

[removed for privacy reasons]

17 April, 2009

Dear Sir/Madam,

Re: Possible changes to Dividend Imputation

As a trustee and member of a Self-Managed Superannuation Fund, I am writing to express my concern at reports that the Henry Tax Review is considering major changes to the dividend imputation scheme.

My wife and I have made superannuation contributions during our working lives so that we can be financially independent in our retirement. We believe the tax system can be designed to encourage self-reliance as an alternative to government welfare.

In 1987, the government introduced the dividend imputation system, removing the anomaly of taxing the same income twice – first as earnings of the corporation and then as income distributed to the shareholders through dividends. It has made sense to the governments of each political persuasion ever since and, I believe, has encouraged investment in Australian companies by Australians.

At a time when the new government is encouraging us all to take a greater role in funding our own retirement, I consider removing imputation would be a backward step. It would significantly reduce the benefit of Australian company dividend income to those of us who are self-funded retirees, which in turn, must cause many to fall back on government support.

I ask you to reject any proposal to remove dividend imputation.

Yours sincerely,

Stuart Thomas