

24th May 2018

Reverend the Hon. Fred Nile, MLC  
Chairman, Inquiry into fresh food pricing  
Portfolio Committee No 1 – Premier and Finance  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

## **Submission from Cancer Council NSW to the Legislative Council Inquiry into fresh food pricing**

Dear Sir,

Cancer Council NSW (CCNSW) welcomes the opportunity to provide a submission to the Legislative Council's Inquiry into fresh food pricing.

The cost and availability of healthy, fresh food influences people's food choices and diet quality.<sup>1, 2</sup> The price of fresh foods is an important policy area where governments can take action.

CCNSW supports this Inquiry into fresh food pricing because of the clear link between poor or inadequate nutrition, increased body weight and chronic diseases including cancer.

Unhealthy eating is leading to an obesity problem that is already costing our community an estimated \$9 billion every year.<sup>3</sup> The NSW Government has made a commitment through the New South Wales (NSW) Premier's Priorities to reduce the overweight and obesity rates of children by 5% over 10 years.<sup>4</sup> NSW must have a food system where price and availability are not barriers to the consumption of healthy, fresh foods, particularly fruit and vegetables.

CCNSW research confirms that there are wide disparities in the price of fruit and vegetables in NSW and that this is a barrier to consumption for some population sub-groups. There is currently a lack of ongoing monitoring of the affordability of healthy foods in NSW and nationally. This Inquiry into fresh food prices can contribute to reducing the impact of cancer in our community. Increasing the number of Australians who eat the recommended serves of fruit, vegetables and dietary fibre from wholegrain foods has been estimated to prevent up to 4,300 cancers each year in Australia.<sup>5</sup>

Consuming fruit and vegetables is important for achieving and maintaining a healthy body weight because they are low in energy, nutrient rich and filling. NSW adults and children currently have high rates of overweight and obesity and sub optimal consumption of the recommended serves of fruit and vegetables.<sup>6, 7</sup>

The NSW Government is investing in programs that are designed to achieve and maintain a healthy body weight and promote healthy eating among children and their families. This includes a focus on creating environments to support healthy eating and active living, and an action under Strategic Direction 4 to investigate the feasibility of a range of new food environment and physical activity policy options to support healthier choices.<sup>4</sup>

This investment would be further strengthened if the NSW community has access to a wide variety of affordable, good quality, fresh food.

Price discounting of energy dense-nutrient poor foods is common in Australian supermarkets. This discounting compromises spending on healthy, fresh foods when consumers perceive that purchasing these discounted foods will save money.

There is also strong evidence that food marketing influences children's food preferences, the foods they pester their parents to buy and ultimately their diet and health.<sup>8, 9, 10</sup> Australian children are exposed to a large amount of advertising for energy dense-nutrient poor foods that are generally high in energy and low in nutrients.<sup>11</sup> In contrast, there is little marketing of fresh, healthy food to children and their caregivers.

CCNSW has been an active advocate for change to this imbalance where the marketing of unhealthy food to children is widespread and largely uncontrolled. Junk food advertising is undermining parents' efforts to encourage healthy eating by their children. Accurate information about healthy eating for parents and kids is vital. Making sure our children eat well delivers long-term benefits to for them and our broader community. Introducing government regulation on junk food marketing to children would ensure that the majority of food advertised are healthy fresh foods.

## **Recommendations**

CCNSW makes the following recommendations to the Inquiry:

1. Regular monitoring of food pricing in NSW is needed.
2. Measure the prevalence of food insecurity beyond just whether people have enough money for food. Food insecurity is impacted by a range of factors.
3. The food system in NSW must allow easy access to a wide variety of affordable, good quality, fresh foods for the population of NSW regardless of where they live as this will improve the consumption of these foods which are so important to health, and support government programs that are promoting healthy eating.
4. Include a recommendation to the Council of Australian Governments and the Legislative and Governance Forum on Food Regulation, to recommence the development of a National Nutrition Policy to provide an overarching framework to identify, prioritise, drive and monitor nutrition and diet related issues; and ensure the availability of a wide variety of affordable, good quality, fresh foods for all Australians.
5. Consider price promotions by supermarkets. Price discounting on energy dense-nutrient poor foods is common and should be limited to ensure healthy, fresh food does not have a price disadvantage.
6. Make a recommendation that ensures children are protected from unhealthy food and drink advertising in settings within state government control and advocate through the Council of Australian Government, for the development of a comprehensive regulatory approach to protect children from the unhealthy influence of food marketing.
7. Ensure the GST exemption for fresh food is maintained, look for opportunities for government to subsidise healthy fresh food, particularly for remote areas and introduce higher taxes on energy dense-nutrient poor food products, such as sugar-sweetened beverages.

