



NTCOSS Submission to the

**Inquiry into food pricing and food security in  
remote Indigenous communities**

July 2020

NTCOSS is a peak body for the Northern Territory (NT) community sector and is a voice for people affected by social and economic disadvantage and inequality. The community sector in the NT is made up of community managed, non-government, not-for-profit organisations that work in social and community service delivery, sector development and advocacy. The community sector plays a vital role in creating social wellbeing for all Territorians and in building safe and healthy communities by providing services that enable people to access and participate in health services, education, employment, economic development, and family and community life.

NTCOSS represents members that work with people and communities in remote and very remote regions, including members that work in cross border regions, such as the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, as well as organisations that work with people living in Town Camps and Community Living Areas of the NT.

NTCOSS publishes a quarterly Cost of Living report, which examines changes in the cost of living in the NT, with a particular focus on cost of living pressures for low income, vulnerable and disadvantaged Territorians. In 2019, NTCOSS produced two Cost of Living Reports<sup>1</sup> with a focus on food costs and food security. Drawing on the NT Government's Market Basket Surveys and the Australian Bureau of Statistics (ABS) Consumer Price Index (CPI), these reports provide an analysis of changes in food prices in key expenditure areas across the NT.

NTCOSS welcomes the opportunity to provide a submission to the Inquiry into food pricing and food security in remote Indigenous communities. This submission focuses on a number of issues identified in the Terms of Reference, and includes information on the impacts of food pricing and food security for people living in Town Camps and Community Living Areas of the NT. These locations are on the outskirts of NT regional towns, including Katherine, Tennant Creek and Alice Springs, and can be considered remote. In the case of the Alice Springs Town Camps these locations are considered part of Alice Springs, but the service to Town Camps is inconsistent with the surrounding suburbs.<sup>2</sup>

NTCOSS recognises the specific expertise of members and external stakeholders that have a high level of contact with individuals who live in remote regions and Town Camps in the NT. In particular, NTCOSS supports submissions by our Aboriginal community controlled member organisations (ACCOs) including Tangentyere Council, and submissions from external stakeholders, the Aboriginal Peaks of the NT (APONT).

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<sup>1</sup> NTCOSS *Cost of Living Reports* no.24 and 25 accessible at <https://ntcoss.org.au/cost-of-living/>

<sup>2</sup> p.5 Tangentyere Council 2019, submission to the Senate Inquiry into Newstart and Related Payments: Adequacy of Payments and Alternative Mechanisms to Determine the Level of Income Support Payments in Australia, accessed at <https://irp-cdn.multiscreensite.com/d440a6ac/files/uploaded/Senate%20Inquiry%20into%20Newstart%20and%20Related%20Payments.pdf>

### **The environment in which Remote Community retailers operate:**

Around 20% of the Northern Territory population live in Very Remote areas, and around 20% of the NT population live in Remote areas (around 40% total).<sup>3</sup> Aboriginal people make up 27% of the Remote Australia (NT) population, and 74.8% of the Very Remote Australia (NT) population.<sup>4</sup> According to the ABS, people living in remote areas 'are much more likely to be living in an area in the lowest, most disadvantaged quintile'.<sup>5</sup>

There are 73 remote communities and around 500 homelands/outstations across the NT, some of which are in very remote areas.<sup>6</sup> Outstations and smaller communities generally rely on stores in larger communities and regional centres for goods and services. Most remote stores operate in a monopoly environment as the sole provider of food and other consumer goods to communities, and play a 'critical role in the health and well-being' of communities.<sup>7</sup> Beyond potential impacts such as lack of competitive food pricing and lack of choice, reliance on a sole remote provider may result in lower stability of food supply.

Location is a key feature of food supply, with larger supermarkets able to supply a full range of food and groceries at competitive prices. Conversely small 'corner stores' (small suburban supermarkets) are often characterised by higher, average prices, and do not provide the same range of foods. The often significant distance from major centres and supply hubs results in challenges such as high travel costs, long freight times, and disruptions to supply due to inclement weather and poor condition of roads and access channels.

Major supermarkets are inaccessible to many people residing in Town Camps and Community Living Areas. For example, in Alice Springs, the majority of Town Camps are more than 500 metres from a major supermarket; many Town Camps are located more than 500 metres outside the public transport radius; and many Town Camps are in closer proximity to takeaway stores and corner stores. Compounding factors such as lack of access to a private vehicle and irregular public transport, result in many Town Camp residents relying on corner stores for food and groceries.

