

[removed for privacy reasons]
28 April 2009

Mr K Henry
Chairman
Australia's Future Tax System Review

The Dividend Imputation System and Self-Managed Superannuation Funds

We are writing to highlight our concern for Australian investors who rely on dividend income, especially retirees.

We are the trustees for and users of a Self-Managed Superannuation Fund. In our view the tax system in Australia should be supporting self-reliance in retirement saving. Self-Managed Superannuation Funds provide choice and competition in the Australia's superannuation system.

We are greatly concerned at reports that the Henry Tax Review is considering recommendations to remove or change the dividend imputation scheme. The current scheme helps to support our investment in Australian companies. We believe that removing or changing dividend imputation system would be an unfair, unnecessary and retrograde step. Any such change would surely have a negative impact on the value of Australian companies in which we have invested, and which provide us with dividend income that includes franking credits.

For many retired persons who also receive a part-aged pension, any reduction in private income would likely result in a compensating increase in the aged pension and thereby an increase in Government expenditures.

Yours sincerely

Bernice Gardner

Colin Gardner