Submission on the Low-Cost Essentials Subsidy Scheme

March 2026

About Us

CHOICE

CHOICE is the leading consumer advocacy group in Australia. CHOICE is independent, not-for-profit and member-funded. Our mission is simple: we work for fair, just and safe markets that meet the needs of Australian consumers. We do that through our independent testing, advocacy and journalism.

To find out more about CHOICE's work visit www.choice.com.au/campaigns

FCA

Financial Counselling Australia (FCA) is the national voice for the financial counselling profession in Australia. We are a not-for-profit organisation which provides resources and support for financial counsellors and works to raise awareness about the availability and value of financial counselling. FCA advocates for a fairer marketplace for consumers and aims to improve hardship processes for people in financial difficulty. We coordinate the National Debt Helpline and manage the Small Business Debt Helpline. Our vision is for an Australia with fewer people in financial hardship.

Good Shepherd Australia New Zealand

Good Shepherd Australia New Zealand (GSANZ) is a not-for-profit organisation that aspires for all women, girls and families to be safe, strong and connected by supporting people experiencing financial hardship, family violence, and social exclusion. Through a range of programs and services, GSANZ helps people build financial independence, safety, and wellbeing.

GSANZ delivers the No Interest Loans (NILs) program, providing safe, fair and affordable access to credit for essential goods and services. This is complemented by financial wellbeing support and community partnerships that strengthen long-term economic participation and resilience.

Through partnerships that deliver fair and affordable credit to remote First Nations communities, GSANZ has identified significant market failure in access to essential household items that underpin health outcomes and food security.

From 2024, with funding from the Department of Social Services, GSANZ is delivering the NT NILs Expansion in the Northern Territory. This program improves equity of access for people in remote, regional and First Nations communities, including through delivery subsidies for essential goods such as whitegoods, furniture and bedding. This ensures individuals do not pay more than metropolitan customers for essential items that support health, dignity, and overall wellbeing.

ICAN

ICAN provides consumer education, advocacy, and financial counselling services to people across north and far north Queensland. The majority of our clients identify as First Nations peoples and our vision is "Empowering Indigenous Consumers".
The people our service works with are strong, resilient, and knowledgeable about their lives and communities. However, structural barriers and an uncompetitive marketplace in remote and regional communities create conditions in which exploitation can occur. 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 are susceptible to significant events such as pandemics, industry downturns and climate disasters. 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. The significant number of bank closures in rural, regional and remote Australia has created significant barriers to accessing essential banking services for people in this region. It is against this backdrop that ICAN has long advocated for improved food security and greater financial inclusion in remote communities.

Mob Strong Debt Help

Mob Strong Debt Help is a free nationwide legal advice and financial counselling service for Aboriginal and Torres Strait Islander people. The service specialises in consumer finance (such as credit cards, pay day loans and car loans), banking, debt recovery and insurance (including car, home, life and funeral insurance).

In operation since 2016 Mob Strong Debt Help has been led by Aboriginal and Torres Strait Islander staff, supported by all our colleagues at Financial Rights. Our team is small but dedicated, and includes solicitors, policy advocates, financial counsellors and data support.

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Introduction

CHOICE, Financial Counselling Australia (FCA), Good Shepherd Australia New Zealand (Good Shepherd), Indigenous Consumer Assistance Network (ICAN) and Mob Strong Debt Help (Mob Strong), welcome the introduction of the low-cost essentials subsidy scheme. This initiative is a significant and positive step towards addressing the disproportionately high cost of food and groceries in remote communities, and improving access to essential items for First Nations people.

People living in remote and very remote areas face some of the highest costs in Australia for food, household goods, transport and essential services. These challenges are compounded by the effect of the seasons, supply chain disruptions and limited competition among food and grocery providers. In this context, the subsidy scheme has the potential to significantly benefit remote communities by improving food security, supporting better health outcomes, and alleviating the financial pressures on households.

