

Dear Sir,

The abolition of imputation credits in the next budget is vigorously being leaked. I would urge Government not to do this because:

1. Superannuants in pension mode (65 to 70 years) must draw down 5% per year. With diminished cash the sale of capital must follow. The accelerated devaluation of Super Funds will rapidly force more people onto the TAX funded Old Age Pension. The object of the whole scheme was to make population less dependent.

Dividends will no longer be the preferred method of distributing company profits which will compound the problem. The low birth rate is leading to a future of fewer taxpayers who, with the inevitable increase of tax rates, will lose incentive.

2. Making Super less attractive will cause non-employer paid contributions to fall, again leading to increased weight on the OAP.
3. Decreased value of Super will force people to stay in the workforce increasing the already disastrous unemployment problem.

Yours Sincerely, F W Anning