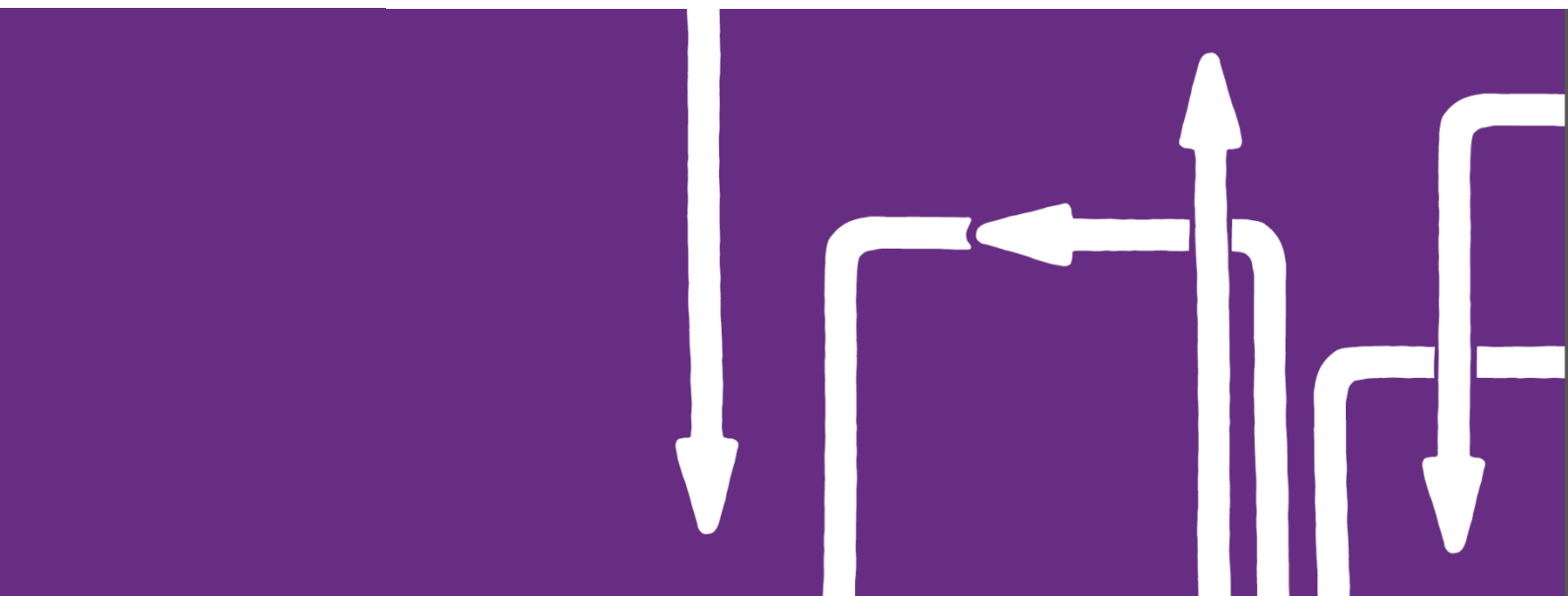




**Submission in response to
Inquiry into the Adequacy of Newstart and
related payments and alternative mechanisms
to determine the level of income support
payments in Australia**

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1. Introduction

Foodbank Australia welcomes the opportunity to provide a submission in response to the *Inquiry into the Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*. Foodbank Australia's submission focuses on only some of the Terms of Reference, providing commentary from our perspective as a national charity responsible for sourcing and distributing food to vulnerable Australians, noting that living on a low income or pension is the main reason people are unable to afford enough food for 30% of food insecure Australians and 53% of food insecure Australians in regional and remote areas¹.

It should be noted that the *Foodbank Hunger Report 2019* will be released 13 October 2019 and many of the references throughout this report can therefore be updated following the report's release. Foodbank Australia commends the updated report as supplementary evidence following the closing date of submissions.

What is food insecurity?

According to the United Nations Food and Agriculture Organisation (UNFAO), food insecurity is "*the limited or uncertain availability of individuals' and households' physical, social and economic access to sufficient, safe, nutritious and culturally relevant food*". 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 just 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 descent², refugees³ and those with disabilities⁴. Almost half are in employment and many only access food relief for short periods during extreme hardship⁵. Younger Australians are more vulnerable to food insecurity⁶, in fact 22% of

¹ Foodbank Australia (2018) *Foodbank Hunger Report 2018* <https://www.foodbank.org.au/wp-content/uploads/2018/12/2018-Foodbank-Hunger-Report.pdf?state=au>

² Australian Bureau of Statistics (2015). *Food Security - Australian Aboriginal and Torres Strait Islander Health Survey: Nutrition Results - Food and Nutrients*. <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4727.0.55.005~2012-13~Main%20Features~Food%20Security~36>

³ McKay, F.H.; Dunn, M. Food security among asylum seekers in Melbourne. (2015) *Aust. N. Z. J. Public Health*. 39, 344–349.

