

From: Naylor, Stuart
Sent: Monday, 9 July 2012 11:58 AM
To: Committee, Economics (REPS)
Cc: Monk, David (REPS)
Subject: LAFHA Changes

Dear Sir or Madam,

I am writing to you regarding the proposed removal of LAFHA. As a foreign worker on a temporary visa this has been a critical feature in my ability to stay here and work in Australia. The rental market in Sydney is very competitive and quite expensive, and without LAFHA it will be very difficult for me to support my family and continue to work in Australia. Additionally, I chose the house we are renting taking into account the financial support of LAFHA, and without I may be forced to move, which is very expensive and stressful, and because I have an 8-week old son it is not something I would like to do at this point.

I understand that there are those who take advantage of this tax break, and I feel that if the process were to have more control and perhaps some income limitations or phase-outs, that would enable more tax dollars to come in and allow highly-skilled foreign workers to stay in Australia. My company completes all paperwork as required and uses this tax break the way it was intended, and I feel that those who are rorting the system should be held accountable.

I feel that immediately removing LAFHA would have a major negative impact not only on foreign workers already in Australia, but it would also become even more difficult for companies to recruit overseas workers for in-demand jobs.

I think that with some more dialogue with businesses a compromise could be accomplished and an action plan established to lessen the impact of the proposed changes. Perhaps instead of removing LAFHA for those workers used to receiving it, there could be some sort of grandfathering clause? Or perhaps it could be phased out over a 4 year period with a 25% reduction in benefits each year, thus spreading out the pain a bit more and allowing us more time to plan and budget for these changes?

Thank you very much for your time and I look forward to receiving more updates about the new LAFHA changes as they may come.

Thank you,

Stuart Naylor
Quality Assurance Manager