

The Senior Adviser
Financial System and Services Division
The Treasury
Langton Crescent

Dear Sir,

Re: Comment to the Financial System Inquiry Final Report

I have read with dismay that the treasury is investigating the possibility of removing some of the dividends franking credit. This would be a retrograde step for democracy. I cannot believe that a liberal government has this in their line of sight. This would equate to taxing revenue twice.

I am a stakeholder and like all retired person living on revenue from a superannuation fund, our income is mostly derived from dividends through the fund. Although you could suggest that I am biased, being a retiree, but as a retired Chartered Accountant, I have lived long enough to have seen with relief, the inception of the removal of the injustice of double taxation with the arrival of franking credits.

The government should not shake the confidence of voters, many citizens will lose their trust in their political leaders, and they will find them unreliable and inequitable. The government will lose their support.

The taxation of pension funds revenue has to be really weighed against other taxation possibilities. Most retirees have been financially coerced by the government to invest in super. They have done so despite heavy management costs, with the hope of getting at last some taxation relief. The only reason many retirees invest in Australia is to have the benefit of tax-free pension.

A much fairer revenue raiser for the government would be to increase GST, despite all the political noise from newspaper. The management of relief to less fortunate citizen and funding to charitable organisations will have to improve.