

Ian Thomson

June 9, 2009

Committee Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Senators,

Regarding the Senate inquiry into Exemption for foreign employment income (23AG of ITAA 1936) I am writing to ask you to block this legislation

The Australian Expat is an important player in the Australian economy and in my opinion is currently under threat of Extinction. Therefore your serious consideration would be greatly appreciated.

To introduce myself, I am writing to you from my perspective as an Expat in the international Mining and Mineral Processing Industry. I am a New South Welshman by birth, a Queenslander by upbringing and for the last 14 years a Tasmanian by residence when I'm living in Australia.

Many of the countries where those of us in this particular industry work are in the Third World but many of us have also been engaged in developed countries to impart a higher skills level into their local personnel also. Personally I have lived and worked in PNG, USA, Canada, Indonesia, Laos, Thailand, India and New Caledonia, and been involved with starting or operating more than a dozen major minerals processing projects.

As a generalisation, what I have observed over the years is that the Australian Expatriates comprise the most sort-after resources internationally. Expats from other countries typically do not command the same respect, responsibility or remuneration that the Australian contingent gets when working together on the same project.

The Australian standards that we use to build, commission and operate mines and processing plants overseas are invariably higher standards than the in-country equivalent. More importantly our safety and environmental standards are invariably better for the Planet and safer for the people in the locations where we work. Our Training techniques are also more beneficial to the National personnel that we instruct which gives them a better chance of improving their lives. In summary the Australian Expats in this industry are a more significant player and valuable force than any other group.

The majority of us are also proud representatives of our Australian heritage, our sports and our customs. We're not quite modern day ANZACS but most of us share the same ethic. We are happy to challenge the value and consequences of what we do, we work hard in substandard conditions, we stay on it until the job is done right and we find humour in adverse situations. As a result, we have probably done more for establishing and maintaining Australia's good reputation

and relationships with our international neighbours than any other current group including Australia's official representatives.

Unfortunately there is little humour to be found in the way Australia is currently heading on several fronts. But relevant to this discussion, if taxation legislation is changed so that Expats are no longer remunerated for the conditions they work under, I fear the following:

- Many Expats will simply stay overseas and Australia will no longer benefit in any way from any of their earnings. I think if someone actually did the numbers on lost income due to this likelihood, any perceived gains from implementing the new tax legislation would be nullified; even if only a very low percentage of Expats chose this option.
- Some Expats will give up their overseas posting and return to Australia permanently. Neither will they bring extra money into their communities. In addition, because generally these people hold a higher skill level than their Australian based counterparts, they will push those people out of their jobs or down ladders.
- Due to the reduction in our numbers on the international scene. Many existing mining operations in third world countries will relax back into their own standards and fewer new projects will benefit from our input at start-up. From my experience, the worst consequences of this will be on the environment and human life through the propagation of unsafe, environmentally unfriendly work practises and bad management.

You good people have a sworn responsibility under God to do the right thing for Australians. Please make the right decisions with the Foreign Earnings Exemption draft legislation and block it.

Thank you for your support.

Sincerely,

Ian Thomson