RECEIVED
24 AUG 2007
BY: LACA

JACK BACKER

NH

Submission No. 155

Date Received ....

Peter Slipper,
P.O. Box 5753,
Maroochydore BC 4558,
Queensland.

23rd August 2007

Dear Peter,

Enclosed is an article from the Sydney Morning Herald of today's date. It refers to a $1,530,000,000 capital gain made by Publishing and Broadcasting Limited on which by some fluke in the law they do not have to pay capital gains tax, but even manage to get a tax credit of $3,000,000.

That contrasts with the situation in which retirees and pensioners, who have saved and struggled to have a reasonable retirement, but when they, in the interest of good management of their portfolio, are then faced with huge tax bills when they sell part of their portfolio and invest the proceeds in more profitable investments.

In my own case for example I bought:

G.U.D. Holdings in May 1999 and now show a gain of 455%,
Origin Energy in March 2000 and now show a gain of 500%,
Woolworth in august 1998 and now show a gain of 454%,
Woodside Petroleum in October 1998 and a gain of 423%.

Even when I have to pay tax on only half the gain I am still up for some 230%of the gain and this would require me to pay tax in the highest rate of personal tax.

This will result in a large reduction of available capital for reinvestment and thus I will be worse off then before the transaction.

Your committee is to look into unfair practices for older people. This in my view is a blatant instance of where the law is in need of urgent "repairs".

Sincerely yours,

Jack Backer