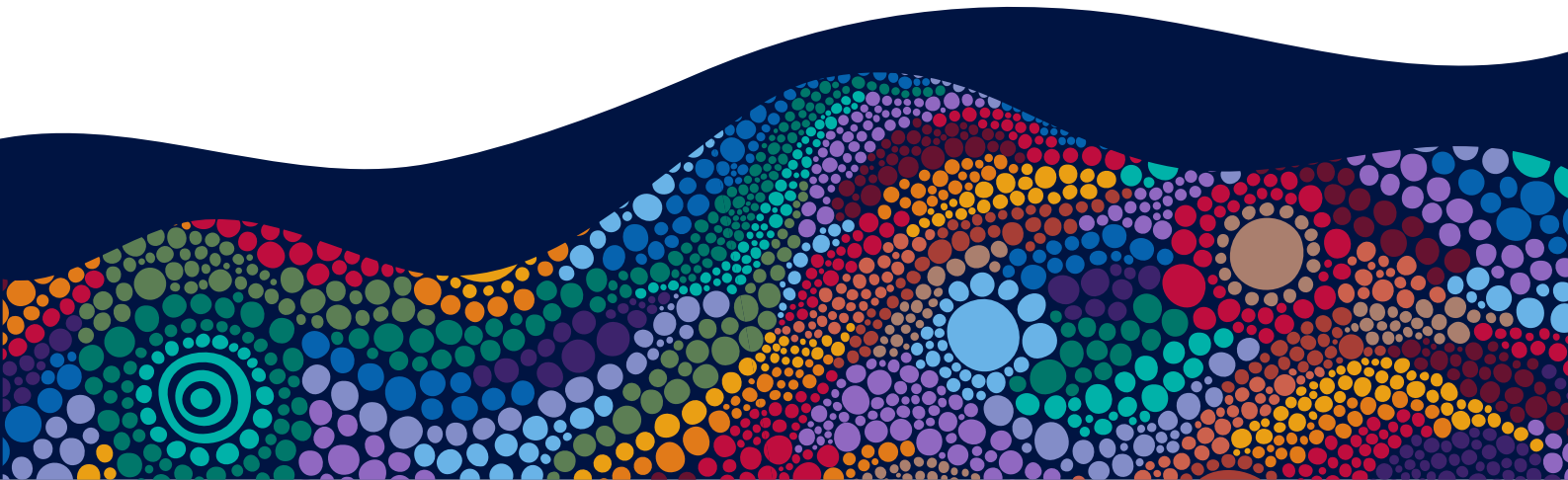
NACCHO
National Aboriginal Community Controlled Health Organisation

Post-Implementation Review of the Low-Cost Essentials Subsidy Scheme

Submission to the National Indigenous Australians Agency

March 2026



About NACCHO

NACCHO is the national peak body representing 149 Aboriginal Community Controlled Health Organisations (ACCHOs). We also assist a number of other community-controlled organisations.

The first Aboriginal medical service was established at Redfern in 1971 as a response to the urgent need to provide decent, accessible health services for the largely medically uninsured Aboriginal population of Redfern. The mainstream was not working. So it was, that over fifty years ago, Aboriginal people took control and designed and delivered their own model of health care. Similar Aboriginal medical services quickly sprung up around the country. In 1974, a national representative body was formed to represent these Aboriginal medical services at the national level. This has grown into what NACCHO is today. All this predated Medibank in 1975.

NACCHO liaises with its membership, and the eight state/territory affiliates, governments, and other organisations on Aboriginal and Torres Strait Islander health and wellbeing policy and planning issues and advocacy relating to health service delivery, health information, research, public health, health financing and health programs.

ACCHOs range from large multi-functional services employing several medical practitioners and providing a wide range of services, to small services which rely on Aboriginal health practitioners and/or nurses to provide the bulk of primary health care services. Our 149 members provide services from about 550 clinics. Our sector provides over 3.1 million episodes of care per year for over 410,000 people across Australia, which includes about one million episodes of care in very remote regions.

