REPORT ON PROCEEDINGS BEFORE

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

INQUIRY INTO FRESH FOOD PRICING

CORRECTED

At Jubilee Room, Parliament House, Sydney, on Friday 22 June 2018

The Committee met at 9.30 a.m.

PRESENT

Reverend the Hon. Fred Nile (Chair)

The Hon. Rick Colless
The Hon. Scott Farlow
Mr Justin Field
Ms Courtney Houssos
The Hon. Taylor Martin
The Hon. Mick Veitch

The CHAIR: Welcome everyone to the first hearing of the inquiry into fresh food pricing in New South Wales by Portfolio Committee No. 1. Before I commence I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respect to the elders, past and present, of the Eora nation and extend that respect to any other Aboriginal people who may be present. Today the Committee will hear evidence from the following stakeholders: the Public Health Association of Australia, the New South Wales Farmers Association, the Cancer Council NSW, the New South Wales Council of Social Service, the Australian Food Sovereignty Alliance, Foodbank New South Wales and ACT Limited, the St Vincent de Paul Society, the Right to Food Coalition, and the Transport Workers Union of New South Wales.

Before we commence I will make some brief comments about the procedures for today's hearing. Today's hearing is open to the public and is being broadcast live via the Parliament's website. The transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members or witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what a witness may say outside of their evidence at the hearing. I urge witnesses to be careful that any comments they may make to the media or to others after they have completed their evidence, as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation.

The guidelines for the broadcast of proceedings are available from the secretariat. There may be some questions that witnesses can answer only if they had more time or certain documents to hand. In those circumstances witnesses are advised they can take the question on notice and provide an answer within 21 days. Witnesses are advised that any messages should be delivered to Committee members through the Committee staff. To aid the audibility of this hearing, I remind both Committee members and witnesses to speak into the microphones. In addition, several seats have been reserved near the loudspeakers for persons in the public gallery who have hearing difficulties. Finally, I ask everyone to please turn off their mobile phones or turn them to silent for the duration of the hearing.

JON WARDLE, Co-Convenor, Complementary Medicine, Evidence, Research and Policy, Public Health Association Australia, sworn and examined

The CHAIR: Thank you for your attendance. Would you like to make a short opening statement?

Dr WARDLE: Yes. I will give just a very brief overview of our submission. The Public Health Association [PHAA] is very interested in this topic because increasing fresh foods is one of the most effective ways to improve health. It has enormous societal and individual benefits. About 10 per cent of the Australian disease burden is associated directly with poor nutrition. Where studies have been done, 14 per cent of the Queensland hospital budget, for example, has been directly attributed to inadequate fresh food consumption. Our policy for affordability and accessibility is not addressed.

Fresh food prices are increasing higher than are other foods and other expenses. These profits are certainly not going to the farmers or the transport workers. Food security is an enormous problem, one that is often underestimated. The average Australian family has to spend more than a third of their budget on food to maintain Australian healthy eating guidelines. It is often the only discretionary part of the budget that can be cut in times of financial stress.

Food deserts require a competitive sector. The Australian retail sector in fresh foods is one of the least competitive marketplaces globally. Supermarket focus, in addressing fresh food access and affordability, can actually exacerbate the problem of access and affordability rather than fix it. That tends to be because most direct and indirect subsidies by government initiatives focusing on that sector rather than the independent and small business sector, which is actually shown to be the most affordable, accessible and most effective way of actually improving access to healthy foods. The major factors for some of these increasing prices are, obviously, the lack of competition. We think this is one of the main factors but also, clearly, climate change. Where transport does have an effect, it happens to be more about lower reliance on locally produced foods rather than the actual transport costs themselves.

The CHAIR: Thank you for your detailed and well-prepared submission. The Committee appreciates that.

The Hon. COURTNEY HOUSSOS: I echo the comments of the Chair. Thank you for your submission and your very concise response, which outline many of the key issues we are trying to address in this inquiry. I want to ask you to touch on some of the issues from your submission and also to refer to some other submissions and get your thoughts on those. One of your recommendations is a national survey using standardised comparable methods to look into food prices being conducted. Are you aware of any of those that are conducted in New South Wales, or perhaps elsewhere?

Dr WARDLE: I think the issue is that lots of them are conducted. They do not tend to be comparable to each other because they use different methodologies. There are also additional and probably newer challenges that are problematic. For example, a lot of the surveys do not take into account the transient nature of a lot of promotions. If you go into any Woolworths, Coles or Independent Grocers of Australia [IGA], or other supermarkets, or even the smaller independent grocery stores, you will usually see that there is a two for one special on chips or chocolates, and the food surveys do not really pick up that. It is usually that it is not the same brand or it is not the same product that is on promotion, but there is always a promotion. We think that fresh foods are considered affordable by those surveys. We think that the current methodologies do not really capture the differential between the price of unhealthy foods versus healthy foods.

The Hon. COURTNEY HOUSSOS: That is an excellent point, thank you. I just want to expand on your submission. One of our terms of reference is around mapping of food deserts. That is something that you referred to in your submission. Something that has been referred to in other submissions is that sometimes, in doing this mapping, supermarkets are considered to be giving people access to fresh food, but that might not always be the most effective way of providing that. Do you want to talk a little bit about how we could actually map food deserts?

Dr WARDLE: Sure. A lot of government initiatives—and there have been some good ones and bad ones in mapping the retail sector in a sense—tend to look at minimum square footage of particular outlets. There has been a lot of work, particularly in Brisbane more than probably elsewhere in terms of independent groceries, which are butchers and bakers, and their impact on food provision, particularly in low socio-economic areas. They tend to have a higher ability to actually reach out and actually supply the community with healthy foods. The problem with a lot of the supermarket focus is that about two-thirds of the products in supermarkets are what we would consider unhealthy, by national dietary guidelines, with just one-third being healthy. They are usually more

expensive than the independent and smaller business sector. Usually, some of those initiatives also have a direct link into other dietary initiatives.

Grocery Choice was tried out quite some time ago now—about 10 years ago—and drove people to the supermarket sector over the independent sector, because the independent sector was not even there. One of the primary proxies of food desert mapping has traditionally been the supermarket sector. We would recommend an approach that is used in other countries, particularly European countries. New Zealand is trying with what they call dairies or corner stores as well to improve fresh food access through smaller retailers. We think this has community benefit, social benefit as well as clear public health benefit from direct access to foods.

The Hon. COURTNEY HOUSSOS: Absolutely. This is a New South Wales inquiry and one of the key ways that we could potentially influence the access to fresh food is for kids in schools. Some other submissions have talked about breakfast programs in schools. We even heard from the Federation of Parents and Citizens Associations submission about lunch programs in other countries that provide free nutritious foods or even lunch box top-ups for students. What would be the view of your association of such initiatives?

Dr WARDLE: We have supported initiatives. A few ad hoc initiatives occur throughout New South Wales and Australia. Mostly, there are schools that do it themselves off their own bat. Just last night I attended an information session—my daughter is about to go to primary school. The principal reminded the parents that getting your child to eat nutritious food is the best thing that you can do for their development.

That is great for someone who is in a position that is relatively affluent, such as myself. For someone who cannot afford the foods that are suggested, programs that target kids at risk particularly at schools should be promoted, particularly comprehensive programs. One of the things that can often occur when you target populations at risk is that it can potentially stigmatise children and families. Having a comprehensive approach is far more effective in addressing the nutrition needs because it does not punish people—or have the perception of punishment—who cannot necessarily afford fresh foods.

The Hon. COURTNEY HOUSSOS: That is an excellent point. Another way that we could influence that is what we are teaching kids in schools in terms of what is in the curriculum. Do you have any views about what should be in there and how we can provide information to educate kids from the beginning of school?

Dr WARDLE: We think any nutrition education is beneficial. One of the key issues with nutrition education to children is that children often inherit their parents' bad habits. One of the other things that research has shown is that children can change their parents' bad habits and they are quite effective as being change agents for the whole family. There have been a few initiatives in South Australia. The Stephanie Alexander program is a good model that is often promoted. Jamie Oliver has done a lot of work in Europe. We are seeing enormous benefit in children taking that education back home and changing the habits of the entire family. It is an incredibly effective initiative that will bring long-term change for the children themselves and then enact real change in real time for the whole family as well.

The Hon. COURTNEY HOUSSOS: Do you think the role of things like school vegetable gardens and the like can be an important part of that?

Dr WARDLE: Certainly school vegetable gardens, but also getting kids familiar with fruits and vegetables. Fruits and vegetables tend to be seen as boring and not quite as tasty as other options. They are competing in a market where there are bright colours. If you go through a supermarket and strap a camera onto a kid—a study in Australian supermarkets did this—everything on the child's eye level is full of sugar, full of fat, full of colour and full of cartoon characters. It is very exciting for children. Fruit and vegetables are, I guess, a little bit boring because they are in natural packaging and you can basically only have what is there. Getting them to engage actively with food in a positive setting is incredibly important to change those food perceptions.

The Hon. COURTNEY HOUSSOS: Is it also important to give them skills to determine what is good quality and what is important for them?

Dr WARDLE: Exactly, if you look at something like lentils, for example, everyone knows that we should eat more legumes. Everyone knows that we should eat more brussels sprouts. But if your only experience of those is being bored within an inch of their life and you are not familiar with the other ways in which they can be done, you do not have that practical aspect. That can be quite abstract, particularly for children. I think getting them hands-on experience is incredibly important.

The Hon. COURTNEY HOUSSOS: Are you aware of anywhere that does that well?

Dr WARDLE: There was an initiative in South Australia. I will have to take that question on notice and provide that information for you. I can tell you the name of the person who developed it but I cannot tell you the

name of the actual program itself. That was a community level initiative with Adelaide schools which has been very effective.

The Hon. MICK VEITCH: One of the terms of reference in your submission relates to AmazonFresh and similar providers. I am interested in how we can get diversity into the retail market for fresh food but at a competitive price, particularly at local areas. Do you have any comments around not just AmazonFresh but also otherwise? How we can get good price diversity into our fresh food in regional areas?

Dr WARDLE: One of the key and easiest ways is to stop subsidising the larger players and stop penalising the smaller players. If you look at a lot of indirect subsidies, for example—major supermarket chains barely pay rent in many shopping centres. The New South Wales Government and other governments usually spend a lot of money in funnelling people into areas where the supermarkets are, rather than the independent grocers. One of the things that is often misunderstood around the retail sector is that major larger players, including AmazonFresh but also including the supermarket sector, is that they do not sell food; they sell shelf space. They receive a lot of income from shelf space.

There are a number of other countries that have legislative instruments in place that stop them abusing that power to cross subsidise and have an unfair market advantage in the prices that they deliver for those foods. Looking at the supply chain, it is incredibly important because it is often not the larger retailers. I would put Amazon and the larger supermarket retailers in a similar place. They are not actually buying product off the retailer. The suppliers are being forced by a monopsony essentially to buy shelf space and retail space. Addressing that imbalance between the smaller sector and the larger sector is key to ensuring that diversity exists.

The Hon. MICK VEITCH: What are the lessons we could learn from the Stephanie Alexander exercise? Everyone knows the good side of it, but are there any lessons that we should learn about things that we should not do?

Dr WARDLE: I do not think we should assume that kids do not like healthy foods. That is the key thing that we should do. Kids are taught not to like healthy foods. There is a lot of learnt behaviour that comes from that. We should try to get rid of some of the assumptions that kids will not do this or kids will not do that and actually give them a chance.

The Hon. COURTNEY HOUSSOS: Finally, one line from your submission says, "An examination of annual reports suggests that fresh foods are one of the most profitable arms for major retailers." Would you like to expand on how you came to that view?

Dr WARDLE: We came to it from the annual reports of the supermarket retailers themselves. There is quite a lot of evidence that the Australian Consumer and Competition Commission acknowledged within its report as well. When you can pay 40¢ for a banana and get $10 off a bottle of wine, it is clear that fresh foods are cross subsidising potentially loss leading unhealthy behaviours. Supermarket retailers are the largest suppliers of tobacco, junk food, alcohol and gambling in Australia. They are not necessarily change agents for healthy food. They are selling healthy foods as a way to get people in. They have that market control which they then use to shift into whatever areas. They are businesses and they are certainly allowed to do that, but we need to acknowledge them as having that primary interest rather than trying to expand healthy foods in Australia.

What we have seen with things like the milk wars and the bread wars is that the increase in prices or the decrease in prices are usually disproportionately disadvantaging the supplier rather than the retailer. When we see the profit margins that are reported in public documents—a lot of their stuff is commercial-in-confidence—but it does seem from the evidence that is there that fresh foods are one of the higher profit margin aspects of retail, particularly larger retail, and the prices are certainly increasing far more than the other sectors.

The Hon. RICK COLLESS: On page six of your submission you raise the issue of the level of competition between retailers. Do you believe that there is a significant amount of price fixing or price gouging, or price fixing and price gouging, by some of the major supermarket chains?

Dr WARDLE: I guess it would depend on how you define price gouging or price fixing. Certainly, the larger retailers are price makers, not price takers. They are dictating the terms of sale to the consumer. If you look at the evidence, about 75 per cent of consumers will say they go to supermarkets because they have no choice, not because they want to go there. If you look at the imbalance between farm gate prices and retail prices, they are enormous. When bread went up 70¢ and everyone complained, about 10¢ of that increase was going to the farmer. I do not know if it is price gouging as much as just taking advantage of—

The Hon. RICK COLLESS: I interrupt you there; when you say, was it 10¢ or 10 per cent?

Dr WARDLE: Ten cents.

The Hon. RICK COLLESS: Ten cents of that is going to the farmer.

Dr WARDLE: Ten cents of a 70¢ increase.

The Hon. RICK COLLESS: If one looks at the amount of wheat in a loaf of bread, it is pretty insignificant in terms of the amount of wheat that a farmer grows. How does that relate in return to the farmer?

Dr WARDLE: That increase was blamed by retailers solely on the increase in farm prices. There are increases obviously in manufacturing, in transport and in the retail sector as well. But certainly, the increase in retail prices is not necessarily reflected by the increases that occur at the farm gate. I would not necessarily suggest cartel behaviour or anything like that, but certainly they are taking as much advantage of uncompetitive environments as they can

The Hon. RICK COLLESS: Do you think that should be further investigated? If they are asked about it they will deny it, I am sure. One only has to talk to farmers around New South Wales to hear about the almost bullying tactics some of the major supermarkets use.

Dr WARDLE: Yes, it should be examined. The Australian Competition and Consumer Commission [ACCC] tried to examine this and one of the problems is the fear of many people to make public statements around this. It does need to be done in a safe space. We certainly found that with suppliers, that they have acknowledged, that there are enormous problems. I come from a family that is in agriculture and truck driving, so I have a background in both those areas. I have seen personally firsthand the problems with that. I think there should be an inquiry. I have always advocated for an inquiry, and the PHAA have certainly suggested that this needs to be looked at a lot further because there is enormous economic cost in not acting.

The Hon. RICK COLLESS: Some of the farmers I have spoken to over the years who have had contracts with the major supermarkets tell some horrifying stories. This year they might be paid so much for a box of pumpkins, or whatever it might be, and next year they are offered virtually half the price. It never seems to have a whole lot to do with supply and demand, it is more the retailer saying, "That is all we are going to pay. Take it or leave it." And somewhere someone will supply them for that ridiculously low price that they are offering.

Dr WARDLE: A lot of the terms that we have seen, when a supermarket decides to do a half price promotion, it is usually the supplier, the farmer, that pays the cost, not the retailer. I think that is a really clear example of just even implementing that change that those costs cannot be passed on, in a contract, would be a very useful addition. If you look at health impact assessment more broadly, the impact this is having in rural agricultural areas is quite astounding. The economic health, which leads into social health and through other social determinates into the public health indicators of those rural communities, is really suffering because of that.

The Hon. RICK COLLESS: A few years ago a study in the United States looked at how far the average meal travels before it ends up on a plate. The result was something like a thousand miles that the average meal travels in the US before it gets on a plate. Are you aware of any similar studies undertaken in Australia?

Dr WARDLE: Not off the top of my head. One of the issues that we did raise is the local food production is certainly declining and the transport is increasing. We think this is where the real transport costs are. A lot of the commentary that I have seen tries to blame truck drivers or the truck companies for the prices charged. But the real issue is that the distance that things are being travelled is a lot more. The storage costs are a lot more. A lot of apples in the supermarket are twelve months old before you see them. That costs money to store. That is not the price of the individual transport worker, that is an issue with the supply chain. We think that the supply chain is where most of the problems actually are.

The Hon. RICK COLLESS: That same group that undertook the study in the US came up with a saying, which I think is quite good, "eat fresh, eat more and eat local". That is what people here should be thinking more about as well.

Dr WARDLE: That really succinctly defines what the PHAA thinks about nutrition as well .

The Hon. RICK COLLESS: Does the PHAA have any view on the nutritional status of foods based on the health of the soil?

The Hon. RICK COLLESS: This is one of the reasons that we actually encourage local and smaller farm production, because most larger farms tend to have farming practices that result in food with lower nutritional quality. That is everything from tilling practices to the ability of farmers to monitor and look at their fruit and vegetables. That is certainly one of the reasons why we promote a more diverse agricultural sector, because consolidating the agricultural sector into smaller players usually results in poorer quality fruit and vegetables, milk, bread and greens.

The Hon. SCOTT FARLOW: One of the issues raised in your report right up-front is that healthy diets are 12 per cent to 15 per cent cheaper than non-healthy diets. What do you consider to be in that healthy diet to overcome that perception, so to speak, that eating healthy is more expensive?

Dr WARDLE: We use the Australian Dietary Guidelines, basically. There has been a lot of work on that. We have not reinvented the wheel, we have just used what the Australian Government recommends in that sense. One of the issues you have to look at with access and affordability of foods is the price of buying those foods. There are then time costs. One of the issues that is certainly underestimated is, it is often assumed that people with higher incomes are the busy people. Usually it is the other way around. Usually people with lower incomes are busier, they are working two jobs, through casualisation and other issues they are often working all sorts of hours. Time pressures are something that needs to be factored in. Fresh foods, healthy foods do take a lot more time to prepare, so there is a convenience benefit that is often used for many people.

A lot of people may not have the necessary facilities to prepare that food properly as well. The price is certainly cheaper. We like to talk about access and affordability. Affordability is one-half of that equation; accessibility, is certainly another part. A lot of people are factoring in things such as time pressures—that might be cheaper but it is going to take me an hour to prepare; I can have this in five minutes. I think that is one of the perceptions that people often weigh on. The other thing is, when you look at unhealthy foods as well, an unhealthy comprehensive diet is certainly more expensive but a lot of people are actually having over-reliance on things like cheap starches, rice, flour, without little other. That is probably the cheapest diet and I think that is not captured properly by a lot of the surveys and methodologies that we use in terms of measuring how cheap different diets are.

The Hon. SCOTT FARLOW: Your submission states:

> … food prices in Sydney are more affordable than in other Australian cities assessed to date …

What is the reason for that? Is that back to your supply chain issues, potentially?

Dr WARDLE: We think Sydney, particularly compared to other capital cities, and certainly to rural and regional cities, that is changing, but it certainly has a more diverse and competitive landscape than other cities. A lot of towns are now one-supermarket towns; they do not even have a butcher, they do not have a grocer, they have only got the one player in town. If you are in Sydney—and this is not throughout Sydney—it is the competition basically.

The Hon. SCOTT FARLOW: I think you go into that point a little bit when you talk about food deserts and the like as well. You might have that one large supermarket player but not having the local baker, the local fruit shop and that around it means that you get a very different sort of food landscape.

Dr WARDLE: There have been a few stories in Brisbane which have shown that when greengrocers, butchers, other independent players do exist in the suburbs the supermarkets charge lower prices as well. But usually what happens if you go back five years later, those greengrocers and butchers are not there and the supermarket prices actually go above average. The presence of the independent sector is crucial, in my opinion.

The Hon. SCOTT FARLOW: I note as well, and I think our terms of reference lead you in this way, some concerns with new retail operators, and I think our terms of reference list things like AmazonFresh, for instance, and I think you have raised concerns with some of the quality potentially of that produce. There are a lot of other new retailers that are opening up, things like Urbanspoon, as well that try to link people to actual farmers and 24-hour turnaround, particularly in the Sydney basin, and I noticed one the other day as well. What do you think of those initiatives? Are those taking off for those as a way to link people perhaps to healthier locally produced produce?

Dr WARDLE: I think the model itself offers both advantage and disadvantage. I think the issue is about the supply chain and how those retailers have impact on the supply chain. Working with farmers I think is very positive, but the larger companies—AmazonFresh, for example—would not fall into that category. It is not so much the model itself that is problematic but rather the actual actions of the players within those models. Just as in the retail grocery sector, you have an independent sector which works very cooperatively with the other sector and larger players that do not. I think in the online delivery sector the same thing exists.

Mr JUSTIN FIELD: Thank you for being here, Dr Wardle. It occurred to me, in listening to some of the questions and your responses, that we may be talking a bit at cross-purposes about what fresh food actually is. Could you tell us how you would describe or would define fresh food in the context of your submission and this inquiry?

Dr WARDLE: We suggest that fresh food is more perishable food, obviously, but food with minimal processing; food that has had the least amount of hands interfering with it between farm gate and table. I guess to

say that it is agriculturally produced food is probably a bit misleading because everything in a Mars bar is originally from a farm, but minimally processed food and perishable food.

Mr JUSTIN FIELD: What about takeaway, Thai or Chinese? Would that be considered fresh food?

Dr WARDLE: We understood the terms of reference to be limited to retail and grocery rather than dining and that sort of aspect, but you raise an interesting point, because if you look at a lot of public health legislation there are some problems with fresh food production that we certainly heard from food establishments where under current public health legislation it is far easier to pass food safety standards if you fry something within an inch of its life that is taken directly out of the freezer than if you use something risky like fresh meats, fruits or vegetables. I think there needs to be a bit more attention paid to that aspect as well. I am happy to talk to that. We did not perceive that as being in the terms of reference.

Mr JUSTIN FIELD: It just occurred to me that people are probably increasingly getting a proportion of their diet from takeaways. Often that is fresh food and there is a lot of competition in that sector. Do we have good data on where people are getting the bulk of their fresh food from at the moment, the bulk of their weekly grocery shop?

Dr WARDLE: We have good data from a cross-sectional point of view. We do not necessarily have a lot of longitudinal studies. We can identify what is happening now in certain places but not necessarily monitor changes over time or what those trends are in the same population.

Mr JUSTIN FIELD: What proportion would people be getting from the major retailers?

Dr WARDLE: Of their entire grocery budget it is over 80 per cent. For fresh foods in particular it is around 60 per cent.

Mr JUSTIN FIELD: The major retailers are really at the heart of this question, it would be fair—they are the majority?

Dr WARDLE: We think so. Australia does have probably if not the most one of the most concentrated retail sectors in the world.

Mr JUSTIN FIELD: I also picked up on that very first point that you make about healthy diets would be 12 to 15 per cent cheaper. That is the initial upfront cost—I appreciate what you say about time and there are other costs associated with preparing and the like. I just wanted to try and get to the critical issue as you see it here around pricing. Clearly, that upfront price does not seem to be the issue; so is it a question of access, whether that be about local production and/or local retail opportunities? Is it a choice that people are making because of either lack of access or advertising and promotions changing their choice? Is it knowledge about what to do with fresh food that changes those things, or is it manipulation by the retail sector?

Dr WARDLE: There are certainly cultural factors at play. There has been a lot of work that has recently come out of Boston that is starting to be replicated in Australia, which has suggested that the primary decision-making factors around food choices in low socio-economic and high socio-economic groups are quite different. In people with higher incomes, higher education, it tends to be more about nutrition; people with lower socio-economic status it is more about making them feel full for as long as possible as cheaply as possible. That comment that I suggested before that unhealthy versus healthy food price comparison is really based on what we think that is, rather than probably accurate reflections of what people are actually buying in practice, if people are buying a lot of pasta and rice and not much else, that is going to be a lot cheaper than buying a more comprehensive diet.

We need to have not just what we think should be in the unhealthy and healthy basket, but more monitoring of what people are buying at the checkout rather than determining what we think they are. But we need to look at cultural factors, because education is key. We used to say that lentils made people angry because no-one understands what lentils are, and when people do not understand something they get confused and when they get confused they get angry. And there is a perception that they are harder than they are as well. I think the perception of healthy foods as more expensive is certainly powerful. I think we need to target that as much as promoting people to do that, but also the perception of healthy food as being harder than they actually are as well. We focus so much on just getting people to do this action that we want them to do and we do not really look at why they are choosing the actions they are and trying to change those perceptions that drive those actions.

Mr JUSTIN FIELD: Picking up on the fact that, sure, some people consume fresh foods that might be fruits and vegetables, high preparation, versus some of those potentially lower-nutrient, more filling but still considered fresh foods, let us just look at fruits and vegetables. I get the feeling from what you are saying that even if the price of those fell significantly that would not necessarily change people's behaviours to choose the healthier options.

Dr WARDLE: I think price is a very important factor, but it is not the only factor we should focus on. Certainly, when you look at data, price is one of the most dominant choices in deciding to purchase those healthy foods. But the problem is you have got to purchase that healthy food for a whole week or two weeks and, particularly if the supermarket is quite far away, if you do not have a fridge or if you do not have a freezer, that can be quite difficult. So there are all sorts of other factors, not just price, that come into play. But price is certainly a very, very important one and one that has been unequivocally shown to improve healthy food uptake.

The CHAIR: Thank you again for coming in to be our witness, we appreciate that. We will be hearing from the NSW Farmers Association after you, but as you are involved with public health do you have any liaison with the Farmers Association? Do you have a direct link with what is happening? I am just thinking of all the complaints that I am aware of from farmers who feel they are being ripped off by the major supermarket chains—Woolies and Coles and so on—with what they are getting paid compared with what the consumer is paying.

Dr WARDLE: We do not have a direct link as such, but maybe we should talk a little bit more than we do, because we certainly appear to have an alignment of issues that we have identified.

The CHAIR: I was thinking you might be able to assist them in their lobbying.

Dr WARDLE: Yes. Based on what you suggested, I think I will actually be in communication with them about some of these issues. A healthy environment needs healthy social determinants. One of those social determinants is economic sustainability and economic security. In rural areas the agricultural sector is incredibly important in doing that. The feedback we have had is that the current situation is not necessarily conducive to that.

The CHAIR: I was not sure of what the context was in one of your statements that food production is declining. What did you mean by that?

Dr WARDLE: Local food production is declining.

The CHAIR: Is it that food production outside the city is moving further out?

Dr WARDLE: Local in terms of that but also local food production in that there is a lot more imported fruit and vegetable produce, meat produce and dairy produce in the average supermarket now. There is a lot more imported from other States. So local food production has certainly declined. The local food production in terms of the proportion it makes up in someone's diet is definitely declining.

The CHAIR: That would be a serious matter, would it not, from the health point of view of having fresh food?

Dr WARDLE: We think so. We have not gone into it as much as we could have, but that additional distance also requires additional storage. It often requires additional preservatives and other aspects to be used. We know that most of them are safe when used individually. We do not really know the impact of them all used together. That increased transport usually means it is coming from a larger industrial sized farm which usually uses a lot more chemicals and pesticides that again we know are safe by themselves but we do not necessarily know what the additive effect is. There is a cascade of problems that reliance on non-local food production can create.

