

TRANSCRIPT

LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

Inquiry into Food Security in Victoria

Melbourne – Tuesday 20 August 2024

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WITNESSES

Cathie Steele, Chair, Regional Food Security Alliance; and

Andrew Schauble, Deputy Chair, Regional Food Security Alliance, and Chief Executive Officer, Geelong Food Relief Centre.

The CHAIR: Welcome back to the Inquiry into Food Security in Victoria. Joining us for this session we have Ms Cathie Steele and Mr Andrew Schauble from the Regional Food Security Alliance. Welcome.

Before I continue, I will just quickly introduce the committee to you. My name is Trung Luu; I am the Chair. My Deputy Chair is Mr Ryan Batchelor, and to his left are Mr Michael Galea, Mr Aiv Puglielli, Dr Renee Heath and Mr Joe McCracken. Welcome. Thank you for your time, for coming in and for making a submission today.

Before we continue, I just want to quickly read this to you. In relation to the evidence given today, all evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. The transcript will ultimately be made public and posted on the committee's website.

Just for Hansard record, can you please state your full name, your titles and the organisation you are representing, please.

Cathie STEELE: I am Cathie Steele, and I am Chair of the Regional Food Security Alliance in Victoria.

Andrew SCHAUBLE: Andrew Schauble, and I am the Deputy Chair of the Regional Food Security Alliance and also the CEO of Geelong Food Relief.

The CHAIR: Thank you so much, Cathie and Andrew, for coming again. I know we have got your submission, but it is open for you to make an opening statement before the committee ask any questions.

Cathie STEELE: Thank you. First I would like to pay my respects to elders past, present and emerging on the lands here but also on the lands across Victoria where all of us work and play.

Visual presentation.

Cathie STEELE: Thank you for the opportunity to speak to this inquiry. I think this is the first of its type, and it is really vital going forward because we are in a changing world, aren't we? Things are getting tougher, but also we do not expect it to get easier in the whole system of food production and food distribution or for all the people who need food. That is a sad fact, but I am really glad that you are looking at it and looking at what we can do for the system as a whole.

I thought what I would do today – if we can have the next slide – is to just quickly go through an update, because in the submission we had not finished our data for the year, so I just want to give you an update on the last year. Our members share, rescue and store food in six warehouses. The new change is that we have had a 40 per cent increase in demand but only a 25 per cent increase in food rescued, so we are not meeting that demand. We never did meet that demand, but we know that gap is getting wider for all those groups. We have warehouses in Albury–Wodonga, Shepparton, Bendigo, Mildura, Geelong and Warrnambool, so we cover a lot of the state – not all of it – and hopefully we can gradually get more and more community-owned, community-operated services across all of it. We need to do more, and we need your help to do more.

What we are finding is that overall we are able to get more food. We know a lot more food could come into the system. We know in Australia nearly 8 million tonnes of food a year is wasted, and there is an Australia-wide group, working parties and all sorts of Australian government groups looking at how we can reduce food

wastage. There are particular areas that are really big. In the home, in your house, particularly if you have got toddlers who do not like food and all that sort of stuff, food gets thrown away, doesn't it? You cannot save all of that. In production and in manufacturing, the farm gate and manufacturing are the areas we are really trying to target, because we know that there is a huge amount of food still wasted there. But I think, as OzHarvest said earlier, sometimes you get someone ring up and say, 'There are 80 pallets of food to be rescued.' The resources to manage those types of things are difficult, and we do try and do that.

Our structure is we have got the six hubs, and we have got the Regional Food Security Alliance working with all those hubs. When something is too big for them they ring us and we say, 'Right, we'll try and sort that out and redistribute it around Victoria.' But when someone donates, they want it taken it now because they have got it now. If you go back tomorrow or the next day, sometimes it is gone or dumped, so you have to respond very quickly – day or night, weekend or not – and you have to manage that through. So it is actually a difficult system. You may have to re-sort re-orders and try and get logistics or try and get freight companies to move it. Usually within a week we can get it all moved around Victoria. So that is what we do as part of that. There is more capacity. There do need to be more federal government tax incentives in this – and I think OzHarvest and Foodbank did mention that – because if you can incentivise producers and transporters to contribute and get a tax break on that, then that would make a difference. At the moment they are doing it out of goodwill, but it effectively costs them. To get food from the ground to people you have still got to do minimal processing: you have got to clean potatoes, pick them up off the ground or pick things off trees and get it packed. There is still work – you have got to pay your farm people – so they need some tax incentives that they do not have now.

Just go on to the next slide, please. We run three social supermarkets and three markets at the moment, and we are looking to increase that. The social supermarkets are a really good way of getting choice for people, so they can come in and choose the food they need. Obviously, what is there is limited to either what is donated or what we have bought. So we are trying to look at cheaper ways to purchase food or ways to get the food with less cost to individuals and also ways for some of the charity money that comes through the federal system to actually support that too. There are a whole lot of legal things and there are a whole lot of policy frameworks that need to be worked on; it is all new. It was not until 2020, I think, that there was the first person in DFFH – or DHHS, as it was – in the food relief area. I see it as like public housing was 20 years ago: no framework, no support, no system, all fragmented, everyone doing bits, lots of overlap and lots of need for coordination. That will improve, and I know that the government is really looking at that. But it is a good thing to do, and we can do more in that.

