similar to other remote community service providers, remote stores also need to build and maintain housing, provide vehicles and cover utility costs of staff; a problem not faced by urban-based retailers.

Between 2006 and 2009 Outback Stores was provided with \$84 million in startup funding, and is currently still holding \$42 million of these grants. This funding has been used to build new infrastructure and subsidise stores operating under Outback Stores. While Outback Stores operated stores have access to this yearly subsidy, other independent and stores groups do not and so are forced to increase prices of stock. Outback Stores estimates that over half of the stores they currently operate are unviable or barely viable due to small turnover and low population bases in remote communities⁴. Store turnovers are often small with local service providers and visiting services bringing in food supplies from major towns. Store surveys conducted by CLC indicated that the wholesale prices that remote stores must pay from suppliers is often higher than the retail prices offered by major retailers. These additional costs are all passed on to consumers in remote communities, most of whom are Aboriginal people who are often experiencing financial hardship. It has been estimated that median household income for Indigenous Australians in very remote areas was just \$389 per week in 2016.⁵ Additionally, more than 16,000 Aboriginal people in the NT are on income management.⁶ In some cases, people elect to direct the managed component of their income to an account at the local store, making it crucial that remote stores have the capacity to provide a fair and suitable service to remote consumers.

As well as facing financial hardship, remote Aboriginal residents consume less fruits and vegetables, drink greater amounts of sugar sweetened beverages and carry a higher disease

⁴ Inquiry into food pricing and food security in remote Indigenous communities public hearing, 18/06/2020

⁵ Markham & Biddle, 2016

⁶ Heaney, 2019

burden than the general population. Aboriginal people in remote communities are 1.6 times more likely to consume sugar sweetened beverages and it is well-documented that there are disparities between the health outcomes of Aboriginal people and those of the broader NT population. Aboriginal Territorians living in remote communities are more likely to have multi-morbidities with a high burden of nutrition related chronic conditions, including high blood pressure, chronic kidney disease and cardiovascular disease than those in non-remote areas.⁷ Given the remoteness, and high rates of poor health, it is surprising that access to primary healthcare services relative to need is lowest in very remote areas for Aboriginal and Torres Strait Islander people Australians (see **Figure 1**).

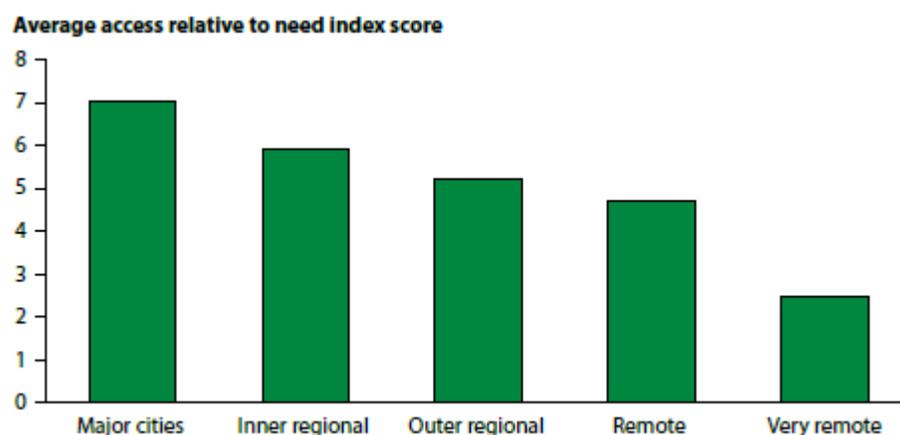


Figure 2. Index of access to primary health care provided by GPs, relative to need, Indigenous Australians, 2011⁸

Both diet and high body mass account for 15% and 14% respectively of the health gap between Aboriginal and Torres Strait Islanders and non-Indigenous Australians.⁹ Health services have continued to help build the capacity of stores to provide affordable healthy food to people living in remote areas to help to reduce the impact of disease and ill-health on these communities. Aboriginal Community Controlled Health services and remote stores groups work closely to address these issues but greater support is required. Currently only 54% of remote stores have nutrition policies in place despite efforts to implement them in all remote stores¹⁰. Public health nutritionists have been identified as critical in getting initiatives in place to support community stores but barriers to entry into stores still exist¹¹. The introduction of Outback Stores in 2006 aimed to improve governance and management of remote community stores, improve affordability of healthy foods and increase employment of local people but has had mixed results.⁸ The 2009 Inquiry also highlighted the need for greater efforts to be made in training local people in managing and working with remote stores. However since the 2009 Inquiry new models have emerged such as the Laynhapuy homelands stores that run on a cross-subsidy model with the

