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Time for Labor to come clean on plans for personal services income tax

The new Minister for Small Business, Senator Nick Sherry must reveal the Gillard Government's intentions regarding any changes to the current personal services income tax arrangements.

When in Opposition Labor promised not to change the current personal services income tax laws.

Yet when elected to Government, Senator Sherry unfairly labelled tens of thousands of legitimate self-employed and independent contractors as 'shams' and promoted Government-sponsored recommendations to change the very laws Labor pledged it would leave untouched.

Senator Sherry has openly praised proposals to create extraordinary new red-tape burdens, reporting obligations and complex regulatory requirements to carry out union movement ambitions of dragging small business into its web by forcing more direct employment arrangements.

In the lead up to the election and during the campaign, the Gillard Government steadfastly refused to repeat the no-change assurance, despite repeated calls from the Coalition and peak body Independent Contractors of Australia (ICA), to make its true intentions known, that will affect more than 2 million people in self employment.

The Coalition committed not to change the current personal services income tax arrangements, a move that provided certainty for independent contractors and the self employed.

No case has been made to justify changes to force independent contractors and the self-employed into more 'employee-like' arrangements.

It is well past time Senator Sherry ended the Government's assault on independent contractors and acknowledge the important role they play in the Australian economy by honouring its former election promise not to change the current personal services income tax arrangements.

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