

Tax Laws Amendment (2009
Budget Measures No.1) Bill 2009. (23AG)

Please read the attachment.

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.

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

I am working in Africa and I Travel for five full days to and from my work location. I don't get paid travel days.

I am in Australia 22 days out of every 8 weeks. Why should I pay full tax when I am not here using the infrastructure. Would an alternative be to only pay tax whilst I was actually in Australia or a flat rate of 15 cents in the dollar as is used in some overseas countries.

I have not been given any transitional period to adjust to the changes.

I can not see how this is going to be administered if we claim our foreign tax credits paid overseas in Australia. This is going to cost the Australian Government more in wages to chase and check all these credits from all the different countries than the tax they collect.

The Overseas Company I work for do not issue group certificates, and their financial year is from January to December. How can this work.

I believe that the changes in AG23 are unfair to me and put me at a disadvantage because I work for a foreign company. The company I work for will not contribute to superannuation. I cannot salary sacrifice as Australian citizens can. I do not get annual leave or sick leave entitlements.

I have always paid my own way and would have been self funded retiree. This will not be the case now if these changes come into effect.

For Myself and family it will be very easy and attractive to move overseas and the Australian economy will not gain any benefit from these changes. The money I earn will be spent in an economy overseas not in Australia as it is now.

thanks & regards,

Ian Hearne