Indigenous Consumer Assistance Network
P.O. Box 946 Bungalow Q 4870
209 Buchan Street Bungalow Q 4870
PH: 1800 369 878
A B N 62 127 786 092

11 April 2024

Committee Secretary
Supermarket Pricing Select Committee
Parliament House
George Street
Brisbane Q 4000

By email: spsc@parliament.qld.gov.au

Dear Committee Secretary

RE: SUPERMARKET PRICING SELECT COMMITTEE INQUIRY

Thank you for the opportunity to provide a submission to the Inquiry into Supermarket Pricing in Queensland.

ABOUT THE INDIGENOUS CONSUMER ASSISTANCE NETWORK (ICAN)

ICAN provides consumer education, advocacy, and financial counselling services to First Nations peoples across North and Far North Queensland, with a vision of "Empowering Indigenous Consumers". We also provide our services to non-Indigenous peoples across the region. Every day we work with people who are experiencing significant financial hardship for reasons that are often beyond their control.

The people our service works with are strong, resilient, and knowledgeable about their lives and their communities. However, structural barriers and an uncompetitive marketplace in remote and regional communities create conditions in which exploitation occurs. The cost of living is unacceptably high, with basic food and necessities costing significantly more than in cities and large regional centres. Employment is limited, and regional centres and remote communities are susceptible to significant events such as pandemics, industry downturns and extreme weather. Housing is limited and costly, and the consequent rate of homelessness and overcrowding is unacceptably high. Cars are essential items in the family home as they are the only form of transport and pose a significant upfront and ongoing expense. Against this backdrop, increasing supermarket prices are placing an overwhelming burden on families' finances.

SUBMISSION

In responding to the Terms of Reference our submission focuses on the variability in offerings and pricing by supermarkets and local stores across the State, particularly in remote Aboriginal and Torres Strait Islander communities. It also highlights the need for greater transparency to be built into supply chains. We do not seek to detail the problem of high costs as these have been comprehensively documented over many years and many inquiries into this issue. We instead refer

the committee to our joint submission to the Inquiry into Food Security in Remote Indigenous Communities.[1]

Variability in offerings and prices particularly in remote First Nations communities

The high costs of food and groceries currently being experienced by people across Australia has been the reality for people living in remote far north Queensland communities for decades. These are communities that generally have the lowest household incomes yet pay the highest prices for food and groceries in the country. Numerous government inquiries over many years have investigated and confirmed the stark differences in food and grocery offerings and prices between metropolitan and regional centres compared to remote communities.[2] Most recently the NIAA has estimated that remote communities "pay 39% more for supermarket supplies than consumers in capital cities – and the gap could be widening."[3] The reasons for these variances are well documented and the impact on peoples' health and wellbeing is well known.[4]

Yet despite these numerous inquiries and the clear evidence that unaffordable and inaccessible food costs are fundamentally harming remote communities very little has changed on the ground for many remote communities. The complete lack of competition in remote communities and a lack of transparency in the supply chain system, exacerbates the challenges people in remote communities face when trying to access affordable and healthy food and groceries.

There is a critical need for an active and sustained Government commitment to appropriately support and resource local, community-led solutions to the problem of unaffordable and inaccessible food and groceries in remote First Nations communities. The Gather and Grow strategy by Health and Wellbeing Queensland is a promising start that requires long-term commitment and resourcing from the Queensland government to ensure communities have the capacity to lead the work and the outcomes they seek, now and in the future.

The Impact

The impact of high food and grocery prices, particularly on those with limited incomes, has been well documented[5] and is seen by our financial counsellors every day across the region in which we work. People seek our services because they can't afford to put food on the table as they struggle to keep

---

[1] 2020, Joint Submission to the Standing Committee on Indigenous Affairs, Inquiry into Food Pricing and Food Security in Remote Indigenous Communities, file:///C:/Users/JillianWilliams/Downloads/2020-06-30%20Joint%20Submission%20on%20Food%20Security%20and%20Pricing%20in%20Remote%20Indigenous%20Communities.pdf

