



14<sup>th</sup> March 2023

The Hon Jim Chalmers MP  
Treasurer  
Parliament House  
CANBERRA ACT 2600

Dear Treasurer

### **Letter of support: Australian National Food Donation Tax Incentive**

Australian food relief organisations cannot keep up with the public's need for assistance, which is only set to increase. They need to more than double food donations if they are to ensure that vulnerable households in Australia don't go hungry.

The undersigned would like to convey their strong support for the tax incentive being proposed by food relief organisations Foodbank, OzHarvest and SecondBite. This proposal would not only help many Australians in need but also reduce food waste, promote sustainability and support small 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.

In spite of this, Australia's current tax framework does not motivate the food industry to donate surplus stock – in fact, it is no better than if they send it for recycling or to landfill. This has to change. If tax settings are recalibrated to incentivise donations to food relief, then industry would be supported to do the right thing. Experience in other countries, including the USA, France, Canada and the Netherlands, indicates that tax incentives are far and away the most effective way to positively impact donations to food relief.

There has been a groundswell of support from every part of Australia's food and grocery supply chains for the United Nations Sustainable Development Goals, and the aspirational goals of the National Food Waste Strategy, with extraordinary work happening on farm, across the manufacturing sector, in supermarkets and in the home to reduce food waste and redirect surplus food to food relief. However, to date, we have not seen government action on policy levers capable of delivering immediate and significant outcomes.

---

<sup>1</sup> [https://www.stopfoodwaste.com.au/about/#why\\_reduce](https://www.stopfoodwaste.com.au/about/#why_reduce)

<sup>2</sup> <https://workdrive.zohopublic.com.au/external/ba011474a921ef40d77287a482fc9b257083a646708e3b38b6deb6ea81cdf81b>

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

The signatories to this letter represent leaders of Australia’s food and grocery supply, manufacturing, retail and transport sectors as well as agricultural, rural, social service, public health and food waste research peak bodies. Many of these organisations and their members currently donate to food relief organisations, which distribute food and grocery items to thousands of charity organisations and schools.

The proposal, which has been developed by KPMG with the support of the Fight Food Waste Cooperative Research Centre, recommends a two-tiered tax incentive based on the ability to offset a percentage of costs related to food donations from taxable income. Its aim is to encourage food industry to donate surplus product to food relief rather than sending it to landfill.

In addition to contributing to sustainability goals, the proposed incentives would provide support to small to medium enterprises, particularly farmers and small businesses in transport and logistics, stimulating regional economies and mitigating some of the economic impacts of labour shortages, natural disasters and the cost-of-living crisis. Consultation with industry stakeholders undertaken by KPMG has confirmed that companies would welcome the incentives which they believe would make a real difference to current practices in the food supply chain.

At the same time as addressing waste and supporting industry, these reforms would be an innovative industry-based mechanism to meet the growing demand for food relief and emergency support in Australia. They would contribute to bridging the current food supply gap which sees only 38%<sup>4</sup> of food insecure households getting the formal food relief services they need– a gap that is increasing despite the best efforts of Australia’s food relief providers.

While it is understood that there are wide-ranging considerations in formulating tax policy, the impact of the changes proposed are likely to be modest in terms of foregone tax revenue to Government, particularly compared to the positive economic, environmental and social outcomes for Australia.

Thank you for considering the proposal. If you would like to discuss it further, do not hesitate to contact Foodbank Australia, OzHarvest or SecondBite.

Yours sincerely



<sup>4</sup> <https://reports.foodbank.org.au/foodbank-hunger-report-2022/?state=a>



**Foodbank Australia**  
 Sarah Pennell  
[sarah@foodbank.org.au](mailto:sarah@foodbank.org.au)  
 0408 433 011

**OzHarvest**  
 Matt Rose  
[matt.rose@ozharvest.org](mailto:matt.rose@ozharvest.org)  
 0413 968 226

**SecondBite**  
 Lucy Coward  
[lucy.c@secondbite.org](mailto:lucy.c@secondbite.org)  
 0434 220 050