



The Hon Ken Wyatt AM MP
Minister for Indigenous Australians
Member for Hasluck

Reference: MS20-000416

Mr Julian Leeser
Chair
House of Representatives Standing Committee on Indigenous Affairs
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Mr Leeser

I wrote to the Prime Minister, the Hon Scott Morrison MP in May 2020 calling for the current House of Representatives Standing Committee on Indigenous Affairs Inquiry into food pricing and food security in remote Indigenous communities.

Food prices and affordability has long been an issue and I look forward to the Inquiry's recommendations on what more can be done to improve the situation for remote Indigenous communities.

I also requested the National Indigenous Australians Agency (NIAA) prepare a simple 'basket of goods' report of essential items in remote communities to inform my engagement on this issue. I wish to provide the Inquiry with this report, noting that it is not intended to be a comprehensive survey or investigation. It provides a snapshot analysis of available pricing data covering 47 stores in remote and very remote locations across Queensland, the Northern Territory, South Australia and Western Australia.

I hope the Standing Committee finds this information useful. I trust the Inquiry will provide valuable insights into this issue and I look forward to the Inquiry's findings.

Yours sincerely



The Hon ~~KEN~~ WYATT AM MP
Minister for Indigenous Australians

23 / 7 / 2020



Australian Government
National Indigenous
Australians Agency



NIAA

Food prices and accessibility in remote communities: simple 'basket of goods' snapshot July 2020

Summary: Food prices and accessibility in remote communities

Community stores operate in some of the most remote areas of Australia. This simple ‘basket of goods’ snapshot provides current pricing (May and June 2020) and draws on more comprehensive surveys such as the *NT Government’s Market Basket Survey 2019* and *WA Regional Price Index 2019*.

In consultation with five managed store companies engaged on the NIAA Food Security Working Group – Outback Stores, Community Enterprises Queensland, Mai Wiru, TAH Northern Trading, and the Arnhem Land Progress Aboriginal Corporation – the snapshot analysis covers 47 participating community stores in remote and very remote communities across Queensland, the Northern Territory, South Australia and Western Australia. The participating managed store locations makes up around 22 per cent of the estimated 217 community stores operating across Australia.

The average price across the 47 remote stores was around 39 per cent higher when compared with major supermarkets in capital cities. When compared to a limited selection of smaller supermarkets in remote town centres, average community store prices ranged considerably – from 37 per cent higher in South Australia to 16 per cent lower in Western Australia – highlighting the importance of a range of factors to prices across remote communities.

The previous parliamentary inquiry into ‘food stores servicing remote Indigenous communities’ and a 2014 study into food pricing and quality in Western Australia noted food prices were higher in remote communities due to a range of factors including: transport costs (fuel, mode of transport, weather, road conditions), the requirement for adequate storage (particularly in locations where the wet season restricts access), store manager wages and housing needs (electricity and bills), repairing and maintaining infrastructure (e.g. freezers and air conditioners) and store management practices (HoRSCIA 2009, Pollard et al 2014, Pollard, 2013).

The snapshot provides a summary of prices in select stores. It is not intended as a comprehensive survey. Due to travel restrictions during COVID-19, the information presented has been provided by five managed store companies based on available pricing data and could not be externally validated.

In the Northern Territory food prices were higher in remote communities compared with district centres

In 2019, the *NT Market Basket Survey* surveyed 58 stores across the Darwin, East Arnhem, Katherine and Alice Springs districts. Prices were collected for two different baskets of goods for a family of six over a fortnight.

- A *Healthy Food Basket* consists of food recommended in the Australian Guide to Healthy Eating.
- A *Current Diet Basket* was based on the dietary patterns of Indigenous Australians.

On average, a *Healthy Food Basket* in remote community stores was 56 per cent more expensive than major supermarkets in the district centre, and 6 per cent higher than corner stores in the district centre.

On average, a *Current Diet Basket* in remote community stores was 40 per cent more expensive than major supermarkets, and 8 per cent higher than corner stores in the district centre.