[2] See for instance: Nov 2009, *Everybody's Business: Remote Aboriginal and Torres Strait Community Stores,* House of Representatives, Aboriginal and Torres Strait Islander Affairs Committee: *https*://www.aph.gov.au/binaries/house/committee/atsia/communitystores/report/everybody's%20business%20report.pdf viewed on 11 April 2024 and the more recent: 2020, House of Representatives Standing Committee on Indigenous Affairs, *Report on Food Pricing and Food Security in Remote Indigenous Communities*, https://www.aph.gov.au/-/media/02_Parliamentary_Business/24_Committees/243_Reps_Committees/Indigenous/Food_pricing/Report.pdf?la=en&hash=13F5E4BE6B2757223211A7C5E0353BDD9DCDBD14

[3] Scuderi, P. ARUP, *Improving Food Security to Remote Communities in Queensland*, https://www.arup.com/projects/remote-community-supply-chain-study , viewed on 12 April 2024

[4] 2022, Australian Institute of Health and Welfare, *Food Security & Indigenous Mental Health*, file:///C:/Users/JillianWilliams/Downloads/Food-security-and-Indigenous-mental-health.pdf viewed on 11 April 2024

[5] See research referred to in Chapter 5 of *Everybody's Business: Remote Aboriginal and Torres Strait Community Stores,* House of Representatives, Aboriginal and Torres Strait Islander Affairs Committee, Nov 2009.

a roof over their head and their vehicle running. Often they have resorted to high-cost credit products to pay for essential goods, putting them into a debt spiral from which it is very difficult for them to get out of without the assistance of a financial counsellor.

When we outreach to communities in north Queensland we are repeatedly told by people in those communities that the most significant consumer issue they face is the inability to access healthy fruit and veggies and the high cost of essential food and grocery items. This has significant impacts on peoples' health and wellbeing.

As ICAN Director and Kubirriwarra Yalanji Traditional Owner, Daphne Naden has said:

> "Take a moment and try to imagine that…food insecurity was your everyday life… if fresh produce and everyday essentials were outside the realm of your family's budget, or you simply can't find them on the shelves."
>
> "Now ponder that remote Indigenous communities have lived in these conditions for decades. The alarming gaps in health outcomes and life expectancy of Aboriginal and Torres Strait Islander people should then come as no surprise."
>
> "Even thinking of relying on fishing or hunting to supplement your diet, requires having resources such as petrol, boat, or a car. Welfare payments don't cut it anywhere, let alone in a regional and remote setting."[6]

Transparency

Throughout the many inquiries into the high costs of food and groceries in remote communities, the impact of complex and high-cost supply chains is consistently identified.[7] Supply chain costs are also inevitably cited by individual stores operating in remote communities to explain their high costs. However, what is not made explicit is how much these costs are along any given supply route.

There is no doubt that high retail prices are driven by high supply chain costs and disruption to supply. However, the lack of transparency in supply chain costs and the complete absence of store competition within individual communities leaves open the opportunity for some stores to inflate costs beyond what is reasonable. Whether or not this happens, the lack of transparency and oversight of the supply chain system understandably increases the perception that a store may be unreasonably marking up prices. It can therefore undermine the confidence the community has in their local (and only) food and grocery provider.

Lack of transparency in supply chain costs also means that there is no opportunity to compare how much it costs to get food and groceries to one community relative to another and therefore no opportunity for communities (including the stores that operate within them) to interrogate the costs involved for one route compared to another. As part of supporting communities to identify the solutions they seek for accessing affordable, healthy food for their community, they should have access to transparent and comparable supply chain costs to help determine what options and solutions are realistic. Much like the calls for mandatory information standards about supermarket prices to support consumer choice, greater cost transparency in the remote supply chain system will

---

[6] ICAN, The Yarn, Food Insecurity, https://ican.org.au/food-insecurity/ , viewed on 12 April 2024

[7] 2020, House of Representatives Standing Committee on Indigenous Affairs, *Report on Food Pricing and Food Security in Remote Indigenous Communities*: https://www.aph.gov.au/-/media/02_Parliamentary_Business/24_Committees/243_Reps_Committees/Indigenous/Food_pricing/Report.pdf?la=en&hash=13F5E4BE6B2757223211A7C5E0353BDD9DCDBD14

support community-controlled and led solutions to overcoming the problem of unaffordable and inaccessible healthy foods and essential grocery items.

We note that the national Inquiry into Food Pricing and Food Security in Remote Indigenous Communities raised the need for compulsory, fully transparent, real-time price monitoring by community stores. We would suggest that this be extended to the supply chain system or, at the least, to the key players such as transport and freight providers that operate within the system.