However, it is too early to determine the full impact of the scheme on prices, availability, and access to affordable food and groceries. Early observations suggest that the scheme is having a positive impact, but there remain significant risks and gaps in its implementation and enforcement that may limit its effectiveness going forward, if left unaddressed.

This submission makes a number of recommendations to strengthen the scheme. The scheme would be improved by raising awareness of it in stores and online, ensuring there are healthy options, expanding the range of subsidised items, proactively monitoring compliance, encouraging uptake of the scheme evenly and equitably across communities, and enhancing monitoring and enforcement mechanisms.

Our recommendations are informed by the experiences and observations of financial counsellors, consumer advocates and frontline workers supporting people in remote communities. We encourage the NIAA to continue and expand on the subsidy scheme in close consultation with communities and people working on the ground, to ensure it delivers meaningful, equitable and sustained reductions in the cost of essential food and grocery items.

Recommendations

The NIAA should:

1. Undertake ongoing consultation and staged reviews of the subsidy scheme across different seasons, with a full review conducted at least 12 months after implementation;
2. Engage directly with remote communities, advocates and front line workers to understand how the scheme is operating on the ground and where improvements may be needed;
3. Conduct further analysis to understand if funding is reducing prices, and what impact the subsidy scheme is having in relation to rising inflation and fuel costs;
4. Increase the awareness of participating stores through improved online tools and clear, prominent store signage;
5. Prioritise equal access to the scheme across remote communities by identifying stores that could participate, and engaging them to do so;
6. Recommend that the Government works on finding solutions to improve the consistent supply of food and groceries to remote communities;
7. Consider how an expansion of the subsidy scheme can include more types of stores for participation;
8. Include healthier options, such as fresh fruit, vegetables, bread and frozen meats in the subsidy scheme to improve long term health outcomes for people in remote communities;
9. Include culturally appropriate and locally available food such as kangaroo tail in the list of subsidised items;
10. Consult with remote communities and advocates to explore more options for culturally appropriate and locally available food sources;
11. Consider allowing stores to request specific subsidised items to suit community needs and preferences;
12. Include fridges and freezers sold by remote stores in the subsidy scheme;
13. Conduct regular inspections and mystery shops of participating stores to ensure compliance with the Code of Practice;
14. Recommend that the Government increase the remote area allowance and index it going forward; and
15. Incorporate any new reforms following government consultations on pricing into the Code of Practice to ensure fair and transparent pricing in remote stores.

Timing of the subsidy scheme review

We welcome the NIAA's commitment to ensuring that the subsidy scheme operates effectively for remote communities. However, we are concerned that this initial review is being conducted too early to provide a meaningful assessment of the scheme's effectiveness.

A range of factors influence the effectiveness of the subsidy scheme, particularly seasonal variation. For example, the wet season presents very different conditions to the dry season, with freight costs often increasing due to logistical challenges of delivering food and groceries to communities that may be cut off during periods of heavy rainfall. An early evaluation period risks overlooking these dynamics, including seasonal supply disruptions, price fluctuations and weather-related impact on transport and access.

To ensure an accurate and comprehensive review, we recommend that the NIAA undertake ongoing consultation and staged reviews of the subsidy scheme across different seasons, with a full evaluation conducted at least 12 months after implementation. This approach will also help the NIAA to assess, and respond to, the impact of current and escalating global supply disruptions on the scheme.

Direct engagement with communities, both with access to the subsidy scheme and those without, will be essential to future reviews in understanding the scheme's real world impact. This approach could be modelled off the community-led consultation model used during the Government's recent Centrepay reforms. In addition to this, the NIAA should consider further consultation with advocates and frontline workers in remote communities to build a deeper understanding of how the scheme is functioning in practice and where improvements may be needed.

Recommendations:
The NIAA should:

1) Undertake ongoing consultation and staged reviews of the subsidy scheme across different seasons, with a full review conducted at least 12 months after implementation; and
2) Engage directly with remote communities, advocates and front line workers to understand how the scheme is operating on the ground and where improvements may be needed.

