



General Manager  
Law Design Practice  
The Treasury

19 August 2015

RE: SUBMISSION ON LIMITING FRINGE BENEFITS TAX CONCESSIONS ON  
SALARY PACKAGED ENTERTAINMENT BENEFITS

Dear Sir/Madam,

Thank you for the opportunity to make submissions in relation to the Exposure Draft of the *Tax and Superannuation Laws Amendment (2015 Measures no. 4) Bill 2015: Limiting Fringe Benefits Tax Concessions on Salary Packaged Entertainment Benefits* (the **proposed legislation**).

#### **About the Movember Foundation**

The Movember Foundation is a global men's health charity that disrupts the status quo and advocates for men. We aim to have an everlasting impact on men's health. The Movember community has raised \$685 million to date and funded over 1000 programs in 21 countries.

Movember Foundation has been endorsed by the Australian Taxation Office as a deductible gift recipient and a health promotion charity and accordingly has an FBT exemption. We are also registered with the Australian Charities and Not for Profits Commission.

Further information about Movember Foundation is available on our website at [www.movember.com](http://www.movember.com).

#### **Potential impact of the proposed legislation**

Movember Foundation currently employs 58 staff in Australia, primarily based in our Melbourne office, which is our global head office.

Movember Foundation is a highly innovative charity. In 2015, the Movember Foundation was awarded the most innovative charity by Australia Post through its inaugural 'Innovation Index' program. We don't do things in the same way as traditional charities, and this has allowed us to lead the way in engaging men in relation to their health. To this end, we typically employ staff out of the commercial sector. The current FBT concession on salary packaged entertainment benefits is one of the tools we use to attract and retain staff. Whilst we are unable to match the salaries of the commercial sector, this benefit does allow us to compete with for-profit entities for talented staff.

Movember Foundation supports the general concept of capping the FBT concession on salary packaged entertainment benefits as we acknowledge that any abuse of this concession is not in the interest of the sector more broadly.

However, we hold serious concerns that the proposed legislation in its current form would significantly impact our ability to attract and retain staff. Staff members have already approached management with concerns that the proposed legislation will have the effect of eroding their take-home salary.

**MOVEMBER  
FOUNDATION**

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We note that typical use of FBT concession on salary packaged entertainment benefits by our employees delivers an average net tax savings of \$3,000 per employee. This is of significant value to staff when considering the equivalent additional gross income required to match this benefit.

### **Proposals to lessen the impact of the proposed legislation**

We would make the following suggestions to lessen the impact of the proposed legislation:

- 1 Increase the final value of the proposed cap from \$5,000 to \$15,000 (grossed up); and
- 2 Stagger the introduction of the proposed cap over 3 years, such that in the first year the cap would be \$25,000 grossed up, in the second year the cap would be \$20,000 grossed up and in the third year the cap would reach its final \$15,000 value; and
- 3 Index the cap to ensure that its value did not erode over time.

In particular we consider that the staggering of the introduction of the proposed cap would help us to appropriately address staff expectations and impact.

Please contact me on (03) 8416 3900 or via email on [astrid@movember.com](mailto:astrid@movember.com) if you would like to discuss these submissions in further detail.

Yours faithfully,

Astrid Heward  
General Counsel & Company Secretary

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