



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON COST OF LIVING PRESSURES IN THE ACT
Mr Johnathan Davis MLA (Chair), Dr Marisa Paterson MLA (Deputy Chair)
Ms Nicole Lawder MLA

Submission Cover Sheet

Inquiry into Cost of Living Pressures in the ACT

Submission Number: 022

Date Authorised for Publication: 21 March 2023



Foodbank NSW & ACT Limited

ABN 22 056 422 407 CFN 15387

50 Owen Street

Glendenning NSW 2761

PO Box 241

Plumpton NSW 2761

P 02 9756 3099

F 02 97573944

E office@foodbanknsw.org.au

W www.foodbank.org.au

20 March 2023

Mr Johnathan Davis (MLA)

Chair

Select Committee on Cost of Living Pressures in the ACT

196 London Circuit

CANBERRA ACT 2601

Dear Chair and Members of the Committee

Foodbank NSW & ACT welcomes the inquiry into the cost-of-living pressures in the ACT and the opportunity to provide this submission about food insecurity, food relief and limited transport and accessibility into ACT.

Foodbank NSW & ACT is the territory's largest and most trusted food relief and food rescue organisation. We evolved from the first Foodbank in Australia, which opened in Sydney over 30 years ago in 1992. We have supplied food relief continuously ever since. Much of our food is donated and would otherwise be considered waste, destined for landfill.

We would welcome the opportunity to present further detail on our submission and recommendations together with local pantry representatives Trevor Gilbertson, Manager – Clothing & Retail Programs for CommunitiesatWork, Canberra and Kirsty Baker, Tuckerbox Food Pantry at Holy Cross Anglican Church, Hackett.

Sincerely,

John Robertson

Chief Executive Officer



Select Committee on Cost-of-Living Pressures in the ACT
Inquiry into the Cost-of-Living Pressures in the ACT
Submission by Foodbank NSW/ACT Limited

March 2023



Submission Details

This submission is made on behalf of Foodbank NSW & ACT Limited, ABN 22056422407.

This submission is made by:

John Robertson

Chief Executive Officer

Foodbank NSW & ACT Limited

50 Owen Street Glendenning NSW 2761

PO Box 241 Plumpton NSW 2761

Email: john@foodbanknsw.org.au

Website: www.foodbank.org.au

Consent is given for this submission to be made public.



Table of Contents

Terms of Reference	4
Executive Summary	5
About Foodbank NSW & ACT	6
Term of Reference 1: Identify cost of living pressures faced by low- and moderate-income households that are not currently alleviated by ACT or Commonwealth Government assistance programs.	8
Term of Reference 2: Consider advice and ideas from the consultation process on how the ACT Government can further help cost of living pressures.	11



Terms of Reference

That the Select Committee on Cost of Living Pressures in the ACT conduct expert, stakeholder, and community consultation on policy measures to further support low-and moderate-income Canberra households to manage cost of living pressures including:

1. Identify cost of living pressures faced by low- and moderate-income households that are not currently alleviated by ACT or Commonwealth Government assistance programs.
2. Consider advice and ideas from the consultation process on how the ACT Government can further help cost of living pressures;
3. Provide timely recommendations to help inform the considerations of the Expenditure Review Committee of Cabinet in the Budget process;
4. Look beyond the current economic cycle to make longer term recommendations on cost-of-living trends to inform the development of future budgets and;
5. Consider any related matters



Executive Summary

The focus of this submission to the Inquiry into cost-of-living pressures in the ACT by the Select Committee of Cost-of-Living Pressures in the ACT, is only the first two terms of reference. In the submission we discuss the activities of Foodbank NSW & ACT and share our knowledge of the impact of cost of living pressures on individuals and food pantries in the ACT, the inability for local food pantries in the ACT to absorb rising freight costs, and the benefits of food relief.

We define food security and food insecurity and provide the facts about the prevalence of food insecurity in Australia, and in the ACT, including insights obtained from food insecure Australians during research for the Foodbank Hunger Report, 2022. We discover why cost of living is the most common reason a person or household becomes food insecure and why it can be more difficult to access affordable, healthy food in the ACT. Factors such as freight costs and rising fuel costs which have risen significantly in the last 12 months, affect both retail food and food relief. We are including recommendations to support improved facilitation and accessibility to food relief services into the ACT.

We discuss the general benefits of food relief, additional benefits for children, and why continued funding of food relief supplies into the ACT is essential to support small to medium pantries respond to the increased need in local communities.



