

I have been shocked to see reported recently in various newspapers a rumour that the current federal government is considering changing or the total loss of the current dividend imputation system which has been in place since the Hawke / Keating government introduced it in 1987.

The introduction of dividend imputation corrected a long standing inequitable double taxation whereby the company paying the dividend was taxed prior to paying the dividend and the person receiving the dividend was taxed on receipt of the dividend. I am astounded that there are substantial rumours that a labour government is about to dismantle this initiative of a former labour government. An initiative which corrected double taxation.

I have been an investor in Australian shares for many years, partly as I believe it is a fundamental way to support our country's prosperity and partly as a means of saving and wealth creation.

Loss of the dividend imputation system would severely and adversely affect the incomes of those in the community least able to cope, namely retirees and pre-retirees who rely for their livelihood on the dividends from share ownership with the current dividend imputation system. Retirees and pre-retirees are not in a position to recover from such a dramatic change to their income and would experience a dramatic decline in their standard of living after spending a lifetime working towards their retirement.

If these rumours are true, I implore you to reconsider, and not change a system which was introduced by a visionary labour government to correct a gross and real inequity of double taxation.

Regards

Peter C Smith
[removed for privacy reasons]