Next slide, please. We now have over a thousand active volunteers across Victoria. We had a 19 per cent increase last year. No other area is finding an increase in volunteering; volunteering is going down. In this area, because it is community owned and operated, they see the need locally, they come in and help, and they are active. So this is a really good community-strengthening model. Rather than having a metro-based service that just takes food out to the regions, you want the communities to own it. When something happens you can respond to it; if there is a flood or a fire or a famine, you can respond straightaway. Community ownership – you need some services there. You need some warehousing; you need a range of things ready to go, like some trucks et cetera. You are then working every day with those volunteers, and then the system can just ramp up and down fairly easily in emergencies.

Next slide, please. These are some of the sorts of things with growing and teaching food skills, but because we are locally owned we can get donated farmland and donated seedlings. All the schoolkids can come in and harvest food and learn about it, so it has lots and lots of benefits in there.

Next slide, please. Teaching: we engage schools and community groups. We have now had a 13 per cent increase over the year in people learning to cook, and the stories are amazing. The students attend class when they have not been attending class before, because they are not there to be taught to cook – these are not home ec classes. These are classes of kids who are having difficulty in school et cetera, but they come because they want to help others. They are coming to cook meals for the local food hub to give out. By the way, the teachers say they cover every curriculum need that they have. So they are learning, they are getting a meal, they can take home what they need, and they are giving to others. Now, to me that is the best type of model you can get for it to work. Teachers love it; everyone loves it. It is really good.

Next slide, please. These are some of the kids on the farms helping, or in the kitchens or just collecting food and helping. We have got about 142 schools getting food, plus we do awareness raising and work in many,

many others. As a group we are as big as OzHarvest, getting close to SecondBite – nowhere near Foodbank as yet. But we have only got about 19 staff or so across the whole – everyone else is a volunteer. So it is cheap, it has the best return on investment. Community building is really, really good.

Next slide please, nearly there. And it is inclusive. It is whatever that group needs. So if you ask young mums at school, ‘What do you want to learn to cook?’ And they say, ‘I don’t know how to do a party for my six-year-old,’ you know, a young single mum, and you say, ‘All right, let’s do party food,’ and that is what they learn. But it could be whatever that group particularly wants. It could be, ‘I don’t get any of the food we have at home. How do I cook that?’ It is diverse backgrounds, diverse cuisines. In regional Victoria you tend to get groups from different ethnic backgrounds in their communities. So it is Filipino in Pyramid Hill – there is a whole group of them there, they are really good, they really into the fire brigade. That group, during the end of COVID, got together and distributed food that we could get them to the whole community and surrounding area through their church. They are strong churchgoers. They set it up. We do not want to set it up. They can do it – we just need to support them to do it.

My final slide is: how can you help? It is such a complex system. We believe we need a place-based approach. We know we have got an ROI – the social return on investment in the work that we do regionally is \$1 to \$66.44. It is huge. That was done independently using an international methodology. But the total system is very fragmented. As I said when I started, it overlaps and lacks coordination and a policy framework. In New Zealand, for example – and I think I have mentioned it in the submission – they have started now with a framework: these are the principles, this is how we want it to work. We need that in Victoria. We need it for the longer term not just to meet our community needs now but in the future, because we know it is going to get worse.

I am happy to answer any questions I can. I think I said in there actually, to start, to get that framework we need a minister responsible. We need a body – a statutory authority preferably – to be responsible so we can do all the things other systems have done in the past. We can learn to do it better. We can have conferences. We can learn from each other. We can do all the things you need to do to make a system, to improve a system from end to end. I am happy to answer questions.

The CHAIR: Andrew, would you like to make any statements at all?

Andrew SCHAUBLE: Probably just the one thing I would like to add is that I think it is really important – and this is why this is so fabulous – to look at a holistic approach to understanding it, because quite often there is a view that food relief sits here and food systems are all kind of up there and therefore it is either one or the other, but actually there needs to be a support between both.

Ultimately, we want to go out of business; that is our goal. We do not want to just keep increasing the volumes, which is what is happening at the moment. However, that real need right now is absolute, and we are seeing it. In the last year, just across the regions, but particularly in Geelong, we had a 33 per cent increase in terms of volume that we had to distribute. So that is real and that will be real for some time, but it is great we are looking at both ends. I think that is probably for me the most important thing, because it can get stuck as if we are like, ‘That is just food relief’ or ‘That is just the food systems.’ Actually that is potentially why we have looked at an overarching body at a government level to be able to then look at it as a holistic – bring all the players in across so many multifaceted areas. Being here before again with the Foodbank and OzHarvest groups talking, when you are looking at some of the causes, we have looked at a lot of those as well. There are multiple elements to it that need to be addressed. Some will be easier than others of course and more immediate, but others are really long term. That is ultimately where government has to come in because no individual group can look at that on such a long-term basis.

