

AUSTRALIAN CONSULTING INDUSTRY WELCOMES LAFHA ANNOUNCEMENT

Consulting firms responsible for the delivery of critical national infrastructure have welcomed today's announcement by the federal Government that reforms to Living Away From Home Allowances (LAFHA) will be delayed until October.

CEO of industry association Consult Australia, Megan Motto applauded the Government's action but said Australian firms are calling for further changes to avoid damage to the economy and delays in infrastructure delivery.

"The Government has said it wants to work cooperatively with industry and today, it made a good start, but we call on the Minister to revise the Bill to fully address our concerns," said Ms Motto.

In its current form, the Bill to reform LAFHA has an unfair impact on temporary skilled migrants, reducing the wage of an engineer who lives away from home and earns \$85,000 (pre-tax) by around \$12,000 a year.

Many firms claim they will be forced to supplement this loss in income in order to retain skilled migrants as employees.

Australian firms delivering services, such as engineering, which are critical to the ongoing maintenance and delivery of basic infrastructure, depend on skilled migrants to supplement the nation's current skills shortage.

"Australia relies on somewhere between 2,500 and 4,500 new professional engineers arriving on temporary migrant visas every year," said Ms Motto.

"The reforms are phased in for Australian citizens, but not for the skilled migrants who our country is so dependent on.

"One of Consult Australia's members has reported a bigger proportion of their engineering design work will now be done off-shore due to the impact of the LAFHA reforms."

Consult Australia reports that several of its members delivering coal and other resources projects in Queensland, the NSW Hunter Valley, South Australia and Western Australia are already looking to have sizeable portions of engineering design work performed in South Korea, China and India.

"These reforms will only serve to hasten that process and drive more work offshore," said Ms Motto.

"We're not looking to abolish the changes, we're simply joining our industry partners in imploring the government to phase the reforms to the *Tax Laws Amendment (2012 Measures No. 4) Bill 2012* over two years for all people currently receiving it, migrants and citizens alike."

Ends

29 June 2012

For further information or to arrange an interview, please contact PR & Policy Coordinator, Gillian O'Young on (02) 9922 4711 or via email at gillian@consultaustralia.com.au.

MEDIA RELEASE



Driving Business Success for Consulting Firms in the Built and Natural Environment

ABOUT CONSULT AUSTRALIA

Consult Australia is the association for professional services firms within the built and natural environment; influencing policy, creating value and promoting excellence.

As an association, Consult Australia's primary focus is on improving the commercial environment for its members and raising standards across the industry.

Consult Australia's member firms services include, but are not limited to: design; architecture; technology; engineering; planning; landscape architecture; surveying; cost consulting (quantity surveyors); project management; and management solutions. The Association represent some of the industry's biggest players in this space with its member firms collectively employing more than 61,000 staff.