

INQUIRY INTO FRESH FOOD PRICING

Organisation: FoodBank NSW & ACT Limited

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SUBMISSION TO THE LEGISLATIVE COUNCIL PORTFOLIO COMMITTEE NO 1 PREMIER AND FINANCE MAY 2018

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8th June 2018

Reverend The Hon Fred Nile MLC
Chairman
NSW Legislative Council
Portfolio Committee No 1 - Premier and Finance
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Chairman Nile and Committee Members

Foodbank NSW & ACT Limited (FBNA) welcomes the Inquiry into Fresh Food Pricing and the opportunity to provide this submission about food insecurity and food assistance in New South Wales (NSW).

FBNA is the largest food assistance and food rescue organisation in the State. We evolved from the first Foodbank in Australia, which opened in Sydney in 1992, and we have been providing food assistance continuously since then. The majority of the food we provide is donated and otherwise destined for landfill.

We invite the members of the committee to visit our Distribution Centre. Most people don't appreciate its scale until they experience it in person. The size of our operation reflects the scale of food insecurity in NSW.

We would also welcome the opportunity to present to the Committee.

Yours sincerely

John Robertson
Executive General Manager
Foodbank NSW & ACT Limited

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EXECUTIVE SUMMARY

Food insecurity, or not knowing where your next meal is coming from, is more common in New South Wales (NSW) and Australia than most people realise. While it is particularly prevalent amongst certain groups within our community, it exists everywhere. We just don't necessarily see it.

3.6 million Australians (15% of the population) experienced food insecurity in a 12 month period to 2017.

Forty eight per cent (48%) of food insecure people are in paid employment.

The incidence of food insecurity is growing and there is unmet and growing demand for food relief.

In a recent survey of NSW charities:

- 40% said that every month they turn away individuals requesting food relief
- 48% responded that demand for food has increased in the past 12 months
- Only 13% responded that their funding to provide food relief has increased.

The growing demand for food relief is also reflected in the volume we distribute:

- In the 2014/15 financial year we distributed 5.8 million kilograms or the equivalent of 10.4 million meals
- Three years later, in this the 2017/18 financial year, we are tracking to distribute 11.0 million kilograms or the equivalent of 19.8 million meals
- And we expect to double our output again in the next 5 years.

Freight costs are a major expense in rescuing food and providing food relief. As such, any additional government assistance in meeting this cost would help to increase the amount of food that is rescued and therefore available, or reduce the cost of getting food relief to the people who need it (which is a current source of inequity that limits food relief outside Sydney). Either way, such assistance would help to feed more hungry people.

The impacts of food insecurity, hunger and undernourishment are particularly poignant for children as they can affect their health, wellbeing and capacity to learn and therefore can have life-long consequences. School breakfast programs can alleviate food insecurity and its impacts for children. Breakfast fuels their day and their future.

In the absence of government funding, the current approach to school breakfast programs in NSW is fragmented and inconsistent. While FBNA is increasing its focus on school breakfasts through its School Breakfast 4 Health program, a systemic government-funded approach would provide the best service and outcomes for the children of NSW.

RECOMMENDATIONS

The recommendations we make in this report are:

Funding transportation of food relief to regional, rural and remote areas

- That the NSW Family & Community Services subsidy to FBNA for the transportation of food relief to charities in regional, rural and remote areas is increased to cover the full cost of that freight so that these charities and the communities they serve are no longer disadvantaged by transport costs associated with food relief.

Incentivising transport of donated food relief products

- That the Federal and NSW State Governments provide incentives or subsidies to encourage and assist farmers and the food and grocery industry to donate good, unwanted food for use as food relief in preference to dumping it to landfill.
- Specifically, 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.

Funding a school breakfast programs

- That a government-funded school breakfast program is introduced in NSW, targeting schools where a high proportion of children are from socially disadvantaged families, and ideally expanding to include children at risk of food insecurity in other schools.

PART ONE - ABOUT US

Who is Foodbank NSW & ACT Limited?

Foodbank NSW & ACT Limited (FBNA) is the largest hunger relief and food rescue organisation in NSW and the ACT, fighting hunger by providing quality food for people in need in a financially sustainable, environmentally responsible way.