ACCHOs contribute to improving Aboriginal and Torres Strait Islander health and wellbeing through the provision of comprehensive primary health care, and by integrating and coordinating care and services. Many provide home and site visits; medical, public health and health promotion services; allied health; nursing services; assistance with making appointments and transport; help accessing childcare or dealing with the justice system; drug and alcohol services; and help with income support. Our services build ongoing relationships to give continuity of care so that chronic conditions are managed, and preventative health care is targeted. Through local engagement and a proven service delivery model, our clients ‘stick’. Clearly, the cultural safety in which we provide our services is a key factor of our success.

ACCHOs are also closing the employment gap. Collectively, we employ about 7,000 staff – 54 per cent of whom are Aboriginal or Torres Strait Islanders – which makes us the third largest employer of Aboriginal or Torres Strait people in the country.

Enquiries about this submission should be directed to:

NACCHO
Level 5, 2 Constitution Avenue
Canberra City ACT 2601
Telephone: 02 6246 9300
Email: policy@naccho.org.au
Website: naccho.org.au

Recommendations

NACCHO recommends:

1. Any interventions to address food security align with the National Agreement and its four Priority Reform Areas.
2. The development of a stakeholder collaboration framework to support implementation of the Subsidy Scheme which includes roles and responsibilities of key partners; governmental and non-governmental; across health, climate change, energy, water, environment, trade, infrastructure and national security.
3.
   a. Modifying the list of 30 essential items to free up space for other items to be included instead such as fresh fruit and vegetables, fresh meat, and iron rich infant formula.
   b. Stores work together with communities to decide which essential items are needed in their regions as part of the Subsidy Scheme.
4. Mapping the total number of remote stores in jurisdictions, and the proportion of stores that have accessed the Code and Scheme to identify the gaps and directly engage stores that are currently not enrolled in the Subsidy Scheme.
5. Equitable, tailored, community-led solutions are implemented to support delivery of the Subsidy Scheme.
6.
   a. NIAA provides accessible information in a variety of formats for remote stores clarifying the role Outback Stores has in delivering the Subsidy Scheme to promote transparency.
   b. NIAA fund and support the establishment of an independent remote stores consortium that will be able to negotiate supply together, and reduce the administrative burden impacting small stores.
   c. Support provided by the Monash University team should be compulsory for all stores, not an opt-in element. This support should be provided before stores sign up to the Code and Scheme.
7. NIAA implements a multi-agency, targeted approach in the promotion, delivery and implementation of the Scheme, in collaboration with the community-controlled sector.

Acknowledgements

NACCHO welcomes the opportunity to provide a submission to the National Indigenous Australians Agency on the Post-Implementation Review of the Low-Cost Essentials Subsidy Scheme (the Scheme).

NACCHO would like to acknowledge the valuable input received from Aboriginal Medical Services Alliance Northern Territory (AMSANT), Puntukurnu Aboriginal Medical Service (PAMS), and Aboriginal Health Council of South Australia (AHCSA) to this submission.

NACCHO supports the submissions to this consultation made by NACCHO Members and Affiliates.

National Agreement on Closing the Gap

Advocating for and securing the National Agreement on Closing the Gap was an historically significant act of Aboriginal and Torres Strait Islander self-determination. The National Agreement is evidence of a new era of engagement by and with Aboriginal and Torres Strait Islander people. It commits Australia to a new direction and is a pledge from all governments to fundamentally change the way they work with Aboriginal and Torres Strait Islander communities and organisations – to support self-determination and build the capacity of the community-control sector.

This Government's first Closing the Gap Implementation Plan commits to achieving Closing the Gap targets *through implementation of the Priority Reforms*. This represents a shift away from focussing on the Targets, towards the structural changes that the Priority Reforms require, and which are more likely to achieve meaningful outcomes for our people in the long term.

