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Park "Ute-gate" and focus on investor issues: AIA

Investors want the Federal Parliamentarians to focus on issues affecting investors rather than the almost sole preoccupation with the so-called "Ute-gate" affair.

"We see so much of Parliament's time, debate and discussion being focussed on e-mails and a loaned ute and there are now two investigations underway. Investors want Parliamentarians to focus on issues affecting their confidence in the market," Australian Investors' Association president Jolyon Forsyth said.

"We welcome the Joint Parliamentary Committee inquiry into financial services and products and public hearings are to get underway this week."

"We hope this inquiry will put a searchlight on the issue of adviser commissions, which the AIA opposes, and investor education, which the AIA continued to promote."

Mr Forsyth said there were a range of issues affecting investors and investor confidence that Federal MPs needed to focus on.

"As an organisation representing investors across Australia, one of the issues we have been very concerned at the direction of the Henry Taxation Review. We were very concerned this Review by Treasury Secretary Ken Henry would remove the dividend imputation," he said.

Under dividend imputation, the company pays franked dividend credits the shareholder the amount of tax paid on the dividend the shareholder receives.

"Dividend imputation makes Australian shares attractive for investors and now is not a time to undermine investor confidence in home grown shares," Mr Forsyth said.

"The indication is dividend imputation will be preserved. We would like clarification on this as soon as possible."

"Most AIA members surveyed believed the Australian share market was undervalued. Investors continue to see quality local stock available at bargain prices."

Mr Forsyth said in terms of other issues investors believed the Henry Review and Federal MPs should consider include the establishment of an independent board to oversee the Australian Taxation Office and the introduction of long-term government investment bonds, with returns linked to inflation.

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