We work with farmers and the food and grocery industry to source donated food otherwise destined for landfill or not being harvested. We collaborate with the food and transport industries to source key staple foods that don't come in sufficient quantities via rescue channels. We buy food to help fill the gap between donations and demand. We also provide breakfast at school for hungry children through our School Breakfast 4 Health program.

We act as a pantry for registered charities and schools that provide food assistance directly to hungry people. As the charity behind the charities, we supply food to approximately 600 registered charities, ranging from large well-known charities such as The Salvation Army, St Vincent de Paul and Anglicare, through to small organisations that work within specific communities.

We provide about 70% of all food relief in NSW. In 2016/17 we supplied 8.4 million kilograms or the equivalent of 15 million meals. Just under 30% of this was fresh fruit and vegetables. About 85% of our product was donated and the food we rescued from landfill saved 17 million kilograms in carbon dioxide emissions.

We have a large purpose-built Distribution Centre at Glendenning, which allows us to accept and distribute large volumes of fresh and packaged foods.

We are part of the federation of Foodbanks providing similar services in all mainland states and territories. Foodbank is Australia's largest hunger relief organisation, providing food and groceries to over 2,400 charities and 1,750 schools across the country. The federation supports the sharing of food, resources and knowledge across borders. Foodbank Australia manages national relationships and the relationship with the Global Foodbanking Network. It also publishes research about food insecurity in Australia.

PART TWO - OUR RESPONSE TO SELECTED TERMS OF REFERENCE

(d) The prevalence of food insecurity in New South Wales

What is food insecurity?

The Food and Agriculture Organisation of the United Nations defines food insecurity as,

“A situation that exists when people lack secure access to sufficient amounts of safe and nutritious food for normal growth and development and an active and healthy life”.¹

In simple terms, food insecurity is not knowing where your next meal is coming from.

What is the prevalence of food insecurity and who does it affect?

Food insecurity is more prevalent in Australia than most people realise. It's a problem largely hidden by stigma, shame and embarrassment, but the reality is we're all likely to know someone who is affected. It's not just people on the street but people in our streets. We just don't necessarily see it.

The Foodbank Hunger Report provides an annual snapshot of food insecurity in Australia and Australian states². Key findings from the 2017 report include:

- 3.6 million Australians (15% of the population) experienced food insecurity in the previous 12 months
- Of the 3.6 million, 3 in 5 (2.2 million or 9% of the population) experience food insecurity at least once a month
- Around half of those experiencing food insecurity (1.65 million or 7% of the population) seek hunger relief from a charity or community group
- 48% of food insecure Australians are employed in some way, whether full time, part time or casually.

The food insecure come from all age groups, backgrounds and circumstances, however some groups are consistently overrepresented³:

- Renters
- Young people (Gen Z and Gen Y)
- Lone person households

¹ Foodbank, *Foodbank Hunger Report 2017*, 2017, <https://www.foodbank.org.au/wp-content/uploads/2017/10/Foodbank-Hunger-Report-2017.pdf>.

² Each year, Foodbank surveys the charities and community groups it supplies across Australia and publishes the results in the Foodbank Hunger Report. The past two reports (2016 and 2017) also included insights from a survey of individuals who had experienced food insecurity in the previous 12 months.

³ Australian Bureau of Statistics, 2016 Census of Population and Housing (applies to identified groups except unemployed), cited in Foodbank, *Foodbank Hunger Report 2017*, 2017

- First and second generation Australians (parents born overseas)
- Unemployed⁴
- Aboriginal and Torres Strait Islanders.

In April this year, Foodbank released *Rumbling Tummies*, a report into child hunger in Australia. It reported⁵:

- More than one in five children in Australia live in a food insecure household
- The cost of living is the main cause of household food insecurity
- Parents expect even greater challenges in the future.

Food insecurity and the demand for food relief are growing.

Providing food relief to alleviate food insecurity

FBNA works with over 600 charities that distribute food to alleviate hunger. Some of the 140 schools we work with also provide food for families in need within their communities.

The growth in food relief distributed by FBNA, as the largest food rescue and food assistance organisation in NSW, clearly demonstrates the increasing demand:

- In the 2014/15 financial year we distributed 5.8 million kilograms or the equivalent of 10.4 million meals
- Three years later, in this the 2017/18 financial year, we are tracking to distribute 11.0 million kilograms or the equivalent of 19.8 million meals
- And we expect to double our output again in the next 5 years.