8. Increase investment in public education mass media campaigns to address overweight and obesity and support healthy eating.

We would be happy to provide further information on the issues raised in this submission. Please contact Jane Dibbs, Senior Nutrition Project Officer, on (02) 9308 0284 or at [jane.dibbs@nswcc.org.au](mailto:jane.dibbs@nswcc.org.au)

Yours sincerely

A handwritten signature in black ink, appearing to read "Anita Dossa", with a long horizontal flourish extending to the right.

Anita Dossa  
Director, Cancer Prevention and Advocacy Division  
Cancer Council NSW

## Introduction

The Australian Dietary Guidelines provides evidence-based recommendations about the amounts and types of foods that minimise the risk of developing diet related conditions and contribute to overall health in the long term. Many of the foods recommended are fresh foods. For this submission, fresh food will be defined as the fresh foods recommended by the Australian Dietary Guidelines, with a focus on fresh fruit and vegetables.

The cost and availability of healthy, fresh food influences people's food choices and diet quality.<sup>1, 2</sup> Ready access to affordable healthy, fresh foods can assist people to choose healthier foods.

Health experts in Australia and internationally agree that the following policy actions around food pricing are vital to promote better health. Governments can:

- Use economic tools to address food affordability and purchase incentives;
- Set incentives and rules to create a healthy retail and food service environment; and
- Harness food supply chain and actions across sectors to ensure coherence with health.<sup>12</sup>

The terms of reference for this Inquiry provide the committee with the opportunity to inquire into and report on that factors that impact fresh food pricing. Healthy, fresh food must be affordable, and it is essential there is a retail environment, food service environment, food marketing environment and food supply chain that has healthy eating at its centre.

## Monitoring the cost of food

### **Recommendation 1: Regular monitoring of food pricing in NSW is needed.**

The terms of reference for the fresh food pricing Inquiry includes trends in pricing in NSW, comparable to other states and internationally.

Australia lacks a national program to monitor the cost of healthy foods and the availability and quality of fresh fruit and vegetables. There have been several state-based programs, some longitudinal studies, and ad hoc studies in smaller communities that have undertaken food basket surveys. Since the late 1990s, the state government Health Departments in Queensland (QLD) and the Northern Territory (NT) have regularly monitored the cost of healthy food. More recently the Western Australia (WA) government has conducted two food basket surveys in 2010 and 2013. Other food basket surveys have been undertaken by academic researchers rather than led by government. A variety of methodologies and survey instruments have been used. NSW does not currently have regular monitoring of food prices.

Australian studies into the food supply have generally focused on rural/urban differences in price and availability, as foods are often more difficult to procure and more expensive in rural areas. The question of whether food prices vary by socio-economic positioning has been unresolved with mixed findings in the published studies undertaken to date.

CCNSW has contributed to the evidence base of food price studies by conducting three healthy food basket surveys in NSW in 2006 (n=149 stores), 2008 (n=105 stores) and 2009 (n=129 stores). These studies used the QLD Healthy Food and Access Basket survey by costing a 44-item food basket across the five main food groups of the Australian Dietary Guidelines. The results of these surveys has been published in a study looking at trends in the cost of a healthy food basket and fruit and vegetable availability in NSW between 2006 and 2009.<sup>13</sup>

Key findings from the surveys:

