

FRINGE BENEFITS TAX, DISABILITY SERVICES COMMISSION

461. Hon KEN TRAVERS to the minister representing the Minister for Disability Services:

- (1) Is the minister aware of the proposed changes to fringe benefits tax by the Federal Government?
- (2) Has the Disability Services Commission assessed the likely increase in costs for the disability sector as a result of these changes; and if not, why not?
- (3) Will additional funding be provided to agencies funded by the Disability Services Commission to compensate for these changes; and if not, why not?
- (4) Has the minister made any requests to the Federal Government for additional funding through the Commonwealth-State Disability Agreement to compensate for these changes?
- (5) If yes, how much was requested and what is the current status of that request?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1) The minister is aware that the Federal Government has foreshadowed changes to fringe benefit tax arrangements, but he does not have details of the changes. The minister's understanding is that the changes, due to impact on the field from 1 April 2001, may result in the tax-free amount able to be packaged as part of an individual's salary being capped at \$30 000 per annum. This is a complex issue, however, and it would be best for the member to direct his detailed questions to the Australian Taxation Office, which should be able to provide full details of any proposed changes.
- (2) The \$30 000 cap has been discussed with some representatives in the field. It is understood that the impact will be limited to a relatively small number of high salary earners, and that the costs are likely to be absorbed by agencies.
- (3) No, for the reasons described in (2).
- (4) No.
- (5) Not applicable