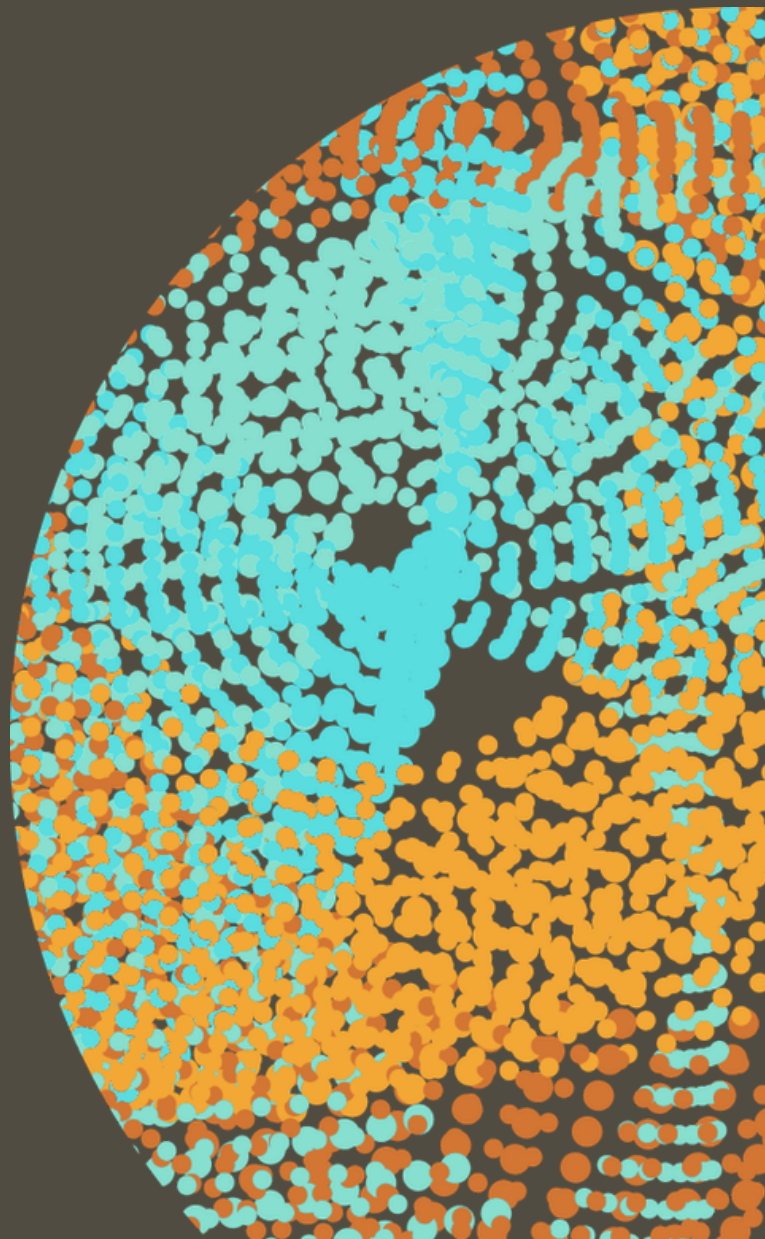


Community Summary Low-Cost Essentials Subsidy Scheme Review

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business
services



About this Review

This Review was independently undertaken by Yaran on behalf of the National Indigenous Australians Agency (NIAA)

This report provides a plain-English summary of the Review of the Low-Cost Essentials Subsidy Scheme (the Scheme). It is designed to complement the full Review report by explaining the key findings, recommendations and next steps in an accessible format.

The Review examined how the Scheme has operated during its first year, what is working well, and where improvements may be needed as the Scheme continues to expand.



Scheme objectives



Reduce cost-of-living pressures in remote communities



Improve access to affordable food and essential goods



Support broader food security and health outcomes

How the Scheme works

01



The Scheme is delivered by Outback Stores. They procure, warehouse (Adelaide) and deliver 30 essential food and household products to participating remote community stores across Australia.

02



Government subsidies on freight and procurement lower the cost of supplying these products to remote stores and sets an Intended Maximum Price (IMP) that participating stores can charge. The IMP is comparable with prices in major supermarkets.

