



23 July 2015

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**Limiting fringe benefits tax concessions on  
salary packaged entertainment benefits**

Dear Sir/Madam,

Cancer Council Queensland welcomes the opportunity to make a submission on the exposure draft legislation on limiting fringe benefits tax concessions on salary packaged entertainment benefits.

Cancer Council Queensland (CCQ) is Queensland's leading non-government community organisation in cancer control. The organisation employs about 250 staff and, of these, about 83 per cent are women.

CCQ is opposed to the *Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill 2015: Limiting FBT concessions on salary packaged entertainment benefits* (hereafter referred to as 'the Bill').

Assent of the Bill will significantly impact our employees, many of whom rely on the uncapped concessions to reduce their costs of living. Over 100 of our staff members access these benefits, with \$4,200 being the average amount packaged per annum. For those on lower incomes, the opportunity to access uncapped claims enables greater participation in the workforce and economy, stimulating discretionary spending and contributing to Australia's gross domestic product.

Introducing a cap on the total amount of salary packaged entertainment benefits that employees can claim will limit the value of this benefit to our employees. Of particular concern, the cap will not be indexed, eroding the relative future value of the benefit.

If passed, the Bill will also significantly impact on CCQ's ability to attract, recruit and retain quality staff in a highly competitive employment market.

As a community-based not-for-profit organisation, CCQ is unable to match private sector salaries and is competitively disadvantaged in the employment market. The uncapped concession is a vital aspect of the overall total package value of employment contracts offered by CCQ, preserving productivity and viability.

It is a cause of concern to CCQ that the draft legislation does not establish an alternative mechanism for direct government funding or alternative support payments to not-for-profit employers. Both of these measures have been previously recommended in findings published by the Henry Tax Review and by a Treasury Working Group.

CCQ respectfully calls on The Treasury to undertake further review of the framework for limiting these concessions in order to maintain a reasonable level of tax system support for employees in the not-for-profit sector.

Best wishes,



**Professor Jeff Dunn AO**

CEO, Cancer Council Queensland  
Director, Union for International Cancer Control  
President, Asian Pacific Organization for Cancer Prevention  
Secretary, International Psycho-Oncology Society,  
Chair, Reach to Recovery International