

Consultation

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

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Are you submitting on behalf of your Company

No

Do you want your submission to be confidential

No

Accessibility Statement

Yes

Submission files**Support files****Submission text**

I work in Canberra on a 457 Visa. As a temporary resident I am going to be affected by the change to LAFHA. While on principle I don't disagree that the system needs to be better targeted the changes fail in two respects:

- 1. They don't factor in a transition period for temporary residents on 457 visas who maintain a home abroad. 7 months is in-sufficient and the time table should have been set at 12-18 months to allow for people such as myself to complete unbreakable contracts on rentals.*
- 2. They don't provide temporary residents with any relief on costs such as child care or schooling as compensation.*

The result is less income for the same high cost of living, higher than for permanent residents or citizens who continue to benefit from LAFHA. The changes provide a strong disincentive for foreign skilled labour (which Australia needs) to come and work over here. Combine this with a strong Aussie dollar and it is another dis-incentive for migration.

Companies such as mine are telling employees this issue is between the ATO/Treasury and individuals. They are not re-negotiating contracts as it would cost too much (ironically if they did renegotiate the cost of labour would go up and tax revenue would decline).

It's a blatantly political and short sighted move. As a labour government putting forward reforms for the people this is not a people friendly nor fair measure. The majority of those impacted are now left with unbreakable financial commitments and no where to turn.

I would urge you to extend the transitional arrangements to all recipients including temporary residents on 457 visas who maintain a home abroad. That would be the fair and right thing to do.

Regards

Matthew