

Chairperson/Secretary  
Australia's Future Tax System Review

The purpose of this email is to express both my concern and horror at the thought that the Rudd Labor Government is considering changing or abolishing the Dividend Imputation System which was introduced some years ago by the then Labor Keating Government. You would be aware that the reason for the introduction of the Dividend Imputation System was to remove "double taxation" of dividends; that is tax paid once by the company paying the dividend and tax paid AGAIN in the hands of the shareholders who, as you would know, are the owners of the company.

I am the user of a Self-Managed Superannuation Fund (SMSF) through which I am trying to support my retirement. I believe the tax system should be supporting self-reliance in retirement saving and therefore supporting the choice and competition that SMSFs bring to Australia's superannuation system.

I am very 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 my desire to invest in Australian companies. I believe a removal or change to the scheme is an unfair, unnecessary and retrograde step and could have the effect of turning people, retirees in particular, away from self-funding and a move to seeking support from the Government; a huge step backwards. I am greatly concerned that any move to interfere with the current dividend imputation system will negatively impact the value of Australian companies I am invested in which provide dividend income that include franking credits.

I wish to highlight my concern for Australian investors who rely on dividend income, especially retirees who are trying to provide for themselves, which given the hammering that shares have taken recently, is no easy task.

Yours faithfully

Norm Pushack

[removed for privacy reasons]