Last year the charities serviced by FBNA provided food for 147,000 people very month. This year that will exceed 200,000 per month.

In a recent survey of NSW charities⁶:

- 40% said that every month they turn away individuals requesting food relief
- 48% responded that demand for food has increased in the past 12 months
- Only 13% responded that their funding to provide food relief has increased.

⁴ Australian Bureau of Statistics, Labour Force, Australia, July 2017, cited in Foodbank, *Foodbank Hunger Report 2017*, 2017

⁵ Foodbank, *Rumbling Tummies: Child Hunger in Australia*, 2018, <https://www.foodbank.org.au/wp-content/uploads/2018/03/Rumbling-Tummies-Full-Report-2018.pdf>

⁶ Initial findings from research for the Foodbank Hunger Report 2018.

(g) Any other related matter

(i) Transport costs relating to food relief and food rescue

Hunger is often not just a food problem; it's also a logistics problem. Each year millions of kilograms of food go to waste in Australia, while 3.6 million Australians have experienced food insecurity in the last 12 months⁷. "Foodbanking" captures surplus food and delivers it to the people who need it most.

One of the largest operational expenses incurred by Foodbank NSW & ACT (FBNA) is the freight charges we pay to transport companies. We incur freight costs in bringing food into our Distribution Centre and in delivering orders out to charities and schools.

Transporting food relief to country areas

In an average week our Distribution Centre services 250 charities and schools. The majority of local charities and schools visit the Distribution Centre at Glendenning to pick, pack and collect their orders. About 110 orders are collected each week. The remainder are packed onto pallets (mainly by volunteers) and transported out, incurring freight charges.

The majority of freight charges relate to deliveries to charities outside Sydney. These freight charges are partially offset by a grant from NSW Family & Community Services. We cover the balance of the cost of freight by charging relevant charities a freight recovery fee and absorbing any balance.

Unfortunately this means that charities outside Sydney pay more for their orders simply because of their location, thus reducing the number of people they can afford to help.

We recommend that the NSW Family & Community Services grant is increased to fully cover the cost of transport between the FBNA Distribution Centre and regional, rural and remote charities so that these charities and the communities they serve are no longer disadvantaged by transport costs associated with food relief.

Transporting donated food to the FBNA Distribution Centre

As improvements in productivity and efficiency in the food and grocery industry cause a decline in the product available for donation it becomes even more important that we divert as much of the good product destined for landfill as we can.

To achieve this, we need food donation to have a competitive advantage over landfill, beyond environmental benefits. We need to provide a service that is more cost effective and convenient for donors.

⁷ Foodbank, *Foodbank Hunger Report 2017*, 2017

Government can assist in a range of ways. At a federal level, the tax incentives that apply to food donations could be extended to include the cost of transporting that food. At a state level, consideration could be given to creating a NSW Environmental Trust waste avoidance grant or scheme that offsets operational costs (eg transport) associated with businesses diverting edible product from landfill.

(g) Any other related matter
(ii) School breakfast programs

The impacts of food insecurity, hunger and undernourishment are particularly poignant for children as they can affect their health, wellbeing and capacity to learn and therefore can have life-long consequences. School breakfast programs can alleviate food insecurity and its impacts for children. Breakfast fuels their day and their future.

What is the prevalence and impact of food insecurity amongst children?

A recent report into child hunger by Foodbank⁸ reported:

- More than one in five children in Australia (20%) lives in a food insecure household
- A child is more likely to live in a food insecure household than an adult (20% vs 15%)⁹
- One in three parents living in food insecure households (32%) say their children do not have enough to eat at least once a month because they cannot afford to buy enough food
- Almost one in ten parents living in food insecure households (9%) say their children go a whole day without eating at all at least once a week
- Parents notice changes in their children's wellbeing as a result of food insecurity
- Parents skip meals so their children can eat
- Parents expect even greater challenges in the future
- Food assistance provides significant benefits for families and children experiencing food insecurity.

Previous research by Foodbank¹⁰ found:

- On a typical day around three students in every class will arrive at school hungry or without having eaten breakfast.
- Teachers estimate that the average student loses more than 2 hours a day of learning time when they come to school hungry.