Darwin

Major supermarket

Healthy Food Basket: \$517

Current Diet Basket: \$672

District remote store average

Healthy Food Basket: \$832

Current Diet Basket: \$910

16 stores were surveyed

Katherine

Major supermarket

Healthy Food Basket: \$552

Current Diet Basket: \$676

District remote store average

Healthy Food Basket: \$863

Current Diet Basket: \$925

17 stores were surveyed

ARIA+ Average

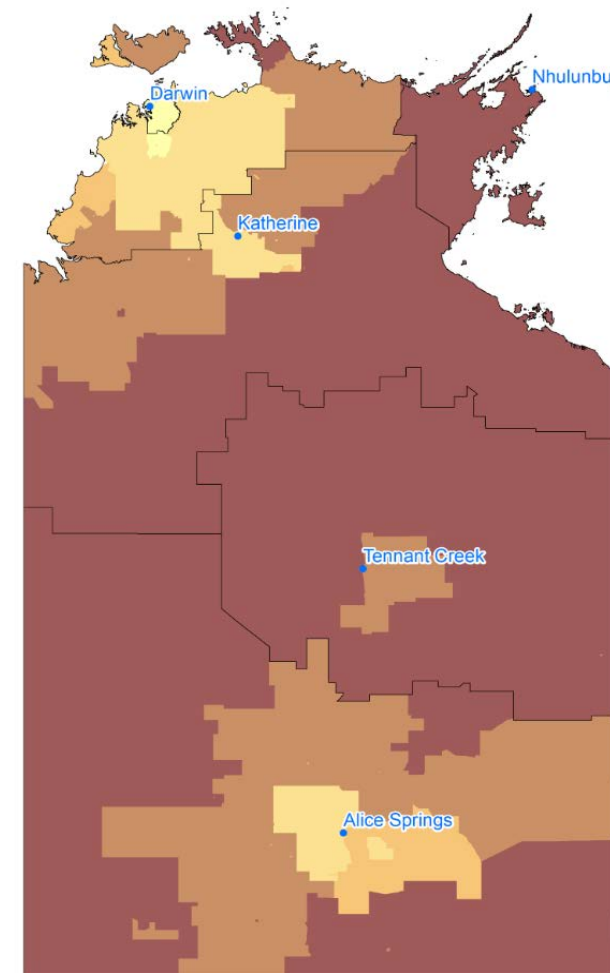
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5.93 - 10.53

10.54 - 11.99

12.00 - 13.99

14.00 - 15.00



Nhulunbuy (East Arnhem)

Major supermarket

Healthy Food Basket: \$569

Current Diet Basket: \$661

District remote store average

Healthy Food Basket: \$888

Current Diet Basket: \$954

4 stores were surveyed

Tennant Creek (Barkly)

Not surveyed in 2019

Alice Springs

Major supermarket

Healthy Food Basket: \$530

Current Diet Basket: \$593

District remote store average

Healthy Food Basket: \$840

Current Diet Basket: \$897

21 stores were surveyed

Sources: Hugo Centre for Population and Housing (2006); Northern Territory Government (2020).

The WA Regional Price Index also shows higher food prices in remote regions compared with Perth

