

SUBMISSION 14

From: Ian Forster
Sent: Tuesday, 10 July 2012 8:47 PM
To: Committee, Economics (REPS)
Subject: Tax Laws Amendment (2012 Measures No. 4) Bill 2012

Importance: High

Categories: Red Category

Dear Sirs,

Tax Laws Amendment (2012 Measures No. 4) Bill 2012

I am writing with regard the proposed reform to the Living Away From Home Allowance (LAFHA) as proposed in the above bill.

I am currently working in Sydney having been sponsored by a major Australian engineering company on a 457 visa due my considerable experience in the electricity industry. The majority of my work is on the replacement / refurbishment of the electrical distribution and transmission systems in NSW and Victoria.

The reason for my sponsorship was that my employer was unable to find suitably qualified engineers in Australia.

I moved from the UK to Australia with my family (wife and two children) in 2011 and as a temporary migrant to Australia I maintain my home overseas and have additional costs to permanent residents and Australian citizens, for example the \$9,200 per year for my children to attend State schools. Furthermore, as a temporary resident my wife is unable to be employed as a full-time teacher, a job which she left to come to Australia and hoped to continue whilst here.

The loss of LAFHA would have a considerable impact on us and whilst we intended to stay in Australia for the four year duration of my visa we would almost certainly look to return home as soon as possible following the ending of the scheme. We are not alone in this position and know many other temporary migrants from other countries and industries that would be faced with the same challenge and be unable to afford to remain.

My employer, and no doubt many others, is extremely worried about the loss of me and other 457 visa holders as they know that they will not be able to recruit sufficient suitably qualified and experienced staff from within Australia and could not afford to increase salaries sufficiently to off-set the loss of LAFHA.

Whilst I believe the removal of LAFHA will have a detrimental impact on the Australian economy, I would urge you to consider a transitional period, such as that afforded to permanent residents and citizens, to enable families such as mine to plan for the removal of the benefit rather than to leave Australia in the coming months.

Yours Faithfully,

Ian Forster