⁷ AIHW, 2014

⁸ AIHW, 2014

⁹ Brown et al, 2019

¹⁰ NTG 2017 Market Basket Survey, 2019

¹¹ Pollard et al, 2014

local health service and employ public health nutritionists and local shopkeepers to deliver healthy affordable food.¹²

The COVID-19 crisis and the establishment of designated biosecurity zones highlighted the ongoing inequity facing consumers in remote areas. On March 26 2020, all remote areas of the NT, except pastoral leases, were declared designated areas under the Commonwealth *Biosecurity Act (2015)* in order to protect remote communities from potential exposure to the coronavirus. Individuals wishing to enter a designated area had to first self-quarantine for 14 days. Aboriginal people were encouraged to return to their home communities for the duration of the pandemic; support was put in place to achieve this through Return to Country services delivered by Tangentyere Council, Larrakia Nation and other providers. However, because of the strict rules restricting re-entry to a designated area, people were essentially locked down in these remote communities and were forced to rely upon local stores that would not ordinarily be expected to provide for the full range of needs of the community population for an extended period of time. Stores were encouraged to carry additional stock in order to meet the needs of community members and be prepared for a medical lock-down should it eventuate. However, many stores lacked the capacity of regular and refrigerated storage spaces to do so. Some stores also struggled to produce the financial leverage needed to place a large enough order to meet the additional requirements.

Prior to the pandemic, many remote residents would offset the higher costs of shopping at their local store by travelling to a regional centre to obtain more affordable supplies or access a greater range of clothing and homewares not always stocked by small community stores. Because this option was not available during the pandemic, the inequitable pricing of goods in remote stores became even more apparent. While the COVID-19 Economic Support Payments assisted Centrelink income recipients during this period the situation for remote residents was not comparable to urban residents where the additional funding provided significantly greater value for each additional dollar. Furthermore, APO NT understands that many community stores have struggled to provide for the needs of community members during this time. Much of this data has been collected and collated by the Central Land Council, through store surveys and interactions with community members seeking exemptions to come into regional centres, and from the NT governments' Critical Goods and Services team.

The issues facing remote residents and remote stores during the COVID-19 crisis have not ended simply because the Biosecurity area restrictions have been lifted. They existed before the pandemic restrictions and will continue unless action is taken by both levels of government to guarantee greater equity over food pricing. The experience of remote community residents during the COVID-19 crisis indicates that significant reform is necessary in order to support remote stores to provide an equitable service in Aboriginal communities.

¹² Laynhapuy health service, 2019

Recommendations:

1. The Australian Government to acknowledge remote community stores are not just a local business but a critical social service upon which whole communities of vulnerable people are substantially reliant with respect to access to healthy food and other essential items.
2. Consistent with this view, the Australian Government to implement targeted strategies including subsidies where high overheads are consistently being passed on to consumers through unacceptably high retail prices.
3. Undertake reform to support remote community stores to better provide for the needs of consumers, such as:
 - a. Review wholesale rebates offered to remote stores and its impact on competition and store prices.
 - b. Improve the roll out of and access to ABA funding to support stores to increase the purchasing power and storage capacity of healthy food.
4. The Australian Government to:
 - a. Continue to support the AMSANT Food Summit project to gain community and Aboriginal organisation voice in developing solutions to food security.
 - b. Commit to and work with community led solutions such as those that come out of the Summit.
5. The Australian Government to undertake broader reforms to the Australian food and beverages sector to support consumers to have healthy food choices such as:
 - a. Consider economic tools, including taxes and subsidies, to promote the consumption of healthier food products and discourage the consumption of less healthy options
 - b. Transfer of industry self-regulated Food and Beverage Advertising code to Government legislated regulations.
6. Implement initiatives to increase store turnover through greater purchasing of food from local and visiting services providers by:
 - a. Incentivising organisations to utilise community stores for programs
 - b. Funding programs in remote communities to reflect the true cost of service delivery.

The licensing and regulation requirements and administration of remote community stores

The situation where a single store is operating in remote communities can be a fertile ground for monopolistic behaviours. Consumer protection laws apply to all operators, but in the absence of competition, these laws are not as effective in remote areas as in more competitive marketplaces. It is unreasonable to expect the situation in remote communities to be remedied by market forces, such as through the establishment of a competing store, in areas of such small populations.

The aim of stores licensing within the NT under the *Northern Territory Stronger Futures Act* was to implement and monitor food security and income management. The licensing scheme was designed to improve food security in remote communities by setting standards that stores need to meet around “access to a range of food, drink and grocery items that is reasonably, priced, safe and of sufficient quantity” as well as financial, retail and governance processes¹³. Since the introduction of stores licensing it is clear through the NT Market Basket Surveys (MBS) that store pricing has not improved and/or reached reasonable levels for households, and the quality of fresh fruits and vegetables has declined. Lewis and Lee’s systematic review of food pricing suggests if household income spending on food was below 30% this could be considered acceptable for food security¹⁴. Currently in some communities this is as high as 150% of average household income with community members using book up to cover the cost and accumulating debt¹⁵.