The reforms and targets outlined in the National Agreement seek to overcome the inequality experienced by Aboriginal and Torres Strait Islander people, and achieve life outcomes equal to all Australians. Governments at all levels have committed to the implementation of the National Agreement's four Priority Reform Areas, which offer a roadmap to meaningfully impact structural drivers of poor health and social outcomes for Aboriginal and Torres Strait Islander people:

Priority Reform Area 1 – Formal partnerships and shared decision-making

This Priority Reform commits to building and strengthening structures that empower Aboriginal and Torres Strait Islander people to share decision-making authority with governments, and to accelerate policy making that centres Aboriginal and Torres Strait Islander voices.

Priority Reform Area 2 – Building the community-controlled sector

Recognising that community-controlled services achieve better outcomes, employ more Aboriginal and Torres Strait Islander people and are often preferred over mainstream services, this Priority Reform commits to building Aboriginal and Torres Strait Islander community-controlled sectors to deliver services to support Closing the Gap.

Priority Reform Area 3 – Transformation of mainstream institutions

This Priority Reform commits to systemic and structural transformation of government organisations to identify and eliminate racism, embed and practice cultural safety, deliver services in partnership with Aboriginal and Torres Strait Islander people, support truth telling about agencies' history with Aboriginal and Torres Strait Islander people, and engage fully and transparently with Aboriginal and Torres Strait Islander people when programs are being changed.

Priority Reform Area 4 – Sharing data and information to support decision making

This Priority Reform commits to shared access to regional data and information to inform local-decision making and support achievement of the first three Priority Reforms. This Priority Reform supports principles of Indigenous Data Sovereignty.

Despite some progress, the need for fundamental systemic reform remains evident. In its first review of the National Agreement on Closing the Gap, the Productivity Commission found that governments are not adequately delivering on their commitments. Despite support for the Priority Reforms and some good practice, progress has been slow, uncoordinated, and piecemeal.

The Commission noted that to enable better outcomes, governments need to relinquish some control, share decision making and acknowledge that Aboriginal and Torres Strait Islander people know what is best for their communities. Aboriginal Community Controlled Organisations, must be treated as critical partners rather than passive funding recipients, and trusted to design, deliver and measure government services in ways that are culturally safe and meaningful for their communities.

'Too many government agencies are implementing versions of shared decision-making that involve consulting with Aboriginal and Torres Strait Islander people on a pre-determined solution, rather than collaborating on the problem and co-designing a solution'[1]

NACCHO recommends any interventions to address food security align with the National Agreement and its four Priority Reform Areas.

Coordination between Government departments and agencies

Addressing food security issues is complex, and a whole-of-system approach is needed to deliver the Scheme. As such, the Scheme should reflect whole-of-system solutions requiring better coordination between government department and agencies at the federal, state, territory and local level. In order for the Subsidy Scheme to be effective, all portfolios that have a role in influencing the food system and food security outcomes must be involved in the design and implementation of the Scheme.

The Australian Strategic Policy Institute's (ASPI) National Food Security Preparedness Green Paper provides an overview of the national legislative network for food security, highlighting that food security cannot be seen as a siloed issue, but one which, "intersects with health, energy, environment, trade, infrastructure and national security".[2] To provide a more comprehensive approach, this network should be expanded to explicitly include the community-controlled sector. This will allow for whole-of-system considerations and key priority areas to be addressed using a more holistic approach.

NACCHO recommends the development of a stakeholder collaboration framework to support implementation of the Subsidy Scheme which includes roles and responsibilities of key partners; governmental and non-governmental; across health, climate change, energy, water, environment, trade, infrastructure and national security.

Suitability of subsidised items on the Scheme

Food insecurity disproportionately affects Aboriginal and Torres Strait Islander people and is linked to overall poorer health in adults and children. It contributes to being overweight, to obesity, higher gestational weight gain, as well as to weight loss. Food insecurity can affect stress levels, mental health and lead to feelings of shame. Childhood development and learning can also be adversely impacted by iron deficiency, anaemia,

[1] Productivity Commission, Review of the National Agreement on Closing the Gap, Study Report, Canberra, 7 Feb 2024 https://www.pc.gov.au/inquiries/completed/closing-the-gap-review/report.

