

A P & I E McDonald
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reasons]

20 April 2009

Dear Sir/Madam,

We wish to register our growing concerns re the reported direction being taken by 'Australia's Future Tax System Review' and the possible deleterious affects this would have on our retirement investments.

Recent media reports by respected business commentator Alan Kohler in relation to the Review indicate that plans to wind back or eliminate Australia's dividend imputation system are being considered by the Review. In our opinion, this would have a severe negative impact on investments into Australian companies, and would negatively impact on all superannuation funds, especially Self Managed Superannuation Funds which have the ability to maximise usage of franking credits for the individual.

As users of a Self Managed Superannuation Fund, we wish to make the following points

- We believe the tax system should be supporting self-reliance in retirement saving and therefore supporting the choice and competition the SMSFs bring to 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 desire to invest in Australian companies. We believe a removal or change to the scheme is an unfair, unnecessary and retrograde step. We are greatly concerned that it will negatively impact the value of Australian companies we are invested in which provide us with dividend income that includes franking credits.
- We are writing to highlight our concern for Australian investors who rely on dividend income, especially retirees.
- We regard this issue as serious enough to affect our voting decision at the next Federal Election.

We trust our concerns will be favourably considered and influence the outcome of the Review.

Yours sincerely,
AP & IE McDonald