While store licensing has not achieved the goal of reasonable pricing, the availability of healthy food has increased (the average number of fruit, vegetables, lean meat and healthy breakfast cereals have all increased between 2007 and 2017).

APO NT encourages the Australian Government to strengthen mechanisms for price regulation that can hold providers accountable and ensure fair practices. This would include NIAA more clearly defining reasonable prices under store licensing and increasing the monitoring and enforcement of store licensing as recommended by the 2014 ANAO review. Current resourcing for store licensing assessment and compliance has largely devolved to NIAA regional offices with a resulting reduction of activity in this area. Attention to the adequacy of the resources and the current model of delivery is needed to rectify this problem. It is also imperative that more is done to make avenues for redress clear and accessible to Aboriginal consumers in remote communities. In consulting with community members to develop the draft Aboriginal Justice Agreement, the Aboriginal Justice Unit found that “There is a low uptake of complaints processes by Aboriginal people in the Northern Territory. Many Aboriginal Territorians don’t realise they have a right to complain or have knowledge about how or who to complain to”¹⁶. It is unlikely that Aboriginal consumers in the NT would be aware of their rights under consumer law

¹³ Stronger futures in the Northern Territory Act 2012, 2016

¹⁴ Lewis and Lee, 2016

¹⁵ NTG 2017 Market Basket Survey, 2019

¹⁶ Department of the Attorney General & Justice, 2019, p.94

or how to report a grievance with a local business under these laws. These rights must be made explicit to people in Aboriginal communities, and support must be provided to ensure people feel empowered to complain if they need to. Given the vulnerability of consumers in a market that is lacking competition, it is imperative that more steps are taken to promote fairness in the operation of remote stores.

Recommendations:

7. Increased funding for monitoring food security aspects of store licensing and for NIAA or an appropriate organisation to work more closely with local authorities in the implementation and monitoring of food security programs.
8. The Australian Government must undertake an independent review of the *Stronger Futures in the Northern Territory act* particularly with respect to food security and store licensing prior to its scheduled completion in 2022. Terms of Reference should encompass consideration of transferring responsibility for store licensing and monitoring to the NT Government's Health Department which also has responsibility for the Market Basket Survey.
9. NIAA to introduce monitoring of fair pricing as a regular component of the regulatory system and work with remote communities to ensure community members are aware of their consumer rights and have access to easily accessible pathways to action these rights.

The governance arrangements for remote community stores

In the NT, remote community stores are licensed and operate under the *Stronger Futures in the Northern Territory Act (2012)* to ensure stores meet specific conditions in respect of retail management, governance and financial integrity. The governance structures of stores vary and can include community owned and operated, management by a stores group or privately operated. These models of operation have had varying degrees of impact on the price, availability and quality of healthy food in remote communities but most importantly the involvement of the community in the store's operations. The management of stores under larger stores groups has allowed stores to improve systems, increased access to grants and a greater level of services and support. The Northern Territory Market Basket Survey (**MBS**) has shown consistently that managed group stores are overall less expensive than private run stores and independent community owned and run stores by as much as 13%.¹⁷ However, community engagement in the governance and operation of many community owned and Outback stores is low with a considerable amount of decision making undertaken by store managers, bookkeepers and/or head offices of management groups. According to the 2017 MBS less than 70% of remote community stores have store committees in place.

