



6th February, 2012

The Manager
Philanthropy & Exemptions Unit
Personal and Retirement & Income Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: FBT@treasury.gov.au

RESPONSE TO CONSULTATION PAPER: FRINGE BENEFITS TAX (FBT) REFORM LIVING-AWAY-FROM-HOME BENEFITS

Dear Ms O'Neill,

Thank you for the opportunity to provide comment on the November 2011 consultation paper, [Fringe Benefits Tax \(FBT\) Reform Living-away-from-home benefits](#).

The [Australian Information Industry Association](#) (AIIA) is the peak national body representing suppliers and providers of ICT products and services. Membership comprises more than 400 organisations, many of whom are active users of skilled migration resources under current and previous government policies. AIIA's National Board of Directors includes IBM, Microsoft, Infosys, SMS, Google and Intel.

Following discussions with members, we are concerned that the proposed changes may have unintended negative consequences on Australia's readiness for appropriately optimising our developing digital economy. I would ask that the Treasury seriously consider preserving existing arrangements for the Living Away From Home Allowance (LAFHA) for ICT skilled migrants and the businesses that support them, recognising there are broader domestic ICT skills supply issues and the key role ICT has in Australia's economy.

Failing preservation, we recommend a longer transition period for the ICT sector to recognise the long term commercial contracts and business planning requirements of the sector. For example, ICT supply contracts can typically be set for 24-36 months, or longer, and many have been constructed cognizant of current LAFHA arrangements. As the proposed changes to the LAFHA will render existing commercial terms difficult for many suppliers, members are advising me that they will be forced to move their operations offshore.

AIIA would also like to fully endorse the submissions made by the Australian Computer Society (ACS) to this enquiry.

Should you want to discuss any of the issues raised herein I would be pleased to meet with you together with members of AIIA's Board to explain more fully industry concerns with the LAFHA proposals.

Yours sincerely,



Suzanne Campbell
Chief Executive Officer

P: + 61 2 6281 9413 | M: 0438 408 909 | F: + 61 2 6285 1408 | E: s.campbell@aiaa.com.au



AIIA membership is open to everyone in the ICT industry in Australia. Apply on line [here](#) or contact me for more information. Your support and contribution is appreciated and encouraged.

The material transmitted may contain confidential and/or privileged material and is intended only for the addressee. Any use of or reliance upon this material by persons or entities other than the addressee is prohibited. If you receive this in error, please notify the sender and destroy any copies of the material immediately. If you do not wish to receive further emails from AIIA simply reply to this email with UNSUBSCRIBE in the subject line.