

20 August 2015

General Manager  
Law Design Practice  
The Treasury  
Langton Crescent  
PARKES ACT 2600

**By email: [taxlawdesign@treasury.gov.au](mailto:taxlawdesign@treasury.gov.au)**

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

Dear Sir/Madam,

The Queensland Law Society (**the Society**) welcomes the opportunity to make a submission on the exposure draft legislation on limiting fringe benefits tax concessions on salary packaged entertainment benefits.

Particularly, the Society is commenting on the *Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill 2015: Limiting FBT concessions on salary packaged entertainment benefits (the Bill)*.

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 those employees can claim will limit the value of this benefit to those employees and also the relative grossed up cost to not-for-profits in appropriately remunerating their employees. Of particular concern, the cap will not be indexed, eroding the relative future value of the benefit.

If passed, the Bill will significantly impact on the ability of affected not-for-profits to attract, recruit and retain quality staff in a highly competitive employment market. Not-for-profit organisations are often unable to match private sector salaries and are competitively disadvantaged in the employment market. Our members are reporting that the uncapped concession is an important aspect of the affordability for not-for-profits of overall total package value of employment contracts, preserving productivity and viability.

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

The Society 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.

We would be pleased to liaise with you further. Please contact Julia Connelly, Policy Solicitor, Advocacy & Policy, at [J.Connelly@qls.com.au](mailto:J.Connelly@qls.com.au) or on (07) 3842 5884.

Yours faithfully



Michael Fitzgerald  
**President**