The CHAIR: Thank you. I will start with a question. Just being regional, you mentioned various causes related to food insecurity. Do you think there is a difference between regional and metro in the main drive of what is causing food insecurity? Or is it very similar?

Cathie STEELE: I think it is food miles. It is harder in the country. Prices are higher and distance to good food sources is harder in the country. If you are on a farm, you have got to drive somewhere to get food. Now, if you are doing it tough, you are going to not do that very often. Even if you are living in a small town, you may not have good and easy access to good food. Even in a town as big as Bendigo, where I come from, some

areas who are the more disadvantaged areas often have more access to fast takeaway food than they do to healthy food. They are called food deserts, and those sorts of things are an issue.

The price of food is one part of it, but I really do not think that telling supermarkets to drive down the price of food will actually really help, because what we need is to protect and keep low the price of healthy, good food – not every bit of food, but healthy food. We need it available to people and we need it local. If you say to supermarkets, ‘We are going to push you to drive down the price,’ they are going to push the price down from the producer, who is then going to have trouble paying their own costs, because AdBlue is going up in cost and everything else is going up in cost. Transport costs have gone up about 50 per cent, if not more. The system, as Andrew said, is really complex and we have to find the lever points and address them and pick off the low-hanging fruit to help people. No one solution will do all that.

Regional Victorians are definitely disadvantaged to metro. Just the food relief system alone – if I am in a charity in Melbourne, I can go to Foodbank every day and get food. If I am in the country, I cannot do that, so therefore we need the warehousing across the country and we need support to transport, to get the food out. If I am in Mildura, at the moment I cannot get any food from Foodbank Victoria. It is more than a day’s drive. It is just too far for a driver to go out and back; they cannot do it in the day. They get a little bit of help there from Adelaide, for example. The whole thing needs coordinating. At the moment we might have four trucks going from metro down to a regional town in one day instead of them getting together and saying, ‘Why don’t we have one truck?’ Sometimes trucks are going down there semi-empty. The system has just grown ad hoc from where it started.

The CHAIR: Thank you. I think your insights and your understanding of the process and economics and the flow down of costs from the supermarket down to the producer – that is a good understanding in relation to how the costs flow in between. I also want to ask you, you mentioned and we heard that people are very insecure and not accessing food relief or accessing help due to stigma. I was just wondering: would a community market base, which you have shown, in conjunction with the food relief – combined together – assist people accessing more?

Cathie STEELE: I will hand to Andrew, because he runs two of them.

Andrew SCHAUBLE: Yes, down at Geelong Food Relief we have two social supermarkets, and about 30 per cent of our food goes out via that distribution channel. The other 70 per cent goes out via agencies who come, and they run various programs. So when you talk about a community market, for example, we have 60-plus agencies that run markets such as that. We provide free bulk food, and I think for us it is important that we are able to work through our larger workforce, volunteer workforce. We have about 185, Bendigo has about 300 and the other regional groups all have significant numbers of volunteers. So we will actually get the food, sort it so you get rid of that rubbish that is unfortunately not able to be rescued and then we will provide that to the agencies. And then they will do what they do down at the ground level with individuals. That for us is really important because they know their community. All the regional groups will work within our communities to understand their programs and have a really good idea. If they are running a cooking program, then we will supply food and we will source food and we will target what they are doing. The way we operate is we will say, ‘Don’t give us a recipe, but tell us what your volunteers want to cook.’ If they want to cook an evening meal of chicken, potatoes and vegetables, we will find those and we will then supply them to that group so they can do it. Another will do a breakfast program. Another will just do a community pantry. Others will do markets. Having the ability to sort and recognise and know that very intricate knowledge about what their programs are, who they are trying to target and what they are trying to do allows us to then have the ability to really target the food, because ultimately we want to reduce the volume. We want to just make it smarter and actually have their programs work better.

The CHAIR: Thank you. My time is up. Deputy Chair.

Ryan BATCHELOR: Thanks, Chair. Cathie and Andrew, thanks so much. A quick question on how your organisation is supported: how much of your support do you get out of state government funding, how much is from federal government funding and how much is from other sources?

Cathie STEELE: This year for the first time we have got \$1.5 million. We need about \$4.9 million to operate the six centres. We have got \$1.5 million this year from the state government, and we have been

working with the state government to try and get that to become recurrent because we can value-add to it so much. But you particularly need it not to be annual, because then you cannot employ your accountant, your manager et cetera. You need them to have ongoing jobs. Otherwise – you are probably aware of this – particularly with government funding, they tell you in June you will get it, but you do not get it as cash flow until September. If you have not got anything recurrent, you cannot cover that, so there is a cash flow issue. So yes, that is about the breakdown at the moment, but we are so grateful.

Ryan BATCHELOR: Do you get any money from the feds?

Cathie STEELE: No. But we are working on that one.

Ryan BATCHELOR: Good.

