

**NALSPA**

National Automotive Leasing &
Salary Packaging Association

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MEDIA RELEASE
5 May 2016

**OPEN LETTER FROM THE FEDERAL LEADER OF THE OPPOSITION CONFIRMING SUPPORT FOR FBT
ARRANGEMENTS**

NALSPA has welcomed the Federal Leader of the Opposition's confirmation that the existing Fringe Benefits Tax (FBT) framework as it applies to employer-provided motor vehicles (i.e. novated lease arrangements) and all other salary packaging arrangements will be retained under a Bill Shorten led Government, if elected.

A copy of an Open Letter to NALSPA members from the Leader of the Opposition is attached. Such certainty is vital for the numerous sectors to which NALSPA members provide services.

In particular NALSPA notes the Leader of the Opposition's commitment to the Statutory Formula Method (SFM), which provides a simple, low-cost compliance method to determine the taxable value of the private usage of vehicles provided to employees.

These vehicles are used by ordinary working Australians including many nurses, police officers, teachers and charitable workers, as well as many employees of small, medium to large businesses.

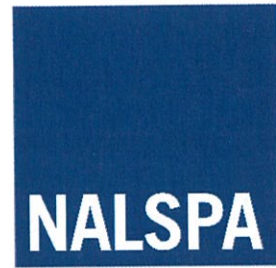
Importantly the SFM is a key driver of new car sales, resulting in significant downstream economic benefit for Australia's automotive sector that employs an estimated 230,000 people.

In support of the confirmation from the Leader of the Opposition, NALSPA Chairman Robbie Blau said, "We are pleased that Labor has adopted NALSPA's policy position regarding the FBT treatment of workers' vehicles and salary packaging arrangements more generally, which now aligns both major political parties".

"In removing any uncertainty, we are confident Bill Shorten's decision will continue to benefit our economy, the automotive sector, and employers and employees across the country", Mr. Blau added.

For further information please contact:

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About NALSPA:

NALSPA represents the combined interests of Australia's major vehicle fleet leasing and salary packaging providers.

NALSPA was formed to provide a dedicated and considered focus on the key policy matters relevant to its members and importantly those organisations and individuals across Australia who rely on the products and services its members provide. NALSPA aims to work in partnership with other industry bodies and sector stakeholders, and to maintain an active dialogue with policy makers.

NALSPA members manage or facilitate a significant bulk of employer-provided, tool-of-trade and salary-packaged vehicles in Australia and the salary packaging arrangements of hundreds of thousands of employees, spread across the corporate, charitable and government sectors. Combined NALSPA members administer more than 200,000 motor vehicles.



Leader of the Opposition

Mr Robbie Blau
Chairperson
National Automotive Leasing & Salary Packaging Association (NALSPA)
Locked Bag 32004
Collins Street East
MELBOURNE VIC 3000

Dear Mr Blau

RE: AN OPEN LETTER TO ALL NALSPA MEMBERS

I write regarding car Fringe Benefit Tax arrangements and confirm that a Shorten Labor government will not implement any changes to the Statutory Formula Method relating to employer provided motor vehicles.

Labor will retain the current arrangements in relation to all measures regarding salary packaging and related Fringe Benefit Tax measures. There is no difference between our policy and that of the current Turnbull government.

Labor values the important economic contribution of your members and the many people in charities, hospitals, the community sector and corporate Australia who use your services. We look forward to an ongoing dialogue and further building our relationship.

Yours sincerely

A handwritten signature in blue ink that reads 'Bill Shorten'.

Bill Shorten MP
Leader of the Opposition

4 May 2016