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CHIEF EXECUTIVE

Hastings Road
(PO Box 52)
Frankston 3199

Tel: 9784 8211
Fax: 9784 7134

Frankston
Hospital

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Rosebud
Hospital

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Psychiatric
Services

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Aged Care,
Rehabilitation &
Palliative Care
Services

.

Primary and
Community Health

www.peninsulahealth.org.au

Peninsula Health

PO Box 52
Frankston Victoria 3199 Australia
Telephone 03 9784 7777

17 December 2012

NFP Sector Tax Concession Working Group Secretariat
The Treasury
Langton Crescent
PARKES ACT 2600

Email: NFPReform@treasury.gov.au

Dear Secretariat Chair,

I thank you for the opportunity to make a submission in response to the November 2012 Discussion Paper of the Not For Profit Sector Tax Concession Working Group. I am writing to make a submission regarding Fringe Benefits Taxation Concessions which are addressed in Chapter 3 of the Discussion Paper.

Peninsula Health is a Victorian Health Service. As with all public health services in Victoria, it is overseen by an independent Board of Directors appointed by the Victorian Minister for Health. The Health service has budgeted expenditure in 2012-13 of some \$430 million and has some 4900 staff members with a full time equivalent of 3386 staff.

Peninsula Health services a population of some 300,000 people in the outer southern metropolitan areas of Melbourne together with the Mornington Peninsula. The health service includes acute services at Frankston and Rosebud hospitals, as well as mental health, sub acute and community health services.

As a public health service, the hospital has an FBT exemption of \$17,000. Some 75% of eligible staff participate in salary packaging and some 40% of eligible staff participate in the meal entertainment component of salary packaging.

It is considered that salary packaging is an important element of staff recruitment and helps bridge the salary gap for medical staff between what is available in the private sector from salaries available in public health services.

It is also recognized that salary packaging also helps bridge the gap in salary payments for other support staff, particularly for accounting and finance staff and supply staff. Where recruitment has been undertaken over the past year it is noticeable that salaries are higher in the private sector than available in the public health service. The offer of salary packaging is important to help bridge that gap. It is also identified that a gap normally remains after the application of the \$17,000 deduction and a

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reference is also required in the recruitment process regarding the further benefits available under meal entertainment.

While this health service does not hold a broad sector wide data base, the experience of our health service is very clear - that higher salaries are paid in the private sector than are paid for comparable positions in the health service.

The recruitment of staff from outside the health service is important to continue to bring new ideas into the health service. Without that influx, the health service is liable to become insular and have lower levels of performance, from both its direct service areas and its support services.

Please feel free to contact me if you have any queries regarding this matter.

Kind regards,



Dr Sherene Devanesen
CHIEF EXECUTIVE

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