Cathie STEELE: In the food relief chain, the agencies that are recognised – there has been a rollover of federal funding in this area. They have not invited any new people in. The agencies like Anglicare and all those charitable ones that have been known for years and do the whole wraparound services, financial counselling et cetera, and give out our food – the food we give to them to give out – get paid a small amount. But we were never eligible to be involved in that. That is what we are working on, a change in that whole system of federal –

Ryan BATCHELOR: Changing the Commonwealth program so you can be eligible?

Cathie STEELE: Yes.

Ryan BATCHELOR: I am really interested in this notion of a food system or a food security system and the need for a more systemic response to the coordination of food, as an issue within the community, within public policy settings. Do you know of any other jurisdictions that might do it well or better than we do here? Where could we look to learn?

Cathie STEELE: There are fragments of people doing it well around the world. The donation side of it in France is better; they have got legislation that says you have to donate excess food. Here we do not have to do it; we can do it. So there are some subtle differences there. New Zealand, as I mentioned in the submission, has recently developed a framework for the principles they want the system to work on, and they are now moving down that path, which is good. In the US it is just really fragmented, of course.

Ryan BATCHELOR: I am not sure we look to the US for many great inspirations on how to do social policy well, but anyway.

Cathie STEELE: I came from the health area and for some reason we wanted to look to the US, and I am going, ‘Why? They can’t even get their phone systems working.’ In the UK there has been some targeted work, but again it is very, very difficult stuff. It has been under the big charities often that that has been happening, and they have done some work on rolling out cooking programs. You might have seen Jamie Oliver a while back saying school meal programs became disgusting and very unhealthy in the UK. So no, I am telling you there is no system anywhere that is really good, but we could be the first.

Ryan BATCHELOR: And which agencies do you think would need to be part of that?

Cathie STEELE: Statewide food relief agencies?

Ryan BATCHELOR: Yes.

Cathie STEELE: They only recognise three at the moment. But I think because we are at the same size as them now, we need to be involved in that. I was on the Food Relief Taskforce. That got lost – disappeared – and so we need –

Ryan BATCHELOR: When was the food relief – when was that?

Cathie STEELE: The Food Relief Taskforce was brought in during COVID for planning. But as COVID died out, the need for that disappeared. I guess there was a feeling it was not needed as much. But we also moved ministers four times, so we ended up not having consistency and knowledge in the system and it just fell apart a fair bit. Involved in that were the right sort of people, but it needs to be even broader. So we need the

statewide food relief agencies and people like ourselves from the regions. Charitable groups need to be represented, philanthropic groups need to be represented, farmers need to be represented, and producers and manufacturers need to be represented. And what we did not have in that group, but we need, are researchers and that side of it, as well as end users, so that we actually look at the system as a whole.

Ryan BATCHELOR: Great. I might leave it there, Chair.

The CHAIR: Thank you. Aiv Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Thank you for coming in and for the amazing work that you do out in the community. I just wanted to clarify one of the statements that you made earlier, Cathie, with regard to the regulation of costs at the top of the supply chain, because I think you raised the importance of farmers and producers having their costs kept low, so that they are able to continue to operate. Just to make sure that I have heard you correctly, is it important that for any regulation of costs or prices throughout the system, it has to take into account the entirety of the supply chain from beginning to end?

Cathie STEELE: Yes.

Aiv PUGLIELLI: Okay, great. Just wanted to make sure I have absolutely got that clear.

Cathie STEELE: Yes, if AdBlue costs go up, farmers' costs are going to go up, and you cannot nail them down. That is just not going to work.

Aiv PUGLIELLI: So any regulation – you have got to capture everything basically?

Cathie STEELE: Yes.

Aiv PUGLIELLI: Okay, awesome. I just wanted to look at recommendation 2 in your submission, where you speak about community-owned social supermarkets. Should the state be investing in that kind of infrastructure across the state for local communities to run?

Cathie STEELE: Yes, there is a need both in the warehousing side, the infrastructure for social supermarkets and the infrastructure for logistics that are needed. That is where the state can really help, because they are big costs. Ideally in your social supermarkets you have like a hub of some sort, so you can invite other agencies to be there too. If someone has come in for food, if they are feeling relaxed and they are coming in for food, that is a really good time to have a chat to them. 'Have you got any other problems? Anything we can help you with? What are the bills like at the moment?' You can help people get through all of that. If you turn them away and say, 'You need to ring the Salvation Army,' they may not all go there. It is really around having friendly, easy places for people to come and, if possible, with wraparound services available there.

In the real rural areas it is the truck that goes out that can do that. Have you heard of Orange Sky? They have trucks that go out and they have washing facilities in the back of the vans, but they see it as the talk that goes around while the person is washing – he is homeless or whatever. They sit down and have a cup of tea and give them some food, and they sit and chat and help sort out those things. In the real rural areas you need that outreach as well, so it needs to be whoever in the charity spaces is in there. You might have the Salvos and someone else happy to do a regional work. They need a van that can take food and run your little minimarket, or whatever it is, and help people with their other issues.

