

Dr Anthony J. Donohoe
[removed for privacy reasons]
22 April 2009

Treasurer
Hon Wayne Swan MP
Parliament House
Canberra ACT

Dear Sir,

I am writing to you about the growing concerns I have with the direction being taken by Australia's Future Tax System Review and the possible harmful impacts on my retirement savings.

I note media reports by respected business commentators, such as Alan Kohler, that the review is considering plans to wind back, or eliminate, Australia's dividend imputation or franking credit system. This would be a significant financial blow to all self funded retirees, such as myself, in terms of reducing their income. I believe that, if this proposal goes ahead some retirees, if not the majority, would be forced to apply for a part old age pension.

As a user of a Self-Managed Superannuation fund, I believe that the tax system should be supporting self-reliance in retirement saving and therefore supporting the choice and competition that SMSFs bring to Australia's superannuation system.

I should point out that the current dividend imputation scheme helps support my desire to invest in Australian companies. It goes without saying that, without franking credits these desires would be significantly diminished. Obviously others would feel the same and this will negatively impact the value of Australian companies as investors look for greener pastures overseas. Removal of dividend imputation is unfair, unnecessary and a retrograde step that, in my view, will not provide the desired boost to Australian companies that is sought.

I cannot believe that, if this proposal goes ahead, that there won't be implications at the ballot box at the next election. I would seriously consider changing my vote.

Yours Sincerely

A.J. Donohoe