

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING: 21-22 MAY 2012

IMMIGRATION AND CITIZENSHIP PORTFOLIO

(BE12/0202) Program 1.1: Visa and Migration

Senator Cash asked:

457 visas: Does the Department anticipate that the number of 457 visa applications will drop as a result of the changes to the Living Away From Home Allowance which mean that they will now be taxed on that? If not, why not? If so, why and what is the expected drop?

Answer:

The Government announced changes in the 2012-13 Budget to the Living Away from Home Allowance (LAFHA) in response to concerns that LAFHA tax concessions were being used widely outside the original policy intent.

The Department has not investigated the potential impact of the changes on the 457 visa program. Eligibility and taxation matters relating to LAFHA are the responsibility of the Australian Taxation Office and the Treasury.