

**Submission
No 4**

INQUIRY INTO FRESH FOOD PRICING

Organisation: St Vincent de Paul

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24 May 2018

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Portfolio Committee No. 1 – Premier and Finance
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Dear Committee members,

Re: Inquiry into fresh food pricing in New South Wales

The St Vincent de Paul Society NSW ('the Society') welcomes the opportunity to provide a submission to Portfolio Committee No. 1 – Premier and Finance *Fresh Food Pricing in New South Wales*.

The Society is a member and volunteer-based organisation that has been assisting marginalised and disadvantaged people in New South Wales (NSW) for over 135 years. Many of the people we assist experience food insecurity, and regularly seek our support to secure fresh food for themselves and their family.

Our submission addresses points (d) and (e) of the terms of reference, notably the prevalence of food insecurity and identification of 'food deserts'.

The data provided in our submission is particularly disturbing and paints a picture of increasing need and household stress across the state. With close to \$8 million in food support provided by the Society last year alone, urgent and immediate action is required by government and industry to improve access to, and the affordability of, fresh and nutritious food. The picture is a complex one, across the metropolitan areas and within and across our regions. The sense that the State of NSW is a prosperous economic powerhouse is not a shared experience of the people we serve.

We would be pleased to elaborate on any of our submission as may be required.

Yours sincerely

Jäck de Groot
CEO
St Vincent de Paul Society NSW

The prevalence of food insecurity in New South Wales

Over the last financial year the Society has seen an alarming increase in the quantum of food assistance we provide across the state, with the majority of requests for assistance from single households and single parent families with children (see Appendix: Figures 1 and 2). The current demand for food assistance is placing increasing pressure on the Society's limited resources. The Society is becoming increasingly concerned at our ongoing ability to meet this ever increasing demand.

Food is distributed through our members and volunteers in the form of food parcels and vouchers, and through our specialised professional services, including homeless services and food vans¹. From 2016 to 2017, the Society provided close to \$8 million worth of food, in the form of vouchers or food parcels, to people in need. We also served a total of 275,000 meals to people in need through our supported accommodation services and reached approximately 82,000 people through our food van services (see Appendix: Figures 3 and 4).

Overall food assistance (food parcels and vouchers) has substantially increased in financial value from 2015-16 to 2016-17 by over \$502,000. In comparison, the value of food assistance increased the year before by just \$15,411 (see Appendix: Figure 1). Across the last three financial years, the total number of clients assisted by our members has remained steady at 61,000. This indicates that the people we serve are suffering deepening food insecurity over the past financial year with requests for larger value amounts of food assistance.

In 2016 to 2017, the vast majority (over 80 per cent) of the people visited by our members indicated that food was one of the reasons for seeking assistance from the Society (see Appendix: Figure 5).

At the local level, our members report that the need for food assistance in their regions has increased this year, in comparison to previous years. Members have identified many of the people seeking food assistance as families with young children. People who are housebound, often due to sickness, mobility issues or old age, are especially vulnerable to food insecurity as they rely on home visits to deliver the fresh food they require. Additionally the majority of people requesting food assistance are dependent on income support payments. This would indicate that there needs to be an urgent review of the income support system.

The costs of many essential goods and services, including health, education and other utilities, are increasing faster than the average Consumer Price Index². In Sydney metropolitan areas, the combination of low incomes with high rent and increasing utility bills contributes to growing food insecurity, as illustrated by the following example provided by a Client Support Officer in the St George region:

¹ St Vincent de Paul Society NSW, *Annual Report 2016-2017*. Available at: https://www.vinnies.org.au/icms_docs/278958_Annual_Report_2016-17.pdf

² St Vincent de Paul Society Victoria 2016, Relative Price Index. Available: http://www.vinnies.org.au/icms_docs/252560_2016_RPI_Full_Report_Aus_Mar-2016_CPI-aligned_FirstRelease.pdf

I have a client who is a single mother to three growing boys. After she pays her rent and utility bills she is left with approx. \$150 to feed her family. She told me they often eat noodles or bread for dinner towards the end of the fortnight as her money just doesn't stretch far enough to feed three growing children. Some days she can't send her children to school as she has nothing to pack for them for lunch.

