

THIS COULD BE GOODBYE TO EIGHT PER CENT OF OUR WORKERS

Consulting firms responsible for the delivery of critical national infrastructure have been dealt a major blow and are predicting a significant hit on the Australian economy following today's decision to pass reforms to the Living Away From Home Allowances (LAFHA).

The Tax Laws Amendment (2012 Measures No. 4) bill 2012, passed by both houses of federal Parliament today, is expected to drive many of Australia's highly-skilled professionals, whose salaries have been supported by LAFHA, out of the country.

Megan Motto, Chief Executive Officer of the industry association for professional services firms in the built and natural environment, Consult Australia, fears the sudden implementation of these reforms will have a devastating impact on industry and the wider Australian economy.

"Some of the consulting firms we represent recruit approximately 15 per cent of their workforce from overseas due to the current skills shortage," said Ms Motto.

"One of our members has over 4,000 employees and reports that over eight per cent of its workforce is currently employed under the visa subclass 457.

"These reforms could equal a loss in salary of up to \$12,000 for an engineer.

"With no time to prepare for and budget around these changes, it is simply not viable for many of the professionals who are suffering this kind of loss in income to remain in Australia with their families.

"The sheer impact of these reforms is enormous and the haste with which this decision has been made, clearly shows a lack of due recognition by government."

Consult Australia has long-argued for the reforms to be phased in over two years to allow companies and individuals to form long-term plans to cope with these significant changes.

"The reforms will create vacancies that are hard to fill, thus harming companies' abilities to deliver projects on time," said Ms Motto.

"The cost to employers from 'filling the income gap' will drive up employment costs and widespread wage inflation will occur because the level of wages sufficient to attract skilled migrants will increase markedly.

"A major challenge to our firm's success and that of the projects they deliver is the chronic scarcity of the engineers and related professionals needed to get the job done. These reforms will put much stress on an already stretched industry."

The LAFHA reforms will now take effect from 1 October 2012.

Ends

19 September

MEDIA RELEASE



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

For further information or to arrange an interview, please contact PR & Policy Coordinator, Gillian O'Young on (02) 9922 4711 OR 0423 223 620 or via email at gillian@consultaaustralia.com.au.

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 50,000 staff.