The CHAIR: Should there be more alternatives where a consumer can buy fresh food? Without knocking Woolworths and Coles, my wife will not buy fruit and vegetables from those shops. She goes to the local market on the weekend. There is a market with about 30 tents or marquees put up in a certain area. I assume that is happening in other suburbs. She feels she gets more confidence that this is quality fresh food. Should that be promoted?

Dr WARDLE: We think it should be promoted and we agree that independent, smaller players have a closer connection with the farmers and usually fresher produce as well. One of our concerns, and we did raise it in our submission, is that often governments and local councils in particular do support this, but they tend to boutique it. So it is a farmers market that is usually offering produce that is very high end and not accessible or affordable to many people. A lot of wet markets are more function over form. They work fantastically. They provide a great service to consumers. They do not look pretty. Sometimes they can be a bit smelly. But we think it is one of the most effective ways of getting fresh fruit, vegetables, meats and dairy produce out to people at an affordable price.

The CHAIR: Do you think that option is increasing for consumers?

Dr WARDLE: We think consumers want it—certainly that is what the research says. Most people are not going to where they are now by choice; they are going there because they are being funnelled or forced into where they are. Where those initiatives are developed they are very popular. We just do not think they are

developed enough. We would certainly encourage the development of that, but also with an eye to not making it boutique but actually affordable and accessible.

The CHAIR: Should the Government be doing more to promote those local farm produce selling points?

Dr WARDLE: My opinion is yes. There is a role that government can do in terms of access to space or certain zoning issues that can be effectively managed. The United States Government is actually doing quite a lot of work with farmers markets and its food stamp program, for example, to make those farmers markets more affordable. That probably offers a good model.

Mr JUSTIN FIELD: I want to clarify something about your response. You are not talking about weekend artisanal farmers markets. You are talking about a permanent, direct grower to consumer space. Did you describe it as a wet market? You are talking about quite a different thing there, are you not?

Dr WARDLE: Yes and no. There are weekend markets that are not necessarily high end markets. When Brisbane City Council developed the West End markets it ensured that it was actually a supply of affordable fruit and vegetable, not high end, so it was a mixture of both. But if you go to the Pyrmont local growers markets the food there is fantastic but it is unaffordable to a lot of people that really need access to better nutritional foods. There is a role for improved weekend markets but also for support for markets that exist more generally. If you look at the United Kingdom, for example, street markets are a phenomenon that occurs there, not during the weekend but during the week, along high streets. That is identified by the governments of London as well as the United Kingdom as an essential way to improve access to healthy foods particularly amongst low socio-economic groups.

The CHAIR: These local markets are very popular. One of the problems I have noticed is the congestion. There are hundreds of cars arriving, often with a mother and children, and there is no staffing or control of the parking. Should councils take some responsibility for that?

Dr WARDLE: Councils should, but going back to that UK example, trying to do everything on the weekend may not be the best way to do it. To create an event where people do not necessarily usually go is probably another issue. Maybe we should consider incorporating some of these markets into spaces where people are already going and that are already accessible to public transport. We allow footpath dining but we do not allow footpath markets, and maybe that is something we should consider as well. In the United Kingdom and the United States that is the model they seem to be moving towards.

The CHAIR: I suppose the big underlying question dealing with fresh food and so on is the price that the farmer gets paid as opposed to the price the companies are selling it for. There seems to be a big gap in that profit sense. Putting it more bluntly—the Committee will be taking evidence from the Farmers Association shortly—the farmers are being ripped off by the big supermarket chains. Would you agree that there is some disparity between what farmers should be getting and what the retailer is charging?

Dr WARDLE: Completely. And it is not just farmers; it is also producers. If you look at the cheese or bread manufacturers, they are being dictated the ingredients that should be in those products by the major retailers to reduce the cost of production. Poorer quality food results from poorer quality ingredients. It is a double whammy where the farmers are getting screwed over because the prices are not actually reflecting the cost of growing and they are being required to reduce the costs of growing which has a negative impact on the nutritional quality of food. I do not see how you could look at the data that exists in what farmers get paid and what gets charged—the differential—and not come to the conclusion that farmers are getting the raw end of the deal on that.

The CHAIR: Thank you again for helping us with your submission and your evidence. The Committee appreciates that. If you have any further information you wish to pass on to the Committee following today's hearing, we may have triggered off some thoughts from the Public Health Association—

Dr WARDLE: Yes. I am going to feed back to my group. We are just happy that the New South Wales Government is looking into this because we have been advocating for more action in this area for some time. We would like to thank the Government for conducting this inquiry.

The CHAIR: Good. We need your assistance.

Dr WARDLE: Thank you. We are happy to provide it. Any questions that you have at all, we would be more than happy to provide assistance.

(The witness withdrew)

ASH SALARDINI, Chief Economist, NSW Farmers Association, affirmed and examined

KATHY RANKIN, Policy Director, Rural Affairs, Business Economics and Trade, NSW Farmers Association, sworn and examined

The CHAIR: Thank you for your attendance and help with our inquiry. The NSW Farmers Association is a key stakeholder in the issue of fresh food because its members grow it. Do either of you wish to make an opening statement?

Ms RANKIN: Yes, a very brief one. Good morning and thank you for the invitation for the NSW Farmers Association to meet with the Committee. NSW Farmers is Australia's largest State farming organisation and represents the diverse agricultural sector of the State. Through our foundation membership of the National Farmers' Federation, we also make significant contributions to the national debate on food security and safety. Farmers are innovative and responsive to finding and developing new market opportunities. Farmers are also price-takers and are significantly impacted by the volatility of the process of trade, often being one, two or three steps removed from the customer. Farmers are therefore challenged to rarely influence the retail price, and yet they are the critical start for the food supply chain.

NSW Farmers is concerned that a range of challenges in accessing markets leads to increased food prices, including: the demand for perfection regardless of taste: an inefficient road and rail transport system that adds cost and time from farm gate to plate; the loss of productive land close to population centres, which leads to increased production and transport costs; and managing cash flow due to the potential for inequitable terms of payment. However, we do believe there are opportunities for improvements, including: supporting the voice of farmers to address the imbalance in terms of trade; significant increases in research capacity through collaboration; the development of food and fibre hubs close to major urban distribution centres; and integrating food and fibre across the school circular from kindergarten to year 12. Thank you.

Mr SALARDINI: I have no opening statement. We are happy to open it up to questions.

The Hon. COURTNEY HOUSSOS: Thank you very much. I want to begin my placing on the record my sincere thanks for your very comprehensive submission—it was excellent. In particular, I the table that provided the different costings for different parts of the State was very informative and useful for us. I also acknowledge the important work that the NSW Farmers Association does and has done for a very long time for the farming communities of New South Wales. I thank you.

Ms RANKIN: Thank you. I will pass that on to our members.

The Hon. COURTNEY HOUSSOS: We only have limited time so I will touch on a couple of key issues. I love the idea of a fresh food precinct at Western Sydney Airport. That is a excellent idea and I love the way you are thinking about the future development for farming in New South Wales. One of the key challenges will be how we ensure that the precinct ensure that farmers get paid a fair price and that our consumers do not lose out by all of the best produce going overseas. I say at the outset, I do not have a problem with our farmers getting the best price if it is going to go overseas, but we want to make sure that our local consumers are also getting good quality produce as well.

Mr SALARDINI: I do not think there is a dichotomy between getting the best prices overseas and domestically. The premiums paid overseas—which are three to four times what are paid in the domestic market—enable this new type of agriculture, which then feeds into the domestic market. Setting up intensive horticulture and vertical, intensive cropping is a very expensive and capital intensive exercise, but it is the only type of agricultural output that can compete in an urban setting. To do that, we need premium prices, and the only way to achieve them is through organic produce or international markets such as Asia and the Middle East. But, once established, the varieties that we are sending to Asia or the Middle East will also be sold domestically. It creates a food precinct that will serve domestic and international markets. It creates the incentive for people to put up a significant amount of capital investment to undertake agriculture in urban areas and increases our productive capacity. I do not think there is a dichotomy and it increases capacity.

The Hon. COURTNEY HOUSSOS: Do you see that the creation of the fresh food precinct could be a way to stop losing so much of our peri-urban areas to farming?

Mr SALARDINI: That is a huge issue. Mick Veitch recently held a round table on urban conflicts with agriculture and residential developments. There is no more land. The supply of land is limited and there is no more land to work with, so all we can do is use that land more productively. We need good planning to see what we can grow in Sydney, what we should grow in Sydney, and how we should grow it. They are the three key questions that we need to ask. Potentially, it is the most high-value and most highly perishable goods that should

be grown in Sydney. How we should grow is not the way we currently grow it in big paddocks with a couple of cows walking around. That is not what we are talking about anymore; we are talking about intensive and highly advanced agriculture that can compete with industrial output. That is the way of the future.

A good example of that is the Netherlands, which is now the second-largest food exporter by value, and is the exact same size as the Sydney catchment area. Only 20 years ago, the Netherland was a net food importer. It has had a strategic imperative of, "twice as much with half the resources." Over the past 20 years, it has created 10,000 hectares of intensive cropping and now has two supply chains—one geared to high-value goods and one geared to commodity goods. High-value goods go to the airport at Schiphol and are shipped around the world while commodity goods go to the Port of Rotterdam and are shipped in the normal manner. That has given the Netherlands food security and food self sufficiency. The export market underpins the capital investment, and then once there is the capacity it services the domestic market as well.

The Hon. MICK VEITCH: A good example of that is Green Camel in Camden. It has horticulture and aquaculture under one roof.

Mr SALARDINI: That is exactly right. Green Camel produces leafy vegetables in an intensive environment—a five to 10 hectare greenhouse—and underneath the greenhouse, it produces approximately 10,000 to 20,000 kilograms of barramundi per year. The poop from the barramundi feeds the vegetables. It is a closed-loop cycle, so it uses a lot less water than normal agriculture. There is the potential to attach renewables and other things to make it self sufficient in energy as well. From a sustainability perspective, it is quite good; from an output perspective it is quite good; and it is certified organic because a closed environment does not need insecticides or pesticides. By its very nature, it can be organic easily. I would urge all of you to have a look at the Green Camel, but it is a small operation. Operations such as Perfection Fresh and Costa Group have a scale five to six times that per operation. Green Camel is a great example because it is a start-up, is in Western Sydney and is organic, but it is a small operation. There are much bigger operations, but given its proximity and where it has come from, I would suggest starting with the Green Camel just to see what it looks like. It does not look like traditional agriculture.

The Hon. COURTNEY HOUSSOS: That is fantastic. In your submission you talked about the vertical integration of food companies within the supply chain. Does that lead to better outcomes for farmers and consumers?

Mr SALARDINI: There are two elements—one is the actual supply chain. High-value, highly perishable goods, by their nature, have to get to market within 24 hours domestically and 48 hours internationally. There needs to be great coordination and having integration in the supply chain is very important. By that what we mean is that as soon as an order comes in, the farmer or produces is made aware of that order, it is shipped—the freight forwarder is intimately involved in the supply chain—it goes onto a palette, is sent to a sorting centre, is consolidated or deconsolidated, and is shipped out to the consumers. That process is very important if you want to target the high-value, high-premium markets. It goes to something that the previous witness was talking about. Highly perishable foods do not have a long shelf life, so the quicker you can get it to the consumer, it makes its ease of use and its affordability better. I do not know about others, but 20 per cent or 30 per cent of the food in my fridge rots and I throw it away.

The Hon. MICK VEITCH: Shame!

Ms RANKIN: Shame. I know, I am a disgrace. Another 30 per cent is thrown away by my kids.

The Hon. COURTNEY HOUSSOS: I feel your pain.

Ms RANKIN: That is unavoidable.

Mr SALARDINI: Maybe I need to be more strict. Before it has got to me, it has sat for a week or two weeks in the supply chain so my shelf life has gone down. I have four to five days to use it before it rots. This creates an opportunity to make food more affordable, not through price but through use.

The Hon. COURTNEY HOUSSOS: I want to ask about one of your recommendations, which talks about an agriculture commissioner. I love that idea. What could they potentially do? Assisting in managing the competition imbalance in trading arrangements is a great idea. Are there models elsewhere or where did this idea come from?

Ms RANKIN: We do not have previous examples of it, but when we were preparing the response we were very conscious of where individual State jurisdictions sit within a national regulation system. The question for us is how do you support the airing of the inequities and also then have an advocate? For example, the horticultural code is a voluntary code. There is a challenge, as the Chair identified previously, between the initial cost for the producer as a raw product going through the supply change. There are lot of players in there who will

take some price out of it as well. If there is not a voice for the producer and quite often their small and medium-sized enterprises then they do not have a voice. Having an advocate that will raise the issues and then perhaps potentially consolidate some of the evidence and the knowledge to be able to bring a stronger case for change is where we were coming from with that.

Mr SALARDINI: One of the key issues is that the Australian Competition and Consumer Commission [ACCC] has set up a consultative committee, but what people fail to realise about competition policy is that it is about competition, it is not about fairness or ethics. The example I will give is the dairy industry. If a retailer or a processor decides to take 99 per cent of the farmer's margin and gives 1 per cent to the consumer, that is a good consumer and competition outcome. However, is that good for the farmer? Probably not. Is it good for the long-term sustainability of the sector? Probably not. There are international examples that over the long term it has created shortages. In the United Kingdom, there was a period when retail prices were ratcheted down so much that finally dairy processors and dairy farmers left the market. There was a shortage of fresh milk for months and they had to quickly figure out how to source the fresh milk. Competition policy is not very good at dealing with the long term and it is not very good at dealing with fairness. In fact fairness is not a principle within competition policy.

The Hon. COURTNEY HOUSSOS: You have made an excellent point, which is that competition in itself cannot always be seen as the best outcome. Sometimes we might need to step in with regulation in order to allow, in this instance, farmers to give them some more bargaining power in the negotiations. Obviously that came out of the Productivity Commission. I know you reference in your submission the regulation of Australian agriculture in which the National Farmers' Federation talked about that lack of bargaining power. It was in your submission as well. I am interested in finding a way so that we can give farmers more of a voice and more bargaining power in that conversation such as having a minimum set of commercial standards and allowing that commissioner to be the advocate and enforcer of those minimum conditions. Would you support something like that? I am happy if you want to take that on notice.

Ms RANKIN: In principle, yes. It is really about helping farmers to understand what their roles and responsibilities are and so what, therefore, the opportunities are in respect of terms of trade. One thing that is quite challenging is that when farmers produce fresh produce, it has to be sold. It is either take it home and have it spoil or sell it at whatever is being offered. There has to be movement in the market. There has to be free decisions about the prices, but if the farmers do not have a strong advocate, do not have a strong voice to ensure a consistent standard, that puts them—well, it will put them out of the market.

Mr SALARDINI: One example that came out of the ACCC dairy inquiry was that terms and conditions in the contracts between the processor and the farmer. I have worked in the financial sector as well. Some of the terms and conditions were more complex than for highly complex financial derivatives. You are expecting a farmer to be able to compare where there is more than one processor. In many cases, the processor is a geographical monopoly. Supposing they are lucky and are in an area where they have two or three processors, trying to find out what the difference between those terms and conditions are and which one is better for them was so complex that, in the end, they were not making informed decisions, and rightfully so because it was too complex. There could be a role for the advocate to advocate for standard contracts, or best practice contracts, or a standing offer, much like the energy markets. The energy markets have a standing offer in the market and all terms and conditions are the same. Then processors might be able to offer other conditions. At least then they can compare—pardon the pun—apples with apples as opposed to apples with oranges.

The Hon. COURTNEY HOUSSOS: And that is the situation when increased competition does not necessarily result in the best outcomes. I might put more questions on notice.

Mr SALARDINI: Sure.

The Hon. RICK COLLESS: Ms Rankin and Mr Salardini, the previous witness was asked about the issue of price fixing and price gauging by the major supermarkets. What is your view on that as an issue for the farming community?

Mr SALARDINI: Price gauging or unfairness in the supply chain is a big issue in the supply chains for agricultural products. Unfortunately, the ACCC seems reticent to look at the retail sector. I will keep focusing on the dairy inquiry because that was the latest one by the ACCC. Despite the fact that margins have been eroded by one dollar a litre milk, and despite the fact that that was only introduced as a lost litre, it was not there to help the consumer; it was there to draw in the consumer and then up the margin with other products. In the end one dollar a litre milk does not benefit the consumer. They make the margins off the Tim Tams, the Coke, so the basket of goods that the consumer gets at the end is no cheaper than before one dollar a litre milk. Despite all that, the ACCC did not look into retailer behaviour and, in fact, suggested that it is completely consistent with competition

and consumer laws. They focused on the processor and, again, we have highlighted some of the issues around the processor, but no-one is actively keeping retailers honest. That is a huge issue.

The Hon. RICK COLLESS: But the price of milk to the producer did go down as a result of that, did it not?

Mr SALARDINI: It is a complex issue. We have had a long conversation with the ACCC as to whether or not this happens. They would suggest that, in fact, the retailers are taking a hit on the margin with one dollar a litre milk and farmers are no better or worse off as a result. When you see where prices are going, that is clearly not the case. In the end, there is surplus when you have a transaction and if you reduce that surplus someone has got to lose. If you look at the profits of all the major supermarkets, they are looking quite healthy. If you look at the profits of farmers, they are not looking so healthy.

The Hon. RICK COLLESS: How do we fix that imbalance?

Mr SALARDINI: The competition and consumer law does not look at fairness in the supply chain. One of the things that we have been considering is looking at corporate social responsibility, not as a requirement but voluntarily as signatory-type mandates. The likes of Coles and Woolworths love to have on their advertising a farmer smelling a tomato or an orange and saying how great they are for regional communities of farmers. We say, if that is the case, here is a set of principles that you need to abide by. Some of those principles would be around fairness and ethical treatment of their own supply chain, signing up to that and keeping them accountable to those standards. In the next 12 months or so we will be working on that. At a grander scale, I dare say we need reform of competition law to keep them to account, because if you gouge the farmer 99 per cent and 1 per cent goes to the consumer, that is a good consumer outcome and therefore does not contravene the competition law.

The Hon. MICK VEITCH: But that is not a good long-term outcome.

Mr SALARDINI: Not at all; it is not sustainable. Every now and then you see a supply shock. In Britain there was a period in the late 2000s when there was a shortage of fresh milk because of 20p milk. Over three or four years people said it was good for the farmer, and finally farmers started leaving of the land. The problem with dairy farming, particularly, is that once you leave the land, it is very hard to come back. There are a lot of capital costs, and once you leave someone will convert it to another use without spending $2 million or $3 million to bring the farm back up to scratch to feed into a dollar a litre milk market.

The Hon. RICK COLLESS: How it works depends a lot on the individual commodity. In the case of Woolies and Coles buying their meat, very often they are competing in the saleyards with other buyers. I do not think this applies so much to the livestock producers, but it does apply to the vegetable and horticultural produces. Before politics I had lots of clients in both industries, and I heard lots of stories about the bullying tactics of Woolworths and Coles when it came to buying pumpkins, peaches or whatever the commodity might be.

The Hon. MICK VEITCH: Cherries.

The Hon. RICK COLLESS: Yes, all sorts of commodities. Supermarkets say, "This is the price we're offering, take it or leave it". They virtually lock producer into taking a price that, in some cases, is below the cost of production.

Mr SALARDINI: Implicitly, you have highlighted the variable, which is perishability. More or less all agricultural goods are price-takers, but the more perishable goods are more at the behest of whatever price you are offered. What is the shelf life of cherries? Will you haggle for 20 or 30 per cent more when most of your stock will rot? No. Grain can be stored while waiting for prices to change, so you have more bargaining power. Similarly with beef, storage can extend the life of the commodity, so you have more bargaining power. The guys at the behest of the supermarkets and processors and other middlemen are essentially the ones with highly perishable goods, which are horticulture and dairy—particularly dairy because you cannot reduce your supply. Cows need to be milked every day and that milk has to go somewhere; it has a very short shelf life. Those farmers are the most exposed to sharp practices, perhaps, by retailers and processes.

Ms RANKIN: As a consequence of that, it affects what the consumer assumes is a fair price for the product. Earlier there was discussion about the growers markets, and they are terribly important things to have locally. But often they are a lifestyle choice rather than a necessity choice, and so consumers go to supermarkets expecting a lower price for their food and produce without understanding the total cost that goes into producing a lovely red apple for the market.

The Hon. RICK COLLESS: With the previous witness I raised the issue of a United States study that looked at how far the average meal travels before it ends up on a plate. In America an average meal moves 1,000 miles before it ends up on someone's plate.

The Hon. MICK VEITCH: What is a mile?

The Hon. RICK COLLESS: Yes, that is a good question, but it is still used in America.

Ms RANKIN: That is right. One of the things that we are conscious of is that as the urban footprint spreads, the arable land is being lost and farmers are being moved further out. There are transport costs and there are environmental changes as well. From the moist Sydney basin you go over the Blue Mountains and you are looking at a totally different way of having to produce. We find that as farm production moves further west, north and south, the costs of transport are greater and therefore decisions about when to harvest come earlier so that there is time for the product to ripen and be ready for market. Those are the things that the farmers are doing additional to having to bear the costs of irrigation and other supplies that often come from a central point. It is not just about the cost of the transport of a product to the market but how the farmers get the precursors for production out to the farm.

The Hon. RICK COLLESS: That leads nicely to my next question, which is about transport issues from the west, in particular. Obviously, road and rail freight is a major issue for government, especially freight coming in from the Central West of New South Wales. As the Western Sydney precinct becomes more urbanised, there will be a lot more opportunities for farmers in the west to provide Western Sydney with fresh fruit and vegetables quickly and efficiently. Is there a difference between the cost of transport from the north and south, where the corridors are more open, compared to transport over a similar difference from the west?

Mr SALARDINI: There definitely is a significant difference, and it is mainly because you cannot use higher productivity vehicles east-west. That is a massive impediment to the agricultural industry. The Central West region is very productive land from an agricultural perspective, and that is already putting them at a disadvantage. The journey time is another big issue, particularly if we look at new markets for fresh food and highly perishable foods. The average journey might take anywhere from four to six hours, or even more depending on the timing of the journey and whether there are breakdowns or roadworks. Would we expect to have a mining industry if the Pilbara was accessed by a one-lane highway weaving through a hill? Probably not. That is, in fact, what agriculture has to contend with east-west.

There are three transport corridors going over the Great Dividing Range. There is a rail network, there is Bells Line of Road and there is the Great Western Highway. None of them has been optimised for freight, and that is a key issue. We should stop looking backwards and seeing solutions from 10 or 20 years ago. Autonomous vehicles are coming on board and new technologies are on foot. Let us look at those and make a commitment to a sub-three-hour journey between the Central West and Parramatta, and see how we can get there, as opposed to having debates about lines on maps and where an expressway should or should not go. The commitment we are looking for from government is a sub-three-hour journey from the Central West to Sydney, and that would be a game-changer not just for agriculture but for food manufacturing, other manufacturing and the economic development of the Central West.

The Hon. RICK COLLESS: You raise a very good point. My ancestors started a carting business between Emu Plains and Bathurst soon after the Great Western Highway was opened—I think it was called the Great Western Road in those days. They used bullock drays and those sorts of things, and there is a bridge on Victoria Pass called Mitchell's Bridge, which opened up that road. My ancestors took bullock drays up and down that mountain. That bridge is still being used for B-doubles and so on. It shows the lack of long-term planning over the last 100 years, basically, and why those roads are still being used.

Mr JUSTIN FIELD: I go straight to that point. Does it frustrate farmers that government seems willing to put money into transport infrastructure, rail and port for the coal and gas mining industry, whereas farmers seem to be screaming out for access to transport infrastructure?

Mr SALARDINI: I do not think it is a dichotomy. I would not say we were agnostic to what happens with mining, but agriculture does not get the investment. A lot of it is because of the supposed cost-benefit exercise that Treasury does. Treasury says that in regional areas any investment does not stack up from a cost-benefit perspective. The reason for this is that the economics of pretty much every road you see and every rail network is based on passenger numbers. Then freight has the benefit of that road. In regional areas you do not get the benefit of the passenger. One of the issues with how Treasury calculates this is that it does not understand the value of freight and freight movements and what it can do to the end prices as well. I am not making a dichotomy between mining and agriculture.

Mr JUSTIN FIELD: Sure.

Ms RANKIN: Often to compare the farming community and the mining community is a little difficult. Quite often the mining sector is further out and often puts in its own infrastructure to allow the transport of those goods. We find that there is complexity between State government, Federal government and local government

responsibilities around roads. The ability of high productivity vehicles is often challenged by decisions made at local government levels around whether the road is suitable to carry those vehicles.

Often local governments may apply caveats that say that the heavy vehicle cannot travel a full length of road when there is only one thing—such as a bridge—that is causing the change, and there may be some diversions that are available from there. We are interested in a little bit more detailed study of where the pinch points are on those roads and does it mean that the whole road needs to be challenged in terms of allowing high-productivity vehicles onto them or is it just about a certain area and how that can be repaired. I do not think that they do a lot of comparisons to farmers. I think they are more interested in saying, "I've got the produce. I've got to get it to market. How do I do it the best way and the most economical way for me and the producers—the farmers?"

Mr JUSTIN FIELD: The example you gave of the Green Camel seems like a good one. Obviously someone has made a decision to put that there. What are the gaps that exist to seeing an increase in that more intensive, high-value, more modern agricultural technologies in the Sydney basin? Is it planning? Is it access to export facilities for the top-end stuff? What are the key drivers? Some people are choosing to do it; how do we do more of that?

Mr SALARDINI: You have basically answered your own question but we will expand on that a little bit. The dirty words seem to be "planning" and "government intervention". That is a key thing, particularly around the Western Sydney Airport, to making the fresh food precinct happen. We met with the Greater Sydney Commission to say, "There is an opportunity." We have spoken to some of the large intensive horticultural companies. I am paraphrasing, but what they say is, "We are going to provide the infrastructure, and that is our subsidy to industry. You go and do the rest."

Firstly, that assumption is wrong, because that is a subsidy to the landowner. All the commission has done is to make it more expensive for industry to get a foothold in that area. The second issue is that markets do not always decide it. That is why we have a department of planning. Planning is a government intervention. So we need some government intervention to make this work, because in the end not many industrial processes can compete with the up-lift of prices that residential properties can make. So if we did not have planning all we would have would be residential apartments everywhere. So the first point to make is that we need planning to set aside industrial and agricultural lands to make them viable, or else everything will be apartments, basically.

The next issue is around the transport linkages. It is all well and good to have a fresh food precinct but it needs to be next to the airport because it is a physical trade. At the moment we have a research hub and an aerospace hub. These are not physical trades; these are intellectual endeavours. Yet for some reason everyone has decided that these need to be right next to the airport. Food needs to be next to the airport because you have to ship the food overseas on planes. So the next point is that we need some access to the airport. The final point is that we have to have access to other food producing areas. Not everything can be grown in the Sydney basin. So there needs to be certainty that there are transport and infrastructure linkages to places like the Central West or wherever else our non-perishable foods are made so that we can get—

The Hon. RICK COLLESS: Inland rail.

