

TRANSCRIPT

LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

Inquiry into Food Security in Victoria

Melbourne – Wednesday 21 August 2024

MEMBERS

Trung Luu – Chair

Ryan Batchelor – Deputy Chair

Michael Galea

Renee Heath

Joe McCracken

Rachel Payne

Aiv Puglielli

Lee Tarlamis

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Wendy Lovell

Sarah Mansfield

Richard Welch

WITNESSES

Dr Nick Rose, Executive Director, and

Dr Kelly Donati, Co-Founder and Acting Chair, Sustain: The Australian Food Network.

The CHAIR: Thank you. Welcome back to the Inquiry into Food Security in Victoria. Joining us for this session are Dr Kelly Donati and Dr Nick Rose from Sustain: The Australian Food Network. Welcome.

Before we continue, I just want to read this information to you regarding the evidence you are going to provide for us this morning. All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law. You are protected against any actions for what you say during this hearing, but if you go elsewhere and repeat the same thing, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. The transcript will ultimately be made public and posted on the committee website.

Could you please state your full name and your title and the organisation you work for, for recording purposes.

Kelly DONATI: Dr Kelly Donati, Co-Founder and Acting Chair of Sustain: The Australian Food Network.

Nick ROSE: Dr Nick Rose, Co-Founder and Executive Director of Sustain: The Australian Food Network.

The CHAIR: Thank you. Welcome again. I will quickly introduce our committee to you. My name is Trung Luu – I am the Chair. My Deputy Chair is Mr Ryan Batchelor. Mr Aiv Puglielli, Dr Renee Heath. Mr Lee Tarlamis is on Zoom with us as well, and also Ms Rachel Payne.

I understand we will have got your submission, but I want to open up and invite you to have an opening statement before we pursue any questions.

Nick ROSE: Thank you very much. Good morning, Chair and members of the committee. It is an honour for us to attend the hearing this morning and contribute to your deliberations on matters of vital importance to the people of Victoria.

Sustain's mission is to support processes and collaborations that will lead to a transformed food system for Victoria and Australia. When we speak of food system transformation, we mean a food system in which all Victorians and the life systems on which we depend can flourish. For the matters with which this committee is concerned, that means a food system in which all Victorians have secure access to good food irrespective of their background or life circumstances. It means that secure access to good food for all is treated by the Victorian government as a fundamental human right and not left to the caprices of the market or the economic situation of individuals. In a state as wealthy as Victoria, blessed as we are with natural and human endowments, this is surely the minimum we can and should expect from ourselves and our political institutions.

As most submissions made to this committee have pointed out, we are very far from that entirely legitimate goal of universal food security. I have read through the dozens of submissions made by individuals, and I am sure you will agree that the experiences they convey are heartbreaking and harrowing. They are quite literally a desperate plea for help, for meaningful and effective action by this committee and by the government. That the voices of these individuals are but the tip of an enormous iceberg is confirmed by the submissions of 25 local governments and several neighbourhood houses and community centres, amongst others. Our own surveys across several municipalities in the past year suggest levels of food insecurity reaching 25 to 35 per cent. Our research demonstrates that social support services and community organisations are under-resourced and far past capacity, with all consistently reporting that demand is increasing significantly year on year.

While no-one knows the true extent of food poverty and food insecurity in Victoria, because it is not regularly and comprehensively measured, we can say that the levels of suffering and anguish in communities across the state have reached crisis, if not pandemic, proportions. That so many Victorians are skipping meals and cutting

back on the quality of their food is an indictment of decades of laissez-faire government policy, both state and federal. It is an expression of what we referred to in our submission as ‘structural violence’, now experienced by increasing numbers of Victorians being crushed by the cost-of-living crisis. This situation can and must end, and it is incumbent on this committee to approach this matter with the utmost seriousness and urgency.

The human costs of poverty and food insecurity are incalculable; its social and economic impacts and costs are enormous. Children going to school hungry are more likely to miss days of school and other activities, exhibit behavioural difficulties and suffer from a range of lasting health and social consequences.

Food insecurity severely compromises mental wellbeing, with strong links to suicidal ideation, especially for adolescents. Between August 2022 and January 2023 Lifeline saw a 49 per cent increase in referral searches by helpline counsellors specifically relating to financial issues and homelessness, along with a significant increase in demand for food distribution at their face-to-face crisis support centres. In 2019 the Productivity Commission estimated that poor mental health and suicide alone costs Australia around \$200 billion to \$220 billion per year, including direct economic costs of \$40 billion to \$70 billion annually. Poor mental health impacts on education and employment outcomes and places further strain on stretched health services. The burden of chronic disease, estimated in 2018 to cost over \$38 billion annually, is exacerbated by inadequate food, poor nutrition and the inability to access medications, dental and medical services. All these costs – and bear in mind these are pre-COVID and pre-cost-of-living crisis figures – represent failure demand, a term that describes increased public spending to deal with crises generated by the so-called externalities of socio-economic inequity, food and housing insecurity and social isolation and despair. We are collectively paying extraordinary sums to deal with the costs of an increasingly sick and unhappy population caused by a deeply unfair economy.

