

The crux of this letter is to express my concern regarding the proposed reintroduction of **double taxation of dividend imputation credits**, something which the Keating government believed impeded the pathway to promotion of Australian share ownership and economic growth of the country by utilising an untapped pool of investment. Is this Labor Government about to implement policies of “slash and grab,” thus further placing more economic trauma on a section of the public who have strenuously supported Australian companies whilst planning a future that does not require financial support through Government subsidies (ergo Centrelink)?

Many of the “grey haired set” rely on imputation income to help fund their retirement, but now this is threatened by those in the community who do not understand what it is like to be poor (politicians, company directors, the wealthy professional and business persons). These latter groups do not have to rely on simple financial strategies (as well as the opportunities we never had) to give them the means to provide for themselves into their old age.

The Government know that greater reliance on Centrelink payments is increasing with population ageing, so would it not be logical for them to support and encourage those who have worked all their lives (and only came to compulsory superannuation in their 40s or later) and who saved and invested rigorously whilst earning low wages, doing without any extras in life as a means of supporting themselves, by fairly treating and assisting them into their old age with some shred of dignity.

Yet, by the stroke of a pen you now want to put yet another impost on those already disadvantaged. Yes, you say, go to Centrelink, but is this not putting your heads in the sand, or do you wish Australia to head down the track of a “banana republic” where there is so little money in Government coffers due to the increasing ageing population reliant on the pension, that you do not encourage self-sufficiency through encouraging investment in Australian shares, which also helps money flow into Australian businesses. Australia has one of the highest head of population ratio for investment in stocks and our stock exchange is one of the least volatile in the world. Are you willing to sacrifice this acknowledged reliable performance to the detriment of investors and the growth of Australian businesses?

The Australian economy is shrinking, unemployment rapidly rising, but this master stroke of reintroducing taxing of imputation credits of shareholders will cause investment to stagnate and people will look elsewhere to put their money. You say, put your money into interest bearing accounts, where a great proportion goes in taxation, thus triggering the Centrelink scenario. This might be a great Government strategy to extract yet more taxation from those struggling Australians who can least afford it, but it does little for the self-esteem and self-sufficiency of those who are hurting the most. People like myself have helped support this country, and no, we are by no means wealthy, but it at least gives us a small income to keep us off Centrelink benefits.

Such a strategy does not augur well for superannuation funds either, as their income streams will be impacted by double taxation of imputation credits. This proposed policy affects every working or retired Australian. If the return on superannuation investments declines further, it will be interesting to see how the Australian Labor Government will explain away the reintroduced tax to an already hurting public. There is yet a long road to economic recovery to go and not a lot of money left for more stimulus packages and handouts to those who are suffering and who will continue to suffer if this retrograde step to double-taxation is reintroduced.

This may well be a very significant retrograde legislative action, but one which will have far-reaching negative effects throughout the broader community and business world in Australia.

This is also on the back of changes in eligibility for the Commonwealth Seniors Health Card, another hardship impost on those in the community who can least afford it.

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[removed for privacy reasons]