

21 May 2012

The Manager
Indirect Tax Division
Philanthropy and Exemptions Unit
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Sir

Subject: Fringe Benefits Tax (FBT) Reform living-away-from-home benefits

I am a British citizen, working in Australia on a 457 visa. I was previously working for an international engineering and environmental consultancy in the UK and relocated to Brisbane on a 4-year secondment just over a year ago. I am here in Australia with my wife and two young children (ages 2 and 4). My wife is currently a full time mum.

When we made our decision to move to Australia for a few years, we left behind our family home in Yorkshire. The house is not currently rented out and we have a mortgage to pay.

In the UK we received 2.5 days of free childcare for each child over the age of two. In order to help them settle, make friends and continue their preparation for school we pay for each child to have one day of pre-school per week. However, unlike permanent residents, we receive no assistance with the cost of this.

We rent a small family house in Brisbane and have a 12 month contract; breaking the contract would be a financial disaster.

My company has made it clear that it cannot increase wages to compensate for the massive reduction in income the LAFHA changes will cause. In order to meet the demand for staff in Queensland to support our work for the resources sector, my company has found it necessary to bring a large number of people from overseas. As a result, increasing wages by around 20% would be unaffordable and make it impossible to service existing contracts.

My wife and I are not highly paid executives. We are not trying to rot the system. We are just trying to do the best for our family. The availability of the LAFHA made our stay in Australia manageable. I believe this situation is typical of many of the people affected by the forthcoming changes to the LAFHA.

I believe that the proposals are both unfair and discriminatory. The lack of transitional arrangements for foreign nationals leaves us in a financial predicament. There is simply not enough time for people to adjust their major expenses, such as rent, car loans and childcare.

I hope rather than expect that you will reconsider the lack of transitional arrangements for temporary residents and give us a fair go.

Yours faithfully,

Dr Chris Taylor