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

Inquiry into the Tax Laws Amendment (2009 Budget Measures No. 1) Bill 2009

I am writing to express my concerns regarding Schedule 1 of the above matter, regarding the proposed amendment of Section 23AG of the Income Tax Assessment Act 1936.

Many of my friends and family work in the Mining and Oil and Gas Sectors overseas. They are highly skilled and qualified individuals, making them highly desirable employees in a worldwide market.

Many of the countries these people work in are third world, making them extremely dangerous and unforgiving. In most cases, these people are not liked only tolerated, hence the need for security to ensure their safety from airports to their place of work. They do not receive the usual entitlements, such as sick leave, holiday pay, superannuation or redundancy packages. Likewise, there are no unions working for better work conditions or standing by them when things go wrong.

Yes, these people choose to work overseas in these harsh conditions, but then so do our soldiers and aid workers, yet under the proposed amendment to Section 23AG, they will be penalised for their choice.

If this proposed amendment goes ahead, what will their incentive be to continue working overseas? Many of the individuals working abroad faced with this prospect are already considering long-term relocation overseas, in order to maintain their skill level in their chosen professions and continue supporting their families.

How will this proposed amendment also affect Generation X and Y individuals? Surely it is going to reduce the choices available to them in selecting work destinations.

The proposed amendment is no more than a punishment to those talented individuals who choose to leave Australia in search of lower tax rates.

A likely scenario is that as a result of this amendment going ahead, those individuals who cease working overseas will return to Australia in search of work. If fortunate enough to secure a job, they will be taking it from someone else, ultimately adding more people to the dole queue and increasing the country's unemployment rate.

Alternatively, there will be some who will continue working overseas and they will ensure that come Tax time, they will be claiming every single allowance and tax deduction possible. After all, it would only be fair that under the proposed amendment, those benefits available to individuals working in Australia would then also apply to those working overseas.

Furthermore, at present those individuals working overseas must make their own contributions to Superannuation in order to be self-funded retirees. There are no compulsory contributions, so what affect is this proposed amendment going to have on these individuals Superannuation?

At present, those individuals who will be affected by the proposed amendment are spending their incomes in Australia, contributing to the country's economy and supporting local business. To relocate outside of Australia and take valuable income with them *is not* in the national interest or in the interest of thousands of voters and their families.

I implore you to carefully consider the short and long-term affects the proposed amendment to Section 23AG of the Income Tax Assessment Act 1936 will have on those individuals affected, their families, local communities and the Australian Economy.

Yours sincerely

L Thompson