Andrew SCHAUBLE: Probably just to add a little bit to that, with our social supermarkets and the way that Albury–Wodonga also works, individuals actually access the agencies because they often go there. It is very similar to what Christine said earlier. They will go to the agencies for food, and while there they will get financial literacy – which, Joe, you brought up earlier – about how to budget; and drug, alcohol and gambling support et cetera. Often they are going for the food – that is the starting point – and they will then work through that. And while they are there they are getting these wraparound services, which for us is really important because it is not just about people being dumped with food or ending up with a lot of food. That is one element that supports them, but actually it is about how we work more broadly within the system and support them through the wraparound, which is really important.

Aiv PUGLIELLI: Yes. And just on that, in terms of the donation of food or the salvaging of food, the example you gave of France earlier, where it is mandated that that food must be donated, is that a model that you would support for Victoria?

Cathie STEELE: If you had asked me that five years ago, I would have said yes. Now the supermarkets have nailed down their rejects, or their excess, so much that there is very little there, and it is less and less quality. I do not think that is the biggest low-hanging fruit at the moment. I would like to find a way to do it at the farm gate or on the farm and at the manufacturing level. It might be something similar about waste, but it is not just what they did, which was supermarkets.

Aiv PUGLIELLI: Okay. And in terms of that farmgate situation, is that because that produce is being turned away by the supermarkets for whatever guidelines that they have? Is that why there is that excess?

Cathie STEELE: That is only one of the many, many things. The farmer may not be able to get a market for his food or it might be the monopoly about who they buy from – there are so many aspects of that. It might be that some of them are not looking good because they have had more rain and things have split or whatever else it is, or because you cannot measure your exact amount that you are going to produce. It might just be ‘I’ve got too many pumpkins at the moment’, and it is more than the market needs.

Aiv PUGLIELLI: Sure. In terms of the production itself, should regenerative agricultural practice be something that is prioritised by the state government? Excellent – that was a thumbs up, for the record.

Andrew SCHAUBLE: Yes. I think again that goes back to both. We want to prioritise that and absolutely make it the future, but we also recognise there will be excess in a capitalist system. Supermarkets do not want to have empty shelves, so they will always order a bit more. So there will be excess. There will be excess in terms of the manufacturers producing; they might have a good season or not. That then refers back to the federal government inquiry around the tax incentives, because obviously if, rather than people just ploughing excess food back into the ground, they can be supported to support it to get back into the system, then that is something we want to see happen.

Cathie STEELE: Even if we can just sell that at lower costs rather than have to rescue it and give it away – if we could work the system so that fresh, healthy food particularly is able to be sold at low, low cost if it is in excess, that would be useful to everyone in the system.

Aiv PUGLIELLI: Terrific. Thank you.

The CHAIR: Thank you. Joe.

Joe McCRACKEN: Thank you. I have been listening with interest. As I said before, I think with the cost-of-living issue food insecurity is like a subset or a product of that, and when you look at the things that you are talking about it is essentially like you guys are a wholesaler in that supply chain delivering to different people that distribute based on need and community and those sorts of things. One question I had was – I think you might have mentioned it – when you need to distribute food around the state to your different hubs, how do you source your transport?

Cathie STEELE: It is all relationship based. We are a charity, so we have tried the big statewide food relief providers. The problem is getting a really quick response, getting them to the country, and they want to come back with a full load as well as go out with a full load.

Joe McCRACKEN: Do you have to do it at commercial rates or –

Cathie STEELE: We either do it at commercial rates or we know someone who does it at a lesser rate for us.

Joe McCRACKEN: So it is relationships then?

Cathie STEELE: It is relationships on that side of it. One of the companies has been fantastic, and their ex-CEO, who is still chair of the board, who basically owns the company, a big freight company for ambient freight, is doing it for us at cost price. Cost price has still gone up 50 per cent because of prices in everything.

Joe McCracken: Gas, electricity, everything else?

Cathie Steele: Everything else. But the fact that he does all the coordination from their perspective means we are not getting charged any of that. He personally does it.

Andrew Schauble: And others will do it where they just backfill a load, because they know it is going to end up with us. And then we have good relationships with, say, a local supplier who is receiving their food, and they will actually receive it at 2 am for us, hold it until the morning and then we will get it. So there are examples of that, but again it all comes down to either paying for it or having the relationship, and if that is not there, then effectively we have to try and sort something else out.

Joe McCracken: And a lot of it is, as you say, to reduce cost. Obviously you guys have got to carry that cost. You are relying on the goodwill of others. That can be up and down and patchy depending on their circumstances as well and where they are at.

Cathie Steele: That is right.

Andrew Schauble: Correct.

Cathie Steele: And that is why we had that last slide of the complexity of the system, because that is what we have to juggle. All of our services have to juggle all of that.

Joe McCracken: And that is probably a lot of the time you spend doing – trying to move the different pieces of the puzzle around to suit the outcome that you want.

Cathie Steele: That is right.

Joe McCracken: The other question I had was about tax incentives. It is more of a federal matter, but we can at least advocate for something around tax incentives to reduce waste. What are your thoughts on that? What have you had a look into there?

Cathie Steele: If farmers can donate food and get a tax incentive on that, that would be really good.

Joe McCracken: What would that look like, though – a rebate?