- The fruit and vegetable component of the basket comprised the largest proportion of the total food basket cost (35% in 2009).
- In all three surveys, the cost of the total food basket and the mean cost of fruit and vegetables was highest in remote locations compared with highly accessible areas.
- The three surveys showed considerable variability in the costs of a wide range of food products, and particularly the cost for fresh fruit and vegetables between geographic areas in NSW. One of the most striking findings was the large price difference between the cheapest and most expensive stores across the state, with the biggest difference (\$221) seen across the 44 items in the food basket in 2009.
- There was wide variation between the least and most expensive stores across NSW for the 15 fruit and vegetable items recorded in the survey. The cost of fruit and vegetables varied between stores by \$130 in 2009; \$116 in 2008; and \$137 in 2006.
- The number of fruit and vegetable varieties available was influenced by increasing remoteness, low socio-economic area and supermarket competition.

These results strongly suggest that food prices in NSW could be contributing to social disparities. However, results from other Australian studies have not found such a wide disparity, which may be due to smaller sample sizes in other studies and that many Australian food basket surveys have been conducted in smaller communities. The finding of such a wide price range in the food basket that included the same 15 fresh fruit and vegetables, as well as canned and frozen varieties, is important in terms of public health and the impact it may have on inequities.

Competition between retailers was an important finding of the CCNSW food basket surveys. A more recent food basket survey undertaken in Sydney in 2012 acknowledges the reduction in food prices with increasing competition from discount supermarkets. The results from this study showed a food basket, comprising predominantly foods recommended by the Australian Dietary Guidelines, was significantly cheaper in low compared to high socioeconomic suburbs (\$177 vs \$189,  $p < 0.01$ ). Discount supermarkets were at least 30% cheaper than other supermarket stores. This study also showed there were fewer varieties and poorer quality fruit and vegetables in stores in low socioeconomic suburbs. While the actual cost of the food basket was cheaper in low SES areas, the cost relative to income is likely to be higher and therefore less affordable for low-income groups.<sup>14</sup> This was further confirmed by the Australian Prevention Partnership Centre investigating the price and affordability of healthy and current (less healthy) diets in Australia. The results highlighted that a healthy diet was unaffordable for low-income families, costing up to 31% of their disposable income.<sup>15</sup>

To address the lack of ongoing monitoring of the affordability of healthy foods, there are several options available to Government:

- The Federal Government could introduce a monitoring system for healthy food costs through the established data collection by the Australian Bureau of Statistics for the Consumer Price Index.

In 2015, The Australian Bureau of Statistics, in partnership with the Department of Health, analysed Consumer Price Index data with reference to the food groups in the Australian Dietary Guidelines to construct new Dietary Guideline Price Indexes. The aim of the project was to better understand long term price change for food and beverages. The study showed that discretionary food items accounted for over half of consumers' spending on food in all periods, whilst fruit and vegetables accounted for around 15%. Prices grew in every food group over the fourteen year period from 2001 to 2014. Four out of seven food groups grew faster than the Consumer Price Index (2.7% per year) with vegetables experiencing the fastest average annual rate of price change (3.8%). Over the most recent five years in the report (2010 to 2014), vegetables and fruit prices still grew faster (3.6% and 2.8% respectively) than the overall Consumer Price Index. This project demonstrates the importance of regularly undertaking reviews of the changes in costs and Consumer Price Index over time.<sup>16</sup>

This project was a one off and the Australian Bureau of Statistics has no plans to repeat this report. To address the lack of ongoing monitoring of the affordability of healthy foods in Australia, CCNSW recommends a 'health filter' be applied to data regularly collected for the Consumer Price Index as a means of assessing the impact of changes in the prices of foods on health. A limitation of the Consumer Price Index is that food prices are collected only in capital cities. It would be necessary to ensure a monitoring system on food costs included areas that are outside capital cities and especially remote locations.

- The Australian Prevention Partnership Centre has developed The Healthy Diets ASAP (Australian Standardised Affordability and Pricing) methods that can be used to investigate the real-world impact of fiscal policy actions in Australia.<sup>15</sup>

The approach recommended by INFORMAS (International Network for Food and Obesity/non-communicable diseases Research, Monitoring and Action Support) was utilised in the development of the tool.<sup>17</sup>

The introduction of an ongoing monitoring and surveillance system will help to address the impact of price variability and availability on healthy food choices. This would enable identification of priority population groups and demographic areas for which the cost of food is disproportionately high. Monitoring and surveillance alone will not improve consumption. However, it is a necessary precursor to illustrate the level of problem in the community and provide evidence for government action.