About Foodbank NSW & ACT

Who we are

It is hard to believe that hunger is happening in the 'lucky country'. It's a predicament largely hidden by stigma and shame, but the reality is we're all likely to know someone who is affected. This has never been truer than now as more people than ever being unable to provide for themselves and their families. It's not just people on the streets but people in our street.

When it comes to Australian children, the picture is even more alarming. Today it is more likely for a child to have experienced food insecurity than an adult. 1.3 million children have lived in severely food insecure households in the past 12 months¹.

Foodbank is Australia's largest and most trusted food relief organisation. Our mission is to deliver essential food and household items to people in times of need. Foodbank is crucial to the provision of food relief and emergency response in Australia and are responsible for distributing 72% of all food received by charities.

What we do

We supply food and groceries to frontline community partners in NSW & the ACT

Foodbank restores hope to people who are struggling by redirecting and procuring food and groceries from farmers, manufacturers and retailers, making it available to front line charities across NSW and the ACT who in turn provide it to individuals and families in need.

We provide breakfast to hungry children across NSW

We also help children at school by providing food for breakfasts to over 500 schools across NSW. Our School Breakfast 4 Health (SB4H) program provides hungry students with a regular, nutritious breakfast at school. By the end of 2027, we aim to add another 500 schools in less advantaged areas to the program, with assistance from the NSW government. This will see the program operating in over 1,000 schools across NSW.

¹ <https://www.foodbank.org.au/hunger-in-australia/the-facts/?state=nsw-act>



We provide disaster relief to communities in need

When it comes to natural disasters, such as drought, bushfires and floods, Foodbank is also there. We are the only food relief organisation to play a formal role in times of emergency. Foodbank NSW & ACT is involved in disaster relief, providing essential supplies to support the work of first responders and emergency services as well as giving ongoing assistance to affected communities during the months and years it takes to recover.



Term of Reference 1: Identify cost of living pressures faced by low- and moderate-income households that are not currently alleviated by ACT or Commonwealth Government assistance programs.

Food security and food insecurity in NSW & ACT

The definition of food insecurity, according to the Food and Agriculture Organisation of the United Nations is “when a person lacks regular access to enough safe and nutritious food for normal growth and development and an active and healthy life”².

To determine the incidence of food insecurity in Australia we used the global gold standard and most used measure of food security in the form of the United States Department of Agriculture (USDA) 18 question Household Food Security Survey Module (HFSSM)³.

According to this model, food insecurity is a spectrum from having to reduce the quality, variety, or desirability of your diet (moderate) to multiple disruptions to your eating patterns and reduced food intake (severe). Using this measure, on any given day over half a million Australian households are experiencing food insecurity.

In the 12 months for July 2022, 736,000 households in NSW & the ACT went hungry due to lack of funds, sometimes skipping meals or going whole days without eating. On top of this, 464,000 children lived in severely food insecure households. In fact households with children are 1.5 times more likely to be severely food insecure than the national average⁴.

Food insecurity impacts households across a wide variety of demographic and socioeconomic cohorts including previously less vulnerable groups. For example, 54% of food insecure households had someone in paid work which makes it clear that a job does not necessarily insulate you against food insecurity. 27% of households in NSW and the ACT with mortgages experienced food insecurity in the last year.

Each month 337,000 households are receiving food relief across NSW and the ACT.

² <https://www.fao.org/hunger/en/>

³ <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-u-s/survey-tools/>

⁴ <https://www.foodbank.org.au/hunger-in-australia/the-facts/?state=nsw-act>



The impact of the rising cost of living across NSW & ACT on individuals

The Foodbank Hunger Report 2022⁵ stated increased or high cost of living was the most common reason for food insecurity, affecting 64% of food insecure households. This was then followed by limited access or ability to travel to get food (26%), changes to household or living arrangements (24%) and natural disasters (19%).

According to the Community Food Pantries Listening Summary⁶, conducted by the Community Services Directorate (CSD), local pantries in the ACT are experiencing an increase in demand and new users accessing food assistance. Double income families with a mortgage are reportedly now accessing food relief citing increased interest rates, fuel prices and grocery prices as the reason they are needing assistance.

Currently, Foodbank NSW & ACT has 24 active community partners, or local food pantries, in the ACT. Last year, we provided the equivalent of 587,000 meals into the ACT, which only met 28% of the growing need.

