

As a temporary resident and tax payer I'm against the proposed reforms on LAFH. I do understand that for a very high earning employee (say a temporary resident working as a CEO), the payment of LAFH could run into hundreds of thousands of dollars, this seems a little unfair and perhaps there could be some level of means testing before LAFH is granted. This would strike a balance in relation to others like me, who genuinely rely on the LAFH allowance.

For the average temporary resident worker I can assure you that the very high cost of living in Australia, particularly in relation to food and rent, requires that there is some kind of tax break in order to help temporary residents to come and work here, otherwise they will simply stop coming. If my LAFH benefit is removed, the government will effectively wipe out any portion of my net income which might be used as disposable income. You would effectively be providing a disincentive for me to continue living and working in Australia.

For example, the cost of rent in Perth is astronomical. I pay roughly 5 times more in rent for the same size of house, than I paid in mortgage payments at home, therefore, there has to be some method for Australian companies to continue to attract talent from overseas. The cost of food is also 20 – 30 per cent more expensive than in the UK.

I view this as an essentially racist ploy to stop foreign workers coming to Australia and it smacks of "If you don't like, go back to where you came from" It has nothing to do with creating a level playing field and this is just a smokescreen. West Australia in particular needs to import more workers to fuel the continued expansion of the mining sector. This move could actually have the opposite affect and cost the treasury money in the long term. The government needs to try and understand the original reason why LAFH was originally put in place.

If this reform goes through, the government's real agenda will be successful and skilled temporary workers will simply go to other countries where they are welcome and the cost of living is manageable.



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