¹⁷ AMSANT analysis of NTG 2019 Market basket survey results

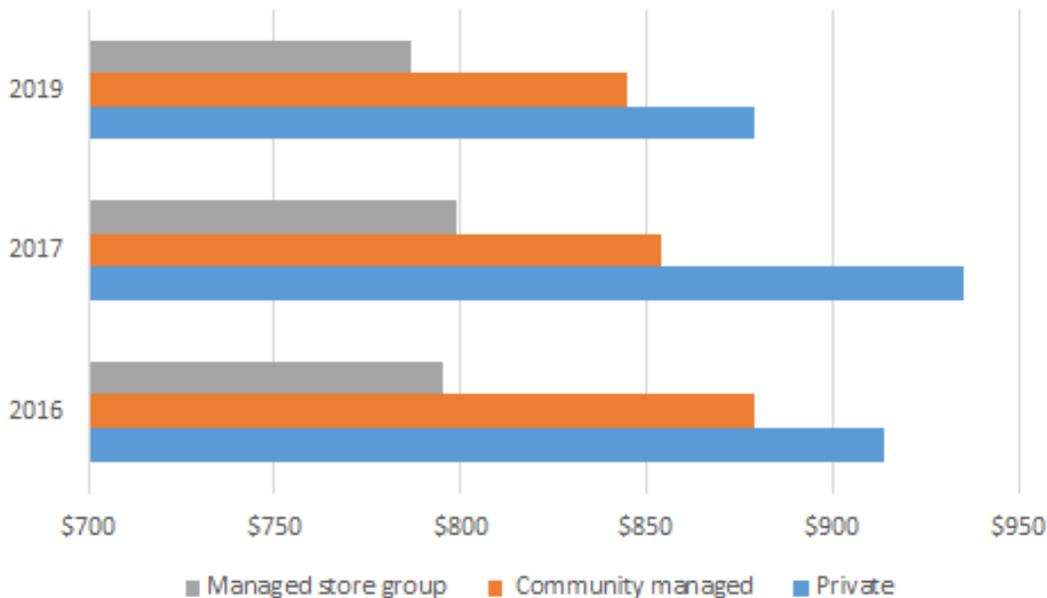


Figure 3. Market Basket survey average price per store management structure 2019-2016

The level of involvement of store committees in the management of the store business varies considerably from community to community.

Since the 2009 Inquiry into remote stores, which recommended greater investment into store governance and community engagement, there has been a decline in the number of stores with store committees, no improvement in the number of Indigenous employees, and less than 55% of stores have nutrition policies¹⁸. This is despite Outback Stores operating in more communities with a remit to increase employment opportunities for community members, improve management practices and address nutrition related issues¹⁹.

Currently Outback Stores is a wholly Commonwealth-owned entity and is currently under the National Indigenous Australians Agency reporting to Hon Ken Wyatt, Minister for Indigenous Australians²⁰. As Outback Stores operates within NIAA, but is also subject to regulation through the licensing arm of NIAA, there is often a perceived bias in the organisation's operations and expansion into new communities. This lack of distance between the two organisations could create governance issues that are not seen to be to the benefit of communities.

The Arnhem Land Progress Aboriginal Corporation (ALPA) and Mai Wiru community controlled stores groups have undertaken a lot of work to not only develop stronger Aboriginal values in governance but also manage stores to deliver on community needs including improving health outcomes. ALPA have used this successful store business model to develop more Aboriginal

¹⁸ Dept. of Health, 2019

¹⁹ Commonwealth of Australia, 2009

²⁰ Outback Stores Annual report, 2019

enterprises and employment opportunities outside of remote stores. These businesses have led the way in what community control can achieve and the importance of this governance model.

Critical to the improvement in the governance in remote communities stores is the greater support and engagement of communities in the running of their stores. This is not only in the governance of the stores but also providing support to Aboriginal people to be engaged with and develop an understanding of the operational management of these stores.

Recommendations:

10. Greater operational distance be developed between Outback Stores and NIAA to allow for greater independence of NIAA to apply fair and fearless advice to the Minister in regards to remote stores management and operation.
11. Greater Aboriginal community involvement in the governance and management of Outback Stores and the Australian government to undertake a review of Outback Stores with the goal of greater community controlled organisation operating in the sector.

Comparative pricing in other non-Indigenous remote communities and regional centres;

Currently, the NT is the only jurisdiction that reports regularly on the affordability, availability and quality of food in remote communities and regional centres. The NT has conducted consistent MBSs over 20 years (since 2000), providing a range of comparators by reporting on remote Aboriginal communities, town corner stores and supermarkets. This survey currently allows the NT to compare remote areas to major towns on affordability, availability and quality of both a health basket, as per Australian dietary guidelines, and a current basket, based on the reported dietary intake from national nutrition survey (often referred to as the unhealthy foods basket). Over the 20 years that the survey has been conducted the cost of food has increased by 45% in remote communities. In the year 2000 remote stores were 30% more expensive than town supermarkets; they are now 60% more expensive²¹. The data collected shows that, unlike in major towns, the cost of healthy food in remote communities has outpaced CPI. Furthermore, while the price of healthy food has increased, the quality of fruits and vegetables has decreased. As you can see, data the MBS provides gives policymakers and community organisations significant insight into trends in food cost, quality and variety over time between geographic districts, and regional and remote communities.

The MBS data is now collected every second year in a collaboration between the non-government sector and the NT Department of Health. While the report has been a strong advocacy tool, the release of the report back to health services and communities is continually delayed. Recent reports have lacked complete data, and the data reported is not transparent; stores are not named

²¹ Dept. of Health, 2019

so community members are not able to compare their store with other surrounding community stores.