What we are calling for is a major political commitment and investment from the Victorian government to work with communities across the state so that all of us can be healthy and lead fulfilling and flourishing lives. Dignified food security is a key foundation for that goal. We and many others have mapped out the steps to a better food future for all Victorians in which food poverty and food insecurity are relegated to the past. They include legislating the human right to good food for all, the participatory creation of a statewide food system and food security strategy and the proper resourcing of that strategy through a Victorian food security fund. To achieve a truly food secure Victoria requires a bold and visionary approach. This requires leadership, political will and having the courage to take on powerful private sector actors in the interest of all Victorians, particularly the most disadvantaged and vulnerable. Thank you, and we look forward to your questions.

The CHAIR: Thank you. Kelly, would you like to make a statement?

Kelly DONATI: No. We have collaborated on that.

The CHAIR: Thank you very much for that statement. I will quickly open up, and I will pass on to committee members. I have gone through all your recommendations. There are extensive recommendations, and like you said, there has got to be a bold plan that the state needs to take. I was just wondering – you suggest in the recommendation that there are ways of funding it – could you expand on the one I am looking at, which is basically a targeted land tax, specifically on landowners and purchases by the major supermarket chains and major fast-food chains? Would you just expand on that in relation to what you mean by taxing specific landowners?

Nick ROSE: The justification for this is looking at the practices engaged in by supermarkets which have been identified in other inquiries, and this is referring to land banking, which is something the Victorian government is already recognising is a problem and tackling. So what we are referring to there is the practice where there is a new suburb slated for development, supermarkets go in, acquire land and hold it until they can see that there is effective market demand and suburban development, at which point they will develop their stores.

The problem here relates to competition, which is something that you mentioned yourself with the previous representatives. One of the issues in our food system is that we have a supermarket duopoly, and this has been identified again and again over many years. This form of taxation is effectively acknowledging that and saying that we want to move towards greater competition. That would be an effective way to tackle the food affordability and food access questions, and the land tax would be a way of resourcing this fund. So it is recognising the dominant position and the excessive profiteering, quite frankly, that the supermarkets have

enjoyed over many years, and clawing some of that money back to support a more diversified food retail environment. And the community food actors, as I am sure you have heard from other submissions, are struggling, overstretched, relying on volunteers and living hand to mouth. They are desperate for funds. The supermarkets are the beneficiaries of a monopolised food system. They need to start paying their way. That is what we say.

Kelly DONATI: I will just add to that that the supermarkets are actually a beneficiary of this particular system, because a lot of the vouchers that food relief agencies are giving out actually come from the supermarkets. So people are going and shopping at the supermarket because that is what the vouchers are for. And they are also benefiting from the decreased cost of waste disposal by sending food that they are not able to sell or do not want to sell to the food relief agencies, who then have to sort that. The research that we have done with the food relief agencies is that many of them – not all of them, but many of them – have said that the food that they are receiving is not always fit for purpose or not able to be used. It is not in a fit state for human consumption, and that then requires their volunteers to sort through it and dispose of it. So the supermarkets are beneficiaries of this. We do not regard them as neutral actors or good actors within the system.

A study by the George Institute, The State of the Food System 2021 report, found that 50 per cent of the products, the 18,000 products that they looked at in the supermarket, are considered discretionary, and 72 per cent were deemed to be ultra-processed. Only 12 per cent of the products that they sell were vegetables, fruits, nuts or legumes, which are the basis of a healthy diet. So they are not a healthy food store, they are not a healthy food outlet. It is mostly discretionary and ultra-processed foods. And that actually has environmental impacts as well as health impacts, so we think that there should be some taxation or clawing back of the externalities that their operation creates for society and the environment.

Nick ROSE: And we would apply the same reasoning to the fast-food industry as well –

Kelly DONATI: Yes.

Nick ROSE: for the same reasons. They have enjoyed a free pass for far too long in the planning framework in Victoria. We have spoken to this in our submission. There has been a massive expansion of this industry over the last decade alone, particularly in lower SES suburbs and in growth areas, and that is leading to huge burdens on the health system. They have had a free pass, and it is time for them to pay their way as well.

Kelly DONATI: One of our recommendations, I think, would be in thinking about how to use vouchers, because I think there are some very good models for vouchers. The City of Melbourne was using the Queen Victoria Market vouchers, which I think people really enjoyed, and that also supports the Queen Victoria Market. But I think there are also opportunities to think about how we can support people who are receiving vouchers to receive vouchers at the local community level so that they are supporting local businesses and shopping strips, going to the local greengrocer or the local butcher and supporting other types of players within the local food economy. That also, I think, builds greater social connection, because as you know when you go into a supermarket, it is about not interacting with people, right. It is now self-check-out; it is about distancing, not connection. Whereas when you go into a greengrocer you chat, you have conversations and you feel like you are part of the community, which is really essential if you are food-insecure, because social isolation is one of the huge problems.

