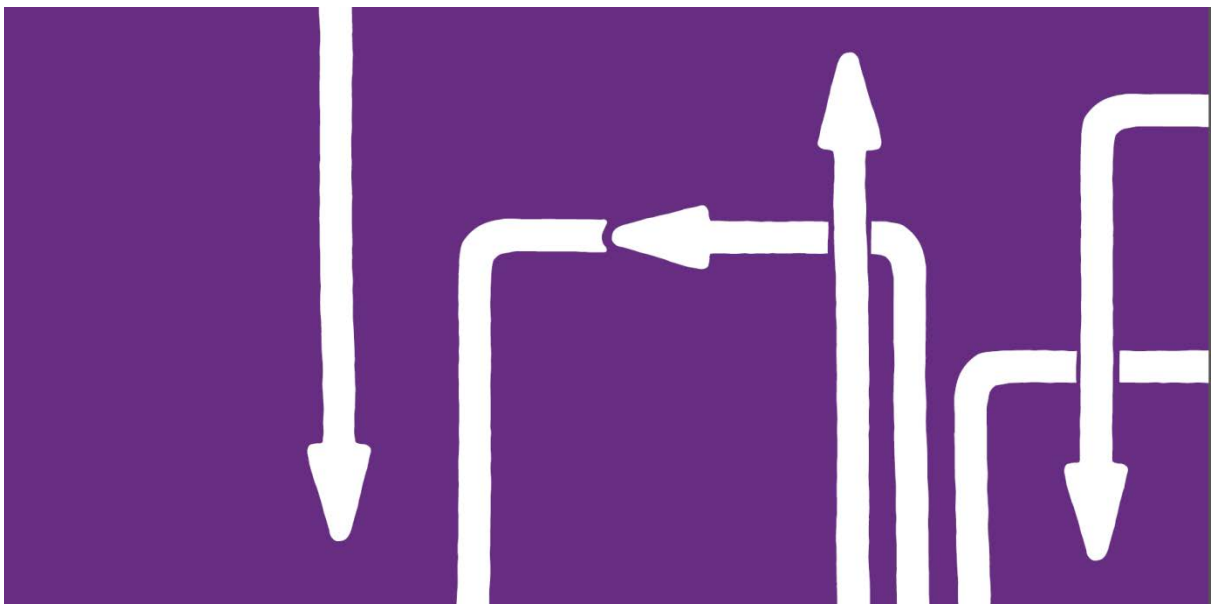




# THE CASE FOR A NATIONAL FOOD SECURITY STRATEGY

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**Foodbank Australia Ltd**

11 Julius Ave North Ryde NSW 2113

PO Box 52 North Ryde NSW 1670

Phone: +61 02 9887 4144

Web: [foodbank.org.au](http://foodbank.org.au)

Facebook: @FoodbankAus

Twitter: @FoodbankAus

LinkedIn: @Foodbank Australia

## Executive Summary

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Foodbank is seeking a long term, bi-partisan, whole-of-government strategy to underpin the efforts of the public, private and non-profit sectors in addressing the current food security crisis. The aim of this strategy would be to meet the food relief needs of every food insecure person in Australia.

There is currently no cohesive federal policy platform underpinning the goal of individual food security in Australia. As such, it is important that this initiative be led by the Department of Prime Minister and Cabinet, noting how many government portfolios have a role to play in developing and implementing key aspects of the strategy (ranging from Families and Social Services to Health and Education to Agriculture, Environment, Infrastructure, Transport and Regional Development).

A cooperative approach by the public, private and non-profit sectors, underpinned by a whole-of-government strategy, would deliver a food relief system that is more efficient and effective, and most importantly, would ensure disadvantaged Australians have access to essential support when and where it is needed most. The development of a national food security strategy presents a unique opportunity to align and inspire a variety of stakeholders to deliver benefits to vulnerable communities as well as Australian society as a whole.

4 million Australians, or 18% of the population, experience food insecurity at some point. Only half of these people ever seek food relief and only a third of the charities are currently meeting the full needs of the people they see. Most charities are forced to turn people away empty handed due to lack of food and resources. There is an urgent need to ensure that the food relief sector is operating at its most efficient and effective to meet the need.