[2] Australian Strategic Policy Institute, National food security preparedness Green Paper, 7 April 2025, https://www.aspi.org.au/report/national-food-security-preparedness-green-paper/.

and malnourishment, causing slower cognitive and motor development, with children often lethargic and lacking concentration, which contribute to learning difficulties in school.[3,4,5] Poor diet quality can also increase the risk of non-communicable diseases, such as type two diabetes and cardiovascular disease, which account for 80% of the mortality gap between Aboriginal and Torres Strait Islander people and other Australians.[6]

We have received feedback from one of our Affiliate representatives that they have concerns about childhood anaemia rates in their area which have deteriorated over the last two years. Their services work hard at screening and treating childhood anaemia and treating anaemia in pregnancy. However, food security also plays a big role. Services believe that the cost-of-living crisis is causing this latest worsening of childhood anaemia, impacting food security and the ability to purchase iron rich foods.

The Scheme can be strengthened by prioritising equitable access and availability of healthy, nutritious foods for all Australians in all environments (i.e. urban, regional, rural, remote).

Since the establishment of the Subsidy Scheme Subsidy Scheme Expert Advisory Group (EAG), NACCHO has been advocating for the inclusion of key essential items such as infant formula, and fresh fruit and vegetables as part of the Scheme. It was implied earlier on that there would be room to consider the inclusion of other items at a later date. However, in subsequent meetings and communications, there now seems to be hesitancy to review or refine the items included in the Scheme. We are also aware that there has been some pushback and concerns raised by the wholesalers in how the Scheme is affecting their businesses, highlighting once again the need for a higher level of transparency and collaboration throughout the process of developing and implementing the Scheme.

While this may cause complexities in terms of logistical planning for the implementation of the Scheme, subsidising fresh fruit and vegetables, fresh meat, and iron rich infant formula could be essential for addressing childhood anaemia. In order for the Scheme to achieve the goals it has set – *"to help address cost-of-living pressures and high rates of food insecurity experienced in remote First Nations communities"* – it is important to work together with communities to determine how best to accomplish this, and what is needed. Specific items included in the Scheme may need to be tailored by communities to ensure that the communities' most needed items are available in stores.

An example from the list of 30 essential items that could be modified are feminine hygiene products (pads and tampons), which are low-volume items for stores. NACCHO provides free menstrual products to regional and remote communities through its Menstrual Products Program via several systems, therefore, ACCHOs already have access to these items through other means. If these two items were removed from the list of essential items, this would allow for other necessary items to be added to the list instead.

NACCHO Menstrual Products Program[7]

In the 2024 Federal Budget, $12.5 million was allocated over four years for NACCHO to lead a community-driven distribution of menstrual products in regional and remote communities. This initiative is aimed at improving access for Aboriginal and Torres Strait Islander girls, women and gender diverse people. This program allows communities to access menstrual products in their region for free.

[3] Udovicich C, Perera K, Leahy C. Anaemia in school-aged children in an Australian Indigenous community. Australian Journal of Rural Health. 2016 Dec 14;25(5):285–9. https://doi.org/10.1111/ajr.12338.

[4] World Health Organization. Anaemia in women and children. https://www.who.int/data/gho/data/themes/topics/anaemia_in_women_and_children.

[5] Joint Standing Committee on the Commissioner for Children and Young People, Hunger for change: Addressing food insecurity for children and young people affected by poverty.

[6] Australian Institute of Family Studies. Healthy lifestyle programs for physical activity and nutrition, January 2012, Melbourne: Australian Institute of Family Studies.

[7] NACCHO, Sexual Health and Blood Borne Viruses. https://www.naccho.org.au/sexual-health/.

NACCHO recommends

a) Modifying the list of 30 essential items to free up space for other items to be included instead such as fresh fruit and vegetables, fresh meat, and iron rich infant formula.

b) Stores work together with communities to decide which essential items are needed in their regions as part of the Subsidy Scheme.

Access barriers for independent stores

While NACCHO supports both the National Code of Practice for Remote Store Operations (the Code) and the Subsidy Scheme, we have concerns that the limited availability of support provided for stores in the enrolment stage will further impact smaller, independent stores, preventing them from signing up, and thereby limiting access to the Scheme for their communities.

