



Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024

August 2024



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Our Commitment to Inclusion

The Salvation Army Australia acknowledges the Traditional Owners of the land on which we meet and work and pay our respect to Elders, past, present and future.

We value and include people of all cultures, languages, abilities, sexual orientations, gender identities, gender expressions and intersex status. We are committed to providing programs that are fully inclusive. We are committed to the safety and wellbeing of people of all ages, particularly children. Our values are:

- Integrity
- Compassion
- Respect
- Diversity
- Collaboration

The Salvation Army is a worldwide movement known for its acceptance and unconditional love for all people. We love unconditionally, because God first loved us. The Bible says, “God so loves the world” (John 3:16, RGT). As both a church and charity, we believe all people are loved by God and are worthy of having their needs met. Everyone is welcome to find love, hope, and acceptance at The Salvation Army.

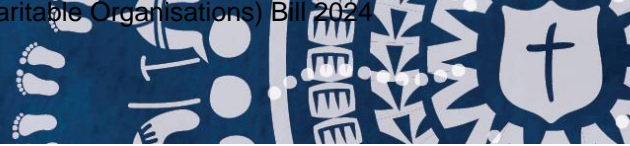
The Salvation Army Australia Territory wishes to acknowledge that members of the LGBTIQA+ community have experienced hurt and exclusion because of mixed comments and responses made in the past. The Salvation Army is committed to inclusive practice that recognises and values diversity. We are ensuring our services affirm the right to equality, fairness, and decency for all LGBTIQA+ people, rectifying all forms of discriminatory practice throughout the organisation.

We seek to partner with LGBTIQA+ people and allies to work with us to build an inclusive, accessible, and culturally safe environment in every aspect of Salvation Army organisation and services. Everyone has a right to feel safe and respected.

Learn more about our commitment to inclusion: <salvationarmy.org.au/about-us>

More information about The Salvation Army is at **Appendix A**.





Executive Summary

The Salvation Army welcomes the opportunity to provide this submission to The Senate Standing Committee on Economics (the Committee) Inquiry into the Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024 (the Bill).

In this submission, The Salvation Army focuses on the structure of the Food Donation Tax Offset (the Offset) as outlined in the Bill, and the sunset provisions in Part 2 of the Bill.

Our input has been informed by our position as a national provider of emergency relief, and food relief, in multiple forms throughout Australia. It is from this position that we encourage the Bill be passed, with minor amendments.

We also urge the Committee, and the Commonwealth Government to examine the broader welfare system, particularly raising the inadequate levels of JobSeeker and Youth Allowance payments which force many people experiencing unemployment into food insecurity.

The Salvation Army has made **2** recommendations for the Committee to consider. A summary of these recommendations follows on the next page.



Summary of Recommendations

Recommendation 1

2.7 The Salvation Army recommends that the Bill be passed with amendments such that the Food Donation Tax Offset does not lapse after 36 months from enactment.

Recommendation 2

3.5 The Salvation Army recommends that the Commonwealth Government meaningfully increase the base rate of JobSeeker and Youth Allowance to ensure that recipients are able to live with dignity.



1 Food Relief

- 1.1 The Salvation Army strongly supports efforts to increase food donation. As a major provider of emergency relief, and food relief, we continue to see significant demands placed upon our Corps and Doorways Emergency Relief staff.
- 1.2 Often, when a community member comes to our services experiencing financial hardship, the most immediate form of relief we can provide is food relief, including hampers of donated food.

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“When people receive a hamper, the look of relief on their faces is just so clear. They know they’ll have a few days of relief from hunger, from the feeling of dread.”

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- A Salvation Army Doorways Caseworker

- 1.3 Many of our Corps run community meals which provide a nutritious meal, as well as an opportunity for community connection. Our services, including our food relief work, often act as a soft entry point for people experiencing significant disadvantage to benefit from connection and warm referrals to assist with all forms of disadvantage.
- 1.4 Our services are, wherever possible, co-located with other Salvation Army services to provide wraparound supports for people experiencing financial hardship, homelessness, or family and domestic violence. We coordinate with other community sector partners to ensure that community members experiencing financial hardship and food insecurity are supported in a holistic way to access the maximum relief possible.
- 1.5 Despite the many partnerships The Salvation Army has forged with other food relief charities, such as Foodbank, Second Bite, and Oz Harvest, there continues to be need in our communities for food relief.
- 1.6 It is not the only limiting factor, but the supply and availability of food for distribution is a handbrake on the amount of relief we can provide. Any solutions to increase the supply of quality donated food is supported by The Salvation Army.



The Magpie Nest

The Salvation Army's Magpie Nest operates from our Project 614 site in Melbourne. The Magpie Nest provides breakfast, lunch, and dinner to community members from all walks of life, providing as many as 700 meals per day, five days a week. Our chef is supported by Salvation Army staff, but the café relies on volunteers, many of whom are from our partners in nearby corporate jobs, who are vital to making the operation work.

The Café benefits from donated food from various corporate partners who can store and deliver on demand, as well as supplies from Oz Harvest, Second Bite and Foodbank, which our Chef uses to provide nutritious and exciting meals.