## 1. Food Insecurity

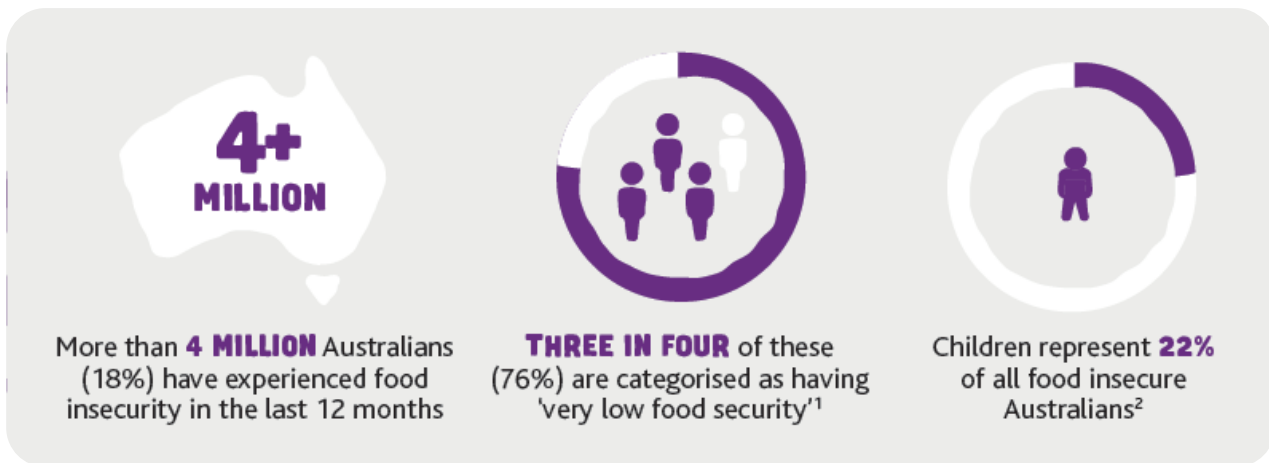
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### What is food insecurity?

According to the FAO Committee on World Food Security "Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. The four pillars of food security are availability, access, utilisation and stability". Addressing food insecurity is the primary objective of [Sustainable Development Goal 2: Zero Hunger](#) in the United Nations' [Sustainable Development Goals](#), to which Australia is a signatory.

### Food insecurity in Australia

The [Foodbank Hunger Report 2018](#) released in October 2018 revealed that 4 million Australians, or 18% of the population, have experienced uncertainty in the last 12 months around where their next meal is coming from. Of these, more than three quarters (76%) are categorised as having very low food security. This means they are eating less food than they need because they lack the means to obtain it – and they are not who you'd think. Food insecurity affects a diverse range of demographic groups, from young families to the elderly to students, under-employed people, those of Aboriginal and Torres Strait Islander descent <sup>(ABS, 2015)</sup>, refugees <sup>(McCrindle, 2018; McKay et al, 2015; Gallegos et al, 2008)</sup> and those with disabilities <sup>(McCrindle, 2018)</sup>. Almost half are in employment and many only access food relief for short periods during extreme hardship <sup>(McCrindle, 2018)</sup>. Younger Australians are more vulnerable to food insecurity <sup>(Butcher et al, 2018)</sup>, in fact 22% of those facing hunger are children <sup>(Foodbank, 2018)</sup>. It is an issue affecting city and country alike <sup>(McCrindle, 2018)</sup>, with those living in country areas 33% more likely to be food insecure than their city counterparts <sup>(Foodbank, 2018)</sup>.



Approximately 710,000 people receive food relief via 2,600 Foodbank charities each month, 26% of whom are under the age of 19 (McCrindle, 2018). Only 36% of charities are currently meeting the full needs of the people they assist and are having to turn people away empty handed due to lack of food and resources (McCrindle, 2018). These are just people seeking help. The reality is that only half (48%) of those experiencing food insecurity actually reach out to charities for food relief at all due primarily to issues of shame and embarrassment (Foodbank, 2018).

Foodbank estimates that 75 million kilograms of food relief are required each year to meet the known need (those seeking food relief). Currently, Australian food relief organisations provide approximately 53 million kilograms combined (noting a degree of error owing to double-counting and varying protocols regarding data collection), which means there is a gap of at least 22 million kilograms of food and groceries per annum.

## 2. National Food Security Strategy

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In order to better meet the needs of vulnerable Australians and deliver greater impact across the country, Foodbank is advocating the immediate development of a National Food Security Strategy.

There is significant momentum amongst a wide range of companies and organisations to participate in the development and delivery of this strategy including support from the food relief sector peers; social welfare, food industry and agriculture peak bodies; grocery retailers and transport and logistics companies.

