The Chairman
Australia's Future Tax System Review

Recent media commentary suggests that the Review is considering winding back dividend imputation in order to fund a cut in company tax from 30% to 20%. As a retiree and user of a Self-Managed Superannuation Fund (SMSF), I am concerned that such a move will have a very detrimental effect.

The tax system should be supporting self-funded retirees like me. The current scheme provides an incentive to invest my retirement savings in Australian companies. This enables me to receive dividend income **including franking credits** -- which are essential in reducing tax and hence maximising my return. I realise this is a self-interested position, but the potential changes are also likely to have a negative impact on the value of Australian companies, reflected in lower share values for **all** shareholders.

The reduction in share values means a further erosion in self-funded retirees' benefits. This is of major concern to us as we struggle to maintain our standard of living. I therefore believe that removal or change to the current scheme is unfair, unnecessary and a backward step.

Appreciate my views being considered.

Sincerely

John Phillips
[removed for privacy reasons]