



15 August 2024

Dear Committee

## LETTER OF SUPPORT

Thank you for the opportunity to lodge a submission in response to the Inquiry into the Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024. 5FOLD are pleased to see this important initiative being progressed by the Australian Parliament.

We would like to convey our strong support for the Bill, as it would not only help many Australians in need but also reduce food loss and waste; help stimulate regional economies; acknowledge the generosity of farmers and growers; and support small and medium businesses during a particularly challenging economic period.

Australia currently wastes more than 7.6 million tonnes of food each year costing the economy over \$36.6 billion<sup>1</sup>. 70%<sup>2</sup> of this food is perfectly edible and redirecting it to food relief would potentially deliver \$2 billion<sup>3</sup> in social return. If tax settings are recalibrated to incentivise donations to food relief charities, then industry would have an additional reason to do the right thing. Experience in other countries, including the USA, France, Canada and the Netherlands, where similar incentives have been operating successfully for many years, confirms that tax incentives are far and away the most effective way to positively impact donations to food relief charities.

As a charity in a priority development area, our partnership with SecondBite is vital in supporting our community, especially amid rising inflation and living costs. This collaboration allows us to provide essential food relief through programs like our emergency services, ensuring that no one in our community goes without a meal. By securing a consistent supply of nutritious food, we can focus on other critical initiatives, such as financial education and community safety, while offering stability and hope to those facing financial hardship.

Having reviewed the Bill, we recommend the following amendments:

- Expansion of the eligibility to entities other than Constitutional Corporations, such as Trusts and Partnerships, as many food-related businesses (eg family farms) take this form.
- That the type of registered food charity be expanded to include those entities registered as a Public Benevolent Institution under the Australian Charities and Not-for-profits Commission Act 2012.
- That the 40 percent offset is available to entities with an aggregated turnover of at least \$20 million and less than \$250 million for the income year (with the 30 percent offset for entities with an aggregated turnover of \$250 million or more for the income year). This will allow more medium sized businesses (e.g. family businesses and small transport operators), many who operate with high turnover but low margins, to obtain a tax incentive associated with the offset claim.

**Community is knowing you are not alone!**

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We believe these amendments would significantly improve the eligibility, application and impact of the proposed tax incentive and strongly encourage the Committee to recommend the earliest possible passage of the amended Bill.

Kind Regards

