

From: Chris Short
Sent: Friday, 12 June 2009
To: Economics, Committee (SEN)
Subject: Tax law for expats

Senator,

In regard to the new tax laws on taxing foreign income. I have worked overseas for 71/2 years both in PNG and now in Laos PDR. In this entire time I have invested all my money back into Australia. I am now divorced but have 2 children in Australia and have remarried in Laos where I work and live with my wife. I have 2 investments properties in Australia, have been a non resident for tax purposes for the past 71/2 years and visit Australia on a regular basis to see my children. I am registered with the Child Support Agency and pay my ex-wife child support. We now have been advised by the Government and our company that if we either visit Australia on a regular basis (to visit children), have an investment property (I have a rental and commercial property), have a permanent address in Australia (which I do not) or have a bank account in Australia then we are not deemed as non residents.

What does this mean for me????

The way I see it I have 2 choices.

1. As I would be paying extra taxes it would not be worth while me continuing working over seas. So I would have to come back to Australia and try to get a job back there. I may have to sell my properties and as you know in this market it is not the best timing. As I would not be earning the income I do now the child support payments would be decreased. The back side of this is that my ex-wife would then start claiming extra payment from Centrelink / Government. As you can see not a good option!
2. This option would be the best in my case. Sell all my properties in Australia, take my money off shore and invest it in Laos, purchase air tickets with Thaiair and fly my children over to Laos on a regular basis so we can maintain contact. Close all my bank accounts in Australia and have my pay put into my joint account in Laos. As for the Child Support I now pay?????

One of the main reasons I am working overseas is to try and become financially secure for retirement. As you would be well aware the legal system in Australia favour the wife in a separation, even if she was the one who ran off with another man, and awards her the larger percentage of the assets. It would appear to me that the Government would rather me be in a situation where I can not sustain myself in retirement. What would be the cost to Australia if this was to be the case or is the government point of view is "that will be someone else's problem".

In short the Government is forcing me to cut all ties with Australia. The Mine where I work employs over 200 Australian Expats and the majority are thinking the same way. I am only talking about 1 mine. Ask yourself how many Expats are working overseas and in a similar situation as I am? If this law goes through I can see the flip side costing Australia a great deal more than what it may received is extra taxes.

I encourage the Government to rethink this law before Australia starts loosing these skilled people to other countries.

Chris Short