IT 2015 - Section 23AF : determination of period of qualifying service

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TAXATION RULING NO. IT 2015

SECTION 23AF : DETERMINATION OF PERIOD OF QUALIFYING SERVICE

F.O.I. EMBARGO: May be released

REF H.O. REF: 82/17058 F16 DATE OF EFFECT:

B.O. REF: DATE ORIG. MEMO ISSUED: 11.02.83

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1103896	APPROVED OVERSEAS PROJECTS PERIOD OF QUALIFYING SERVICE INCOME ELIGIBLE FOR EXEMPTION	23AF

PREAMBLE 2. A company recently sought a ruling concerning employees who, if the company is awarded the contract, will be engaged on an onshore oil drilling project - an approved project under sub-section 23AF (11) - on the basis of cycles of 5 weeks work on site and 5 weeks travel time and leave in Australia. The company sought confirmation that the 5 weeks leave spent in Australia would be regarded as qualifying service by virtue of paragraph 23AF (3)(d).

FACTS 3. It is understood that these employees would work 12 hours per day 7 days per week. Taking into account time off, over a period of 52 weeks, average weekly hours worked would be in excess of 40 hours per week. The employees will not be entitled to any additional annual leave. During the periods of leave in Australia, employees will not be required to attend the company's offices, but may be required to return to the project site at any time if required. It is further understood that these arrangements are the normal practice in the oil exploration industry in isolated areas.

RULING 4. On the basis of the above facts, it has been decided that leave taken in such circumstances is eligible leave to which paragraph 23AF(3)(d) is applicable. That is, leave that accrues in respect of a period during which employees are engaged on qualifying service on an approved project by virtue of the preceding paragraphs in sub-section (3).

5. In such circumstances, employees who are engaged in uninterrupted cycles of 5 weeks on site and 5 weeks leave in Australia will be taken to have been engaged on an approved project for a period of qualifying service equal to the total number of days they are engaged under the 5 weekly cyclical arrangements.

COMMISSIONER OF TAXATION
11 February 1983