Cathie Steele: Yes. You would claim it on your tax as a tax deduction. At the moment they can only claim the inputs, where they have got to purchase something – they can only claim that. But if you are growing something, you cannot. And then from the trucking perspective, we could make the whole system more effective if they could get tax breaks on transporting charity freight for food.

Joe McCracken: So essentially it would be like a donation, in effect? You know how you get a tax deduction for a donation? You would do it in a similar sort of style.

Cathie Steele: Yes, that is right.

Andrew Schauble: Yes, because they are actually incurring extra costs to get it. It is not as if it is there ready to go and they can pass it on. They actually potentially have to harvest it; they potentially have to do something with it. The submissions actually for the federal government inquiry closed today. That is part of it – it is about actually supporting them for that.

Joe McCracken: I guess one of the questions – and it is the big, broad stuff – is: what do you think the drivers are that are causing the situation that you are responding to? And how do you make yourselves go out of business? As you said before, that is the ultimate key. So if you could wave a wand and change things, what would you change in order for the system to work in a really efficient, low-cost way?

Cathie Steele: This is pie-in-the-sky stuff, if I tell you what I really think about that. I think I would be finding a way to tax high carbon producing foods and use that money to support very healthy low-carbon foods. The low-carbon foods are what you need locally for everyone to have a healthy-living lifestyle.

Joe McCracken: What about farmers with methane cattle and that sort of thing?

Cathie STEELE: I would still be saying if you are producing high methane producing food, it needs to have a little bit that cross-subsidises food for people in need that is low carbon producing. But I am not here to change the tax system. I just cannot think of a way that we could juggle the system, because long term for our environment we want less carbon produced. We know that the healthiest food is the least carbon producing. Fresh, healthy vegetables and fruit are the least carbon producing. ‘How do we balance that?’ is the question you are asking.

Andrew SCHAUBLE: And ultimately there are other areas around sugar taxing et cetera as well, because obviously they have an impact on health, which then has an impact on the rest of the system, which the health system has to deal with. So I think, again, that is a lot. Norlane, down our way, is a suburb that has 31 per cent of people earning less than \$650 per week, and the mortgage stress as well in some of those areas – whether it be Norlane, Whittington, Corio et cetera – and rent stress is 28 to 34 per cent, that type of range. So you are really seeing that that is where a lot of people are struggling in a broader perspective who then need the food support as well.

Joe McCracken: Do you think there should be a sugar tax or some form like that? I know you mentioned it.

Cathie STEELE: I guess I am suggesting unhealthy food, if anything, should have a higher tax than a lower

Joe McCracken: A junk food tax.

Cathie STEELE: Whatever it is. Ultra-processed food is unhealthy as well as junk food. It is really about: how do we make really healthy food affordable for all? That is the primary question. Unfortunately, our guidelines even of what is really healthy food change over time, but we try and work with it. You can only go with what is known at the time.

Joe McCracken: Thanks. I think my time is up anyway, but thank you very much.

The CHAIR: Thank you, Joe. Michael, did you have a question?

Michael GALEA: Thank you, Chair. Thank you both for joining us. I know you have answered a few questions about this already, but I did want to ask you about your proposal for federal government tax breaks for farmers and transporters in particular. I am just curious if you have a sense of, firstly, the impact that would have? How much fresh fruit and veg, for example, would we actually have as a result of that, if implemented, in Victoria or nationally or whatever you have? Also, what would the likely cost to the federal government of that be?

Cathie STEELE: I have not worked out the latter. But for the former, if we are saying there is nearly 8 million tonnes of food wasted and we say nearly half of that is primary producers and manufacturers, even if half of that again or a third of that could be rescued or redistributed in some way, then you can break that down. You will have to work out the maths. I am not sitting here doing it – it will not happen.

Andrew SCHAUBLE: I think there is also a lot of good information with Foodbank Australia, Second Bite and OzHarvest. They have been very vocal and actually very strong around that area, because obviously it is important that it would support the whole network across Australia.

Michael GALEA: Of course, and the impact of that would be a greater supply of the fresh and healthy food that people need and ultimately less price pressure at the supermarket as well.

Cathie STEELE: But if we could get a tax system and be able to sell that food, even at a very low price – even without charity, because charity in itself has stigma around it – we could find ways to do that, because there are a whole lot of things about donations where legislative changes are needed. The good Samaritan Act, which is our *Wrongs Act* at the moment in Victoria, says no-one who donates food that is not going to be sold – as long as it is not going to be sold – can be sued. So if someone is donating food from a supermarket, we are not allowed to sell that food or even have a donation on that food – like ‘Gold coin donation. Take away 10 tonnes of food.’ You cannot do that. So this is where we need policy support and frameworks around it. We are looking at the moment at getting a really good, up-to-date legal interpretation, because it has never been

challenged as to what the impacts are for social supermarkets, places that sell food as well as have donated food. All of those groups across Australia that do a combination of it – what does it really mean and how can we best work with that? Or how does the legislation need changing? Or can we put in a system where because we are, for example, getting taxed – we do not want to get away from the donation because then they cannot get the tax rebate. If they are selling at a really low cost, does that get away from it, or do we have to keep it donated for the tax side of it and therefore have to change the labelling of it on the way the legislation works so that we can put it into a social supermarket? Very, very complex system – way above my pay grade. And again, we need government support and help to work some of those things out.