The CHAIR: Thank you for clarifying that. Just on another one, another recommendation in relation to a security fund is a payroll tax surcharge. Is that for all businesses or just for the supermarkets?

Nick ROSE: No, that is building on the existing mechanism that the Victorian government established following the commission into mental health in 2021. That levy was specifically introduced in 2022 as a mental health and wellbeing levy, and it is currently raising over \$1 billion a year. It only applies to big business, to businesses with a payroll over \$10 million a year or \$100 million year. So we are saying it already exists, it is already there in legislation in the taxation system in Victoria and it can simply be extended. As we pointed out, there is a very strong link between food insecurity and mental health, so there is a strong alignment there.

The CHAIR: Thank you. My time is up. I will pass it on to the Deputy Chair.

Ryan BATCHELOR: Thanks, Chair. Thanks, Nick and Kelly, for coming in. We have had a lot of evidence about the increasing demand on food relief providers. I think it is a really interesting and attractive

notion to find a way of trying to hypothecate a harm to a benefit. That is one of the things I am attracted to about your concepts around the vacant residential land tax. Just to expand on that a little bit more, so you would apply it to vacant land zoned commercially and owned by the supermarkets? Are there other categories of vacant commercial land that you think could be included in the buckets of harm, for want of a better term, that could apply?

Nick ROSE: Yes. I think we need to start thinking seriously about the whole development model of the city – I am talking about Melbourne, but it applies to other regional cities in Victoria as well – where it is structured around these big boxes. You know, everyone drives there; it has got the anchor tenants of the supermarkets, and it is surrounded by essentially mainly unhealthy food outlets as well as other retail. We need to start thinking past that and looking for more diversified retail, encouraging people to use more active forms of transport rather than getting in their cars all the time. So, yes, it could be expanded. It does not have to be limited to land owned by supermarkets. Indeed one of the examples we cited was the city of Boston, and they simply applied a blanket tax to all landowners, essentially a universal land tax so there is no discrimination. As we have said, we think that the supermarkets and the fast-food industry in particular have benefited from a very lax fiscal and regulatory framework in Victoria and Australia, reaping large profits and causing a lot of harm to the Australian population, and they need to start paying their way. So we think there is a justification for hypothecation in the same way that Victoria led the world with the tobacco tax way back in 1987.

Ryan BATCHELOR: Sorry, go on.

Kelly DONATI: I was just going to say in those suburban developments, particularly those new developments, the supermarkets are again very much favoured over others. It is not written in policy, but because they are seen as the default anchor retailer it does actually make it very difficult for other food businesses to sort of get in there and be able to compete. There is a sort of anti-competitiveness to the way –

Ryan BATCHELOR: Are there restrictive covenants put on such places?

Nick ROSE: Yes, I think there are. I think if you look into the detail of them there are a whole range of covenanting and leasing arrangements that stitch things up essentially and that preserve their duopoly position.

Ryan BATCHELOR: Do you have any evidence about how long the banking is lasting on average or the extent of it across –

Nick ROSE: Could we take that on notice? Is that possible?

Ryan BATCHELOR: Absolutely.

Nick ROSE: We might need to go back and do some more research on that, but we are happy to take it on notice.

Ryan BATCHELOR: I would be really interested in both the extent of the issue – how many communities we think this is occurring in, the extent of the site holdings that are owned by these types of commercial entities, zoned in this particular way, designed for that particular retailing purpose – but also how long we understand that this is occurring for, because obviously we have got general issues across the board about the time it takes for developers to bring housing onto the market. We have got a housing crisis; we are trying to incentivise people to do more construction so that people have got places to live. So the whole thing we are trying to push along –

Nick ROSE: Yes, we are happy to take that on notice.

Ryan BATCHELOR: and if we can get some understanding about other ways we can incentivise it plus build an income stream, I think that would be really helpful.

Nick ROSE: Good.

Ryan BATCHELOR: The last point I just want to get to that you mentioned is the importance of getting buy-in from the Commonwealth for some sustained funding for your sector. How much do you get from the Commonwealth at the moment in terms of recurrent funding?

Nick ROSE: We do not get anything.

Kelly DONATI: We get nothing.

Nick ROSE: I think the food banks, the big ones – OzHarvest, SecondBite – get some, but that is a classic bandaid approach to a systemic and structural problem. That is the way state and federal governments have been dealing with this for years.

Ryan BATCHELOR: We have heard also other evidence that one of the really important things that we could do would be to fix some of the social security and wages policy so that people have got more money in their pocket to spend.

Nick ROSE: Absolutely.

Ryan BATCHELOR: Do you think that would be an effective solution?

Nick ROSE: 100 per cent. Yes, absolutely. Drivers – poverty, subpoverty, benefit levels, flatlining wages, lack of social and affordable housing – those are all critical issues for the Commonwealth to act on. In terms of revenue generation – they fund this sector – the question of the SSB tax; the sugar, sweet and beverage tax, which would be extended to ultraprocessed and unhealthy foods; is a glaring opportunity for the Commonwealth government to take. It has been done in other countries around the world, and the benefits are clear. It works.