Impact of the subsidy scheme

Bringing down the cost of essential items in remote communities is a welcome and important measure to support the long term wellbeing of First Nations people. At this early stage of implementation, advocates believe the program is having a positive impact, although it is difficult to know exactly how the scheme is operating nationwide and what prices look like in each community.

We recommend that the NIAA conducts continued analysis to understand whether the funding received is proportional to the reduction in costs, and whether the funding is keeping up with the pace of inflation and rapidly rising fuel costs.

Recommendation:
The NIAA should:
3) Conduct further analysis to understand if funding is reducing prices and what impact the subsidy scheme is having in relation to rising inflation and fuel costs.

Barriers to accessing the subsidy scheme

Participating stores should be required to display signs that clearly inform consumers that they are part of the subsidy scheme

We support the NIAA's goal of expanding the subsidy scheme to more stores across the country, and acknowledge that a list of participating stores is available on the NIAA website.[1] However, awareness of participating stores remains low. Financial counsellors report that they have not seen signage displayed out the front of a store indicating participation within the scheme or compliances with the National Code of Practice for Remote Store Operations (Code of Practice).

To improve transparency and accessibility, participating stores should be required to prominently display clear and visible signage informing consumers that they are a part of the subsidy scheme and subject to the Code of Practice.

The NIAA should also improve how participating stores are identified online. The current list is difficult to find and use, as it is not downloadable and does not include a search function. Developing a searchable, user-friendly tool – such as a map that allows people to locate their nearest participating store or confirm whether their local store is included – would significantly improve accessibility.

It is important to ensure that community members are aware that their local store is participating in the scheme. This enables consumers to better access the benefits of the scheme and supports greater accountability. Increased visibility would also assist front line workers, including financial counsellors, to identify participating stores and hold them to account where necessary.

Equal access of the scheme should be a priority for the NIAA

Access to stores participating in the subsidy scheme is uneven across remote communities. Some areas may have few, or no, registered stores providing subsidised products, as retailers

[1] NIAA, Remote Community Stores, accessed at: https://www.niaa.gov.au/our-work/health-and-wellbeing/food-security-remote-first-nations-communities

may not be aware, or may choose not to participate in the scheme. This results in inequitable access to the benefits of the scheme with a consumers' ability to benefit determined by their local store's willingness to participate. In order to address this, the NIAA should identify remote communities without participating stores and take proactive steps to engage and support them to join the scheme, addressing any barriers that may be preventing participation.

Consistent supply of food and groceries remains an issue for remote communities

Financial counsellors and advocates have reported that the supply of food and groceries remains an issue for many remote communities. Many of the most essential items such as fresh fruit, vegetables, meat and bread are not only expensive, but run out quickly. Those that are unable to make it into the store soon after a delivery often miss out.

Recent disaster events across northern Australia have also highlighted how remote communities often lack a sufficient supply of essential food in an average week – let alone when disasters strike. Greater consideration should also be given to how stores can be supported during and after extreme weather events such as cyclones.

The subsidy scheme can only work effectively if there are enough products being sold to meet the needs of the whole community. The Government should find solutions to improve not only the affordability, but the consistent supply of food and groceries to remote communities. This issue is likely to worsen with escalating fuel supply disruptions and extreme weather events.

The scheme should consider shopping locations beyond Outback Stores

Currently, the NIAA is prioritising Outback Stores as participants in the subsidy scheme, as both the NIAA and Outback stores are subject to public accountability frameworks.[2] However, there are a number of other key shopping locations that could be considered in an expansion of the subsidy scheme such as roadhouses and other independent stores. As well as other large, government-aligned store operators such as Community Enterprise Queensland (CEQ), which, as a statutory body reporting to a Minister, is also subject to public accountability frameworks. These locations are also sources of food and groceries for communities and in some cases, are the only source. The NIAA should consider how an expansion of the subsidy scheme can include more types of stores for participation.

