

Sir,

I am writing to you to express my concerns regarding the proposed tax law changes to section 23AG.

I am currently working overseas in Kazakhstan and have a Private Ruling from the ATO stating that I am exempt from Australian tax on my overseas earnings. This has been the case for several years now.

I have budgeted accordingly.

With the proposed changes I will be facing a 25% reduction on my net income. As you can imagine this is quite a substantial cut in pay and will mean that I will no longer be able to pay my current mortgage.

Given that house prices in Perth have dropped by 10% or more in the last year I could well have a lot of difficulty selling my home, so that I can move to somewhere with a smaller mortgage. I'm sure you will realise that this could be potentially disastrous for my family and I.

I would like to propose that the suggested changes be deferred to July 2010 so that the many overseas workers in the same position as myself have time to restructure their finances to suit the new rules.

Ultimately when the new rules do come into effect I will be forced to return to Australia to work, as it will no longer be financially viable for me to remain working overseas, and so there will be no extra taxes going into the Australian coffers anyway.

When I return I will be competing with other Australians for the very few jobs available in my field at the moment, this will no doubt be depriving someone else of employment thus increasing the number of unemployed, which I'm sure will have a negative effect on the balance sheets.

I should also mention the loss of the foreign income stream being spent in Australia

I'm sure that there must be several thousand Australians in a similar situations.

In all I think that this is an ill advised change to the tax system.

Thank you for your Kind attention

Andy Woodford

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