



15 August 2024

Senate Economics Legislation Committee

Dear Committee,

**Inquiry into the Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations)
Bill 2024**

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.

City Mission is 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 billion¹. 70%² of this food is perfectly edible and redirecting it to food relief would potentially deliver \$2 billion³ 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.

Launceston City Mission has been operating services to people in the North and North-West of Tasmania for over 170 years. As a local place based charity we've developed significant relationships with donors and supporters, however we consider this Bill, if passed, would unlock further philanthropic support through the provision of food relief donations through our centres.

Whilst in receipt of grant funding from the Department of Social Security City Mission has always provided a 200% uplift on the direct funds provided to our clients enabling the cost of living support for thousands of people in our communities to stretch beyond the public investment each year. Improved levels of direct food support to our services, generated by tax concessions, would reduce the cost of the food relief provided for both individuals and small businesses motivated to give to others.

We're in favour of anything that reduces the cost of providing emergency relief as you expect however I doubt tax deductibility will create an avalanche of goods donated, more a manageable increase. There are obviously several constraints and difficulties for many food producers to provide food to any of the charities, so we all need to remain flexible, hopefully incentivise the donation process for the donors and remain focused on helping others in these difficult times.

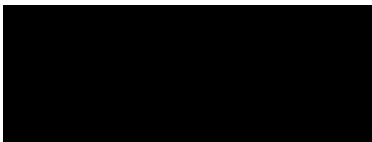
Having reviewed the Bill, we recommend the following amendments:



- Expansion of the eligibility to entities other than Constitutional Corporations, such as Trusts and Partnerships, as many food-related businesses (e.g. 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, which typify the organisations we work with in Tas), many who operate with high turnover but low margins, to obtain a tax incentive associated with the offset claim.

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.

Yours sincerely,



Stephen Brown
Chief Executive Officer
Launceston City Mission

¹ https://www.stopfoodwaste.com.au/about/#why_reduce

² <https://workdrive.zohopublic.com.au/external/ba011474a921ef40d77287a482fc9b257083a646708e3b38b6debeea81cdf81b>

³ <https://home.kpmg/au/en/home/insights/2020/09/food-relief-australia-tax-system.html>