"I really enjoy how creative I need to be with our café menu. When large donations arrive, we chop and change what we need to, not only ensuring we don't waste food but can also create nutritious appealing meals" said the Magpie Nest Chef, Adam Thomson.

The Magpie Nest's goal is accessibility. We try and spark up a conversation with all the people who come to the café. This fosters a welcoming atmosphere, and allows us to better help community members who need more than just a hot meal then and there, but also a hamper to take home, things for kids' lunches, or clothing and toiletries. We have Corps Officers at 614 who are proficient in Mandarin which is helpful for the growing Chinese community who have come to access the café.

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"I can afford my medication, or I can afford food this week. But even if I get my medication, it says it has to be taken with food."

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- A Salvation Army Community Member



2 The Bill

- 2.1 The Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024 takes reasonable steps to incentivise food donation from corporate food retailers and producers.
- 2.2 Current food donation has the same financial incentive to donors as destruction, and the associated costs for donation, including transportation and storage costs, are a financial barrier. Any incentive to ensure that food fit for human consumption is delivered to those in need, rather than dumped, will prove to be incredibly beneficial to the Australians struggling to afford food for their families.
- 2.3 The Bill provides a sliding scale of offsets proportionate to the turnover size of the donor, with a total cap of \$5 million. There are also specified inclusions of food donation expenditure, such as the transport and storage costs incurred in the donation. Other expenditures have been specifically excluded, principally the general business overheads and expenses not directly associated with the donated food. These are reasonable limitations and provide clarity for donors.
- 2.4 Critically, the Bill requires that the food donated must be fit for human consumption. This is to ensure that the Food Donation Tax Offset is not utilised to hand off expired or unfit food. This safeguard pre-empts and curtails a concern that the offset could be potentially abused by producers and retailers.

Review

- 2.5 The Bill stipulates that there will be a review of these provisions after 36 months of operation. This is a reasonable approach to ensure that there is examination of the efficacy of the offsets. A small consideration is that these Food Donation Tax Offsets will lapse at the 36 month mark, unless otherwise extended by regulation.
- 2.6 This sunset clause in Part 2 of the Bill does not create a fail-safe situation, and The Salvation Army would caution the Committee to consider the desirability of a sunset provision. It is our position that the review process alone would be sufficient to ensure that any unforeseen shortcomings of the Food Donation Tax Offset are discovered and addressed. We propose instead that active consideration by the Parliament should be necessary to end the offset.

Recommendation 1

- 2.7 The Salvation Army recommends that the Bill be passed with amendments such that the Food Donation Tax Offset does not lapse after 36 months from enactment.**



3 Broader Welfare Reform

- 3.1 Additional to passing the Bill, The Salvation Army encourages the Committee to keep in mind that food relief, including community meals, pantries, or any other kind of emergency relief, is a band-aid solution to a larger problem of food insecurity.
- 3.2 The ongoing high cost of living pressures has seen many community members seeking food and other assistance from The Salvation Army and other providers for their first time. This shows that food insecurity does not discriminate, including amongst those who are in paid employment or have never experienced disadvantage before.
- 3.3 Unfortunately, a number of community members who approach our services are experiencing prolonged, even multigenerational, poverty. This includes people in households where the cost of food and necessities is beyond the income they receive through work or government support. Food relief of any form is not a solution to the fundamental causes of food instability, and is unable to provide security in the long-term. This limits the scope of what The Salvation Army and the broader sector can do to help community members experiencing food insecurity.
- 3.4 The Salvation Army urges the Commonwealth Government to increase the base rate of JobSeeker, Youth Allowance, and other income support payments to ensure that Australians experiencing hardship can afford to live with dignity, and can achieve long term food security.

Recommendation 2

- 3.5 The Salvation Army recommends that the Commonwealth Government meaningfully increase the base rate of JobSeeker and Youth Allowance to ensure that recipients are able to live with dignity.**



4 Conclusion

- 4.1 The Salvation Army thanks the Senate Standing Committee on Economics for the opportunity to provide a written submission on the Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024.
- 4.2 The Salvation Army would welcome the opportunity to discuss the content of this submission should any further information be of assistance. Further information can be sought from

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The Salvation Army Australia Territory

August 2024



Appendix A About The Salvation Army

The Salvation Army is an international Christian movement with a presence in more than 130 countries. Operating in Australia since 1880, The Salvation Army is one of the largest providers of social services and programs for people experiencing hardship, injustice and social exclusion.

The Salvation Army Australia provides more than 1,000 social programs and activities through networks of social support services, community centres and churches across the country.

Programs include:

- Financial counselling, financial literacy and microfinance
- Emergency relief and related services
- Homelessness services
- Youth services
- Family and domestic violence services
- Alcohol, drugs and other addictions
- Chaplaincy
- Emergency and disaster response
- Aged care
- Employment services

As a mission-driven organisation, The Salvation Army seeks to reduce social disadvantage and create a fair and harmonious society through holistic and person-centred approaches that reflect our mission to share the love of Jesus by:

- Caring for people
- Creating faith pathways
- Building healthy communities
- Working for justice

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.

Further information about The Salvation Army can be accessed at: <
<https://www.salvationarmy.org.au/>>