Ryan BATCHELOR: Obviously it is an excise, so that would have to be the Commonwealth –

Nick ROSE: That is right. It would have to be Commonwealth. That is right.

Ryan BATCHELOR: Thanks, Chair.

The CHAIR: Thank you, Ryan.

Kelly DONATI: Can I make a comment, though, about the Commonwealth funding, and this also goes to state government funding. I think that the food banks, which obviously do very important work – we will not deny that – are always at the table. I do not know the exact figures, but it is certainly in the millions of in terms of both Commonwealth and state government funding. But what we have noticed is that when there are taskforces or committees created, who are not the table are those smaller community organisations, so their needs are often not reflected in the funding models. They are really the ones who are at the coalface of actually delivering those services. As you have heard and I am sure you will hear from many more submissions, they are really, really stretched. They do not have recurrent funding for the most part – it is grant by grant usually year by year – and they are very, very volunteer dependent. We noticed that in the Department of Families, Fairness and Housing submission they described the importance of volunteers in the sector as a real benefit and a strength of the sector, but having spoken to the sector, our research with the sector is that it is extremely stretched.

The submission from the Victorian government described volunteers as ‘volunteer staff’ – now, volunteers are not staff. They do not have the same level of responsibility or accountability. One of the issues that is very practical in terms of the churn of both staff as the result of short-term funding and the burnout of volunteers, who are on the decline, is that you do not have basic things happening, which are things like updating food relief services on Ask Izzy. This came up again and again – food relief providers and support services saying that the information that is out there is out of date. And the reason that it is out of date is because there is so much churn within the sector that those sorts of little things, like just making sure that the hours of service are up to date on Ask Izzy, are just not happening. So there are all of these failures because these organisations are so fundamentally stretched. And they are dealing with community needs that are extremely complex – domestic violence, severe mental health, physical health, all sorts of problems – and it is volunteers that are being relied on to be at the coalface. They are not trained social workers. They are being asked to deal with some really complex issues that they are actually not equipped to deal with. So I think that is a real shortcoming.

The CHAIR: Thank you. Aiv.

Aiv PUGLIELLI: Thank you, Chair. Good morning. Thank you for coming in and sharing your expertise with us. I might just pick up directly from the previous line of questioning in relation to putting more money in people's pockets so that they can afford food and then that money goes out into the economy. Do you think it is also important that we are regulating the profits of the supermarkets so that that the money does not just flow straight into their pockets, basically?

Nick ROSE: Yes, absolutely. I think this is the thrust of the inquiries that are going on, currently with this one and previously, into the market power of the supermarket duopoly in Australia and how it is exercised and what the impacts are on both suppliers and consumers. The case for action here has been demonstrated over many, many years. Hopefully, finally, we have arrived at the point where action is going to be taken in a significant and meaningful way. Absolutely I think the market power of this duopoly has to be curtailed and constrained, and if that is through a super profit tax, for example, then I think that would also be a measure worth considering by the federal government.

Aiv PUGLIELLI: Thank you. You have detailed a range of measures in your submission. I note here that you have recommended enabling:

- ... the **Essential Services Commission** to monitor and report on the retail sale prices offered by supermarkets ...
- ... to investigate and report on profit margins for supermarkets in relation to essential grocery items
- ... to designate a prescribed price for an essential grocery item offered for sale by supermarkets in Victoria

On the one side, you have noted the mechanism of a Greens Bill that is set to come before the Parliament to do this, but why have you recommended these measures?

Nick ROSE: It is in response to, as I alluded to in my opening statement, the desperate pleas for help and people justifiably enraged by the supermarkets making record profits and prices going up. That is the lived experience of people throughout Victoria and throughout the country. Action needs to be taken, and we need to look at a range of mechanisms in order to do that. Also, quite frankly as a matter of principle, building on what we say, which is that food is a fundamental human right – and that is not wishful thinking, that is actually international law which Australia is committed to but has not yet implemented – and flowing from that, food needs to be seen as more than a commodity. It is not an item of economic exchange, like a mobile phone or a car or anything else. It is fundamental to life, to culture, to wellbeing and to health in so many ways. It should be seen therefore as an essential item; it is essential to life. Therefore I think there is a case, as indicated in that Bill, as a measure of last resort, for actual intervention in the market and price regulation.

Aiv PUGLIELLI: Noting also you have recommended legislating the right to food.

Nick ROSE: Yes, absolutely.

Aiv PUGLIELLI: One of the other things you have noted – this is from the federal space, I understand – is establishing:

- ... a Commission on Prices and Competition to examine prices and price setting practices of industries across the economy', including monitoring and investigating supermarket prices and price setting practices

At the state level would you recommend similar action be taken, where that is possible?

