

[removed for privacy reasons]
27 April 2009

Mr K Henry
Chairman
Australia's Future Tax System Review
Canberra ACT 2600

Dear Mr Henry,

Tax Review and Dividend Imputation

We are concerned about recent reports in the media that one of the matters being considered in the review is a proposal to wind back or even eliminate Australia's dividend imputation/franking credit system.

If such a proposal were to be implemented, it would unfairly undermine individuals, like us, who rely on imputation and who are already under pressure even with our small portfolio of sharemarket investments.

As the users of a Self Managed Superannuation Fund – it is not large and we are by no means rich – we consider that the tax system should be supporting self reliance in retirement saving and should be encouraging a desire to invest in Australian companies.

To remove or decrease one of the incentives - dividend imputation – will have a negative impact upon investment in Australian companies and will severely impinge upon the welfare of many retirees who depend upon dividend income that includes franking credits.

We urge you, therefore, to abandon any notion of eliminating or winding back dividend imputation. Such a notion, if implemented, would be a major retrograde step for Australia's retirement savings system and for Self Managed Superannuation Funds.

We are sending a copy of this letter to the Treasurer, the Hon Wayne Swan MP and to our local member for Gilmore, Joanna Gash MP.

Yours sincerely

Jo & Max Woodward