

ATTENTION: SECRETARY FOR TREASURY DR KEN HENRY

Dear Dr Henry,

No one would deny that a thorough review of taxation, with a view to simplifying the system, is long overdue.

As a pensioner aged [removed for privacy reasons], who has worked hard for most of his life and served his country as a member of the armed forces, I applauded the previous government's changes to the superannuation arrangements in respect of self-managed superannuation funds.

They seem to me to answer part of the problem of unfunded superannuation while providing those who have been provident with a reasonable lifestyle and some relief from the onerous taxation which dogged their working lives. I think there is much to commend the concept of self-reliance in retirement saving ... which is what the current system achieves.

Hence, I am concerned at recent reports that your panel is considering removing or changing the dividend imputation scheme introduced by the Hawke/Keating government to remove the inequity of double taxation of dividends.

In my opinion, and I suspect the vast majority of those who have organised their retirement savings into self-managed superannuation funds, removal or roll back of the current dividend imputation scheme would be a retrograde step.

I think also that alteration of the current dividend imputation arrangements would negatively impact companies which I have invested in ... and might invest in at some stage in the future.

Not only would it disadvantage people who have worked hard to provide for their retirement, but place an additional burden on people who have seen their retirement 'nest egg' shrink under the pressure of the world recession.

I would certainly regard any government that moved to introduce legislation of this type as lacking in regard for senior citizens who have worked hard for what they have saved. And I would seriously consider changing my vote ... and probably actively campaigning also against any government that makes this sort of change.

I look forward to reading your panel's recommendations.

Yours sincerely,

(O.S.B.)  
Antony Underwood