The impact of the rising cost of living on food pantries in the ACT

The Listening Summary also reported the rising cost of freight with a sharp increase in the past 12 months.

The significant increase in freight costs from Foodbank NSW & ACT has meant the cost per pallet has risen from \$69 per pallet in June 2022 to \$242 per pallet in March 2023.

All food pantries interviewed in the Listening Summary have indicated that Foodbank NSW & ACT forms the foundation of their pantry stock and that the cost of ordering food from Foodbank NSW & ACT is significantly cheaper than purchasing the same items at retail. The report by CSD indicates that accessing groceries and produce through Foodbank NSW & ACT is the most cost effective and efficient way for local pantries to access supplies, particularly pantry staples, in the ACT.

⁵ <https://reports.foodbank.org.au/foodbank-hunger-report-2022/>

⁶ Based on a report compiled and distributed by The ACT Government, Community Services Directorate *Community Food Pantries Listening Summary: A summary of what we heard from Community Food Pantries who access freight subsidy through the ACT Government Food Assistance Program*, March 2023



Local pantries cannot absorb freight costs

Until June 2023, local pantries in the ACT are accessing a freight subsidy under the ACT Government Food Assistance (FA) program⁷. Funding for this program is provided by St Vincent de Paul Society Canberra/Goulbourn (SVdP) to support small to medium pantries across the ACT to access food relief supplies from Foodbank NSW & ACT who are based in Sydney. This funding covers the cost of freight from Sydney to the ACT as Foodbank NSW & ACT does not currently have a distribution centre in the ACT.

Due to the increase in fuel costs and cost per pallet, the funding allocation for the FA program had been exhausted well in advance of June 2023. As a result, SVdP had been unable to continue their support of the FA program. This has been resolved now until 30 June 2023, but future funding remains unclear at this time.

Local pantries are mostly run by volunteers, with only a couple supported with paid staff. Most local pantries are entirely dependent on the FA program and would not be able to absorb part of full costs of freight. The impact of attempting to absorb costs would mean:

- significantly increasing operating costs which would mean they would need to pass on rises to pantry users who couldn't afford the increase or;
- an inability to absorb costs which would mean they would be forced to cease operating and closing the pantry altogether.

Benefits of Food Relief

Foodbank NSW & ACT believes everyone should have access to good quality food. According to an independent study into Foodbank's social return on investment, conducted by Ernst & Young⁸, 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 the broader community that flows from every kilogram of food distributed by Foodbank is valued at \$23.

⁷ Based on a report compiled and distributed by The ACT Government, Community Services Directorate *Community Food Pantries Listening Summary: A summary of what we heard from Community Food Pantries who access freight subsidy through the ACT Government Food Assistance Program*, March 2023

⁸ Based on research undertaken by Net Balance (now Ernst & Young) in 2014 on behalf of Foodbank



Term of Reference 2: Consider advice and ideas from the consultation process on how the ACT Government can further help cost of living pressures

Foodbank NSW & ACT, along with other stakeholders, are advocating for increased support and solutions to food relief issues in the ACT. Foodbank NSW & ACT has been asked to be part of a working group chaired by CSD to discuss solutions for food relief in the ACT. Below is a set of recommendations that, after consulting with our key stakeholders, we understand would significantly improve food relief in the ACT.

Recommendations

The recommendation we make in this report are as follows:

Funding transportation of food relief into the ACT

Recommendation 1

That the ACT government provides funding to support the distribution of food relief requiring ambient and chilled transport (such as fresh produce, dairy and protein) to improve nutrition, range, and quality of food relief available in ACT.

For Foodbank NSW & ACT this involves funding to implement chilled transport from Foodbank premises to charities and community groups (front line charities) with whom we partner with in ACT, once a week.

Recommendation 2

That the ACT government provides funding to support a distribution centre for food relief located in Canberra, to improve accessibility to range of food relief available in ACT.

For Foodbank NSW & ACT this involves whole or partial funding of a distribution centre in Canberra which would house ambient and chilled groceries and produce accessible to local pantries five days a week. The centre would be staffed by Foodbank NSW & ACT.

Recommendation 3

That the ACT government provides funding to support a food rescue service located in Canberra, to improve ability to rescue local food from supermarkets and local stores.

For Foodbank NSW & ACT this involves whole or partial funding of food rescue van and local driver to rescue food throughout the community, five days a week. The van and driver would be staffed by Foodbank NSW & ACT.



Thank You