

AFTS Secretariat
The Treasury
Langton Crescent
PARKES ACT 2600

On behalf of our Board of Directors I am pleased to provide the following comment regarding Australia's future tax system.

Communities@Work is a diverse community-based not for profit company limited by guarantee operating in the ACT. We provide a wide range of children's services and programs for youth, families and for seniors. We operate out of some 30 locations and have a paid workforce of around 350 staff. Further information is available from our website: www.commsatwork.org

We are endorsed by the ATO as a Public Benevolent Institution which, inter alia, allows us to offer staff the capped exemption on fringe benefits tax and hence higher pay than would otherwise be possible. In recent exercises involving the recruitment of staff to positions at several levels, the availability of this benefit has just 'tipped the balance' in our being able to compete in the labour market for qualified, experienced people.

At the same time as being able to offer better conditions of employment than we otherwise would be able to, we are reducing the cost to the purchasers of our services including Governments and fee for service clients. Our experience is, of course, reflected across relevant not for profit agencies.

We note that the current tax-free ceiling of \$ 30 000 is not indexed and has not been increased since it was introduced in 2000. Given the importance of this benefit on the ability of the community sector to attract and retain staff to deliver essential community services, we believe the ceiling should be lifted to \$ 40 000; this would approximately compensate for indexation of 4% per annum. We also consider that indexation should be introduced into the applicable legislation.

Thank you for the opportunity to provide comment to the taxation review. In the event you require further information I can be contacted on 6293 6500 or by email: Maureen.Cane@commsatwork.org.

Yours sincerely

Maureen Cane
Chief Executive Officer
Communities@Work
7 January 2009