Mr SALARDINI: Inland rail is another great one. That gives you access to Brisbane and Melbourne ports but does not do much for the Sydney port.

The Hon. RICK COLLESS: Exactly right.

Mr SALARDINI: If we had better connections to the Sydney port, farmers would all of a sudden have three ports to look at in order to gain better prices. They could say, "I don't like what is going on with my freight and logistics to Sydney; I will ship it to Brisbane," or "Your prices just went up; I will ship it down to Melbourne." Inland rail is great but it only gives us access to two ports. We need access to the Sydney port and airports as well.

Mr JUSTIN FIELD: Does the association have a view on how it thinks climate change will impact on the production, availability and price of fresh foods grown in New South Wales? What is your view about the level of planning that is going on to prepare for climate disruption?

Mr SALARDINI: It is a little bit out of my jurisdiction?

Ms RANKIN: It is actually a little bit out of my jurisdiction as well. However, we are very supportive of the things that the Government has in place around the Farm Innovation Fund that helps farmers to adapt to changing climate conditions. We live in an arid country and the farmers who are moving forward are recognising that there are changing environments within yearly cycles. So they are preparing and planning for them. We know the importance of access to water and feed in order to continue with fresh food production. Our farmers are more interested in how they organise themselves in order to make sure that they respond to the circular nature of climatic conditions.

Mr SALARDINI: The other point to make is that there may be a mistaken view that farmers somehow do not see this as an issue. The example I give is that our membership supported the clean energy target that the Finkel review put up, and also the National Energy Guarantee right now, which looks at emissions in the electricity sector. It is not a fact that farmers do not see climate as an issue and the need to tackle it. How we tackle it and how it impacts the farm is probably the big issue. We can take that question on notice and talk to our environment director to give you more information.

Mr JUSTIN FIELD: Thank you.

The CHAIR: You have already given us some background to your proposal for a fresh food precinct at the Western Sydney airport development. You said it should be properly funded. Do you have any ideas about who should fund that?

Mr SALARDINI: It should be a private endeavour. I will not name names, but there are a couple of big horticultural companies who are already interested in it. The funding that is required is around the planning exercise and the stakeholder engagement exercise. So you need to go out and talk to the businesses and investors to say, "This is an opportunity." The funding that we had in our proposal was a $5 million investor-ready prospectus. It is not a big amount of money. On the whole it would be dictated by the private sector. The Government needs to put up a little bit of money just to get the stakeholders into the room and work with them to see what they need and what they want from the precinct. So it is not a huge amount of money. The precinct itself will be privately run and paid for.

The CHAIR: Has there been any thought given to where the precinct should be? In other words, the plans have already been released but is there a precinct in it? I assume there is not one.

Mr SALARDINI: Not specifically, but it could go anywhere where there is industrial zoning. There is some planning within the boundaries of the airport around customs, cold store chains and biosecurity. From a Federal government perspective, they are making provisions for it in terms of the freight and logistics once you pass the airport gate. On the other side of the gate there are a lot of private land owners. So there will have to be negotiation with private land owners to see where it can go. Some of it will have to be quite close to the airport—particularly the processing and the packing, but some of the intensive horticultural stuff just needs to be within one to two hours of the airport.

That opens up thousands upon thousands of hectares of land that could be suitable. While I said that it needs to be close to the airport, those are the distances I am talking about. It is not as limited as it may seem. If you go out to Badgerys Creek and drive around the airport you will see that there is a lot of land there. I do not think that the availability of land will be a critical issue.

The CHAIR: In your submission you recommend the appointment of an agricultural commissioner. It sounds a bit like the Soviet Union.

Ms RANKIN: No, that actually refers to our earlier discussion about helping farmers to have an advocate to support them about the potential imbalance between the large retail chains and then operating as small- to medium-enterprises, and the challenges that they have in getting equity in terms of pricing and fair return for their activities. It is really about collecting, identifying and then advocating within both a State and a Federal jurisdiction the responsibilities about supply chain and fair pricing.

The CHAIR: Another one of your recommendations was to maintain high visibility across the school curriculum of food and fibre.

Ms RANKIN: Yes.

The CHAIR: Are you having much success? There has been a lot of television reports about what is happening in some schools.

Ms RANKIN: One of the challenges is that the curriculum has a great deal of opportunity for student experience in a whole range of different ways. I have to admit to being an ex-schoolteacher. When I was teaching there was very much a specific profile on home economics, cookery and those sorts of things. We have lost that to a great extent within the school environment. There is a great opportunity, we think, to be able to build within the curriculum examples or resources that support people to understand where food and fibre comes from. Quite often we are losing that connect. As primary production moves away from the city young people, children and families are losing that understanding of where food comes from and so bring it back into a school environment where there can be discussions about the role of food and fibre across all areas of the curriculum. It could be within a mathematics or English curriculum.

Those sorts of things raises the visibility of animals, horticulture, grain growing which are vitally important to being able to make decisions about food. We know that in primary schools, early childhood education, there is an increasing focus on growing; schools having their own gardens and helping children to understand how they interact with the soil. That is a good lead in to helping to connect with the supermarket shopper. But there is an opportunity, we think, for it to be more visible and higher profile across the curriculum.

The CHAIR: You have to make sure that school canteens are on side.

Ms RANKIN: Yes.

The CHAIR: There has been debate that the school may promote good food to children but the canteen is not providing it. It has junk food.

Ms RANKIN: A lot of this relates to behaviour, attitudinal and cultural input. I think that they are terribly important in both engaging the teacher, the student and the parents, or the carers of the people, in terms of being able to understand where and how food comes from, and its contribution to the diet.

The Hon. COURTNEY HOUSSOS: You talked about the increase in early childhood education about growing food, and schools having their own gardens. Should that be reflected in the school curriculum as well?

Ms RANKIN: I would like to see more opportunity for curriculum resources and connected to what is already identified in there. If you are going to do an essay about transport, for example, look at where food comes from, and do those sorts of things. If you are going to do work in this area, go for an excursion to the supermarket, and look at the prices and compare prices in a lot of different ways. So normalise the activity of engaging with fresh food as part of the learning environment.

Mr SALARDINI: We have done that exact exercise with university students. So one of the issues we saw was, for various reasons, get exposure to the agricultural industry. The university students, whether they are doing law, economics or science were not exposed to opportunity within the farming and agricultural sector so we actually took problems within agriculture and made case studies and assignments out of them for university students. Firstly the results we got back were very interesting and very informative for us but also gave them an understanding of how agriculture works and also, potentially, that there are opportunities within agriculture, even if you are a professional or a scientist or a lawyer or an economist.

The CHAIR: The Committee has resolved that answers to questions taken on notice are to be returned within 21 days.

(The witnesses withdrew)

(Short adjournment)

MELANIE FERNANDEZ, Deputy Chief Executive Officer, NSW Council of Social Service, affirmed and examined

CLARE HUGHES, Nutrition Program Manager, Cancer Council of NSW, affirmed and examined

JANE DIBBS, Senior Nutrition Project Officer, Cancer Council NSW, affirmed and examined

The CHAIR: Would any or all of you like to make an opening statement?

Ms FERNANDEZ: I thank the Committee for the opportunity to appear today. The NSW Council of Social Service [NCOSS], as the peak body for social and community services, works with vulnerable communities right across the State, and particularly with people experiencing, and at risk of, poverty and disadvantage. We have approached this issue with an equity lens in hearing from vulnerable people about how they and their families will be impacted by the current price of food and also some measures that could be targeted to really assist vulnerable families. We travel right across New South Wales to consult directly with communities about what the key issues are for them, what the challenges are that they face and what some of the solutions are that they see that would make a real difference to their communities.

Consistently over the past three years when we have undertaken this process the cost of living has come up as one of the key challenges, particularly in the context of healthy eating and the affordability of healthy food. What we hear is that healthy living and access to healthy food is very important for these families but it is often precluded from them because of its affordability and accessibility. We hear this in regional and remote communities, particularly in western New South Wales. When we go out into those areas that is where we hear it in particular, but also in northern and southern New South Wales as well.

From the NCOSS Cost of Living Report of June 2015 we know that 44 per cent of New South Wales households on low to middle incomes were concerned about the cost of healthy eating and the ability for them to put fresh food on the table. We know that people living with disadvantage are more likely to be impacted by these issues. These issues have huge flow-on impacts on their day-to-day lives and also on their opportunities, and the opportunities of their children, in life around health, wellbeing, access to education and access to employment for later on in life. NCOSS is currently developing our 2018 cost of living report, which will focus on food security and healthy eating in particular. That will be released in July but we do have some preliminary findings from that survey. More than 400 low-income households were surveyed and, fairly shockingly, one in 10, or 12 per cent of respondents, indicated that they do not have enough food or cannot afford to buy it at least once a week. Almost three-quarters, or 75 per cent of respondents, indicated that they would consume more healthy food if it was cheaper and almost half, or 45 per cent of respondents, would consume more healthy food if the range and quality were better where they lived—in their communities.

We know that one in five children in New South Wales is overweight and obese and that this is disproportionately impacting on vulnerable children and children in disadvantaged families—this is really an area where we want to see some systemic change. We hear from communities about great programs working in schools in particular regional communities, but we hear also that there is a need for a whole-of-government approach that looks at: What are the government mechanisms that can tackle this? An holistic approach focused on planning and regulatory mechanisms, a systemic approach across healthy eating programs in schools and some greater investment in tackling childhood obesity. Those are the key things that we hear from our community.

The CHAIR: Did that survey cover the metropolitan area as well? Where were the people from who took part in the survey that you mentioned?

Ms FERNANDEZ: It is based across New South Wales. It is 400 families who are living on low incomes or who have been identified as living below the poverty line. We ensure that the data is reflective not only across geographical regions but also across different demographics. So ensuring that there are representatives to reflect the population.

Ms HUGHES: The Cancer Council of NSW thanks the Committee members for the opportunity to appear today. Our organisation and the community we represent are interested in cancer control, in particular cancer prevention. In cancer prevention our role is to promote healthy lifestyles, in particular to increase consumption of fresh foods in line with the Australian Dietary Guidelines, with a specific focus on fruits and vegetables. We know that if all Australians were able to choose a diet consistent with the Australian Dietary Guidelines then cancer rates would be reduced significantly. Recent evidence from the World Cancer Research Fund confirms that being overweight or obese is associated with 12 different types of cancers. We know that in Australia almost 4,000 cases each year could be prevented if people achieved a healthy weight. We also know

more than 4,000 cancer cases could be prevented each year if people ate the recommended amount of fruits, vegetables and fibre.

Currently in New South Wales 54 per cent of adults and—as Ms Fernandez has already outlined—21 per cent of children are overweight or obese. Alarmingly, 93 per cent of both children and adults do not eat enough vegetables, and more than one-third of children and half of adults do not eat enough fruit. We also know that the cost of both healthy and unhealthy foods can influence the food choices that people make and that people in lower socioeconomic groups and those living in more remote areas face the greatest challenges when it comes to accessing healthy and affordable food. Our research on the cost of fruits and vegetables across New South Wales and also the barriers to consumption highlight this as well. So at a time when the New South Wales Government has a commitment to reducing childhood obesity, and is investing in a range of programs and campaigns to promote healthy choices, this investment could be further strengthened if the New South Wales community had access to a wide variety of affordable, good quality, healthy, fresh food.

As outlined in our submission, we are asking the Committee to consider regular monitoring of food pricing in New South Wales; measuring the prevalence of food insecurity beyond whether people have enough money to afford healthy food; creating a New South Wales food system that allows easy access to a wide variety of affordable and good-quality fresh food regardless of where people live; supporting the development of a national nutrition policy to provide an overarching framework that would help to ensure the availability of a wide variety health and affordable food; investigating the impact of price promotions on discretionary foods in supermarkets and the impact that has on food choices; recommending that children in New South Wales are protected from unhealthy food and drink marketing in settings where the State Government has control; advocate at the Council of Australian Governments for the development of a comprehensive regulatory approach for the protection of children from unhealthy food marketing; ensure that the GST exemption for fresh food remains; look for opportunities for governments to subsidise healthy fresh foods, particularly in remote areas; introducing higher taxes on energy-dense but nutrient-poor foods such as sugar sweetened beverages; and, finally, increase investment in public education and mass media campaigns to address overweight and obesity and support the people of New South Wales to make healthy food choices.

The CHAIR: Thank you. We will move on to questions from the Opposition.

The Hon. COURTNEY HOUSSOS: I would like to begin by thanking both of you very much for your opening statements, in particular the Cancer Council for its submission. I do not know if you were here for my glowing words for the New South Wales Farmers Association, but I would absolutely apply them to the Cancer Council for its submission, which is really concise and really covers the issues that the Committee is trying to get to the bottom of. I look forward to hearing more from the NSW Council of Social Service, whose submission is very relevant to our inquiry. Thank you for your time.

I have to say, from reading the Cancer Council submission, the figures about the numbers of cancers that are attributed to being overweight and obese and that are directly preventable really highlights the importance of the work that we are doing in this inquiry. With that in mind, we started talking a little bit this morning about the way in which a State Government can be influencing change and the way that, through educating our children in school programs, they can be agents of change within their own families. That is something that we can be looking at as an inquiry. With that in mind, do you have any thoughts around the use of breakfast programs or lunchbox top-up programs? I know other countries provide school lunches, which is a way of ensuring that kids understand that what you put into your body is such an important part of life.

Ms HUGHES: I think the school setting is an important setting for helping families and children in particular to meet their dietary needs. When it comes to government interventions, they need to be across the spectrum from the education components and a settings-based approach, such as school programs and breakfast programs. Crunch&Sip is one that is in operation and that we know. That is one area where we believe there have been conversations about how schools can have access to fresh fruit and vegetables to ensure that every child can participate in Crunch&Sip. But, obviously, we think there is an important role for government across the whole of the food environment in influencing how people can access healthy foods, particularly fruits and vegetables. We would certainly recognise the important role that school-based programs play in improving information, but it is also the access and helping people to improve their diets where government has a range of responsibilities.

Ms FERNANDEZ: I would add to that that that what we hear from communities is that often there are really great breakfast programs working in schools. I think it is a positive step to ensure particularly that those vulnerable children can get good education and learning outcomes because we know that if you are going to school on an empty stomach, those young people and children cannot focus. But what we do hear is often that is very reliant on particular communities or particular volunteers in that program, or a particular principal implementing

it. It is a bit piecemeal. What we would really encourage is that systematic approach, whether that is through the State Government looking at how that could be rolled out more broadly or making curriculum change.

Those sorts of things are the high-level mechanisms that we probably want to see, but ensuring that at a State Government level there is resourcing around those programs more broadly. In looking at the criteria for those programs, it should not be just about the supply but also the educative aspects. We have heard about really successful programs being the ones that also educate and bring in parents and involve them in the delivery of those programs so that there is cultural change as well as just providing the resources and food for those young people at that time.

The Hon. COURTNEY HOUSSOS: That was one of the really interesting things that I got out of the P and C submission. Lunch programs in other countries are not necessarily just about the provision of food but about what that is teaching the children. I know that has been well canvassed in the mass media around the value of serving each other and coming together and eating, et cetera. My initial question touched on a range of things. Can I just under pick the breakfast program topic a little bit more? Ms Fernandez spoke about it being a piecemeal approach and that it is very dependent upon whether a charity will provide it, or a principal will drive it. We know that that is actually a key indicator to the way that children will perform at school. Do you want to talk a little bit more about where you can see them working well?

Ms FERNANDEZ: There are really good programs. Foodbank delivers a great program around their breakfast programs that they deliver. That is particularly focused on vulnerable cohorts and some of those lower socio-economic schools concentrated in lower socio-economic areas. They deliver a good program. We hear particularly in some of the regions about community-driven programs that are getting outcomes. I know that we heard in Lismore about the Red Cross in the northern rivers and the great outcomes that their program was delivering around education and healthy eating. It is not just a breakfast program but more of an education program in that school. Often it is just a community collective or local volunteers that are not even associated with an organisation that are driving those sorts of programs, which is a great wraparound program and good outcomes for those children who are engaging in it.

But the concern that we hold is that often that model could be transplanted and replicated, but there needs to be some backbone resourcing around that and ensuring that there is real government commitment and investment to ensure that those programs can roll out more broadly. I think also there are clear criteria around what they should look like, so we should learn from the good programs that we see in some of those regional communities and scaling those up.

Ms HUGHES: I add to that an issue that is very close to our hearts at the moment. You will have noted in our submission that we refer to the Eat It To Beat It program whereby the Cancer Council was promoting fruit and vegetable consumption to parents of primary school-age children. That was a pilot program that started out in the Hunter region in 2008. Since we provided our submission, unfortunately the Cancer Council has had to make some tough organisational decisions. As a result of some organisational changes, we have had to discontinue that particular program. Obviously, the fact that we had to make a call about something we felt quite passionately about is really disappointing for us—that we cannot continue to provide that service to the community. We are influenced by the economic and the income that we have from our donations being 97 per cent community funded. I am sorry if that is a bit close to the bone at the moment for us, but it is obviously a very recent decision.

The Hon. COURTNEY HOUSSOS: Obviously it is one that will have huge effects for those children in that particular area who were benefiting from that.

Ms HUGHES: We had actually rolled out across the State. It was something that we were offering statewide. It was largely volunteer-driven as far as the information sessions were concerned, but we did actually have to put in quite a bit of resources and staffing to make sure that those volunteers were supported across the region. The point I am making is that it is a perfect example of what Ms Fernandez was outlining—that is, relying on charities and community organisations means that these programs are really vulnerable.

The Hon. COURTNEY HOUSSOS: Was there any Government support for what you are doing?

Ms HUGHES: Not across the board. We had, at various times throughout the 10 years of the program, some Commonwealth grants and State Government grants for evaluation. Also two of the local health districts in Western Sydney supported our delivery in that region for that period. But there certainly was not ongoing funding from either Commonwealth or State governments to deliver that program.

Ms FERNANDEZ: I would like to add that some of the programs that we see, which are not specifically breakfast programs but healthy eating or supporting around cost of living in terms of food delivery, are really useful in various communities across the State where there are food basket programs and other mechanisms like that to help with the cost of living to provide to vulnerable families who cannot afford food week to week. Some

Aboriginal community-controlled organisations are doing great work in that space. For example, the Tharawal Aboriginal Medical Service in Campbelltown provides fresh food and vegetables at a reduced cost and makes that much more affordable to families. But again, we need to couch this in saying that that is a great response to ensure that families that cannot afford food week to week keep getting what they need, but we need to tackle the rising cost of living and unaffordability with mechanisms that make a real change and with the government machinery that we can put in place.

The Hon. COURTNEY HOUSSOS: One compelling thing that we heard from the Public Health Association this morning was that food is often the only discretionary part of a budget that can be cut at a time of financial distress. So it is not necessarily that food is increasing in cost, but that other pressures are also causing people to be under stress. My last question is to NCOSS. In your research have you started any kind of mapping of food deserts? Would you provide the Committee with any pointers if we were to start doing it at a governmental level?

Ms FERNANDEZ: In our submission we have some indication of existing food desert mapping and some data that is available. Similar to the Cancer Council submission, I think there is a real concern about the data that is available. There needs to be more investment in sourcing proper data to map those food deserts accurately. What we hear and are seeing from the data that we are getting back—and it is still early stages—is that particularly in our regional and remote communities, the access to healthy food and affordable healthy food is a real concern. As I mentioned earlier, western New South Wales is a particular area, and we know that when we are out in communities like Broken Hill or Wilcannia, which is a couple of hours outside of Broken Hill and is a disadvantaged Aboriginal community that is quite remote, the affordability of healthy food options is just not a viable option there.

People are having to travel distances to access healthy food which has not been accessible to them. We hear in those areas and some other areas where there is concentration of low socio-economic families—such as Western Sydney—about the prevalence of unhealthy food options that are cheap, affordable and accessible where healthier food options may be less available and more out of reach. Those are the particular areas that we are hearing feedback about.

The Hon. TAYLOR MARTIN: I refer to the NCOSS submission. Recommendation 1 says:

> The NSW Government should eliminate unhealthy marketing in spaces it owns or leases and take action to remove unhealthy food marketing, promotion and sponsorship of all children's sport.

Can you give more information on how what is or is not unhealthy food marketing might be determined? Does NCOSS have a view on how that would be determined and where the line would be drawn?

Ms FERNANDEZ: Looking at some clear data and mechanisms from experts that are beyond NCOSS about healthy and unhealthy food options, a lot is available out there to classify other nutritional recommendations, and what we want to encourage families—in particular, children and young people—to be eating. We would want to see those sorts of mechanisms put in place to ensure that those healthier options are put in front of vulnerable children and families. We were out in Wagga Wagga a couple of weeks ago. They were talking about a local sporting team that is sponsored by the local McDonald's. The player of the match gets a voucher to go to McDonald's after the match. That is a reward for performing in the sport. There are some mechanisms where government regulation could be used and the Office of Sport could develop some healthy sponsorship criteria to ensure that, particularly in those spaces, there is an engagement with healthy alternatives and that there is not a promotion of unhealthy eating in connection to food that falls well below the standards that we would want to see.

The Hon. TAYLOR MARTIN: Can I ask about the Eat It To Beat It program? Can you give the Committee an overview as to how that began and what its outcomes are?

Ms HUGHES: The Eat It To Beat It program was borne out of a piece of work that Cancer Council initiated when we first decided that it was important. The evidence was growing around the impact of healthy eating on cancer prevention. What we saw there was the role of plant-based foods not only for cancer prevention but also as indicators of a healthy diet. Often, people who were not eating enough fruits and vegetables did not have a healthy diet, and vice versa. The more fruits and vegetables you eat, the healthier your diet. It helps with weight management as well. We also looked at the current climate as far as other things that were happening in the State. There was, and still is, a government education in school—what is now called Live Life Well @ School—that targets children in a school setting.

We recognised that the parents were a gap when it came to those healthy eating programs. We focused on improving family fruit and vegetable consumption by helping parents to increase their own and their family's by understanding not just why it is important to eat more fruit and vegetables but also how much we should be eating. People do not understand what they should be consuming and many people think that they are consuming

enough. We also tried to address some barriers to healthy eating: one being cost and how you could include more fruits and vegetables in a more economic way, and also dealing with fussy eating. That was something that we piloted in the Hunter region. We had a randomised controlled trial that demonstrated that it was successful in increasing family fruit and vegetable consumption.

The Hon. TAYLOR MARTIN: Why was the Hunter was chosen?

Ms HUGHES: That is a good question. I need to rack my brains.

The Hon. TAYLOR MARTIN: Did it initiate from the Hunter?

Ms HUGHES: No, it did not initiate from the Hunter. It was determined that we needed a pilot site that was not Sydney based—it was probably the Hunter or the Illawarra. At that stage, what is now the Live Life Well @ School program was not widespread and it was also being piloted up there, so they would be complementing each other as well. As far as some statistics are concerned, we reached more than 70,000 families, promoting both healthy lunch boxes and an increase in family fruit and vegetable consumption. We trained around 800 volunteers to deliver those sessions.

The Hon. TAYLOR MARTIN: Recommendation No. 8 in the Cancer Council submission is about public education. While it says that mass media campaigns would be one such way of increasing education in regard to healthy eating, can I ask about public education. The Government is currently undertaking a review into the school curriculum. Will the Cancer Council be making a submission?

Ms HUGHES: I was not aware that that was happening. We will have to consider our capacity at this point in time as to whether or not we would be in a position to provide a submission, and whether or not we have the expertise around curriculum-based interventions.

The Hon. TAYLOR MARTIN: In the opening statements, it was advised that some great individual programs are happening at different schools. We hear that they are not always coordinated or marketed to different schools in the State. What are some great examples that should be spread across New South Wales?

Ms HUGHES: It was in Ms Fernandez's opening address, but there are other programs such as Crunch&Sip which might get taken up by some schools. There is the Stephanie Alexander Kitchen Garden Program, but that requires quite a bit of investment from schools.

Ms FERNANDEZ: A lot of them are regionally specific. I am not sure that naming all of those would necessarily be useful, but there are some common principles. Some programs that are really good include the Red Cross FoodRedi program that is delivering good outcomes. A program in Armidale is working well to deliver an educative breakfast program with their students. As I talked about earlier, a number of Aboriginal community-controlled organisations and Aboriginal Medical Services are running great programs.

We heard a couple of weeks ago about the Sturt Public School in Wagga Wagga that is delivering a great local program around a vegetable garden. Thurgoona Public School in Albury has implemented a great program around tackling childhood obesity that is called a Walking Bus or something. Their students are walked home with a couple of volunteers. So it encourages them to walk more to school rather than catch transport, particularly tackling in that area the fact that transport to that school is a challenge and ensuring a healthy lifestyle and that kind of educative practice and opportunities where their parents are possibly working long hours or are unavailable to walk them to and from school. We have plenty more examples than that but I think that they are a couple of the ones that are delivering great outcomes. Essentially, in every region that we travel to across the State we hear about one fantastic program and it is probably about the consistent principles that we could set up.

The Hon. SCOTT FARLOW: I want to spend a little bit of time on some of the issues the Cancer Council has raised, particularly emanating from what I believe are your cost availability quality surveys about how the prices vary around the State. You say that there is a very big price difference of up to $221 across 44 items in 2009. Can you tell the Committee a little bit about where those price differences occur on a geographic basis?

Ms HUGHES: Some of the biggest price differences were around the whole basket in general, but also fresh fruits and vegetables was one of the biggest areas where there was the biggest variance between the metropolitan areas and the remote areas. Is that what your question was?

The Hon. SCOTT FARLOW: Yes. Where are the prices different? Where do you get the cheapest basket and where do you get the most expensive basket?

Ms HUGHES: We cannot tell you where suburb-wise but I would certainly say our study did not necessarily show as much of that geographical divide from within metropolitan Sydney, but certainly the remote areas was where we did see that increase in the price of the basket. We know that there are other studies that have seen a bit more of a difference between the price of a healthy food basket in different parts of the metropolitan

area, but we certainly saw it more in the remote areas. What we did see as well was that there was significant variation in the cost of fruits and vegetables in particular. That was probably one area where we did see the greatest difference.[1]

The Hon. SCOTT FARLOW: In remote areas?

Ms HUGHES: Yes, metro versus remote.

The Hon. SCOTT FARLOW: How long has that study been going and have you done more studies?

Ms HUGHES: We only did three, the last of which was conducted in 2009.

The Hon. SCOTT FARLOW: During that time did you see any marked change between that disparity or was it consistent?

Ms DIBBS: To be honest, the prices did change between the three baskets, and there were other factors that seemed to be involved in impacting food prices. In the latter survey there seemed to be more—discount supermarkets came into play which seemed to affect pricing as well. There were some environmental factors as well around drought and those sorts of things that seemed to impact fruit and vegetable prices as well. There are so many factors involved in fresh food pricing that it is quite difficult to tease out to have a consistent environment each time you do the survey, so it is quite hard to see those sorts of consistencies.

Mr JUSTIN FIELD: I want to tease out this question of price as well, because the Committee has heard other evidence that suggested that fresh food is cheaper. If fresh food was purchased to get the recommended intake for nutritional purposes it would be cheaper than processed food by a factor of 12 per cent to 15 per cent. That does not sound instinctively right, from what we hear, but that seems to be the objective evidence. If you have something different I would like to hear it. The Cancer Council makes a very clear reference to price being a factor. I wanted to see if we could pull that apart a little bit. Would you contest the idea that fresh food would be cheaper, and have you done any analysis to suggest how much it would need to be reduced for it to become the more likely food choice for people?