Nick ROSE: Yes, absolutely. I think, again, that is one of the common grievances of consumers. There is opacity and there are all of these loyalty schemes, and people just do not know what is going on. I think the Fels commission from the ACTU established a range of dubious pricing practices that the supermarkets are engaged in and have been engaged in for quite some time. We are in favour of government, state and federal, taking strong regulatory action with whatever levers are at their disposal to have the supermarkets pay their way as corporate citizens of this country and give back to the community, because they have benefited from squeezing farmers for decades. We have spoken to farmers who say they have not had a price rise since 1987. In Werribee South last year we heard that directly. And consumers, as the submissions to your inquiry are saying, feel they are being very poorly treated. The supermarkets need to do a lot better. They are benefiting enormously, and there needs to be strong action from state and federal governments.

Kelly DONATI: And I would say to not just focus on supermarkets, because I think that there does need to be some intervention into the power of the supermarkets, but there is also a lack of support for other aspects of the food system where people purchase foods. We did some analysis for the City of Port Phillip, Melbourne

and Yarra councils where we did some analysis of food affordability, which is sort of not something that is really being talked about, I think, in policy. We looked at a certain basket of fresh food items, and we found that the most affordable outlets were cultural grocers and the municipal markets. There is very little support for municipal markets in this state and in Australia in general. It is not a country that has a strong culture anymore of municipal markets, but they are actually incredibly affordable. They are the most affordable place to buy food. So we think that there are opportunities to support those sectors and to look at alternatives such as things like the pop-up Gleadell Street market in Richmond, which is a fantastic market because it offers fresh produce at all different price points. You can buy from your organic farmer directly if you like and you can pay more, but you can also go at the end of the day and get the dollar bags if you are a savvy shopper and get some really good deals. And it is a very democratic space – everybody regardless of their income can shop in that environment. I think that is the ideal – something that everyone can access. I think that there is a lack of attention to these alternatives and thinking about how we can support cultural grocers, greengrocers and in particular municipal markets.

Nick ROSE: We can look overseas to see where this has been done well. I think Brazil is a stand-out under the first Lula government in the early 2000s when they had a zero-hunger national government strategy. The city of Belo Horizonte, a city of 2 million people, became known as ‘the city that ended hunger’ and reduced child malnutrition by over 50 per cent within a few years through supporting the kinds of measures that Kelly has mentioned – through targeted support, through the establishment of what was called a system of popular restaurants. For 50 cents anyone could go in there. You could go in there with a suit and tie as a businessperson or a corporate lawyer, or you could go in as somebody who is unemployed. No stigma, no shame, everybody who went in paid the same price – 50 cents. Pop-up farmers markets in low-income neighbourhoods were subsidised. There were a whole range of targeted measures resourced by local, state and federal governments that made huge inroads into food poverty and food insecurity. That is an example of coordinated government leadership in action through diversifying the food retail and hospitality sectors.

Kelly DONATI: If we put, for instance, a municipal market in every new development instead of a supermarket, you would transform the food system. It would fundamentally change things for both consumers and producers as well.

Nick ROSE: We have to stop thinking of supermarkets as healthy food outlets because most of what they sell, as Kelly said, is actually not healthy, and that is a huge burden on the Australian health system, both state and federal.

Aiv PUGLIELLI: Thank you.

The CHAIR: Thank you. Dr Heath.

Renee HEATH: Thank you so much for your submission and your presentation. Some interesting thoughts – I have a few. You have spoken a lot about increasing taxes, in a certain sense. I am just trying to put together how increasing a tax would make food more affordable.

Nick ROSE: By creating a fund that could resource the sorts of interventions that I just described. In Brazil that was done through the use of government revenue – through taxation – and it cut food poverty and food insecurity in half within a decade. That is an example of how it can be done. In Vermont in the United States they have the farm-to-plate plan, which has survived multiple changes of administration, from Republican to Democrat and back again. It is a whole-of-state, whole-of-system coordinated approach that was legislated in 2009 that has cut food insecurity by 20 per cent over 10 years as well as creating thousands of new farming and food businesses and jobs. That again is funded through government spending and taxation. So there are multiple proven examples of how it can be done.

Kelly DONATI: And I guess it is not just a question of making food more affordable – obviously that is essential – but also resourcing mechanisms to be collecting better data and monitoring of the problem. We do not do regular collection of food affordability indicators. They are done on a very ad hoc basis. We have done a lot of them for local government, but this is not done at the state level. The data that we collect at the state level around food insecurity is only every three years, so that is not useful data for local governments if it is only coming out every three years. The last time I think it came out at the local government level was 2020, which I do not think is a good year for measuring anything, really. We do see with the latest Victorian public health

survey and working with 2022 data that it does look like food insecurity has gone up, but again it is at quite large health regions, which do not enable local governments in particular to make decisions and allocate resources to local need because the data is just not there. We are regularly approached by local government to do research into what is happening at the local level in terms of food insecurity. Really they should be investing those resources into actually addressing the issues that they can at a local level, and it should be the state government that is doing that data collection on a systemic basis. So the taxes are not just about making food more affordable, but actually creating the structure so that both state and local governments can respond to local need and crises as they are happening.

