

Are healthy diets really more expensive?

We studied the cost of



A new measuring tool



investigates the impact of policies on nutrition

We found that a healthy diet is cheaper



than an unhealthy diet

Key messages

- Poor diet is a leading cause of preventable disease in Australia and around the world.
- The public perception that healthy foods are expensive is believed to be a barrier to improving diets.
- Before this study, the price of (recommended) healthy diets and unhealthy (current) diets had not been compared in the real world.
- This study showed that healthy diets would be 12–15% cheaper than unhealthy diets for a family of two adults and two children.
- Households in all socioeconomic areas spend more on unhealthy food and drink choices (around 58% of the food budget) than on healthy food and drinks.
- Healthy food already costs low-income households up to around one-third (31%) of their disposable income. A healthy diet would become unaffordable for low-income households if the GST base was expanded to include basic healthy foods.
- The project has developed the Healthy Diets ASAP (Australian Standardised Affordability and Pricing) methods, which can be used to investigate the real-world impact of fiscal policy actions in Australia, such as a tax on sugary drinks.

The project: The price and affordability of healthy and current (less healthy) diets in Australia

Project lead: Professor Amanda Lee, Queensland University of Technology

Project start: March 2015 **Project end:** March 2016

Why is this issue important?

Poor diet is a leading cause of preventable disease worldwide¹ and in Australia.² Data from the Australian Bureau of Statistics show that fewer than 4% of Australians have diets consistent with the NHMRC Australian Dietary Guidelines.³ More than 35% of adults' energy intake and more than 40% of children's energy intake is derived from unhealthy discretionary choices (foods high in added sugar, saturated fat, salt and/or alcohol).⁴

The public perception that healthy foods are expensive is believed to be a barrier to improving diets. Internationally, fiscal policy actions, such as taxes and subsidies, are being used to manipulate the price difference between healthy and unhealthy foods to help improve diets.⁵ Before this study, there were no real-life data on diet costs that could inform these policy actions.⁵ In Australia, the cost of food was monitored using a single basket of "healthy" food items, but this was neither consistent with current Australian Dietary Guidelines⁶ nor accurately reflected the current Australian diet.⁷

Therefore, there was an urgent need for a nationally standardised tool to benchmark, compare and monitor food prices and affordability, and inform decision-making around health and fiscal policies.

What did we do?

This project was unique in Australia because it costed the price of diets that people actually eat, using dietary data from the 2011–12 Australian Health Survey⁴ and compared this to what the NHMRC Australian Dietary Guidelines⁶ recommend people should eat.

Following the approach recommended by INFORMAS (International Network for Food and Obesity/non-communicable diseases Research, Monitoring and Action Support),⁵ the project developed and costed healthy and current (unhealthy) diet baskets for five different household structures and tested methods in a pilot study in Brisbane. It also calculated household income by two different methods. Food prices were collected in stores in randomly selected high- and low-socioeconomic status locations in six locations in Sydney and Canberra.

The project then held a national forum, where key stakeholders worked together to finalise the approach, developing the Healthy Diets ASAP methods. The project calculated the cost, relative cost and affordability of healthy compared to unhealthy diets for the five household structures in high- and low-socioeconomic areas in Sydney and Canberra. It also assessed the impact of potential GST policy changes on cost, relative cost and affordability of healthy compared to unhealthy diets.

What did we find?



Current (unhealthy) diets, including alcoholic drinks, cost more than healthy diets in Australia, across households in all socioeconomic areas surveyed.



The majority (53–64%) of households' food budget is being spent on 'discretionary' choices, including sugary drinks, takeaway foods and alcohol.



A healthy diet is already unaffordable for low-income families, costing up to 31% of their disposable income.



Expanding the GST to apply to all foods in Australia would make healthy diets more unaffordable, potentially worsening diets and increasing the incidence and prevalence of diet-related chronic disease.



Healthy diets can be more affordable than unhealthy diets in Australia, but other factors, such as convenience and promotion, may be as important as price in determining food choices.

What did we produce?

- Australia's first agreed national standardised way of comparing the relative cost and affordability of 'healthy' (recommended) compared to 'unhealthy' (current) diets – the Healthy Diets ASAP (Australian Standardised Affordability and Price) method
- Two reports for policy partners in ACT Health and NSW Health
- Unique, real world, comparable data on the price, relative price and affordability of healthy and unhealthy diets. These data can be used to help inform potential policy actions and effective nutrition promotion and obesity prevention strategies
- Insights that have informed the development of methods to monitor and benchmark food price and affordability globally under INFORMAS⁸
- Data to feed into broader computer modelling systems to determine estimates of projected health impacts and costs under different fiscal policy scenarios.

Published papers

Lee AJ, Kane S, Ramsey R, Good E, Dick M. Testing the price and affordability of healthy and current (unhealthy) diets and the potential impacts of policy change in Australia. BMC Public Health. 2016;16:315 doi: 10.1186/s12889-016-2996-y

Lewis M, Lee A. Costing 'healthy' food baskets in Australia – a systematic review of food price and affordability monitoring tools, protocols and methods. Public Health Nutr. 2016;19(16), pp. 2872–2886. doi: 10.1017/S1368980016002160

Why does it matter?

The poor quality of the current Australian diet is consistent with a high risk of diet-related disease, such as type 2 diabetes, cardiovascular disease and some cancers. With 25% of Australian children and 63% of Australian adults now overweight or obese,⁹ there is an urgent need for government action to help shift the diet of the whole population towards the recommendations of the Australian Dietary Guidelines.

For the first time in Australia, this project determined the real price of healthy and unhealthy diets in a way that could inform health and fiscal policy decisions.

The new standardised methods will help to answer key policy questions around the difference in price and affordability of healthy and unhealthy diets, and how these would change under different policy scenarios, such as a potential tax on sugary drinks in Australia.

This project has shown that it is critical that no additional barriers, such as increased cost of healthy foods, are put in the way of Australians choosing healthier diets.

Next steps

The project team hopes to use the Healthy Diets ASAP methods to conduct the first national survey of the price and affordability of healthy and unhealthy diets in Australia. Ideally, this would be conducted simultaneously with all INFORMAS modules to generate the first comprehensive nationwide data on all aspects of the food environment in Australia.

The team will provide support to other groups wanting to apply the Healthy Diets ASAP method protocols. Requests have been received from four Australian locations, and international regions including Central America and the Asia Pacific.



My research looks at the price and affordability of healthy diets and current (unhealthy) diets to better understand what nutrition policy actions would help improve Australian diets."

Professor Amanda Lee
Project lead

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The Australian Prevention Partnership Centre

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