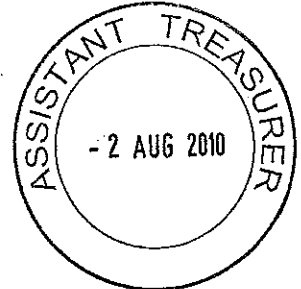




**ASSISTANT TREASURER  
SENATOR THE HON NICK SHERRY**



Mr Ken Phillips  
Executive Director  
Independent Contractors Australia  
PO Box 143  
WATSONIA VIC 3087

Dear Mr Phillips

Thank you for your letter to the former Prime Minister seeking advice on the position of the Government and the Australian Labor Party regarding the personal services income tax laws.

Specifically you have asked: "Does your Government and the Federal Australian Labor Party recommit to the statement made in your 2007 election manifesto that 'The ALP supports the principles behind the alienation of personal services income legislation'. Further that 'No changes are proposed to the PSI laws'?"

As your email indicated this issue has been examined by both the Board of Taxation and subsequently by the Australia's Future Tax System Review.

The Government made it clear when it released the Australia's Future Tax System Review and associated Government response on 2 May 2010, the relevant recommendation on this issue is not Government policy. I can reaffirm that position for your benefit via this correspondence.

Yours sincerely

NICK SHERRY