

Simon Hoyle

08 June 09

**Members of Parliament
House of Representatives
Canberra ACT 2600**

Dear Sir / Madam,

I wish to express grave concern in regards to your decision to impose Australian Taxation on expatriates working overseas. Therefore I wish for my submission to be considered before legislation is finalised or even considered viable.

I currently work for an Offshore Drilling company based in Singapore and work on a rotation of 28 Days On / 28 Days Off. On completion of rotation I return to Australia to be with my girlfriend and 3 children. I am only new to this industry after serving in the Royal Australian Navy for 17 years. On discharge I was employed by Transocean for 2 years working on an Oil Rig off the WA Coast. Due to the current economic crisis I sought alternative employment overseas as my Oil Rig was to be stacked / mothballed in August 09. Listed below is my financial situation when working in Australia.

Transocean salary per month \$6300 AUD Net plus Company Superannuation \$919.00 AUD per month.

Now working in Singapore my salary is \$7000 USD per month, however, is obviously at the mercy of the exchange rate (USD) and when the Australian Dollar is very strong, there is a negative effect on my salary and can invariably be less than the salary I was earning in Australia. Only saving grace in this instance is that I am not required to pay tax as taxes have been paid at source for services rendered. I also satisfy my own superannuation of \$1000 per month.

Therefore, with your proposal to effectively tax all Australian expatriates working overseas will certainly place myself and my family in financial difficulty. Like all Australian's, we have the desire to own our own home and your government encourages this. However, your taxation proposal will effectively halve my current salary as your Government classifies me as being rich.

I believe that your decision to implement legislation to tax overseas workers is not in the best interests of your Government or for those it will severely impact on financially because:

1. Expatriate's will cease to work overseas, including myself and the flow on effect will be that your Government will fail to recuperate expected taxation

- revenue from salary due to minimal people remaining overseas. **Has your Government taken this into consideration?**
2. Current salary in USD is brought back to Australia whereby spent in the local economy. **Has your Government taken into consideration the loss of revenue (GST) thru reduced spending by expatriates bringing into the country their salaries should they choose to quit their jobs or reside overseas?**
 3. Expatriates will return to Australia and seek alternative employment? **Has your Government taken this into consideration?**
 4. Return of expatriates equates to increased unemployment due to current economic climate and reliance on the Government for unemployment benefits. **Has your Government taken this into consideration?**
 5. Introduction of this new tax will encourage expatriates to take up residence in foreign jurisdictions thus taking their income away from Australia and many will apply for foreign residency. **Has your Government taken this into consideration?**
 6. Your new tax will undoubtedly flow onto local business and communities due to expatriates leaving Australia and as a direct result not spending their money in the local economy. **Has your Government taken this into consideration?**
 7. Your Government will potentially bring financial hardship / bankruptcy as expatriates will lose significantly with introduction of new tax. Normal Australian's working in Australia know what they earn, day in and day out. Overseas workers **do not know** what they will earn each month due to the daily variations in the exchange rate. Subsequently, many could ill afford to meet financial commitments. eg Home Loan, Car Loan, Utility expenses, Fuel, School Fees and Private Health Insurance. **Has your Government taken this into consideration?**
 8. In regards to Private Health Insurance, many expatriates will cease Private Health Insurance, like me, I will not be able to afford, thus impacting on the already stressed public system – Medicare. **Has your Government taken this into consideration?**

On a personal note, as an expatriate working overseas whereby I am currently experiencing difficulties within the family unit, your new proposed taxation will inevitably force me to leave Australia and become a resident in an alternative foreign jurisdiction. As a direct result of your proposed taxation, my ex-Girlfriend and 3 children will be forced to seek financial assistance through Centre Link. So not only will your Government lose the so called expected revenue from the new tax plus Goods and Services Tax, you will provide funds from Treasury to assist a broken family. Of course I will be committed to paying maintenance but so will you.

The decision to implement taxation against expatriates is a disgrace. I consider your proposal to be a further embarrassment against the Federal Government currently in Office. Like the Alco Pops taxation. The genius who developed this new tax blatantly disregarded and failed to consider that maybe, the "Y" Generation would revert to 700ml bottles of spirits or wine casks to avoid your new tax. What is stopping expatriates returning home or living overseas? **Has your Government taken this into consideration?**

Come on Mr Swan and Prime Minister wake up, your salary is never effected by the fluctuations of the USD where mine is. Your new tax proposal blatantly disregards the financial well being of all Australians working overseas and representing Australia in general.

I sincerely implore you to reconsider this proposal as it does come with serious ramifications and will have a negative effect for not only myself, other fellow expatriates, local business, local communities, health system and even your government through loss of revenue. Simply put, I can guarantee that if all expatriates return to Australia or become residents of foreign countries, where will your estimated revenue going to come from then???

Yours sincerely