03



Participating stores receive subsidised products and agree to sell them at or below the IMP.

Participating stores must be registered under the National Code of Practice for Remote Store Operations, which sets minimum standards for store governance, operations and health-related practices.

04



Communities benefit as people can buy essential products at these lower prices, helping reduce cost-of-living pressures.

Cheaper prices for 30 essentials



How the Review was conducted

The Review looked at how the Scheme is working across five key areas:

01

Design - Is the Scheme designed to achieve its goals?

02

Implementation - How well has the Scheme been rolled out?

03

Performance - Is the Scheme delivering benefits and managing risks?

04

Financial oversight - Is funding being used effectively?

05

Delivery performance - Is the delivery model working as intended?

The Review gathered information relevant to these areas from a range of sources, including:

- Reviewing more than 80 documents relating to the Scheme
- Analysing Scheme data, including participation, budgets, subsidies and pricing information
- Engaging with 29 remote stores, including site visits to 18 communities
- Speaking with NIAA, Outback Stores, store operators, wholesalers, government agencies and industry organisations
- Considering 11 written submissions and feedback from 25 people who responded to an online survey.

Because the Scheme only started in 2025, the Review focuses on early results and experiences, rather than long-term impacts. It draws on information from store data, stakeholder feedback, and visits to remote communities.

What is working well

Lower prices for essential products

People in participating communities are paying less for many everyday food and household products with prices for the 30 subsidised products now comparable to major supermarkets. Store managers and community members told the Review that these savings are helping households manage the rising cost of living.

Fast rollout and strong early uptake

The Scheme was rolled out quickly, with around 120 stores joining in its first year. This significantly exceeded the original expectation of 76 stores and meant more communities were able to benefit from lower prices sooner, rather than waiting years for the Scheme to expand.

Reliable supply and delivery

For participating stores, the supply of subsidised products has been reliable, except for some delays associated with severe weather events. The central warehouse and delivery system have helped stores access products consistently despite the challenges of supplying remote communities across Australia.

Clear and consistent pricing

Participating stores are selling subsidised products at the agreed intended maximum prices. This helps make sure that customers receive the intended benefit of the Scheme.

Strong foundations for the future

The organisations, funding arrangements and delivery systems needed to run the Scheme are now in place. During the Review period, the Australian Government also announced additional funding and support measures to help the Scheme continue to grow and reach more communities.

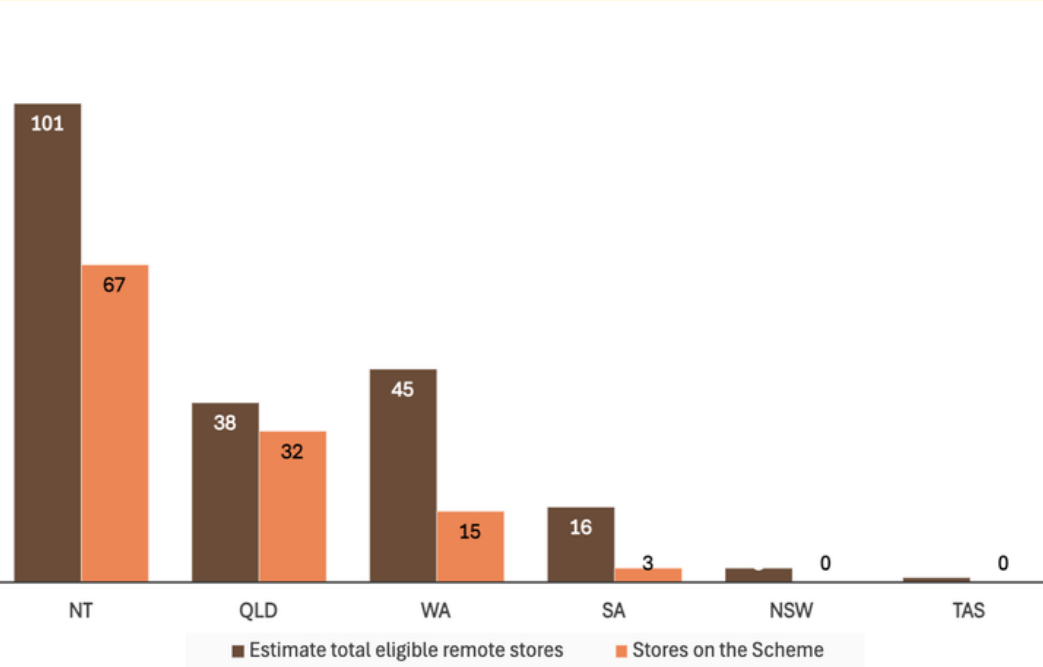


Figure 1.
Scheme uptake by jurisdiction as of January 2026 – eligible vs participating

