

Sydney, May 25th 2012

Dear Treasury,

Through this submission I wish to express my concern with withholding transitional arrangements for temporary residents.

Many academics (and others on 457 visas) like me are working on fixed term contracts at an Australian University, a not-for-profit-organization with modest salary rates, to increase knowledge and improve tertiary education in Australia and world-wide. The reason, for most of us, is obviously not a financial one. However, the LAFHA cuts without transitional arrangements make it very hard to continue such contracts.

Many of us who entered Australia before November last year based our decision to come on the LAFHA arrangements. Lease contracts and other arrangements were entered into based on this net income estimate. Leaving us hanging with 6 weeks for adjustments (which is impossible in many instances) is unacceptable.

As you well know, part of LAFHA is used to make up for the lack of access to services such as Medicare, school tuition, social security, etcetera. If LAFHA is removed, 457's are paying the same tax without the same benefits. This obviously does not 'level the playing field' between temps and locals as intended. More so, this is a measure that would be against the law in many civilized countries especially in the EU. The same goes for not offering transitional arrangements for a subgroup of current LAFHA holders.

In addition to these well known facts, withholding transitional arrangements for temporary residents but not permanent residents gives a strong signal that Australia does not value workers from overseas. That is, a current LAFHA receiver who is a permanent resident and rents out his/her primary residence in Australia while receiving LAFHA for the secondary accommodation in Australia will still receive LAFHA until July 2014. However, a temporary resident who has honest costs for their primary residence overseas will stop receiving LAFHA per July 2012. Even though this may fall right legally, it is obvious that temporary residents feel discriminated against and it does nothing for Australia's international image as an employer.

In my case, the LAFHA cuts, the negligence of proper and timely communication, and the withholding of transitional arrangements, have made Australia as an employment opportunity significantly unattractive. Without LAFHA, the cost of living (including additional costs for overseas workers) in comparison to salary rates is less attractive than other academic hubs such as the EU and North America, even in the economic crisis. The

displayed lack of concern, communication and transition makes 457s feel unappreciated and not welcome in Australia.

I would like to make this last **plead to offer transitional arrangements to all current LAFHA holders in order to restore the international image that the Australian Government is responsible, humane and appreciative of overseas workers and academics.**

Sincerely,

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