## Food security

**Recommendation 2: Measure the prevalence of food insecurity beyond just whether people have enough money for food. Food insecurity is impacted by a range of factors.**

The terms of reference for the Inquiry into fresh food pricing includes the prevalence of food insecurity in NSW.

Food availability and food access are important components of food security and are impacted by a range of factors in the food system, of which one is the price of food.

Food availability (supply) is the physical presence of sufficient choice and quantity of nutritious foods to meet consumer needs at competitive prices. Adequacy of food supply is determined by factors such as the location and accessibility of retailers and outlets, the availability of food within outlets, as well as the price, quality, variety and promotion of food. This is influenced by industry cost structures, store management, distribution technology, the level of competition and consumer demand.<sup>18</sup>

Food access (demand) is the ability of consumers to acquire food which is safe, affordable, competitively priced, culturally acceptable and nutritious by using physical or financial resources. Access depends on an individual's financial resources and total household expenditure, physical mobility and the distance and availability of transport to food stores, as well as food preferences.<sup>18</sup>

Health Stats NSW website provides very limited information about food security in NSW. Data from 2014 shows that 6.9% of people 16 years and over in NSW answered yes to the question "In the last 12 months, were there any times you ran out of food and could not afford to buy more?" Food insecurity increased in regions further away from regional cities. Food insecurity was reported by 8.2% of inner regional and 10.5% of participants in outer regional and remote areas.<sup>19</sup>

Monitoring of food security needs to address not just whether people have enough money for food. There is a need for annual monitoring of food security in Australia assessing all aspects of the food system.



## The NSW food environment

**Recommendation 3: The food system in NSW must allow easy access to a wide variety of affordable, good quality, fresh foods for the population of NSW regardless of where they live as this will improve the consumption of these foods which are important to health, and support government programs that are promoting healthy eating.**

### **NSW statistics for bodyweight and fruit and vegetable consumption**

The Health Stats NSW website provides data that shows the state has low rates of the consumption of the two serves of fruit and five serves of vegetables recommended by the Australian Dietary Guidelines, as well as high rates of overweight and obesity.<sup>6 7</sup> Achieving and maintaining a healthy body weight is facilitated by consuming fruit and vegetables as they are low in energy, nutrient rich and filling.

**53.3% of adults are overweight or obese**

**21.9% of children are overweight or obese**

**93% of adults do not consume the recommended 5 serves of vegetables each day**

**52% of adults do not consume the recommended 2 serves of fruit each day**

**95% of children do not consume the recommended 5 serves of vegetables each day**

**38% of children do not eat the recommended 2 serves of fruit each day**

Numerous scientific studies, including research undertaken by CCNSW, have confirmed the price of fresh food in NSW, particularly fruit and vegetables, limits the ability of the population to consume a diet in line with the Australian Dietary Guidelines, and it is therefore vital for government to address this issue.<sup>1 2 20</sup>

### **Price as a barrier to eating fruit and vegetables**

CCNSW has undertaken research to better understand the different factors that impact the consumption of fruit and vegetables. The NSW Community Survey on Cancer Prevention was undertaken in 2013 and 2016 and included questions on fruit and vegetable consumption, expenditure on fruit and vegetables, and perceived barriers to their consumption. Consistent with results of the NSW government health surveys, the 2013 survey showed 44% of participants did not meet the guidelines to eat two serves of fruit and 91% of participants did not meet the guidelines to eat five serves of vegetables.