What needs attention

Key Finding

The Review found that the Scheme is working well overall, but there are some important areas that will need attention as it grows.

Making sure all communities benefit

The Review found that participation is much higher among large store networks than among independently managed stores. As the Scheme expands, it will be important to make sure that communities are able to access the Scheme regardless of how their local store is managed.

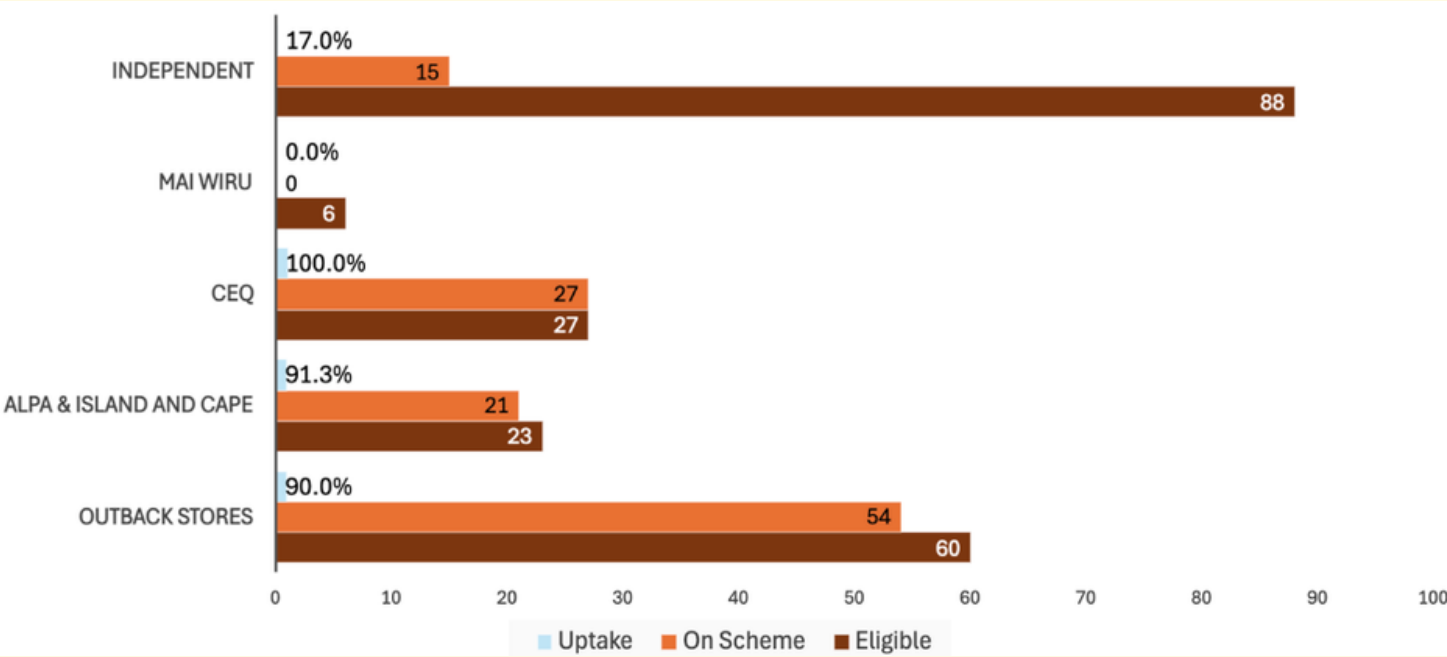


Figure 2. Scheme uptake by store management model

Challenges for independent stores

As noted, many independent stores have not yet joined the Scheme. In some cases, store managers told the Review that the application process, reporting requirements and other administrative tasks can be difficult for smaller stores with limited staff and resources.

