

ACCC Supermarkets Inquiry

NT Health Submission

NT Health

NT Health manages the Northern Territory (NT) public health system, operating 6 hospitals, 74 health clinics and 7 corporate offices across 5 regional areas. NT Health works as one system in partnership with Aboriginal* health organisations, stakeholders, communities and individuals to provide high quality, evidence-based and patient-centred care.

NT's market structure has limited competition

While the two major supermarket groups - Coles and Woolworths - operate in regional cities and towns, they have no presence in remote Aboriginal communities.

Remote Aboriginal communities are serviced by more than 100 community stores. Two stores groups - Outback Stores Pty Ltd and the Arnhem Land Progress Aboriginal Corporation - manage approximately 50% of stores in remote communities. Remaining stores are managed by communities, community organisations or private businesses.

Remote stores have high operating costs and lack the buying power to access nationally competitive wholesale prices. Some stores buy directly from Coles and Woolworths at full retail prices and many are at the end of fragile distribution networks that are regularly interrupted by seasonal weather events.

The majority of remote communities have only one store that is the main, and sometimes only, provider of food in the community. Subsequently market competition rarely existsⁱ.

Most vulnerable populations face the highest costs

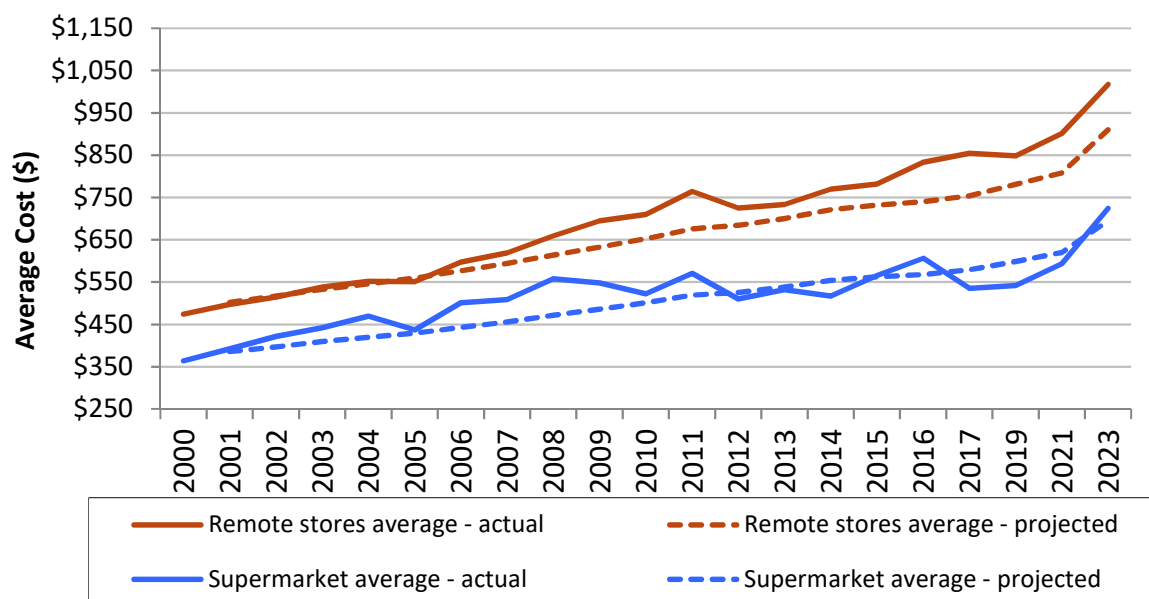
The NT has a population of approximately 233,000 people with 26% being Aboriginal. 75% of the NT Aboriginal population live in remote and very remote areasⁱⁱ.

The NT Market Basket Survey examines the cost, availability, quality and range of selected foods, in addition to information on store ownership and management characteristics of remote stores. The cost of a range of food and drink items are collected and divided into two baskets, a Current Diet Basket and a Healthy Food Basket. The Current Diet Basket was developed using the Aboriginal and Torres Strait Islander Health Survey 2012-13 average consumption data. The Healthy Food Basket was developed using the Australian Dietary Guidelines. Both baskets provide approximately enough energy (kJ) to feed a family of 6 for 2 weeks. Comparisons with regional centre supermarkets, predominantly Coles and Woolworths supermarkets, highlight the price disparity in remote communities.

