



*"Professional Assistance for the 21st Century Professional"*

PO Box 1200, Warwick, Qld, 4370

Mobile: 0417-648172

ABN 64 396 671 504

Email: [lyn@execstress.com](mailto:lyn@execstress.com)

[www.execstress.com](http://www.execstress.com)

## **AUSTRALIA'S PSI CRITERIA CHANGES COULD AFFECT MILLIONS OF INDEPENDENT CONTRACTORS, ASSERTS LYN PROWSE-BISHOP OF EXECUTIVE STRESS OFFICE SUPPORT**

**FOR IMMEDIATE RELEASE**

**August 2010**

One headline not getting much press in the lead up to the August 21 Federal Election is the proposed changes to PSI criteria that will potentially detrimentally affect millions of independent contractors around Australia.

WARWICK, Queensland / Aug 10 2010 -- According to Lyn Prowse-Bishop of Executive Stress Office Support, one headline that doesn't get a lot of press approaching the August 21 Australian Federal election is proposed changes to PSI criteria, while there is a lot of talk about mining taxes and bringing old leaders back to the fore in an attempt to win votes. Says Prowse-Bishop, the proposed changes to PSI criteria will potentially detrimentally affect millions of independent contractors (ICs) around Australia.

After attending the Small Business Summit in Brisbane in July 2010 when Opposition Leader Tony Abbott alluded to proposed changes to be made by the Labor Government should it be returned, Lyn Prowse-Bishop of Executive Stress Office Support decided to learn more.

"Australia has over two million independent contractors who are likely to be effected by any proposed changes", Ms Prowse-Bishop said.

Four weeks of investigations including contacts made to offices of both LNP Minister Bruce Billson and ALP Minister Craig Emerson, turned up proposals that could see the end to Australia's thriving virtual assistant industry.

In 2007 before the last election, the ALP promised not to change current tax laws for independent contractors and the self-employed, but after the election, they instigated a review by the Board of Taxation which was finalised in 2009. The review was carried out ostensibly at the insistence of the unions who felt that: "... the legislation has failed to achieve the policy intent of reducing the extent of bogus contracting..."

Some of the recommended changes in the report include:

- \* Introduce a reporting obligation on the payer (client) and/or a corresponding obligation on the payee (IC)
- \* Introduce a withholding obligation on payers – similar to withholding tax for ICs with no ABN with the report recommending payers withhold on ALL payments for personal services
- \* Mandatory GST registration

\*\*\* more \*\*\*

\* Amending the 'results test' – adding a fourth 'leg' requiring the IC to have at least two employees or to only apply the test to ICs who earn less than 80 percent of income from one source.

Assistant Treasurer Senator Nick Sherry has come out in support of changing the taxation arrangements which will effectively treat ICs more like employees for tax purposes. However, in the lead up to the election, the Government have gone completely silent on what they propose to do.

According to Minister Billson's office there are enough ICs in key marginal electorates that the ALP should be more open to working with this sector.

Ken Phillips, executive director of Independent Contractors of Australia, has also voiced concern about the proposed changes, in an open letter addressed to then PM Rudd (<http://bit.ly/9YTBg7>).

"VAs number in the thousands here and for the most part the industry is made up of women working from home-based offices", says Prowse-Bishop. "I've been in practice for over 10 years and these proposed changes to PSI criteria could spell the end for many in the industry - not to mention the millions of other independent contractors in other industries across the country".

Learn more by visiting <http://blog.execstress.com/>.

---

Contact:

Lyn Prowse-Bishop, Manager, Executive Stress Office

Support

Email: [lyn@execstress.com](mailto:lyn@execstress.com)

0417-648172

Web: [www.execstress.com](http://www.execstress.com)

**About Lyn Prowse-Bishop**

Lyn Prowse-Bishop, owner of eSOS, is one of Queensland's most respected and well known virtual assistants. In addition to being an award-winning VA, she is also Australia's first certified Master Virtual Assistant and a certified Professional Virtual Author's Assistant. Her other honors include: 2008 Australian Achiever Award recipient - Highly Recommended; 2007 Business Achiever Award Winner (Professional Services Category); 2006 Thomas Leonard International VA of Distinction Award Nominee. Lyn is one of the founding members of the Steering Committee of the Online International VA Convention ([www.oivac.com](http://www.oivac.com)), serves on international committees looking at standards for the virtual assistant industry and certification, and also on a committee researching the history of the industry around the world. Lyn is also the founder of the **Australian Virtual Business Network** ([www.avbn.com.au](http://www.avbn.com.au)) and is also an Ethics Checked Certified VA - the second in Australia.

**About Executive Stress Office Support:**

Launched in 2000, Executive Stress Office Support® offers a range of services - but specialises in digital transcription, document production, internet-related marketing activities, and executive personal assistant services. eSOS provides a global client base with high quality, confidential secretarial and Virtual Assistant support by utilising today's latest technologies. Visit the website at [www.execstress.com](http://www.execstress.com)