

Dear Sirs

In reviewing Australia's future tax system, the Australian Government must be seeking to ensure that its income from taxation is maintained. I hope that it is also mindful of the need for individual Australians to maintain their own incomes, especially during the current period of economic downturn.

Older Australians like myself are being encouraged to be as financially self-supporting as we can. This is quite reasonable. Many of us have commenced a self-managed superannuation fund (SMSF) to assist us. A particular advantage of a SMSF is that it is able to make excellent use of the imputation credits flowing from the franked dividends paid by Australian companies. However, it now appears that this dividend imputation system may be cut back or even eliminated by the Government. The ability of older Australians to fund our own retirement is therefore being threatened. We may become more reliant on Government benefits at substantial cost to the Government. The elimination of dividend imputation will also reduce the incentive for Australians to invest in Australian companies. I am strongly in favour of supporting Australian companies, but it seems that the Government is not encouraging me to do so.

I urge the Government to maintain the current system of imputation credits. This issue is serious enough to affect the way I will vote at the next Federal election.

Yours sincerely

Jennifer J Rowland  
[removed for privacy reasons]