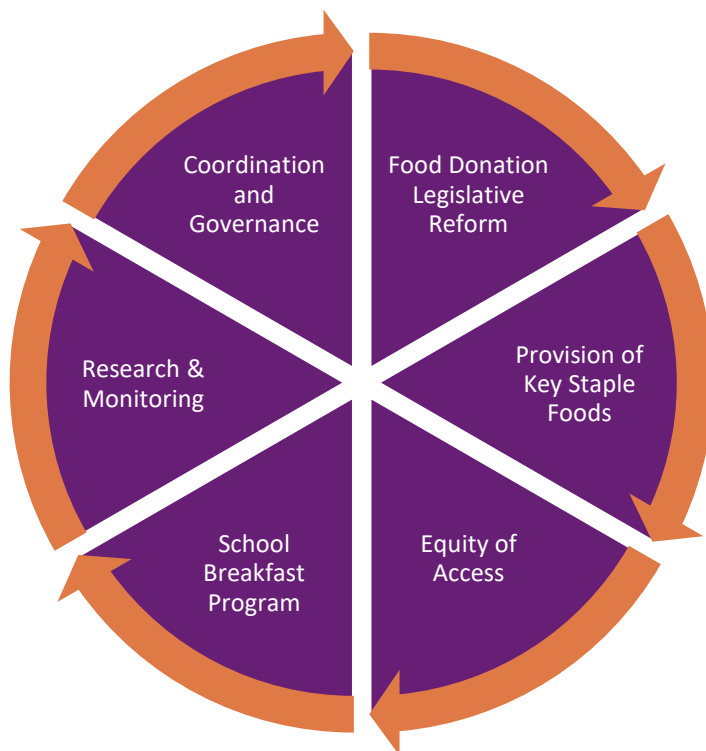
State and Territory Governments are also increasingly recognising the importance of a more structured and long-term approach to addressing food insecurity in Australia. For example, the Victorian Government recently recognised the strategic importance of this issue to the wellbeing of its State by making a policy commitment to fund Foodbank Victoria and the Victorian School Breakfast program to the value of \$58 million over 5 years.

Food security is recognised as a social determinant of health (Nolan, 2006) and should be viewed as a priority of public health policy given food insecurity is predictive of many preventable chronic illnesses (Gregory & Coleman-Jensen, 2017). According to the [Social Impact of Foodbank Australia's services](#) report, food assistance not only addresses people's immediate nutrition needs but also contributes to improvements in their health, emotional wellbeing, sense of self-worth, social relationships and ultimately overall standard of living.

Combined with the environmental savings of food not going to waste, the benefit to the individual and the broader community that flows from every kilogram of food distributed by Foodbank is valued at \$23. For children receiving food via school breakfast programs, that figure rises to \$110.

A cooperative and systematic approach by the public, private and non-profit sectors would deliver a food relief system that is more efficient and effective, and most importantly, would ensure all disadvantaged Australians have access to essential support. The development of a national food security strategy presents a unique opportunity to align and inspire a variety of stakeholders to deliver benefits to vulnerable communities as well as Australian society as a whole, and help Australia make significant strides in meeting at least 5 of the United Nations Sustainable Development Goals.

In the national food security strategy, Foodbank envisages the following:



## Food Donation Legislative Reform

Experience in the USA and Europe clearly indicates that the food relief sector would benefit from the introduction of certain reforms and new legislative mechanisms to further incentivise donations of food as well as introduce incentives for the donation of essential operational services related to food relief, eg transport, pallet hire, storage and refrigeration. Additionally, there is a need for the reform of State and Territory civil liability legislation to better account for the nature of the sector and, therefore, better support food relief activities.

### 1. Enhanced Tax Deductions for Food Donations

Tax legislation promotes the financial sustainability of non-government organisations (NGOs) as tax exemptions and deductions incentivise and facilitate meaningful philanthropy. However, the current tax framework in Australia is ineffective in ensuring that producers of food are adequately motivated to donate the surplus to food relief. In fact, the current tax breaks for donating food are no better than those received for dumping it.

Reform to the *Income Tax Assessment Act 1997* would facilitate an enhanced tax deduction for a donation, allowing the donor to claim an additional benefit for donations of food to charity. This reform could be modelled on legislation from the United States of America, where donors can claim the usual deduction *plus*

half of the profit that would have been recognised if the inventory had been sold at its fair market value on the date of contribution. However, the deduction may not exceed two times the donor's basis in the contributed property (see PWC briefing: ['Enhanced deduction for charitable contributions of food inventory modified and retroactively made permanent'](#)).

This revision would deliver an increased incentive to farmers, manufacturers and retailers to donate surplus, short-coded or otherwise unwanted food to hunger relief organisations to help meet the burgeoning demands for food relief in Australia.

