

Dear The Manager,

With regard to your Exposure Draft for the Fringe Benefits Tax (FBT) Reform living-away-from-home benefits, could it be explained why there's no transition period for Temporary Visa residents as this would seem to me the morally decent thing to implement. To discriminate on nationality for this purpose shows a disregard for your foreign workforce. People who have invested their savings to move here for contract work, have based their commitment and calculations on the present Lafka arrangements. For these to be pulled without a decent transition period is going to put a lot of families and individuals into financial difficulty. These people have entered into contracts that need paying (rental, schools, insurance) based on their current financial circumstances. Pulling the Lafka entitlement without transition could lead to many defaulting.

May I also bring to your attention article 25 of the UK/ AUSTRALIA DOUBLE TAXATION CONVENTION

“Nationals of a Contracting State shall not be subjected in the other Contracting State to any taxation or any requirement connected therewith, which is other or more burdensome than the taxation and connected requirements to which nationals of that other State in the same circumstances, in particular with respect to residence, are or may be subjected.”

For UK nationals you are intentionally going against your own treaty with the UK.

To insist that any foreign nationals, to be eligible for the transitional arrangements, needs to own a home that they are live away from in Australia is obtuse. Australian nationals are not required to have the same commitment, this is discriminatory.

As a point of decency would it not be wise to allow temporary visa holders a transitional period the same as you have allowed for Australians, otherwise a lot of families are going to struggle and come to financial grief. These families have to pay extra for Health Insurance, Schools and are not eligible for family tax benefits, yet they will have to pay the same income tax, when they return home you will tax there superannuation fund when it is claimed back. If they are to be taxed the same they should have the same access to services as Australians or have time to re-adjust their finances, living arrangements or re-turn home.

Regards,

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