⁴ Foodbank Australia (2018) *Foodbank Hunger Report 2018* <https://www.foodbank.org.au/wp-content/uploads/2018/12/2018-Foodbank-Hunger-Report.pdf?state=au>

⁵ *ibid*

⁶ Butcher, L. M., O'Sullivan, T. A., Ryan, M. M., Lo, J., & Devine, A. (2018) *Utilising a multi-item questionnaire to assess household food security in Australia*. *Health promotion journal of Australia: official journal of Australian Association of Health Promotion Professionals*. doi: 10.1002/hpja.61

those facing hunger are children⁷. It is an issue affecting city and country alike, with those living in country areas 33% more likely to be food insecure than their city counterparts⁸.

Approximately 710,000 people receive food relief via 2,600 Foodbank charities each month, 26% of whom are under the age of 19⁹. 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 resources¹⁰. 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 embarrassment¹¹.

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.

What is Foodbank?

Foodbank is Australia's largest food relief organisation, operating on a scale that makes it crucial to the work of the front line charities that are feeding vulnerable Australians. Foodbank provides 77 million meals a year (210,000 meals a day) to more than 2,600 charities around the country, accounting for more than 70% of the food distributed by food rescue organisations nation-wide.

Foodbank is also the largest supporter of school breakfast programs in Australia, providing food for more than 2000 schools nationally (both directly and via programs run by other organisations). Foodbank provides regular breakfasts to more than 132,000 students at schools around the country and on top of this, more than 200,000 children are provided with food relief via our charities every month.

As the only Australian food relief organisation to be an accredited member of the Global Foodbanking Network (GFN), Foodbank Australia goes through a rigorous re-certification process every two years whereby our operations, legislative compliance, programs and reporting processes are assessed by the GFN. Foodbank is registered with the Australian Charities and Not for Profits Commission (ACNC) and endorsed as a Deductible Gift Recipient (DGR), and is a code-compliant member of the Fundraising Institute of Australia.

How Foodbank sources its food and groceries

Foodbank works with the entire Australian food and grocery industry from farmers, wholesalers, and manufacturers to retailers to source food and groceries. Approximately 37 million kilograms of the 42.7 million kilograms of food and groceries sourced and distributed by Foodbank last year was sourced through 'food rescue'. The remaining 5 million kilograms was sourced through proactive manufacturing and purchase of product by Foodbank, as well as product donations. In addition to food rescue, food and grocery companies and retailers make food/grocery donations to Foodbank as part of their commitment to corporate social responsibility. Many companies choose to make regular donations by increasing their production run or drawing straight from inventory in order to ensure that their product is consistently available to charities. They may also make special one-off donations at the time of natural disasters.

⁷ Foodbank (2018) *Rumbling Tummies – Child Hunger in Australia* <https://www.foodbank.org.au/wp-content/uploads/2018/12/Rumbling-Tummies-Full-Report-2018.pdf>

⁸ Foodbank Australia (2018) *Foodbank Hunger Report 2018* <https://www.foodbank.org.au/wp-content/uploads/2018/12/2018-Foodbank-Hunger-Report.pdf?state=au>

⁹ *ibid*

¹⁰ *ibid*

¹¹ *ibid*

Key Staples Program

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 the majority of food provided by Foodbank for School Breakfast Programs is purchased as opposed to rescued.

Despite the overwhelming success of the Key Staples Program, both in terms of return on investment (gearing) and strong alignment with charities' food relief needs, the Government's investment in the program is not sufficient to meet the 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.

Primary Produce Programs

Despite being more likely to be food insecure than their metro counterparts, farming communities work closely with Foodbank to donate grain, rice, milk, meat, eggs and fresh produce. Foodbank sources these essential products through relationships right along the supply chain, partnering with farmers, produce market associations, and peak bodies from paddock to plate. This farm fresh produce is either provided directly to our charity network to be provided to food recipients, used in Foodbank production kitchens, or used as manufacturing ingredients for the Foodbank Collaborative Supply Program. For example, donated grain can be milled and used to produce pasta and breakfast cereal, while meat can be used for sausages.

