**National Food Donation Tax Incentive**

**Speaking points**

**In brief:**

* Currently there is no tax-related incentive to donate products that won’t make it to market.
* **7.6 million tonnes** of food each year is being wasted costing the economy more than **$36.6 billion**. **70%** of this food is perfectly edible.
* This incentive will potentially save the equivalent of around an **additional 100 million meals a year** and could assist in halving overall food waste by 2030.
* KPMG estimate a National Food Donation Tax Incentive to have a direct cost to Federal Government of approximately **$50 to $100 million per annum** which is minimal in comparison to the large offsetting social, economic and environmental benefits of approximately **$2 billion per annum** and against the current cost of food waste to the Australian economy of **$36.6 billion** annually.

**Additional background/context if required:**

* Similar incentives are already in place in countries such as the United States, Canada and France providing tax breaks to companies that donate their surplus food.
* In our current tax system, when farmers and manufacturers have a product that doesn’t make it to market, the tax system treats it exactly the same way whether its donated or dumped.
* The current cost-of-living crisis has made the proposal more pressing than ever. It would mean edible food is not dumped but instead diverted to food relief organisations such as Foodbank to help those going hungry.
* According to the Foodbank Hunger Report 2023, 3.7 million households experienced food insecurity in the last 12 months, with 77% of these households doing so for the first time.
* The extra food relief would deliver $2 billion in social return (for the environment as well as individual and community health and wellbeing).
* For smaller businesses, the proposal is to provide a tax break that would equate to a 20% cash back. For larger businesses it would be a 10% credit on their tax bill.
* The proposal has been developed by KPMG with the support of End Food Waste Australia and Foodbank Australia.