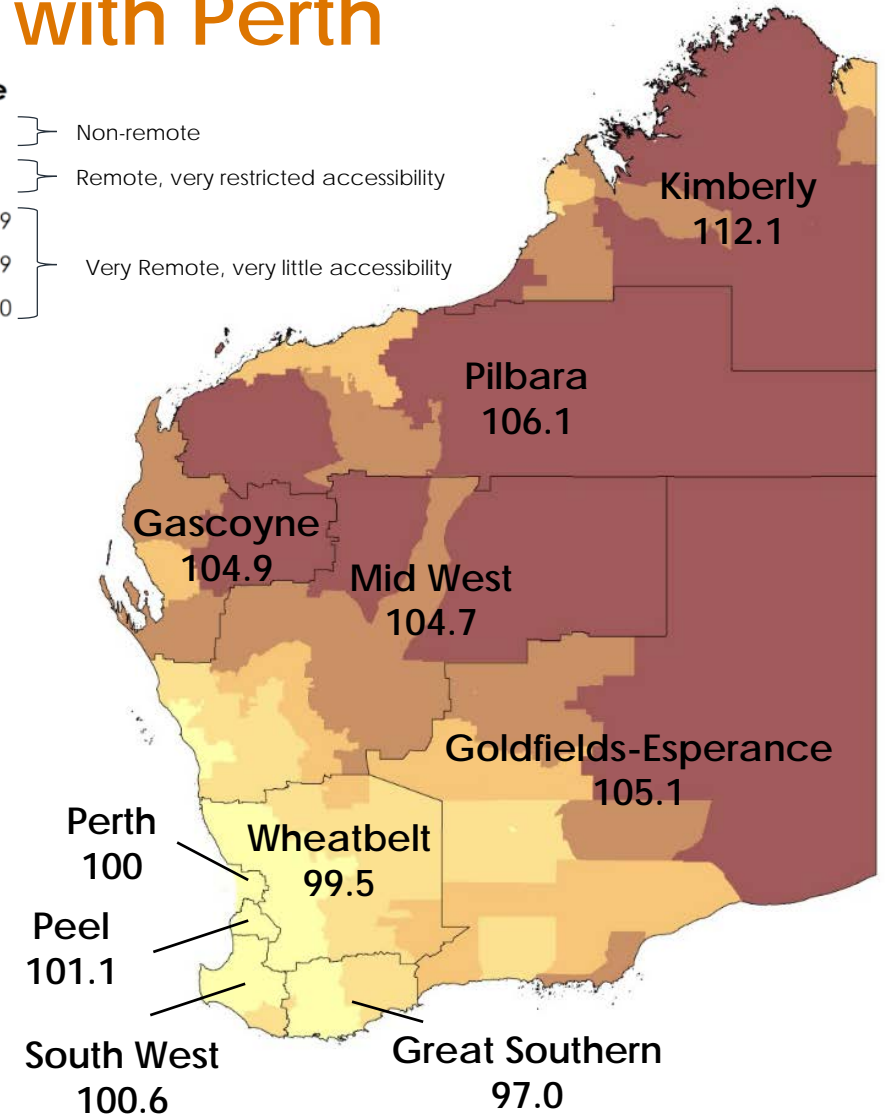
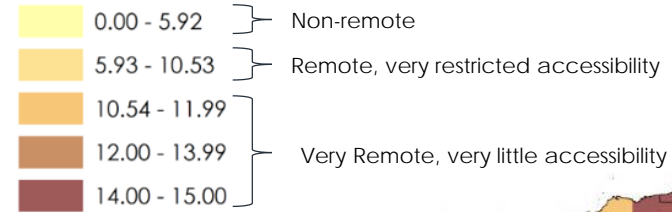
In 2019, the Western Australian Government collected the prices of goods and services from 39 regional locations (aggregated to nine regions) to construct the Regional Price Index (RPI).

As part of the RPI, a food commodities index was measured. Food prices in Perth were based on the average of eight major supermarkets. The index included dairy, cereals, meat and seafood, fruit and vegetables, drinks, snacks and confectionery, other foods, meals out and takeaway foods.

Similar food prices were observed across Perth and the surrounding regions in 2019. In the Great Southern region prices were on average 3 per cent lower. In more remote regions of Western Australia, however, average prices were higher by around:

- 5 per cent in the Gascoyne, Mid West and Goldfields-Esperance regions
- 6 per cent in the Pilbara
- 12 per cent in the Kimberley.

ARIA+ Average



Sources: Hugo Centre for Population and Housing (2006); Western Australian Government (2019).

