Following his visit to Australia’s Northern Peninsular Area, Prime Minister Tony Abbott told the ABC’s AM program that:

*I would very much counsel people in remote areas against expecting the Government to subsidise fresh food. Yes, it’s more expensive than in Sydney and Melbourne but it’s not outrageously more expensive and to be honest, the supermarkets—IBIS and others—do a very good job in getting high quality food to very, very remote places.*

But the evidence shows that it’s not just fresh food that is more expensive in remote communities. On average, all food is 53% more expensive in remote communities, with the price increasing annually by approximately 5%, compared to an annual rise of only about 1% in Darwin supermarkets.

What the data show

Every year in the Northern Territory, government and non-government public health nutritionists gather data on the cost of a standardised basket of food. This basket is sufficient to provide foods for a hypothetical family of six for a fortnight. It comprises of a mix of tinned and fresh food items including flour, bread, breakfast cereal, apples, oranges, tinned fruit, orange juice, potatoes, pumpkin, carrots, mixed vegetables, canned meat, fresh red meat, chicken drumsticks, eggs, powdered milk, cheese, sugar and margarine. Data on the availability, variety and quality of fruit and vegetables are also collected.

In 2014, the Northern Territory government surveyed 79 stores and found the average basket cost was $824. This amount ranged from $795 in Darwin remote district stores to an average of $866 for remote East Arnhem district stores; compared to $538 in a Darwin supermarket.

Staples like flour, bread and breakfast cereals cost 23% more, basics like meat were 45% more, fresh fruit and vegetables cost 51% more, goods like margarine and sugar were 79% more, while dairy was 98% more in price.

When we considered food costs in relation to actual food purchases—as opposed to the hypothetical basket—this price difference was even higher. When we then compared these prices to those in southern cities such as Adelaide, we found the price difference was higher again. We demonstrated this using food expenditure data collected from 20 remote stores across the Northern Territory.

Foods purchased in these stores cost 60% more, on average, than Darwin supermarkets and 68% more than Adelaide supermarkets. To understand what this is like, imagine adding another $60 or $68 to a grocery shop of $100 next time you’re at the supermarket—but getting no extra groceries for it.

A further advantage for urban shoppers is access to cheaper generic brand options, which are generally limited in remote community stores. When we added these to the mix, the price difference for grocery type foods was 136%.

The Northern Territory government is the only jurisdiction in Australia that annually monitors remote community food prices.

In 2010, the Queensland government found prices in Queensland were 26% higher in very remote areas compared with major cities and 38% higher in remote areas more than 2000km from Brisbane.

In 2010 in remotes communities of the Northern Territory, prices were found to be 43% higher compared to the current 53%. This finding suggests the Queensland price difference may now be higher than the recorded 38% of 2010.
Over the last few years, the average number of varieties and the proportion of fresh fruit and vegetables of good quality has increased in the Northern Territory.

**Remote shops are playing their part to help**

Many stores in remote Australia are locally owned and have improved nutrition alongside generating profit as a policy goal. In the Northern Territory, 70% of stores are Indigenous owned, 61% have a store committee and 51% report to have a nutrition policy.

Two major store associations in the Northern Territory, the Arnhemland Progress Aboriginal Corporation (ALPA) and Outback Stores, have pricing initiatives that exempt fresh fruit and vegetables from freight charges. The pricing policies have also resulted in some of the cheapest prices for bottled water in the country. It’s likely there are other similar initiatives to reduce the price of healthier foods for independently run stores. Despite this, the price difference between remote community stores in the Northern Territory and Darwin supermarkets has widened.

This price gap indicates that not all consumers equally benefit from the competing food prices between the major Australians supermarkets and the promotional deals they have with manufacturers. Socially disadvantaged Australians, whether in remote or non-remote Australia, experience more barriers to eating healthy food, and cost is one of these. One concern is that a socio-economic gradient we have not previously observed has now emerged as being prevalent for overweight and obesity in Australia. Indigenous Australians are also more likely than non-Indigenous Australians to experience higher rates of obesity and related conditions such as type 2 diabetes, cardiovascular disease and chronic kidney disease. At current food prices, a diet following the Australian dietary guidelines is not possible within an estimated $13 per person per day food spend in remote communities; a food spend that is more than that for other Australians.

**A role for subsidies and promo-deals**

There is mounting evidence that price subsidies can encourage healthier food purchases and are more cost effective than nutrition education.

Remote stores are playing their part; a leg-up from either government or major supermarkets and food manufacturers could go a long way to closing the price gap and disadvantage gap for Indigenous Australians living in remote communities.

That leg-up could extend to subsidies on food transport costs and facilities like refrigerators needed to make fresh food last. But it may also include manufacturers providing promotional deals to remote stores, as they do to urban supermarkets.

In the end, it is cost of all core foods—not just fresh food—that needs to come down for people in remote areas.

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