School Breakfast Programs

Foodbanks across the country assist more than 2,050 schools around Australia through the direct and indirect delivery of School Breakfast Programs. Many of the nutritious products used in these School Breakfast Programs are sourced via the Key Staples Program. Given the geographic spread and range of socio-economic circumstances, Foodbank prides itself in its ability to be flexibly and dynamic in terms of delivery and distribution models, to ensure the best possible outcomes for children at these schools. Some Foodbanks also deliver nutrition education programs for adults and children alike to encourage improved nutrition literacy in the community.

A number of universities have recently completed (or are in the process of completing) independent, peer-reviewed assessments of the School Breakfast Programs in WA, SA and Victoria. For example, the Victoria Institute (Victoria University) has recently published an interim report on the *Evaluation of the School Breakfast Clubs Program in Victoria*, with compelling findings on the impact of the program on children's concentration levels, engagement in class activities and academic outcomes.

Foodbank's role in responding to natural disasters and other emergencies

Foodbank also plays a key role in times of community emergencies and natural disasters. Every State/Territory Foodbank is involved in disaster relief, providing essential supplies to support the work of emergency services and first responders as well as ongoing assistance to affected communities during the months and years it takes to recover. As a very recent example, both Foodbank Queensland and Foodbank NSW/ACT have mobilised emergency food relief to bushfire-ravaged communities across the New England region of NSW, inland NSW/Qld border region and Sunshine Coast, and are continuing to provide food relief to drought-affected communities across both states. Earlier in the year, Foodbank Northern Territory played a pivotal role in assisting communities displaced by Tropical Cyclone Trevor.

Foodbank's role in addressing food waste

Foodbank's food and grocery rescue operations play a key role in addressing Australia's \$20 billion food waste problem, redirecting and/or repurposing approximately 37 million kilograms of food and groceries that may otherwise end up in landfill, **saving more than 81 million kilograms of CO₂ emissions every year**. Foodbank worked closely with the Federal Department of the Environment and Energy, our sector peers and our supply chain colleagues in the development of Australia's first ever National Food Waste Strategy, noting the critically important role that Foodbank plays in rescuing and redirecting food that would otherwise be sent to landfill.

Foodbank's contribution to the UN Sustainable Development Goals

Foodbank's activities across Australia play a key role in delivering on at least five of the UN Sustainable Development Goals, which are aimed at ending poverty, protecting the planet and ensuring prosperity for all. Foodbank's operations are strongly aligned to the following five goals:



ZERO HUNGER

Everyone in Australia should have enough safe and nutritious food to thrive. A country with zero hunger can positively impact our economy, health, education, equality and social development. Achieving zero hunger is fundamental to building a better future for everyone

NO POVERTY & REDUCED INEQUALITIES

By providing essential food relief, Foodbank assists front-line charities to build the resilience of the poor and those in vulnerable situations. Overcoming inequality will help drive economic growth and is critical to achieving social cohesion, and decreasing political and social tensions

RESPONSIBLE CONSUMPTION & PRODUCTION

Sustainable consumption and production is key to reducing future economic, environmental and social costs and strengthening economic competitiveness. Foodbank plays a critically important role in assisting the Australian Government to achieve this goal through its food rescue activities and partnering with stakeholders along the supply chain to reduce food waste and food loss.

PARTNERSHIPS FOR THE GOALS

The Foodbank model engenders multi-stakeholder partnerships throughout the entire food and grocery supply chain. These partnerships mobilise and share knowledge, expertise, technology and financial resources to deliver outcomes

2. Inquiry Terms of Reference

It is important to state from the outset that **Foodbank Australia supports the need for an increase in the rate of Newstart and related payments.** Our research (through the annual *Foodbank Hunger Report*) demonstrates the strong connection between food insecurity and poverty and inequality. In fact, the *Foodbank Hunger Report 2018* confirmed that living on a low income or pension is the main reason people are unable to afford enough food for 30% of food insecure Australians and 53% of food insecure Australians in regional and remote areas¹² (see further below).

Given ACOSS will be responding in detail to the full Inquiry Terms of Reference, the following comments focus only on the three Terms of Reference where Foodbank Australia has particular observations, expertise or experience given our unrivalled role in food relief in every state and territory.

At the outset, it is vitally important to recognise that food is a significant expense for vulnerable Australians living with food insecurity. More than 20% of the household income is spent on food in 58% of food insecure households, more than double the proportion the average Australian household spends (9.8% of household income). Despite spending such a large portion of income on food, food insecure Australians are forced to reduce the size of their meals (56%); skip a meal at least once a week (54%); or go an entire day without eating at least once a week (26%). These are the realities of living with food insecurity, and these realities are directly connected to poverty and inequality.