Our research has also examined perceptions and beliefs about the cost of fruit and vegetables and whether they are barriers to higher consumption, with the main findings being:

- Cost was identified as a barrier for 29% of people not meeting the recommended fruit servings and for 14% of those not meeting recommendations for vegetables;
- Cost was a more common barrier for those on lower incomes and less common for older participants (70+ years);
- 20% of all participants said fruit and vegetables were not affordable;
- 39% of all participants said cost made it difficult to buy fruit and vegetables; and
- 23% of all participants said the cost of fruit and vegetables meant they bought less than desired.<sup>20</sup>

Not surprisingly, cost was more frequently reported as a barrier by those whose annual household income was less than \$30,000.<sup>20</sup>

In the 2016 NSW Community Survey on Cancer Prevention (unpublished), 40% of participants did not meet the guidelines to eat two serves of fruit and 86% participants did not meet the guidelines to eat five serves of vegetables.

- For people not meeting the recommended serves of fruit, cost was identified as a barrier to consumption for 28%; and
- For people not meeting the recommended serves of vegetables, cost was identified as a barrier to consumption for 17%.

These surveys show that a large percentage of the NSW population do not eat the recommended serves of fruit and vegetables, and cost is a barrier to fruit and vegetable consumption. CCNSW also acknowledges that there are other barriers to fruit and vegetable consumption as well as cost, including preferences for other foods, established dietary habits and concerns about perishability.

This research supports the need for strategies that remove financial impediments to consumption, especially for those on lower incomes and younger adults.

### **Cancer cases in Australia related to overweight, obesity and insufficient consumption of fruit and vegetables**

Research commissioned by Cancer Council Australia has estimated the number of cancers occurring in Australia attributable to preventable factors related to healthy eating and weight.

- Nearly 4,000 cancer cases (3.4% of all cancers) diagnosed each year could be attributed to overweight and obesity, including 1,100 colon cancers and 971 female post-menopausal breast cancers.<sup>21</sup> More recently, overweight and obesity has been linked to cancer of the stomach, kidney, gallbladder, liver, pancreas, oesophagus, endometrium, ovary, advanced prostate and mouth pharynx and larynx.<sup>22</sup>
- 1,866 cancer cases were attributable to inadequate intakes of fruit and non-starchy vegetables. A further 2,609 colorectal cancers were attributable to inadequate fibre intakes. If Australians increased their fibre intake by eating the recommended daily intakes of fruit and vegetables, an estimated 1,293 colorectal cancers could be prevented.<sup>5</sup>

Easy access to a wide variety of affordable, good quality fresh food is essential for the people of NSW to follow the Australian Dietary Guidelines, to be able to achieve and maintain a healthy weight and to reduce their risk of cancer.

## Strategic directions that address healthy eating

The NSW government has Tackling Childhood Obesity as a Premier's Priority and there are a number of government programs and initiatives within the *NSW Healthy Eating and Active Living strategy 2013-2018* that are designed to address overweight and obesity and promote healthy eating and physical activity. The Strategy is a comprehensive whole-of-government plan which includes a focus on:

- State-wide healthy eating and active living support programs;
- Healthy eating and active living advice and support as part of clinical service delivery;
- Education and information to enable informed, healthy choices; and
- Environments to support healthy eating and active living.<sup>4</sup>

CCNSW runs *Eat It To Beat It*, a community-based program that aims to increase fruit and vegetable consumption among parents with primary school aged children. Fruit and vegetables are the focus of this program as they help to protect against a number of chronic diseases, including some cancers, and they are also important in preventing obesity. *Eat It To Beat It* has been comprehensively evaluated and the results have demonstrated significant outcomes for the program in the Hunter region in terms of helping families to increase their fruit and vegetable consumption.

*Eat It To Beat It* and the current NSW health promotion programs recommend consumption of foods in line with the Australian Dietary Guidelines. While health promotion programs have traditionally focused on modifying individual behaviours within specific settings, there is growing recognition of the need to improve underlying inequities in the social determinants of health – the conditions in which people are born, live, work and age. Additionally, the impact of the neighbourhood environment must be addressed, including the price, affordability, range and quality of fresh and healthy foods.<sup>14</sup>

Price affects food choice and *Eat It To Beat It* and these government programs would be further supported if fresh food, particularly fruit and vegetables was affordable for the population of NSW.

