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Hon Michael Sukkar MP
Minister for Housing and Assistant Treasurer
The Treasury
Langton Crescent
PARKES ACT 2600
AUSTRALIA

Dear Assistant Treasurer

After a year of extraordinary challenges - from drought through bushfires to a global pandemic - the priority for the Commonwealth Government is Australia's economic recovery and getting as many people back into jobs as quickly as possible. While that recovery takes place, the main concern for Foodbank is ensuring those who are facing ongoing hardship - whether at the hands of the economic impacts of COVID-19 or for a variety of other reasons - have regular, reliable access to sufficient, safe, nutritious and culturally relevant food. The focus of Federal Budget expenditure centres on where these two urgencies intersect, noting that Foodbank is at the forefront of bridging the gap for those who are struggling during these volatile times.

While Foodbank has done an extraordinary job of rising to the current challenge, assisting more people than at any time in our history in spite of supply chain disruption, it is clear that the battle is not over and more will need to be done to give vulnerable Australians the hand-up they need in the months ahead.

Given our record in delivering what is needed in tough times, it is clear that investing in Foodbank provides immediate, wide-ranging benefits, incredibly efficient use of taxpayer dollars and a strong return on investment.

Foodbank's Funding Needs

Foodbank has identified four investment initiatives which will deliver positive, immediate and long-term, outcomes for food insecure Australians and is therefore seeking the inclusion of the following provisions in the 2021/22 Federal Budget:

1. Funding for Everyday Essentials - \$13.5 million

It is essential for food relief charities to have access to a dependable and cost-effective supply of high-demand key staple items, for example milk, rice, pasta, cereal, fruit and vegetables. However, sufficient volumes of these key staple foods do not come from traditional rescue channels. This is because their supply chains are either extremely efficient with little waste, owing to long shelf lives and predictability of demand or there are significant barriers to access, such as the tyranny of distance, transport and storage costs.

Foodbank is unique amongst the food relief organisations in that we have established a highly efficient and effective program to source key staple foods through strong working relationships with over 30 Australian food producers. This program includes

purchasing foods at wholesale or preferential prices as well as working with food companies and their suppliers, including farmers, to collaboratively manufacture the items needed at little or no cost to Foodbank.

Through this 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 ensures reliable availability of foods that provide variety, convenience, nutritional value, and cultural appropriateness. In particular, it secures foods for families, people with special needs and school children, noting that the majority of food provided by Foodbank for School Breakfast Programs is purchased as opposed to rescued.

Foodbank is seeking \$13.5 million per annum to enable us to source an appropriate level of daily essentials which, when combined with rescued foods, bridge the food provision gap in an environment where demand for food relief is increasing month on month and economic recovery will take time.

2. Funding for Natural Disaster Resilience, Response and Recovery - \$2.5 million

In addition to our everyday role of providing food relief to those who are vulnerable in our community, Foodbank also plays a critical role during emergencies and natural disasters. We have proven beyond question this year the critical importance Foodbank plays in resilience, response and recovery.

We are formally recognised in Federal and State/Territory emergency and/or disaster plans and are an enabler to Commonwealth-funded emergency relief providers. Foodbank is the only food relief organisation to sit on the Department of Home Affairs' Trusted Information Sharing Network - Food and Grocery Sector Group, as well as the Food Supply Working Group stood up during COVID-19.

This integration, along with our unrivalled scale and capacity, makes the task of providing essential food and grocery items to first responders, evacuation centres and displaced community members more efficient and organised than would otherwise be the case.

It is vitally important that we be resourced effectively to undertake this role noting that very rarely, if ever, does a summer pass without us being called on to assist with bushfires, floods, cyclones or drought.

Foodbank is seeking \$2.5m annually for ongoing natural disaster resilience, response and recovery. This would enable us to ensure appropriate supplies of food and groceries on hand prior to disaster season, as well as assistance with transport and logistics for rapid deployment of the relief in the event of an emergency. It would ensure all State/Territory Foodbanks have a 'reserve' of essential products to mobilise at extremely short notice for first responders, evacuation centres and displaced communities.

3. Food Relief Tax Reforms

Foodbank is seeking the introduction of a National Food Waste Tax Incentive to reduce food waste and boost food relief. The proposal is for a two-tiered system in the form of a refundable or non-refundable tax offset (depending on the size of the company) for donations of food as well as food donation services (for example transport, logistics and warehousing costs) made by companies to registered charities providing food relief to the community.

This reform would achieve a major contribution to bridging the current food supply gap and generate net economic gains for Australia taking into account the large social return on every kilogram of food relief provided to people in need. It would directly

assist in achieving the target of halving food waste by 2030 as announced by the Federal Government in the National Food Waste Strategy. At the same time, it would provide support to SMEs, particularly farmers, while encouraging them to direct surplus production to vital food relief.

Enclosed is a detailed submission by Foodbank on the National Food Waste Tax Incentive as well as a report published by KPMG on the proposal and a letter of support from the food industry, peak bodies and charities for the proposal.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brianna Casey', with a long horizontal flourish extending to the right.

Brianna Casey

CEO

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