A further barrier for stores, particularly independent stores, is linking the Scheme to the Code. As stores must sign up to the Code to access the Scheme, this means communities can only access subsidised items if the store in their region agrees to sign up to the Code. This can create an additional administrative burden for stores in order to comply with the Code, which they may not have the capacity to address. NACCHO has concerns that this approach will reduce access to subsidised items for communities most in need, as evidenced by the small number of independent stores currently enrolled in the Scheme.

There are also limits to number of stores that can access the Code and Subsidy Scheme (initially capped at 152 stores). In both the Strategy Project Reference Group and the Remote Food Security Working Group (where members are large store groups, wholesalers and infrastructure and logistics representatives), there seemed to be inflexibility around improving or increasing numbers, and there was a lack of transparency about numbers of stores that had signed up and in which jurisdiction.

We therefore welcome the recent announcement made on 17 February 2026 about the expansion of the Scheme to 225 remote stores,[8] however, in light of the earlier discussions held in the Strategy Project Reference Group Remote Food Security Working Group, prior communication would have been appreciated. In order for communities to benefit, the process in which the Scheme is promoted and how stores are targeted needs improvement, and this can be accomplished together with key stakeholders.

As of 12 January 2026, according to information on the NIAA website, 109 remote stores have enrolled to the Code and the Scheme.[9] Of these stores, 52% are from the Northern Territory (57 stores), 31% from Queensland (34 stores), 14% from Western Australia (15 stores), and 3% from South Australia (3 stores). No stores from NSW have signed up yet. Only 9 of these stores are independent (5 in NT, 2 in QLD, and 2 in WA), while the majority of the stores enrolled are from the big store management groups (Outback Stores, ALPA and CEQ).

It is clear that independent stores are underrepresented in the Scheme, and that there is inequitable regional distribution across jurisdictions. This can be remedied by mapping the total number of remote stores in these jurisdictions, and the proportion of stores that have accessed the Code and Scheme, to identify the gaps. The Monash remote stores mapping project and directory[10, 11] can provide a basis for this.

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[8] Senator the Hon Malarndirri McCarthy, Expanding access to Low-Cost Essentials Subsidy Scheme to more remote communities. Prime Minister and Cabinet Portfolio, *media release*. 17 February 2026. https://ministers.pmc.gov.au/mccarthy/expanding-access-low-cost-essentials-subsidy-scheme-more-remote-communities.

[9] NIAA, Remote Stores that are enrolled to the National Code of Practice for Remote Store Operations and the Low-Cost Essentials Subsidy Scheme. 12 January 2026. https://www.niaa.gov.au/our-work/health-and-wellbeing/food-security-remote-first-nations-communities#

[10] Brimblecombe J. et al. Remote stores mapping. https://www.monash.edu/medicine/scs/remote-food-systems-program/remote-stores-mapping.

[11] van Burgel, Emma; Greenacre, Luke; Ferguson, Megan; Hill, Amanda; McMahon, Emma; Miles, Eddie; et al. (2025). Assessing food retail access in remote Australia: Revealing an unrepresented setting in the national food retail landscape.. Monash University. Report. https://doi.org/10.26180/28455536.v2

This will allow NIAA to develop a targeted approach to work with and engage stores that are currently missing out on the Scheme.

NACCHO recommends mapping the total number of remote stores in jurisdictions, and the proportion of stores that have accessed the Code and Scheme to identify the gaps and directly engage stores that are currently not enrolled in the Subsidy Scheme.

Concerns about the role of Outback Stores

With Outback Stores as the sole provider of items available as part of the Scheme, this limits the variety of products available to remote stores (e.g., no fresh fruit and vegetables, no fresh meat) and limits the creation of local solutions that can feed into the Scheme. For example, in addition to Outback Stores as a provider of subsidised items, the Scheme could also source products from local suppliers or market gardens such as those in Bawoorrooga[12] and Dja Dja Wurrung Country.[13] Another alternative could be that the Scheme works as a 'rebate scheme', where businesses order items on the list, and then claim a rebate of freight costs for those items as a percentage of the total freight cost, or wholesalers order goods through manufacturers (who are able to offer lower cost goods), and then claim freight costs from government.