Ms HUGHES: I think probably my first response to that question would be that often different studies have different methodologies. I think we would acknowledge that while our study did not find the discrepancies between the different baskets, we know that there are much more extensive ways of collecting data that may show different results. For us one of the biggest concerns is consumer diet consistent with the Australian Guide to Healthy Eating, and particularly with that fruit and vegetable component. We found that the healthy basket that we used—which has also been used in a number of other surveys throughout Australia—a significant proportion of it, I think it was 44 per cent of the cost of that basket, was the fruits and vegetables.[2]

That also plays into the perceptions of fruits and vegetables being more expensive to community members if people were purchasing those healthy baskets versus what people do choose to purchase. We also know that the cost of fruits and vegetables is considered to be a barrier to increasing more fruits and vegetables in the diet. In our cancer prevention survey we found something like 30 per cent of people identified the cost of

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[1] In correspondence to the committee received on 9 July 2018, Ms Jane Dibbs, Cancer Council NSW, provided the following additional information:

In the 2009 healthy food basket survey, the cheapest basket of 44 items was $342.52 and the most expensive $563.51, a difference of $221. For the fruit and vegetable component of the basket the cheapest cost was $86.52 and the most expensive $216.88. The mean cost of fruit and vegetables was $154.12 in remote areas and $135.94 in highly accessible areas.

[2] Ms Dibbs also provided the following additional information:

In the three healthy food basket surveys undertaken by Cancer Council NSW the following results were found:

Survey year	*2006*	*2008*	*2009*
Fruit and vegetable cost as a percentage of the total cost of the healthy food basket	*45%*	*38%*	*35%*

fruit, and it was more like 15 per cent, the cost of vegetables, being a barrier to them increasing more.[3] Regardless of the actualities of the price differences, it is the perception that would prevent people from increasing more of that in their diet.

The other concern—and this is something that the Australian Council of Social Service would also have a view on—is the extent to which people in disadvantaged areas have to spend more of their food budget on those healthier foods and considering—whether or not it is correct—that is the best value for their limited food dollars is the perception that actually some of those processed foods would fill them up and fill their families up much quicker than those expensive, or supposedly expensive, fruits and vegetables. We acknowledge the differences in the way people collect data around fruits and vegetables, and I think it is fair to say that regardless of whether they are cheaper or not, the perception is a problem.

Mr JUSTIN FIELD: The point is the perception then. It has more to do with their preferred food choices, which has possibly more to do with other things about experience and background, capacity to prepare and time to prepare, and things like that. Has there been any analysis to get to the bottom of whether or not actually reducing the price of fresh food would change people's ultimate decision?

Ms HUGHES: I know that there has been food modelling more from the taxes perspective, and you have probably heard quite a bit of focus around sugar-sweetened beverage taxes. More of the economic modelling has been on the taxation of unhealthy foods, and there is much less modelling on reducing the price of healthier foods.

Mr JUSTIN FIELD: To come at it from the reverse, is there any evidence to suggest that the discounting on unhealthy foods potentially drives choices and increases the perception that those unhealthy foods are cheaper, and/or is that what tips someone over the line when they are making a food choice?

Ms HUGHES: We referred to a piece of work that we have just done at the start of this year. We had some students looking at price discounts in supermarkets. What we found was that 70 per cent of those price discounts or price promotions were actually for the discretionary foods or the unhealthy foods. It is fair to say that those would be influencing food choices and that they are used extensively by supermarkets to appeal to shoppers.

Ms DIBBS: As well, a study in Victoria through LiveLighter showed that people went into a supermarket to buy healthy foods but if there were price reductions on unhealthy foods, 60 per cent of them made a choice to choose a discretionary food. There are things happening inside the supermarket that appeal to people to do that.

Ms HUGHES: Regardless of what intentions you go in with.

Ms DIBBS: Exactly.

The CHAIR: Representatives from the NSW Farmers Association gave evidence earlier this morning about price surveys—the Cancer Council may wish to have a look at their submission. They prepared charts on their findings from surveying supermarkets and other retailers and, for example, apples in a southern New South Wales fruit shop were $2 a kilo, whereas in an eastern suburbs fruit shop they were $5.69. There is a huge variation in prices. You say in your submission and recommendations that you want regular monitoring of food prices in New South Wales. Who would you recommend would carry that out? Could you carry it out on behalf of the Government for a fee?

Ms HUGHES: I do not think I could commit to that on behalf of Cancer Council at this point in time, and it is certainly not something that we have been able to invest in since 2009, the last basket survey. I think when you look at a number of other States, it is the State Government health departments that are leading those price investigations and I do think the State Government has a particular role in taking on that in a way that some other State Governments have, such as Queensland, the Northern Territory, and Western Australia has done a couple as well, I believe.

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[3] In correspondence to the committee received on 9 July 2018, Ms Jane Dibbs, Cancer Council NSW, provided the following clarification:

The survey examined personal perceptions and beliefs about cost being a barrier to the purchase of fruit and vegetables. The results showed the cost of fruit was identified as a barrier to purchase for 29 per cent of the people who were not consuming the recommended intake of fruit. The cost of vegetables was identified as a barrier for 14 per cent of the people who were not consuming the recommended intake of vegetables.

The CHAIR: What action should the Government take when they have the information that food pricing is too high and so on? What could they do?

Ms HUGHES: This is where we are looking forward to this Committee considering how prices could be impacted and how we could be looking at the pricing of fresh fruits and vegetables in particular from our perspective versus the costs of those unhealthy foods, particularly in remote areas and other disadvantaged areas—obviously not standalone but in conjunction with other healthy-eating promotion interventions as well.

The CHAIR: It would be difficult to have a government control the pricing, would it not?

Ms HUGHES: I do not know if it has been done elsewhere. We certainly think that there is opportunity to consider how we can better encourage people who are at greater risk of unhealthy eating and the impact that food security plays on that.

The CHAIR: You also recommended supporting government programs that are promoting healthy eating. Did you have any program in mind that you believe is successful?

Ms HUGHES: Obviously the Live Life Well @ School program is something that we have had a lot to do with at Cancer Council, given that we have worked alongside it with respect to our Eat It To Beat It program. We know other services that the State Government is offering, such as the Get Healthy service, but that is a referral service. So I think it is also about how we can improve the population's intake of healthier food, and that is not always through programs because people do not always come into contact with those programs.

The CHAIR: In your recommendation 4 you say, "Recommence the development of a National Nutrition Policy". Has that policy been suspended? You are saying to recommence it.

Ms HUGHES: Yes. There was a piece of work done probably back in 2011-12—and this was done at the Commonwealth Government level—to develop a National Nutrition Policy. My understanding is that that has not progressed at the Commonwealth level. We had been involved in some consultation prior to that and it is something that the public health community and the nutrition community have been crying out for for many, many, many years, and that would be something that could underpin our entire nutrition and food system in Australia so that we could be looking at all of the aspects of the food supply and the health system and how they can enhance healthy choices consistent with the Australian Dietary Guidelines, and that does include food production and food sustainability and things like that.

The CHAIR: You have recommended also that children be protected from unhealthy food and drink advertising. Would you recommend restrictions on the advertising of sugar-sweetened beverages and other drinks?

Ms HUGHES: Yes. Our interest in protecting children from junk food marketing has been well over a decade at both the State level and the national level. It would not be unique to sugar-sweetened beverages. In response to a previous question around how you would regulate or determine whether or not a food was healthy enough to be advertised, there is a range of ways that have been proposed from the World Health Organization. Also, our national Food Standards Australia New Zealand have criteria for assessing the healthiness of foods that carry claims. Of course, there is the Australian Guide to Healthy Eating that considers things as either poor foods or discretionary foods. So there is a range of ways that we can determine which foods would be appropriate to be advertised to children. But we know that the vast majority of food advertisements that kids are exposed to across a range of media are for things like sugar-sweetened beverages, fast food, confectionery, snack foods and sugary breakfast cereals.

The CHAIR: I suppose the question is whether the State Government could do that or would it have to be the Federal Government?

Ms HUGHES: Certainly there is a role for State Government; they do have responsibility for the State-owned property, such as trains and buses, and that is one area where we are calling on the State Government to take action.

The CHAIR: On advertising, yes. Thank you very much. That brings us to the end of your session. It has been very valuable and we thank you for the work that you have been doing and will continue to do. I do not think we have any questions on notice, but if there are any you have 21 days to answer.

Mr JUSTIN FIELD: I may have a couple.

Ms HUGHES: That is fine. I am surprised that we do not have any.

Mr JUSTIN FIELD: You will.

(The witnesses withdrew)

SARAH de WIT, Paralegal, Australian Food Sovereignty Alliance, affirmed and examined

TAMI JONAS, President, Australian Food Sovereignty Alliance, affirmed and examined

The CHAIR: Thank you for being here. Do either of you wish to make an opening statement?

Ms JONAS: A very brief one, thank you. Thanks for having us here today. We are pleased to participate in the fresh food pricing inquiry. The Australian Sovereignty Alliance has been in existence since 2012. We represent over 700 people across the country—farmers and other allies interested in the food system and everybody's right to nutritious and culturally appropriate food produced in ethically and ecologically sound ways. We are farmer led—I am a farmer myself, in Victoria. We believe that if you start to solve food system problems back at the point of production and then work your way along the supply chain, that that is how we deal with things like hunger; we do not start with hunger as the problem, we start with how we are producing and making food available to people or not available to people.

We know that globally we produce far more food than we need and yet we still have millions and millions of people who are hungry. So it is not an availability problem, it is accessibility and it is problems of distribution and governance of food. That will be sort of the core of what we will want to talk about today, although we will answer whatever questions you have.

The CHAIR: In 2014 you established a producers branch of Fair Food Farmers United "to provide a balanced voice to represent farmers" et cetera, which seems to be one of the areas where we have had a lot of complaints—farmers feel they are being ripped off by the prices or what they get paid by the supermarkets and so on. Do you have any views on that?

Ms JONAS: Yes. Our members are small-scale agro-ecological farmers—they are not large commodity farmers—and they are primarily in direct markets. So we are not being ripped off by supermarkets because we are not trained to sell anything to those supermarkets because we already know everyone else is being ripped off by them so why would we join in? I think pricing in commodity markets is volatile and difficult for those farmers. But in a direct sales model where less goes to other middle people and more goes to the farmer, we are seeing an increasing viability of our kind of farming and we sell directly to people. For example, I run a CSA, which stands for community-supported agriculture, and I have 88 household members who have signed up to receive our pork and beef in a bag that I determine the contents of. That has given us security for the farm and given them knowledge of the food system. They learn every day from us about what they are eating. We think that is the future of food. We also think it is the history of food. It would be quite good to go back to more of that.

The Hon. COURTNEY HOUSSOS: Could you explain a bit more about what you do and your personal experience? It would be very useful.

Ms JONAS: I think we have a recommendation in our submission about CSA as a model. It started in Japan in the 1970s and was really popularised in America in the 1980s. There is something called the teikei principles. It is 11 principles that guide the system of selling directly to a community of members. That is about democratic participation with the community—not just the farmer making decisions but even doing things like setting your budget with your members so that they are aware of how much the food costs and why it costs what it does.

There is an example in America of a long-term CSA farmer who took her budget to her members and they said, "Why is there no line item for health insurance?" Because, of course, America—health insurance. And she said, "We can't afford it." And the members voted to increase the prices so that she could afford health insurance. It is an incredible solidarity economy between farmers and eaters. It is a minimum of a 12-month subscription. In most veg systems they pay it entirely up-front—the whole season. In most meat systems, like mine, they can pay up-front or monthly. They choose, which suits us. Unlike veg growers we do not have the up-front input costs. Ours are spread over the course of the year. I have a 20-year waiting list for Melbourne. I never have to sell food ever again. In fact I often say I am very good at selling other people's meat because I do not have any more for people, so I send them to the other local farmers for them to access theirs. It is a great system.

The Hon. COURTNEY HOUSSOS: How long have you been operating for?

Ms JONAS: Seven years.

The Hon. COURTNEY HOUSSOS: What encouraged you to do this?

Ms JONAS: I am very driven by food sovereignty. Since I was quite young I was worried about how animals are treated in industrial food systems. I was a vegetarian for a very long time, which is strange, because

I am now a butcher as well as the farmer of pigs. But it has a logic. It was all about wanting to go to the nth degree to produce more meat in this way, to give people more access to that kind of meat. I know when I returned to meat eating it was difficult to find free range meat. We need more small farmers like us growing it this way so more people have access.

The Hon. MICK VEITCH: When you say you are a small farmer, can you draw us a picture of your operation? How big is it and so on?

Ms JONAS: Sure. It is properly small. With the Farmers' Federation, a lot of them do not think we are real farmers even though our entire living is from farming. We are on 69 acres. We run 12 sows and two boars, so a total of about 100 pigs on the farm at a time and a herd of about 20 cattle who are being mob stocked—moved through the property quickly. We also have an on-farm boning room, a commercial kitchen and a curing room, so we do all of our own value-add and then everything is sold directly. We are about a $200,000 revenue business with about a 50 per cent profit margin.

The Hon. MICK VEITCH: With the beef do you breed your own or do you buy and grow?

Ms JONAS: We buy weaners from a local grower and work with him on the breed specs. He breeds to our order. We do not have enough land to breed.

The Hon. MICK VEITCH: How involved are you in the production of the weaners?

Ms JONAS: Only insofar as we know Ian's system very well and we can vouch for how he stocks them. They come to us for a year before we move them on. We prefer mature animals for slaughter.

The Hon. COURTNEY HOUSSOS: How far afield do you customers come from? Where in Victoria are you based?

Ms JONAS: We are outside of Daylesford in Victoria, in the central highlands. I have two delivery cycles. One is to the metro region, so to Melbourne, and I drop at four hubs for that. That is once a month. The other half of my members are in the region and I drop at another four hubs within about 40 kilometres of me. Melbourne is not quite 100 kilometres—it is about 90 kilometres from us.

The Hon. COURTNEY HOUSSOS: Obviously you made a very detailed contribution. It is also useful for us to get the case studies in terms of what we are reporting on. It gives us some movement and colour, so thank you. We have received lots of submissions saying that there is a need for a national food pricing survey. You said there are some Victorian studies but nothing comprehensive. Would you agree with those recommendations?

Ms JONAS: Yes, and I think the other submissions said the same. The comment just before was about the methodology being different everywhere. But we would also probably argue, as per a question earlier from Mr Field, that when the prices are lower or when you can afford them people do not necessarily pay for it anyway. One of the submissions talks about only one in 10 people are eating what they should in fruit and veg.

The Hon. COURTNEY HOUSSOS: The Cancer Council.

Ms JONAS: That is extraordinary. And we know that more than one in 10 Australians can afford to, so there is something deeper at play, and we do not think pricing is actually the key trigger here.

The Hon. COURTNEY HOUSSOS: What do you think are the mechanisms we can use to influence people to eat more fresh food?

Ms JONAS: One thing globally we recognise is simply having it more readily available and less of those other options readily available. I was just at the meetings of the Food and Agricultural Organization of the United Nations in Fiji at the Asia-Pacific regional conference. They were looking at the problem of nutrition for small island developing States, particularly Fiji. For them they consider that they have a terribly obesogenic environment because 50 per cent of their food is coming from highly processed imports from countries like Australia or our worst meat offcuts and things too. They are getting a lot of non-nutritious food which is more available to them than their own fresh food that they grow there, which they are increasingly exporting as cash crops to try to keep their own systems going as well. Climate change is obviously affecting them too in terms of what will continue to grow. They are trying to turn to solutions like breadfruit because it is more robust when they have cyclones. There is a mix of problems of availability. But we believe constantly having access to highly processed foods disproportionately to how many fresh foods are available is a major reason why people are eating more of those foods and not being as well serviced.

The Hon. COURTNEY HOUSSOS: I will shift tack now and focus on the need to protect our peri-urban or agrarian farming, which is really well covered in your submission. Are you aware of anywhere around the world now that they are doing that well?

Ms JONAS: Where they are doing better protection? The best example I know of is outside of Boulder, Colorado. They have what I think is called an open spaces tax. They have had it since the 1970s. It started as a conservation tax so that as land became available nearby the council—or whatever they call their councils—would apply that tax money to buy up land so it did not get inappropriately developed. By the 1980s and 1990s as food security became more of a concern they shifted to using that for food production. So now they have this thriving peri-urban growth zone where small-scale farmers and particularly organic farmers—they have a very strong focus on no chemical input because they are also very close to population centres and things—lease out land at very low prices, but it is owned by the State. It is probably the most progressive example I know of protection of peri-urban land. It is quite a low tax over a long time. As parcels become available, rather than letting those go to lifestylers rather than farmers—like in my region—it is protected for farmland.

The Hon. COURTNEY HOUSSOS: I know you said that you do not participate in selling to supermarkets but one of the proposals from NSW Farmers which you may have seen is for an agricultural commissioner, the idea being that you would have someone to advocate on behalf of farmers because of their lack of bargaining power in that relationship. Would you support such an arrangement, perhaps around giving them the ability to enforce minimum commercial standards?

Ms JONAS: I would probably have to take that on notice, to be fair. I did not see it—I must have missed that. Again the problems are quite different and I find that things that commodity farmers advocate for are not always going to be the same needs for the farmers we represent. I am happy to take that on notice and consider it with our committee.

The Hon. COURTNEY HOUSSOS: If you could think about whether you think having an agricultural commissioner would be important and what their role could potentially be—what you would like to see them do—that would be very useful for us.

Ms JONAS: The obvious thing that strikes me is that they could help us with the prohibitive planning schemes that make it really difficult to farm like we do. In Victoria we are just about to have a major win where we have streamlined the application process for small-scale pastured pig and poultry growers. That will be announced on 29 June, I think. That has been through a very long process but we have got there, so we are enabling these sorts of systems rather than inhibiting. For me, a commissioner could help us with that kind of red-tape issue that small-scale farmers deal with.

The Hon. COURTNEY HOUSSOS: Absolutely—and just to be in touch with people like you on a regular basis and advocate on their behalf—give them some specific responsibilities but also that role.

Ms JONAS: That is right.

The Hon. MICK VEITCH: I am interested in your concept around food sheds. Can you explain how that works elsewhere and how you envisage that working in New South Wales?

Ms de WIT: In Victoria, for example, we have a sustainability group as part of the University of Melbourne—it goes by a number of names and you can look to the references in our submission to look up what it is called—that is looking into food bowls surrounding Melbourne, which do a lot to feed the city. We can look forward to have those food bowls being the primary source of fresh fruit and vegetables for the city. In New South Wales, a good example of councils coming together to try to find a way to provide fresh fruit and vegetable is the Sydney Peri-Urban Network of Councils [SPUN], which members can find reference to on page 23 of our submission. SPUN is made up of 12 councils around the city and was formed to stimulate discussion and action by all levels of government.

In 2015, SPUN released a report about the important role that peri-urban areas play in Sydney to create food security. That is a good example of councils coming together to formulate a way to represent their constituents and work together to create food security for Sydney. One of the things that SPUN found was that while the area surrounding Sydney could provide 20 per cent of the city's food supply, if the amount of primary agricultural land in the area was reduced because of urban sprawl, the supply could go down to as low as 6 per cent. It would be a real shame if councils do not start working together to ensure food supply to the cities so we do not have to rely on food coming in from other States or overseas.

The Hon. TAYLOR MARTIN: Thank you for your time today and for your particularly good submission. There is a fair bit of information in it. I would like to know a bit more about the concept of the "right to food", which, by my interpretation, seems to advocate for a positive right where people have the right to receive something. Will you give us some examples of where this is being implemented around the world, the results and possibly even some of the downsides of it, if you have heard of any.

Ms JONAS: I do not know many downsides to enacting the right to food. The best example that we can cite, which is noted in our submission, is Belo Horizonte in Brazil. The city enacted a zero-hunger program in the 1980s and it has been very active since then, although recent developments in Brazil are seeing some problems in the system. Over two decades, it reduced child mortality by 40 per cent. There is a new book out called *Beginning to End Hunger* by M. Jahi Chappell that details the case study of Belo Horizonte and the way it achieved this. One of the key methods was about intergovernmental work. When we work on hunger or obesity, we do not work on it only from a health department perspective. It is an agricultural problem, a consumer affairs problem, and a health program. The city formed a peak food policy body that had members from all the different departments. It also advocated for very high-level representation, and the President of Brazil has to participate in that forum because it is seen as critical to the wellbeing of the people.

The city did things such as subsidising what it called "popular restaurants." Of course, the hunger in Belo Horizonte was much more extreme than it was in Australia at the time. The scheme provided one Brazilian real for lunch for everyone, no matter who they were—it was not income tested. People walked in and it was a dollar for lunch. They way the city achieved that was by subsidies. All the food came from local growers; there was nothing from imported or processed food. Local producers were paid the fair price, because, globally, 50 per cent of the world's hungry are small-scale farmers. By paying farmers an appropriate income and giving them access to a subsidised meal, two problems were solved with one stone. There were a number of other parts of the policy and it is definitely considered the best global example of hunger reduction.

The Hon. TAYLOR MARTIN: The submission also mentioned a list of jurisdictions—Ecuador, Venezuela, Nepal, Mali, Spain and Italy—that have enacted a right to fresh food. Could you give us some more information on what is happening in Maine and Vermont in the United States with the right to food?

Ms JONAS: I do not know the exact right to food clauses for Vermont and Maine. I do know that they have enacted some food sovereignty clauses, which say that the rights of the local people exceed things such as the Food and Drug Administration interventions that make it difficult for them to access raw milk, for example. I am aware of some of those policies but I do not know explicitly what the right to food clauses are. Do you, Ms de Wit?

Ms de WIT: No, I am not aware of what is happening in America.

The Hon. TAYLOR MARTIN: In your opening statement you mentioned "culturally appropriate food". Will you give us a bit more insight into what the term means and how it plays out?

Ms JONAS: Yes. A lot of that is about people's right to choose what the food that they will have access to is. We know that, for example, in the case of disasters often a lot of highly processed and portable food will be brought in, but it is not food that the people are accustomed to eating and it is not necessarily very nutritious. To go even further, to reseed their fields they will be given seed that is not locally appropriate and the crops will fail. "Culturally appropriate" means that the food should be food that the people in question have had some say in with regard to what they will be feed. Even in the case of an emergency, people have the right to determine what the food they eat is.

The Hon. SCOTT FARLOW: I would like to explore your network. From what you said, you are a full subscription. How do other members of your group market themselves or connect to consumers?

Ms JONAS: The majority of farmers in the alliance are probably still connecting primarily through farmers markets. The ones who have enough volume tend to also use some distributors such as butchers to sell. There is a huge, growing community-supported agriculture movement in Australia, as of the last five years, and right now we are seeing a massive proliferation. Many farmers, like me, are shifting from farmers markets, which are quite an unreliable business model, to more direct models with the community of eaters. All of our members sell directly and none of them are exporters—that is not a part of our membership.

The Hon. SCOTT FARLOW: With AmazonFresh, you made the comment that while it has its challenges, there are some opportunities. Do you see similar platforms as potentially providing an opportunity for you to be able to reach a broader market or for new members to reach a broader market?

Ms JONAS: Fundamentally, we are not trying to reach a broader market; we are trying to reach the local markets. If we go down the path of innovative solutions to help people into another market, then we are sort of just heading down the track that got us to where we are, which is the growth model, which eventually breaks when we can supply enough. The farmers I do know who are pursuing those sorts of models who are growing possibly will not make another five years in the industry because they are working themselves to death. It is a classic "grow more for less" scenario, instead of "grow less for more." In *Beginning to End Hunger*, Jahi Chappell talks about the hamster wheel of production where farmers keep increasing how much they are producing, but the

more they produce the less they get for it. When we sell through those longer supply chains, we take a smaller part of the dollar. It is a zero-sum game.

The Hon. SCOTT FARLOW: Earlier, in response to one of the Hon. Courtney Houssos' questions, you said that pricing is not the trigger, so to speak, in terms of non-healthy eating. What do you see as some of the fundamental drivers of our non-healthy diets?

Ms JONAS: Again, I think it is about the over supply of the unhealthy foods—the fact that they are all available and are made to make us want them more with the salt and sugar in them, as is well established in the research. That is part of it. I do think there are convenience and time factors. We know that Australians are working longer hours than most of our counterparts around the world, so finding the time for cooking is hard. I think we have decreasing literacy in cooking, which makes those packaged items, even the so-called healthier packaged items not very healthy. They look like an easy solution when you have just got home from work and the kids are hungry. All of those things are compounding the problem. It is a complicated problem to unpack. When you have healthy people eating crappy food, it is not a pricing problem, is it?

The Hon. MICK VEITCH: Is that because of convenience, or is it because it is a deskilled generation the does not know how to prepare food?

Ms JONAS: I think it is both. It is a loss not only of the skills and the literacy, but also taste. If all you have had is a hard tomato from Coles and you do not know what one off a plant in your backyard tastes like, you are less motivated to each that fresh food. Those things do not even taste good.

The Hon. MICK VEITCH: I know.

Ms JONAS: But if you do not know and you think, "I should eat that", but if it does not taste very good then why are you going to pursue eating that? That sort of food is not very delicious.

Mr JUSTIN FIELD: Mr Farlow is looking at you like he is not sure what you mean.

The Hon. SCOTT FARLOW: I have had homegrown tomatoes before.

Mr JUSTIN FIELD: The comparison in carrots surprised me when I started growing carrots. Try a homegrown carrot. Thank you for your wonderful submission and appearance today and the logic you have been speaking. This morning we heard evidence from NSW Farmers. They saw a lot of logistical barriers to food production and distribution. A lot of it hinged on the idea that we need to create export markets that will drive investment in the infrastructure and then other food businesses will be able to build around it and they will be able to supply to the local market at an affordable price. It seems like a trickle down approach to agriculture, to be honest. Can the model you are reflecting feed the people of Australia?

Ms JONAS: It is one of my favourite questions because it already feeds 70 per cent of the world: 70 per cent of the world's food is produced by small-scale growers and fed into direct systems. We are one of the anomalies. It already is, it is just that we have gone so far down the commodity line. Go to Mildura in Victoria, for example. They cannot access the food grown in that region. It is a food bowl and yet they cannot access their own food because it is locked into the same supply chains that the federation wants to tell you are going to somehow feed that local community better—it has not in all the years they have been growing food there. Just now, there are a couple of innovations such as Food Next Door—it is either Food Next Door or Box Next Door. It is a food box system.

The Hon. SCOTT FARLOW: The food box system, local markets, 24 hours.

Ms JONAS: They are working with asylum seekers. They have received a huge amount of Victorian funding to support the program so that locals will have access to food grown in their region, which they have not had. I have read the federation's submission, and I have to say that "paddock to port" was a new phrase for me, and not that one that I was particularly attracted to. I think it is a false claim that that is not going to feed local communities. It is not intended to. Those supply chains are not designed to—they make it harder for local communities to access food.