Michael GALEA: There are some clear bureaucratic challenges, then, that you have identified for us that can be looked at as a means towards addressing that issue.

Cathie STEELE: Yes. Stepping stones, yes.

Michael GALEA: That is what we are after here, so that is terrific. Thank you.

You also spoke a bit about your volunteers – and obviously a big shout-out to them. I recently got to meet a terrific group in Rowville called Feed One Feed All, who are doing a great power of work in the Knox area as well. We have heard across the board that volunteering rates, as you say, are going down in general. However, I was very interested to hear that you are seeing an actual increase, and quite a significant increase as well. I am curious if you have a sense, either of you, of what the causes are behind that and what sort of people you are getting who are putting their hands up. Is it a cross-section of the community or is it particular groups who are in particular reaching out?

Andrew SCHAUBLE: Yes. I think overall, as we have said, across the regional group our volunteer numbers have increased 19 per cent over the last year. To put a reflection from Geelong's perspective, over the last two years we have moved from 65 to over 185. And partly what I see is that one of our amazing staff has put in time and energy to actually look after the volunteers. And now it is at a point where effectively volunteers almost get more out of our organisation than what we get out of them with the amazing work they do – the support, the friendship, the camaraderie, the feeling of giving back. We will have individuals who now will be moving house and they will go and put a caravan on someone else's property. We have got volunteers who are going out to the movies together rather than gambling. We have got people who have lost their partner and now they are coming in and that is where they find their social interaction.

People can see with food the real immediacy of it all. So they will be there sorting the food that has come in from the 30-plus supermarkets and others that we pick up from every day. That goes out immediately that day. And then, because also we have the social supermarket onsite, they will see individuals, they will serve the individuals, and they will hear stories. That is both wonderful but also challenging for us because we almost do not have the structures to actually support our volunteers because that is a big workforce. And if you are running a business with 200-plus staff, you are going to have a whole HR department looking after a lot of them, whereas we hear a lot of issues and a lot is going on. So I think it is about the immediacy, the friendship, the camaraderie and the support we have been able to give them, but it also is a real challenge for us moving forward as well to be able to keep them secure, because also compliance has become a real issue. I know from a number of the other food shares that we have to keep on looking at obviously the standards of food safety, but also the safety of moving with forklifts and everything else, so that is becoming a real challenge.

Michael GALEA: And even in that serving setting as well, that still presents occupational health and safety hazards.

Andrew SCHAUBLE: Correct. Yes, and to use an example of that, in our mini-marts we have duress buttons because we have a lot of individuals who come in and there is a lot of challenge going on. And we will have volunteers who are then threatened, and the training aspect of all that – we absolutely are not doing enough around that and we know we need to improve that, as do the other food shares. But everything comes down to funding, unfortunately.

Michael GALEA: Thank you very much. Thank you, Chair.

The CHAIR: Would you like to ask a quick question?

Renee HEATH: I am sorry. I had to jump out to a different meeting, so if you have answered these questions, I will review the Hansard transcript. But I just have two. The first one was that you mentioned in your opening statements about how there has been a 40 per cent increase in demand. I just wanted to know since when and why that is. If you have answered that –

Cathie STEELE: No, I have not directly.

Renee HEATH: Okay.

Cathie STEELE: It is actually really hard to measure demand accurately. If you have people coming through your door to get food directly, you would at least have that as knowledge. In what we do, a lot of our food goes out to agencies, who then have schools and church groups et cetera give it out. We can only go on what they report. The reporting back does not identify any duplications, overlaps or whatever else, so I am just making a proviso on this. What we are hearing is in the last 12 to 18 months it is about 40 per cent. We heard particularly during COVID of course it went up really dramatically. It has not really gone down.

Renee HEATH: Interesting.

Cathie STEELE: It is just keeping on rising. I cannot tell you that they are unique individuals, because I would not know that, but I think the way we estimate it is really based on groups like Foodbank, who have done some work and tried to work out how many people they serve. They are saying on average it is about 25 kilos of food that would go to one person before another person needs food, and not in one go but over weeks, so they might come back. So you can work out proxies by the amount of food you are giving out. We have not done that tremendously across the food relief system as a whole. The measuring and monitoring needs some government intervention here because there is overlap in it. You can use food as a proxy, but it does not help when you hit a ceiling. If you have not got enough food for the people in need, that does not help you at all because you are at your maximum already. Again, this is where I said earlier it needs research work on it. We need to get some universities involved to do some of the work to say, ‘How can this be better managed and monitored at a system-wide level?’

Renee HEATH: Sorry, you wanted to add something.