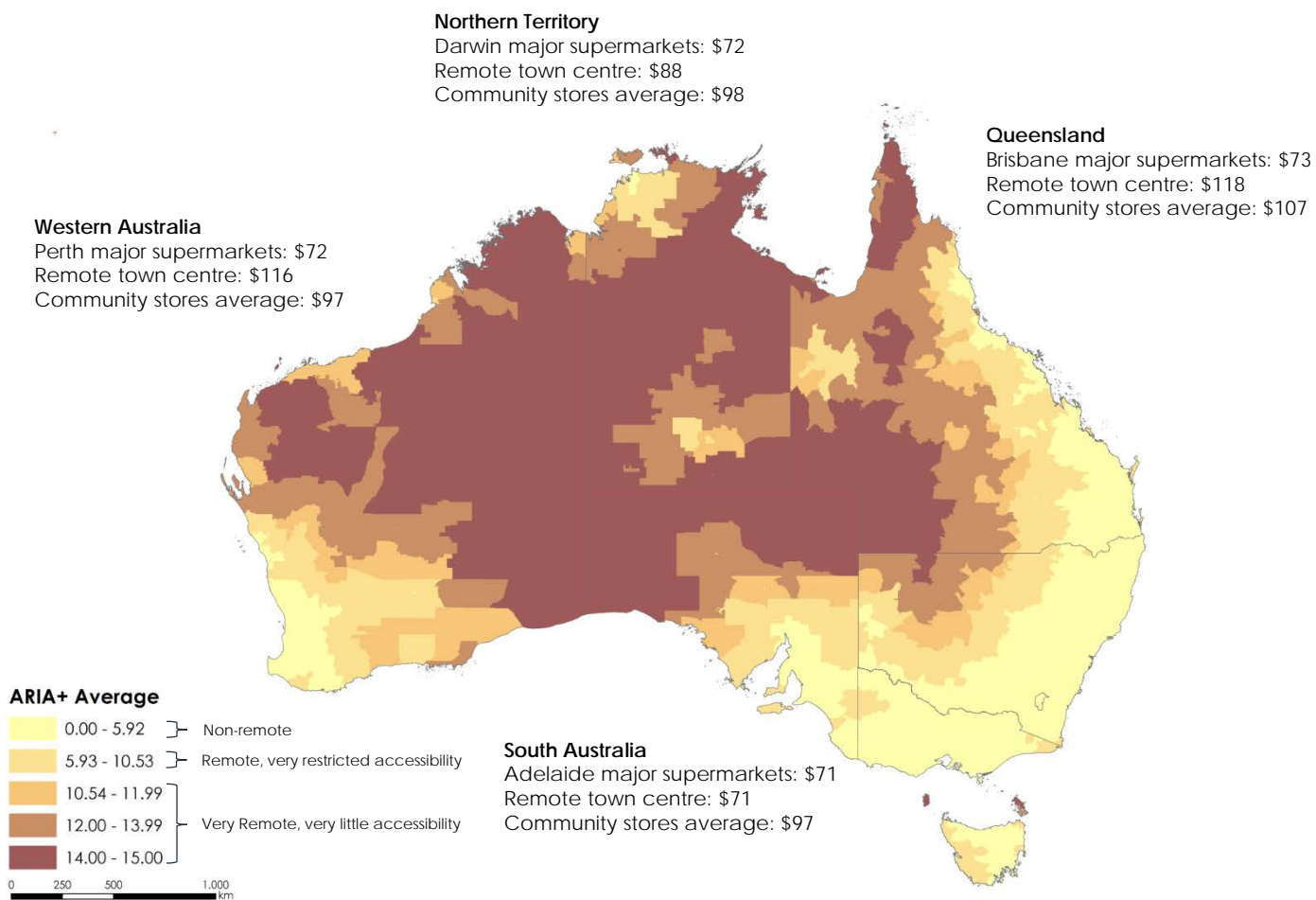
Snapshot of current food prices in remote managed stores

For the simple basket of goods, the average price across the 47 participating remote managed store locations was around \$100 in May/June 2020. Prices ranged from \$85 in remote areas to \$135 in very remote areas.

