



Public Health Association
AUSTRALIA

**Public Health Association of Australia submission
on the
Not for Profit Sector Tax Concession Working
Group Discussion Paper**

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Introduction

The Public Health Association of Australia Incorporated (PHAA) is recognised as the principal non-government organisation for public health in Australia and works to promote the health and well-being of all Australians. The Association seeks better population health outcomes based on prevention, the social determinants of health and equity principles.

Public Health

Public health includes, but goes beyond the treatment of individuals to encompass health promotion, prevention of disease and disability, recovery and rehabilitation, and disability support. This framework, together with attention to the social, economic and environmental determinants of health, provides particular relevance to, and expertly informs the Association's role.

The Public Health Association of Australia

PHAA is a national organisation comprising around 1900 individual members and representing over 40 professional groups concerned with the promotion of health at a population level.

Key roles of the organisation include capacity building, advocacy and the development of policy. Core to our work is an evidence base drawn from a wide range of members working in public health practice, research, administration and related fields who volunteer their time to inform policy, support advocacy and assist in capacity building within the sector. PHAA has been a key proponent of a preventive approach for better population health outcomes championing such policies and providing strong support for the Australian Government and for the Preventative Health Taskforce and National Health and Medical Research Council (NHMRC) in their efforts to develop and strengthen research and actions in this area across Australia.

PHAA has Branches in every State and Territory and a wide range of Special Interest Groups. The Branches work with the National Office in providing policy advice, in organising seminars and public events and in mentoring public health professionals. This work is based on the agreed policies of the PHAA. Our Special Interest Groups provide specific expertise, peer review and professionalism in assisting the National Organisation to respond to issues and challenges as well as a close involvement in the development of policies. In addition to these groups the Australian and New Zealand Journal of Public Health (ANZJPH) draws on individuals from within PHAA who provide editorial advice, and review and edit the Journal.

Advocacy and capacity building

In recent years PHAA has further developed its role in advocacy to achieve the best possible health outcomes for the community, both through working with all levels of Government and agencies, and promoting key policies and advocacy goals through the media, public events and other means.

NFP Tax Concession Working Group

PHAA welcomes this opportunity to provide input on the NFP Tax Concession Discussion Paper.

1. Q11 - Should all charities be DGR's? Should some entities that are charities (for example, those for the advancement of religion, charitable child care services, and primary & secondary education) be excluded?

Whilst PHAA currently holds Health Promotion Charity, FBT Exemption and Income Tax Exempt status we are unable at this time to obtain DGR Status. Making this status available to all Income Tax Exempt Charities would be of great benefit to our organisation and provide another source of possible revenue. However, we are not in a position to comment on the fairness of Option 2 and 3 as we are not involved in the advancement of religion, charitable child care, or primary and secondary education.

2. Q31 - Should Salary sacrificed meal entertainment and entertainment facility leasing benefits be brought within the existing caps on FBT concessions?

As all PHAA staff currently make use of the FBT Exemption it is important to us that this be maintained in some form. The main advantage in having the FBT exemption relates to the employment and retention of staff. The current provisions help to make our Association more competitive with other employers (such as the Public Service) that are able to offer higher salaries.

We have recently commenced looking into the Meal Entertainment and Entertainment Facility Leasing option as this too could potentially provide advantages when attracting staff. We do not feel this option should fall within the current FBT caps, but should either stand-alone (with a similar cap to that already in place ie – grossed up to \$30k) or be incorporated within increased FBT caps.

3. Q40 - Should FBT concessions be replaced with tax based support for entities that are eligible for example, by refundable tax offsets to employers, a direct tax offset to the employees or a tax free allowance for employees?

In relation to the long term proposals – these pose some interesting questions/challenges.

PHAA submission on Not for Profit Sector – Tax Concession Working Group

We draw particular attention to the Refundable tax offsets and the Discussion paper's reference to an average amount of \$2,800 per employee. Whilst we assume this figure is an example, we seek clarification on this point as obviously this amount is well below what the current FBT structure allows.

The Direct Tax Offset option appears to be most similar to the current FBT administrative arrangements.

4. Annexure B – Recommendation from Earlier Reviews

Whilst this is a recommendation from Earlier Reviews PHAA is concerned with the following *“FBT concessions should be replaced with direct government funding, to be administered by relevant Australian government portfolio agencies or the charities commission. All NFP organisations eligible for tax concessions should be able to apply to the relevant body for funding for specific projects or for assistance with the costs of recruiting specialist staff.”*

Our major concern is the possible impact this would have on an organisation's ability to hire and maintain current staff and staffing levels if the applications for funding were rejected by the administering agencies, and/or timeframes for funding processes did not match organisational requirements. We are not at all confident that such measures offer a realistic and workable alternative to the current arrangements.

Conclusion

PHAA supports the broad directions outlined in the Discussion Paper. However, we are keen to ensure that some revisions are undertaken in line with the points raised in this submission.

Please do not hesitate to contact me should you require additional information or have any queries in relation to this submission.



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