

To The Secretary to the Senate Committee on Equity buy-outs, The Senate, Canberra,
2600. ACT

From Dr S Robinson

5 August 2007

Dear Secretary,

Equity buy -outs and capital gains tax.

I submit that equity buyouts be prohibited because they limit the market opportunities for investors. We are encouraged to invest and if we do so we need to invest in a product that is not devalued because of inflation.

Secondly, equity buy-outs catapult the investor into realizing the investment at a time not of the investor's choosing. The investor is therefore worse off because after being paid out capital gains tax has to be paid: therefore, he has less money to generate income equal to that he was receiving prior to then equity buy-out. Or the investor is forced into making a riskier investment than he previously held. This too is unsatisfactory.

Thirdly, the Australian investor is discriminated against where the enterprises that buy out are domiciled overseas as I understand that they do not pay capital gains tax. This concession ought to be abolished.

Yours faithfully,

