



Media Release

Senator Alan Eggleston

Liberal Senator for Western Australia

21 June 2008

Another \$700 million hole in budget

The Rudd Labor Government's tax brigade is at it again, this time targeting low paid workers and their meal cards.

A new fringe benefits tax to be implemented by the Rudd Government is estimated to save \$730 million, however WA Liberal Senator Alan Eggleston said the new tax appears to be not only under researched, but completely unfair to low paid workers who benefit from the scheme.

This possibility was revealed at a Senate Economics hearing in Canberra today on the proposal to apply the Fringe Benefits Tax to workplace canteen meals paid for by charge cards as part of salary sacrificing.

"Labor says they will save \$730 million, yet with only about 30,000 users of the meal card benefit, these figures simply don't add up," he said.

Senator Eggleston said that users of the scheme salary sacrifice around \$100 a month, so if Labor's estimated savings were to be believed, the number of users of the scheme would need to grow by 102% each year for the next four years, an impossible target for any industry.

"This looks like another example of the Rudd Labor Government's lack of research and consultation in their hurried policy making process."

When asked whether they had consulted the industry on the impact of this new tax, the Rudd Government conceded it had not, and that it had in fact drawn its figures from treasury figures on FBT general revenue alone.

"This black hole in Labor's budget is a big concern. What else has Labor not told us?"

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