There is also the opportunity through the upcoming Implementation plan for the *National Strategy for Food Security in Remote Aboriginal and Torres Strait Islander Communities* to include and expand on these solutions and sufficiently fund communities to develop strategies that can support delivery of the Scheme.

NACCHO recommends equitable, tailored, community-led solutions are implemented to support delivery of the Subsidy Scheme.

One of our Affiliates has reached out to ACCHOs in regions with independent stores to talk about the Subsidy Scheme, however, only a limited number of independent stores have accessed the Scheme. There is some apprehension from these stores that this is a push for Outback Stores to take over. One service spoke to an independent store who wanted nothing to do with the Scheme once they knew that Outback Stores was involved. There is the feeling that NIAA may use the Scheme as a way to push independent stores to move to a store management company.

Plain language information suitable for remote store board members that clearly explaining what Outback Store's role is and isn't in the Scheme is lacking. Based on how the Scheme is being implemented currently, there is the feeling that independent stores are being marginalised.

There is a lot of confusion overall about the role Outback Stores has in the Scheme. While it does state on the NIAA website that Outback Stores will *"source the essential items from manufacturers, wholesalers and use freight companies to deliver items to remote stores participating in the Scheme at a subsidised price"*, this is not widely known by communities or stores. Sharing of key information through a variety of platforms has been lacking through the implementation of the Scheme, which has limited access for stores and the communities they support. Another Affiliate shared how a service in their area had the impression that the Scheme was *only* available for Outback Stores, highlighting the lack of clarity about the Code and the Scheme, and the need for NIAA to improve their current approach.

[12] Foundation for Indigenous Sustainable Health. Bawoorrooga Market Garden project. https://fish.asn.au/bawoorrooga-market-garden-project/.

[13] Tumpinyeri Growers. https://tumpinyerigrowers.com.au/.

Feedback | Puntukurnu Aboriginal Medical Service (PAMS)

In the Western desert communities, small independent stores have felt sidelined in the whole process of accessing the Subsidy Scheme, with some lacking capacity to meet administrative arrangements required to enrol.

There have been concerns of perceived conflict of interest regarding Outback Stores involvement in the Scheme as a competitor. Most of those stores used to be managed by Outback Stores and they pulled out at some point. With Outback Stores being a large, Commonwealth owned company, there is the feeling that the process is not fair for smaller stores.

We need to address these concerns to determine how we can help these remote communities. Some have reached out for help and have encountered barriers.

In the interest of equitable food security, we would welcome the relevant authority to reach out and work with these communities directly to address concerns and improve access to the Scheme.

Additional support is needed for independent stores, not only to access the Scheme, but to strengthen their position amongst the larger store groups that already have the ability, capacity and resourcing to manage supply and administration adequately for their regions, while smaller independent stores may not.

Rather than an opt-in initiative *after* stores have enrolled to the Code and the Scheme, the support provided by the Monash University team should be a compulsory element before store sign up initially. This will provide stores, particularly independent stores, with support to establish their baseline, and give them an indication of what is needed for them to adhere to the Code.

NACCHO recommends

a) NIAA provides accessible information in a variety of formats for remote stores clarifying the role Outback Stores has in delivering the Subsidy Scheme to promote transparency.

b) NIAA fund and support the establishment of an independent remote stores consortium that will be able to negotiate supply together, and reduce the administrative burden impacting small stores.

c) Support provided by the Monash University team should be compulsory for all stores, not an opt-in element. This support should be provided before stores sign up to the Code and Scheme.

