



Australian Government

Australian Government response to the
Senate Committee Economics report:

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

March 2026



Introduction

The Australian Government welcomes the opportunity to respond to the recommendations of the Senate Economics Committee in its Report on the Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024.

The Government acknowledges the genuine concerns that have informed the development of this bill and recognises the valuable contributions of individuals and organisations who participated in the committee's inquiry.

The Government remains firmly committed to addressing food insecurity in Australia and continues to support key national food relief organisations Foodbank, OzHarvest, and SecondBite through direct grants and associated programs. In parallel, the Government maintains its commitment to halving food waste in Australia by 2030, as outlined in the National Food Waste Strategy, and continues to invest in initiatives that promote sustainable food systems and reduce waste across the supply chain.

The Government accepts the recommendation made by the committee. The Government's responses to the recommendations of the Coalition Senators' dissenting report are below.

Response to the recommendations made by the dissenting report of the Coalition

Recommendation 1

Strong consideration be given to proposed enhancements to the bill, with a view to increasing both its efficacy and cost efficiency, including:

- extending eligibility to access the tax incentive to partnerships and trusts;
- incorporating Public Benevolent Institutions within the definition of a “Food Relief Charity”; and
- subject to advice on the budgetary implications of doing so, increasing the \$50 million threshold to \$250 million to capture a wider range of potential donors.

Australian Government response

The Government **notes** this recommendation.

The Government shares the committee’s concerns that the bill presents an uncapped and unaccounted-for cost to the budget, may preference large corporations over small businesses and charities, and lacks sufficient safeguards to prevent the dumping of poor-quality food, potentially undermining efforts to reduce national food waste.

While the Government acknowledges that recommendation 1 of the dissenting report has been proposed to expand the scope of eligibility for the proposed tax offset and, by extension, to increase the volume of potential food donations from smaller primary producers, the Government remains concerned that the bill, even with the proposed enhancements, would contain deficiencies that compromise its policy intent. In particular, the proposed tax offset would still risk disproportionately benefiting large corporations with established food donation policies and practices. Expanding eligibility and turnover thresholds would not rectify this imbalance.

As outlined in response to recommendation 5 of the dissenting report (below), the Government continues to support targeted, evidence-based measures to address food insecurity and reduce food waste, including through existing grant initiatives and broader food system reforms.

Recommendation 2

An amendment to the bill be introduced prior to debate that prevents signatories to the Mandatory Food and Grocery Code from accessing the tax incentive.

Australian Government response

The Government **notes** this recommendation.

The Government notes the dissenting report advises that the proposal's intention is to provide the incentive to primary producers and their associated service providers. The Government appreciates that recommendation 2 of the dissenting report has been proposed to address concerns that large supermarkets would have access to the tax incentive and seeks to address the issue by excluding large grocery businesses subject to the Food and Grocery Code of Conduct from the proposal's scope. The Government notes that other large businesses in the sector may disproportionately and inappropriately benefit from the incentive and the concerns outlined in paragraph 2.68 of the committee view would still stand.

Recommendation 3

The Treasury request that the Australian Taxation Office reports any known compliance or integrity issues connected with the tax incentive on a regular basis.

Australian Government response

The Government **notes** this recommendation.

The Australian Taxation Office (ATO) is responsible for identifying and assessing tax compliance risks based on the information available to it at any given time. As the administrator of enacted legislation, the ATO is best placed to determine how compliance resources are allocated and to advise the Government and relevant agencies on matters affecting the integrity of the tax system. The ATO undertakes this function in accordance with its statutory responsibilities and operational priorities, and any reporting on compliance or integrity matters is managed within that framework.

Recommendation 4

The Australian Government release the advice on the bill provided by the Treasury to the Assistant Minister for Competition, Charities and the Treasury.

Australian Government response

The Government **notes** this recommendation.

Treasury advice on the bill provided to the Assistant Minister for Competition, Charities and Treasury was provided to the Senate in response to Senate Orders for the Production of Documents No. 666 and No. 767, which were tabled on 5 February 2025 and 27 March 2025, respectively.

Recommendation 5

Having failed to endorse the bill, the Australian Government bring forward its own, alternative plan to support donations to food relief charities and reduce food waste in Australia.

Australian Government response

The Government **notes** this recommendation.

The Government continues to support targeted, evidence-based measures to address food insecurity and reduce food waste, including through existing grant initiatives and broader food system reforms.

The Government continues to support key national food relief organisations Foodbank, OzHarvest, and SecondBite through direct grants that enable the sourcing, transportation, and distribution of food to vulnerable communities. From 1 October 2025, these organisations, together with Good360, will share in \$20 million in funding over the next five years, representing a doubling of the Government's investment in food relief, to continue the provision of food and material aid to Emergency Relief providers across Australia.

In December 2024, the Government released Australia's Circular Economy Framework which provides the blueprint for Australia's circular economy transition. This framework sets clear priorities and targets to keep materials in our economy for as long as possible, while reducing waste. The food and agriculture sector is one of four priority sectors identified in the framework. The framework states the target to halve Australia's food waste by 2030 and outlines opportunities to reduce food waste through innovation, behaviour change and standards.

The Government awarded a grant to End Food Waste Australia in September 2023 to deliver a nationwide consumer behaviour change campaign aimed at reducing household food waste. The campaign, titled *The Great Unwaste*, was launched on 29 September 2024 and is designed to complement and amplify existing initiatives led by state, territory and local governments, industry, and non-government organisations.

In addition, the Government has invested \$37 million through the Food Waste for Healthy Soils Fund to support new and upgraded organics recycling infrastructure across multiple jurisdictions, including New South Wales, Victoria, Queensland, Western Australia, the Australian Capital Territory, South Australia and Tasmania. This investment has leveraged more than \$239 million in further funding from state and territory governments and the private sector. Once complete, the infrastructure projects will increase Australia's capacity to recycle an additional 1.1 million tonnes per year of food and organic waste.
