

Dear Sir

Recent media reports by respected business commentator, Alan Kohler, regarding the Review, being chaired by Treasury Secretary Ken Henry, suggest the Review is considering plans to wind back or eliminate Australia's dividend imputation, or franking credit, system.

I am retired, in my [removed for privacy reasons], and a Trustee of a Self-Managed Superannuation Fund (SMSF). I believe that the tax system should be supporting self-reliance in retirement savings and therefore supporting the choice and competition that SMSF's bring to Australia's superannuation system.

I am greatly concerned at reports that the Henry Tax Review is considering recommendations to remove or change the dividend imputation regime. The current regime helps to support my (and other Trustees) desire to invest in Australian companies. I believe that removal or change to the current regime is an unfair, unnecessary and retrograde step. I am greatly concerned that it will negatively impact on the value of Australian companies in which I have invested because they provide me with dividend income that includes franking credits. Without the positive advantage of the franking credits provided by Australian companies I, and many other Trustees, would look to alternative investments.

I am writing to you to highlight my concerns for Australian investors who rely heavily on dividend income, especially retirees. The issue is sufficiently serious for me, and my wife, to reconsider whether to continue our support for this Government at the next Federal Election.

Yours faithfully,

(Mr A J E Moore)
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