



Submission to the Senate Economics Legislation Committee

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

This submission is made by Geelong Food Relief Centre

Geelong Food Relief Centre (GFRC) appreciates the opportunity to make a submission to the Senate inquiry on the Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024 being considered by the Senate Economics Legislation Committee.

Geelong Food Relief Centre (GFRC) is a regional food hub delivering from one to many with a mission to create food security through a strong network of local partners in a holistic food systems approach. GFRC is an established not-for-profit charity that has been supporting the Greater Geelong region for over 30 years. GFRC has undergone significant cultural and operational change over the last two years under the guidance of a new CEO and committee with updated rules of association. This change is highlighted by the organisation's new vision "to nurture our community with healthy food creating impactful social change".

GFRC plays a vital part in supporting vulnerable people within the G21 region. Access to sustainable, cheap, nutritious food is paramount to our community. GFRC has increased food distribution by 33% in the last financial year (FY 23/24) compared to the previous year. We acknowledge that this situation is unsustainable and are committed to change. Our goal is to work towards achieving UN Goal No. 2: Zero Hunger, and to shift towards a food-secure future for everyone. Currently, GFRC receives over 111 tonnes of food per month. We sort, quality control, and align the food with community needs, then distribute 94 targeted tonnes to the G21 region. This is achieved through more than 60 place-based local community organisations and our two mini-marts. We customise our services to fit their programs, infrastructure, and resources to ensure optimal quality and efficiency. Through our two mini-marts and free bulk food distribution, we support well over 20,000 people weekly. The growing demand is driven by rising cost of living pressures.

Food insecurity remains a significant issue in Australia, with Foodbank's Hunger Report indicating that 3.7 million households faced food insecurity in the past 12 months. GFRC is not directly involved in food manufacturing or wholesaling, our collaboration with industry partners has highlighted a critical challenge: the prohibitive costs associated with harvesting unsaleable yet edible products. These costs often prevent primary producers from donating surplus food, as there is only financial burden and little to no financial return for their efforts. Interventions to address food waste and enhance food security should be focused on reducing the amount of food waste produced and ensuring that any surplus food is used for feeding people. 70% of the food that is wasted in Australia is edible¹.

GFRC believes it is essential to establish a framework that facilitates the donation of excess food to those in need without imposing additional financial burdens on the agricultural sector. The proposed amendments to the tax laws will not only reduce food waste and deliver much-needed resources to vulnerable communities but also enhance grower profitability and reduce environmental impacts. By incentivising food donations, we can collectively work towards a more sustainable and equitable food system in Australia.

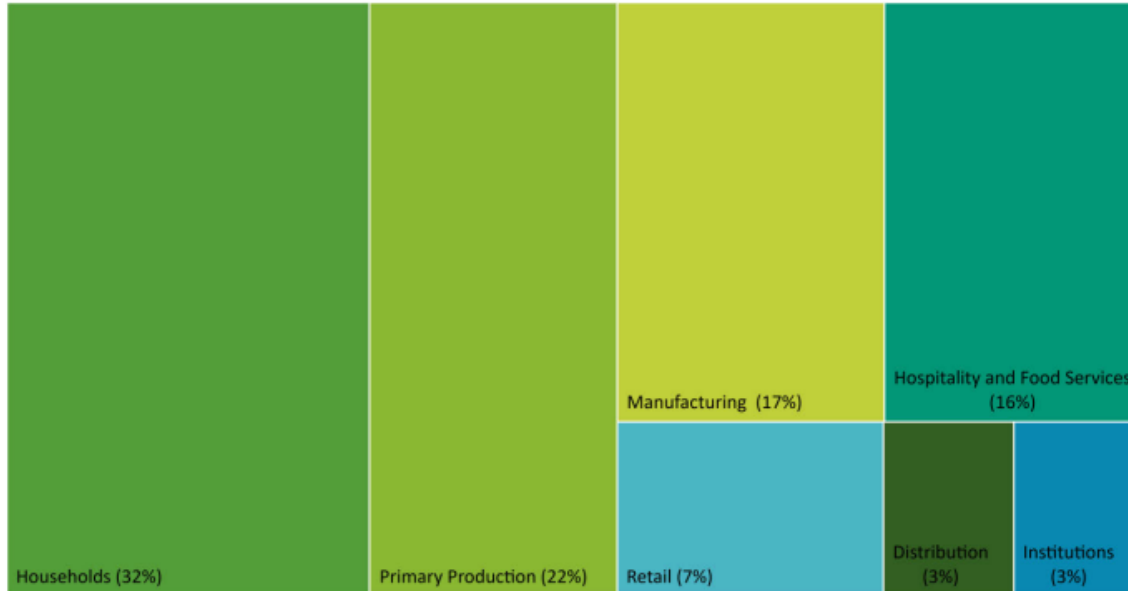
GFRC wishes to reference our recent submission in the Inquiry into food security in Victoria, specifically Recommendation 2: Taxation Reform, point 4, which advocates for taxation incentives for food manufacturers and retailers to minimise waste and maximise donations to food rescue organisations. This recommendation directly relates to this current submission.