In rural and remote regions of NSW, there are very particular forms of service required and some regions are showing signs of significant need and food stress. The Society's Central Councils of Maitland-Newcastle (bounded by Taree, Newcastle, Maitland and Muswellbrook) and Lismore (covering the region Port Macquarie to Tweed Heads and west to Grafton) deliver the greatest value of food assistance to people in need, totalling \$1.7 million and \$1.6 million in 2016-17 respectively (see Appendix: Figure 6).

Compared to the number of active Society members in each Central Council, after Maitland-Newcastle and Lismore, Bathurst Central Council (which covers Lithgow through to Dubbo) has the next highest value of food assistance given out per active member, approximately \$2,800 per member in 2016-17. These statistics are evidence that the availability and affordability of fresh food is of major concern in these regions, and particularly in small towns where only one supermarket or shop operates. Choice and accessibility become important issues, and in many instances, require customers to travel long distances to access services, where public transport and infrastructure also present challenges.

Furthermore, general household expenses and affordability are amplified in rural and remote regions, negatively impacting people already struggling to make ends meet on low incomes. These expenses are a drain on household budgets, and for many people we serve their purchase of food becomes a last priority as they seek to meet other 'higher order' expenses, including high energy bills or other unexpected, or 'out of the ordinary', life events. A member from Forbes, located in Wilcannia Forbes Central Council, describes the impact of low incomes and distance on food insecurity:

We find that the clients who come to us in need of food are those on "Newstart", "Disability" and "Family Payments." Such incomes are small and become totally inadequate at times when clients have an out of the ordinary financial demand. For example last week we had a client whose husband had been ill and had to travel to a bigger centre to where he was hospitalised. This of course required travel, accommodation and food while they were staying away. The couple also had to register their vehicle. We had helped with travel and accommodation but the clients returned the next week asking for food as they had nothing left from their payment after paying the stated expenses.

The identification of 'food deserts' and any efforts to address them

As noted in the previous section, in some rural and remote regions of NSW our services are particularly overstretched. The availability and affordability of fresh food are key factors in the prevalence of 'food deserts' in rural and remote regions of NSW.

Fresh food is generally more difficult to access and costs more in small towns and remote regions. In many of these places one supermarket or shop operates, or requires lengthy travel times to access, contributing to higher prices and a smaller range of goods. For example, our members reported that in Maclean there is only one supermarket, SPAR, and often the prices are higher and with a more limited range in comparison with other supermarkets in major town centres such as Grafton.

A member from Parkes, located in Wilcannia Forbes Central Council, contributed the following observation on the higher prices in Peak Hill and difficulties of purchasing fresh food:

For the last twelve months we have been providing assistance to the people in Peak Hill which is 50km from Parkes. I visited the town yesterday to check on prices. The groceries have a mark-up of between \$1 and \$5 on each item compared to the large supermarkets in Parkes. There was very little fresh [food] and vegetables. Tomatoes were \$6 kilo, apples \$8 kilo, potatoes \$4 kilo, bananas \$5 kilo. Price of mince at the butcher was \$15 kilo and thin sausages \$15 kilo. There is a community bus to Parkes every 2nd Thursday and costs \$20 return. Many of the residents are on Centrelink benefits so cost of living makes life difficult.

Disadvantaged peoples' vulnerability is often compounded by embarrassment in small towns as requests for assistance and the provision of food vouchers is well known by members of the community. One of our members reported that in [town] people often express embarrassment when using a food voucher as other community members know they are "receiving assistance from a charity to feed themselves". This embarrassment may limit or hinder people in regional and remote areas requesting food assistance when experiencing food insecurity.

Policy responses and other efforts to address 'food deserts' need to consider alternatives to food vouchers, and reducing or mitigating the stigma associated with requesting food assistance.

Conclusion

The Society recognises that the cost of fresh food is simply the tip of the iceberg. The people served by the Society face rising costs for all their goods and services, impacting on their general ability to service their household expenses. Many people in our community skip meals to pay their rising rent, energy and other bills. The costs of many essential goods and services, including health, education and other utilities, are increasing faster than the average Consumer Price Index³. The cost of living significantly impacts the people we serve in particular – low-income families and individuals – making them increasingly vulnerable to food insecurity.

