

Media Release  
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## **ASPIA SUPPORTS BUDGET CAP ON EXPENSES**

The **Australian Salary Packaging Industry Association (ASPIA)** has welcomed the Federal Government's move to provide certainty around arrangements regarding salary sacrificed meal, entertainment and entertainment facility lease expenses.

**Chairman of ASPIA, Leigh Penberthy, said that the Association has long been an advocate for introducing a cap:**

"We have been seeking the introduction of an annual cap for some time now, and have raised it several times in submissions and discussions with various Ministers and Treasury officials over the years, so it was pleasing to see a cap being proposed.

"We have some concerns however with the value of the cap that has been announced, as it appears it will have a significant impact on the take-home pay for employees who can least afford it."

For example, under the proposed measures, the average person working in Public Health or in a Not for Profit or a Charity who is earning the average Australian income of \$76,767.60\* and packaging these benefits through an ASPIA member will have their take annual home pay effectively reduced by \$1729.83.

	<b>Net Cash</b>
With current caps	60,021.36
With proposed caps	<u>58,291.53</u>
Net Loss	\$1,729.83

**Mr Penberthy said that there are some other changes proposed that will have an impact on people working in the health and NFP sectors:**

"It is proposed that any entertainment benefits exceeding the new cap are to be counted towards the existing general cap. Further, all entertainment benefits are proposed to be included as reportable fringe benefits. These measures would affect people working in areas that both the government and opposition agree are so vital to the health and vitality of our economy."

The proposed measures are intended to be effective from 1 April 2016 and will be subject to final outline of the proposed legislation.

ASPIA will work with the Federal Government and their agencies over the coming weeks to ensure that the final draft legislation is consistent with the Government's aim and intent and remains fair and equitable.

## **About ASPIA**

The Australian Salary Packaging Industry Association (ASPIA) is the Industry body representing outsourced Salary Packaging and Novated Leasing providers across Australia. ASPIA was formed in 2007 with the primary focus to seek representation to key Government stakeholders, developing a close relationship with the Australian Taxation Office (ATO) and the Treasury.

ASPIA has been formed to provide a focus for the discussion of common issues and the professional standards and behaviours within the Salary Packaging industry and their corporate and individual employee clients.

ASPIA has since grown to become a recognised consultative association with both State and Federal Governments.

**For more information please visit:** [www.aspia.com.au](http://www.aspia.com.au)

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