Food insecurity is especially problematic for children as it can have lifelong implications and the Social Return on Investment for feeding hungry children is more than 5 times that of feeding adults¹¹.

⁸ Foodbank, *Rumbling Tummies: Child Hunger in Australia*, 2018, <https://www.foodbank.org.au/wp-content/uploads/2018/03/Rumbling-Tummies-Full-Report-2018.pdf>

⁹ Research conducted in 2017 found that 15% of Australians experienced food insecurity in the previous 12 months, while 22% of children experienced food insecurity over the same period.

¹⁰ Foodbank, *Hunger in the Classroom*, 2015, <https://www.foodbanknsw.org.au/wp-content/blogs.dir/2/files/2014/02/Foodbank-Hunger-in-the-Classroom-Report-May-2015.pdf>

¹¹ Based on research undertaken by Net Balance (now Ernst & Young) in 2014 on behalf of Foodbank

How can school breakfast programs assist?

School breakfast programs have been widely implemented in many countries and some Australian states. Their efficacy in addressing the issues associated with food insecurity for children are well documented.¹²

The main benefits are:

- Improvements in punctuality to school and classes, school attendance, behaviour, concentration, engagement, calmness, productivity and academic performance
- Improvements in social awareness and management, relations with staff and students and self-awareness
- Positive impacts on mental health, including reductions in behavioural problems, anxiety and depression
- Assisting in addressing impaired cognitive functioning associated with undernourishment
- Contributing to better nutrient intake and overall diet quality
- Combating other problems associated with being hungry, such as lower physical functioning, stomach and headaches, and poorer health.

Research has also been conducted into specific effects of school breakfast programs such as how they may assist in combating obesity amongst food insecure children and their impact on standardised test results¹³.

There are also broader benefits associated with school breakfast programs for families, schools and community benefits.

School breakfast programs in Australia

Foodbank is the largest provider of school breakfast programs in Australia, supplying 239,000 school breakfasts a week to over 116,500 children at 1,750 schools.

Foodbank manages school breakfast programs in several states, including state-wide breakfast programs in Victoria and Western Australia. Both of these programs target schools with high proportions of students from socially disadvantaged homes. The Victorian Government is providing \$13.7 million over four years to support school breakfasts for 25,000 students in 500 schools. The Western Australian program provides breakfast for over 18,000 students in 400 schools and is co-funded by the Western Australian Government to \$800,000 per annum. Both programs have been independently reviewed.¹⁴¹⁵

¹² For examples, see two research summaries published by the Food Research & Action Center (FRAC): Breakfast for Health <http://www.frac.org/research/resource-library/breakfast-for-health> and Breakfast for Learning <http://www.frac.org/research/resource-library/breakfast-for-learning>

¹³ *ibid*

¹⁴ Edith Cowan University and Telethon Kids Institute, *Evaluation of the Foodbank WA School Breakfast and Nutrition Education Program Statewide Year 2 Progress Report*, 2017, http://www.healthyfoodforall.com.au/images/uploads/170510_SBNEP_Yr_2_Report_Statewide_FINAL_Rev.pdf

In the absence of government funding, the current approach to school breakfast programs in NSW is fragmented and inconsistent. Teachers and a number of organisations (including the Red Cross, Kellogg, FBNA and community groups) have sponsored smaller school breakfast programs. In 2017 FBNA was supplying about 40 schools.

Following a single, large private donation for the purpose, FBNA has this year launched its School Breakfast 4 Health program, which is providing a menu of healthy breakfast options free of charge to 100 schools. The feedback to date has been very positive.

FBNA supplies another 40 schools with product and has a waiting list of schools that wish to participate in School Breakfast 4 Health.

Foodbank NSW & ACT recommends the phased introduction of a government-funded school breakfast program in New South Wales, targeting schools where a high proportion of children are from socially disadvantaged families, and ideally expanding to include children at risk of food insecurity in other schools.

¹⁵ Dr Fiona MacDonald, The Victoria Institute, *Evaluation of the School Breakfast Clubs Program, Interim Report*, 2017, <https://www.foodbankvictoria.org.au/wp-content/blogs.dir/18/files/2017/05/Evaluation-of-the-School-Breakfast-Clubs-Program-Interim-Report.pdf>