

'Disgusting' prices and mouldy fruit: the shocking allegations about Indigenous Australians' food supply

Not-for-profit stores say they focus on wellbeing, but community members say it's like shopping at the local servo

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A statement from a community member to the federal inquiry into food security in remote communities says 'who needs one full bay of white and brown sugar in a small store?'

Allegations of “disgusting” overpricing, mouldy fruit supplies and shelves filled with sugar in remote community stores have surfaced this week, while experts report that 43% of Aboriginal people in remote communities have gone without food in the past 12 months because they can't afford to buy it.

Submissions to the federal inquiry into food security in remote Australia, which was set up in May following reports of shortages during the initial Covid-19 shutdown, have called into question the management of remote community stores by the federally funded, not-for-profit Outback Stores, as well as other operators.

Outback Stores manages 40 remote stores across South Australia, Western Australia and the Northern Territory. CEO Michael Borg told the inquiry Outback uses its income to support community stores, 26 of which “are unviable or barely viable” because of remoteness and a small population base.

“One of the main objectives has been, and continues to be, maintaining food security to these stores while also having a significant focus on health and wellbeing for community members,” Borg said.

That is disputed by other statements to the inquiry in several submissions from community members, whose names have been withheld.

“The reality is that when you step into the shop, you step into a strange dimension where Spam, two-minute noodles and white bread appear to be the only food option and if you are hungry you buy what is in [front] of you,” one wrote.

Another submission said the “only store that we have is Outback stores within a 300km radius. The prices of products in this store are disgusting.”

“The range of products is also disgusting. Who needs one full bay of white and brown sugar in a small store like the one we have here? It has been said that our remote stores are giving healthy options to our Indigenous communities, that is bullshit,” they wrote.

“You walk into the store here and yes [there are] two small fridges with seven-day-old fruit and veg before it gets to the store right in front of you. But after that it’s all sugar and overpriced.”

They claim it costs \$42 a kilogram for fresh mince and \$11.50 for a litre of orange juice.

“Do all your shopping at your local servo for the next month, then you might get an idea of what it is like,” they said.

In response to these allegations, Outback Stores said: “We are unsure that this relates to a store we manage. There is no evidence in relation to location and pricing allegations included within the submission.”

“The Outback Stores pricing model sees a heavily weighted focus on healthy, nutritious products, including quality fresh produce, and, while it continues to evolve, also focuses on staple, high-volume products being as affordable as possible,” a spokesman said.

The inquiry also heard that poverty is the single greatest contributor to food insecurity, and raising income is essential to stop Aboriginal people going hungry.

In 2019, 26% of Aboriginal people nationally lived in a household which, in the previous 12 months, had run out of food and could not afford to buy more.

In remote communities, the national Aboriginal and Torres Strait Islander health survey (NATSIHS) found, 43% of Indigenous people reported having gone without food in the previous 12 months.

Dr Francis Markham and Dr Sean Kerins of the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University said in remote areas food insecurity is becoming more prevalent.

“The greatest barrier facing residents in remote communities from having reliable access to affordable fresh and healthy food, groceries and other essential supplies is

poverty. It is not a lack of food in communities which is the primary cause of food insecurity; it is a lack of money.

“If food prices in remote areas were able to be brought into line with those in cities, then the proportion of households running out of food in remote areas might fall by around 10 percentage points,” Markham and Kerins wrote in the CAEPR submission.

“Prior to the introduction of the temporary coronavirus supplement, poverty rates in remote Indigenous communities were above 50% and rising,” they said.

They also called for government support for social enterprises that undertake food provisioning and economic development, and support Aboriginal people to travel to homelands and outstations where food provisioning is easier.

Several submissions reported stark price differences between remote stores and those in regional and urban centres.

At Kowanyama in far north Queensland the shire council reported that a lack of competition kept prices high.

“We have received reports from residents that baby formula can cost \$50 per 900g . We have also received reports from residents that nappies can cost \$50 per packet,” Kowanyama Shire’s acting CEO, Katherine Wiggins, said.

At Pipalyatjara in remote South Australia, the art centre managers said that before the increase in jobseeker payments, community members lived on “\$200 to \$400 per week, which is often spread across families”.

Ninuku Arts Centre managers, Mandi King and Lisa Phillips said a “basic” shop at their local store cost \$118, compared to \$85 at a supermarket in Alice Springs.

“It is our strong opinion that unless buying and pricing systems are either further subsidised or overhauled for food and consumables for remote communities, or all Centrelink payments for Indigenous peoples in remote communities are permanently raised, the conditions of poverty are nearly inescapable for most people here.”

Outback Stores said affordability in remote communities “needs continuous improvement” but said it was not “balanced” to compare remote store prices with those offered by retailers in regional areas.

The Australian Competition and Consumer Commission (ACCC) told the inquiry it had examined a number of complaints regarding excessive pricing, but “has yet to uncover any evidence of conduct that could be said to be misleading or deceptive or unconscionable”.

The ACCC said high prices reflect the high cost of goods to the community store, not of stores increasing profit margins.

ANU emeritus professor Jon Altman said food security in remote communities had “improved markedly during the pandemic” with the introduction of the one-off

economic support payment of \$750 from late March and the coronavirus supplement of \$550 per fortnight from late April.

“People report more income, more purchase of food, less hunger and less stress about having enough income for shopping,” Prof. Altman said.

The inquiry, by the House of Representatives standing committee on Indigenous affairs led by Liberal MP Julian Leeser, is due to report in October.