## 2. Tax Deductions for Services Related to Food Relief

Logistics are essential and also a very expensive aspect of charitable food relief. For food relief organisations, the costs of transportation and storage are substantial barriers to increasing the amount of food distributed to food insecure individuals. Removing these barriers would enable food relief organisations to access and redirect significantly more of the food currently going to waste and deliver better outcomes in terms of equity of access, meeting dietary needs, cultural appropriateness and dignity of choice.

The support of the Australian Taxation Office is needed to introduce new legislative mechanisms to incentivise donations of essential operational services. Extensive research and examples in other jurisdictions suggest that this can be achieved through amendments to the *Income Tax Assessment Act 1997* to introduce a tax deduction to companies providing food relief-related services e.g. transport, pallet hire, storage and refrigeration.

A variety of different models have been adopted in Europe and the Americas to address the issue of logistical costs (see Macquarie University Law's ['Enhancing the Australian Tax Framework to Facilitate Donations of Services'](#)). For example, in France food donors can deduct 60% of the amount of a donation up to 0.5% of the corporation's turnover including the value of the transport and storage of the product.

## 3. Reforming Civil Liability Legislation

Legislation in every Australian state and territory exists to provide protection to donors of food for the purpose of food relief from liability in the case of an incident arising from that donation. Food relief organisations cannot categorically rely on protection from this legislation, however, because common practices within food relief organisations are not recognised or allowed for eg the charging of handling fees to recover operating costs. This situation results in increased insurance requirements (and hence costs), running costs and the turning away of donations, which are then sent to landfill. Current legislation is not designed for, and in most instances does not reflect the nature of the evolving food relief sector and, therefore, falls short in the support that it offers.

A report has been prepared (see Macquarie University Law's ['Limitations of Civil Liability Legislation and Recommendations for Improvement'](#)) documenting many different and successful models and practices internationally, specifically, the United States, Italy and France. These models provide a more advanced framework for food donation. Legislative reforms could be implemented in Australia that adopt the most effective international aspects. Building on international models whilst addressing the issues specific to Australia would address issues of civil liability and provide an easier system to work within.

A Macquarie University Law report provides recommendations that cover legislative reform including food donation-specific legislation; clarification of definitions; limiting liability through legislation and making amendments to allow for 'payment, handling fees or fee-for-service'. While this legislation is state-based, the Federal government could set a harmonisation agenda encouraging the enhancement and alignment of the legislation.

## Provision of Key Staple Foods

**It is essential for food relief charities to have access to a reliable and cost effective supply of high-demand key staple items e.g. milk, rice, pasta, cereal, tinned fruits and vegetables.**

However, sufficient volumes of these key staple foods do not come from traditional rescue channels. This is because their supply chains are extremely efficient with little waste, owing to long shelf lives, lack of new product launches or promotions and predictability of demand.

Foodbank is unique amongst the food relief organisations in that it has established a highly efficient and effective Key Staples Program through strong working relationships with over 30 Australian food manufacturers and suppliers. This program includes purchasing foods at wholesale or preferential prices and working with food companies and their suppliers - including farmers - to collaboratively manufacture the items needed at little or no cost to Foodbank.

Through the Key Staples Program, Foodbank is able to procure \$5 worth of food (retail value) for every \$1 invested and maintain key staple foods (rescued and procured) above 70% of the overall food volume sourced. This would ensure reliable availability of foods that provide variety, convenience, nutritional value and cultural appropriateness. In particular, it would secure foods for families, people with special needs and school children via school breakfast programs, noting that Foodbank does not distribute 'rescued' food for School Breakfast Programs.

Despite the overwhelming success of the program, both in terms of return on investment (gearing) and strong alignment with charities' food relief needs, the Government's investment in the program has diminished over time, at the same time as there have been year-on-year increases in demand for food relief. This is forcing Foodbank to divert funds away from other core functions at a state and territory level, whether it be School Breakfast Programs or improving regional distribution, in order to ensure an uninterrupted supply of the key staple foods so essential to vulnerable families across Australia.

A substantially enhanced commitment is required (see Foodbank's *Federal Election 2019 Policy & Funding Priorities*) to enable the procurement of key staple foods which, when combined with rescue foods, and the reforms proposed in this strategy, can bridge the food provision gap ensuring enough for every Australian currently seeking food relief.

## Equity of Access

**Insufficient food is only one reason why community need for food relief is not met. There are other issues impacting equity of access that need to be addressed.**

According to the [Foodbank Hunger Report 2018](#), currently charities are turning away 7% of people seeking relief each month and only 36% of charities are meeting the full needs of the people they do assist.