³ St Vincent de Paul Society Victoria 2016, Relative Price Index. Available: http://www.vinnies.org.au/icms_docs/252560_2016_RPI_Full_Report_Aus_Mar-2016_CPI-aligned_FirstRelease.pdf

Fresh food is essential for living a full and productive life. Ultimately, the Society believes it is a shared responsibility to ensure that everyone in the community can access and afford fresh food.

APPENDIX: Figures

Figure 1. Overall food assistance provided by the Society (financial value of food vouchers and food parcels)

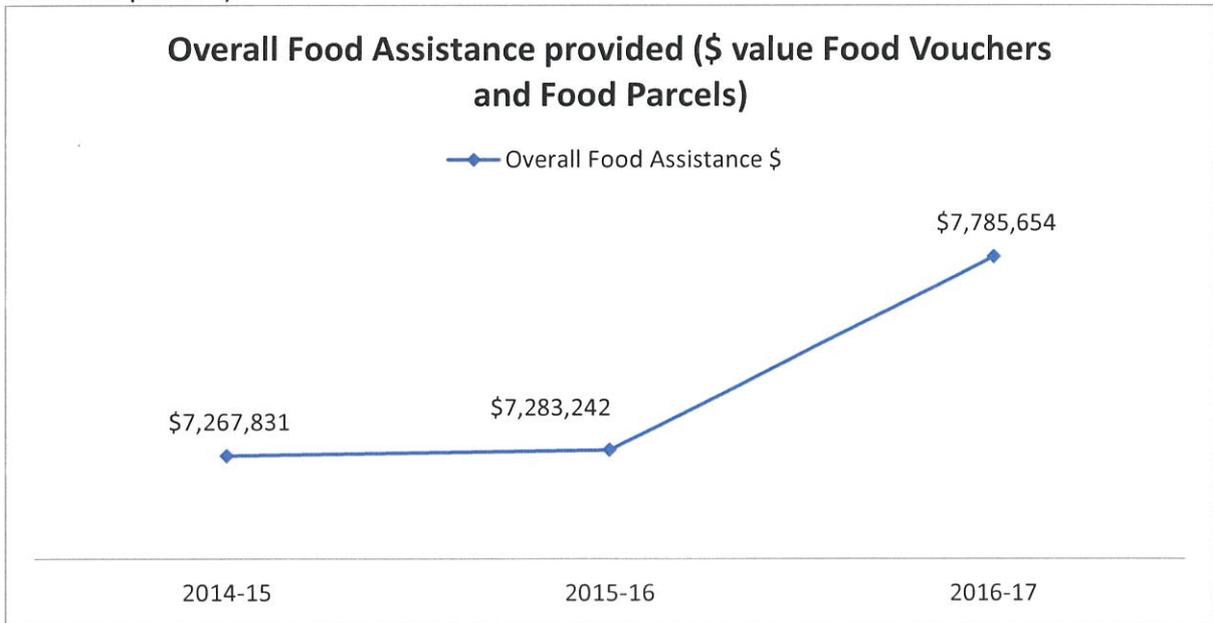


Figure 2. Financial value of food assistance provided by household type

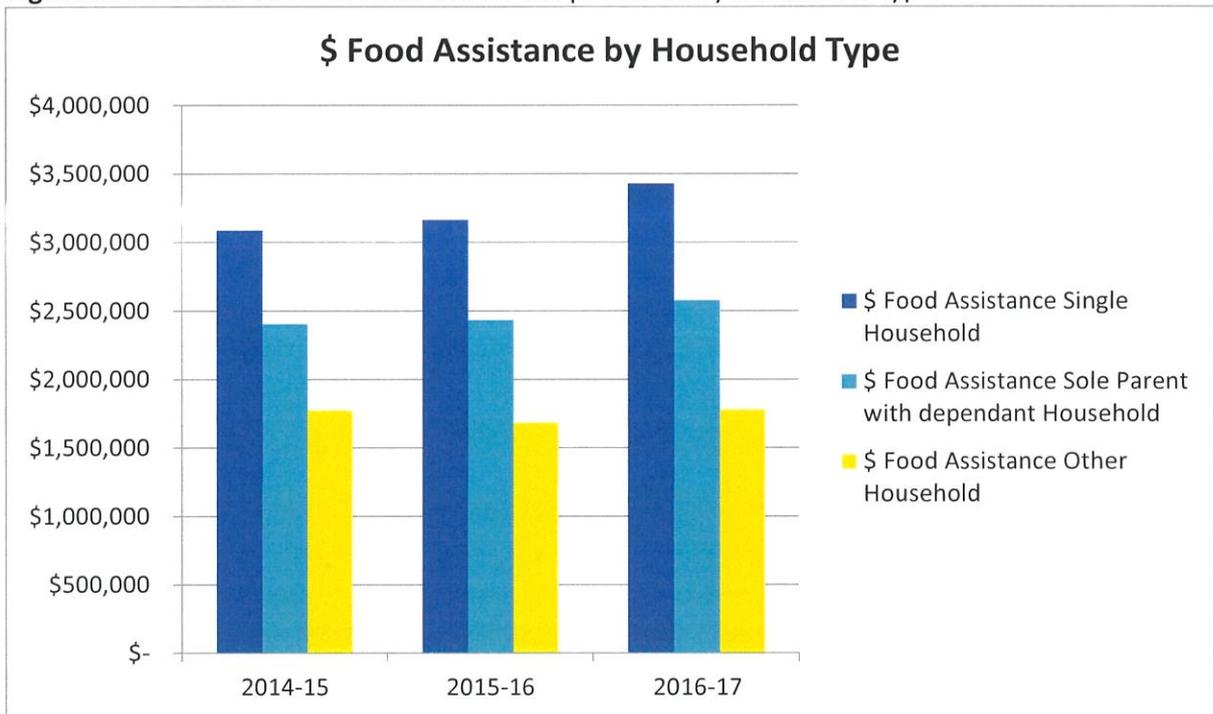


Figure 3. Number of meals provided by Society’s specialist supported accommodation services