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

The NT Market Basket Survey reports demonstrate (often significantly) higher average food prices in remote stores in the NT. The 2019 Survey reports that a healthy food basket in remote stores was 56% more expensive than in district centre supermarkets and 6% more expensive than in district centre corner stores. Surveys also show that prices in remote

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<sup>3</sup> Australian Bureau of Statistics (ABS) 2017, '2016 Census QuickStats', accessed [https://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/RA74?opendocument](https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/RA74?opendocument)

<sup>4</sup> ibid

<sup>5</sup> ABS 2019 '2076.0 – Census of Population and Housing: Characteristics of Aboriginal and Torres Strait Islander Australians, 2016', Commonwealth of Australia

<sup>6</sup> Bushtel, NT Government 2020 accessed at <https://bushtel.nt.gov.au/profile>

<sup>7</sup> House of Representatives Aboriginal and Torres Strait Islander Affairs Committee, 2009, 'Everybody's Business: Remote Aboriginal and Torres Strait Community Stores', Commonwealth of Australia, accessed at [file:///C:/Users/SarahHolder/Downloads/http\\_www.aphref.aph.gov.au\\_house\\_committee\\_atsia\\_communitystores\\_report\\_front.pdf](file:///C:/Users/SarahHolder/Downloads/http_www.aphref.aph.gov.au_house_committee_atsia_communitystores_report_front.pdf)

stores continue to rise at a greater rate than the prices in major supermarkets, and are above consumer price index (CPI) increases.<sup>8</sup> From 2000 to 2019, the cost of the healthy food basket rose by an average 3.1% annually in remote stores and 2.1% in district centre supermarkets. The average CPI increase over this time was 2.7%.<sup>9</sup>

The Survey demonstrates a range of pricing across the de-identified sample stores, with the cost of a healthy food basket costing \$1,150 in one privately owned store, and \$680 in a store run by a store group.<sup>10</sup> Without contextualised information on these stores (such as location and proximity to major supply hubs), it is not possible to understand the pricing differences between individual stores. However, such significant variations suggest that prices may be reduced in many remote community stores.

**Recommendations:**

The timely release and accurate data collection of reports into food security, including the NT Market Basket Survey, in order to use data to contribute to evidence-based policy.

Data on individual stores in the NT Market Basket Survey is not de-identified, in order to accurately understand differences in pricing and to assist in protecting against price gouging.

Further, the NT Market Basket Survey to provide a deeper analysis of data, including store/community size and distance from major centres.

Sufficient resources be provided to ensure all regions are covered by the biennial NT Market Basket Survey.

**Barriers facing residents in Remote Communities from having reliable access to affordable fresh and healthy food, groceries and other essential supplies**

Findings from Part 2 of the 2019 NTCOSS *Cost of Living* report on food pricing and affordability, indicate that whilst there are positive trends in the NT there are also pockets of significant hardship with respect to accessing, affording and consuming affordable and healthy food at levels required to sustain good health. Remote households clearly face excessive food costs and the gap between the cost of food in remote stores and major supermarkets is widening.

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<sup>8</sup> Northern Territory Government Department of Health, 2020, '2019 Market Basket Survey', NT Government, Darwin, accessed at <https://data.nt.gov.au/dataset/f6fb1b17-bce3-4217-a9ce-ccecd879ea/resource/af05efdf-6a53-44d8-9b38-a88df3d3a6c1/download/2019-nt-market-basket-survey-full-report.pdf>

<sup>9</sup> ibid

<sup>10</sup> ibid

Rates of food insecurity are highest in rural and remote areas of Australia, with Aboriginal people, single parent families and people on income support disproportionately affected.<sup>11</sup> Aboriginal people living in remote areas are more likely than those in non-remote areas to be living in a household that had run out of food and cannot afford to buy more (31% compared with 20%).<sup>12</sup> Food insecurity is associated with poor health outcomes, including higher risk of developing kidney disease, cardiovascular diseases, diabetes, anaemia and some cancers, in people experiencing food insecurity.<sup>13</sup>

Poverty and the cost of food are key determinants of food insecurity. For some people in low income households, skipping meals or regularly going without adequate food can be a choice they make to ensure their children are fed, which compromises their own nutritional intake.

Low income, combined with high food costs result in many Aboriginal people spending a large proportion of their income on food. A healthy food basket purchased from an NT Remote Store will require 34% of the household income for a family of six (more than double the national household average of disposable income required for food and non-alcoholic beverage expenditure (13.9%).<sup>14</sup> In some remote communities, a healthy diet cost more than half the disposable income of a family on income support<sup>15</sup>. Households in the lowest 20% of incomes are spending twice as much (25.4%) as a proportion of income as the richest 20% of households (9.4%) on food and non-alcoholic beverages.<sup>16</sup>

Aboriginal people are disproportionately represented in income support figures, particularly in remote communities where employment opportunities are scarce.<sup>17</sup> In 2014 – 2015, the proportion of Aboriginal people whose main source of income was income support was highest in remote areas and very remote areas, with 65% of Aboriginal people receiving income support in very remote areas, compared with 43% in major cities.<sup>18</sup> Income support

