Hon. Sussan Ley
Federal Health Minister

Minister.Ley@health.gov.au

Dear

The government’s proposal to cap Fringe Benefits Tax (FBT) treatment of Meals and Entertainment for public hospitals without analysis of the impact nor consultation with those affected is appalling.

The changes will

* Make medicine and nursing less attractive options for students given the earnings disparity between public and private sectors.
* Force many employed as rural and regional specialists and Career Medical Officers (currently in short supply), to look for private sector work to replace income.
* Exacerbate the disparity between public/private earnings for highly qualified Visiting Consultants. For many this will be the ‘last straw’.
* Limit the ability of Not-for-profit organisations to provide services which are a vital adjunct to public hospital care.

Senior doctors are critical to supervise and train the large numbers of our junior doctors coming through the system. It is imperative that we retain this group.

Many specialists take a ‘pay cut’ to enter the public hospital system. Without this benefit or compensation, the attractiveness of commitment to public hospital work is even less.

This will affect the ability for hospitals to provide care to patients at a time when the state of Victoria is investing to expand hospital capacity for the community. Why is the federal government undoing this work?

I ask you to reconsider this little thought through decision and follow proper processes of consideration through the governments *Re:Think Better tax, Better Australia* launched by the Treasurer in March.

Yours sincerely,