Mr JUSTIN FIELD: There has been a legitimate criticism of the farmers market model that has been adopted in a lot of communities that they are boutique and at the higher end. That is fair to a degree in some of the city suburbs. Regional areas do it better. Your model relies on an engaged consumer. For those people who do not have the time and are going to be economically stressed in making food choices, how would you see a more localised model of food production generally work to get the diversity of food direct to the consumer?

Ms JONAS: The farmers market claim, I agree, there is some fairness in the claims of elitism or expensiveness for parts of it, especially in inner urban areas. There has been plenty of research that the food at those markets is not necessarily more expensive. For example, my food is not cheap, I admit it, but my ham is

$10 a kilogram cheaper than a pack of Don sliced ham in the supermarket, so it is not necessarily more expensive. The thing about whether it is too hard for somebody who is stressed, my system makes things really easy for people. They do not have to think. There is a delivery once a month, they have a three-day window to pick it up out of active refrigeration somewhere, so there is a lot of flexibility about how and when they pick it up as opposed to: I have to go to the supermarket at a given time. Then you just have to cook it, basically. I give recipes and all kinds of things.

I have the full gamut of demographics among my members. I have single mums on pensions. I have wealthy people in the leafy suburbs. It is fascinating that the leafy south-eastern suburbs buy the 10 kilogram boxes and the same sized household in the western suburbs by the three kilogram bag, so who is over-consuming meat? It is definitely not people in the western suburbs. I will give you another example. FairShare is an organisation in Madison, Wisconsin. They aggregate the community-supported agriculture around Madison. They have 600 CSA models in a city that I think has under one million people. Anybody can access these CSA models really easily, so much so they think there is almost a saturation now. But there is no reason not to get your food from that system. There is loads of education around it.

There are so many CSA models that you can choose which model will suit you for access. A lot of the CSA models in America also have social justice built into their model. They will do tiered pricing, so those who can afford to more pay more will to subsidise those who cannot. My members just voted that those who can will pay more so that I, once a month, will have a discounted offer for our locals in our community who cannot afford it otherwise. So they are subsidising my local communities access.

Mr JUSTIN FIELD: It seems to me that access to land is a barrier to the expansion of that model of agriculture. In particular, trying to get close to where people live is where land is often more expensive. Land leasing is happening in Australia in places for small-scale agriculture. Can you speak to some of the barriers around access to land? Access to water goes with that.

Ms JONAS: Yes. We talk about it all the time. We know there is a growing movement of young people who want to be farming in systems like ours, not in the commodity system. We are losing farmers and their average age is 55. There is a huge number of them interested, but access to land is a massive problem. The land is most expensive in places like where I am. I am only an hour from Melbourne because our market access is good and the land is quite good. There are a few organisations such as Cultivate Farms and ORICoop who are trying to find models of angel investors who are helping get people on to land with affordable terms. I do not know if it is necessarily the best option, but it is one of the ways forward to get more people on to land. Also, out of Winchelsea shire there is a program trying to match the ageing farmers with the upcoming farmers, those who do not want to cash in their farm for their superannuation and who would be willing to mentor an incoming farmer. These are perennial problems. In terms of pricing and stress, housing stress in this country is a major reason people cannot pay more for food.

The CHAIR: You have mentioned Colorado in the United States and their active involvement. On page 6 of your submission you state:

> The two major supermarkets operating have been able to compete and change retail prices with little intervention from Australian governments, despite demand for better outcomes for consumers.

What could the Australian Government or our State Government do in that area? You are wanting more intervention. Do you have any suggestions on how that could be done?

Ms JONAS: Australia is quite unique in the world for the centralisation of control of retail food in two major corporations. While Australia has tested in court whether two major corporations are a duopoly, as they are often called, as I understand it, the legislation in Australia needs to prove intent to monopolise. That is why it has been impossible to win the case against the two corporations. We think there needs to be another way to address the fact that those two corporations have such control of the market, where it makes the market absolutely uncompetitive. We have seen local IGAs going out of business and predatory behaviour like land-banking close to their shops, so that competitors cannot come in. There are a number of ways that the Government could be involved in stopping some of that predatory behaviour.

The CHAIR: On page 8 of your submission you mention the serious situation for a producer of Valencia oranges. Please comment on the situation.

Ms de WIT: That part of our submission was mostly based on a news article I read about Valencia orange grower Tanya Chapman. In an interview she described the industry of Valencia growers becoming not viable for her any longer, and so she has not been in the industry for a long time. We do not know her personally, and I believe she is not a member of the alliance. That part is in the submission to make the point that the price is so volatile for certain industries that they cannot rely on the price of their product remaining the same in

import-saturated markets with high operating costs. These costs are volatile perhaps due to market concentration and the role of supermarkets in that.

The CHAIR: On page 9 of your submission you talk about the situation with the two big supermarket chains and say that retailers currently claim a share as high as 76 per cent of the final price of produce, while growers are left with the smallest return. Do you have any suggestions as to what this Committee could recommend in regard to that situation?

Ms JONAS: I do not think that we do, because our members do not sell into supermarkets. We are more concerned about the larger farmers, who are not specifically our members, because we would like them to make a decent living. Dairy is a classic example where they are not getting a fair price at the farm gate and yet there is no recourse for them. It is very difficult to work out what to do about the problem of supermarkets in this country. I do not know that we have a solution for that, no.

The CHAIR: Basically, we have a duopoly of the two big supermarket chains, Woolworths and Coles.

Ms JONAS: Yes.

The CHAIR: My wife has a strong reaction to supermarkets so she shops for fresh fruit and so on at a farmers market on weekends at Warringah, where about 30 farmers and others sell food. Your operation is doing something similar. Do you suggest that we encourage the development of such markets?

Ms JONAS: Absolutely; we definitely would say so. Various State governments support or do not support farmers markets, depending on the government. Where they have supported farmers markets—for example, by subsidising the farmers market managers by providing grants—you see a proliferation of farmers markets, which gives immediate and ready access to fresh food for communities. There is the Victorian Farmers Markets Association, which accredits the farmers who attend markets, so you know you are supporting farmers, not wholesalers or somebody else. New South Wales has a group working on a similar organisation, because they would like to accredit farmers markets here. Government support for that process would be very welcome, so that more people in our communities would have access to that food.

The CHAIR: Apparently there is a similar problem with mushroom growers to the situation for Valencia growers. I believe the two main growers of mushrooms will close because they cannot make a profit.

Ms JONAS: I saw that in a news article, but I did not read the article properly. I am not across that story. But if two major growers dominate the market, I am not going to get very upset that they are struggling. The point is we want more mushroom growers.

The CHAIR: The two major supermarket chains control the prices to such an extent that they can send growers out of business and bankrupt.

Ms JONAS: Yes, absolutely. The processors also hold too much power over growers. We saw the orchards in Victoria ripped up because of the processors choosing imported fruit. The potato farmers in my region have largely gone broke because McCain broke contracts and imports potatoes. It is not just supermarket; processors are also guilty of not looking after the local farmers.

The CHAIR: In my observation governments are reluctant to control pricing. Should governments be more involved in food pricing?

Ms JONAS: The Australian Food Sovereignty Alliance does not have a strict position on this, but my own response would be that governments do not need to be involved in setting pricing, because that also distorts things. We are concerned about improved nutrition and reduction in hunger and obesity, which is more about subsidising good things as opposed to controlling all the things. We need very targeted subsidies, and by that I do not mean production subsidies, like you see in the European Union or in America, because that distorts things. I am talking about very targeted policy around obesity prevention or hunger prevention, like in the Belo Horizonte cases. In these cases they simply ensured that farmers were paid the actual cost of production, so that they could get food into restaurants and make it available to those who did not have access to good food. We would support that, as opposed to, "We're going to subsidise corn", for example, and then we have plenty of corn.

The CHAIR: You said that you do a delivery once a month.

Ms JONAS: Yes, for my members it looks like once a month and I have two cycles, so for me it is twice a month.

The CHAIR: Do you provide fresh fruit?

Ms JONAS: I am only meat, with a small crop of garlic in December. It is just pork and beef, so it is freezable. They keep what they want fresh and freeze the rest for later in the month.

The CHAIR: Is the monthly delivery sufficient?

Ms JONAS: It is. Vegetable CSA suppliers like me do deliver weekly. It is meat that goes monthly.

The CHAIR: Thank you very much for appearing before the Committee today and telling us about alternative ways of providing fresh food. You travelled all the way from Victoria to be here today, which is much appreciated.

Ms JONAS: As I said, we have nearly fixed Victoria, so we thought we would help you out.

Ms de WIT: I would like to table a report that we mentioned in our submission. The report contains a bit more information along with key messages and major recommendations to transition away from industrialised agricultural systems.

(The witnesses withdrew)

(Luncheon adjournment)

JOHN ROBERTSON, Executive General Manager, Foodbank NSW and ACT Limited, affirmed and examined

KATHRYN GONG, Special Projects Manager, Foodbank NSW and ACT Limited, affirmed and examined

The CHAIR: It is nice to welcome you back to Parliament, John.

Mr ROBERTSON: Thank you, Reverend Nile. I think it is nice to be back.

The CHAIR: Do either of you wish to make an opening statement?

Mr ROBERTSON: I might make some very brief introductory comments. I firstly thank the Committee for the opportunity to come and speak to you. Foodbank NSW and ACT has been in operation for 26 years. This is our twenty-sixth year. We were founded by Sir Charles Scarf and John Perrottet and commenced operations at Lakemba. The name Perrottet might sound familiar.

The Hon. TAYLOR MARTIN: Any relation?

Mr ROBERTSON: That is, in fact, the Treasurer's father, who helped set up Foodbank. We provide food relief to just over 600 charities across New South Wales and the ACT. That is about 70 per cent of all food relief that is delivered across the State. So we are the largest food relief organisation working with charities. We rely on farmers, food manufacturers and the major retailers for donations about 85 per cent of all the food that we redistribute to charities. We purchase 15 per cent of the product that is also distributed to charities. Things like beef, fish, noodles and chicken are some of the things we purchase because we do not have enough from donations to meet an increasing demand. I am sure that at some point I will be given the opportunity to elaborate on that, but I might conclude there.

The Hon. COURTNEY HOUSSOS: Welcome. We received a number of submissions about the need for more data on food insecurity. I pay tribute to Foodbank for its excellent Hunger Report and also the recent Rumbling Tummies report, which have really highlighted the problem of food insecurity. Your data gives us a much bleaker picture than the health data that some other organisations have relied on. Do you think that there is a need for a national survey of food prices and food insecurity?

Mr ROBERTSON: We collect our evidence by surveying all our charity partners right across the nation—the 607 that we deal with. Foodbank operates as a federation so there is a Foodbank Australia and then each of the States has an organisation called Foodbank in the particular State. A survey is conducted of all the charities, so the data we collect is from the frontline agencies that are out there delivering to people in need.

To give you an idea, we provide food to the Salvation Army, Vinnies, Anglicare and UnitingCare right down to someone who might be operating a small shopfront in a remote location in regional New South Wales. There is no doubt that there is a need for more data to be collected. What we know from the charities—certainly from the times that we meet with the people being supported—is that food insecurity or a lack of food has a real shame associated with it. So it is a hidden problem. At Foodbank we say, "It is not on your street but it is probably in your street." There will be a lot of people who are suffering from a lack of food but there is a level of shame associated with that. It is a shame that you cannot provide sufficient food for your family or you cannot provide sufficient food for your children, so it is a big step to reach out and say, "I need help."

What we find, from talking to the charities, and even to the people who agree to be our case studies for various fundraising campaigns, is that it takes a long time before they get to the point of reaching out. In that period of time there can be some significant emotional impacts on families, on how children grow, and on their behaviour and those sorts of things. So more data would certainly shine a light on what all our charities tell us is a very significant and growing problem.

The Hon. COURTNEY HOUSSOS: We have talked a bit about school breakfast programs this morning. NSW Council of Social Service [NCOSS] actually referenced your school breakfast program. Do you want to tell us a little bit about that and how you provide it? You provide that free of charge to schools.

Mr ROBERTSON: That is right. I will give you some context. Our counterparts in Western Australia—Foodbank Western Australia have been running a school breakfast program for about a decade. That program is funded by a number of government agencies and also some of the larger mining companies. They have a done a significant amount of academic research that has been conducted on benefits associated with school breakfasts.

In Victoria 18 months ago, the Andrews Government gave Foodbank Victoria $13.7 million over four years to fund school breakfasts across Victoria. If my memory serves me correctly, between 500 and 600 schools are receiving school breakfasts. We have been having some conversations with the Government about a program

that we think we could run in New South Wales. For about $8 million over four years we estimate we could provide school breakfasts to 600 schools across the State. Those would be 600 of the most needy schools.

On the Department of Education web site there is an index called the Index of Community Socio-Educational Advantage [ICSEA]. It is largely a measure of socio-economic disadvantage. If we were to receive the funding we would obviously be feeding the schools with the most need. Currently we are providing school breakfasts in 111 schools. We are able to do that because we received a grant from a foundation late last year. That foundation said to us that they would like us to run a school breakfast program. So we run that with an offering of three kinds of cereal—cornflakes or the equivalent, rice bubbles, and Weet-Bix or Vita Brits—long-life milk, two fruits, two spreads—vegemite and a jam. In winter we expand that to baked beans and oats. Our schools then order from our system on line and we deliver at no cost. We purchase the produce and organise delivery at no cost to the school. Then they just order what they want on line.

To give you an idea, I was at a school on Tuesday or Wednesday this week. It is a school located in south-west Sydney. The school has about 280 students. An average of about 120 are having breakfast. The great thing about that school is that, first of all, the students are the ones who set up, serve and clean up the school breakfast program. When I was talking to the principal and the teachers they said it had been transformational just in terms of giving the kids responsibility to set up, clean up and all those sorts of things.

I spent more time talking to the teachers this week and they said that the kids are now turning up. They are focused because they are not hungry, and they are not disruptive. So the academic achievement is improving on the back of that. The principal said that about 60 per cent of the kids last year were turning up without breakfast. Even earlier this week one of the teachers said, "For some of these kids this will be the first thing they have eaten since they had lunch at school on the previous day." So it is a very powerful transformation. All the academic research supports the fact that cognitive behaviour is better, concentration is improved and general behaviour and classroom attitude improves because the students have eaten and are able to focus. I can tell you that it is amazing to see these kids hooking into whatever it is they are eating—whether it is a cereal, scrambled eggs on toast, or vegemite or jam on toast. You can see the difference it is making when you visit the schools.

The Hon. COURTNEY HOUSSOS: That evidence is very powerful for us. Thank you. I think the submission of the Federation of Parents and Citizens Associations talked about how in other countries school lunches are provided. It spoke about the benefit of providing food for individuals and that there is a whole host of other social benefits.

Mr ROBERTSON: At the school I was referring to earlier, the P and C is very actively involved as well in helping to set this up. We liaise very closely with them as well as the teachers. The woman who runs the P and C comes to our warehouse. She was there this morning; I was chatting to her. The P and C comes and collects food as a charity agency or partner with us. They will take things like fruit, vegetables and those sorts of things. So they will prepare lunch for the kids that come without lunch as well to make sure that those kids are not missing out. Again it is just another thing but it is occurring largely because it is being driven by a woman who is the president of the parents and citizens association. She is a mother who is very motivated to make sure these kids get the best opportunities they can. It is making a huge difference in that school.

The Hon. COURTNEY HOUSSOS: I was not aware of any informal school lunch programs. That is really important because I have heard anecdotal evidence that sometimes these school programs are the only opportunity these kids will have to eat in a day.

Mr ROBERTSON: And in some schools that will be the case.

The Hon. COURTNEY HOUSSOS: It is unbelievable that is happening in this country. Do you receive produce from major retailers, manufacturers and farmers directly? Why provides you with that produce?

Mr ROBERTSON: It will be for a range of reasons. We also get it from wholesalers at the Sydney Markets. We have someone who is permanently located at Sydney Markets. Sydney Markets has given us an office out there. Sydney Markets is pretty well recognised as being leaders in relation to environmental improvements and outcomes and the like. I know when I was environment Minister in this place Sydney Markets was light years ahead of a lot of equivalent organisations. Sydney Markets has us there so that produce that does not get sold on a particular day, and might not be quite good enough in a couple of days, they will donate to us, and we will have that donation into our warehouse by about 10 o'clock and then it is going out to the charities that day.

Farmers will donate to us for a range of reasons. Recently, a real life example is when we had cucumbers arrive. This farmer has a contract to provide cucumbers to a fast food outlet. Because the cucumbers did not meet specification—and that is not quality; it is size, dimension and colour—they would have otherwise been buried in a hole in the ground, but because of the relationships we had, they came to our warehouse. We are building

relationships with farmers who are growing product that does not meet the specification for whoever they are growing for. Rather than see it just go into landfill it is being transported to us.

One of the big challenges for us in that space, of course, are transport costs. Either the farmer pays that cost or we have to pay that cost, and that is what we do. One of the things that we recommend in our paper is looking at some innovative ways to actually provide assistance, whether that is through the Environment Protection Authority or some other means, to actually allow for those transport costs to be offset or covered by EPA grants and those sorts of things. The more we can avoid food, that has nothing wrong with it, going into landfill and have it come to our place means that a higher quality of produce is going out to people in need.

One other very quick example is about 12 months ago two B-doubles full of watermelons travelled down from Katherine. So it was 60 tonnes of watermelons in two B-double trucks. A few of the watermelons broke on the way down from Katherine—unsurprisingly when you look at the state of the roads in some parts of the Territory. They went to the major retailer. They were rejected. Fortunately the farmer knew about us and rather than back-deliver to the farm and bury it, 60 tonnes of watermelon turned up at our place. It was a nice problem to have and we were able to actually send that out to a lot of our charities. We were delivering to local schools and the local RSL Club at Blacktown for the returned servicemen and women. We were able to get all that out so it actually went to people who needed it. It is the sort of relationships that we are constantly looking to build, but there is a cost. There is a cost either to the farmer for transport or a cost to us.

The Hon. MICK VEITCH: That is a cost of donation. It costs them to donate that produce.

Mr ROBERTSON: The transport costs have still got to be paid.

The Hon. MICK VEITCH: Can they claim that as a part of the donation?

Mr ROBERTSON: As I understand it, no. When we receive a donation we just give a tax receipt based on weight.

The Hon. COURTNEY HOUSSOS: The next witness will be from St Vincent de Paul and will talk about the increasing need in regional areas for food relief. Has that been your experience?

Mr ROBERTSON: Our charities are telling us that they are all seeing a significant increase in demand. About 40 per cent of them are turning people away simply because we do not have enough food, so they do not have enough food. It is unsurprising when you look at cost-of-living pressures, utility prices and those sorts of things that food has become a discretionary spend. People will go without food to keep paying bills.

The Hon. COURTNEY HOUSSOS: That is what the Committee heard from the Public Health Association Australia.

The Hon. SCOTT FARLOW: Foodbank has an amazing challenge to get produce in and out within the use-by-date. How do you achieve that?

Mr ROBERTSON: The first thing to talk about is what we take and do not take. We will take pretty much anything. We will not take alcohol or tobacco, and we will not take anything past its use-by-date. Best-before dates are simply a guide, and this is one of the real challenges, I think, not just in this space but more broadly. Best-before dates are a guide to quality of the produce, but not necessarily how long it is fit for human consumption. To give you an idea, a lot of the major retailers have very specific guidelines about when they will take product from a manufacturer and put it in their warehouses. It is generally 75 per cent of its life cycle.

For example, if it is 100 days from date of manufacture to the best-before date, if there are 75 days or less left on it, the retailers will not take it. That is good for us because it means that with the relationships we build they donate that product to us. We will keep that product sometimes in the warehouse for up to six months past the best-before date, but we take advice from whoever the donor is. We ask the manufacturer to provide us with written advice as to how long past the best-before date it is fit for human consumption. We are always conscious of that. Our systems are such that we know everything that comes in and everything that goes out. So if a manufacturer has a recall, we know every charity that has taken that product out, where they are and all the steps that we need to follow to make sure, if that recall occurs, that every single one of those charities gets advice to that effect. It is a huge logistics operation.

To give the Committee an idea, last week we shipped out 258,000 kilograms of food which, if converted to meals, is just under half a million meals in a week. The equivalent amount or a little bit more comes in than what goes out. So all up we are moving about half a million kilograms in a week in and out through the warehouse. We have got systems in place that know everything that is in there, where it is, where it has come from and where it is going. We organise our charities to order online. A lot of our Sydney based charities will come in and pick and pack their own orders, and then take them out, load them in their own trucks and leave. We have allocated

time periods that they can come because we are a bit like an airport: we have to land and fly out, except the difference is they have got to come in with their trucks and leave so the next group can come in and do the same sorts of things.

We have on average 300 to 350 volunteers a week. We have regular volunteers who may be on Newstart, or those who have retired and come in out of the goodness of their heart, and then corporates—people from the finance sector, legal firms, accounting firms and all sorts of different major organisations. That is a critical part of our business model. Foodbank operates and does what it does with 28 full-time equivalents. So our volunteering program is absolutely crucial to us getting food out the door on a regular basis. Our number one priority is food out the door every day on a truck and on the way to the charities. So if some of our corporates, for whatever reasons, do not come, all of us in the office who are there are down in that warehouse picking and packing orders to make sure when the truck leaves at the end of the day, that truck is full of every order that was placed and it goes out.

We have a 98 per cent DIFOT, which is delivery in full on time, which is the industry benchmark of the supermarkets and we meet that for our charities. So we get a 98 per cent DIFOT on all our deliveries and that requires a lot of work. We have someone who coordinates our volunteering program. We do inductions every day in our warehouse because a lot of these people have never set foot in a warehouse, and safety is really important. We are conscious of looking after their wellbeing so we run a full induction in the morning and then we have someone on the floor with them all day. If they have got questions we answer them or we just keep an eye on what is going on because safety is obviously a really critical part of it as well because of our volunteers.

The Hon. SCOTT FARLOW: Going through some of the statistics from your surveys of charities: 40 per cent said that every month they turn away individuals requesting food, 48 per cent said that demand for food has increased, and only 13 per cent said that their funding to provide food relief has increased. One can see that there is a problem in that mix. You have said that one of your challenges is being able to get the volunteers to manage those services. Is the size of Foodbank's operations also one of the constraints? For instance, if you had bigger facilities could you accommodate more food?

Mr ROBERTSON: I think I said to you before we actually started the hearing, I volunteered with Foodbank the whole time I was a member of the lower House. When I started volunteering it was based in a very small warehouse in Wetherill Park, a big week of food going out was 90,000 kilograms. Where we are now in Glendenning, a big week of food going out is 300,000 kilograms. The size of the problem and the demand just keeps growing. We are estimating 15 per cent growth next financial year—starting from 1 July.

The Hon. SCOTT FARLOW: Threefold in that period.

Mr ROBERTSON: Yes.

The Hon. SCOTT FARLOW: So 300 per cent growth in that period?

Mr ROBERTSON: Yes.

The Hon. SCOTT FARLOW: Is that because Foodbank is becoming more successful and people are using it as their main source or is it because the demand has grown that significantly?

Mr ROBERTSON: I think it is a combination of things but "success" is a strange term to use—I am not being critical; we talk about that as well. A business that was having the sort of growth we are having would be a huge success, but it is a pretty sad indictment. I think it is a combination.

The Hon. SCOTT FARLOW: It is an indictment, but at 98 per cent you are able to meet the demand that is out there, whereas I imagine a lot of these organisations that are very good at delivering on-the-ground services may not be as good at managing the logistics?

Mr ROBERTSON: Yes. I talk to people about what makes us unique and there a couple of things that make Foodbank unique. One is our scale. We have got chillers we have built out there that have a 1,000 pallet capacity. Our warehouse, as it is currently configured, has capacity for about 2,800 ambient stored. We have built this warehouse specifically with an additional 2,000 square metres, which we will probably occupy in the next 18 months. We will actually rack that out and put another chiller in there just simply to keep up with demand. I think it is a combination of things but I think people are finding it harder to make ends meet. I have talked about shame, but people are becoming more conscious of the fact that there is an opportunity for help and they are reaching out for help from the charities that we are talking to. This is a conversation that is starting to cut through, but not to the level that it needs to.

I always talk about that light bulb moment. Our last year's Hunger Report talked about food insecurity and said 48 per cent of the people who are living with food insecurity—in other words, not knowing where their

next meal will come from—are employed. I find that a very frightening figure. Most people have a preconceived view that the people we are feeding are on social security or they are homeless. Sure, that is a significant part of what we do, but this other growing section is people who are working. People who are genuinely trying to get on with life, get a job, pay their bills, pay the rent or the mortgage and cannot make ends meet. That is growing. I heard a report last week that for the first time in Australia's history part-time and casual employment makes up a larger chunk of the workforce than full-time employment. Those sorts of figures put more pressure on us and on families in how they make ends meet.

We had a family on the Central Coast who was tracking along nicely. He was earning $90,000 a year working for a furniture retailer. He gets a phone call to Sydney. He thinks it is for a promotion. They say, "Things are going really badly, we have got to let you go." They have got five kids and mum stays at home because two of the kids have got disabilities. Suddenly they go from travelling along quite nicely, living to their budget, that happens and the spiral begins. It is a very familiar story. They are paying a mortgage, so the number one priority is they are paying that mortgage. That is their one point of security and they are not going to lose that house any under any circumstance. So food becomes discretionary. The kids are not eating dinner or not eating breakfast, or they will go for a day with nothing to eat at all because they want to hang on to that house. That is understandable. That is the one thing, if you keep paying the mortgage no-one can take away from you. They can take everything else but they cannot take that away. They are the sorts of people who are now coming forward and looking for relief and assistance.

The Hon. SCOTT FARLOW: The majority of what you have in your warehouse is donated, is that correct?

Mr ROBERTSON: Eighty-five per cent of it is donated.

The Hon. SCOTT FARLOW: And you purchase the other 15 per cent?

Mr ROBERTSON: We purchase.

The Hon. SCOTT FARLOW: How do you make those purchasing decisions? Is that through what the charities tell you they need or is that through decisions that you make?

Mr ROBERTSON: Our board is made up of a whole range of people, including Major Paul Moulds from the Salvation Army. He is there to represent the charities. When we make these sorts of decisions we consult with him or we consult more widely with more of our charities about what is needed. The thing we are focused on is providing high-quality food. The thing that makes us unique compared to some other charities is that we do not say, "Just be happy with what you have got." We try and make sure that we have got quality, healthy food in the warehouse so that people can make choices and come in and choose what they take, rather than just be given whatever is left over or is available. I think that is one thing that makes us unique and our scale, in terms of our storage and logistics capacity, is the other thing that makes us unique when you are talking about others in this space.

The Hon. SCOTT FARLOW: With the 15 per cent of food that you purchase what have you noticed in recent years about prices? Has there been a significant growth in prices? I am sure when you are tracking that as a charity that would be a significant line item?

Mr ROBERTSON: To give you an idea, we import basa fish fillets directly from Vietnam. In the last four weeks we have imported a 20-foot container of noodles from Indonesia. We are in the throws of importing things like baked beans, tomato paste, peaches and pears. We are very much aware of what we are paying. We work out what we pay to order, land and have it arrive in our warehouse, compared to what the retail value is. There is a significant mark-up on a lot of that stuff. That is why we are now actually going and dealing directly with the manufacturers overseas. One of the things we are always conscious of—and we have had an internal discussion about things like importing peaches and pears when there are Australian manufacturers—when we look at the cost—and cost is a big factor for us when we are dealing with charities—we cannot even at mate's rates buy an Australian product for anywhere near what we can get as an import.

