



AUSTRALIAN CATHOLIC BISHOPS CONFERENCE

General Secretariat

21 August 2015

General Manager
Law Design Practice
The Treasury
Langton Crescent
PARKES ACT 2600
Email: taxlawdesign@treasury.gov.au

Dear Sir/Madam

Limiting Fringe Benefits Tax Concessions on Salary Packaged Entertainment Benefits

The Australian Catholic Bishops Conference (ACBC) is a permanent institution of the Catholic Church in Australia and the instrumentality used by the Australian Catholic Bishops to act nationally and address issues of national significance.

The Catholic Church contributes in a wide variety of ways across the spectrum of Australian society. As an integral part of its core mission, the Church seeks to assist people experience the fullness of life. It is concerned with all that impacts on human wellbeing. It comprises many thousands of different entities which have different purposes and modes of governance.

The ACBC supports the proposed new laws in the exposure draft relating to taxation arrangements for fringe benefits tax concessions on salary packaged entertainment benefits, namely:

- reporting of payment summaries on entertainment expenses on an employee's reportable fringe benefits;
- tightening valuation of salary packaged entertainment benefits; and
- introduction of a cap on entertainment expenses contained in salary packages.

In general, fringe benefits tax concessions are appropriate and justified to support the sector. The ACBC supports particular concerns about abuse being addressed in targeted reform, which is the purpose of these exposure draft amendments. By tightening the application of fringe benefits taxation as proposed, the new laws will enhance the integrity

and efficiency of the current system of fringe benefits taxation, including retention of other appropriate exemptions.

The ACBC is of the view that the community benefits generated by the current arrangements with fringe benefit taxation and related concessions far outweigh the costs on economic efficiency and fiscal grounds. While the current proposals are desirable, the Government should ensure that any measures do not diminish the level of concessions available to employees engaged in the delivery of education, health and social services.

With the availability of skilled resources in the not-for-profit (NFP) sector under considerable stress, it is critical that the Government take no measures that will jeopardise the supply of skilled labour.

To conclude, the ACBC supports capping concessions for salary sacrificed meal entertainment and entertainment facility leasing fringe benefits, but this should not increase the reporting burden on NFP agencies, nor should it be allowed to impact on agencies in the NFP sector attracting scarce skilled labour.

I would welcome the opportunity to discuss these issues further.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Rev Brian Lucas', written in a cursive style.

Rev Brian Lucas
General Secretary