

AUSTRALIA'S FUTURE TAX SYSTEM REVIEW PANEL SECRETARIAT

Brian Clarence Page
[removed for privacy reasons]

DIVIDEND IMPUTATION

I wish to express my concern that an outcome of the Australia's Future Tax System Review, may be the abolition of dividend imputation and associated franking credits.

I am a self funded retiree, receiving an allocated pension from my self managed super fund (SMSF). You will appreciate that this fund has recently experienced a steep decline in the value of its share market investments. The abolition of dividend imputation and cash refund of franking credits would erode my SMSF income which is already under pressure. While I make no call on Government social services, a reduction in my income would hasten the day when I do become dependent on such services.

The share market investments of my SMSF are entirely in Australian Companies. Elimination of dividend imputation will of course take away this incentive to continue to invest in local companies.

I believe that a recommendation to Government by the Review Panel to eliminate dividend imputation would be a mistake. Australia's current high participation rate of retail shareholders (many of whom are trustees of a SMSF) in the equity market and relatively healthy superannuation system must not be negatively impacted by the Review Panel.

Yours sincerely

Brian C Page