Australia faces a troubling paradox: despite being a wealthy nation with abundant food, an estimated 7.6 million tonnes of food are wasted each year. Meanwhile, 36% of the population experiences food insecurity—amounting to one in three Australians. The latest Foodbank Hunger Report reveals that a significant number of households are encountering food insecurity for the first time. Only 0.2% of Australia's surplus food is rescued, the bulk goes to landfill. These alarming statistics underscore the urgent need for major policy changes to secure a food-secure future for all Australians. At GFRC, we operate five refrigerated vans five days a week, receiving food from over 30 supermarkets daily. Due to the constant fluctuation in product variety and volume,

¹National Food Waste Strategy Feasibility Study

managing stock and distributing it to our 60+ partner agencies is challenging. However, sourcing large volumes of food directly from primary producers and wholesalers would provide more efficiency and consistency in the food relief sector. Such a supply chain would be much more appealing to these suppliers if there were tax incentives in place. Establishing consistent supply relationships with key large-scale producers and wholesalers could lead to transformative improvements across the food relief industry.

Graph 1: Food waste across the supply chain²



In this context, GFRC supports efforts to enact the proposed Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations). This legislation, championed by initiatives like those from Foodbank, SecondBite, and OzHarvest, seeks to reform the nation’s tax system to encourage food businesses—including farmers, wholesalers, and transporters—to donate surplus food and related services to food relief charities rather than allowing it to go to waste.

The proposed legislation draws inspiration from successful models in countries like France, Canada, and the United States, and aligns with recommendations from the House of Representatives Standing Committee on Agriculture's report on food security in Australia. The initiative, also highlighted in the 2023 inquiry "Australian Food Story: Feeding the Nation and Beyond," advocates for tax reforms that incentivise large manufacturers and retailers to redirect food waste to rescue organizations. This strategy will help meet the increasing demand for food relief among Australians struggling with the rising cost of living.

GFRC strongly supports this initiative as it addresses two critical objectives: reducing food waste and combating food insecurity. By encouraging tax incentives for food donations, this proposed legislation can significantly contribute to a more sustainable food system and a more food-secure Australia.

We therefore support this bill to amend the *Income Tax Assessment Act 1997* and *Income Tax (Transitional Provisions) Act 1997* to provide a tax offset for companies for certain expenditure incurred in undertaking food donations activities for registered food charities as we believe it will help to achieve the aims of reducing the amount of food waste, relieving the pressure on households experiencing the pressure of food insecurity and also making it financially possible for growers/wholesalers to assist in this process.

² National Food Waste Baseline measured for the National Food Waste Strategy Feasibility Study Final Report 2021