However, obtaining enough of the right foods to meet the needs of food insecure Australians is only one side of the equation. Also required is a network logistically capable of distributing the amount and type of food required to meet the community needs. In addition to lack of food, charities also cite insufficient funds, staff/volunteers and infrastructure as barriers to being able to assist more people (McCrimble, 2018).

On top of this, there are significant food relief 'deserts' nationally i.e. areas of the country with significant disadvantage where there are no charities providing food relief.

Meeting the full needs of those who are currently seeking food relief does not account for 48% of people experiencing food insecurity who don't seek assistance (McCrimble, 2018). The reasons why they don't reach out vary but include lack of awareness of where to find services, lack of transport/mobility to get to services, concern about the stigma and shame associated with accessing services, poor or inadequate services and the quantity and/or quality of food (too much, too little, culturally or nutritionally inappropriate) (McCrimble, 2018).

A review of drivers and constraints needs to be undertaken to determine the potential for scaling up and achieving greater efficiency on the distribution side of the food relief value chain. Also, new models and

practices need to be determined, trialled and rolled out to address the variety of barriers preventing individuals from seeking food relief.

## School Breakfast Programs

**Whilst School Breakfast Programs are currently being delivered in all states and territories, there is a myriad of delivery models and investment patterns, seriously diminishing the potential impact of a proven program capable of delivering long-term benefits to children.**

The Federal Government must set a policy mandate (via the Council of Australian Governments Education Council) to promote the support by all State and Territory Governments for School Breakfast Programs in their jurisdictions to ensure all children who need it have access to a meal at the start of the school day.

According to the Foodbank's *Rumbling Tummies* report, more than one in five children in Australia live in food insecure households. In fact, it is more likely for a child to be food insecure than an adult in our country today (Butcher et al, 2018). Meal-skipping is a common occurrence for these children (McCrindle, April 2018). One in 10 parents says their children go a whole day without eating at least once a week (McCrindle, April 2018).

Research into Foodbank's School Breakfast Programs in WA and Victoria, conducted by [Edith Cowen University](#) and [Victoria University](#) respectively, indicate that providing school breakfasts to children contributes to improved learning outcomes and physical and mental wellbeing for the children themselves and improved social relations between students and school staff and community members generally.

The *Social Impact of Foodbank Australia's services* study looked at the short and long term benefits flowing from children receiving food via school breakfast programs. In identifying the social value created, the study determined that access to a regular, nutritious breakfast is likely to provide these children with higher levels of energy and enhance their immune systems leading to better performance in class and improved physical health. Many of the students may also have better life chances due to these outcomes and also because the program helps strengthen their social skills and makes them more responsible citizens. Using money as a proxy to represent the value of outcomes experienced, the forecasted social return for every kilogram of food provided to children via school breakfast program is \$110.

Foodbank is the largest provider of school breakfasts in Australia, both directly and via programs run by other charities and community organisations. Foodbank provides over 270,000 school breakfasts a week to over 130,000 children at 2,000 schools. Provision of school breakfast programs by Foodbank varies considerably between jurisdictions depending on the level of funding each state and territory Foodbank has been able to gain from government and private sources. This means that the gap between demand and supply varies greatly between states and territories.

Foodbank calculates that in order for every child in need to have access to breakfast every day they need it, the number of schools with school breakfast programs nationally would need to be almost doubled, and the number of meals offered by each school would need to be increased.

## Research and Monitoring

**It is essential to better understand the prevalence, distribution and nature and impacts of food insecurity and food relief services in Australia in order to improve the effectiveness and efficiency of the food relief model.**

While there is an increasing research focus on the area of food insecurity globally, there are still significant gaps in knowledge and lack of ongoing monitoring in Australia which inhibits the efforts of the public, private and non-profit sectors to address the issue. What is required is an interdisciplinary research program investigating all aspects of food insecurity with a view to improving food relief practices.

## Coordination and Governance

**A key to success is a cooperative approach by the public, private and non-profit sectors to deliver a food relief system that is more efficient and effective, and most importantly, achieves better outcomes for vulnerable Australians.**

The development of a national food security strategy by the Commonwealth Government presents a unique opportunity to align and inspire a variety of stakeholders to deliver valuable benefits to Australian society.

This can only be achieved by working collaboratively towards agreed goals, something that will only happen with coordination. Meaningful coordination requires communication, resources, processes and accountability. This cannot be accomplished without facilitation and management. Therefore, it is proposed that secretariat is established to oversee the development and execution of the National Food Security Strategy.

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