

Dear Mr. Henry,

I can barely believe it possible that you are even considering removing the dividend-imputation system. The major effect of such a move would be to further slash the income of retirees. And to what end? To raise the burden on today and tomorrows taxpayers by increasing significantly the number of retired Australians reliant on taxpayer funded age pensions?

In 1987 the Hawke/Keating government recognised the inherent unfairness of taxing the same income stream twice, the inability of business to grow, the over-investment in property markets, and the under-investment in the share market. This recognition resulted in the introduction of the dividend-imputation system. Why do you think removing this system would not have the same results as previously experienced? How can you think it "fair" to so dramatically penalise those retired Australians whose years of employment were marked by conspicuous effort, diligence, moderate life-styles, consistent work ethic, conscientious savings, and lack of reliance on other workers to fund their lives? Such practices are what enabled those Australians to save, invest, and enjoy a life after work which required no input from other workers. Self-funded retirees!

How can you think it "unfair" that Australians who spent in excess of forty years of life working (close to eighty years if you consider a couple!) but saved next to nothing, spent all that came their way, showed no moderation in their life-styles or choices, no consideration for their future, adopted the attitude that someone else should pay for their after-work years, now find themselves unable to enjoy the "benefits" of investing in the stock market?

Self-funded retirees find themselves the most disadvantaged group in the current financial global downturn. Interest on savings has more than halved, share values have more than halved, dividends have fallen. And you are considering reducing their income further by removing the system which taxes a stream of income they receive only once! You want to tax that income stream twice!!

Aged pension recipients have been left untouched by the global economic crisis. Their income - guaranteed income - is left unchanged.

I find your consideration of removing the dividend-imputation system incomprehensible. If you proceed from consideration to action I would consider that reprehensible.

Yours faithfully,
Patricia Lawton