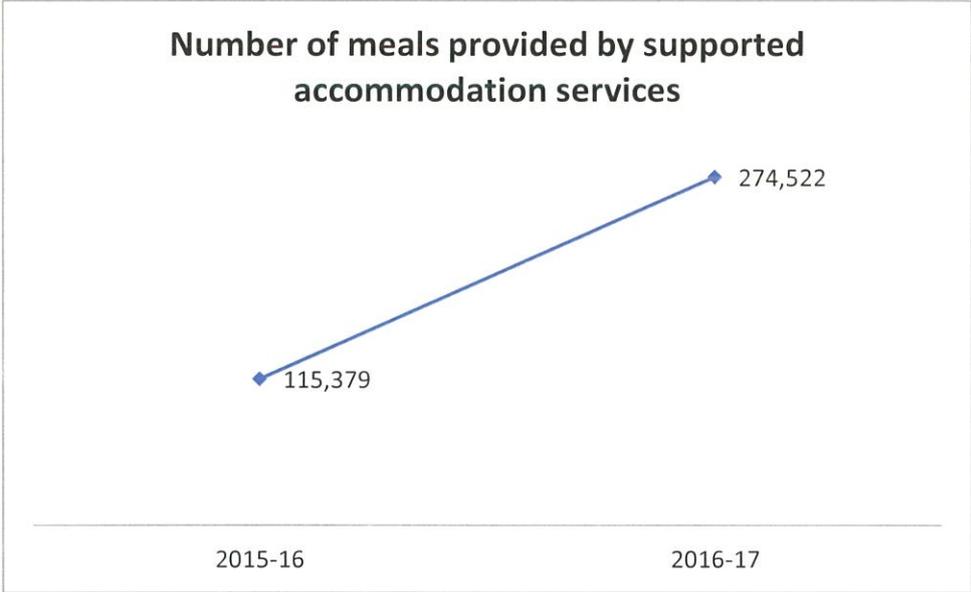


Figure 4. Estimated number of people reached through Society’s food vans

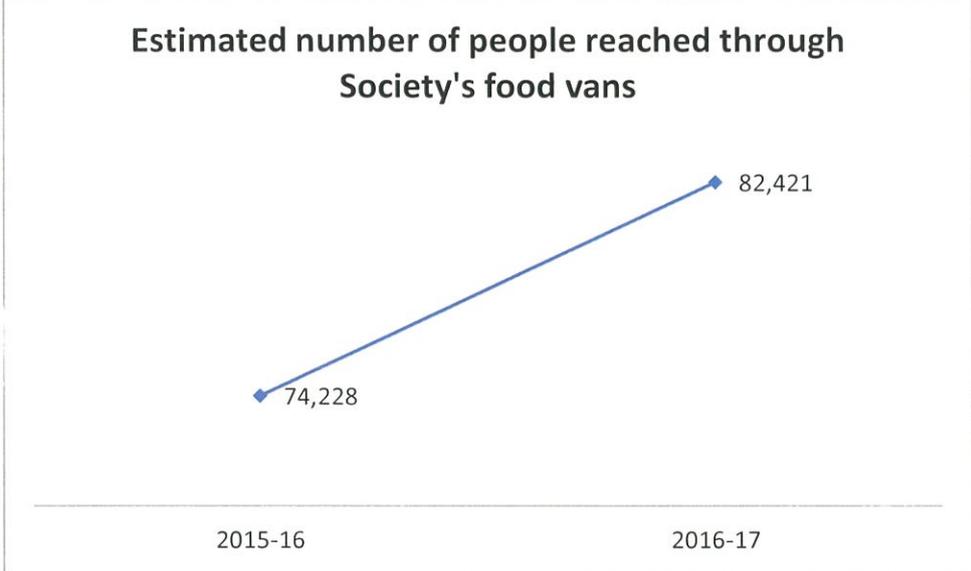


Figure 5. Total client visits, versus, visits where food was one of the reasons for seeking assistance

