

February 1, 2012

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

SUBJECT: Concern about implementing Living Away From Home (LAFHA) Reform too early for leaseholders

Dear Manager:

I am writing to ask you to carefully consider the immediate consequences of the suggested LAFHA Fringe Benefit Tax Reform. I believe the reform will unintentionally impose significant hardship on individuals in a similar situation to mine. I have recently signed a 12-month lease for a studio apartment in Surry Hills (Sydney) that expires Dec 2012. I have budgeted my expenditures carefully based on my income as a Research Assistant at UNSW, which includes the LAFHA fringe benefit.

My concern is that the time between approval of the reform and the implementation date of July 1, 2012 is too short. Please consider that many people have planned their finances and made long-term, binding commitments for housing for up to 12-months. We made these commitments with LAFHA in mind and this proposed reform would significantly affect the affordability of housing, which in Sydney is among the most costly in the world.

I recommend the following transitional arrangement to mitigate the unintentional hardship that this reform will impose on individuals in my situation. I believe that if implemented then the time between confirming the LAFHA changes and when they go into effect should be a minimum of 12 months to allow individuals to plan accordingly. A 12-month notice is suitable to the nature of the law being changed because this is the typical duration of a residential lease and the law pertains to residential accommodation. As an alternative solution, allow lease holders to continue claiming LAFHA until their lease expires. At that time they can make an informed decision as to whether or not to move to more affordable accommodation.

I think that this is an important matter to many people who will not take the time to voice their opinion or who even may be still unaware that LAFHA reform has been proposed.

Thank you for your support.

Sincerely,

Brandon Bosse

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