

**Submission
No 10**

INQUIRY INTO FRESH FOOD PRICING

Organisation: Right to Food Coalition

Date Received: 25 May 2018

Submission from Right to Food Coalition

to

NSW Senate Enquiry into fresh food pricing. May 2018

The Right to Food Coalition (RTFC) was formed in 2015 to advocate for food security for all Australians and includes organisations, practitioners, researchers and community workers working to address food injustice.

Food security describes people's 'physical, social, and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life' (World Summit on Food Security 2009). As such, it is a fundamental issue of equity and a major contributor to human wellbeing.

We welcome the opportunity to make a submission to the NSW Parliamentary Enquiry into Fresh Food Pricing, and we are pleased to see that food insecurity is listed as a key topic for investigation, as we believe that this is often overlooked.

We will address below some key issues for the RTFC included in the Terms of Reference

Extent of food insecurity in NSW.

It can be hard to determine accurately the extent of food insecurity anywhere in Australia, in the absence of routine, detailed and standardised collection of data.

2014 figures from NSW Health (1) showed 6.9% people across NSW reported food insecurity in the previous 12 months. These figures are based on responses to the question 'during the last 12 months, have you run out of food and been unable to buy more?'

However this figure as an averaged amount is almost meaningless. The HealthStats data showed food security at 18.5% in the Aboriginal and Torres Strait Islander community, a 3% increase since 2012; those in lowest income quintile had 2-3 times the rate of food insecurity. Smaller-scale local surveys have uncovered even higher levels of food insecurity among a number of at-risk groups; in Sydney, 40% of young people who were homeless or at risk of homelessness were found to have severe food insecurity (2); food insecurity affected up to 86% of some newly-arrived refugee groups in Fairfield(3). A detailed survey in three disadvantaged suburbs in SW Sydney found that 45% single parents experienced food insecurity. (4)

The Rural Health Alliance report on food security in 2016(5) reported on high levels of FI in rural areas across Australia, revealing food insecurity in over 30% of Aboriginal and Torres Strait Islander people living in remote and very remote locations, compared with 20 per cent of those living in major centres.

'Poor Health', a 2016 *report from NCOSS on interviews with people on low incomes, found that 15% were unable to afford a balanced diet and 1 in 10 did not get a healthy meal each day.

While the average level of food insecurity in NSW has been relatively stable for about a decade, recent reports from FoodBank *and other charitable organisations show increasing demand for service.

Price and affordability

In the absence of routinely collected data, a number of health and welfare organisations have tried to estimate the affordability of health foods for those on low incomes, through a variety of 'healthy food baskets'. While these do not focus on cost of fruit and vegetables alone, they can give an indication of the difficulties experienced by those with lower incomes or in at risk groups in accessing fresh foods.

In NSW, a 2007 Cancer Council* survey showed that people in lower income bands would need to spend up to 56% of their income to purchase a healthy food basket.

A more recent study in Western NSW* (encompassing Murrumbidgee, Far Western NSW LHD, Hunter New England and Western NSW LHD), found that a basket of healthy food for a family of four would require 34% of the Centrelink income support payment. Needing to spend over 30% of income on healthy food is considered to constitute 'food stress'.

- Upt to 48%)barosh and friels

- o Families relying on Centrelink may need to spend up to 42 per cent of their income to purchase a basket of healthy food depending on where they live. Clearly, families can't afford to spend this much of their budget on food

Fruit and vegetable prices can be particularly volatile, being susceptible to climate disasters, crop failures

A 2015 study *(ABS 2015a) found fruit and vegetable costs were rising faster than the CPI rate

A Choice report revealed prices paid to wholesalers compared to retail costs and found that final prices could be two –three times as much, with up to 76% of the final price going to the retailer. The* Curtin university study showed the biggest markup was for herbs and vegetables. Many farmers have reported the pressure from supermarkets, and complained that the cost of production can be higher than what they have been offered by supermarkets.

There is some evidence of the impact on both farmers and consumers of the concentration of power in the retail sector in two main supermarket chains.

Availability / food deserts

The research around food deserts is complex and sometimes contradictory. However a number of surveys have shown the impact of availability of healthy foods on consumption patterns, suggesting that reduced access leads to poorer takeup of healthy foods.

Fewer studies have been conducted in NSW than in some other states, notably Tasmania and Victoria, but some of their findings could be extrapolated to NSW: A recent *Tasmanian study found that while major supermarkets provided the least expensive healthy basket overall, many LGAs had no major supermarkets, and only 5% of shops were located where 30% Tasmanians lived.

In addition, they found that people living in regions with limited or no access to food shops are less likely to buy food consistent with healthy eating guidelines

In W Australia, very remote residents were found to pay 26.1% more for the same basket as residents of Perth.

*Outback stores in W Australia, S Australia and the Northern Territory have been found to sell poor quality fruit and vegetables and out of date food items – there is no reason to suspect the situation would be much different in NSW.

Higher costs, combined with less access, expensive transport compound the effects of lower median incomes of people living in rural areas.

