

From: Jason Ross
Sent: Saturday, 7 July 2012 4:25 PM
To: Committee, Economics (REPS)
Cc: Monk, David (REPS)
Subject: LAFHA reforms

Dear Sir/Madam,

I am writing to lodge a submission for your consideration regarding the proposed changes to the LAFHA reforms, most pertinently the suggested implementation of the transitional arrangements.

As General Manager of a rapidly growing and successful Australian Digital Agency (www.reactive.com), our company is enjoying tremendous growth, of a global nature. Our growth this year alone has seen Reactive open a new office in New York, joining our other global offices in London and Auckland. Indeed, I was brought over (at great cost to Reactive) from the UK to help ensure the continued growth of the agency, as local candidates were far and few between. We operate in a growth industry which is subject to acute skill shortages.

In my position managing the Sydney office, I also employ a number of overseas staff on a 457 Visa, including myself. In respect of our growth in Sydney, I am acutely aware of the skills shortage as we struggle to fill roles (Design, Development and Project Management) every day. Many candidates whom I interview are from overseas, with only an average of 1 in 3 being Australian. The skills shortage is something I feel first hand as our growth and difficulty in locating candidates is an on-going challenge.

On a personal note, my family and I (wife and 3 children) moved out to Australia in August 2011, following a difficult decision making process, of particular concern was our living costs. However, we decided to make the move and the assistance which LAFHA would provide us was key to us finally taking the decision.

Whilst I have not been in Australia long enough to advocate or oppose the suggested reforms, I am writing to advise that the manner in which the reforms are being imposed are troubling both to the business I run and my personal circumstances, in particular the speed of introducing the proposed changes and non-extension of the transitional period to overseas residents.

Most notably, for overseas staff the reforms are being implemented at lightning speed, whilst permanent residents will be able to benefit from a 2 year transition period allowing them to make suitable arrangements for the changes to their incomes. The reforms will impact salaries in a way which will make recruiting for overseas even more difficult and for those already here (myself included) will have too little time to adapt to the changes.

By way of example, my salary will reduce by around 20% - as we are breaking even as it is, we will need to make many changes to our way of life, including moving apartment to reduce our living costs and adapt to the changes. With our tenancy only ending in January, we will not be able to adapt quickly enough, forcing me (and my staff) to command higher wages to manage under the new circumstances created by the reforms.

Allowing overseas residents to also benefit from the transition period is the only way that we, as a company and personally as a family, will be able to adapt to the reduction in income. This view is held by 1000's of others in similar positions. The Government need only read the submissions made, or plethora of online forums to see this is the case across the board.

It is very troubling that a country as advanced as Australia is differentiating between permanent and overseas residents in respect to the transition period – a move that can only be interpreted as discriminatory, aimed at targeting those without an (official) voice.

I am writing to strongly urge the government to reconsider the application of the transition period, to also extend to overseas residents. Whilst the common view is that the reforms themselves are not disputed, the manner of their application most certainly is. I hope that common sense prevails and invite you to contact me for further consultation.

Sincerely,

Jason

General Manager

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