

D.C.K. ALLEN

25th August 2008

Mr. Ken Henry,
Secretary to the Treasury,
Park Avenue,
Canberra,
ACT

Dear Mr Henry

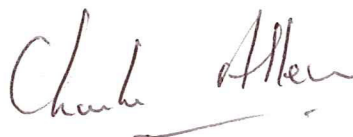
Taxation Review

I would like to make a personal submission to your review of the Australian taxation system. My submission really follows on from the arrangements put in place last year when Australian pensions became free of income tax. I have such a pension from my years at Woodside Petroleum and I am most grateful for the benefits which this change has brought.

Like many people in the Australian workforce, I came to Australia after working for many years in other parts of the world from where I have other contributory pensions. In my case they include two Shell pensions paid in the UK, a miniscule UK state pension and a similar miniscule Dutch state pension. Each of these pensions has a different treatment under the tax law section on "Un-deducted purchase price of Pensions" and the whole section is extremely complicated. The discount is different for the Dutch and British State pensions and to obtain the evidence which the ATO require for my Shell pensions to be eligible for the discounted rate (92%) has proved impossible. There is no question that these pensions are contributory and I have sent the pension deeds to the ATO to verify this. They however do not accept these as sufficient evidence and require statements from the records of the pension funds but the Shell Pension Fund have written to me to say that they do not keep such records and cannot help. This is hardly surprising as I worked in many countries during my Shell career. My pensions were all funded totally outside Australia by the state and me or by the company and me; "Deducted" or "Un-deducted" is surely somewhat irrelevant in these circumstances. I am not necessarily suggesting that there should be no tax on these pensions although I can see a strong reason why this should be so, but surely there must be a better, less complicated way of handling overseas contributory pensions

As a former lifetime employee of the oil industry I cannot let the opportunity pass without questioning why the mining industry is not subject to the same tax regime, the RRT, as the oil industry. It would be inconceivable if the oil industry had had such massive sale price increases for it to have avoided being hit with excess/windfall profit taxes: and we actually need oil in Australia. Perhaps it is a little matter of State versus Federal jurisdictions!

Yours sincerely

A handwritten signature in cursive script that reads "Charles Allen". The signature is written in dark ink and is positioned below the typed name "Charles Allen".