TOR f. the impact of the current approach to setting income payments on older unemployed workers, families, single parents, people with disability, jobseekers, students, First Nations peoples, people from culturally and linguistically diverse backgrounds, people living in regional and remote areas, and any others affected by the process

and

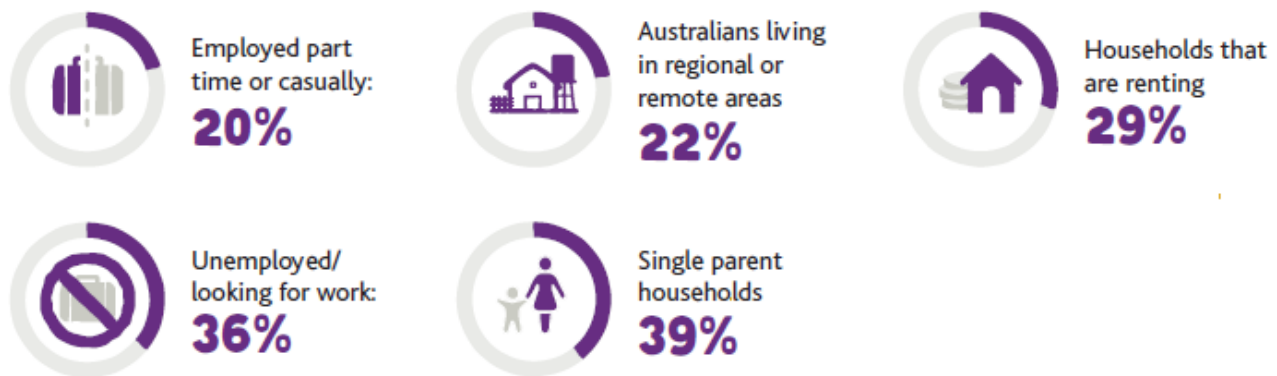
TOR h. the adequacy of income support payments in Australia and whether they allow people to maintain an acceptable standard of living in line with community expectations and fulfil job search activities (where relevant) and secure employment and training

Foodbank Australia is the only organisation to conduct annual analysis and reporting on the prevalence of and contributors to food insecurity in Australia. Not even government collects this data. The *Foodbank Hunger Report* is released annually, providing up to date statistics on the incidence, frequency and severity of food insecurity; the number of people seeking assistance and/or receiving food relief from Foodbank agencies; key demographics affected; changes in demand for food relief; contributors to food insecurity and the benefits of food relief to food insecure Australians. The *2019 Foodbank Hunger Report* will be released 13 October 2019 – after the closing date for submissions for this inquiry. Given the relevance of this report, and the data therein, to the Committee's deliberations, Foodbank Australia commends the report as supplementary evidence (out of session) to support this submission.

The *Foodbank Hunger Report 2018* found that more than four million Australians (18% of the population) had experienced food insecurity in the 12 months prior to the report's release. Of these, more than 76% (14% of the total population) were categorised as having very low food security, meaning they are eating less food than they need because they lack the money or other resources to obtain food.

¹² Foodbank Australia (2018) *Foodbank Hunger Report 2018* <https://www.foodbank.org.au/wp-content/uploads/2018/12/2018-Foodbank-Hunger-Report.pdf?state=au>

The *Foodbank Hunger Report 2018* found that the rate of food insecurity is more pronounced a number of demographics as follows (percentages represent the proportion of different demographic groups experiencing food insecurity):



- *Families and Children*

Consistent with the findings of the 2018 Foodbank report on *Child Hunger in Australia*, an Australian child is more likely than an adult to be in poverty, with approximately 730,000 children under the age of 15 currently experiencing poverty. Almost one in five children in Australia (19%) go to school or bed hungry at least sometimes, and a third of those receiving food relief through the Foodbank network each month are children.

The ACOSS *Poverty in Australia 2018* report¹³ confirms that a third of lone-parent families experience poverty, with the rate of poverty amongst these families increasing in recent years. The proportion of lone-parent families experiencing food insecurity is even higher, with 39% experiencing food insecurity in the 12 months prior to the *Foodbank Hunger Report 2018* being released, and 61% of food insecure single parents skipping a meal at least once a week to ensure there is enough food for their family. A third go an entire day without eating at least once a week. Food represents a significant expense for these families, with two thirds spending more than 20% of their household income just on food, recognising that those families on income payments are starting on a very low base.