Mr JUSTIN FIELD: How much of the food that you either receive or distribute is fresh food?

Mr ROBERTSON: About 40 per cent of it is produce in rough figures and a lot of that will be close to end of life. But, because of the systems we have got in place and the number of charities that come through each day, we ship most of that out of the warehouse so that it is used. We have a lot of our corporate volunteers with donated produce, we will get them to sort what is good and what is not. Like today in the warehouse we had corporate volunteers boxing apples and bagging oranges. Other days we will have them sorting potatoes or tomatoes or whatever it might be and bagging those up in a particular fashion. Our guiding principle that we say

to people—it is not very technical—is, "If you would not put it in your shopping trolley or on your plate, do not expect anyone else to eat it."

Mr JUSTIN FIELD: What about other things that might be considered fresh food such as less processed staples like rice, pasta or bread and things like that?

Mr ROBERTSON: To give you an example with bread. There are two bakeries that operate in Sydney. They always guarantee the retailers that they will never be under their orders so they always overbake. Our two trucks leave our warehouse between 5.30 a.m. and 6.00 a.m. every morning and go to those bakeries. All the overbakes are loaded into those two trucks and they come back to our warehouse. So the bread that is going out to the charities today will be the bread you and I will buy if we stop at the supermarket tonight. One of our big challenges is that we never have enough bread.

Mr JUSTIN FIELD: What is the percentage for otherwise considered fresh stables, rather than fully-processed food?

Ms GONG: We actually look at those statistics—

Mr JUSTIN FIELD: I might put some of these questions on notice.

Ms GONG: What we call our essential staples are about 24 per cent of what goes out and what we call non-essential staples, which is still highly desirable fairly basic items, is another 15 per cent on top of that.

Mr JUSTIN FIELD: In 2016 France outlawed food wastage. It seemed pretty radical, but the *War on Waste* also has shown that we have a problem in Australia, particularly with fresh food wastage. The public was pretty outraged about that. How do our supermarkets go in terms of food wastage? Is there scope for laws like that? How would that go in assisting you?

Mr ROBERTSON: We work pretty closely with the major retailers. I think there is always scope for improvement. I think they would probably openly acknowledge that there is always scope for improvement to work on how we can enhance more food coming into our warehouses to make sure that it is going out to people in need. As someone who sat in this place and legislated, I think there is always a temptation to do that. I think that it might work, but I am not sure. I would not be supremely confident that it would work. That is not to say that you should not be considering it because sometimes the thought of Parliament legislating is enough to move people in a particular fashion without the need for the sledgehammer cracking the nut. But we are working very closely with the retailers. I can tell you that the work we are doing with them in an ongoing way is certainly looking at more food coming to us.

Packaging is a problem. Just to give you an idea, about 0.8 per cent of what comes into our warehouse ends up in landfill. Of everything that comes in, only 0.8 per cent goes to landfill and it is consistently under 1 per cent. Our big challenge is that when you get product that is donated like single zucchinis or Lebanese cucumbers and they are all singly wrapped, the farmer will not take those things, for obvious reasons. What we do with a lot of our produce that is not fit for human consumption is that we keep it in the food chain. We have farmers who will come and collect it and take it off and leave it in the food chain, which I think is not a bad outcome. But our biggest issue is around packaging because the farmers will go, "Can't take it." They do not have the capacity, nor do we, to be peeling plastic off Lebanese cucumbers or whatever it might be so that the animals can eat it.

Mr JUSTIN FIELD: Do we still have a food waste problem in terms of supermarkets but also at the primary production level as well?

Mr ROBERTSON: I think there is certainly a problem. There is a problem at a number of levels about getting more of it in. I think we are all working towards resolving that problem. We are doing that with farmers. We are building relationships directly with farmers. We have someone who is located in the Riverina full time. His job is going around and making farmers aware of what options are available to them. But one of the inhibitors is the cost of transport, either for the farmer or for us. If we freight, someone has to pay transport costs.

We do not have an argument with that, but of course if there was a way that that could be covered by alternative means—whether that is federally in the tax system or here with grants through the Environment Protection Authority and those sorts of things—I think we could do a lot more to get more produce off the farms and in. When I talk to some of the farmers they say, "Well, the cost—it is just not worth even harvesting. We might as well just plough it back into the paddock." If we can find a way to make it work, we can potentially get high-quality good produce into our chillers and out to the people who need it.

Mr JUSTIN FIELD: Do you have an estimate of the sorts of figures you are talking about? I am particularly picking up on your recommendation around getting food out to western New South Wales. Have you put in a budget submission around that sort of stuff?

Mr ROBERTSON: Yes, indeed. We currently receive from Family and Community Services somewhere in the vicinity—and I do not want to be held to the exact figure—around $460,000 a year, which is a direct transfer payment. It goes towards offsetting the transport costs to regional charities, but our best estimate is that probably between $500,000 and $600,000 is needed to cover the cost of transport to regional charities. That is just food going out before we even talk about food coming in. Yes, we have had numerous discussions and those discussions were going on while I was still here. Foodbank was making those approaches to Government. We know that if that cost could be offset—we have to charge charities $50 a pallet to cover those costs and that still falls short, and we then have to fundraise to make up the difference between what we charge the charities per pallet, what the Government provides to us, and what the actual costs are—that requires us to chip in up to a couple of hundred thousand dollars annually. That would make a huge difference.

With the money that we get from Family and Community Services, and even the money if we were successful to get all those transport costs covered, it would be a straight-out transfer payment. We would not be looking to clip the tape and take 2 per cent or 3 per cent for managing the transport contract. It would literally be money in, money out, to the transport contract.

The CHAIR: Good. Again, thank you for coming in, John, and for the work you are doing, both before you left Parliament and for what you were doing in Parliament.

Mr ROBERTSON: Thank you.

The CHAIR: I also had a number of meetings with Foodbank representatives over the years. I have been lobbying the Government to get that extra funding, especially to cover the transport costs. You mention in your submission:

> In the absence of government funding, the current approach to school breakfast programs in NSW is fragmented and inconsistent.

Your submission goes on to state, "a systemic government-funded approach would provide the best service and outcomes for the children …" How do we get that? What will that amount to?

Mr ROBERTSON: Our estimate, based on our experience now doing the 111 schools, is that for $6,000 per school we can deliver 45 breakfasts five days a week for 40 weeks of the year into a school with the sort of products I outlined earlier to the Committee—three options for cereal, long-life milk, two spreads, fruit, juice, oats and bakes beans. We have put to the Government that for $8 million over four years, we could ramp up to 500 or 600 schools, which would be consistent with the sorts of figures that we are seeing in the other States. I have to say that we continue to be disappointed, but life is full of disappointments.

I would make two points in relation to school breakfasts. The first one—and this is no secret; I have made this known to the Premier's staff and some of the Ministers in the Government—the Premier says that one of her priorities is childhood obesity. There would be no better way to start to address childhood obesity in a substantive way than by providing children at school with a healthy breakfast. The breakfast products we are providing are such that they are ticked off by the Department of Education. They are low in sugar. We do not provide Coco Pops or other high sugar cereals. We are very conscientious about that. For the Government, as an investment, if it is serious about childhood obesity, teach children the value of a healthy breakfast. For some kids, they think a bottle of Coca-Cola and a packet of Tim Tams is breakfast in the morning. Going to school and getting access to a healthy breakfast would be a significant step forward in addressing the Premier's priority.

The second point I would make is that New South Wales is constantly saying, "We're falling behind when it comes to the NAPLAN." Regardless of what you think about standardised testing and the like, it is the measure that is used, for better or for worse. All the evidence says that the children who get access to these programs, or children who have breakfast before they go to school, are able to concentrate and get more out of their time at school. The point I make when I talk to people about our school breakfast program is, "Even if you agree or disagree, but assume for argument's sake that we've got the best education system in the world. If you want to break the cycle of poverty and you want to break kids out of that cycle, giving them access to the best education in the world without giving them breakfast means they are immediately starting from at least 100 metres behind in a 200-metre race."

This Committee can address two things that I think everybody in this place agrees are important: firstly, childhood obesity; and, secondly, educational outcomes. We know that a lot of the students who are going to school without breakfast are coming from low socio-economic backgrounds. It is likely that they are living in Department of Housing places. They are certainly living with disadvantage. If we want to break that cycle and let them get the best they can possibly get from our education system, the least we can do is set them up when they go to school and they start their day - the one thing that is not inhibiting their ability to take on board what they are being taught by teachers is giving them breakfast.

The CHAIR: It may be that we have more hungry children in New South Wales than there are in the other States because I think our results are lower than those of the other States.

Mr ROBERTSON: They are. Whilst I am not suggesting it is the only factor, all the academic research says that cognitive misbehaviours, the lack of concentration and destructiveness in the classroom are significantly reduced if children are at school without empty bellies.

The CHAIR: Mr Robertson, you mention in your submission a recommendation:

> …at a state level, that consideration is given to creating a NSW Environmental Trust waste avoidance grant or subsidy that provides for operational costs (eg transport) associated with farmers and businesses diverting edible product from landfill.

Have you had much success in putting that to the Government?

Mr ROBERTSON: To date, we have not, Reverend Nile. But, I am ever the optimist, so I am hopeful that over time, as we continue to pursue these sorts of matters, it would be something that is considered. There would be two benefits of these grants. First, you would be avoiding landfill. Secondly, you are diverting food where there is nothing wrong with it other than there being a cost inhibitor to moving it from the farm to our warehouse or to another location, wherever that might be, to distribute that food to people in need. So you can get a minimum of two benefits with these sorts of grants. Suggesting that it fall in the environment category is simply because an environmental outcome is achieved if we can avoid landfill for produce where there is nothing wrong with it other than that the cost is so high that it just is not economically viable to ship it off the farm to a warehouse or into our chillers. Mr Justin Field earlier made reference to the *War On Waste*. Some of the first episode was filmed in our warehouse at Glendenning.

We now ship bananas from North Queensland from the farmer that was in there to our warehouse in Sydney. We have to pay 20¢ a kilo. We have found a transport operator who is prepared to give us three slots a week in one of his trucks to bring it down from North Queensland. But there is still a cost. Every week we do that. We freight carrots out of the Riverina at our cost into our warehouse. There are a number of other things associated with produce where we have made a decision that it is important produce and that it is important for people to have access to it. Again, we are using the funds that we raise to cover the transport cost. But we could do much more if we had access to these sorts of grants in terms of getting good quality produce to people in need.

The CHAIR: Mr Robertson and Ms Gong, thank you so much for coming in today and sharing with us what you are doing. We thank Foodbank for the tremendous work that they are doing in our State. There would be a great big hole and a lot of disadvantaged children if you were not there. If any question comes up on notice you will have 21 days to answer.

Mr ROBERTSON: Thank you.

Ms GONG: Thank you.

(The witnesses withdrew)

JOANNE YATES, Executive Director, Executive Secretariat, St Vincent de Paul, affirmed and examined

The CHAIR: Thank you for coming in. We appreciate the work of St Vincent de Paul. I get a lot of material from them, magazines and so on. We appreciate their work very much. Would you like to make an opening statement?

Ms YATES: I do have a short opening statement. Thank you very much for the opportunity to appear before you all today. As one of the largest charities in New South Wales, the St Vincent de Paul Society is a leading provider of community support services and has been assisting people experiencing disadvantage in New South Wales for more than 130 years. The society's mission is to shape a more just and compassionate society by offering our hands-up approach to people in need. Offering support includes real practical assistance such as in the form of brokerage and often includes food assistance. As detailed in our submission, and while this matter is being deliberated in the context of the delivery of this week's budget, the fact that the State is experiencing strong economic growth is not felt universally.

People in our community are struggling to make ends meet and often make the tough decision to forgo food to meet their other financial commitments. From a Vinnies perspective and for the people that we serve, the cost of living bites hard. Together with housing affordability, the rising cost of energy, utilities, health and education, putting fresh and nutritious food on the table has become an increasingly difficult task for many. Feedback from our conferences—that is how we refer to our local service providers—indicates that the purchase of food is often set aside in order to meet other household budget demands. The consequences of these decisions are disturbing and could have dire and serious longer-term health and social consequences.

The overall call on Vinnies for food assistance has grown significantly in the last 12 months. While the number of people we assist has remained relatively stable, the value of the assistance we have provided has increased. In the last year food service delivery has increased in the vicinity of close to $500,000, to be close to a total overall of $800 million in total of food support that we have provided across the State. This indicates the increased need in both amount and in value. But these are only the people who actively seek our assistance. We would suggest that these figures infer an increasing, unmet and growing need of food security, of food need, across the population, not just amongst the people that we serve. Our submission details from a client perspective the difficulty that the people we serve have in accessing affordable fresh food, especially those who reside in small towns or in regional New South Wales. This is further exacerbated in instances where there is little competition in service provision and the location is remote and distanced from large regional centres. Age and mobility also impact.

Just last night Vinnies had its annual flagship fundraising event, our CEO Sleepout. Attracting over 300 chief executive officers—almost equivalent to the number of people who sleep rough in this city—this event raises funds that are directly provided towards the provision of our homelessness services. Food delivery is an important part of the service. Being homeless means often being without food and certainly without the means to procure fresh and regular meals. Last year Vinnies served a total of 275,000 meals to people in our supported accommodation services alone. We reached approximately 82,000 people through our food van service.

Vulnerable people and those experiencing disadvantage are generally embarrassed about their circumstances. Seeking assistance, asking for help—and particularly for the very basic necessity such as food—compounds this embarrassment and certainly undermines their dignity. This should affect and impact us all. The good fortunes of a State like New South Wales ought to be more equitably shared. Just yesterday this Parliament recognised the inherent right of having a place to call home. We endorse this recognition and agree that an affordable place to call home provides the safety and security required for overall wellbeing. Vinnies further recognises and upholds the equally inherent right to put fresh and affordable food on tables within that home. I thank you very much for the opportunity to attend and hope that I can help you in your deliberations.

The Hon. COURTNEY HOUSSOS: Thank you for your submission. It really does paint quite a bleak picture in terms of the issues that are being faced, but we appreciate the direct feedback that you are providing from the very important work that you are doing. You have provided us with anecdotal evidence today and that is something that we have also heard from Foodbank. A number of the submissions that we have received have called for a need for more data in this area, perhaps a national survey of food prices, but also some more work around the prevalence of food insecurity. Would your organisation support such increase in terms of the actual data that is available?

Ms YATES: We would absolutely and we acknowledge too that some of our data gathering, most of it is anecdotal. We have a very localised and grassroots service delivery provision through our conferences. And even the collection of data at a food van level, of course we do not roll call, we do not take concrete numbers of

people who access our services. But what we do recognise is that the need within that is growing. I think it would be very beneficial to get some concrete numbers and data and I would be very happy to support that approach.

The Hon. COURTNEY HOUSSOS: Even if the Committee were to look for more data, the point that you make about the embarrassment or the shame felt by people who seek food relief, particularly in regional areas, is an important component. There could still be hidden components, even if we do get a more accurate picture, is that right?

Ms YATES: I think that is true to say.

The Hon. COURTNEY HOUSSOS: I found it compelling that you are not assisting a greater number of people but the need is worse, people are suffering more and more.

Ms YATES: Yes.

The Hon. COURTNEY HOUSSOS: We heard this morning from the Public Health Association that food is often the discretionary part of the budget.

Ms YATES: Yes.

The Hon. COURTNEY HOUSSOS: Mr John Robertson talked about the mortgage being something that people will hold on to. Mortgages and electricity bills cannot be cut, but food often can be.

Ms YATES: That is certainly true, and it certainly is borne out in, again, the anecdotal evidence that we get from our State Council operations, the people we serve at a very grassroots level. The feedback that we get is they pay their electricity bills, and some of them even come to Vinnies for assistance to pay that through the Energy Accounts Payment Assistance [EAPA] Scheme. They will absolutely pay their mortgage. They will absolutely pay their rent, because being without a home means being without more than just food, obviously. We have also heard anecdotal evidence from families who say that they will feed their children the bare minimum, and keep them home out of embarrassment. These are people who feed their children two-minute noodles for dinner, such is their desperation, and do not want to expose that. That for us indicates that that is actually not a choice, that is a desperate situation, and that is increasing for us. The increase is borne out in the costs that we are committing to our services. The $8 million is a frightening figure.

The Hon. COURTNEY HOUSSOS: Unbelievable.

Ms YATES: It is unbelievable.

The Hon. COURTNEY HOUSSOS: A little earlier the Committee touched on the social isolation that flows from that with Mr John Robertson. Food is more than just what you are eating, it is also the opportunity for a family to come together.

Ms YATES: That is right, to participate in the community.

The Hon. COURTNEY HOUSSOS: Or to invite other people into their home and if they cannot do that there is isolation.

Ms YATES: Yes. That is really what I was referring to when I said at this stage those kinds of consequences—while forums such as this are really interesting and important to start to examine those, but we do not know the longer term health and social consequences of the impact of missing out on even a single meal once a day, let alone more regularly. A frightening prospect.

The Hon. COURTNEY HOUSSOS: St Vincent de Paul is a very well-known, long-running charity. Is food insecurity something that it has faced over the entire time that it has been around? Has it always been as prevalent?

Ms YATES: From my perspective—I have only been with the organisation for seven months, but that has covered a couple of years—our data flows show there has been an increase. I have staff who work in the State support office, where I am, who run the food van and volunteer on the food van. That has increased. We used to run that five days a week. We now run that seven days a week and every day of the year, apart from New Year's Eve. We stop at three stops in the central business district and the number of people who attend that van anecdotally has increased and we never have enough food. We run out every time we run the truck. We run out, we fulfil the need.

The Hon. COURTNEY HOUSSOS: When did you start the food truck? I am happy for you to take any of my questions on notice if you need to.

Ms YATES: I do not know when that started. It has been a longstanding service delivery, but I will get back to you on the time that it started, and if we have got trend data I will attempt to provide that to you too.

The Hon. COURTNEY HOUSSOS: That would be very helpful. Does Vinnies run any school breakfast programs?

Ms YATES: We do not officially have a school breakfast program, but there would be some schools whose parents and conference members would feed children before they attend school and who would provide an informal breakfast club. I am sure that some exist but we do not have a formal program of that level of service delivery.

The Hon. COURTNEY HOUSSOS: Do you think from your anecdotal evidence that there is a need for more school breakfast programs?

Ms YATES: I would think that there is emerging evidence to demonstrate that that would be the case. I was attending while Mr John Robertson was giving his evidence and I overheard that just before I sat here and I think he has articulated that need very, very strongly. The link between well-fed children and their academic performance is well-regarded and well-known. It is important for the Committee to recognise the need for that. There is some strong academic research to support the case.

The Hon. COURTNEY HOUSSOS: The P and C Federation provided us with an informative submission as well. It talked about school lunch programs that operate in other countries where the benefit is not just the food provided to the children but there are social flow-on benefits as well. Universal programs are often better rather than just providing emergency food relief because it reduces some of the shame and stigma. Would you agree with that?

Ms YATES: Without direct knowledge of it, yes I would. I think the other important component about that is it provides systemic relief and intervention, rather than, as you say, emergency provisions, which generally meet that crisis need but do not look at longer term structural issues and do not provide longer term structural solutions. What Vinnies does by offering a hand-up to the people we serve and wraparound services, we fully support models that provide empowerment and ultimately transition people's lives out of that desperate need of vulnerability and poverty Anything that does that we would fully support.

The Hon. COURTNEY HOUSSOS: Especially for our most vulnerable, our children.

Ms YATES: Absolutely.

The Hon. COURTNEY HOUSSOS: Regarding mapping the availability of food, one of the Committee's specific terms of reference is around food deserts and the provision of food across New South Wales, fresh food in particular. Does your organisation have any thoughts on that? I am happy for you to take that question on notice.

Ms YATES: Partly we do, and we operate across the State. The anecdotal evidence collected for the work we did for this submission would indicate that the further you get away from a regional centre, particularly from a large city, the higher the cost and the more difficult the access is to fresh and nutritious food on a regular and affordable basis. We did not put in specific recommendations about how that would be addressed but the most obvious one would be the cost of transport and the impact that that has on the direct increase in food. We have got a couple of lovely pieces where one of our conference members went to different supermarkets in different towns and wrote down the increase in very, very regular and stable foodstuffs, the differentiation between a loaf of bread and milk prices. She costed apples per kilo, oranges per kilo and mince per kilo. From a town 50 kilometres out of a regional centre, that increase was almost double for some of those food items. I think we have got some really serious issues to be addressed in that context.

The Hon. COURTNEY HOUSSOS: I am happy for you to provide those figures to the Committee, even on a confidential basis.

Ms YATES: Very happy to.

The Hon. COURTNEY HOUSSOS: That would be very valuable to us. The lack of data is a challenge to the Committee and we would be grateful for anything that can improve that. I love your diligence.

Ms YATES: We are very happy to. It has been lovely. That was because there is one service provider and so there is no competition. Once you get that, there is also an exacerbation of that cost increase, that inflationary impact because there is nothing around.

The Hon. COURTNEY HOUSSOS: Foodbank told the Committee that some of your charities use them.

Ms YATES: We do.

The Hon. COURTNEY HOUSSOS: Do you predominantly use Foodbank or do you also purchase food?

Ms YATES: We do not purchase food. We use Foodbank and we have our own service provider. For example, Matthew Talbot has a kitchen and a cafe attached to it. Some of it we do ourselves and some of it we source from other places. Foodbank is a provider for our food van, for example. When we say we give out food vouchers, we also purchase those from the large supermarket providers. We do not provide a specific voucher for the purchase of food, we give out Coles and Woolworths vouchers. We allow people to purchase at their discretion.

The Hon. COURTNEY HOUSSOS: And that is an important part obviously also in terms of alleviating that shame around seeking relief. We heard some compelling evidence before from Foodbank about the change in the way that they provide food relief; it is not just the usual box of food, but you can come in and choose it. How do you generally provide it?

Ms YATES: Some of our conferences do provide hampers, and that is just about how they access food available to them and whether they have got a shop or a service nearby that has vouchers attached to them, and some of them do not. For those that do, generally we give vouchers from the supermarkets rather than food hampers, and that is for a range of reasons—mostly deterioration of product, but it also enables people to buy fresh food rather than relying on pre-packaged or canned produce.

The Hon. COURTNEY HOUSSOS: It is very important that people who cannot afford food still get high-quality fresh food.

Ms YATES: That is right, and still are able to purchase themselves. It is a really important part of their own self-determination. Because even people who fall into the need of seeking help with food might look like you and I sitting around the table; you might not know. The image of somebody suffering from poverty or being homeless, that old thing about being a kind of old guy with a wine bottle in a brown paper bag, is a kind of image from 60 years ago. Rough sleepers kind of look like that sometimes, but even now that is not an image that is necessarily universal, even across rough sleepers. But the people who come to us for assistance look like any of us sitting around the table, and that, of course, exacerbates the embarrassment because for the rest of their lives they are keeping themselves just afloat. But to come and ask for that is very, very difficult.

The Hon. COURTNEY HOUSSOS: Thank you so much, and thank you for the important work that you do.

The Hon. SCOTT FARLOW: Thank you for your submission and for being here today. I was interested in some of the areas of need. There seems to be a lot of need, from your submission, in regional New South Wales in particular, and not just isolated communities. Is that something where you have seen a recent phenomenon in the growth in demand in regional New South Wales?

Ms YATES: I would say our demand is widespread. About 70 per cent of the work that we do is located in the Newcastle to Wollongong to Bathurst region, like everybody else. There are pockets in the Sydney area, there are pockets in Western Sydney that exhibit extreme levels of disadvantage, of poverty and of vulnerability. So while the anecdotes about the exacerbation of those things become more highlighted and more extreme at a regional level, I think it is true to say that some of that is experienced not too far from this place.

The Hon. SCOTT FARLOW: In terms of looking at some of the statistics on total financial value of food assistance across central councils on page 8 of your submission, I think you make the note that, effectively, there might be some different factors in some of these areas. If we look at Lismore, for instance, which I think is your second-highest for total dominance of assistance, is that because of a particularly high need or is it a very active St Vincent de Paul Society there?

Ms YATES: It is a little bit of both, to tell you the truth. While we have just been talking about regional disadvantage, you will see there that the figures for Wilcannia Forbes are really low. Wilcannia Forbes covers about 50 per cent of the State, but we have also got conferences that are really inactive. So it does not necessarily demonstrate need per se, but also activity of our conference. That bears out in Newcastle Maitland where we have got both a demonstrated need but very, very active conference members. So it is a little bit of both.

The Hon. TAYLOR MARTIN: Thank you for your time and your submission, which goes into a bit of detail about your operations. I too was taken aback that the Central Council of Maitland Newcastle is your biggest area. Is there any particular reason that for that area, say compared to the Illawarra, which is very similar, up in the Hunter you are providing the most assistance?

Ms YATES: There are two ways I will answer that. The first one is I can take that question away and drill down into the data and see if we can get some real evidence about why that is the case. But I think it is a couple of things. I think that as a region that has lost a significant degree of industry and is in transition for a range

of different and emerging industries, but also we have got very, very active conference members who intervene very quickly when people come to them when there is a demonstrated request. It is a little bit of both.

The Hon. TAYLOR MARTIN: That leads onto the next question I want to ask, which is about the referral system. We heard from Foodbank how they have grown quite exponentially in the last few years, but there were some notes in your submission that seem to mean it is rather steady, is that fair to say, or was I misreading one particular thing?

Ms YATES: No, you read it particularly fine. The need for food requests in particular have stayed fairly consistent around the 65,000 mark, I think is what I said in there, but the value increase is what is disturbing us the most. We have gone from about $7.2 million in the last financial year to about $8 million in this, and it is that increase which is disturbing us the most. It means that the people who are coming to us are exhibiting greater levels of vulnerability and more desperate need. We would categorise those as households in particular stress because they would not be coming to us just for food vouchers, because that is often the last thing they come to us for, but we would also be assisting them in other ways, and that would either be through housing, through financial assistance for other things, through energy provision—that deepened structural need.

The Hon. TAYLOR MARTIN: Would Vinnies get other organisations in to assist with the workload if it is too large? How does Vinnies work in with other organisations?

Ms YATES: We tend to work on our own. We do have some partnerships around some service delivery, and that would be around our asylum seeker and refugee work. We do a lot of work with Red Cross, for example, in that space. In this kind of thing it would be just us. The demands on our organisation grow as much as we do with the handout. Those marquee fundraising events, like I mentioned our CEO Sleepout, become even more important to us.

The Hon. TAYLOR MARTIN: Last night.

Ms YATES: Last night out at White Bay terminal.

The Hon. SCOTT FARLOW: In terms of that cohort, I think 61,000 is about the client base, which you said is steady, but the value has increased. In terms of that 61,000, are you seeing that 61,000 being a fairly similar cohort or are people moving out of needing your services and you are getting a new cohort in? Are there any figures in terms of how long you are servicing clients for, for instance?

Ms YATES: I would have to take that on notice and figure that out. We do not necessarily capture data on an individual basis like that. In some instances we do. Some of that is just kept at conference level. I will have to get back to you on the details of that particular figure. One would imagine that there are transitionary figures in it, but I will take that on notice and come back to you.

