

Friday 26 July 2024

Inquiry into Food Security in Victoria
Legal and Social Issues Committee
Parliament of Victoria

By website submission: <https://www.parliament.vic.gov.au/get-involved/inquiries/foodsecurityinquiry/>

To Whom It May Concern,

I am writing on behalf of Financial Counselling Victoria (FCVic) on the Inquiry into Food Security in Victoria. As the peak body and professional association for financial counsellors in Victoria who collectively assist more than 23,000 of the most vulnerable Victorians every year, FCVic is uniquely positioned to understand systemic social issues including in relation to the impacts of food insecurity in Victoria.

Our members report rising cost-of-living pressures of essentials for people on low and fixed incomes. ‘Spiralling housing and food costs’ as referred to by one member in our annual membership survey, combined with a ‘lack of access to bulk-billing doctors’, is impacting on their clients’ resilience and physical and mental health. Reports we have received of an increase in the number of clients presenting with mental health concerns indicate that these cost-of-living stressors are disproportionately affecting those who are in poverty and experiencing financial hardship.

One financial counsellor told us, *“Many of these people are new to the (financial counselling) sector and in the past were surviving”*. Essentially, as another financial counsellor put it, *“Centrelink and wages are just not keeping pace with essential living expenses”*. South-East Community Links, who have provided a submission to this Inquiry, have provided detailed statistics of their community members who report the impact of increasing food, fuel and rental prices, and who are struggling to afford nutritious and healthy food to the quantity required by their family.

At the FCVic Summit in March 2024, attended by over 300 financial counsellors, industry and regulators interested in addressing ‘The Changing Face of Hardship’, this issue of increasing experiences of hardship was canvassed. It was noted at this event that poverty does not impact people equally – if an individual started with the least, they would feel the impact of cost-of-living pressures the most. Professor Kathryn Backholer of Deakin University also presented on food price increases and food insecurity, noting that for those on low incomes, a healthy diet is often unaffordable.

We note that these are short-term considerations on individual financial hardship experiences – affordability of a basket of healthy groceries, combined with other rising essential costs. However, it is important to note the impact on long-term physical and mental health. When diet quality is compromised, the long-term consequences for individual health outcomes and consequently increased costs on the public health system are significant.

We recommend a three-tiered approach to addressing these short-term food security concerns, and long-term health impacts of hardship:

1. **Bringing down the price of healthy staple foods:** To ensure that people can continue to feed themselves and their families, one option to address the rising cost of goods may be to implement [the Greek concept of the “household basket”](#) where staples are sold at fixed prices, as is

proactively and quickly implementing any recommendations arising from different ongoing inquiries into the supermarket duopoly.

2. **Investing in preventative social, community and health services:** Food insecurity is rarely the only result of poverty and hardship, with individuals likely to be experiencing hardship in other areas including housing, utilities, debt with credit products, and more. To ensure a holistic approach to supporting people in poverty and hardship, the State Government should strategically invest in strengthening social, community and health services with a renewed focus on prevention and early intervention. The VCOSS 2024 Victorian Budget Submission provides key recommendations on how this can be done.
3. **Increasing household financial inputs:** The State Government has a role to play in advocating with the Federal Government to increase income support payments to ensure that everyone can keep a roof over their head, food on the table, and to ease pressures that the cost-of-living crisis is placing on overstretched social and community services in the present, and the pressures on the health system in the future.

We also recommend that the Committee should not restrict themselves to the feedback received through this inquiry process. With many other relevant inquiries on food security, poverty and hardship, by other state, territory and federal governments, there is a wealth of information to consider as part of this process. We recommend referring to in particular:

- The recommendations of the Global Centre for Preventative Health and Nutrition and CHOICE in their submissions to the Senate Select Committee on Supermarket Prices (Federal), and the recommendations of the related final report of this Committee.
- The recommendations of food relief and rescue organisations such as Foodbank in their submissions to the Select Committee on the Cost of Living (Federal).
- The recommendations of the final reports of the Inquiry into food security in Australia (Federal) and the Inquiry into the extent and nature of poverty in Australia (Federal), specifically in relation to the advocacy and leadership role that can be played by the state in pushing for action.
- The recommendations of the final report of the Inquiry into food production and supply in NSW, and how the recommendations relating to funding for food relief and food rescue organisations may apply in Victoria.

Thank you for your consideration of our submission. To discuss this letter further or for any further queries, please contact FCVic's Advocacy Coordinator Amanda Chan on achan@fcvic.org.au.

Yours sincerely,



Zyl Hovenga-Wauchope
Executive Officer
Financial Counselling Victoria