

The Chairman, Australia's Future Tax System Review,

I am a retired senior Australian with a Self-Managed Superannuation Fund (SMSF). My belief is that the establishment and promotion of Superannuation is, and has been, a government priority for many years. This has been supported and encouraged by governments of both major political parties. I believe the main reason for this has been the desire to reduce the escalating costs of providing government funded age pensions.

The tax system should be supporting self-reliance in retirement saving and therefore supporting the choice of taxpayers in endeavouring to maximise their returns from superannuation funds.

I am extremely concerned at reports that the Tax System Review is considering recommendations to remove, change or dilute the dividend imputation scheme. The current scheme helps to support my desire to invest in Australian companies and, before placing my portfolio into the SMSF, the dividends were my only source of income. A removal, change or dilution of the current scheme is deemed an unfair, unnecessary and backward step. I am seriously concerned that the impact of such a radical change to the current scheme will cause me to access the social security system which will have a negative effect on the provision of benefits through the dilution of tax revenue. I also believe that the changes will reduce the value of Australian companies that I have invested in and who provide a dividend income that includes franking credits.

I am a great believer in the proposition that all Australians should provide for their retirement and believe that any move to alter the current dividend imputation scheme will have a deleterious effect on the will of taxpayers to enter into superannuation savings.

Yours sincerely,

Alwyn Garrett.