

I wanted to point out the economic mistake Australia will make if the LAFHRA program ends in July 2012.

Simply Australia is a geographically isolated continent with minimal manufacturing resources, low birth rate and a population that lacks competitive business skills and the latest information technology. The vast majority of Australian hi-tech components are imported and were created off-shore. Presently, a large number of work VISAs are given to bring experienced knowledgeable foreign trained workers to help grow the various companies which recruit these individuals. Obviously this talent pool does not exist in Australia.

The key economic impact that this legislation will cause is the LOSS of these employees to the various companies. Australia does not have a back-up bench of players that can be substituted for these employees that will leave. It will severely impact the competitiveness of the Australian economy.

Why will these foreign VISA employees leave?

1. Australia is a very high cost of living country compared with other locations. The LAFHA benefit brings the living costs into line.

As an example my total US housing costs for a three bedroom 3.5 bathroom house in an upscale US suburb of a major city was under \$2,000 a month which included principal & interest, taxes and insurance. I am presently renting a one bedroom one bath furnished apartment in Sydney for over \$3,000 AUD a month.

Additionally, for comparison purposes...I sold a Toyota 4 Runner in the states which I purchase brand new for \$30,000, the comparable vehicle in Australia costs over \$45,000 AUD. I purchased a new 2011 Mazda 3 for \$22,000 from a dealer, this vehicle would also be a model year newer ie 2012 in the United States and would sell for only \$17,000 believe me I shopped cars before coming to Australia.

2. Australian companies in general do not pay these recruited VISA employees relocation expenses ie. airfare, moving expenses or any assistance in the sale of a foreign property. Most other countries & US companies provide relocation packages to reduce the cost of the move. not Australian companies. So each employee pays for their relocation to Australia while their new employer will assist in obtaining the VISA and work documents.

3. Remember that these foreign employees are still subject to taxes on foreign income earned in Australia. While these VISA employees obviously want to work in Australia, nobody wants to be in tax situation where you are being DOUBLE or TRIPLE Taxed on their work efforts. Once by Australia and a Second time by the Foreign Home country. A third time by the local State or municipality.

Hopefully these succinct points will dissuade the Australian legislature from implementing the removal of the LAFHA legislation.

Respectfully submitted
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