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<sup>11</sup> Rosier K, 2011, 'Food insecurity in Australia: What is it, who experiences it and how can child and family services support families experiencing it?', Child Family Community Australia Practice Sheet, August 2011

<sup>12</sup> p.14 National Rural Health Alliance 2016, 'Food Security and Health in Rural and Remote Australia', Rural Industries Research and Development Corporation, Australian Government, accessed at <https://www.agrifutures.com.au/wp-content/uploads/publications/16-053.pdf>

<sup>13</sup> Australian Institute of Health and Welfare (AIHW), 2018, 'Housing Assistance in Australia', 28 June 2018, accessed at <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2018/contents/housing-in-australia>

<sup>14</sup> NTCOSS, 2019, 'Cost of Living Report: Food Costs in the Northern Territory' Issue 24, July 2019

<sup>15</sup> S86 Lee A et al 2016, 'Nutrition in remote Aboriginal communities: lessons from Mai Wiru and the Anangu Pitjantjatjara Yankunytjatjara Lands' in *Australian and New Zealand Journal of Public Health*, Vol.40 (Suppl.1) 2016 retrieved from <https://onlinelibrary.wiley.com/doi/pdf/10.1111/1753-6405.12419>

<sup>16</sup> ABS 2017, 'Household Expenditure Survey, Australia: Detailed Expenditure Items', 2015-16, Australian Bureau of Statistics, Canberra, accessed at <https://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/6530.0Main%20Features12015-16?opendocument&tabname=Summary&prodno=6530.0&issue=2015-16&num=&view=>

<sup>17</sup> NT Government 2020, 'Northern Territory Economy: Aboriginal labour force characteristics', Department of Treasury and Finance, accessed at <https://nteconomy.nt.gov.au/labour-market/aboriginal-labour-force-characteristics>

<sup>18</sup> AIHW, 2019, *Indigenous income and finance*, release date 11 September 2019, accessed at <https://www.aihw.gov.au/reports/australias-welfare/indigenous-income-and-finance>

payments such as JobSeeker (Newstart) and Youth Allowance have been below the poverty line for many years, and have not increased in real terms in 25 years.<sup>19</sup>

NTCOSS notes that the temporary measures introduced in response to COVID-19, including the Coronavirus Supplement and easing of activity requirements under the Community Development Program, has had a significant impact on poverty and food insecurity in remote Australia. NTCOSS members have reported that this increase has resulted in increased spending in remote stores, increased intake of healthy food items, and has significantly reduced applications to some service providers for support for food, fuel, clothing, blankets, and other emergency relief.<sup>20</sup> Conversely, biosecurity measures introduced in response to the COVID-19 health emergency, including people returning to and remaining in remote communities, and the interruption to supply chains to remote stores, led to increased pressure on food supplies and concerns of increased food insecurity in these communities.

Recommendation: A permanent and adequate increase to Jobseeker, Youth Allowance and other income support payments.

The Commonwealth Government's Remote Area Allowance (RAA) for recipients of income support, which was introduced to help meet the additional costs associated with living in remote areas, is set at a very low level, and has not increased in over 20 years. The RAA is not indexed, meaning that it does not keep pace with the rising cost of living, and cannot achieve the intended aim of meeting the additional costs of living in remote areas.

Recommendation: The RAA should be substantially increased, and should be set at a level that adequately addresses the increased cost of living in remote Australia. It should also be indexed, in order to keep pace with the rising cost of goods and services in remote Australia.

The NT is the only state or territory jurisdiction that does not offer electricity concessions to all Commonwealth Health Care Card holders, with many low-income individuals excluded from the Concession scheme. In the NT, electricity bills effectively have a regressive tax component, given that the Power and Water Corporation and Jacana are required to provide a Public Authority Dividend (PAD) to the NT Government each year (\$23.6M) for electricity as well as water. The PAD comes from revenue raised from household usage charges which are applied at the same rate regardless of the household's income. The higher a household's bill, the higher their effective contribution to the PAD charges will be, and these contributions represent a greater proportion of household income (regressive) for low-income households. The provision of an electricity concession to low-income households effectively provides tax relief for these eligible households, by compensating for the higher tax component they are contributing – but only some, not all, low-income

<sup>19</sup> Australian Council of Social Service (ACOSS) 2018, 'Raise the Rate Fact Sheet', Strawberry Hills, NSW

<sup>20</sup> McFarlane B, 2020, 'Postcard from the field: COVID-19 in the Northern Territory', Arena Online, published 9 June 2020, accessed at <https://arena.org.au/postcard-from-the-field-covid-19-in-the-northern-territory/>

households, receive this tax relief. NTCOSS believes further exploration of this issue is required.

Recommendation: The NT Government extend electricity concessions to all Commonwealth Health Care Card holders, in order to ensure power is accessible, constant and affordable for food storage and cooking.

