



Take full advantage

20 June 2008

Committee Secretary of The Senate Economics Committee
Department of the Senate
PO Box 6100
PARLIAMENT HOUSE ACT 2600
Email: economics.sen@aph.gov.au

Dear Sir / Madam,

SALARY SACRIFICE – MEAL CARDS @ WORK

Remunerator (Aust) Pty Ltd ("Remunerator") wishes to put forward a submission to the Senate Review of the Meal Cards Benefit and the removal of its FBT Exemption as announced in the Federal Budget 2008.

Remunerator is the pioneer of the Meal Card @ Work Benefit and obtained a Class Ruling from the Australian Taxation Office ("ATO"). A copy of this Class Ruling is enclosed and we believe we are the only ones to have obtained such approval from the ATO.

Remunerator welcomes this review and wishes to put forward comments as to why we believe the legislation proposed in the 2008 Budget should be reviewed.

1. The main sector that is impacted by this change is "Working Families".

The average participant in the programs offered by our Clients is on a salary band of \$55,000 to \$65,000.

The average annual amount sacrificed is approximately \$1,000 thus providing an average tax saving of \$350.

The notion that it is highly paid executives "rorting" the system is simply not true. The anecdote is that you very rarely see the boss eating with the staff is very relevant.

2. Clients have used this Benefit to attract and retain staff in extremely Competitive Industries

A great user of this benefit is in the manufacturing sector. It is a highly competitive industry not only for staff but to maintain and reduce costs particularly where they are competing with overseas companies and imported goods.

This is an Industry Sector that is truly made up of "Working Families" and not highly paid executives.

3. Clients have used this Benefit to retain Staff when moving away from the CBD areas to Suburban Sites such as Technology Parks.

There are a number of our clients who have relocated their operations from the CBD to locations in the Suburbs.

This has provided the community with a number of well documented benefits such as reduced congestion and positive impact of the environment.

These organizations have invested considerable amounts of money in building "Campus Style" work environments to encourage staff to move with them. The promotion of using Meal Cards that was well within the ATO guidelines has been a key component of the marketing strategy for these companies to retain key staff.

4. Remunerator limits the daily spend on each of the employees' accounts

Remunerator developed a sophisticated system that tracks each individual item that is purchased on its Meal Card.

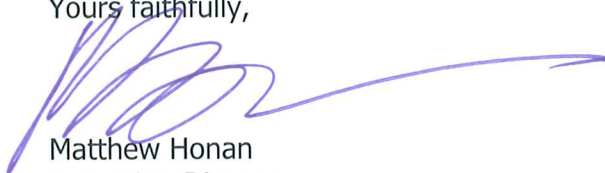
We have implemented a daily spend limit, that eliminates any potential for "roting" of the tax benefit.

Remunerator accepts that there may be some tighter restrictions regarding its use and puts forward the following recommendations:

1. Limit the availability of the benefit to genuine staff café environments where a percentage of the meals are prepared on site or the café area is properly managed by designated catering staff. This would be consistent with the exemptions that exist currently for Child Care and on site Gymnasiums;
2. Limit the daily spend available for each employee; and
3. Ensure that the system used to manage the program must track the individual items purchased and not just the total of the purchases made.

We look forward to a positive outcome of this review and should you wish to discuss any of this document further, please do not hesitate to contact me directly.

Yours faithfully,



Matthew Honan
Managing Director