



**POLICY COSTING REQUEST – DURING THE CARETAKER PERIOD FOR A  
GENERAL ELECTION**

<b>Name of policy:</b>	Avoiding food waste
Person requesting costing:	Senator Milne
Date of request to cost the policy:	3 September 2013
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (i.e. from the Treasury or the Department of Finance and Deregulation)?	No
Details of the public release of this policy (Date, by whom and a reference to that release)	8 August 2013, Senator Milne <a href="http://greensmps.org.au/sites/default/files/our_food_future.pdf">http://greensmps.org.au/sites/default/files/our_food_future.pdf</a>
<b>Description of policy:</b>	
Summary of policy (as applicable, please attach copies of relevant policy documents):	To reduce food waste through a \$20 million investment in identifying avoidable food waste, a national campaign to educate the community, simplifying food date labelling and working to relax cosmetic standards for fruit and vegetables so that good food is not wasted and increase funding for food emergency relief organisations that specialise in fresh food rescue and distribution.
What is the purpose or intention of the policy?	To reduce food waste.
<b>What are the key assumptions that have been made in the policy, including:</b>	
Is the policy part of a package? If yes, list and outline components and interactions with proposed or existing policies.	It is part of the Greens food security plan.
Where relevant, is funding for the policy to be demand driven or a capped amount?	Capped.
Will third parties (for	Yes. Some states, notably NSW already have a program like this.

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<p>instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p>	
<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	<p>Not directly. Indirectly will assist Australia reach greenhouse gas emission targets and avoid landfill costs by lowering food waste.  Healthy food relief also assists with long-term preventative health goals.</p>
<p>Does the policy relate to a previous budget measure? If yes, which measure?</p>	<p>The emergency food relief component may well relate to ongoing Commonwealth Emergency Relief payments.  However it is intended that the funds for food waste diversion to relief would be additional as there is a significant unmet and also scope to create permanent diversion channels of avoidable food waste which over time represent a cost saving.</p>
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?</p>	<p>The policy provides additional funds for some broadly existing areas of work within Commonwealth departments.</p>
<p>Will the funding/program cost require indexation? If yes, list factors to be used.</p>	<p>No</p>

**Expected impacts of the proposal**

If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?

**Estimated financial implications (outturn prices) <sup>(a)</sup>**

	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-	-7	-7	-6
Fiscal balance (\$m)	-	-7	-7	-6

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<p>(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.</p>	
<p>What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?</p>	<p>Refer to previous PBO costing ‘Preventing Avoidable Food Waste’ provided on 18 April 2013.</p>
<p>Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?</p>	<p>Yes, by the PBO on 18 April 2013.</p>
<p>What is the expected community impact of the policy? How many people will be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions?</p>	<p>The core aim is to reduce food waste along Australia’s food supply chain, targeting households in the first instance.</p> <p>It is difficult given the nature of the policies to estimate how many people will be positively affected, but for example changes to date labelling on food would positively affect the entire population.</p> <p>As the average Australian household of 4 wastes around \$1000 / year of food, the impact is expected to be overwhelmingly positive in helping households to reduce costs, and help reduce national GHG emissions, waste of water and the need for landfill expansion.</p> <p>As a community behaviour change program, looking at the NSW and UK models, the take-up is expected to be widespread and include active participation and magnification by local councils and non-government organisations. .</p> <p>A second aim is to take existing avoidable and still perfectly edible fresh food waste and divert it to emergency food aid relief, where there is growing and urgent demand.</p> <p>It also provides funding to allow food aid organisations to innovate and look to find longer term incentives and rewards to help farmers divert crop gluts or crops that would be wasted due to poor contract prices to emergency food relief, without assuming they can afford to always donate it for a very low tax incentive.</p> <p>This will have a two-fold positive community impact: answering an urgent need for more fresh fruit and vegetables for food insecure Australians; and helping to avoid food waste including providing a fairer return for producers faced with crop waste that is beyond their control.</p>

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<b>Administration of policy:</b>	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?	Department of SEWPAC (Australian Government) and FAHCSIA
Should departmental expenses associated with this policy be included in this costing? If no, will the Department be expected to absorb expenses associated with this policy? If yes, please specify the key assumptions, including whether departmental costs are expected with respect to program management (by policy agencies) and additional transactions/processing (by service delivery agencies).	See previous costing.
Intended date of implementation.	1 July 2014.
Intended duration of policy.	4 years
Are there transitional arrangements associated with policy implementation?	No
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	<p><a href="https://www.tai.org.au/index.php?q=node%2F19&amp;act=display&amp;pubid=696">https://www.tai.org.au/index.php?q=node%2F19&amp;act=display&amp;pubid=696</a></p> <p><a href="http://www.lovefoodhatewaste.nsw.gov.au/resources/research-reports.aspx">http://www.lovefoodhatewaste.nsw.gov.au/resources/research-reports.aspx</a></p> <p>This is being based on the UK model of WRAP, which has been recognised as a highly successful example of national government leadership to support food waste avoidance and reduction. See <a href="http://www.wrap.org.uk">http://www.wrap.org.uk</a></p> <p><a href="http://www.secondbite.org.au">www.secondbite.org.au</a></p>
Are there any other assumptions that need to be considered?	No
<p><b>NOTE:</b></p> <p><i>Please note that:</i></p> <ul style="list-style-type: none"> <li><i>The costing will be on the basis of information provided in this costing request.</i></li> <li><i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i></li> </ul>	