Renee HEATH: I have absolutely no doubt that fast food is not the healthiest option and it does not lead to good health outcomes, but don't you think it is an overstep of government to restrict choice? In a sense, I agree with making healthy food more affordable – I do. But it sort of seems to me like an overreach to make somebody else's choice, unhealthy food, less affordable. I think it seems a bit – I am trying to think of the right word, but I am just going to say the one that is coming to mind – utopian. Could you maybe just comment on that?

Kelly DONATI: Look, my masters degree and PhD were in gastronomy, so I think food culture is actually something that is very important and needs to be attended to, both at the social and government level. I think that what happens when you have a fast-food industry that is running amok, that has no constraints on it, as is the case in Australia, what you see is fast-food outlets everywhere. Particularly when you go out into the outer suburbs, you see KFC, Macca's, Burger King, Domino's – you see the same 10 businesses. First of all, that is very bad for economic diversity; it means that you have got very big corporate players that are dominating the local economic scene. And that is actually just not good for neighbourhood character.

Renee HEATH: What about young people that it employs, though – wouldn't that be a healthy spin-off?

Kelly DONATI: Well, you could have other businesses that employ young people as well. I think the point particularly around young people – and we have done some analysis of the walkability of these fast-food outlets in relation to schools – is that they are completely saturated. It is really easy, at most schools where we have done this analysis, for kids to walk to a fast-food outlet at lunchtime and eat that. Having an environment that is saturated with fast-food outlets means that that normalises that kind of food in a cultural sense, right? So that becomes what kids see as food. If that is what they grow up with, and we tell people to make healthy choices, then isn't that a little bit contradictory to say, 'Well, make healthy choices, but actually we've enabled this environment that's full of really bad food.'

Nick ROSE: I just want to pick up on that. We would push back against the idea that people are just walking around the city and the suburbs and making choices, and government should not intervene in that. The choices that people make are shaped by the planning framework, by government policy and by the interests of corporations – very powerful corporations. This is something called the commercial determinants of health. VicHealth, which is funded by the Victorian government, in its 10-year strategy is focused on that explicitly for those very reasons. So we need to take a step back and actually realise the context and the environments in which individuals, particularly in low-SES communities, are making their choices, because they are being shaped and they also being marketed to without any restriction.

In AFL season you cannot get away from the logo of McDonald's, right? It is in your face every time you turn on the TV or the app. With cricket it is KFC. There is no restriction on that. It flows down through every level of sport. We are a sports-mad culture, so our mental framework and our food environments are all being shaped by these powerful corporate actors. They have not got the interests of health and wellbeing and population health of Victorians or Australians in mind; what they are interested in are profits for their shareholders. We need to, I think, question this idea that people are just walking around making choices and that the government does not have a role to mitigate that, because government has a responsibility for a healthy population because all of us as taxpayers are paying for the costs of this with \$40 billion a year in chronic disease, and that will just go up and up until government actually gets involved in this area.

Renee HEATH: I certainly do not dispute any of that – I do not. But I do not know if it is the recipe for a healthy economy to restrict profit making. I do not understand how that –

Kelly DONATI: But how is it a recipe for the economy to have just a few strong corporate actors dominating the food economy – how is that good for the economy? That would be my question. If it is just the same 10 multinational corporations – and they are big corporations; they are multinational corporations – that are in every single Australian community around the country, how is that good for the economy? How is that good for local businesses?

Nick ROSE: Where are those profits going?

Kelly DONATI: Where are the profits going? Think about that. That is what I would say. What about thinking about how smaller businesses can actually also support their local economy and also the cultural diversity of our communities, because if you only see the same 10 big corporations in your local community, how does that reflect the Vietnamese community, the African community, the Italian community, the Greek community and their food cultures? That is what makes places livable and interesting. That is why we choose the neighbourhoods that we do, often, because of that.

Renee HEATH: I completely get that.

Nick ROSE: We would also make the connection between the economy and health. How is it good for the economy to have a population that is getting higher and higher levels of diabetes, more chronic disease, higher rates of overweight and obesity, higher rates of heart disease every single year? We are setting up our children for a lifetime of ill health. How is it good for the economy to have a massive drag on our health system with people who are increasingly unproductive and cannot work and end up in hospitals and die early? That cannot be good for our economy.

Renee HEATH: I will just put on the record that I certainly did not say that, but I get what you are saying.

Nick ROSE: I am making the connection. If you are not drawing the dots, you are not seeing the bigger picture. That is why we talk about a systems approach.

Renee HEATH: Thank you. That is very interesting.

The CHAIR: Thank you. Ms Payne.

