

To whom it may concern,  
the proposed changes regarding entertainment packaging being limited to a capped amount of \$5000 is short sighted and has not taken into account the detrimental impact this will have on the Not-for-Profit sector.

The huge disparity with salaries between Not-for-Profit and corporate has been overlooked with this proposal and the reasons for granting the FBT concessions in the first place have not been considered.

**Submission:**

The concept of salary/entertainment packaging was introduced initially because Not-for-Profit organisations could not compete with the private sector on salaries. This meant that Not-for-Profit organisations had great difficulty attracting and retaining qualified employees.

These measures would "undermine remuneration arrangements" that had been in place for more than a decade. However, the value of this FBT concession has decreased substantially during this time.

The examples used to justify the capping are grossly over exaggerated and if actually real are the most extreme examples and certainly not the norm.

The argument that higher income earners get a larger tax advantage is ridiculous as the same principal applies when a higher income earner makes a donation - they receive a larger tax deduction.

The decision was made without consulting the Not-for-Profit sector

What is proposed is effectively a pay cut to not-for-Profit employees and many are in some of the lowest paid jobs e.g. aged care workers. The Department of Health and Aging has already stated that there is a severe shortage of aged care workers and that this will become critical by 2050. By amending the entertainment packaging FBT concessions this is a pay cut to aged care workers and will only exacerbate the shortage of aged care workers by cutting their take home income.

This is effectively a tax on the Not-for-Profit sector as none of the tax savings is going to be put back into the sector. This will ultimately reduce services provided by these organizations which in turn will put pressure on Government funded services, therefore drastically minimising the so called tax revenue to be collected.

I thank you for your time in considering my submission.

Best  
Caroline Sturzaker

**Asylum Seeker Innovation Hub**  
214 - 218 Nicholson St  
Footscray Vic 3011  
T: [03 9326 6066](tel:0393266066)  
E: [catering@asrc.org.au](mailto:catering@asrc.org.au)  
W: [www.catering.asrc.org.au](http://www.catering.asrc.org.au)