

21 April 2009

The Secretariat
AFTSR

Australia's Future Tax System Review (AFTSR) - Submission

Dear Sir/Madam,

1. Thank you for the opportunity to make a submission with respect to the AFTSR.
2. I am a retiree employing a Self Managed Superannuation Fund (SMSF) to generate my retirement income. I believe the Australian tax system should support retirement saving self reliance, and support the choice and competition that SMSFs bring to Australia's superannuation system.
3. I have been greatly concerned by recent reporting that the Henry Tax Review is considering recommendations to remove or alter the dividend imputation scheme. I prefer to invest in Australian companies and the current scheme encourages this preference. I believe a decision to remove or change the scheme would be unfair, unnecessary, and regressive. I have serious concerns that removal or alteration to the dividend imputation scheme will negatively impact the value of Australian companies in which I am invested, and who provide my dividend income from profits and franking credits.
4. I am writing this submission to highlight my concern for:
 - a. Australian investors who rely on dividend income, especially retirees, and
 - b. The long term viability of Australian companies that is fundamental to the economic health of the nation and our standard of living.
5. Summary. The removal or alteration to the dividend imputation scheme with consequential damage to Australian companies and permanent reduction in dividends payable is not in the best interests of any Australian.

Yours sincerely,

Paul Devine