## Development of a National Nutrition Policy

**Recommendation 4: Include a recommendation to the Council of Australian Governments and the Legislative and Governance Forum on Food Regulation, to recommence the development of a National Nutrition Policy to provide an overarching framework to identify, prioritise, drive and monitor nutrition and diet related issues.**

The Australian Government's Department of Health website provides information on the proposed development of a National Nutrition Policy. In December 2011, the Legislative and Governance Forum on Food Regulation agreed to develop a comprehensive National Nutrition Policy after receiving the final report of the *Review of Food Labelling Law and Policy*. This review was commissioned by the Australia and New Zealand Food Regulation Ministerial Council at the request of the Council of Australian Government.<sup>23</sup>

The National Nutrition Policy is intended to provide an overarching framework to identify, prioritise, drive and monitor nutrition and food policy initiatives within the context of all governments' preventive health agendas.

The Commonwealth government facilitated a small targeted consultation workshop and commissioned the development of a scoping document in 2013. However, there has been no further commitment from the Commonwealth government to progress the development of a National Nutrition Policy.

As previously recommended, the monitoring of Australia's food and nutrition system would be needed to support evaluation of the policy and its strategies.

## The retail food environment

**Recommendation 5: Consider price promotions by supermarkets. Price discounting on energy dense-nutrient poor foods is common and should be limited to ensure healthy, fresh food does not have a price disadvantage.**

*The Inside our Food Companies Report* undertaken by Deakin University, states supermarkets provide a link between consumers and the food system, with Australians buying most of their food from supermarkets. The retail supermarket environment (including the products available for sale, their prices, and the way they are promoted) has a major impact on what people choose to buy.<sup>24</sup>

Discounting of energy dense-nutrient poor foods is a common practice of supermarkets. This discounting has the potential to compromise spending on healthy, fresh foods when consumers perceive that purchasing less healthy foods will save money.

In 2016, the Live Lighter Shape of Australia survey, conducted by Curtin University, analysed the shopping behaviours and attitudes of over 2,000 Australians aged 25 to 49. Although reports found the majority of people went to the shops with healthy intentions, three in five people (60%) were likely to buy unhealthy food and beverage products when they were discounted. Results of the survey highlight the importance of price promotions on consumer choice and impulsive buying.<sup>25</sup>

A recent unpublished snap-shot of price promotions in the two major supermarket chains in Sydney undertaken by CCNSW in January 2018 showed:

- 70% of price promotions analysed promoted discretionary food and beverage products; and
- Only 30% of price promotions analysed promoted core food and beverage products.

*The Inside Our Food Companies Report* outlines the results of a study that assessed the four largest Australian supermarket companies on their policies and commitments related to obesity prevention and improving population nutrition. The objective was to highlight where Australian supermarket companies are demonstrating leadership in relation to obesity prevention and nutrition and identify areas for improvement. A priority recommendation for supermarket improvement was product affordability: "Limit price promotions (e.g., price discounts and 'buy one-get-one-free' specials) on 'less healthy' products, whilst working to improve affordability of healthy foods."<sup>24</sup>

## Reduce unhealthy food marketing

**Recommendation 6: Make a recommendation that ensures children are protected from unhealthy food and drink advertising in settings within state government control and advocate through the Council of Australian Government, for the development of a comprehensive regulatory approach to protect children from the unhealthy influence of food marketing.**

Food marketing is one contributing factor to the obesogenic environment in Australia. The World Health Organization Report of the Commission for Ending Childhood Obesity (2016) states there is unequivocal evidence that the marketing of unhealthy foods and sugar-sweetened beverages is related to childhood obesity.<sup>26</sup> Systematic reviews on food marketing to children indicate that food and beverage marketing influences the preferences and purchase requests of children and their consumption at least in the short term; is a likely contributor to less healthy diets, and may contribute to negative diet-related health outcomes and risks among children and youth.<sup>8-10</sup> The majority of foods promoted to children are energy-dense nutrient-poor.<sup>9</sup> There is now a body of evidence that indicates food marketing is a modifiable risk factor for children's health.<sup>9</sup>

CCNSW research into food advertising on television has shown from 2011 to 2015 there was no reduction in the rate of unhealthy food and drink advertisements on television during children's peak viewing times. Children are being exposed to an average of three unhealthy food advertisements every hour that they watch TV during peak periods. Forty four percent (44%) of food advertisements were for unhealthy foods and 20% of food advertisements were for fast food.