Children in lone-parent families are three times more likely to be living in poverty than children in couple parent families, highlighting the importance of carefully and sensitively considering the impact of the current approach to setting income payments on families and children. Looking at vulnerable children specifically, it is important that the committee consider the short, medium and long-term impacts, ranging from children's ability to learn and engage at school, to bullying and social isolation, to health implications, particularly those related to the correlation between incidences of overweight and obesity and food insecurity¹⁴.

- *Regional and Remote Australia*

Australians in regional and remote Australia are 33% more likely to experience food insecurity than their metro counterparts, meaning that 1.5 million country Australians had experienced food insecurity in the 12 months prior to the *Foodbank Hunger Report 2018* being released. It is important to note that the field work for the report was undertaken prior to the impacts of the

¹³ Australian Council of Social Service and University of New South Wales Sydney (2018) Poverty in Australia 2018 https://www.acoss.org.au/wp-content/uploads/2018/10/ACOSS_Poverty-in-Australia-Report_Web-Final.pdf

¹⁴ VicHealth (2016) Too little and too much: exploring the paradox of food insecurity and obesity in disadvantaged populations <https://www.vichealth.vic.gov.au/-/media/ResourceCentre/PublicationsandResources/Health-Inequalities/Exploring-the-paradox-of-food-insecurity.pdf?la=en&hash=7CF716F830CD09C5FE016C5B207FB6DDF5436D47>

lingering drought being fully realised across many parts of both Queensland and NSW, so it is fair to assume the situation would have worsened since then. This has been reflected in an increased demand for food relief in regional and remote areas already serviced by Foodbank, and requests for support from communities we have previously not assisted. In 'normal' years, approximately 40% of Foodbank's total food relief volumes go to rural and regional areas, so it is clear that demand for food relief in non-metro areas is strong, even in favourable seasonal conditions.

Living on a low income is the most common reason regional and remote Australians go hungry, unsurprising given that 60% are living on a gross household income of less than \$700 per week (a substantially higher proportion than the 43% living in cities).

Drought is exacerbating the challenging circumstances facing people in regional and remote Australia, ranging from unemployment and underemployment to reduced access to essential services. It is often harder to access food in regional and remote areas, with 17% of people living in the country suggesting they don't have easy access to food shops compared to 10% in the city.

Foodbank urges the committee to work closely with groups such as the Country Women's Association of Australia to gain a better understanding of the implications of current approaches to setting income payments in regional and remote Australia, particularly during times of hardship.

- *Indigenous Australians*

As highlighted in the 2017 Foodbank report on *Child Hunger in Australia*, young Indigenous Australians are the most likely of any marginalised group to go to bed or school hungry. The ACOSS *Poverty in Australia* report cites Indigenous Australians as the most vulnerable to poverty and less likely to exit welfare.

A number of state/territory Foodbanks have programs aimed at assisting Indigenous Australians, both via our agency networks, and directly through school breakfast and nutrition programs.

TOR j. the economic benefits – including job creation, locally and nationally – of increasing and improving income support payments and supports, and decreasing poverty and inequality

The benefits of food relief are both immediate and long-lasting, improving both physical and mental health. The *Foodbank Hunger Report 2018* cites the top three benefits of food relief as feeling less hungry, being better able to focus/concentrate and being able to afford small 'luxuries' such as toiletries, tea or coffee, causing food recipients to feel relieved, less stressed, and more hopeful about the future.

Our state/territory Foodbanks observe requests from older Australians requesting tea and biscuits to help with social inclusion, with the simple act of being able to offer a neighbour or friend a cup of tea and a biscuit addressing both loneliness and social isolation.

As highlighted in the *Foodbank Child Hunger Report*, food insecurity not only directly affects a child's ability to engage at school, but also has long term ramifications for human capital outcomes. As mentioned earlier in this submission, Foodbank is the largest provider of school breakfast programs in Australia. Whilst the history and delivery of these programs differs from state to state, what is clear is the overwhelmingly positive impacts of school breakfast programs to student learning, welfare and wellbeing. Research into Foodbank's School Breakfast Programs in WA and Victoria, conducted by [Edith Cowan 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.

Foodbank's [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's 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 broader community that flows from every kilogram of food distributed by Foodbank is valued at \$23. The SROI on Foodbank's activities in 2018 was \$980 million.

Given food insecurity is but one symptom of poverty and inequality, and noting that living on a low income or pension is the main reason people are unable to afford enough food for so many food insecure Australians, it is logical to assume that increasing and improving income would have economic benefits far in excess of the social return on investment for Foodbank's food relief activities.