A similar study in Victoria clearly demonstrated *Palermo – geographic inequalities in Victoria. Even in major metropolitan areas there is often poor transport in outer suburbs, so that access to fresh food outlets may be limited, while proximity to fast food outlets has been found to be 2.5 times higher in lower income areas.* In Western Sydney, Astell AsBurt MJA cited in No matter: in W Sydney 3:1 ration of takeaway shops to fresh food outlets

A new phenomenon that has been noted in some urban areas is that new 'effective' food deserts can occur as local gentrification results in replacement of local general shops with gourmet and less affordable food

Recommendations

Additional cost to the Tasmanian health care system resulting from food insecurity estimated conservatively at about \$60 million per year

Advocacy via COAG for systematic nutrition monitoring and surveillance to ensure that all people living in NSW are accessing healthy and nutritious food

Advocate for no GST on fresh foods

Support the work of INFORMAS to develop practical tools and methods for food price data collection, analysis and reporting to inform economic and fiscal policy responses.

Strategies to address FI have been focused on the individual end ie educational, budgeting and provision of emergency food relief, not on consolidating systems to plan for, monitor and have back up plans in case of problems

Respect, protect and fulfil rights UN charter 1948(not legally binding) and 1989 convention on the rights of the child.(is legally binding)

Support for food hubs, farmers markets to enable farmers to trade directly with the public and reduce food miles

Growers under pressure because of prices, land availability etc

Need to develop strategies to ensure good supply of affordable fresh foods to all people.

This could include subsidies for transport to remote regions;

Consider measures to ensure stability of availability of affordable fruit and vegetables

Subsidies for agriculture and /or transport; vouchers for people on low incomes.

Local and resilient food systems – keeping money in local economies, supporting local regional development

Already lost high percentage of quality ag land close to cities through urban expansion and development pressures, undermining the local and resilient food supply.
% of frsh. Dana's scenario/ foodsheeds and steps that could be taken to support it

Need to be done in broader context of national policy (see NRHA paper) with state and local policy

Need to recognise whole food system – policy all along, welfare considerations,
It has been suggested that Australia does not produce enough fruit and vegetables to meet the dietary guidelines

By 2011, 23 countries have incorporated RTF into their constitution and 33 more recognised RTF as part of broader HR guarantees. NOT Australia

Food as necessity or commodity

Health education approach insufficient

Need changes to :

Local profiles

Town planning inc transport and outlets

Improve local food systems – support local regional businesses, grants

Centrelink to match needs

National food plans to integrate envtl ag, social and nutrition systems

EFR not a solution= need dignity, access to healthy and affordable food – not leftovers from dysfunctional system,

Comp food policy including farmers, ensure food produced linked to national food strategy.

NFP and ACWP both focus on food as commodity for profit and export

Local councils in Victoria coming up with holistic food system policies- acknowledge HR to food- devt of multifunctional food hubs taking from charity to empowerment

Tas (Murray) has widespread food deserts – result of market forces, lack of planning

Bibliography

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A more recent study in in Western NSW(9) (encompassing Murrumbidgee, Far Western NSW LHD, Hunter New England and Western NSW LHD), found that a basket of healthy food for a family of four would require 34% of the Centrelink income support payment. Needing to spend over 30% of income on healthy food is considered to constitute 'food stress'.

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In addition, they found that people living in regions with limited or no access to food shops are less likely to buy food consistent with healthy eating guidelines.

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Outback stores in W Australia, S Australia and the Northern Territory have been found to sell poor quality fruit and vegetables and out of date food items (13) – there is no reason to suspect the situation would be much different in NSW.

Higher costs, combined with less access, expensive transport compound the effects of lower median incomes of people living in rural areas.

A similar study in Victoria clearly demonstrated geographic inequalities in Victoria (14).

Even in major metropolitan areas there is often poor transport in outer suburbs, so that access to fresh food outlets may be limited, while proximity to fast food outlets has been found to be 2.5 times higher in lower income areas.(15) In Western Sydney, Astell-Burt found a 3:1 ration of takeaway shops to fresh food outlets. (16)

A new phenomenon that has been noted in some urban areas is that new ‘effective’ food deserts can occur as local gentrification results in replacement of local general shops with gourmet and less affordable food

Recommendations

Food insecurity is very costly. The additional cost to the Tasmanian health care system resulting from food insecurity has been estimated conservatively at about \$60 million per year.

The RTF recommends that the NSW government advocates via COAG to ensure minimisation of food insecurity through in NSW and across Australia by :

- Systematic nutrition monitoring and surveillance to ensure that all people living in NSW are accessing healthy and nutritious food
- Advocate for no change to impose a GST on fresh foods, which would render them even less affordable for those most in need of healthy and fresh foods
- Supporting the work of INFORMAS to develop practical tools and methods for food price data collection, analysis and reporting to inform economic and fiscal policy responses.
- Address food insecurity as a systemic issue which is the responsibility of governments and not of individual behaviours
- Advocate for an increase in welfare payments such as Newstart to enable recipients to afford access to healthy food
- Advocacy for better and more integrated planning in future, recognising the human right to food and the cost (to the individual and to the economy) of not ensuring fair and equitable access to fresh food.
- Development of a comprehensive food policy including farmers, to ensure food produced is linked to a national food strategy.

In NSW, RTF recommends the following strategies:

- Support for development of food hubs and farmers markets, to enable farmers to trade directly with the public. Such strategies could also help to boost regional businesses and employment and reduce food miles
- Quarantine agricultural land close to cities to enable continued production of fresh fruit and vegetables within easy reach of labour markets and consumers.
- Consider subsidies to support affordability of fresh foods in rural and remote areas. This could take the form of agricultural or transport subsidies or vouchers for those in low income areas in case of extreme

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