Recommendations:
The NIAA should:

4) Increase the awareness of participating stores through improved online tools and clear, prominent store signage;
5) Prioritise equal access to the scheme across remote communities by identifying stores that could participate and engaging them to do so;

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[2] NIAA, Sign up to the National Code and Low-Cost Essentials Subsidy Scheme now, frequently asked questions, accessed at: https://www.niaa.gov.au/sign-national-code-and-low-cost-essentials-subsidy-scheme-now#faqs

6) Recommend that the Government works on finding solutions to improve the consistent supply of food and groceries to remote communities; and
7) Consider how an expansion of the subsidy scheme can include more types of stores for participation.

Expanding the subsidy scheme

Healthy food options should be prioritised in line with Closing the Gap initiatives

The first goal of the Closing the Gap targets and outcomes is to ensure "*Aboriginal and Torres Strait Islander people enjoy long and healthy lives*" with a target of closing the gap in life expectancy within a generation by 2031.[3] The second goal is to ensure *"Aboriginal and Torres Strait Islander children are born healthy and strong"* with a target of increasing the proportion of First Nations babies with a healthy birth weight to 91 per cent.[4] For the 15%, or 150,900, First Nations peoples living in remote and very remote areas[5], these goals can only be achieved when food security is achieved. A large part of guaranteeing food security is ensuring that healthy options are available at affordable prices.

The 30 items included in the subsidy scheme provide a strong foundation, improving access to affordable essential goods. However, expanding the range of subsidised items is necessary to ensure that people relying on the scheme can access a broader selection of healthy foods. This would better support community outcomes and contribute to progress towards the Closing the Gap targets.

Many tinned items, while a good pantry staple and easy to transport, are high in sodium. In the short term, this is not a significant problem, but in the long run this could negatively impact the health of First Nations people. The NIAA should consider including healthier options, such as fresh fruit, vegetables, bread and frozen meats in the subsidy scheme to improve the long term health outcomes for First Nations peoples in remote communities.

Recommendations:
The NIAA should:
8) Include healthier options, such as fresh fruit, vegetables, bread and frozen meats in the subsidy scheme to improve long term health outcomes for people in remote communities.

[3] Closing the Gap, Closing the Gap target and outcomes, accessed at: https://www.closingthegap.gov.au/national-agreement/targets
[4] Ibid
[5] Australian Institute of Health and Welfare, 2 July 2024, Profile of First Nations People, accessed at: https://www.aihw.gov.au/reports/australias-welfare/profile-of-indigenous-australians

The scheme should be expanded to include a wider range of food and grocery products

The subsidy scheme could have stronger benefits for consumers in remote areas if it was expanded to include more everyday essential items that cater to a wider range of community needs and preferences. In collaboration with financial counsellors and advocates, we have collated a list of items for the NIAA to consider including in the subsidy scheme:

- Fruit and vegetables, both fresh and frozen
- Fresh and frozen meat
- Bread
- Eggs
- Butter
- Large bottled water in 5L minimum sizes
- Baby and infant food, both formula and jarred food
- Cleaning products such as bleach or vinegar, surface cleaners, and dishwashing liquid
- Toilet paper
- Medicinal items such as band-aids, ibuprofen, paracetamol, antiseptics and sunscreen
- Sauces such as tomato sauce, barbecue sauce and mustard
- Plain biscuits
- Tinned corned beef/ tinned ham (financial counsellors reported that tinned oysters and sardines don’t appear to be purchased as often as tinned corned beef and ham)
- Salt, pepper and a variety of other spices like garlic and onion powder
- Juice that is low sugar with high fibre and vitamins
- Additional baking ingredients such as baking powder, sugar and yeast
- Coffee
- Instant noodles
- Culturally appropriate food such as kangaroo tail (further explanation below)

The scheme should consider culturally appropriate and locally available additions to the scheme

The scheme should consider ways to incorporate culturally appropriate and locally available foods. For some communities like Alice Springs, kangaroo tail is popular, readily available and already sold in many stores – it is both a cultural food and a practical frozen protein source. The NIAA should include kangaroo tail in the list of subsidised items and consult with remote communities and advocates on other options for culturally appropriate and readily available food sources.

