

25 August 2015

Dear Sir

I am writing to you on behalf of True Relationships & Reproductive Health (True), in response to planned changes to salary packaging in the non-profit sector.

Our organisation provides clinical health and education services across 9 regional cities in Queensland. Salary packaging plays a significant role in attracting skilled personnel to our organisation, especially doctors. Many work part-time at our clinics as a community service, receiving below market rates for government-funded services. In turn the salary packaging provides some compensation towards achieving more market appropriate remuneration. In other words, the government is able to deliver less expensive health services across a wider geographical area as a result of salary packaging.

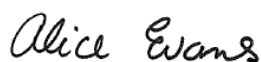
We know that doctors are heavily influenced by the availability of salary packaging. Once they have reached the packaging ceiling, their inclination to work for our organisation falls. If the ceiling falls, it will be more difficult to attract doctors and maintain our level of service.

Reducing the salary packaging ceiling is a lose-lose proposition. The reduction in the ceiling will mean we will have to pay doctors more in our government-funded clinics. Either the cost to the government will rise or our capacity to deliver health services will fall. This will mostly impact regional and rural areas, where it is more difficult to attract and retain medical staff.

Since many organisations are government-funded and will not be able to increase prices to cover additional costs, the most likely outcome will be the increasing centralisation of services in metropolitan areas, where services are more cost-effective. Even in metropolitan areas, it is highly likely that recruitment will be impacted, affecting the viability of organisations that rely on skilled labour.

The salary packaging system has been successful in enabling non-profit organisations to access high-level skills at discounted prices, enabling the delivery of less expensive services for the government. We would urge the government to recognise the impact that planned changes will have in reducing access to quality health services, especially in regional and rural areas.

Yours faithfully

A handwritten signature in black ink that reads "Alice Evans". The signature is written in a cursive, flowing style.

Alice Evans
Chief Executive Officer