Mr Josh Frydenberg

Federal Assistant Treasurer

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Dear Minister

The proposal to cap Fringe Benefits Tax (FBT) treatment of Meal and Entertainment benefits 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 complement to public hospital care.

Senior doctors play a critical role in supervising and training 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 reduced.

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 re-think this “initiative” and have the matter referred back for proper consideration and consultation through the Government’s *Re:Think Better tax, Better Australia* conversation which is still underway.

Yours sincerely,