

Secretariat
Australia's future Tax system review;

The Treasurer, The Honourable Wayne Swan; The Honourable Annette Ellis,

Recent media comments from respected commentators have indicated that the Review panel for Australia's Future Tax System is considering reducing or eliminating Australia's dividend imputation system. This system has encouraged many Australians to become shareholders, either directly or through their compulsory superannuation schemes.

For those who are retired, after receiving drastic losses in their superannuation managed funds recently due to the global financial crisis, now face the prospect of both any investments in Australian companies AND their super funds getting another drastic series of losses. Surely this is retrograde and will undermine all superannuation schemes.

Many retirees now and into the future may then need to go on Government pensions, thereby blowing out the old age pension costs. This is a serious consequence for governments, and of course for those people involved. There will be not only the thousands adversely affected directly, but their next generation will see what a retrograde change that has been for their parents, and for the younger generation's retirement plans.

Further, Australians will be less likely to invest in Australian companies, in general, and if the reduction or elimination of the imputation scheme is to offset a reduction in company taxes, there will be increasing numbers of disgruntled taxpayers.

Sincerely,

W.Rainbird.