Currently there is no standardised approach to conducting store surveys across jurisdictions. This lack of a standard approach to surveys means that it is difficult to determine the higher cost that remote communities must pay for basic essential products and healthy food. Attempts have been made by Informas and through research undertaken through the Australian Prevention Partnership Centre to develop a standardised method (Healthy diet ASAP tool²²), to conduct market basket surveys that would support benchmarking, comparison and monitoring of all components of food security.²³ This survey supports comparison of cost of current (unhealthy) and healthy diets, as per dietary guidelines, both to determine the differential between the cost of the two baskets. This also enables comparison of results from remote Aboriginal communities to non-Indigenous remote communities and regional centres. If such a survey is implemented, this information should be fed back to communities as a whole to support educated decision making in regards to the cost of food in community stores.

Critically, even in the NT where the MBS has been long running and consistent and shows a trend of an ever increasing gap in health food affordability between town supermarkets and remote and regional stores, there is no evidence that this knowledge has driven meaningful policy change to address this trend and ensure food security and affordability for remote Aboriginal people in the NT.

Recommendations:

12. Australian Government to work with state and territory governments to introduce a standardised and comparable cross-jurisdictional measure of a store basket survey across all remote stores. The survey should:
 - a. Transparently report store results with identified stores to allow community members to assess their community store against others, similar to programs undertaken for schools and petrol stations to create a virtual market.
 - b. Measure stores performance against benchmarking of community store availability, affordability and quality of healthy foods and essential products.
 - c. Measure the cost and availability of both a healthy basket of food and current diet basket.
 - d. Measure the cost of both a healthy basket and current diet basket in major towns and cities to allow for comparison of prices between remote communities and urban centres.
 - e. This survey should be implemented annually and results released in a timely and coordinated manner to enable national and regional comparisons.

²² Lee et al, 2018

²³ This includes the availability, affordability, accessibility and acceptability of the market.

13. That the NT and Australian governments work together to develop and implement policy and practice responses to address the growing disparity in the MBS results between remote and urban/regional centres.

Barriers facing residents in remote communities from having reliable access to affordable fresh and healthy food, groceries and other essential supplies

The barriers faced by residents in remote communities are the same barriers identified in numerous inquiries into remote communities. These include poor food preparation facilities in housing, regular power blackouts through lack of funds to top up power cards or system failure, overcrowding, low employment opportunities and household income, lack of reliable transport, access in and out of communities subject to weather conditions, knowledge and education opportunities. These social determinants of health and structural barriers are often beyond the control of individuals and families. At least 31% of people in remote communities are food insecure according to the Australian Bureau of Statistics but this has been reported to be as high as 76% in some studies in remote Aboriginal communities.²⁴

Housing is critical to ensuring people are food secure. Poor housing infrastructure and a lack of sustained, proactive maintenance has resulted in the inability of families in remote communities to safely store, prepare and consume healthy food²⁵. Within the NT, 53% of Aboriginal people living in remote communities live in overcrowded housing²⁶ and this is compounded by the fact that almost 25% of Aboriginal households in the NT did not have functioning food preparation facilities²⁷. This lack of access to food storage, preparation and cooking facilities mean a significant proportion of people living in remote communities rely on ready, easy to consume meals²⁸. Remote community residents have no choice but to wait for governments to increase the number of houses within their community and can wait for up to 6 years for housing and for longer periods of time for repairs and maintenance in existing housing to be carried out.²⁹ Programs such as the HealthHabitat 'Survey and Fix' model and using Aboriginal environmental health programs to provide proactive maintenance of health hardware in remote communities has been shown to play an important role in ensuring people have access to functional facilities within houses.

Lack of job opportunities and low household income have continued to put immense stress on Aboriginal people living in remote communities. Over the last 15 years, Newstart allowance has not increased in real terms, except for the current temporary six month period of Job seeker, while the cost of healthy food in remote communities has significantly exceeded CPI.³⁰

