ACCC inquiry into the competitiveness of retail prices for standard groceries

Submission by Population Health Branch, Queensland Health

1.0 Introduction

Queensland Health welcomes the opportunity to provide a submission to the ACCC inquiry into the competitiveness of retail prices for standard groceries.

Queensland Health is very concerned about the impact of food price increases on household food purchasing patterns and the development of chronic diseases in all Queenslanders.

Data from Queensland indicates that the cost of food has increased for all Queenslanders in all parts of the state.[1] The greatest impact is seen in very remote areas, especially those more than 2000 kilometres from Brisbane. In 2006, families in Queensland were paying on average $149 more for the same basket of food they purchased in 2000, a rise of almost 50 per cent in just six years. The price increases experienced across Queensland raises concern about healthy food access and availability for Queenslanders.

In addition, the cost of healthy foods continues to be more expensive than less healthy choices across most of Queensland. The cost differential between healthy foods and less healthy options impacts negatively on food choice, diet quality and the prevalence of diet-related diseases. With price an important factor when deciding what food items to buy,[2] the health of all Queenslanders, but particularly people of lower socioeconomic status and other vulnerable groups, may be compromised as a result.

This is a vitally important economic issue for Australia. Poor nutrition is now responsible for around 16 per cent of the total burden of disease,[3] is implicated in more than 56 per cent of all deaths, and costs in excess of $5 billion nationally per year, including direct health care costs of approximately $3 billion per year in Australia based on 1990 costings.[4]

[1] Queensland Government. The 2006 Healthy Food Access Basket (HFAB) survey. Queensland Health: Brisbane, 2007.
[2] Department of Primary Industries. Queenslanders' Attitudes Towards Everyday Food Items Newsletter. Brisbane: Department of Primary Industries; March 2001. http://lists.dpi.qld.gov.au/dpi-info-sites-l.html (accessed June 2007).
[3] Health Determinants Queensland, Queensland Health, 2004.
[4] Eat Well Australia, A strategic framework for Public Health Nutrition 2000-2010, National Public Health Partnership, 2000.