

# **Inquiry into Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations Bill 2024)**

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## About UnitingCare Australia

UnitingCare Australia is the national body for the Uniting Church's community services network and is an agency of the Assembly of the Uniting Church in Australia.

We give voice to the Uniting Church's commitment to social justice through advocacy and by strengthening community service provisions.

We are the largest network of social service providers in Australia, supporting 5.8 million interactions in 1,600 locations across urban, rural and remote communities.

We focus on articulating and meeting the needs of people at all stages of life and those that are most vulnerable.

## Summary

UnitingCare Australia welcomes the opportunity to provide a submission in response to the Senate Economics Legislation Committee Inquiry into Tax Laws Amendment (Incentivising Food Donations to Charitable Organisations) Bill 2024.

UnitingCare Australia welcomes the introduction of this Bill to provide a food donation offset as an important measure in increasing food donation activities to registered food charities.

With more Australians struggling to pay for essentials like food, rent and energy bills; it is crucial people in need are supported for basic access to food and nourishment. We recognise the Bill has the potential to assist in addressing food stress in the Australian community as well as food waste.

This is certainly reflected by the UnitingCare Network organisations who have seen an increase in clients who have not accessed our services ever before or haven't for a long time and now are back.

## Recommendations

Having reviewed the Bill, we recommend the following amendments:

- 1. Exclude the sunset provision (Division 419-5) for the Division 419 to cease after 36 months, with the option for extension with each single extension no more than 36 months.**

As highlighted by the Committee, food relief charities have seen a dramatic increase in the number of clients relying on their assistance, of whom 59% were employed and 23% had a mortgage<sup>1</sup>.

Despite Australia enjoying record low unemployment rates<sup>2</sup>, working age Australians have increasingly felt the impact of skyrocketing inflation and mortgage rate

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<sup>1</sup> [ParlInfo - Tax Laws Amendment \(Incentivising Food Donations to Charitable Organisations\) Bill 2024 \(aph.gov.au\)](https://aph.gov.au/ParlInfo/summary/legislation/amendment/2024/1)

<sup>2</sup> Australian Bureau of Statistics (ABS). *Labour Force, Australia*. Available at: <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>

increases. Stable employment no longer provides as stronger safeguard against financial hardship as it traditionally has<sup>3</sup>. This has compounded the state of 'persistent poverty' being experienced by many.

**This Bill must reflect the enduring nature of the affordability crisis, building supports in a holistic and enduring way.** Vulnerable people need assured access to food. Food charities and eligible corporations need certainty for organisational planning and systems in the provision of these essential supports. The Australian community need assurance important legislative reform such as these are not changed solely based on Ministerial decision but would be properly considered by the parliament.

UnitingCare Australia notes a review process at the end of 36-months will be a sufficient safeguard to address any shortcomings which may arise.

- 2. Expand the eligibility to entities other than Constitutional Corporations, such as Trusts and Partnerships.**
- 3. The type of registered food charity be expanded to include those entities registered as a Public Benevolent Institution under the Australian Charities and Not-for-profits Commission Act 2012.**
- 4. The 40% offset is available to entities with an aggregated turnover of at least \$20 million and less than \$250 million for the income year (with the 30% offset for entities with an aggregated turnover of \$250 million or more for the income year).**

We also recommend the Bill parameters should be expanded to allow more medium sized businesses, such as family businesses and small transport operators, to obtain a tax incentive associated with the offset claim. Many of these operates have a high turnover but low margins. This would improve the eligibility, application and impact of the proposed tax incentives.

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<sup>3</sup> Australian Bureau of Statistics. 2024. *Living cost increase highest for Employee households*. Available at: <https://www.abs.gov.au/media-centre/media-releases/living-cost-increase-highest-employee-households>

UnitingCare Australia thanks the Committee for the opportunity to submit evidence and we restate our commitment to working in partnership with Government to alleviate cost of living pressures and poverty for the wellbeing of all Australians.