



Low-cost essentials subsidy scheme

Interim Subsidy Scheme Advisory Group Meeting Communique 16 May 2025

An Interim Subsidy Scheme Advisory Group has been established to develop the list of product lines (referred to as items) for Outback Stores Pty Ltd to draw upon to administer the low-cost essentials subsidy scheme.

Through the subsidy scheme, the Australian Government has committed to reducing the costs of 30 essential items in up to 152 remote stores.

The aim is to reduce the cost of items so they are comparable to supermarkets in urban areas. This will help address cost-of-living pressures and the high rates of food insecurity experienced in remote First Nations communities across Australia.

The Advisory Group met on 4 April and 16 May 2025 to develop the list of items. At the 16 May meeting, the Advisory Group recommended the items at **Attachment A** as the list to be drawn upon for the subsidy scheme commencing 1 July 2025.

The expected savings for remote consumers for the list of items is between 30-50%.

In developing the basket of items, the Advisory Group considered the impact on health outcomes, remote cost-of-living (including demand for items), remote store operations and their current ordering arrangements, and the ability of the supply chain and Outback Stores' logistics to deliver the goods.

The Advisory Group selected items to support health outcomes, with items identified to support diets consistent with the Australian Dietary Guidelines and personal hygiene. Many items selected are predicted to reduce cost-of-living pressures for remote shoppers as they are high demand items and shoppers will benefit from reduced prices.

Items relating to fresh fruit and vegetables, fresh meat, fresh milk and bread were considered but not progressed as Outback Stores currently lacks cold storage capacity. The Advisory Group believes cold/perishable product lines should be revisited if Outback Stores has cold storage capability in future.

The Advisory Group considered the inclusion of infant formula (stage 1). Further consideration is required to ensure breastfeeding is supported, while infant formula is more affordable for families that use this item.

The Advisory Group considered the impact on stores' ordering and supply chain logistics when assessing the list of 30 items. It was comfortable that sales volume from the nearly 2,000 items not covered by the subsidy would be sufficient for stores to continue to negotiate and maintain productive relationships with suppliers and freight companies.



Next Steps

The subsidy scheme is due to commence on 1 July 2025. The NIAA will update the NIAA webpage ([Food security in remote First Nations communities](#)) with further information on accessing the scheme, including online information sessions.

The Advisory Group will continue to meet over the life of the subsidy scheme to ensure the items meet the subsidy scheme objectives to support remote cost-of-living and food security.

The list of items may change over the course of the subsidy scheme and the Advisory Group intends to consult on future iterations of the list with relevant stakeholders. This will include community input on the list and also feedback from independent remote stores accessing the subsidy scheme.

Further information on the subsidy scheme and details on the composition of the Interim Subsidy Scheme Advisory Group is at **Attachment B**.



List of Items

#	Item	Rationale for Inclusion
1	Flour	✓ Grains food group ✓ High community demand item in remote stores
2	Pasta	✓ Grains food group
3	Rice	✓ Grains food group
4	Powdered milk	✓ Dairy and alternatives food group ✓ High community demand item in remote stores
5	UHT milk	✓ Dairy food group ✓ High community demand item in remote stores
6	Quick (instant) oats	✓ Grains food group
7	Rolled oats	Grains food group
8	Wheat biscuits (cereal)	✓ Grains food group ✓ High community demand item in remote stores
9	Tinned vegetables	✓ Vegetables & legumes/beans food group
10	Tinned tomatoes	✓ Vegetables food group
11	Canned fruit (in natural juice)	✓ Fruit food group
12	Tinned tuna	✓ Fish food group
13	Canned oysters	✓ Fish food group
14	Canned sardines	✓ Fish food group
15	Canned baked beans	✓ Vegetables and legumes food groups ✓ High community demand item in remote stores
16	Canned meals (<i>canned meals containing meat and vegetables</i>)	✓ Lean meats and Vegetables food groups ✓ High community demand item in remote stores
17	Canned spaghetti	✓ High community demand item in remote stores
18	Tea	✓ High community demand item in remote stores



19	Oils	✓ Poly/monounsaturated fats
20	Baby wipes	✓ Supports personal hygiene
21	Facial tissues	✓ Supports personal hygiene
22	Feminine hygiene – Pads	✓ Supports personal hygiene
23	Feminine hygiene – Tampons	✓ Supports personal hygiene
24	Laundry powder	✓ Supports personal hygiene
25	Nappies	✓ Supports personal hygiene ✓ High community demand item in remote stores
26	Shampoo and conditioner	✓ Supports personal hygiene ✓ High community demand item in remote stores
27	Soap	✓ Supports personal hygiene
28	Toilet paper	✓ Supports personal hygiene ✓ High community demand item in remote stores
29	Toothbrushes	✓ Supports personal hygiene
30	Toothpaste	✓ Supports personal hygiene



Background

The low-cost essentials subsidy scheme (subsidy scheme) aims to reduce the cost of 30 essential items in remote stores to be comparable to supermarkets in urban areas, to help address cost-of-living pressures and high rates of food insecurity experienced in remote First Nations communities.

The National Indigenous Australians Agency (NIAA) has policy responsibility for the subsidy scheme. Outback Stores Pty Ltd (Outback Stores) will administer the subsidy scheme.

Further information on the subsidy scheme is available and will continue to be updated on the NIAA webpage: [Food security in remote First Nations communities | NIAA](#).

The Interim Subsidy Scheme Advisory Group

An Interim Subsidy Scheme Advisory Group (the Group) has been established to support the NIAA and Outback Stores in design of the subsidy scheme. The Group has responsibility for developing the initial list of items to be subsidised, prior to the subsidy commencing.

The Group aims to support accountability, transparency and effective evidence-based decision making for the subsidy scheme in line with Closing the Gap Priority Reform 1. In line with Closing the Gap Priority Reform 4, the Group will release a communicate following decision-making meetings to share and support access to subsidy scheme information.

Members include:

- The Arnhem Land Progress Aboriginal Corporation (ALPA)
- Bidadanga Aboriginal Community La Grange Inc
- Community Enterprise Queensland (CEQ)
- Mai Wiru Regional Stores Council Aboriginal Corporation (Mai Wiru)
- National Aboriginal Community Controlled Health Organisation (NACCHO)
- A/Prof Megan Ferguson, School of Public Health, The University of Queensland

Outback Stores, representatives from Department of Health, Disability and Ageing, representatives from Queensland (QLD) Government responsible for administering the QLD Remote Communities Freight Assistance Scheme provided advice to the Group.

The NIAA Chairs the Group and provides secretariat support.

