Reading the "Retirement Income Consultation Paper", we find that much of the focus is on retirement income derived from government paid pensions or Superannuation Funds. Almost no comment is made on Self Funded Retirees who do not draw a full or part taxpayer funded pension nor have structured Superannuation.

Whilst our views on the matter are influenced by our own experience, we are aware that our situation is not unique and our submission applies also to those Retirees in the same boat as ourselves. We are in our mid 70s and our income is generated from assets and savings carefully accumulated and husbanded over the foregoing 50 years or so. Earlier thrift and saving for old age has kept us off the public payroll yet the tax system is such that we are at a huge disadvantage to most Superannuants. Surely achievement of self reliance in retirement, regardless of the investment vehicle, deserves the same, or at least preferential, taxation treatment.

We pay income tax at the full marginal rate applicable to our incomes as well as the 1.5% Medicare levy. We have access to NO concessions of any type which are available to Pensioners, retired Superannuants and other Seniors (tax offset etc). This situation is unfair and inequitable. We have conducted lengthy correspondence with government Ministers on the subject. None have explained satisfactorily why our incomes are treated differently from other Retirees like those with Superannuation. We have achieved the same end result with similar but slightly differently structured investment means.

Here is what we believe is a fair taxation regime for Self Funded Retirees with income from voluntary savings outside Superannuation:-

1) Full relief from income tax on all income generated from assets which comply with those approved for Superannuation Funds.

2) A flat tax of say 15% on any income produced by assets outside those approved for Superannuation Funds.

3) As with Superannuation Funds, exemption from Capital Gains Tax on disposal of assets which comply with those approved for Superannuation Funds.

4) Refund of all franking credits arising from share dividends provided the 45 day "at risk" holding period is met.

5) Medicare levy only on that taxable income outside the complying Superannuation Funds products.

The foregoing suggested changes would bring non Superannuated Retirees more into line with the benefits enjoyed by retired Superannuants. When all is said and done, the objective of both groups is the same---supporting retirement without burdening taxpayers. There is nothing arcane or special about Superannuation Funds. They offer no guarantee from the savaging of an economic downturn such as we are now in. Where then is the difference between prudent, conservative individual investors and sound Fund Managers?

We understand the need for rules preventing Superannuants from raiding their Funds in order to preserve balances for their ultimate retirement. However, we and other similar aged Self Funded Retirees in our situation have long since passed the age at which Superannuants can start drawing a tax free pension. Our personal details are as follows:-

[removed for privacy reasons]

Mr & Mrs P F Sully