Recommendations:
The NIAA should:

9) Include culturally appropriate and locally available food such as kangaroo tail in the list of subsidised items; and
10) Consult with remote communities and advocates to explore more options for culturally appropriate and locally available food sources.

Flexibility for the needs of different communities should be built into the scheme

The list of 30 essential items currently offered within the subsidy scheme is a good foundation. However, it is a one size fits all approach to a huge number of communities with different needs and preferences. Building flexibility and choice into the scheme could encourage uptake and ensure people can access the food and grocery items they prefer at affordable prices.

Allowing participating stores to request the inclusion of specific subsidised items, where there is local demand, could help ensure the scheme better reflects the needs and preferences of different communities. These requests could be assessed against a criteria that considers nutritional value and availability, to maintain healthy options while improving choice at a local level. This approach would also empower communities to have greater input into the food and grocery items that are made more affordable. The NIAA should consider introducing a process for stores to request specific subsidised items, creating a more flexible and responsive scheme that can adapt to community needs.

Recommendations:
The NIAA should:

11) Consider allowing stores to request specific subsidised items to suit community needs and preferences.

Subsidies for fridges and freezers should be included in the scheme

Purchasing food and grocery items at affordable prices is essential to achieving food security outcomes in remote communities. However, for many households, the ability to safely store these items remains a significant barrier as the high cost of purchasing fridges and freezers limits their capacity to store food in line with food safety standards.

Good Shepherd conducted research in August 2024 that analysed invoices from remote stores and compared the prices to the same models at major retailers. The price difference was as high as $494.99 for a fridge/ freezer. Some of the examples from this research can be found below[6].

Store & Location	Item	Price	Major retailer	Price	% difference
Little Rippers - Tennant Creek	Westinghouse 460L Fridge	$1199	Appliances Online	$999	**17%**
Enterprise Electrics - Tennant Creek	HiSense 424L Top Mount Fridge in White	$1099	Harvey Norman	$799	**27%**
Outback Stores -	Haier 365L	$1129	Appliances Online	$635	**44%**

[6] Research shared by Good Shepherd, sourced from remote communities and online research in August 2024.

Canteen Creek	Fridge/Freezer				
Aherrenge Community Store	Lemair Fridge Freezer 221L	$790	Appliances Online	$387	**51%**
Murrinhpatha Nimmipa Store - Wadeye	Hisense Fridge 205L	$707.69	The Good Guys	$446	**37%**
Murrinhpatha Nimmipa Store - Wadeye	Hisense Hybrid Chest Freezer 145L	$400	The Good Guys	$296	**26%**
Betta Electrical - Katherine	TCL Top Mount Fridge P220TMW	$499	The Good Guys	$325	**35%**

The Government recently announced it will be expanding the Store Efficiency and Resilience Package to 75 additional remote stores with a $32.7 million investment to keep food fresh when the wet season and distance make it difficult to transport.[7] This is a welcome measure and will have a positive impact on a remote store's ability to keep food for longer periods of time – but it should be extended to allow community members to also store and preserve food for longer periods of time.

One front line worker from Catholic Care NT reported that their client reached the age of 50 without ever owning a fridge. Properly storing and refrigerating food allows people to keep it fresher for longer, reducing the frequency of trips to local stores and directly supporting both health and economic outcomes. To address this, we strongly recommend that the NIAA includes fridges and freezers sold by remote stores within the subsidy scheme.

Recommendations:
The NIAA should:

12) Include fridges and freezers sold by remote stores in the subsidy scheme.