Rachel PAYNE: Thank you, Chair. Thank you, both, for presenting today and for your insights. I would not mind carrying on from that previous conversation you were just having. I think that there is a lot to be said around multinational companies not having any sort of social responsibility or responsibility to community, so I would like to continue on that train of conversation. You did mention in your submission impacts on vulnerable groups within the community, and just following on from that conversation around the cost of a sick and unhappy community – you have pointed out chronic illness, diabetes, all of these impacts – has there been any modelling on the cost of the status quo and maintaining that or the fact that the trajectory is moving towards more of this saturation of multinational companies? I am just thinking about health and wellbeing, community connection and mental health and the government investing on a holistic scale around sustainability – and the impact that could have in comparison to responding to what would be a health epidemic, I would argue. Would you mind expanding on that a bit more?

Kelly DONATI: Yes. We have not done that analysis because we are not health economists, but the Deakin University health economics unit has developed some really great models, and I would strongly suggest the state government have a look at some of the modelling that they can do. We do know that they did some modelling – and I cannot give you the exact figures but I will just give you an example of the types of modelling they can do. They did some modelling around what would happen, what would be the health savings, if kids in the four municipalities in the inner west of Melbourne ate one piece of fresh fruit a day more for the rest of their childhood, and it was something like \$53 million. It was an extraordinary number. Again, do not quote me on that – they have the figures – but it was a huge number, and that was one piece of fruit for four council areas for kids between the ages of I think three and 18. Or maybe it was 12; I cannot remember.

That kind of economic modelling I think would be really interesting for the state government to do, to say, ‘Well, what is the cost of kids eating three burgers a week throughout their childhood? What does that mean for health economics, for what it is going to cost the health system?’ So I would direct the state government –

Nick ROSE: The flip side of that, and we refer to this on page 37 of our submission, is research published this year by the Food Systems Economics Commission 2024:

... Oxford University and the London School of Economics –
and I quote –

found that transforming the food system –
this is at the global level, but you can parse it to our context here in Victoria –

to one that is healthier, equitable, and sustainable would create \$10 trillion USD in benefits per year, requiring less than 5% of that figure in investment ...

Rachel PAYNE: Wow.

Nick ROSE: That is from serious, credentialled economists at some of the best universities in the world; that is the figure they have come up with at a global level, which I think is a powerful piece of data.

Rachel PAYNE: Excellent. Thank you. Thank you, Chair.

The CHAIR: Thank you, Rachel. Thank you so much for your submission. It was definitely very informative in relation to the extent of the recommendations you provided. I was just going through the recommendations, while you were talking, in detail. I just want to ask you before we finish off in relation to one thing which you –

Renee HEATH: I actually have one more question.

The CHAIR: Okay. You go ahead.

Renee HEATH: You were saying there is a role for regulation. What about a role for education? Could you get the same outcomes?

Kelly DONATI: I do not think we have gotten the same outcomes. I think that that approach has been tried for a very long time. Health promotion is the foundation of much of the health system. That is preventative, I suppose. It has mostly been invested in health promotion. I do not think, particularly right now, when there is a cost-of-living crisis and you have so few choices about what you can afford to buy and where you can afford to shop, that the education message is –

Renee HEATH: Not cutting through.

Kelly DONATI: I do not think it is cutting through. Obviously I think that food literacy is incredibly important from a very young age. I think it is essential that people know how to cook, so yes, I think there is a role for that. But making healthy choices, that kind of education, is just falling really flat right now with people who cannot afford to buy food or pay their rent.

Nick ROSE: We are educators. We are both lecturers in the Bachelor of Food Studies at William Angliss as well as our role with Sustain. We absolutely believe in the power and importance of education, and we think that children should be educated from a young age about the food system and, as Kelly mentioned, food literacy, and that includes having access to gardens in schools to grow their own food and to enjoy the benefits of that and develop healthy habits from an early age. We would be saying, as part of a fund, it would be a great thing to resource gardens throughout every public school in Victoria for that reason alone. So we certainly do not in any way disavow or devalue education, but in the context of a food insecurity and food poverty crisis, education is not the necessarily sufficient response. There are much more urgent and effective measures that are required.

Kelly DONATI: I would add to that that education is not just about what happens in schools. There has been some interesting research from an academic at the University of Sydney called Tarunna Sebastian, who looked at this idea of corporate food pedagogy, which is the way that corporations educate people to shop in particular ways. That goes back to what we were talking about in terms of marketing and the messages, I suppose, that really cut through to people about how you should shop, where you should shop and what sorts of things you should buy. So corporations are actually playing a role in this education process around food, and it is not a

positive role. I think we have to think about how education is not just what is happening in schools; corporations are also actively engaged –

Renee HEATH: Yes, in social media and all these things.

Kelly DONATI: That is right, yes.

The CHAIR: Thank you. I will just come back to that. Whilst we have looked at First Nations communities support, I want to ask you about the sustainability of food, not food security itself, in First Nations traditional food. I want your perspective on how we support them in that and how different it is from multicultural communities.

Nick ROSE: Great question.

Kelly DONATI: I was going to say maybe you could talk about that with our partnerships.

