

Dear Sir/Madam,

I write to make a submission on this Bill.

It seems to me that \$50 000 is by no means a high income nowadays and that the principle of the Bill is therefore right in general. Personally I am very glad of the proposed increase for a different reason : because it will benefit me when I go to Canada and Europe on various forms of leave for all but five days of the taxation year 2008/09 while continuing to earn a salary in Australia. It will mean that I do not have to pay health insurance premiums for nothing.

I was astonished to learn a few years ago that, if a taxpayer's income is above the threshold, the taxpayer remains liable for the surcharge even if out of the country for an extended period. This is silly and unfair. Health insurance funds do not cover illnesses overseas, which is of course why travel insurance is required. But travel insurance also does not count for the purposes of the surcharge.

Any threshold is too low for people who are out of the country and derive no benefit from the health insurance premium paid. No conceivable interest is served by compelling such people to pay health insurance premiums and I cannot believe that this is anything but an oversight. For those who remain above the threshold and are overseas for long periods, it should be possible to demonstrate that travel insurance or health insurance in the country of residence has covered the need usually filled by Australian health insurance.

No doubt a minimum stay abroad could be adopted as a qualifying period in order to keep down the cost of administering any such exemption.

I would ask the Committee to recommend the passage of the Bill and to recommend that some consideration be given to exempting people on long-term stays abroad who continue to earn income taxed in Australia, perhaps on production of proof that they had adequate health insurance while overseas.

Yours faithfully

(Dr) Greg Taylor