²⁴ ABS, 2015

²⁵ Lee & Ride, 2018

²⁶ AIHW 2017

²⁷ Foster 2019

²⁸ Lee et al 2016

²⁹ NTG, 2020

³⁰ Dept. of Health, 2019

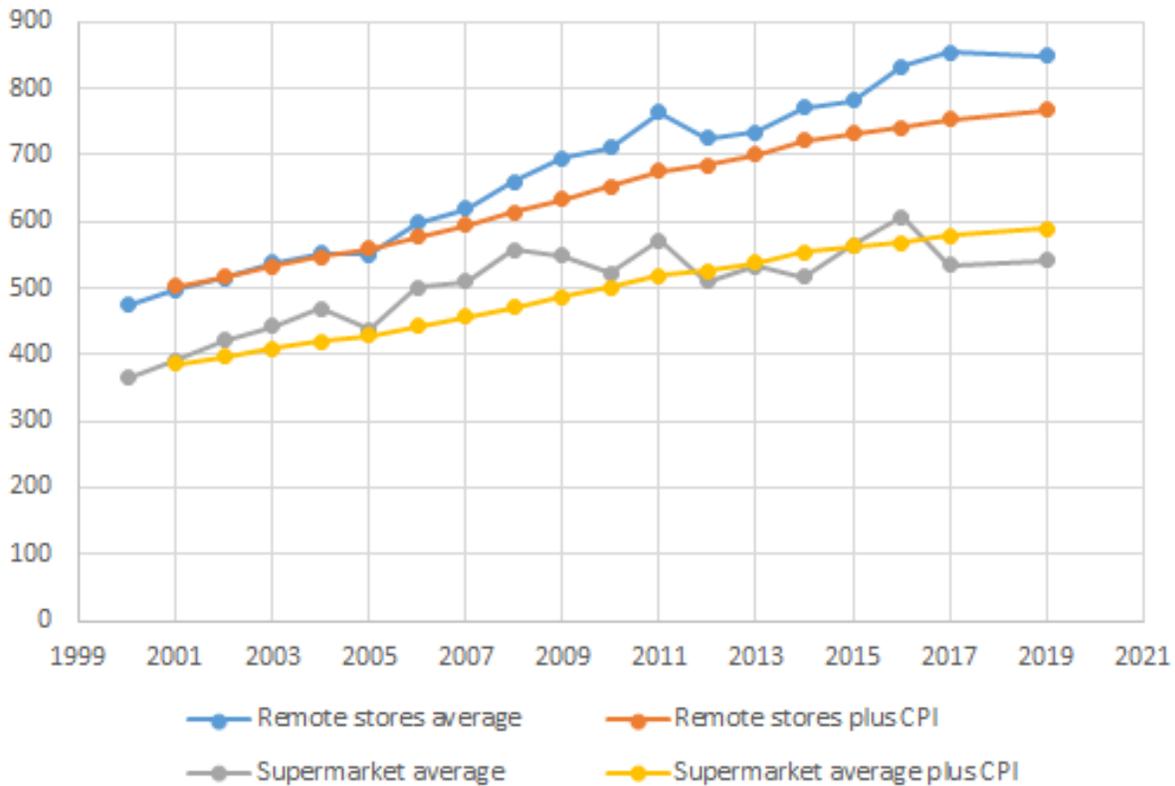


Figure 4. Cost of the HFB compared with projected cost of the HFB with annual Consumer Price Index (CPI) increase, remote stores and district centre supermarkets, 2000 - 2019.

Additional to this, the remote area allowance for welfare recipients has not increased in the last 20 years. Under the current arrangements, the payment is \$18.20 per fortnight for singles and \$15.60 per fortnight (per person) for couples, with an additional \$7.30 per fortnight available for each dependent. The couples fortnightly payment is less than the price of one salad pack in some remote communities (see **Figure 5**). Due to the high cost of food and essential items in remote communities, this has led to people spending over 50% of household income on food alone, compared to the National average of 14%³¹. In some cases, the total cost of a basket of food for a family is over 150% of household income.^{32,33} This has put the purchasing of healthy food out of reach for most remote community members and resulted in families going without food or seeking quick cheap energy dense foods and drinks. In addition to the higher cost of food the NT Council of Social Services (**NTCOSS**) Cost of Living Report No. 26, from December 2019 found that the lowest-income households in the NT pay a much higher proportion (6.3%) of their weekly disposable income on electricity, gas and household fuels than the highest income households (1.6%). Furthermore, many categories of low-income households, including single Newstart recipients, are not eligible for NT government concessions on electricity bills and those living in public housing, often the only choice, cannot receive rental assistance. The combination of low

³¹ NTCOSS 2019

³² Dept. of Health, 2020

³³ Markham & Biddle, 2016

and lack of access to welfare payments and a high cost of living has not only led to a high rate of people going without food (31%) but also up to 62% of households reporting at least one involuntary disconnection in the 2018-19, with each disconnection lasting an average of 7.7 hours.

The recent increase in welfare payments in the face of the COVID-19 pandemic was welcomed by APO NT. Informal data collected by the Central Land Council in conversation with store managers indicated that this additional income resulted in increased expenditure in community stores. This included an increase in the purchasing of fresh food, homewares and winter goods (where available). One store manager commented that fewer residents were asking the store for emergency relief during the period where they had more disposable income.



