

Dear Sir/Madam

I write with concern to industry about the proposed changes to LAFHA as of 1st July 2012.

Firstly I take real offence to the statement 'Rorting the system' which cannot be aimed at the majority of LAFHA claims, we produce our rental agreements and the food element is set in stone. If execs are not doing this then deal with them and their companies.

Secondly I think this will send the economy backwards as many skilled people will re-locate to Asia and the middle east where industry is thriving and tax is lower. I work in Rail in Sydney and we are heavily reliant on skilled workers from overseas and to be honest people are leaving Australia already at the threat of LAFHA being removed.

If we want the North West Rail link and other projects it will never happen without these skilled people, I have been working on the clearways projects in Sydney and I would say 80% of skilled staff is from overseas.

The important factor here is driving Australia forward as a nation but by removing LAFHA it will only create a major skills shortage, then how do we attract workers back to the country?

People on LAFHA still pay tax but have you thought how much of the current tax may disappear if this is scrapped?

I urge the treasury to think long and hard about this decision and consider phasing out over the next four years for current 457 visas, rather than a blanket stop on June 30th not allowing families to adjust. If families can adjust then maybe more people will stay.

Remember driving Australia forward is what I want even as a temporary visa holder but scrapping LAFHA I can honestly say will drive the country and its rail projects backwards big time and not deliver again.

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