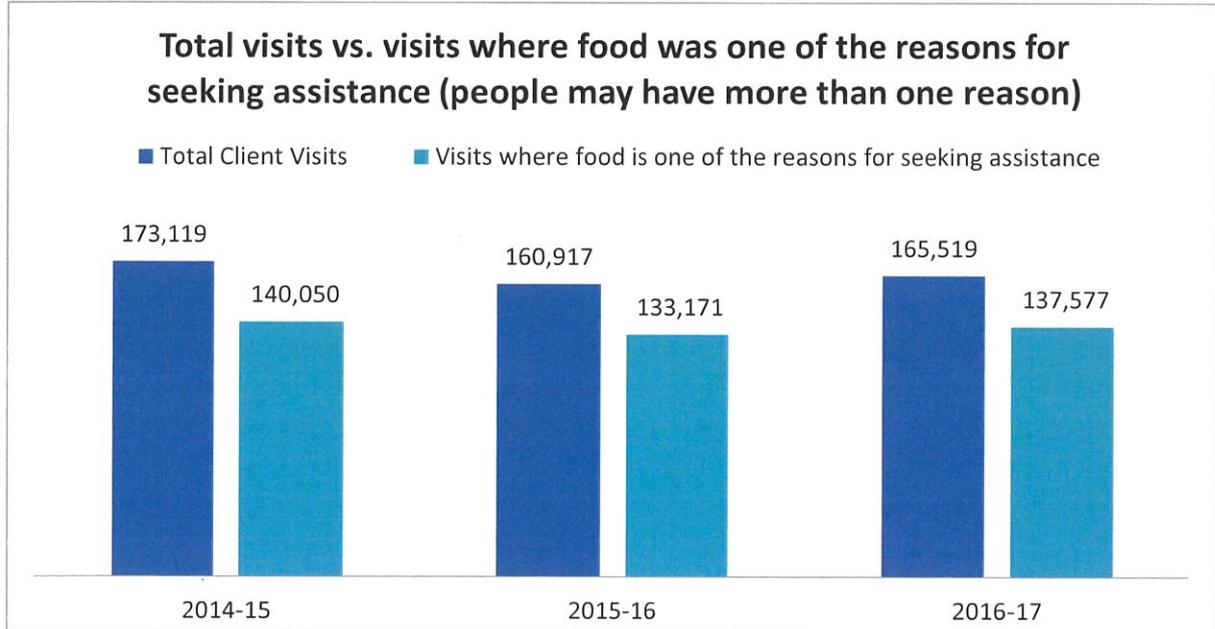
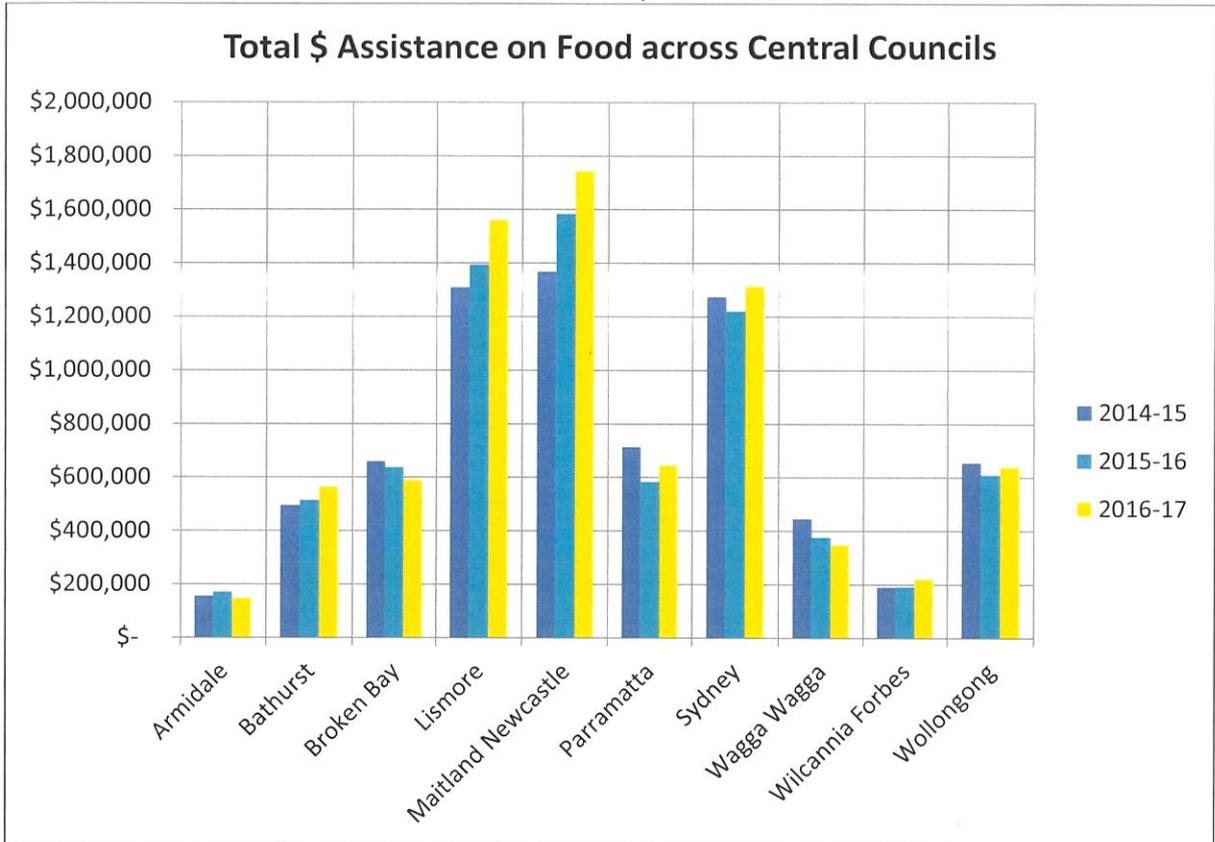


Figure 6. Total financial value of food assistance provided across Central Councils



Note: The above Figure shows total expenditure on food assistance in each Central Council. This may not directly relate to the need for food assistance in each council as the expenditure is closely linked to the region’s population size and the number of active Society members that are able to facilitate the distribution of food assistance.