

Sent: Wednesday, 3 June 2009 5:23 PM
To: Economics, Committee (SEN)
Subject: Fw: Change in tax laws

Dear Sirs

The Australian Government are proposing changes to section 23AG of the Income Tax Assessment Act 1936 which currently provides an income tax exemption for Australian residents' foreign earnings derived from foreign service employment. The Government believes these changes will recoup additional funds by increasing the personal income tax (PIT) payable by Australian workers employed overseas.

I believe the Government is missing the bigger picture, and that these proposed changes will overall have a negative effect on the Australian economy, with the resultant loss of incoming earnings and jobs, out weighing any return from the collection of PIT from those workers who may choose to continue in their overseas employment once their income is subject to full Australian PIT.

By working international we have no unfair dismissal tribunal, no work safe regulation, no redundancies, no income protection, no maternity leave, etc and the list goes on. In addition we work in third world countries where we are often favourable targets for kidnapping and terrorism.

If employed in the drilling industry in Australia the natural progression in your career is and has been to work expat where there is more advanced experience and opportunities available. In one foul swoop the Labor government intends to effectively cut 95% of my career opportunities.

With full PIT for Australians working overseas, there is no incentive to remain working overseas, – or, some workers may choose to become non resident. Either way, the Australian economy misses out on these overseas earnings returning to Australia and being circulated into the economy. The recent cash handouts from the Government were intended to inject funds into the Australian economy, hence it seems odd to now be considering policy that will cause a reduction in funds entering the Australian economy.

With rising unemployment, it is nonsensical to create a disincentive for Australians to seek work overseas. On the contrary, the Government should incentives overseas employment. What better panacea for an ailing economy than to have Australians gaining employment overseas instead of taking jobs in Australia, and their subsequently returning home to invest their foreign income into the Australian economy ?

Encouraging Australians to work overseas is a simple and very cost effective means of boosting the Australian economy. It provides a net gain in available jobs and injects foreign sourced funds, thus providing a positive contribution to Australia's economic recovery.

I do not wear a suit, have a jet, get paid share bonuses, or hide money overseas. I just want to work hard and get paid for it.

I ask that you vote against any changes to section 23AG of the Income Tax Assessment Act 1936, and instead, consider various means to incentives Australians to seek employment overseas, whilst remaining resident in Australia.

Thanks & regards,

Peter Lewis