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The Manager
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The Treasury
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Submission impact of proposed changes to Nearmap – High technology sector

About Nearmap.com

Nearmap.com provides high resolution photomaps covering 75% of the Australian population. Using unrivalled Australian developed technology Nearmap.com has a competitive advantage over its competitors and is able to provide frequently updated photos and terrain maps at a high resolution with unrivalled delivery times.

Impact of proposed Reform of living-away-from- home benefits.

The technology sector is significant in Australia (according to ASX the technology has a market capitalisation of \$56 billion and employees about 1.3 million employees). It is generally accepted that technology focussed industries are one of if not the most competitive sectors to operate within. One of the reasons is that due to the nature of the industry we compete not only with current technologies within Australia, but also new technologies developed globally.

For us at Nearmap.com our staff is key to the success of this business. Our staff is highly skilled and required an extensive amount of time to familiarise them with our technologies and processes. Staff continuity and attracting specialised staff is essential for the success of our business. Due to the global nature of technology this also means that Nearmap must compete for key human resources on a global basis.

Two of the proposed amendments to LAFHA will have a potentially damaging effect for Nearmap.com. Under the new proposed amendments only employees that:

- a) Maintain a home in Australia for their own personal use and enjoyment at all times while required to live away from home for their work and;
- b) LAFHA will be limited to a maximum of 12 months in respect of an individual employee of a particular work location.



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Maintaining a home in Australia for their own personal use and enjoyment at all times while required to live away from home for their work

It is generally accepted that Australia is one of the most expensive countries to live in globally. Staff at Nearmap.com is mostly young, hard working in the building phase of their careers. We cannot foresee that any of our staff that are required to work away from home would realistically be able to repay their mortgage in their home city and also be able to afford to pay rent in another while required to working in that location. This change will likely impact significantly on Nearmap's ability to relocate its staff to different locations.

LAFHA will be limited to a maximum of 12 months in respect of an individual employee of a particular work location

New developments, large projects and the building of strong relationships when entering new markets are all concepts very familiar to and necessary for the growth of a company like Nearmap.com.

Our products are new to the Australian market. A significant amount of time often exceeding one year is spent educating the public and prospective customers about our products and services before an actual sale takes place. Staff can be required to relocate for a period of time to best match prospective customers in a certain market segments. Secondments of this nature can exceed 12 months. With the new proposed amendments, staff will not qualify for LAFHA after a period of 12 months, leaving the employees exposed to financial risk should the assignment not be completed fully completed within a 12 month period.

We can also foresee that our specialised engineering staff might be exposed to similar financial risk should projects that require them to relocate interstate are not fully completed within a period of 12 months.

In order for us to keep our competitive advantage we require our staff relocate to where their specific skills are required. The proposed reform of living-away-from-home benefits will have the probable consequence that our employees that are required to temporarily relocate interstate will be significantly financially worse off; negatively impacting on not only the our staff moral, but also us and our capability to attract and retain key talent, which in turn will effectively impact on our ability to compete globally. We believe that Australia businesses like Nearmap need to attract and retain talent to enable us to compete on the global stage. This is particularly relevant in the technology sector in which Nearmap operates and will become a growing issue if Australia is to develop and sustain industries outside of the mining related sectors.

If you have further questions relating to our submission, please feel free to contact Mark Maitland (08 9321 9340).

Yours faithfully

A handwritten signature in black ink, appearing to be "Mark Maitland", written over a horizontal line.

Mark Maitland
Group Chief Financial Officer