In 2016, an audit of 178 NSW train stations found that of all the food advertisements on the stations, over 84% were for junk food.<sup>27</sup>

Reducing children and young people's exposure to the marketing and advertising of unhealthy foods is included under Strategic Direction 1 in the *NSW Healthy Eating and Active Living Strategy: Preventing overweight and obesity in New South Wales 2013-2018*.<sup>28</sup> In 2015, the ACT government introduced a new bus advertising policy that bans junk food, alcohol and gambling advertisements on buses. The NSW government can implement policy that ensures children are protected from unhealthy food and drink advertising in settings within state government control including NSW government owned venues, on public transport and outdoor advertising.

Public support is strong for regulation of marketing to children.<sup>29</sup> The 2013 NSW Community Survey on Cancer Prevention assessed community attitudes to a number of health promoting initiatives. Nearly three quarters of respondents (73%) supported a ban on unhealthy food advertising that targets children.<sup>30</sup>

## Economic interventions

**Recommendation 7: Ensure the GST exemption for fresh food is maintained, look for opportunities for government to subsidise healthy fresh food, particularly for remote areas and introduce higher taxes on energy dense-nutrient poor food products, such as sugar-sweetened beverages.**

Cancer Council Australia's National Cancer Prevention Policy Chapter on Obesity outlines that price is one factor that influences people's lifestyle choices and the Government needs to investigate the potential use of fiscal levers such as taxation incentives, grants, pricing and subsidies to encourage physical activity and healthy diets.<sup>31</sup>

Currently, basic foods such as fresh fruit and vegetables are not subject to the goods and services tax (GST), and this has been identified as an area where Australia is meeting global best practice benchmarks. It is important that this exemption is maintained. There are opportunities for government to further subsidise healthy food options, increasing their affordability, particularly in remote communities where fresh produce can cost up to 30% more than in urban areas.<sup>31 32</sup>

The introduction of higher taxes on energy dense-nutrient poor food products, such as sugar-sweetened beverages, in order to reduce consumption, has been identified as an area where Australia is significantly lagging behind other countries, and is a priority area for action. Cancer Council Australia recommends that the Federal Government implement a sugar-sweetened beverage health levy to effect a price increase of at least 20%, aimed at changing purchasing habits, achieving healthier diets and raising revenue for initiatives aimed at promoting healthy weight.<sup>31 33</sup> The NSW government should encourage consideration of a broader range of fiscal measures to encourage healthier choices.



## Public education campaigns

### **Recommendations 8: Increase investment in public education mass media campaigns to address overweight and obesity and support healthy eating.**

The World Cancer Research Fund NOURISHING Framework identifies public awareness campaigns such as *Live Lighter* as an important contributor to healthy eating. It highlights the importance of campaigns being well-funded and sustained, utilising multiple channels for communication to maximise reach and effectiveness of these campaigns.<sup>12</sup>

As part of the *NSW Healthy Eating and Active Living Strategy*, the NSW Government has invested in the *Make Healthy Normal* campaign, an awareness raising and behavioural change strategy to address increasing overweight and obesity.

Greater investment by the NSW Government in mass media campaigns such as *Make Healthy Normal* will help to improve consumption of healthy, fresh foods and reduce levels of overweight and obesity in NSW.

## Conclusion

CCNSW appreciates the opportunity to contribute to the Parliament of NSW Inquiry into fresh food pricing.

Many people in NSW do not consume adequate amounts of fresh foods in line with the Australian Dietary Guidelines. There are many factors that influence food choice, however price is a significant one.

This Inquiry provides the NSW Government with an opportunity to ensure better access to a wide variety of affordable, good quality, fresh foods for the population of NSW regardless of where they live. This will improve the consumption of these foods which are so important to health and support government programs that promote healthy eating.

The price of food and food security must be comprehensively monitored.

CCNSW also recommends the Inquiry support the introduction of regulatory measures to reduce unhealthy food marketing directed at children which undermines the consumption of fresh foods like fruit and vegetables.

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