Figure 5. Salad pack in remote Northern Territory store

APO NT has undertaken multiple submissions and advocacy work with this government regarding the issue of social security and its shortcomings in remote communities, imposing punitive measures ,including 8 week periods without payment for non-compliance with income requirements, to ensure to access income payments that are often insufficient to meet people's basic needs. Of great concern to APO NT has been the flow on effect of Aboriginal and Torres Strait Islander people in remote communities, particularly young men, dropping out of the income system altogether, putting further strain on household resources and food. This concern was raised by a number of submitters to the 2019 Senate Inquiry into the Adequacy of Newstart Payment .In 2018, APO NT published the Fair Work and Strong Communities: Proposal for a

Remote Development and Employment Scheme (**RDES**).³⁴ The RDES aims to alleviate poverty in remote communities and to promote the right to an adequate standard of living. The key elements of this model include:

- Paid employment at award wages for around 10,500 people;
- The replacement of CDP providers with Remote Job Centres that have a focus on management and support rather than administration and compliance;
- An emphasis on local control, including local governance arrangements, and community plans;
- Supporting community enterprise development and stimulating new jobs;
- Ensuring those who remain on income support (within the DHS system) are treated fairly, and ensuring greater community control over participant obligations and compliance;
- Better access to assessment processes and appropriate support for those with health and other personal issues;
- Increased youth engagement strategies, including the creation of a national pool of around 1,500 paid work experience and training positions, similar to the former Green Corps;
- An independent national Indigenous-led body to manage the new program, and to ensure that it meets long term employment and community objectives.

This model has been endorsed by a number of key Aboriginal organisations and peak bodies.³⁵ An NT-specific update to this proposal has been developed and would be a useful resource for stimulating economic development in the post-COVID recovery period. This will also lead to more sustainable remote stores as greater cash flow and buying power of remote community residents will help increase the profitability of stores and allow them to purchase and stock a greater variety of items and invest in much needed infrastructure and employment opportunities.

Poor infrastructure and low household income combined with restricted access to healthy food make it difficult for people to make healthy food choices. Remote community stores' operating hours are notoriously variable and subject to change with little notice. Many community stores only open for five or fewer hours each day, and are closed for two hours over lunch time. Most have limited hours on Saturdays and do not open on Sundays. This limits access to stores to community members who are employed or who have commitments during the day. It often forces community members to drive large distances to access food and essential items on weekends or when stores are closed over public holidays. In addition, some stores regularly close without notice at the discretion of the store manager (for example, as a punitive measure in response to community disruptions). As noted previously, remote residents have limited options for storing foods (both perishable and nonperishable foods) and as a consequence often shop daily, consuming their purchases on the same day. When stores are closed, and in particular when they close without notice, community residents are quite literally cut off from access to food. These limited and sometimes irregular hours were of particular concern to remote residents during COVID-19 when they could not shop anywhere else. It is imperative that people living in remote communities have access to supplies when they need them.

³⁴ APO NT, 2018

³⁵ The 33 members of the Fair Work and Strong Communities alliance can be found here <https://www.fairworkstrongcommunities.org/>

Recommendations:

14. Adopt a 'housing for health' approach in Aboriginal communities that:
 - a. Supports an environmental health workforce to implement evidence based initiatives that improve health outcomes.'
 - b. Support a proactive Housing for Health 'survey and fix' program which adheres to the '9 Healthy Living Practices' particularly with respect to improving nutrition, the ability to store, prepare and cook food.³⁶
 - c. Supports culturally led sustainable design of housing to address overcrowding and culturally appropriate food storage, preparation or serving facilities

15. The Australian Government to retain the current increase in welfare payments and implement an increase and indexation of the remote areas allowance for welfare recipients for both remote and very remote areas to reflect the higher cost of living in these areas compared to the rest of Australia.

16. The Australian Government to take on the recommendations from APO NT plan 'Fair work and strong communities; proposal for a remote development and employment scheme'

17. Introduce standardised store opening hours as a condition of store licensing to ensure daily access for community members to essential food and grocery items. *This recommendation should be undertaken with Rec 1. to ensure the viability of all remote stores*

The availability and demand for locally produced food in remote communities

It was recognised in the 1999 NT Government inquiry into food prices, that to address the high cost of food within the NT, greater development of agriculture and food manufacturing is required to shorten supply chains and increase the availability of food within the NT. This was again mentioned in the 2009 inquiry into Remote Aboriginal and Torres Strait Community Stores and the 2015 white paper on developing northern Australia.

Currently the House of Representatives have an 'inquiry into growing Australian agriculture to \$100 billion by 2030' and this committee is also undertaking an inquiry into 'Pathways and Participation Opportunities for Indigenous Australians in Employment and Business'. To address the need for greater production and availability of food in remote communities these three inquiries need to be connected to address the underlying issues of food insecurity.

