



National Food Donation Tax Incentive

Speaking points

In brief:

The proposed incentive takes the form of a cashback or tax credit (depending on the size of the business) over and above what's available for just disposing of the stock. It would only be a proportion of the costs incurred and would certainly tip the scales when businesses are considering whether to donate or dump.

Dot Points:

- » Currently when farmers and manufacturers have a product that doesn't make it to market, the tax system treats it the **same whether its donated or dumped**.
- » **7.6 million tonnes** of food each year is wasted costing the economy more than **\$36.6 billion**. **70%** of this food is perfectly edible.
- » At the same time, the Foodbank Hunger Report 2024 reveals that **3.4 million** households have faced food insecurity this year. Alarmingly, **over half (59%)** of these households are enduring the most **severe** level of food insecurity, frequently skipping meals or going entire days without food.
- » This incentive will potentially save the equivalent of an **additional 100 million meals a year** and could assist in halving overall food waste by 2030.
- » KPMG estimates the incentive would cost Federal Government approximately **\$50 to \$100 million per annum**, which is minimal compared to the anticipated **\$2 billion per annum** social and environmental benefits.
- » In the same week that two government reports were handed down, both recommending the adoption of the food donation tax incentive as a targeted non-inflationary measure to address cost of living pressures, the Senate economics committee has **rejected** the Bill that would have brought the incentive to life.
- » For smaller businesses (up to \$20m turnover), the proposed Bill provides a tax break equating to **20% cash back**. For medium-sized businesses (\$20m to \$50m) it's a **10% credit** on their tax bill.
- » The incentive would apply to donated food and the **logistics** required to donate the food ie storage, transport and pallets.
- » The tax incentive would **not apply** to large food businesses such as the supermarket chains.
- » The concept of a food donation tax incentive is receiving increasing bipartisan attention. The Labor-chaired House of Representatives Standing Committee on Agriculture's [Food Security Report](#) included the provision of the tax incentive as one of its recommendations, as did the Select Committee on Cost of Living in its [Second Interim Report](#).
- » Similar incentives are already effective in countries such as the United States, Canada and France.

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