Nick ROSE: I think the starting point here is to acknowledge that First Nations people were here long before any of us were and lived on and managed this land sustainably for, by some estimates, 80,000 years, so they knew very well how to feed themselves over millennia. We have been here as settlers in this country for, what, 250 years hardly – not even. The track record is worrisome, quite frankly, in terms of how we are managing the land, so we have an enormous amount to learn from them in terms of plants and species and landscape management and how to care for the land and care for country. They are probably experiencing this crisis more than anybody and have been for quite some time, and that is part of the impact of colonisation and, I would hope, is part of what the state government with its treaty process is seriously engaged in.

We have been working locally in Preston, in the City of Darebin, with a First Nations organisation on a paid internship program for a group of First Nations people recovering some of that knowledge in connection to culture and connection to country, which they have valued tremendously. So we think that is an example of the kinds of initiatives that through a food security fund could be resourced and rolled out throughout the state and would make a really concrete immediate difference to the lives of many, many people. Absolutely it differs from culturally and linguistically diverse communities who are migrant populations in Australia, which is a different set of considerations that also need to be acknowledged and reflected because food is culture. Food is history and family and tradition, and part of the human right to good food is the right to culturally appropriate food that is reflective of your cultural traditions and values. So that needs to be considered and embedded in any strategy or policy that is designed.

Kelly DONATI: One thing I would add to that is the critical importance of First Nations-led organisations in serving the needs of First Nations people who are experiencing food insecurity, and one of the things that we found in consulting with those organisations was in some cases we were consulting and then people literally lost their jobs in the middle of the consultation process because funding was cut. What I saw was First Nations people who were trusted by their community, providing care to their community, and then suddenly being gone. That is Indigenous gathering places in particular: they are really trusted places for Indigenous people to receive support on a whole range of issues, not just food relief, but they have those sorts of wrap-around support services, so it is really, really important that Indigenous gathering places and other First Nations-led organisations are properly resourced to do their job, because it is devastating for people who are receiving those services to lose access to the people that they trust, that they have developed trusting relationships with, and it is even worse to see First Nations people losing their jobs and non-First Nations people not.

The CHAIR: It is interesting you have brought that up. I also want to ask you your opinion about those sorts of services, those sorts of centres: should the government be focusing more on how we assist them to be more self-sufficient and not reliant on grants and funding continually and get them out of actually requiring assistance, or –

Kelly DONATI: No.

The CHAIR: So we should assist them to get into a model which would be self-sufficient?

Kelly DONATI: There is no self-sufficiency in this. I will just say that, because we are from a charity; we understand the grants process. This idea that you can be a social enterprise, it is great in some areas, but there is

no economic model, no financial model, for becoming profitable or even breaking even. Servicing people who are really vulnerable and in need of support: there is no mechanism to become self-sufficient in that. Those organisations do not have money to pay fundraisers, for instance, who might be able to bring in ongoing revenue streams, right? They are lucky if they have got time to write grants. They are just barely surviving, right?

Nick ROSE: Just to clarify: were you asking about communities feeding themselves? Was that what you were meaning?

Kelly DONATI: No, organisations.

The CHAIR: Organisations – as you have said, they have cut services and people have lost their jobs or something. Should we be assisting them in a way in which they have a model which is able to provide some income which assists them to keep the model constantly running?

Kelly DONATI: What kind of income would it be?

The CHAIR: I am just asking if that is what you are thinking. For example, the Vietnamese associations, they are not-for-profit organisations; they started with \$200 or \$300 – 25 years later, they have a million dollars turnaround. Now and again they seek funding from the government, but they are self-sufficient and they hire 300 people, employees, now.

Kelly DONATI: It was probably membership-based, or –

The CHAIR: No, it is organisational. So I am just asking you: should governments assist them to establish some sort of model to be self-sufficient? That is what I am just asking – instead of going ahead with funding and having that ingrained mentality, ‘We rely on the government, we rely on funding all the time.’ Yes, they do occasionally need funding, but I am saying: should we assist them and aid them to move forward and be self-sufficient?

Kelly DONATI: Well, I think I would say that that in the instance of First Nations organisations, as Nick mentioned, we are talking about the impacts of colonisation: that effectively comes back to the state, right? The Australian nation, this country, was colonised, and the communities are still suffering from the implications of that. When we are talking about First Nations organisations, I think there is actually an obligation to be assisting them with resourcing, and I think it really depends. Obviously some community groups can become like the one that you mentioned; there are models there for becoming self-sufficient, but when you are dealing with the most vulnerable people, I fail to see what the model is to bring in revenue on an ongoing basis if most of the funding that you have is year by year, and you do not have a fundraiser – you cannot afford to pay a fundraiser – and you barely have the resources to apply for grants. I would say that that is a real structural, systemic barrier for a lot of organisations to become self-sufficient, yes.

The CHAIR: Thank you. Thank you very much. Thank you for your submissions and the information. We will definitely take it into consideration moving forward.

Witnesses withdrew.