Andrew SCHAUBLE: I was just going to say there was a group, Geelong Community Foundation, who did a report around vital signs down in our region. Some of the factors around that are that gas has increased 22 per cent and electricity 10 per cent. Gambling losses are \$140 million in a year. So you are touching on all sorts of different things. I talked before around rent stress. I talked about mortgage stress. So you are talking about all of these other factors, but particularly food, and the increase in the cost of food, has obviously been significant.

Renee HEATH: That is fascinating what you have said.

Joe McCracken: I was just going to say, with the increase in the cost of food, is it the cost of production of food as well?

Cathie STEELE: Yes.

Joe McCracken: Yes. Okay.

Cathie STEELE: And transporting.

Joe McCracken: Sorry.

Renee HEATH: It was fascinating that you said that things peaked during COVID but it has just kept going up. One of the prior witnesses spoke about the social and economic determinants of health. Do you think that some of this is a lingering mental health impact from being subject to the world’s longest lockdown?

Cathie STEELE: I do not think I could make that direct link. I could say that we are seeing more and more people in business who are still working who are struggling now. I know towards the end of COVID we had a lot of people starting to come in who had taken their \$10,000 out of their super and then things were just so bad they still were not recovering, so then they were hitting their straps. Now they have not got that buffer behind them as well, so I think longer term we are still going to feel impacts of some of that. Whether it is the

lockdown per se – I mean, that had other effects. They may be those effects that caused some of this problem, but it is not all of it. It is not. Talk to the researchers because they may know the relative amounts of contribution of different factors and therefore where the low-hanging fruit is to do something more about it.

Renee HEATH: Awesome. And you may have covered this as well, so I apologise. Criteria that you have got to meet to go to social supermarkets – is there any?

Cathie STEELE: It varies with every social supermarket in Victoria.

Renee HEATH: Okay.

Andrew SCHAUBLE: Yes. There are social supermarkets like the Community Grocer for example. They have multiple places where individuals come and they will actually purchase food et cetera. And I mentioned earlier that our social supermarkets and the one in Wodonga, FoodShare, are where individuals will receive a voucher having seen a support agency such as Vinnies, Salvos, Wathaurong. There are multiple other groups who actually then look at it. For us, that is important because they are looking at the holistic approach, the wraparound support, to make sure that there is broader support for people there rather than just the food. As I mentioned before, people will come for the food very often. Christine from OzHarvest mentioned that earlier: they will often come for the food, but while they are there there are other supports. That is important.

Cathie STEELE: Can I say in that, the voucher system that Andrew uses is amazing, because you get five times the value; about five or six, somewhere there –

Andrew SCHAUBLE: Seven at the moment.

Cathie STEELE: Seven now, is it? The value of food that you would get if you were given a Coles or a Woolies supermarket voucher.

Renee HEATH: Wow, that is incredible.

Cathie STEELE: So you get a \$20 voucher, you go to Coles and Woolies, you get \$20 worth of food. They come in to the social supermarket run through the charity system, they can get all their shopping done for it.

Renee HEATH: Amazing.

Cathie STEELE: Then again we are back to system issues, so this would be something you would address that at a statewide or Australia-wide level, that recently, or in the last year, some of the big charities have gone to centralised ring-up – ‘You can talk to us, and then we will give you a voucher.’ The vouchers were only for the big supermarkets, so it stopped them using the social supermarkets. It is an unintended consequence that we cannot address at the local level, but again it would be the sort of thing we would talk to a policy group about and say, ‘Do you realise this is happening?’. Maybe we can talk at a government level with those big charities and say, ‘This is not to your advantage as well.’

Andrew SCHAUBLE: I would add one on that, though: the Salvation Army did that and actually moved just to their EFTPOS system, but because they saw that effectively they were not getting the same value they actually reverted back, so now the individuals who are within our region will actually, through the telephone line, have their postcode recognised so they will be offered vouchers to our mini-marts –

Cathie STEELE: Only in that region.

Andrew SCHAUBLE: only in this region, but I think that was one where it was reversed because effectively it was stopped. They were looking to see if we could accept their EFTPOS card, but we do not, because we do not accept any cash there, but that was where it was a good one because it was almost like the value proved itself.

Renee HEATH: Thank you.

The CHAIR: Thank you, Dr Heath. Thank you so much. Time is running past us. Thank you so much for coming in. Your submission is great, and I think the body you have got there is doing a great job in the regional areas. I understand that at this moment it is very important that it can be viable, because basically what you

mentioned about support across – the government could keep supporting lessons with regard to consistency, lessons for the state and hopefully in the federal contribution as well and the intervention rates of tax incentives. Hopefully they will work out, but your evidence today will bring us a long way towards making our recommendations down the track, so thank you so much for your time.

Andrew SCHAUBLE: If I can just add one thing to that, I think that has probably been the most stressing thing as a CEO and for the other CEOs of the regional groups, that thing about we do not know if we have got government or state support until effectively the May budget, and then you hit June and we have basically either have got staff or we do not. That is really challenging, and we cannot run an operation like that, supporting as many people as we are.

The CHAIR: The committee heard you loud and clear in that, Andrew.

Cathie STEELE: Thank you for being involved.

Andrew SCHAUBLE: Thank you.

Witnesses withdrew.