Better information to support decisions

The Scheme grew much faster than originally expected. During the early stages, decision-makers did not always have detailed or timely information about participation, costs and performance. Better information will help identify issues earlier and support planning as the Scheme continues to expand.

Keeping track of costs as the Scheme grows

More stores joined the Scheme than originally expected, which increased costs sooner than planned. Additional funding has since been provided, but it remains important to understand what is driving costs and to make sure funding keeps pace with future growth.

Building resilience in the supply chain

The current delivery model has generally worked well, but it relies on a central warehouse (Adelaide) and long freight routes to reach remote communities. Weather events, road closures and transport disruptions can affect deliveries. As the Scheme grows, planning for these risks will become increasingly important.

Continuing to strengthen oversight

The organisations and processes needed to manage the Scheme are in place, and Outback Stores plays a central role in delivering the Scheme. Some stakeholders noted that relying on a single delivery partner highlights the importance of strong oversight, transparency and regular review as the Scheme expands.

Reporting and oversight arrangements are continuing to develop, and recent improvements are helping to strengthen governance and accountability. Ongoing work will help ensure the Scheme continues to operate effectively and respond to new challenges as it grows.



Changes already underway

The Review found that many of the issues identified during the early stages of the Scheme are already being addressed, including:



More funding to support Scheme growth

The Australian Government has provided additional funding to support the continued expansion of the Scheme. This funding responds to stronger-than-expected participation and will help ensure the Scheme can continue to deliver benefits to remote communities.



More stores can now participate

From 1 July 2026, the original limit on the number of participating stores has been removed. This means all eligible remote stores can apply to join the Scheme, creating an opportunity for more communities to access lower-priced essential products.



Additional support for independent stores

New measures have been introduced to help independent stores participate in the Scheme. These changes are intended to reduce barriers to participation and make it easier for smaller stores to access Scheme benefits.



Stronger financial oversight

NIAA has introduced independent financial oversight to improve visibility of Scheme costs and financial performance. This will help support better planning, monitoring and decision-making as the Scheme continues to expand.



Investment in future product options

Funding has been provided to develop cold storage capability within the Adelaide warehouse. This creates future opportunities to consider a broader range of products while maintaining the Scheme's focus on affordability and reliable supply.



Improvements to governance and reporting

Governance and reporting arrangements have been strengthened during the Review period. While further work is still required, these improvements provide a stronger foundation for managing the Scheme as it grows.

What the Review recommends

Key message

The Review does not recommend major changes to the Scheme. Instead, it recommends building on what is already working well and strengthening the Scheme as it grows

1 Review the product range regularly

Regularly review the 30 subsidised products to make sure they meet community needs and support the Scheme's affordability and health objectives.

2 Clarify the Scheme's goals

Clearly explain how the Scheme balances affordability, food security and health outcomes, and use this to guide future decisions.

3 Help more independent stores participate

Provide practical support and guidance to make it easier for independent stores to join and participate in the Scheme.

4 Improve reporting and oversight

Strengthen performance, risk and financial reporting so that issues can be identified early and decisions can be based on better information.

5 Build on recent funding and policy changes

Monitor and evaluate newly funded initiatives to ensure they deliver the intended benefits as the Scheme expands.

6 Strengthen oversight of delivery arrangement

Improve monitoring of Scheme delivery and market impacts to ensure the Scheme continues to provide value and remains accountable.

7 Keep learning and improving

Regularly review performance, gather feedback from communities and stores, and use this information to improve the Scheme over time.

8 Improve supply chain resilience

Assess ways to reduce the impact of freight disruptions and strengthen the reliability of product supply to remote communities.

The Yaran Business Services Group, its staff, and contractors respectfully acknowledge Australia's First Peoples, whose land we work on daily. All of Australia has been nurtured and cared for, including our seas, land, and air, by Australia's First Peoples.

We recognise all Aboriginal and Torres Strait Islander peoples, who are the custodians of this place we now call Australia.

We honour the traditional custodians of the land, community, sea, and waters where we live and work.

We pay our respects to Elders past, present, and emerging, and we value the contributions of Indigenous Australians to our society