Broadly, food prices in community stores appeared to increase as the road distance to reach a community increased (as measure by the ARIA+). However, this was not always the case. For some stores, similar prices were observed across a number of remote locations.

The average price across the 47 locations was around 39 per cent higher when compared with major supermarkets in capital cities. When compared to a limited selection of smaller supermarkets in remote town centres with larger populations, average community store prices ranged considerably – from 37 per cent higher in South Australia to 16 per cent lower in Western Australia. This highlights the importance of transport routes and local factors to prices across remote communities.

The small number and selection of stores means the reported prices are indicative only. The reported prices may not be representative of food prices across all remote communities.



Sources: Hugo Centre for Population and Housing (2006); Unpublished data obtained by NIAA from managed stores and small remote supermarkets (July 2020). Prices in major cities were collected online via major supermarket websites in June 2020.

Updated pricing data using a simple 'basket of goods'

Drawing on the *Healthy Food Basket* from the *NT Market Basket Survey*, a simple food basket was identified to provide an indication of more recent food prices in remote communities. The basket of food items was developed based on the availability of brands and in consultation with members of the NIAA Food Security Working Group.

Prices were provided by five managed stores companies and a limited selection of smaller supermarkets in remote town centres^a. Prices in major cities were collected via major supermarket websites.

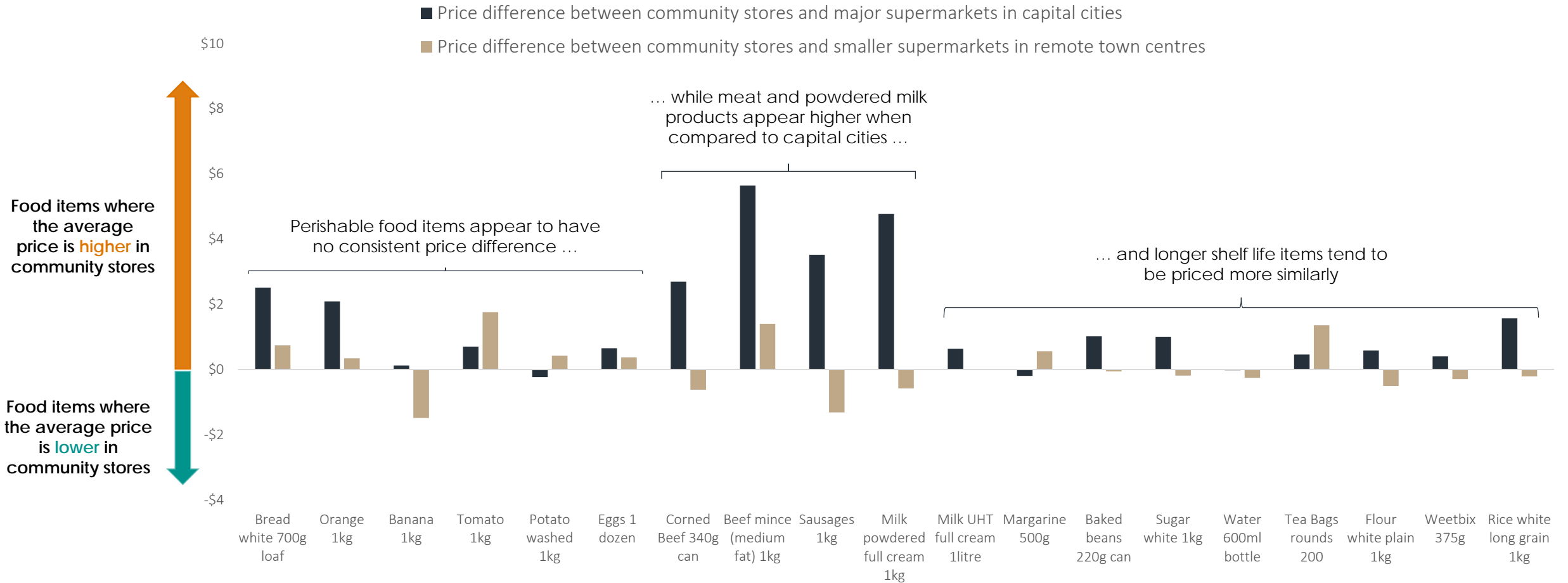
Pricing data from the managed stores, smaller supermarkets and major city supermarkets was collected between 20 May and 2 July 2020.