The CHAIR: Thank you again for coming in. Just some general questions. In your submission on page 3 you state, "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." Do you have any recommendations that perhaps those payments should be reviewed or increased? Because you make a very strong argument in your submission from the point of view of your society. You say, "Over the last financial year the Society has seen an alarming increase in the quantum of food assistance we provide across the state". But something seems to be happening in our society in the last year or two years. What are the reasons for that?

Ms YATES: On the first question, we would absolutely support an increase in welfare assistance and in Newstart in particular, and in the context of the Federal budget, our national council and our national advocate were very, very strong in arguing for increases in that level of support. On the second question about the reason, I think that there are a number of integrated and complicated factors about the impact on cost of living generally speaking, and particularly in the last five to 10 years increases in energy costs, in housing affordability in the Sydney basin in particular has gotten to a point where some of the people that we see are paying up to 80 per cent of their income in rent or in mortgages.

When you are paying that level to keep your house over the heads of your children, the rest of what you need to pay and how you go about paying for those household budget measures is somewhat discretionary, and food is one of those things. The general increase in the cost of living is having a very significant impact. We cannot consider the food question outside of those more general questions of the cost of living. It is one piece of that very complicated scenario.

Mr JUSTIN FIELD: Today's hearing started with evidence from the Public Health Association and then NSW Farmers. It seems there are two trains of thought here. There are people making bad food choices sometimes and there is an argument that the cost of fresh food might drive that, but then there is the impact of

poverty whereby it does not matter how much the fresh food costs—they do not have that and they are making a choice. Both of those things are a problem, because fresh food is good for you, but we also need to be able to afford to pay the entire process of the creation of that food. Do you have a view about the price of food generally? There have been some specific examples in western New South Wales that you have highlighted. Do you have any reason to suspect that the price of fresh food is ultimately a barrier to its consumption or is it much more those other cost of living pressures?

Ms YATES: It is probably a complex mixture of both. As a charity, we would be less inclined to judge people about making bad food choices than to say they make the choices available to them. If they are considering food as a discretionary item after meeting all of those other household costs then they will purchase what is available to them. Vinnies has a particular view about the availability of that. It is not a position that we have made a public statement about. But we would not make that judgement call when people are making really difficult choices about food being discretionary.

The CHAIR: You give a tragic example in your submission of one of your clients who is a single mother of three growing boys. After she pays her rent and utility bills she is left with approximately $150 to feed her family. She told us that often they eat noodles or bread for dinner towards the end of the fortnight as her money does not stretch far enough to feed three growing children. Some days she cannot send her children to school as she has nothing to pack for them for lunch. Obviously that is where the food assistance situation comes in. Part of the increasing costs of rent and utilities is that electricity and gas prices have dramatically increased in New South Wales and Australia. Are they the major factors causing this hardship?

Ms YATES: They are contributing factors. Generally the rising cost of living of which they are component parts has that level of impact. Getting towards the end of a fortnight and having very little to spare and having nothing to pack in your children's lunch is a heartbreaking scenario. And I think it is all too common from the people that we serve. It is a growing problem and it is becoming an increasingly common problem. As your colleagues around the table pointed out, it is desperate, actually.

The CHAIR: Obviously the cost of living expenses are increasing more dramatically than pensions and other support systems in our society, so there needs to be an urgent review.

Mr JUSTIN FIELD: Thank you very much for being here, Ms Yates. Figure 2 on page 6 of your submission looks at food assistance by household type. I was interested to see that single households make up the majority of the food assistance in dollar terms. Can you pull those figures apart a little bit? I would have assumed it would have been more families, to be honest. What do you think the reason for that is?

Ms YATES: There are a couple of reasons for that. Single households generally have income stretch. If a family is able to support itself with two incomes as is often the case and often the requirement then their ability to purchase the goods and services they need to run there is increased. The other part about that is that while a number of the people that we serve are employed, single family households tend to be headed by women and their wages and the industries in which they work are not remunerated as strongly as other parts of industry and other sectors, so there is probably a bit of a double bind about that. But I can drill down into that data and come back to you if you are interested in further exploration of that.

Mr JUSTIN FIELD: Yes. That would be interesting. I assume that most of those in single households are probably on some form of government assistance. Would that be fair to assume?

Ms YATES: Benefits—possibly.

Mr JUSTIN FIELD: You mentioned earlier that where you offer vouchers that largely they are for the supermarkets. The Committee received some other evidence this morning that your local greengrocer—where they still exist, and I know there are parts of the State where they do not exist—is often cheaper. So I wondered why your vouchers tended towards the supermarkets.

Ms YATES: I suppose it is an accessibility issue. I can get some variables and extra information together for you from across the State. That would be just because that is the easier thing for our conference members to give out. There are also the complications of working as a charity and working at grassroots level. We are trying to pull away from voucher systems and from cash systems for a lot of good risk and compliance reasons. That becomes the next practical thing: being able to give somebody a voucher for redemption and cash to go and spend in places other than the supermarket chains. But I can find out some additional detail about that if you are interested.

The Hon. SCOTT FARLOW: Do you issue it as a voucher such as a Woolworths card or something nondescript?

Ms YATES: Yes—the card kind of system.

Mr JUSTIN FIELD: The Committee has received a number of submissions and heard evidence about the challenges for western New South Wales in particular. I read the case study in your submission as well. In practice, dealing with the competition issues in some of these small communities is not going to change. A new retailer will not appear out there. Have you turned your mind at all to how you might go about addressing this challenge of much higher prices in some of those very remote communities or communities where there is simply no competition for fresh food?

Ms YATES: We do not really. Our focus is on assisting the people that come to us. From that point of view we would deal with their presentation rather than addressing the kind of industry issues that give rise to it. While we are interested in it—and we are interested in it at an operational level—our conference and service delivery level is absolutely interested with the presentation of the people that we serve.

Mr JUSTIN FIELD: However, you would have come across this so commonly. We have seen a public discussion more broadly in Australia about advantage being taken by some of the retailers, particularly in some Indigenous communities. Have you seen any evidence that this is just gouging communities who cannot afford it or do you accept that there are genuine additional costs associated with the supply of food and fresh foods that spoil more quickly and are harder to ship to regional areas? Can you comment on that at all?

Ms YATES: I will not comment on the first part of the question but on the second I would say that there are genuine and general issues related to the complications of dealing with a State that has very remote communities as part of it.

Mr JUSTIN FIELD: Fair enough. Thank you.

The CHAIR: Thank you again for coming in and for the work that you do through your organisation, the St Vincent de Paul Society. We appreciate it very much. Keep up the good work.

Ms YATES: Thank you very much.

The CHAIR: I am sorry there is such an increasing need for you, but that is one of our jobs—the Government should perhaps be doing more to relieve that hardship. Thank you.

Ms YATES: Thank you, Chair. I wish you well in your deliberations.

(The witness withdrew)

(Short adjournment)

SUMITHRA MUTHAYYA, Consultant, Right to Food Coalition, sworn and examined

LIZ MILLEN, NSW Convenor, Right to Food Coalition, affirmed and examined

The CHAIR: Thank you very much for coming in to help us with our inquiry. I note from your submission that you are very interested in food insecurity, so we are on the right track. Would either of you like to make an opening statement?

Ms MILLEN: The Right to Food Coalition welcomes the opportunity to contribute to this inquiry. As the Chair mentioned, we have a particular interest in food insecurity and how to address it at a national, State, community, household and individual level. It is a very important issue that does not normally receive the attention, and therefore the action, that we believe it deserves. Our experience shows that most people are shocked to think that 6.9 per cent of Australians sometimes run out of food and cannot afford to buy more—that is 1.66 million people in a developed, well off and significant food-producing nation. There is abundant research showing that food insecurity has serious impacts on short-term and long-term physical health, as well as on mental health—which I do not think has been very widely covered today—and wellbeing. It contributes to obesity and chronic disease, has a role in mental ill health and, critically, can affect the long-term life chances of children, who may miss out on social and educational opportunities if they go to school without breakfast.

Costs are borne not only by individuals who face these issues but by all of us. Estimates of the cost of overweightness and obesity have varied, but some of them are as high as $56 billion per annum. I would like to end with a quick insight into a particular community on the south-west fringes of Sydney, Bargo. A new community pantry opened there in January and already has 830 families registered, which is equivalent to 18 per cent of the local population. We are not only talking about remote areas that have food insecurity issues. About 50 per cent of those accessing the Bargo service are working families. Last Tuesday—you may remember—it was very cold. It was about 9 degrees and there was driving rain and a lot of wind, but nearly 200 families turned up to access the low-cost bag of food, which I think says something about the desperation that families are facing. However, we believe that food insecurity is not inevitable and is something that we can work together to address. It is important to have to access to affordable and appropriate fresh food and we are hopeful that this inquiry will make an important contribution to enabling that.

Dr MUTHAYYA: I am based at the Sax Institute, where I manage a large-scale, long-term study on the health and wellbeing of Aboriginal kids in non-remote areas. I am a nutritional epidemiologist by training and my current interests include food insecurity in Aboriginal communities. My team and I, in collaboration with the Australian Prevention Partnership Centre, are investigating systemic factors affecting food insecurity in urban Aboriginal populations, given the negative impact it has on health. The challenges faced by the Aboriginal community are quite different and Aboriginal people have higher rates of obesity and diet-sensitive chronic diseases, which link to food insecurity. Our research shows that running out of food is a common problem in Aboriginal communities—approximately one in five families. We are talking about non-remote families; not the remote communities.

The unaffordability of food was reported to be the biggest factor associated with running out of food—the high cost of food relative to disposable incomes. The high cost of food means that families run out of food every pay day—every fortnight. It is not once every few months or so; it is a repetitive and common problem. Our research has found that the other big issue is that healthy food is not available anywhere close to where the majority of our Aboriginal families live, even in urban areas. Supermarkets close to where they live have prices that are quite expensive. Many families are without a car and have a number of kids in tow. For the families involved in our research, public transport is not very reliable and it can often take three hours for them to get on the bus, go to the shops, buy the food and come back, all with three or four kids in tow. Accessing fresh food takes too much time and effort. Feeding the family is more of a priority than accessing fresh food.

It is common practice to rely on bargains and specials, buy large meat packs for a cheap prices that would feed a large family and pick up subsidised fruit and vegetable boxes from charitable organisations. The other problem is the advertisements of specials in fast food shops. Families race to get one of those bargains. That is another issue that needs to be addressed. Some of the solutions that have been proposed by our community and other stakeholders to improve food security include: some subsidised fresh food options; better transport options to healthy food shops, such as a shuttle service every few days or week to go to the markets; improved literacy; education around budgeting and bulk purchasing; and school practice programs or community projects. Our work is continuing and we continue to share our findings. We hope that the data and information that we bring will improve services.

The Hon. COURTNEY HOUSSOS: I thank you both for coming this afternoon and for your submission. I will start with a couple of issues that you raised in your opening statements. Ms Millen, you said that we have not yet discussed mental health here today, and I think that is very accurate. Will you expand on that a little bit for us?

Ms MILLEN: There is quite a bit of research—which, in fact, I did not quote in the submission—showing the link between food insecurity and mental health. Recently, there was a very small-scale student project in south-west Sydney that looked at the overlap between mental health and food insecurity and there is a very big overlap. There is quite a bit of evidence that suggests that depression, anxiety and stress can all be compounded by food insecurity. A couple of years ago, the World Health Organization calculated that mental health was going to become one of the biggest burdens on the health systems of developed and developing nations over the next 10 or 20 years. We tend to focus much more on the physical impacts of food insecurity and not look at the direct and indirect affects. There are very direct affects in terms of people feeling anxious and stressed about where the food is going to come from. There is also an impact on people's sense of wellbeing, so people who are a bit insecure will report on feeling lethargic, feeling irritable. Of course, feeling lethargic is not the best way to equip oneself to go out and look for a job. It can have an impact on family relationships. In addition to that, there is some evidence I can provide for you about the impact of food insecurity on mental health conditions.

The Hon. COURTNEY HOUSSOS: That is an important topic that we have not covered today. The other thing you both mentioned is linking obesity and food security. Can you elaborate on that?

Dr MUTHAYYA: Families which are doing it tough who have a big food stress budget often end up buying cheaper, less healthy food, which is high in fat and sugar, and less of fruits and vegetables. This starts a cycle of eating poorly and then being unhealthy, putting on weight. It starts to become a cycle. It is well documented that mild to moderate food insecurity is a pathway to developing obesity. It starts in childhood. That is the biggest risk because they start very early in life and it progresses into adolescence and adulthood and by then they have already picked up early signs of chronic disease, high blood pressure, bad glucose control, and as they get older, different types of cancer and chronic kidney disease.

Ms MILLEN: I agree with that. You have heard a bit of evidence today, particularly about areas that are poorly serviced by access to fresh foods and where prices are higher, meaning access is going to be restricted. There is quite a bit of evidence to show that people in those circumstances are more likely to be overweight or obese. They are complex relationships. If you looked at maps of low socio-economic areas and overlaid maps of overweight obesity, you will see a lot of connection. The factors are very similar. Low income areas tend to be poorly serviced by public transport, more poorly serviced by fresh food outlets. There is quite a bit of evidence about the numbers of fast food and junk food outlets in poorer areas than in better off areas. It seems sometimes that the odds are stacked against people who are living in areas that are missing out on a whole lot of services that might enable them to access fresh foods. Certainly some of the anecdotal evidence that we have heard is that people know what they should be eating, but for one reason or another they are not able to access it.

The Hon. COURTNEY HOUSSOS: The Foodbank released its Rumbling Tummies report earlier this year and it showed one in 10 children are going without food for a whole day every week. It struck me that perhaps they are sitting in the same classrooms as the two in five kids who are suffering from obesity. It shows we need to be working on that. That leads to my question, which is about school breakfast programs and potentially school lunch programs. That has come up through the course of discussions today and the submission from the Federation of Parents and Parents and Citizens Association is they are looking around the rest of the world and the role that universal programs can play in breaking down some of the shame that is associated with food relief, but also providing strong and important educational work. I am interested, Dr Muthayya, in Aboriginal children and whether that would be useful. I note in your submission, and we saw it in others, that one in five people in an Aboriginal community have food insecurity, which is unbelievable.

Dr MUTHAYYA: It is one in five in non-remote areas and one in four in remote areas. One of the communities that we work with is in Wagga Wagga. The Clontarf Foundation has a program that provides fruit and breakfast for children. They take the kids in the morning for a game, so they play sport and they provide breakfast. It is easy access for all the kids so there is no shame involved. Everyone goes and has their breakfast and then goes to school. It is a great start to the day. They have a healthy breakfast. They have eaten so they can concentrate in school. We have seen a lot of progress in that community as a result. We have been advocating for similar programs for other Aboriginal kids in the State.

The Hon. COURTNEY HOUSSOS: I am familiar with the work of the Clontarf Foundation and they have some excellent results. Ms Millen, did you want to provide any reflection on that?

Ms MILLEN: There is quite a bit of research. In Western Australia, they have done some long-term research with Foodbank where staff in the schools have shown the changes in children's behaviour and

concentration. There is much less disruptive behaviour. Comprehensive breakfast programs are contributing to educational outcomes. It is not hard to see why. I do not know how you would decide between breakfast and lunch programs, because lunch programs are a common occurrence in many parts of the world, including the United Kingdom, where I grew up. The start of the day is such an important time so I think breakfast programs are critical so they are not losing the early hours of the day when people tend to be most alert and best able to learn. It is startling when you read Foodbank's estimation that kids lose two hours a day of schooling by effectively not having breakfast. If you look at that over a week, you are losing more than a day of schooling.

If some kids are not going to school in the first place because their parents have not had breakfast or they do not have food to take with them, they are missing out on exactly what they need to get them out of the cycle of poverty and deprivation to give them a chance in life. It seems particularly unfair that not having breakfast can have not just that physical result of feeling hungry and lethargic, but also they are not concentrating. They may get a reputation for disruption in the classroom. They do not like going to school because the teachers are calling them out for disruptions. You can see a pattern can develop where the kids do not feel welcome at school, they may get into trouble, they do not want to go, their parents keep them off some days. They can miss great chunks of schooling. That has such an important impact then on compounding disadvantage.

The Hon. COURTNEY HOUSSOS: Absolutely. You have both to touched on the issue of food deserts, which is in the terms of reference for our inquiry. Are you aware of any issues with mapping food deserts either in Australia or elsewhere that we can learn from if we were to make recommendations on that? I think your submission said they can be difficult, complex and sometimes contradictory.

Ms MILLEN: I think there are some contradictions because clearly there is quite a bit of evidence that where people do not have access to fresh food that they might buy fast food instead. There is some evidence that where you set up farmer's markets in low income areas that there is an increased intake of fresh food and vegetables. There is some evidence that suggested that some food patterns can be set very early in life. If you have an area where there has never been decent food available and a new supermarket comes along, we might argue that there will be a great range of foods. So it is not all about the access; people will go to the supermarket. It is not as straightforward as that. There are a complex number of issues that go to how people relate to food, what cultural practices get set up, what people are used to from when they were kids. That is why I say in my submission that they are complex issues. However, you cannot make a healthy choice of food if it is not there or if you do not have the transport to get there.

I know at one point in Victoria the local councils were trying to say that there should be fresh food outlets within walking distance of 400 metres, 600 metres or 800 metres. It is about trying to come up with some kind of metric that would provide a target. At the moment we have left the positioning of markets to market forces. It is not working very well for us in terms of the huge problems we have with obesity and the cost of that for the community, which makes it very difficult for a lot of people who would like to feed their kids better food. Trying to look at how to make it possible may include working on planning legislation to ensure that we are looking at different ways to access fresh food—places to grow fresh foods, having fresh food available in peri-urban areas around big cities, where shops are located, what kinds of shops there are. I am not a planner; I do not know enough about the different planning legislation, but I believe that pathways could be found through that if there was a will to say that this is a critical issue and we cannot keep saying that one in five children do not get access to food. We have to ask ourselves how we can change that and make a difference.

Dr MUTHAYYA: I can speak for Aboriginal communities. There is a large Aboriginal population in suburban Sydney, in Campbelltown. I believe it is the second-largest Aboriginal population in the country, and they are concentrated in one suburb. The closest supermarket is not very far away, but has fruits and vegetables that you would not want to put on your plate. The cost of food at the supermarket is quite high compared to the shops that are five kilometres away. To get to those shops, kids and families have to take the bus and go on a three-hour round-trip. There is a higher proportion of fast food restaurants and places in these communities compared with fresh food shops.

About two years ago an article by researchers in Western Sydney—I think Thomas Astell-Burt—mapped food deserts, clearly showing how the proportion of fast food and unhealthy food places far outweigh any fresh food stores in certain communities in Western Sydney, when compared with places on the North Shore. There has been some work on mapping, and there are some disparities in the area.

The Hon. TAYLOR MARTIN: Thank you for your submission, which makes unique points compared to other submissions, and this inquiry has received a number of submissions. You made a good point when you said that a new phenomenon has been noted, which is that some urban areas have become effective food deserts because of gentrification, where local general food outlets are replaced with gourmet or less suitable outlets. I agree with this statement, but do you have any research to back it up?

Ms MILLEN: I would have to get back to you with that.

The Hon. TAYLOR MARTIN: Are there any particular areas in New South Wales where that is happening?

Ms MILLEN: I think it has happened in a lot of inner-city areas including, for example, my own suburb where there used to be a greengrocer and now there are several upmarket cafes where you could not get a coffee and a sandwich for less than $20. I can get back to you with some research.

Mr JUSTIN FIELD: I have a follow-up question, having lived in some gentrified suburbs. I have noticed places where there are About Life stores—a classic example—and Woolworths is trying out smaller outlets, its Metro supermarkets. In these areas, there seems to be greater access to the existing supermarket model in a slightly different frame. Is there empirical evidence for the gentrification, or is it anecdotal evidence from charities or others working with people suffering food insecurity?

Ms MILLEN: I would have to get back to you with that. I have heard it, but I do not have it with me now.

The Hon. SCOTT FARLOW: You talked about food deserts in Western Sydney, where I know the diabetes working group run out of Blacktown hospital has done some work on food deserts in Western Sydney. Are you familiar with that research?

Ms MILLEN: Yes, that is the Astell-Burt study.

The Hon. SCOTT FARLOW: We think of isolated communities being far from a town centre—one of the submissions talks about a community 50 kilometres outside Parkes—but there are also these sorts of changes in urban Sydney. You mentioned public transport as being an issue that could be looked at to address this problem. What else needs to be addressed to come up with a solution to some of these challenges, particularly in an urban centre like Sydney?

Ms MILLEN: One of the things is looking at whether fresh food access is available within local suburbs or people have to go a long distance. Public transport can take many different forms, and there are options like shuttle buses—the shopper hopper kind of arrangement. I was interested in the St Vincent de Paul submission, noting the value of the handout given to people. The second highest value is nearly $3,000, and if you divide that by 50 that is $60, which is about what some people have been advocating to be the increase in the Newstart Allowance. It struck me that that was a neat equivalent, because some of the issues for people on those benefits are because the benefits are very, very low. That makes it very difficult to manage budgets to cope with any kind of unexpected changes. Those changes might be to personal circumstances, or might be that a cyclone hits the Northern Territory and suddenly the price of bananas quadruples, or another shock directly related to food. It might be a sudden electricity bill.

Others have said that food is an elastic part of the budget. We often hear talk about giving people budgeting skills. Our experience is that a lot of people on the lowest incomes have very good budgeting skills; they just do not have enough money. I know the State does not have jurisdiction over benefits, but on the other hand through COAG we would argue that there should be an increase to some of those basic income supports. It is interesting that about $3,000 could maybe keep somebody out of St Vincent de Paul.

The Hon. SCOTT FARLOW: You noted in your submission that they have been fewer studies in New South Wales compared to other States. Looking at how studies in other States have researched food deserts and the like, have they examined and analysed that phenomenon? Have they suggested they need a better dataset, or have initiatives been recommended as a result of those studies that we could look to implementing in New South Wales?

Ms MILLEN: Obviously, number one is if you are not monitoring what is happening then you cannot act on it. There are two sides to the story. One is: Where are the food deserts? Several people have said that we do not know enough about how people are accessing food. Somewhere might appear to be like a food desert, but there might be other things going on that we do not see. It might mean that people living in an area that looks like a food desert do not experience it in that way. If you are looking at regional planning, particularly in areas where there are food deserts—likely to be in rural areas—quite a bit of research has shown that support for things like farmers markets or community agriculture enables people to have direct access to food. That can be one way to provide a good price for farmers and to increase access.

People have used those surveys to set up their own ad hoc community organisations to improve food access. There is quite a lot of work in that area trying to make up for some of the shortfalls. There are a number of community pantries and community markets as well as other alternative ways of accessing healthy food that community organisations have tried to set up. They are not directly giving handouts to people, but might be

organising community kitchens or cafes or shared food schemes. Sometimes that information has been used for those reasons.

The Hon. SCOTT FARLOW: When you spoke about a community pantry in Bargo, you said it was used by about 19 per cent of the community. Can you tell us how that community pantry operates?

Ms MILLEN: It was originally in Tahmoor and moved to Bargo. It is a social enterprise and I think it sources a lot of food from Foodbank. They have a membership scheme, and people might pay $20 for a food container that might have $80 or $90 worth of food in it. There is a strong focus on healthy food. Certainly in its original conception it was not only healthy food because they recognised that sometimes people prefer foods that they are familiar with. So they have had a process of educating people that you can get a lot more food if you are buying healthy food. It was in six-dollar lots. You can get a little bit of junk food for $6 or a lot of healthy food. So it is gradually encouraging some changes in people's habits. It provides a large amount of fruit and vegetables. They also provide things like meal tips. They might have the ingredients for a particular meal and the recipe. Again, it is very directly enabling people to provide a healthy cooked meal for a family.

The Hon. SCOTT FARLOW: We have received some evidence—you probably heard it while you were sitting there—about some of the barriers to people being seeking help, and that people have resistance. If this model has 90 per cent of the community it seems as if it is something where people are quite accepting of and are quite open to be part of. From the sound of it, it seems like a very good value proposition and that it does a lot of things, not just with respect to allowing people to get food but also in helping change behaviour to more healthy food and healthy eating.

Ms MILLEN: I think you will find that in most of the community based organisations. Certainly it was mentioned earlier—I think you brought it up—that there are social impacts of food insecurity. One of the other things that we have found is that you need to be part of a community to even hear about things that might help you—things like what kinds of social security assistance there might be. Most schools have some kind of program if you cannot afford a school uniform or you cannot afford to send your kids on an outing. There are training schemes to give people new skills. You have to hear about those kinds of schemes to be part of them. So a lot of these might be food access programs in the first place but they often have a much broader social role, looking at the fact that food insecurity often has many underpinning issues. That might be lack of employment or training, or money being spent on other things. There has been research showing that in some low-income suburbs say 40 per cent of people are accessing the services that would be able to help them because they do not know about them or perhaps they feel pride about it. So having places where people can go and get help makes it more normalised. I think that is very important.

Mr JUSTIN FIELD: Thank you both very much for being here today. You said that food patterns start very early on in life. A constant theme that we have been hearing today, and that I have been asking questions about is trying to pull apart what aspects of food are the real challenge here—whether it is access or price in particular. I get the sense from the answers that you have given to some of the other Committee members is that it is very complex. I was just trying to get a sense of it. If we were able to reduce the price of fresh foods and we were able to put a place within walking distance, are those people for whom food is a concern going to go and buy it, prepare it and consume it, or are we really looking at this from the wrong end of the process—that it has to start much earlier than that?

Ms MILLEN: That is a complex question. I think it is both access and price. I think there has been quite a bit of research showing that. I think the Cancer Council, in its submission talked quite a lot about the numbers of people who said that food cost was the main concern. Certainly the detailed survey that I referred to in south-west Sydney—in those three suburbs—cost was the key issue for people in accessing healthy diets. From research on small-scale local projects, where people have looked at making healthy food more accessible, some of the communities pantries and community kitchens have fruit and vegetable box schemes can show that, even though they are done on a small scale, it is pretty consistent that people's intake of fruit and vegetables goes up. A mixture of providing access and providing the non-judgemental education will make people change.

I think it is a bit like smoking. People know they should not smoke but they get addicted and so they keep on smoking. If you know that your kids should have healthy food but they are hungry and you only have a couple of dollars in your pocket it is sometimes difficult to make that choice. So I think both those things are important. Reducing the price is a tricky one, because there are many who would argue that our farmers are getting a raw deal at the moment. So if you are looking at fresh food, I would not want to see the price of food reducing at a cost to the farmers. I think it is really important that farmers are getting properly compensated. Certainly as a predecessor to the Right to Food Coalition we had another alliance called Sydney Food Fairness Alliance. We had a lot of contact, then, with farmers. There were a lot of issues with farmers about the way the contracts worked.

The contracts could be retrospectively changed. So a lot of farmers were out of pocket. All the power is with some of the big supermarkets.

Mr JUSTIN FIELD: I think both the big supermarkets have a home delivery option these days. Could you comment on whether or not that is helping with accessibility. Are people who have previously had food security challenges or access challenges taking advantage of those food delivery services?

Ms MILLEN: Is it at a cost?

