

[removed for privacy reasons]

The Secretary
Australia's Future Tax System Review

Dear Sir/Madam
Re: Dividend Imputation

It has come to my attention from media reports that your review Chairman, Treasury Secretary Ken Henry, is considering plans to wind-back or eliminate dividend imputation.

I am a self funded retiree and have operated a Self Managed Super Fund, first with my late wife and since her death on my own. Along with many retirees the value of my super fund has fallen by nearly 40% over the last 18 months and as a result I am approaching eligibility for a part pension.

If dividend imputation were removed it would have a major impact on my income and move me even closer towards requiring Government assistance in the form of a pension. There must be thousands of self-funded retirees in a similar position to me and it is difficult to see your point in reducing our income by removing dividend imputation thereby forcing us into being dependant on the Old Aged Pension which would cost the Federal Government considerably more than the modest savings which might be achieved by your proposal.

Further I believe that the tax system should be supporting self-reliance in retirement saving and therefore supporting the choice and competition that SMSF's bring to the nation's superannuation system.

The current imputation scheme helps retirees, present and future, to support your desire for Australians to invest in Australian companies. I believe that a removal or change to the scheme is an unfair, unnecessary and retrograde step. I am also concerned that your proposal will negatively impact the value of Australian companies who provide my dividend income that include franking credits. It also concerns me that if the value of Australian company shares fall further the value of my SMSF will be further eroded.

As well as retirees I am concerned for those investors who are still working for your proposal will erode the potential value of their fund at the time of retirement.

Your proposal would have a major impact on voting decisions at the next Federal Election, not only for myself but for the hundreds of thousands of Australians who manage their retirement through their SMSF.

Yours sincerely
Neville Adams Copies to Treasurer Wayne Swan and local MP Brendan Nelson