Enforcing the subsidy scheme

Clarity is required on how the NIAA is ensuring stores comply with the scheme requirements

Stores that sign up to participate in the subsidy scheme are required to comply with the Code of Practice. This Code requires stores to complete an annual statement of compliance and if the Code's conditions are not met, the store can be referred to external support, asked to fix its

[7] Prime Minister of Australia, Media Release, 12 February 2026, "New Investments build on progress in Closing the Gap" accessed at: https://www.pm.gov.au/media/new-investments-build-progress-closing-gap?utm_source=chatgpt.com

non-compliance or ultimately be suspended or terminated from the Code.[8] All of this appears to be contingent on a store self identifying when it is not complying with the Code. This is insufficient for ensuring that the Code's requirements are being met – stronger enforcement is needed to maintain an effective subsidy scheme.

The NIAA should conduct regular inspections and mystery shops of participating stores to ensure that the scheme is not being undermined in any way and is still providing accessible and affordable prices and meeting consumer expectations in line with the subsidy scheme. This is something CHOICE is also interested in undertaking.

Financial counsellors and advocates have shared with us that some participating stores are not clearly identifying their participation with the scheme, their registration to the Code (as required by the Code to be displayed in-store), or which products are subject to the scheme. Regular checks of participating stores would help ensure full compliance with the scheme and the Code.

Recommendations:

13) The NIAA should conduct regular inspections and mystery shops of participating stores to ensure compliance with the Code of Practice.

Other measures to improve access to food and groceries

The remote area allowance should be increased and indexed

While beneficial, subsidies alone will not solve affordability issues with many households in remote communities already near or below the poverty line. People living in remote communities face a number of unique challenges, higher prices for food and groceries, higher costs for travel, and higher costs to access essential services.

Currently, the Government provides a single person living in a remote area with an extra $18.20 a fortnight,[9] on top of their regular allowance. This is inadequate, considering that living costs are almost 40% higher on average in remote areas compared to urban areas.[10] Legislation has only increased the rate of the remote area allowance twice since 1984 and as it is not indexed to inflation, it now falls well behind an acceptable rate.[11] The NIAA should recommend that the Government increases the remote area allowance to an amount in line with inflation that

[8] NIAA, 2025, The National Code of Practice for Remote Store Operations, accessed at: https://www.niaa.gov.au/sites/default/files/documents/2025-06/National-Code-of-Practice-for-Remote-Store-Operations-2025-6-30.pdf

[9] Australian Government, Services Australia, "Remote Area Allowance", accessed at: https://www.servicesaustralia.gov.au/how-much-remote-area-allowance-you-can-get?context=22571

[10] Dr Francis Markham, 2024, "The Poor Pay More: why the Remote Area Allowance needs urgent reform", accessed at: https://www.austaxpolicy.com/the-poor-pay-more-why-the-remote-area-allowance-needs-urgent-reform/

[11] ibid

adequately reflects the significant costs in remote areas. The allowance should also be indexed into the future, so that it supports people as costs continue to rise.

Recommendation:

14) The NIAA should recommend that the Government increase the remote area allowance and index it going forward.

Pricing requirements should be updated in line with government guidance

The subsidy scheme will play a crucial role in providing remote communities with affordable prices for everyday essentials. However, without fair and transparent pricing, there is a risk that consumers are exploited by stores that fail to adequately display prices.

In previous submissions, we have highlighted how price displays and pricing practices are inconsistent, missing and often confusing in remote store locations. These practices can make it challenging for consumers to make informed purchasing decisions and budget effectively.

The government has recently undertaken consultations on unit pricing, shrinkflation, price displays and price transparency. Once finalised, the NIAA should incorporate any new reforms into the Code of Practice and ensure that participating stores are informed of, and supported to meet, any updated obligations. This is key to ensuring that remote consumers have access to fair and transparent pricing when purchasing food and groceries.

Recommendation:

15) The NIAA should incorporate any new reforms following government consultations on pricing into the Code of Practice to ensure fair and transparent pricing in remote stores.