

Tax White Paper Task Force
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Sir / Madam

Submission to the Australian Government Tax White Paper Task Force

Formed in 1997, Hepatitis Australia works within the not-for-profit sector and is a registered health promotion charity (HPC). The organisation has access to the following tax concessions:

- Income Tax Exemption
- GST concessions
- FBT exemption (\$30,000 cap) allowing salary sacrifice arrangements
- Deductable Gift Recipient Status.

These tax concessions are critically important to enable Hepatitis Australia to continue providing essential services to the community. Without these concessions, our current level of activity would be impaired, and the cost to society would be large. For example:

- Income tax exemption and GST concessions allow us to direct more of our limited revenue to achieving our charitable purpose
- FBT exemptions support recruitment of higher quality staff at a lower financial outlay through access to salary sacrifice arrangements
- Deductable gift recipient status encourages donations and philanthropy by allowing a tax offset for donations.

As an organisation we believe that it is important to have a fair, transparent, simple, efficient and effective tax system to assist HPCs to maximise the health and social benefits of their activities. We believe Hepatitis Australia undertakes essential work which is performed more efficiently and effectively than within government. The goals of the organisation should not be considered separate to the goals of government, as they are mutually supportive.

We fully support all efforts to simplify the current tax systems and processes. In particular, the Fringe Benefits Tax (FBT) system has become extremely complex and has spawned a whole industry of salary packing organisations to manage compliance.

The FBT system also has caused confusion for individual employees. For example, over the last few years one or two of our new graduates, who were repaying HECS debts, incurred an unexpected tax liability despite having sought external advice prior to setting up their salary sacrifice arrangements. If there was a simpler system, the risk of this occurring would be considerably reduced and the negative financial impact on the individual mitigated. Given the complexity of the FBT system, it may be simpler and more effective to offer a higher tax free threshold to those working in HPCs.

Finally, we are aware that virtually every government over the last decade has undertaken a 'tax review' with very little to show for it at the end of their period in government. We would therefore appreciate more time being spent on implementation of good tax policy which is supported by all parties.

Yours faithfully



Helen Tyrrell
CEO, Hepatitis Australia
Email: helen@hepatitisaustralia.com
1 June 2015

