November 2015

Dear

**RE: 2015-16 Budget measure that limits the FBT concessions on salary packaged meal and entertainment benefits**

I write in relation to the 2015-16 Budget measure that limits the fringe benefits tax concessions on salary packaged meal and entertainment benefits.

The proposed amendments that will limit the fringe benefits tax concessions on salary packaged meal and entertainment benefits will have an impact on the work of public hospitals and their doctors, specifically their recruitment and retention in the public hospital sector.

The proposed legislative amendments have occurred without consultation with those most likely to be affected by the changes.

The current tax concessions available to the public hospital sector are an effective and efficient way to ensure the recruitment of high quality professionals to our public hospital system.

Many not for profit organisations, which includes public hospitals in Victoria, rely on tax concessions (including meals and entertainment) to attract staff in lieu of being able to provide salaries that are in line with the private sector. Reducing these benefits is effectively a reduction in salary for staff working in the not for profit sector and may lead to the loss of staff and therefore a limitation on services to the disadvantaged.

Many specialists working in public hospitals do so for significantly lower salary than they would otherwise receive working in private practice. Access to meals/entertainment concessions mean that doctors who work long shifts at odd hours are able to access meals tax free. A limit of $2550 per annum provides $10 per working day for a meal, but this will not meet the cost of even a basic meal during work hours.

The Australian Government is already reviewing the tax system and I would ask that, at a minimum, you await the outcomes of this process before supporting any legislative changes to the current system.

If these changes go ahead the Government should agree to direct funding to public hospitals to ensure that those who are currently employed in the public system are not disadvantaged.

Yours sincerely,