

GP/RH

16 April 1999

The Secretary
Review of Business Taxation
Department of Treasury
Parkes Place
Canberra ACT 2600

Rbt@treasury.gov.au

Dear Sir/Madam

The Poole Shakespeare Group has approximately 3-3,500 clients on the eastern seaboard. We have been writing life insurance and unit trust business since 1969. We are deeply concerned on the reports we have had to date, on the likely effects that our clients will have on whole of life endowment policies and various types of superannuation policies that we have written. I understand that there will be a very serious impact if the recommendations go through on Capital Guaranteed products. We have a very large number of clients who are relying on these products to support their existing lifestyle and to provide money for them in retirement.

Superannuation

We have been advised that Pooled Superannuation Trusts may face an increase in tax from 15% to 36%. Although it is suggested that a franking system would apply we believe that Pooled Superannuation Trusts taxed at 36% would become fundamentally unattractive to superannuation funds as a investment vehicle for our clients. If the impact is particularly severe then we would be forced to move clients money at an enormous cost and an inconvenience to both them and us.

Summary

It would appear that many of the changes will adversely affect customers throughout Australia. We cannot believe that tax reform in fact means punishing people who are trying to save money for their retirement and to provide protection and savings for their families. We would ask that urgent reconsideration be given prior final decisions being made.

Yours sincerely

Graham Poole Dip.A.I.I.,F.A.F.A.