Partnership with the community-controlled sector

Addressing food security issues requires a broader approach of collaboration across multiple sectors. Community-led solutions are critical to addressing systemic barriers and improving access to healthy food in regional and remote areas. While NACCHO is on the Subsidy Scheme EAG, in our experience, the consultation and stakeholder engagement processes undertaken by NIAA can be significantly strengthened. This should include involving the community-controlled sector in planning phases of all EAG initiatives, ensuring ongoing communication and transparency throughout development, and appropriate timeframes to allow for meaningful feedback. Decisions should be made collaboratively by EAG members after being provided with all relevant information. The nature of EAG meetings and outcomes of those meetings to date have not always reflected a joint approach, or a commitment to the Priority Reforms of the National Agreement on Closing the Gap.

Genuine collaboration and partnership with the community-controlled sector would help facilitate a more inclusive and equitable food system and ensure that equity, self-determination, and community leadership as key focus areas in how food security is addressed nationally. This approach would strengthen the Scheme overall and align with Priority Reform 1 of the National Agreement on Closing the Gap.

ACCHOs and food security

Rooted in self-determination, ACCHOs help overcome many of the barriers to access experienced by Aboriginal and Torres Strait Islander people. They were designed and established by Aboriginal and Torres Strait Islander people as a result of racism and lack of culturally appropriate healthcare. Today, ACCHOs are a pivotal element of the primary health care architecture within Australia.

ACCHOs are run by communities, for communities. The ACCHO model of care, outlined in NACCHO's Core Services and Outcomes Framework,[14] is recognised as the most effective health service delivery model to prevent, diagnose and manage health conditions for Aboriginal and Torres Strait Islander people and for Closing the Gap.[15, 16] ACCHOs achieve this through delivering a holistic model of care, connecting the physical, mental, social, emotional and spiritual dimensions of health and wellbeing to promote preventive and comprehensive care. The values of community, culture and connection to the land are prioritised, and the significance of traditional healing methods, cultural protocols and community-driven initiatives are recognised. ACCHOs integrate 'joined up services' to ensure that healthcare services are coordinated and work together to provide wrap-around support for individuals and communities.[16]

ACCHOs are best placed to respond to the social and cultural determinants of health.[17] There is also a clear preference for Aboriginal and Torres Strait Islander peoples to access community-controlled services. Many will bypass mainstream services to access one where they are confident their cultural safety is guaranteed.[17]

ACCHOs' core services include addressing structural barriers to better health. Food security is key in community health promotion and empowerment. This includes integrating vertical health promotion programs, such as food security and healthy eating to individuals and families, and mobilising action on the social determinants of health. It is also reflected in policy direction and partnerships, where ACCHOs form strategic networks and partnerships where needed to alleviate social, historical, economic and environmental determinants of health and wellbeing, such as food security, so programs and services have maximum impact. This includes partnering across government, non-governmental organisations, other ACCHOs/ACCOs, Affiliates, Primary Health Networks and other primary health care organisations, and non-health organisations that have influence in local health outcomes.[16]

Targeted engagement with the community-controlled sector is needed in the delivery and implementation of the Scheme, reflecting the sectors' central role in Aboriginal and Torres Strait Islander health and redressing inequities. NACCHO and Affiliates are happy to support NIAA to promote the Code and the Scheme with our member services, as we have been doing from the roll-out of the initiatives.

NACCHO recommends NIAA implements a multi-agency, targeted approach in the promotion, delivery and implementation of the Scheme, in collaboration with the community-controlled sector.

[14] NACCHO Core Services and Outcomes Framework: The Model of Aboriginal and Torres Strait Islander Community-Controlled Comprehensive Primary Health Care. National Aboriginal Community Controlled Health Organisation, Canberra, ACT: June 2021.

[15] Kathryn S Panaretto, Mark Wenitong, Selwyn Button and Ian T Ring, Aboriginal community controlled health services: leading the way in primary care, Med J Aust 2014; 200 (11): 649-652. | doi: 10.5694/mja13.00005.

[16] Vos T, Carter R, Barendregt J, Mihalopoulos C, Veerman JL, Magnus A, et al. Assessing Cost- Effectiveness in Prevention (ACE–Prevention): Final Report: University of Queensland, Brisbane and Deakin University, Melbourne 2010.