The Australian and Northern Territory Governments need to support and engage Aboriginal people in their land use and development of economic opportunities to create greater food

³⁶ Health Habitat, 2020

sovereignty for Aboriginal communities. Aboriginal people own over 50% of the land and sea within the Northern Territory and are keen to develop opportunities with Aboriginal communities in control.³⁷ The Northern and Central Lands Councils have worked with Aboriginal communities within the NT to develop a set of rules on how this development should occur. Examples of this in action are Centrefarm projects on the Desert Springs Farm in Ali Curung and support projects, such as the work experience pilot project that aims to support local community members in gaining the skills and passion needed for agriculture. These employment and agriculture opportunities can lead to greater access to fresh produce and more traditional foods within stores but require improved transport infrastructure to enhance connection between production areas, markets and communities. However, roads to remote communities, markets and high potential agricultural regions are of poor quality and these communities and regions are quickly cut off during heavy seasonal rain. For great availability of locally produced food these roads must be improved to allow for economic development of Aboriginal land and easier access for supply to be delivered to remote communities.

On the demand side, to support and encourage people to consume more healthy food the most effective programs are community-based and adopt a multi-strategy approach, addressing both food supply (availability, affordability, accessibility and acceptability of foods), and demand for healthy foods. Professor Amanda Lee's review of programs that address food security in Aboriginal and Torres Strait Islander communities found that programs that address demand should be based on community led principles and developed and delivered by local community members³⁸. Furthermore, Dr Josephine Gwynn's systematic review of effective nutrition interventions found that income management strategies had no positive effect on people's intake of fruits, vegetables and soft drinks³⁹. Both reviews identified the need for greater investment into a trained, well-supported and resourced Aboriginal and Torres Strait Islander nutrition workforce to deliver effective interventions that increase knowledge and understanding of healthy food, and therefore demand. Programs such as Strong Women, Strong Babies, Strong Culture have shown that when these programs are developed with Aboriginal people they can deliver positive outcomes for the community outside just health improvements.

Recommendations:

18. The Australian and Northern Territory Governments to engage and work with Aboriginal organisation, such as Aboriginal Land Economic Development Agency (ALEDA), and communities to develop agricultural businesses within the Northern Territory

19. The Australian and Territory Governments to improve freight access to remote communities and economic development areas by investment in transport infrastructure such as sealing of roads and building of critically needed bridges

³⁷ Lang, V. 2019

³⁸ Lee & Rider, 2018

³⁹ Gwynn et al, 2019

20. The Australian Government to invest in multi-strategy approaches that are developed and delivered by Aboriginal Community controlled organisations that empower people to make positive changes to food choices similar to that undertaken in the Tackling Indigenous Smoking programs.

The role of Australia's food and grocery manufacturers and suppliers in ensuring adequate supply to remote communities, including:

- **Identifying pathways towards greater cooperation in the sector to improve supply;**

Ensuring remote stores have full access to wholesalers and producers throughout Australia is critical in supporting remote stores to reduce the cost of healthy food. Currently the two largest supermarket chains within Australia limit the ability of wholesalers and producers to sell stock which does not meet tight specifications and/or is purchased by their stores.⁴⁰ There are significant quantities of healthy, nutritious food that all stores could access through wholesalers that are deemed not suitable to the two major supermarkets. The initial setup of Outback Stores in 2006 consisted of executives from Woolworths and Coles attempting to use their supplier networks to negotiate regional contracts with freight companies, to purchase goods in bulk at competitive prices⁴¹. However this has not resulted in any significant improvement in store prices with prices in remote communities now outpacing CPI.⁴²

Currently some smaller independent community stores use Woolworths and Coles as 'suppliers' by purchasing goods from their stores. This has become problematic in instances where store levels are restricted or low in major towns and access is restricted. Some small stores are over 1000km from suppliers and the capacity to run a community store and look for new or alternative supply chains is limited and current supplier systems are inflexible and not tailored to meet the needs of community stores.

Any proposal made by the Australian Government to improve pathways for greater cooperation in the sector must involve closing the gap in pricing between independent community-owned stores and store management groups and provide formalised support around supply and freight. During the COVID-19 pandemic it was independent stores who had the most difficulty maintaining stock, getting suppliers to fill their orders and getting access to government support to manage the challenges that arose during this time. During this time Outback Stores and Mai Wiru acted as a supplier to a number of small independent stores and a number of stores expressed a need for greater coordination within the food and grocery supply space.

⁴⁰ Richards & Hurst, 2016

⁴¹ Hudson, 2010

⁴² Dept. of Health, 2020

Creating a co-op between independent stores to increase their buying power and strategies to increase sharing of freight could lead to improved store prices by spreading one of the overhead costs.

Recommendations:

21. Major retailers and wholesalers use their market power to support small independent stores with formal agreements and ordering pathways to supply consistent, reliable stock at reasonable prices
22. The Australian government scope the development of a remote store supply co-op to improve supply and freight systems for all remote stores

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