To compare prices across locations, prices were adjusted where the weight provided was different from that listed for an item. For example, the price of 500g of mince was multiplied by two to obtain the price for 1kg of mince. Where stores provided multiple brands for an item, the cheapest product was selected for a particular item, including sales.

Item	Brand
Bread, white 700g loaf	High fibre, iron enriched
Orange 1kg	Cheapest
Banana 1kg	Cheapest
Tomato 1kg	Cheapest
Potato, washed 1kg	Cheapest
Eggs, 1 dozen	Record size of eggs costed
Corned Beef, 340g can	Hamper / Cheapest
Beef mince 1kg	Fresh or frozen
Sausages 1kg	Cheapest
Milk powdered, full cream, 1kg	Diploma / Cheapest
Milk UHT full cream 1litre	Devondale / Cheapest
Margarine 500g	Flora / Cheapest
Baked beans 220g can	Heinz / Cheapest
Sugar white 1kg	CSR / Cheapest
Water 600ml bottle	Cheapest
Tea Bags rounds 200	Bushels / Cheapest
Flour, white, plain 1kg	Cheapest
Weetbix 375g	Sanitarium / Cheapest
Rice, white long grain 1kg	Sunwhite / Cheapest

^A For this report, remote town centres are defined as an urban centre and locality in remote Australia with a population of 10,000 people or more. This is based on the ABS (2017) definition of a Significant Urban Area.

