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Monday 28th May 2012

Dear Sir/Madam:
Re: consultation of the LAFHA reform

I am writing to you because I have serious concerns regarding the proposed changes to LAFHA. I understand the concerns about people taking unfair advantage of the system however this is a minority and could be managed by improving supervision of policy compliance. It is unfair on the people who genuinely move to Australia to experience a different lifestyle and participate in the Australian economy.

I relocated from England in May 2011 before there was any talk of changes to LAFHA and was offered these benefits in good faith as part of the package to come to Australia and work in a state hospital. The decision was based on a complete evaluation of my finances which included receiving LAFHA. I made sacrifices to move to Australia including spending all of my savings but in the knowledge that I would over time and with the help of LAFHA be able to return to a similar standard of living.

Terminating LAFHA would have a significant impact on me and will disadvantage me compared to my Australian peers as well as being a total breach of trust. I work in the health sector which has a shortage of skilled peers and I provide a public service for NSW. I receive a lower salary than those careers prompted by self interest and get taxed higher than a normal Australian resident. This legislation is discriminatory against temporary residents because we will be paying much higher tax costs yet won't be receiving any of the benefits such as full Medicare cover. LAFHA helps to compensate to some extent but by removing it at such short notice, this will cause me significant financial hardship.

The vast majority of temporary residents don't even know about these changes. Communication from the treasury has been confused, vague and conflicting and the rushed nature of these changes gives temporary residents no time to reassess their finances and make necessary changes to lifestyle, including issues as important as moving house (caused by not been able to continue meeting the costs of rent).

I am merely asking for fair treatment. Do not terminate existing LAFHA because it will have serious consequences on hardworking and honest people like me. Providing a certain income then taking it away without any notification is unfair and will cause significant hardship to thousands of people.

My suggestion would be to terminate any new LAFHA because at least people will know the situation and will be able to make an informed decision about moving to Australia. This will

reduce costs immediately. In addition expired LAFHA will stop and in four years LAFHA will discontinue completely.

Another option would be to set a maximum salary limit above which LAFHA is not provided. For example, a person with income over \$200,000 surely doesn't need LAFHA to maintain a high standard of living.

In addition, I believe that these changes will have a significant impact on Australia, reducing skilled migration into this country and increasing migration out of the country.

Thank you for your attention.

Kind regards
Louise Dunne