The 2023 Market Basket Survey indicates the Healthy Food Basket cost was \$293 higher in remote stores compared with supermarkets, with the baskets costing \$1,017 and \$724 respectively. Thus the remote store costs were 40% higher than supermarkets (see Figure 1). The cost difference was the highest in 2017 when the Healthy Food Basket cost 60% more in remote storesⁱⁱⁱ.

*This submission will use the term Aboriginal, which should be taken to include Torres Strait Islander People.

Figure 1: Cost of a Healthy Food Basket in remote stores compared with supermarkets, 2000-2023



Link between supermarkets, food insecurity and health

More than one in five (22%) Aboriginal and Torres Strait Islander people are living in a household that has run out of food in the past 12 months. Aboriginal and Torres Strait Islander people living in remote areas were more likely than those in non-remote areas to have run out of food (31% compared with 20%). This is approximately 8 times higher than the non-Aboriginal population (3.7%)^{iv}. In remote communities an average family receiving government allowances can spend between 34-80% of household income on food^v.

Food insecurity is linked to an increased risk of anaemia, malnutrition, cognitive problems, mental health issues, behavioural problems and asthma in children. It is also linked to an increased risk of malnutrition, mental health problems, diabetes and hypertension in adults^{vi}. There are also known links between food insecurity, poor diet and chronic conditions, such as diabetes^{vii}.

Among Aboriginal people living in remote areas, more than a third of daily energy intake is from unhealthy food and drink^{viii}. In Australia, the NT population are the most frequent consumers of sugar sweetened beverages^{ix}. More than one third (36%) of Territorians consume sugar sweetened beverages daily, and this rate is higher among Aboriginal Territorians. In remote communities, consumption is high, including among babies and children^x. There is a strong link between sugar sweetened beverages and type 2 diabetes^{xi}.

Type 2 diabetes rates in NT's Aboriginal population are approximately four times that of the Australian population. In remote areas of the NT, the burden of type 2 diabetes among Aboriginal people is even more alarming, with substantial growth seen in the last 15 years. Research published in 2022 found one in three Aboriginal adults living in remote NT is living

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with diabetes. In the Central Australia region this rate is 40%, the highest reported of any population globally^{xii}.

Type 2 diabetes is also now being seen among young Aboriginal people in the NT, with 4 years of age being the youngest reported age of diagnosis in the NT. Between 2014 and 2021, in Northern Australia, the rates of type 2 diabetes among people aged 15-24 increased by 97%. The rate of type 2 diabetes among Aboriginal youth is now twenty four times higher than that of non-Aboriginal youth^{xiii}.

The strong intergenerational transmission of diabetes risk being seen in the NT is contributing to increasing rates of youth onset type 2 diabetes. The high rates of youth onset type 2 diabetes among young Aboriginal women is contributing to very high rates of pre-gestational diabetes in pregnancy^{xiv}. Children born to women with diabetes have increased risk of youth onset diabetes, which amplifies diabetes risk^{xv}.

High rates of diabetes are contributing to high rates of Chronic Kidney Disease, with one in four NT Aboriginal adults living with Chronic Kidney Disease^{xvi}.

Current government actions

The NT Government considers food security and the supermarket and remote store setting as an opportunity to improve health and wellbeing. Current initiatives include:

- NT Remote Stores Program - This program is legislated under the NT Food Act 2004 and replaces the previous federal legislation for Stores Licencing under the Stronger Futures in the Northern Territory Act 2012. The program is designed to improve the availability and variety of food and drinks in remote areas; in addition to supporting viability and governance of community stores.
- Biennial Market Basket Survey - The Market Basket Survey provides information on the cost, range, availability and quality of food and drinks in remote communities. This information will continue to be used to guide stores groups to improve retail and to identify inequities.

Recommendations to the inquiry

That the Australian Government:

1. Invest in infrastructure upgrades to ensure uninterrupted supply of food to remote communities.
2. Work with the remote stores sector and major retailers to identify improvements to the logistics of food and grocery supply into remote communities, explore opportunities to warehouse groceries closer to communities, secure supply chains during weather events, and support higher buying power for remote stores.
3. Make funding available to ensure Australians living in remote areas have access to affordable food and groceries.

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