Absolute dollar price differences vary by product

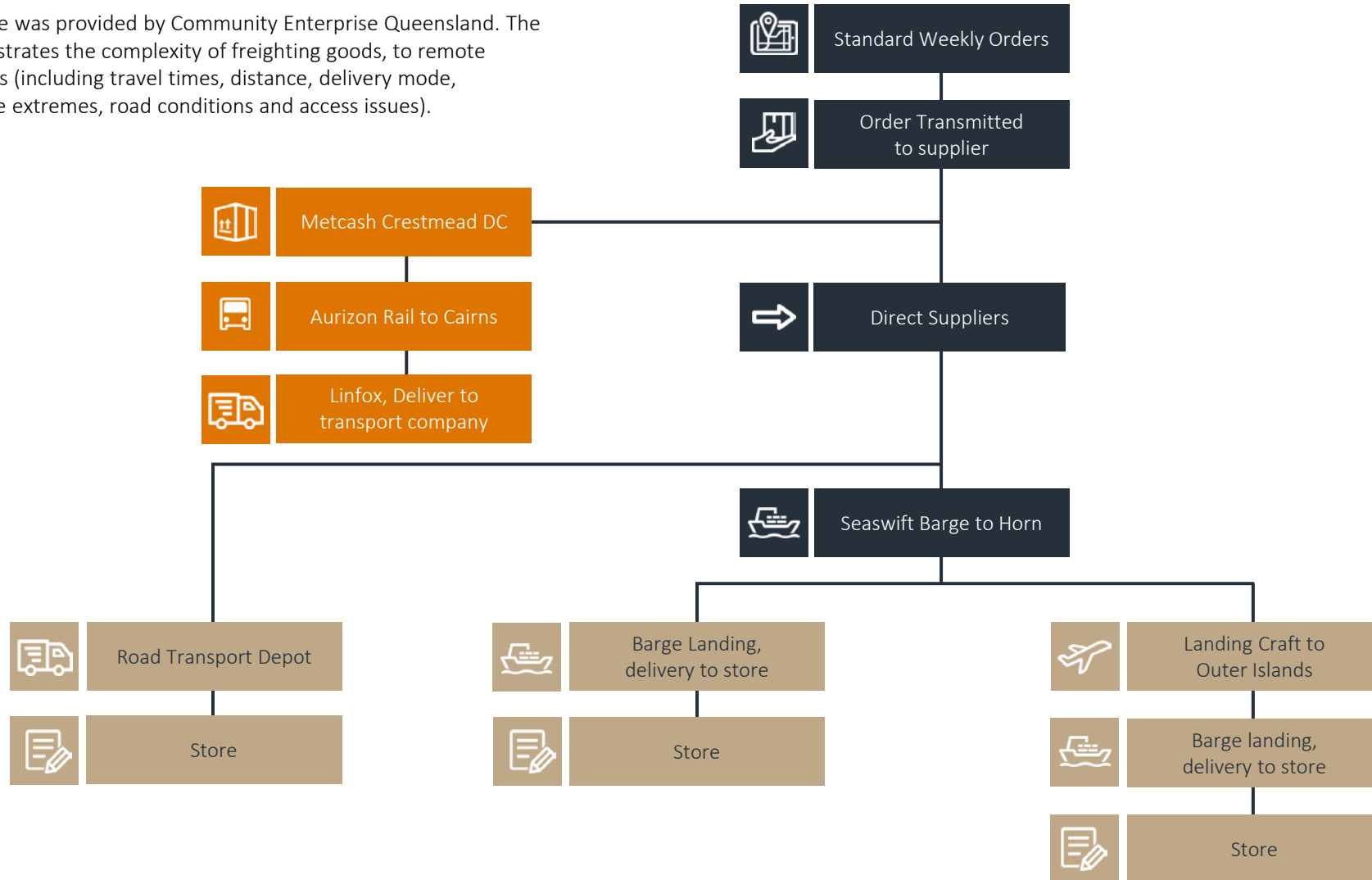


Average remote prices vary across states and territory

	Bread, white 700g loaf	Orange 1kg	Banana 1kg	Tomato 1kg	Potato, washed 1kg	Eggs 1 dozen	Corned Beef 340g can	Beef mince 1kg	Sausages 1kg	Milk powdered full cream 1kg	Milk UHT full cream 1litre	Margarine 500g	Baked beans 220g can	Sugar white 1kg	Water 600ml bottle	Tea Bags rounds 200	Flour, white, plain 1kg	Weetbix 375g	Rice white long grain 1kg	Total
National																				
Major supermarkets	\$1.34	\$2.89	\$3.06	\$6.55	\$3.71	\$3.96	\$4.53	\$11.88	\$9.50	\$5.70	\$1.25	\$3.00	\$0.98	\$1.00	\$1.03	\$6.16	\$1.04	\$2.90	\$1.40	\$71.85
Remote town centre, smaller supermarket	\$3.11	\$4.63	\$4.67	\$5.49	\$3.06	\$4.25	\$7.84	\$16.12	\$14.34	\$11.05	\$1.90	\$2.24	\$2.06	\$2.19	\$1.26	\$5.27	\$2.12	\$3.60	\$3.18	\$98.35
Community stores	\$3.85	\$4.97	\$3.18	\$7.25	\$3.48	\$4.61	\$7.22	\$17.52	\$13.02	\$10.47	\$1.88	\$2.80	\$1.99	\$2.00	\$1.00	\$6.62	\$1.62	\$3.30	\$2.97	\$99.74
Northern Territory																				
Darwin major supermarkets	\$1.30	\$2.63	\$3.72	\$6.66	\$3.47	\$3.90	\$4.55	\$12.00	\$9.50	\$5.70	\$1.25	\$3.00	\$0.98	\$1.00	\$1.00	\$6.30	\$1.00	\$2.90	\$1.40	\$72.25
Smaller supermarket in remote town centre	\$2.95	\$3.49	\$4.99	\$5.11	\$3.90	\$4.69	\$7.07	\$15.49	\$7.49	\$7.24	\$1.96	\$3.82	\$1.89	\$1.99	\$0.99	\$6.90	\$1.70	\$3.24	\$3.49	\$88.40
Community stores	\$3.64	\$5.15	\$3.38	\$7.24	\$3.59	\$4.15	\$7.26	\$17.52	\$13.07	\$10.11	\$1.91	\$2.94	\$1.91	\$2.01	\$1.00	\$5.94	\$1.61	\$3.17	\$2.90	\$98.49
Western Australia																				
Perth major supermarkets	\$1.30	\$2.87	\$2.70	\$6.35	\$3.96	\$3.80	\$4.50	\$12.00	\$9.50	\$5.70	\$1.25	\$3.00	\$0.98	\$1.00	\$1.00	\$6.35	\$1.00	\$2.90	\$1.40	\$71.55
Smaller supermarket in remote town centre	\$4.49	\$4.99	\$5.49	\$5.99	\$2.49	\$4.99	\$7.99	\$19.49	\$21.49	\$14.99	\$1.99	\$1.55	\$2.19	\$2.59	\$1.99	\$3.99	\$2.49	\$3.99	\$2.99	\$116.17
