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WRITTEN SUBMISSION REGARDING TAX CONCESSIONS FOR THE NOT FOR PROFIT SECTOR

1. Salary packaging with multiple employers

The first issue I want to alert the working group to is the potential consequences of allowing just one cap with one employer. I have been working as a Visiting Emergency Physician Specialist in small rural and metropolitan fringe public hospitals of 40-80 inpatient beds in size with small emergency departments of 6-9 beds, as well as maintaining an appointment at a large urban district emergency department. The small rural and urban fringe hospitals struggle to attract specialist staff and also cannot afford to or refuse to pay for the travelling time and the car expenses involved with driving 60-90mins (85-130kms) to get to these hospitals and clearly the same time & distance to return again, often in the same day. If I need accommodation overnight because of finishing late on one shift and then starting early on a shift the next day, they also will not refund the accommodation expense involved. To add injury to insult, under the relevant industrial award in Victoria, as a VMO (Visiting Medical Officer) there are set hourly rates that these hospitals pay (it is not fee for service when you work as a specialist in a public hospital emergency department) which actually reduce depending in the number of hours worked per week with a particular health service employer. If a VMO works b/w 18-38hrs per week with one employer then they get the highest hourly rate which increases with years of experience up to a ceiling level. However if a VMO works 7-10 hrs per week with 1 employer and 7-10 hrs per week with another employer and then 18hrs per week with a 3rd employer then with the first 2 employers their hourly rate will be around \$10/hr less than with the 3rd employer despite doing exactly the same work and despite working a full-time week in terms of total hours. So effectively I have to take a pay cut of 7-8% and also cover the running costs of my vehicle for driving hundreds of kms every week, plus remain uncompensated for my driving time and any accommodation required, in order to provide a badly needed service to these small emergency departments who either have too few or no emergency specialists providing care to their local communities. The only offset I get for these pay reductions and costs, is the additional salary packaging that is claimable up to the approx. \$10,000 limit per employing health service. I still don't come out even & am certainly not ahead, but at least the "penalty" I pay for providing a badly needed service is much reduced. If a single cap for a single employer was introduced then I believe that VMO services to rural, regional and outer metro/urban fringe hospitals, particularly

those VMO who are remunerated on an hourly rate would think twice about continuing to do that work as it would become very uncompetitive compared with just doing the same work in metropolitan public hospitals. The medical staffing disparity between city and country hospitals quite likely would be made worse.

2. Salary packaging was used to offset higher wage rises at the time in NFP sector by State Governments

The other concern