Overcrowded housing is a dominant issue in the NT with the highest rates of overcrowding in Australia (7% for public housing and 56% for 'state owned and managed Indigenous housing').<sup>21</sup> Over a 15 year period (2000 – 2015) there was a 72% increase of families on the public housing waitlist for Greater Darwin and Alice Springs. In the NT, one survey found that only 38% of Aboriginal people reported living in dwellings of an unacceptable nature with access to food preparation and food storage facilities (62% not functional).<sup>22</sup>

Overcrowding has a direct correlation to access to fresh and healthy food, with impacts on the capacity of housing and health hardware to cope with the number of residents, and the capacity of existing infrastructure for the safe storage and preparation of fresh food.

Recommendation: Strengthening the adherence to the National Indigenous Housing Guide, with its emphasis on safety and healthy living practices. These practices are underpinned by health hardware to support food preparation and storage.

A 'housing for health' approach is required in remote Aboriginal communities and Town Camps, that supports an environmental health workforce to implement evidence-based initiatives that improve health outcomes; implement a proactive, cyclical housing maintenance program for remote communities and Town Camps, that employs a local workforce; and, supports culturally led sustainable design of housing to address overcrowding.<sup>23</sup>

Limited or no public transport options significantly impact on the capacity to access stores for people living in remote communities and Town Camps.<sup>24</sup> A higher proportion of Aboriginal people in remote and non-remote areas have less access to a motor vehicle compared with non-Indigenous Australians.<sup>25</sup> The logistics of the public bus systems in regional centres (where available) are often a barrier, through infrequent services and short operating times. In Alice Springs, most bus routes are uni-directional, meaning passengers may need to travel an entire route to access a supermarket 1km away. For many Town

<sup>21</sup> Australian Institute of Health and Welfare (AIHW) 2019, 'Housing assistance in Australia', Cat. No: HOU 315, accessed at <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia-2019/contents/overcrowding-and-underutilisation>

<sup>22</sup> Bailie R and Runcie M, 2001, 'Household infrastructure in Aboriginal communities and the implications for health improvement', *Medical Journal Australia*, 175 (7): 363 – 366, accessed at <https://www.mja.com.au/journal/2001/175/7/household-infrastructure-aboriginal-communities-and-implications-health>

<sup>23</sup> See 'Housing for Health: the guide' website, <http://www.housingforhealth.com/about/the-health-story/>

<sup>24</sup> Guenther J, 2019, *Child Friendly Alice Technical Report: About the children and families of Alice Springs 2019*. Alice Springs: Child Friendly Alice

<sup>25</sup> p.106 Australian Health Ministers' Advisory Council, 2015, *Aboriginal and Torres Strait Islander Health Performance Framework 2014 Report*, AHMAC, Canberra.



Camp residents, this results in spending scarce funds on taxis and mini-buses, diverting money from food, clothing, and other essential items.

Recommendations:

Conduct a study to identify gaps in regional centre public transport to ensure low income residents are able to shop at more affordable stores that are not within walking distance of where they live.

Provision of capped subsidies for NT Concession Scheme Recipients to use remote private transport services (e.g. Bush bus and Bodhi Bus) to regional centres to periodically shop for bulk food items and groceries.

Improved transport links in regional and remote areas.

As noted in the 2009 report on the Inquiry into remote Aboriginal and Torres Strait Community Stores, food and other goods are transported across significant distances, in often extreme temperatures.<sup>26</sup> Where weekly transport is not possible, adequate storage is essential, with impacts on the freshness and variety of perishable items available in remote stores. Freight costs to remote locations are high, which results in higher costs for consumers. Freight subsidies may assist in reducing the cost of food for people in remote communities, however evidence given to the above Inquiry cautioned that these subsidies would be at risk of becoming absorbed by the market. It was recommended that freight subsidies should be applied at the consumer level, with additional oversight of pricing and charges to safeguard against profiteering.<sup>27</sup>

Recommendations:

Introduction of targeted measures to reduce the price of healthy foods, including options for subsidised freight, food subsidies and subsidised wages in stores, to target remote areas affected by food insecurity.

Additional scrutiny of pricing and charges to safeguard against profiteering.

Food insecurity is a significant issue in remote Aboriginal communities and Town Camps and Community Living Areas across Australia. NTCOSS urges the Australian Government and relevant state and territory governments to prioritise the needs of Aboriginal people residing in these remote locations, in order that people have sustainable access to affordable, safe and nutritious food.

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<sup>26</sup> House of Representatives Aboriginal and Torres Strait Islander Affairs Committee, 2009, 'Everybody's Business – Remote Aboriginal and Torres Strait Community Stores', Report, accessed at <https://www.aph.gov.au/binaries/house/committee/atsia/communitystores/report/everybody's%20business%20report.pdf>

<sup>27</sup> ibid