Community stores	\$3.69	\$4.67	\$2.99	\$6.66	\$2.95	\$3.99	\$7.49	\$18.49	\$13.49	\$9.99	\$1.79	\$2.93	\$1.99	\$1.99	\$1.00	\$5.99	\$1.34	\$2.99	\$2.49	\$96.92
Queensland																				
Brisbane major supermarkets	\$1.30	\$3.41	\$2.58	\$6.84	\$3.96	\$4.35	\$4.50	\$12.00	\$9.50	\$5.70	\$1.25	\$3.00	\$0.98	\$1.00	\$1.10	\$6.00	\$1.15	\$2.90	\$1.40	\$72.91
Smaller supermarket in remote town centre	\$3.00	\$5.99	\$4.99	\$5.99	\$1.99	\$3.99	\$9.99	\$19.99	\$19.99	\$15.99	\$2.34	\$1.99	\$2.99	\$2.95	\$1.00	\$3.99	\$2.99	\$3.95	\$3.95	\$118.06
Community stores	\$4.48	\$4.84	\$2.83	\$7.87	\$3.52	\$6.26	\$6.99	\$17.37	\$13.08	\$11.35	\$1.89	\$2.52	\$2.22	\$1.87	\$1.00	\$9.05	\$1.88	\$3.87	\$3.63	\$106.52
South Australia																				
Adelaide major supermarkets	\$1.45	\$2.63	\$3.24	\$6.35	\$3.47	\$3.80	\$4.55	\$11.50	\$9.50	\$5.70	\$1.25	\$3.00	\$0.98	\$1.00	\$1.00	\$6.00	\$1.00	\$2.90	\$1.40	\$70.70
Smaller supermarket in remote town centre	\$2.00	\$4.05	\$3.22	\$4.86	\$3.85	\$3.31	\$6.30	\$9.50	\$8.38	\$5.99	\$1.31	\$1.60	\$1.16	\$1.21	\$1.05	\$6.18	\$1.31	\$3.20	\$2.30	\$70.78
Community stores	\$3.85	\$5.04	\$3.40	\$7.20	\$4.06	\$4.72	\$6.85	\$15.45	\$11.42	\$11.52	\$1.92	\$2.35	\$1.95	\$2.25	\$1.00	\$6.07	\$1.72	\$3.40	\$2.90	\$97.03

Example of the logistics to supply remote community stores

This example was provided by Community Enterprise Queensland. The diagram illustrates the complexity of freighting goods, to remote communities (including travel times, distance, delivery mode, temperature extremes, road conditions and access issues).



Kowanyama & Pormpuraaw are located on the western Cape York Peninsula in Queensland

Wet Season

Manual Orders placed to maximise weight allocation

Direct Suppliers, pick order

Additions to order made to maximise weight allocation

Direct Suppliers, consolidate onto plane pallets

Toll Aviation, Airport stored in containers

Aircraft staff load plane

Ground Staff in community unload plane

Truck delivers to store

Store

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