



We assist with permanent and contract recruitment for the resource industry.

Perth Office: 1140 Hay Street, West Perth, WA 6005, PO Box 1181, West Perth WA 6872

Telephone: +61 8 9426 1500 Facsimile: +61 8 9426 1545

Perth Kalgoorlie Brisbane Adelaide

www.miningpeople.com.au

Australian Based, Global Networks

Foreign Workers and the Australian Federal Budget

The Australian Federal Budget contained a SIGNIFICANT NEGATIVE change to the taxation of income earned overseas by an Australian resident. Formerly, where the Australian resident (as defined for 'tax') was working outside of Australia for more than 90 consecutive days, **AND** the earnings were taxed by the country where the income was derived, **THEN** the income was **EXEMPT** from Australian tax.

The position has been changed to make the income **TAXABLE** in Australia from **1st JULY, 2009**.

From this date the income will be subject to tax in Australia, i.e. added to other Australian Income, and the tax paid (to the 'source' country) will be credited. There are several categories of employees who are **EXCLUDED** from this new treatment and therefore will retain the tax exempt status; they are:

- Foreign aid and charity workers
- Special Government employees
- Employees connected with a vital government contracts as identified by the government where the income is derived.

The legislation, and therefore detail of these changes, have not been prepared and/or passed through parliament, but what this does mean is that from 1st July 2009 your salary will have tax deducted from it at the prescribed rate for Individual Australian Tax payers.

Those rates are as follows:

Residents: proposed rates and tax payable from 1 July 2009

Taxable income (\$)	Tax payable (\$)
0 - 6,000	Nil
6,001 - 35,000	Nil + 15% of excess over 6,000
35,001 - 80,000	4,350 + 30% of excess over 35,000
80,001 - 180,000	17,850 + 38% of excess over 80,000
180,001+	55,850 + 45% of excess over 180,000

Plus the 1.5% Medicare levy.

Please note: this information is not provided as "advice" but by way of notification only, and as an early warning service to our clients and candidates. You should seek your own professional advice and confirmation as to how ALL changes may, or may not, affect you personally.