Mr JUSTIN FIELD: I have not used Coles or Woolworths home delivery but I think you go to "add to cart" and hit "enter". I thought there were very low or no delivery fees for some of it.

Ms MILLEN: I cannot comment on that.

Dr MUTHAYYA: I can say that recently I have seen a number of supermarkets having free fruit at the entrance for kids. I have not seen a single child walk past without taking a fruit. With regard to your question about whether they will change their behaviour and buy the fresh food and use it, research has shown that exposure to healthy food does improve consumption of healthy food.

I think a lot of the programs in the State are targeting the use of fresh food and vegetables, especially at schools. There are a lot of programs happening. If families are accessing fresh fruit and vegetables there is a larger likelihood that the kids will carry that to school, because they have programs where they are expected to bring in fresh fruit for mid-morning snacks. So if it is available in the house, they are likely to take it to school for their mid-morning break. If it is not there then they are not able to do that. So there are several ways in which the consumption of fresh food could be enhanced if it was made accessible.

Mr JUSTIN FIELD: That last point points to the importance of programs at school—education and access. Ms Millen, you might have mentioned earlier an issue with advertising specials for unhealthy foods. We have some other evidence about that. Could you expand on that. I get the sense that the availability of less health food, and particularly the marketing of junk foods and specials—maybe even loss-leading with those products—is mutually problematic. Could both of you make a general comment about that. Specifically within Aboriginal communities are you seeing that influencing food choices?

Dr MUTHAYYA: Yes. Every family we spoke to mentioned that they have French fries or chips twice a week. The kids get hooked on it and the families have a hard time getting them off it because they have been exposed to it for such a long time.

Mr JUSTIN FIELD: Do you mean packet chips or hot chips?

Dr MUTHAYYA: Hot chips. In Wagga Wagga one family mentioned that they get two packets of hot chips for $2 home delivered, because the kids are not allowed to go out and buy them. The parents were so at a loss that they just did not know how to deal with the situation. The first thing is the habit formation and the second is that it fills their tummies and it costs little. The kids do not complain and the families feel that at least they are giving them something to eat rather than letting them go hungry. So it is a big problem. They mentioned that they race to the fast food shops when they see these bargains being advertised on TV. So it has a big influence on their eating habits. They are hooked onto it. The more the kids are exposed to this advertising the more they will demand it. I think exposure, and they should not have an advertising of unhealthy food between 5.30 p.m. and 9.30 p.m. on television.

Mr JUSTIN FIELD: Is it the advertising or an example that might have been set by parents, friends or other children they see? The Committee has openly talked about advertising and the marketing side of things. Is it because the pattern has already been set that the advertising is effective or is the advertising driving the behaviour?

Ms MILLEN: I think it is both. A lot of the advertising is about new products. People do not spend money advertising for no reason. They do it because it works. I know that we have had colleagues from the United Kingdom her who have been horrified to see the advertising for children during prime time viewing. They cannot believe that we have not dealt with that already.

Mr JUSTIN FIELD: Does different marketing of junk food occur in low socioeconomic areas compared to high?

Ms MILLEN: I have not read about that.

Dr MUTHAYYA: We can forward the Committee some details.

Mr JUSTIN FIELD: If you have anything else that would be useful.

The CHAIR: I note in your submission you discuss the level of food insecurity. From what you have said it seems as though New South Wales has a lack of reliable information. On page 2 of your submission you say the average level of food insecurity in New South Wales has been relatively stable for about a decade. I have the impression from other witnesses that it has increased in that decade.

Ms MILLEN: I think one of the difficulties is that when you look at the whole population you get skewed results. That is why I said in my submission that looking at an average can be quite meaningless because food insecurity is really concentrated in certain populations. I think other people have enumerated which populations they are. I think it can still be increasing in some areas while it may be decreasing—you know, there are more people who are not feeling insecure. So you can have quite a big change in that one fifth, perhaps, of people who are feeling insecure or one person in the Aboriginal population, and may be not have an impact on the statistics.

The CHAIR: The needy areas need to be targeted, such as Aboriginal and Torres Strait Islanders as one category, migrants or recent migrants in the western suburbs—

Ms MILLEN: Really it goes hand in hand with low incomes—homeless people, young people, single parents. They are all the groups that you would expect to have lower socioeconomic status who are the ones who are likely to have food insecurity.

The CHAIR: If it is taken over the whole State, the area where there are no problems, as you say, would affect the overall percentage to make it seem better than it is?

Ms MILLEN: A few years ago we tried to look at the cost of food in relation to the cost of living index and because the cost of living index includes things like electronic goods, which have gone down in price very rapidly, you can sometimes look at those where there has been less change than there may have been in terms of basic food from basic needs and the like. Sometimes the statistics can be tricky to measure against. There are a lot of aspects to look at. I think there is quite widespread agreement that we need better and more detailed data about food insecurity to get a really good idea of where the areas we need to concentrate on are. They are the communities we need to concentrate on and what kind of action to take so that we can then measure whether our actions are having some kind of impact, which is what Mr Farlow was referring to.

The CHAIR: You also said in your submission that according to a 2015 Australian Bureau of Statistics study fruit and vegetable costs were rising faster than the consumer price [CPI] index rate. I assume that is correct and people have found the costs have increased and it is was difficult to find the money to purchase their fruit and vegetables. Is that correct?

Ms MILLEN: I did not catch the question, I am sorry.

The CHAIR: In your submission you state that according to a 2015 survey fruit and vegetables costs were rising faster than the consumer price index rate.

Ms MILLEN: That is the point I was trying to make earlier, that the consumer price index can mask the way that different items within it are changing. So if some of the basic requirements of life are the prices are rising faster but some of the other things that get included like electronic equipment the price is decreasing. Then it can appear that the consumer price index is not really increasing. If we are using that as a basic, for example, for how we pay welfare payments it may be disadvantaging people who can only afford that part of the CPI which is actually increasing quite rapidly. Several studies have shown that fruit and vegetable prices are quite volatile and often do rise—I will have to get back to you with the exact details—more than the price of some of the very sugar laden and fat laden food stuffs, sugary drinks and those stomach fillers.

The CHAIR: You also say that fewer studies have been conducted in New South Wales than in some other States. You say that Tasmania and Victoria have had more studies and therefore have more information. It may be if we had a recommendations that there should be a government finances study in New South Wales to find out the real situation with cost of living, food insecurity and so on—

Ms MILLEN: I think that would be very welcome. I would suggest that should become a regular occurrence so that we can monitor trends over time.

The CHAIR: Annually?

Ms MILLEN: Annual might be difficult to achieve. We need to discuss with people who are more expert than me in terms of how many years you need to do it to make changes. I think regular monitoring so that we can see what is happening over time to see the impact of changes that we make is important. There are also so many other factors that are at play—things like housing affordability and the issues that put people under food

stress. People who have got housing stress and then they may have food stress. Are there changes to some of those areas? If those change then does it have an impact on food security?

The CHAIR: Another recommendation states:

> 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.

The Committee could recommend that investigation take place.

Ms MILLEN: Yes, I think some other people have referred to a local variation of that called ASAP—I have forgotten what the acronyms are. They have taken that INFORMAS model and developed the Australian Prevention Centre, I think it was.

The CHAIR: You also recommended support for food hubs, farmers' markets to enable farmers to trade directly with the public, and reduce food miles, that is, money spent on travel and on cars.

Ms MILLEN: No, I was more thinking about reducing the supply chains because so much of the food production, you know, the stories that we all hear about apples being picked in South Australia and shipped to Tamworth and then moved to the city. There is a lot of work trying to look at if we can make a much more resilient food system and look at food security in a more holistic sense of the future for Australia where we, in the future, will not have the same kind of ability to rely on fossil fuels. It seems counter intuitive to achieve efficiencies by creating a whole lot more carbon emissions by trucking food around the place when we could be decide how to design our cities in our way that we have local food capacity.

I know a few years ago it was being discussed in Sydney because Sydney has seen such incredible growth lately and a lot of that has been over quite prime agricultural land. It is a common problem of most developed countries that you start off with settlements where there is a good water supply and good land and then we build concrete over it. I think the Department of Primary Industries did a study on how much land you would need in order to be able to produce enough vegetables to supply half of Sydney's needs. So it is a kind of hypothetical exercise to look at what you would need. I think it was about 8,000 hectares at the time. I thought it would be impossible to quarantine that land but there was land if you looked at the Greater Sydney Basin, if you looked down to Kiama, the Richmond area and up north you could quarantine that land. But generally we do not do that kind of long- term planning to say that we think local peri-urban agriculture is important.

It is good to have markets that are close to labour markets and close to consumers—we reduce food miles and the food is a lot fresher. But to achieve that we have to have the kind of agriculture planning hand-in-hand with development planning for housing. In the last little while housing has taken precedence over everything—I think to the detriment of better planning. If we could link the agriculture, health and planning departments together then I see it as a key part of infrastructure, and we have made submissions on this previously when we were looking at infrastructure. Infrastructure is not just rail, jobs and housing. Food is also another key essential of life.

Mr JUSTIN FIELD: Do you know how long ago that report was prepared by the Department of Primary Industries?

Ms MILLEN: Probably about eight years I would say. I could find it. Peter Malcolm prepared it.

Mr JUSTIN FIELD: Could send the Committee a link to that report on notice?

Ms MILLEN: Yes.

The CHAIR: The point you have just made reminded me of when I was a teenager at Revesby and we had massive vegetable farms. They have now all been converted into housing and the farmers have moved to regional New South Wales, to Dubbo and other places. They are trying to grow the vegetables there but they do not seem to be as successful there as they were at Revesby.

Ms MILLEN: Going back 10 or 12 years there were quite a lot of reports on the productivity of the Sydney Basin this side of the mountains compared with over the mountains, because the soil and rainfall is much more conducive to productive growth.

The CHAIR: You get a good growth of vegetables there.

Ms MILLEN: Yes.

The CHAIR: Thank you for appearing before the Committee today. The Committee will consider your recommendations in its final report.

Ms MILLEN: Thank you for the opportunity.

(The witnesses withdrew)

LOUISE de PLATER, Legal Officer, Transport Workers Union of New South Wales, sworn and examined

The CHAIR: Would you like to make a brief opening statement before we proceed to questions?

Ms de PLATER: Yes. I would firstly like to thank the Committee for allowing the Transport Workers Union of New South Wales [TWU] the opportunity to appear on behalf of its members at this inquiry. By way of background, the TWU is the largest representative of truck drivers in the country. It represents in New South Wales alone more than 20,000 men and women in the State's aviation, oil, waste management, gas, road transport, cash-in-transit, passenger transport and freight logistics industries. The TWU welcomes the opportunity to contribute to the Committee's inquiry into fresh food pricing, albeit on the limited basis it has—confined to paragraph (f) (i) of the terms of reference as to transportation costs.

Truck drivers play a critical role in the fresh food supply chain, delivering fresh food from farm to production facility or distribution centre, and from distribution centre to supermarket. Our submission should hopefully speak for itself, but I would seek to highlight the fact that the transport industry is a highly competitive, price-taking industry. In relation to the pricing of transport services in the fresh food supply chain, it is the big retailers who hold the reigns, with even the largest transport operators often having little choice but to accept the price being offered or risk losing the work given the highly competitive nature of the industry. This competition has seen TWU members, who are employees of these large transport operators, forced to accept pay freezes in order to allow their employers to retain contracts with retail clients.

The situation is worse for owner-drivers who are at the bottom of the chain, usually many steps removed from the retailers. Owner-drivers have little to no bargaining power and often have no choice but to take the price they are offered, which often is based on a per trip rate rather than for the time it actually takes for the work to be done. Given that the biggest cause of heavy vehicle accidents remains poor payment methods and levels of remuneration, which lead to drivers being forced to work unsafely by skipping rest breaks and driving fatigued to meet unrealistic deadlines or not maintaining their vehicles properly in order to put food on the table, this is a big and ongoing concern for the TWU.

Whilst the terms of reference cover a broader range of important issues relating to the relationship between retail and farm-gate prices and the prevalence of food insecurity, the TWU wish to bring to the Committee's attention the role and position of the transport worker in the fresh food supply chain. The intention of our making a submission along those lines was to seek to ensure that in any review of pricing arrangements in the food industry, which will necessarily focus on farmers, wholesalers and retailers, the impact of food pricing upon transport workers is not overlooked. We commend the Committee for this inquiry and again thank the Committee for the opportunity to appear on behalf of our members.

The Hon. COURTNEY HOUSSOS: The Committee heard early today from the NSW Farmers Association about its lack of bargaining power, particularly when negotiating with major retailers. In your opening statement you said that is also the situation for TWU workers, particularly truck drivers, as participants in that supply chain.

Ms de PLATER: Yes.

The Hon. COURTNEY HOUSSOS: They do not have a great deal of bargaining power in that situation. Would you agree that the lowest price for consumers does not always mean the best long-term outcome for the consumer?

Ms de PLATER: I would agree with that. Even just the cost of road safety, as one example. It is great if you are paying a lower price at the checkout, but if the truck driver who is delivering that food is only getting paid—often times with our owner-drivers in particular, they are paid piece rates. That does not account for any sort of delays they have on the road or waiting times they have at distribution centres. What this means is that they often do not cover their costs so they either take on extra trips when they should be resting or they speed or sometimes there is the use of stimulants, unfortunately, in the industry to help them stay awake. This cost to the public is borne out in heavy vehicle accidents. It is great to have cheaper costs at the checkout but what costs are they coming at down the line?

The Hon. COURTNEY HOUSSOS: That is something that the Committee is grappling with in its discussion of the various components of fresh food prices. The Industrial Relations Act exempts owner-drivers who are engaged in a contract for bread, milk or cream for sale and delivery. Some contractors are paid a flat rate and, as you said, often per weight or a pallet of load. Can you expand on how this affects your members?

Ms de PLATER: The exemption that you refer to is really a historical anomaly in the Industrial Relations Act. In New South Wales—and I cannot speak for other jurisdictions necessarily—but we do have a

system that regulates to a certain extent the industrial rights of owner-drivers by way of the Industrial Relations Commission. They are a body that is able to conciliate disputes between owner-drivers and their principal contractors and, in some instances, set contract determinations, which cover some minimum rates of pay and conditions. The fact that bread, milk and cream delivery drivers are exempted is a historical anomaly. What it means is that they are not able to access the same system that the rest of the owner-drivers in the State are able to access through the Industrial Relations Commission. It is quite an unfair situation for them. As a result, we know that their rates have actually gone down and it has made it very difficult for them to make ends meet compared to the owner-drivers who transport other goods in the State.

The Hon. COURTNEY HOUSSOS: It seems crazy that what is in the back of your truck determines what you are getting paid rather than, necessarily, the actual work that you are doing.

Ms de PLATER: Yes, we agree. That is right.

The Hon. COURTNEY HOUSSOS: I will return to that lack of bargaining power that we talked about at the beginning. What is the experience of the transport workers you represent? Do you have any particular case studies that you could provide to us? Do they feel that they have bargaining power with major retailers?

Ms de PLATER: Well, not directly with the major retailers. I do not think we would have that many members who deal directly: maybe some smaller retailers, potentially. Owner-drivers may directly deal with them. The major retailers that we deal with subcontract that work to transport companies, which we are negotiating with for our members. But, as we have said in our submission, even those large transport companies that we have a strong presence in and good collective agreements in, we have come up against walls with them when it comes to wage increases and things like that for our members working in the retail chain.

As we have said, it is worse for our particularly regional drivers who usually work for much smaller companies and/or are owner-drivers themselves. There just is not the same level of collective ability to get good outcomes with the principal contractor. It is a price-taking industry, as I said. They take the price that they get. In terms of actual case studies, I do not have anything I could give you now. But that is something that we could possibly take on notice and come back to you with.

The Hon. COURTNEY HOUSSOS: That would be really valuable. You might want to take this question on notice as well.

Ms de PLATER: Sure.

The Hon. COURTNEY HOUSSOS: This morning the New South Wales Farmers Association told the Committee that the value of infrastructure projects or the cost benefit does not take into account freight. Instead, it is focused on passenger movements. That means that often in these areas, particularly in regional New South Wales, we see a decline in the infrastructure: It is not upgraded because of that cost-benefit issue. Do you agree with that?

Ms de PLATER: Yes, I would agree with that. We do hear from our members often, especially the ones that do longer distance interstate trips, that the quality of the roads is not great. There is a lack of infrastructure in terms of rest stops and other facilities that they can use to take their breaks. Definitely, I think that there is something that needs to be looked at there.

The Hon. MICK VEITCH: One of the things in your submission that it is important to highlight—and I would welcome your views on this—that cheaper grocery prices, particularly when the two main grocery chains go through some type of pricing war, one of the areas that people often do not realise that that would impact is in fact the freight costs and in turn, therefore, the owner-drivers and wage earners who drive the vehicles.

Ms de PLATER: Yes.

The Hon. MICK VEITCH: Potentially, that could impact on their work conditions and indeed lead to deaths on the road. Would that be a fair statement?

Ms de PLATER: Yes. I think that is fair to say. As I said, I do not think it is necessarily the first thing that comes to mind when you are talking about checkout prices. People are used to seeing the Coles and Woollies trucks out there on the roads and they know it is trucks that are bringing stuff to the supermarkets, but when you are thinking about the final cost of an item at the checkout, freight costs are not something that people necessarily think about. As I have said, we have seen, even with our major transport operators that have strong collective agreements with the major retailers, even they have had to forgo pay increases that their fellow employees, who are not working in the retail sector, have received. They would have otherwise received them had they not been working in the retail chain. Thankfully, in those kinds of companies we do not see as many safety issues as we do with the small companies in the owner-drivers because we do have good systems in place with those companies

to ensure that the drivers are not driving crazy hours or engaging in dangerous behaviour is to make sure that they can make a delivery window.

The Hon. MICK VEITCH: Yes.

Ms de PLATER: But for sure there have long been these issues in the transport industry with owner-drivers and small operators that the rates and methods of payment are just so poor that they have no choice but to engage in unsafe behaviours, simply to cover their costs and make a bit of money for their family. Yes, I think there is a strong link between those costs and safety.

The Hon. SCOTT FARLOW: From the outset I will disclose that my father is a member of the Transport Workers Union.

Ms de PLATER: Very good.

The Hon. SCOTT FARLOW: I put that on the record. It has not ever really interrupted my political activities, but anyway—

The Hon. MICK VEITCH: Good on him. Hear, hear.

The Hon. COURTNEY HOUSSOS: It is not really what you would expect a Liberal Party member to disclose.

The Hon. SCOTT FARLOW: I said in my inaugural speech that he was, and he has done milk and bread runs.

Ms de PLATER: There you go.

The Hon. SCOTT FARLOW: Today we have spent a lot of time talking about some of the challenges with food pricing. Your submission very much lays out that from the other end the challenge has been that there has been a price war, so to speak.

Ms de PLATER: Yes.

The Hon. SCOTT FARLOW: In particular the two major supermarket chains have been having a price war leading to lower prices to consumers, but the challenge has come at your end in terms of your workers and their companies being price-takers in the industry. Just looking at that challenge, we have heard quite a bit about what the percentage cost of freight is. I think you put it in your submission at 30 per cent in terms of commodities?

Ms de PLATER: I think that was general freight. That was the Government's own estimate, but I read in some of the other submissions that it may be even higher.

The Hon. SCOTT FARLOW: Yes. I think the NSW Farmers Association said that that, at times, could potentially be 40 per cent, being the freight costs. The NSW Farmers Association had quite a bit to say about the supply chain and how inefficient it is. Is that a view that would be shared by the TWU as well—that it is an efficient supply chain?

Ms de PLATER: In what sense?

The Hon. SCOTT FARLOW: Or do you prefer not to offer an opinion? In the sense that with a supply chain that effectively you have seen produce shifting to a production centre in Sydney and then potentially shifted back to the community it came from, leading to higher prices in those communities.

Ms de PLATER: I do not know much about that, but on the face of it it seems like what you are saying would seem slightly inefficient. But I am not in a position to put a strong view about that at the moment because I am just not sure exactly what happens with that.

The CHAIR: You are not leading the witness, are you?

The Hon. SCOTT FARLOW: No. But I think we are always leading the witness with our questions.

The CHAIR: Only joking.

The Hon. SCOTT FARLOW: Last year I think the food inflation consumer price index figure was 0.5. The year before that it was actually -0.2. Your submission—and we heard from the Farmers Association that they are bearing that cost as well—paints a picture that the cost is being borne by the transport workers and the transport industry as well.

Ms de PLATER: That is right. Obviously, we understand that there are many players, and the NSW Farmers is a big one. We know that there are issues in their supply chain as well. But, yes, for sure; we have seen that occur right across the board in the retail sector. As I said—and I am repeating it—even with our biggest

operators working in that industry, where we are usually able to secure pretty good or decent pay increases for our members over the life of the enterprise agreement, having to forgo that in the retail sector so that their employers can keep the contract with the big retailers. So, yes, we definitely think that at least part of that cost is being borne by transport workers, yes.

The Hon. SCOTT FARLOW: In terms of the price war you have stated in your submission, "There needs to be a rebalancing in the fresh food supply chain". How do you see that rebalancing taking place?

Ms de PLATER: It is a good question. A good start would probably be if we could have more transparency in how food is priced and how the final price at the checkout is arrived at, how much of that price is going to the farmer, and how much is going to the truck driver. It would probably be a good start. Our view is that there is a lot of profit being made somewhere along the line and it is probably at the top of the supply change by the big retailers. There does need to be a bit more transparency and accountability of those at the top of the supply chain for the working conditions of everyone along the supply chain. At the moment you get these big retail clients at the top of the supply chain who just want to get the work done for the cheapest price. They will contract it out. It will often be contracted out many times down the line and the people at the top wash their hands of it. But we think that they should be held accountable for the rates, conditions and safety issues all along the supply chain.

The Hon. SCOTT FARLOW: How would they be held to account? How do you envisage that?

Ms de PLATER: We think there needs to be an industry approach, particularly in transport, where there is a body that is able to review and set minimum rates of pay in the transport industry. If we can bring everyone up to a good basic level, then we can take labour cost out of the equation. We think that that is not what companies should be competing on, they should be competing on other efficiencies, but labour cost should be taken out of it. We would seek—and we continually seek the same thing—a body that can regulate wages and conditions in the transport industry.

Mr JUSTIN FIELD: In your submission on page 2 you talk about the volume of goods moved and you break it down. Manufacturing, including food and beverage, is 23.5 million tonnes, which is 17.7 per cent of total manufactured freight. Is that manufactured and not fresh?

Ms de PLATER: That is manufactured, yes.

Mr JUSTIN FIELD: Do you have any idea of how much tonnage of fresh produce is moved by trucks?

Ms de PLATER: I do not. I am happy to take it on notice and I will see if it is something that I can figure out. We took those figures from the Government's Draft Freight and Ports Plan that came out last year. They have a lot of figures about that but there was nothing specifically about fresh food in there. I am not sure how we would go about finding that out but I am happy to take it on notice and see what I can do.

Mr JUSTIN FIELD: Primarily, we have been talking about fresh food today. One of the issues is where there are perishable items, the market is highly skewed in favour of the retailers because you can stuff the farmers around because they have to get rid of their produce, right?

Ms de PLATER: Yes, that is right.

Mr JUSTIN FIELD: That does not seem to be as much the case for processed foods and you seem to be the ones squeezed primarily by it. I am trying get a sense of how much. Is there any difference in your mind about the arrangements for drivers for fresh food? I assume they are more likely to be regionally based private owners as well. Would that be correct?

Ms de PLATER: That is right. The distinction would be that they are more likely to be regionally based. Because of that, they are more likely to be either employed by small operators or be owner-drivers. As a result of that, their conditions are usually not as good as what we would see on the other end where you are delivering to a supermarket. By virtue of the fact that they are largely regionally based and they are largely owner-drivers, the conditions are definitely a bit tighter for them out there.

Mr JUSTIN FIELD: A lot of them would be driving to the big markets such as Flemington. Then your members would pick up from that end and take it to the distribution centres of the major supermarkets. Would that be the case?

Ms de PLATER: We have members across the board so we do represent owner-drivers—any truck drivers really, but including owner-drivers. We do not represent the fleet operators because they are employers but we represent owner-drivers, so we would potentially represent the people that pick up the goods from the farm and take it to the market. We have a large presence with the drivers that deliver from the distribution centre to the supermarkets.

Mr JUSTIN FIELD: When you refer to the fleet ones, are you talking about drivers and trucks that are owned by the supermarkets themselves? Is that what you mean by that?

Ms de PLATER: By the fleet operators, I mean people who own a series of trucks and employ drivers to drive them. I am just making the distinction between owner-drivers because they own their trucks as well but they are sole drivers of those vehicles.

Mr JUSTIN FIELD: NSW Farmers made a recommendation around the creation of an agricultural commissioner position to assist farmers manage competition imbalance in trading arrangements. I wonder whether or not you would see value in a commissioner like that and expanding the role potentially to also assist with arrangements between the farmers and the retailers and the transport sitting in the middle.

Ms de PLATER: It is something that we would probably have to think through. But we would support anything that is going to have some positive impact on our members. If there is an overseeing body that is looking at the whole supply chain, then I would imagine that would be something that we would support.

The CHAIR: Your submission has made a strong case that the wages of the drivers who have been transporting fresh food and beverages have been stagnating. In fact, trucking companies have been putting pressure on the drivers to keep the prices down. On page 3, the submission states:

> … this squeeze has been pushed down the supply chain, with transport workers bearing the burden of increased transport costs through stagnating wages (particularly for Metropolitan based drivers employed by large transport companies) or declining rates of remuneration (particularly for Regionally based self-employed owner drivers).

The drivers are basically being blackmailed and being told that there will be no wage increases if you want to keep your job.

Ms de PLATER: I would not put it as high as blackmail, but it is a negotiation that they have with the company. It is about the companies that they work for keeping their retail contracts. If they cannot do that, then there will be no jobs or our members will have to get jobs elsewhere. It is not really a position of blackmailing. The parties come to the table and talk these issues through and we work as collaboratively as we can with the transport operators in these situations. It is just an unfortunate situation. We do not deal directly with the retailers in terms of employment conditions because our drivers are not employed by them; they are employed by transport companies. So we can only do what we can do with those companies.

The CHAIR: At this stage in Australia, and particularly New South Wales, the only means of transport is by road.

Ms de PLATER: That is the main means.

The CHAIR: Is there any possibility of fast rail helping in that area?

Ms de PLATER: I imagine there are areas where that might assist. Given the vastness of the State and the country, obviously road transport is always going to be an essential part of it. There may be areas where some additional train services would assist but I am not really sure about the viability of that. I think that road is likely to remain the dominant mode of transport for as long as I can see.

The CHAIR: In your submission you also state:

> TWU has seen, in the last three to four years, employees at two separate major transport operators operating on major retail supply chains forced to forego pay increases that otherwise would have been afforded to them in order to ensure their employers could retain their contracts, and they their jobs.

That is the pressure I was referring to earlier in the transport industry. Thank you very much for your submission and for attending the inquiry today. We appreciate your help. I hope our recommendations will alleviate some of the pain that your members are experiencing.

Ms de PLATER: We hope so. Thank you.

(The witness withdrew)

(The Committee adjourned at 4.49 p.m.)