As a first step in addressing the impact of supply chains on high prices in remote communities, the Remote Queensland Healthy Food Supply Chain Study offers important findings and recommendations that need to be implemented as a matter of urgency. The supply chain map that has been developed and aims to allow for "further analysis and data-based decision-making"[8] is a practical action to bring about greater transparency. As part of this, we recommend greater transparency and publicly available information about the comparable costs of transporting food and groceries across remote communities in far north Queensland. We appreciate that the complexity of these supply networks and the disruption that regularly occurs due to seasonal weather and 'points of fragility'[9] may challenge the accuracy of the data. However, even approximate costings at each stage of the chain will improve understanding and knowledge that in turn can support community-led responses to the problem. This data will also provide important insights for policy-makers and governments and enhance monitoring and regulation of the entire supply chain.

Complaints

> *The uncertainty about how to make a complaint and ensure it is heard can cause significant concern at a community level. 2.44 – p 17*

The recent National inquiry into food security in remote Indigenous communities identified the importance of better complaints handling mechanisms for people in remote communities and a review of the laws to ensure that price gouging in communities can be addressed. The ACCC gave evidence that it could not meaningfully address high costs and we understand that the Queensland Office of Fair Trading is similarly constrained. This means that there is nowhere for community members to go when they have concerns about either prices in store or freight and other supply costs.

In response to these concerns, the Committee's first recommendation was for the ACCC to conduct an enhanced market study which should also look at better complaints handling mechanisms for people in remote communities. To date, a government direction has not been provided to the ACCC to undertake such a study. Instead, we understand that the NIAA has been tasked with implementing, in partnership with State and Territory governments, a National Strategy for food security in remote First Nations communities.[10] As part of this strategy, we urge the Queensland government to recommend to the NIAA and/or implement, at a state level, a clear and responsive complaints process that empowers communities to bring complaints regarding food prices and food

---

[8] Scuderi, P. ARUP, *Improving Food Security to Remote Communities in Queensland*, https://www.arup.com/projects/remote-community-supply-chain-study , viewed on 12 April 2024

[9] 2020, House of Representatives Standing Committee on Indigenous Affairs, *Report on Food Pricing and Food Security in Remote Indigenous Communities*, p.24 at 2.70: https://www.aph.gov.au/-/media/02_Parliamentary_Business/24_Committees/243_Reps_Committees/Indigenous/Food_pricing/Report.pdf?la=en&hash=13F5E4BE6B2757223211A7C5E0353BDD9DCDBD14

[10] See NIAA https://www.niaa.gov.au/indigenous-affairs/health-and-wellbeing/food-security-remote-first-nations-communities viewed on 12 April 2024

security. Given that many of the stores in remote communities are run through Community Enterprise Queensland, it is particularly incumbent on the State government to implement an independent complaints resolution body that is responsive to community concerns.

Conclusion

> *The fact that this is at least the third report to examine these issues in recent years indicates that reform is needed particularly in the way food is supplied, stores are governed, prices are monitored and complaints are handled. Action needs to be taken. (p.4 1.21*

The issue of high prices and food insecurity in remote communities in Queensland has been well-known for far too long. Collaborative efforts between government, industry, and communities to tackle this longstanding issue are critical and community led solutions must be at the heart of these efforts. Time for action is well and truly overdue.

The establishment of community-led initiatives, supported by transparent and actionable data on supply chain costs, will empower communities to make informed decisions and create sustainable solutions tailored to their unique needs. In addition, there must be an independent and responsive complaints mechanism established for people and communities to provide their feedback and concerns about the costs and supply of essential food and groceries in their community.

ICAN is committed to continuing our work in providing consumer education, advocacy, and support to people and communities across north Queensland, in our quest for a fairer and more equitable marketplace. We are eager to engage with the committee and other stakeholders in any future actions or discussions arising from this inquiry.

Thank you again for the opportunity to contribute to this inquiry. We look forward to seeing the committee's recommendations and are hopeful for the positive impact they will have on communities across Queensland.

Please don’t hesitate to contact Jillian Williams of our office on 1800 369 878 if you require further information.

Yours sincerely,

Aaron Davis
CEO
Indigneous Consumer Assistance Network