

We are greatly concerned that the Current Tax Review, guided by Mr Henry, may be considering recommendations to remove or even to adversely change the current dividend imputation scheme.

We are the users of a Self Managed Super Fund and believe that the taxation system needs to support self reliance in retirement by providing incentives to save and to invest in Australian companies.

The current dividend imputation scheme provides such an incentive by providing for dividend income that includes franking credits. To remove those credits from self funded retirees would greatly increase the tax burden upon them.

To negatively change or to remove the scheme would be a retrograde step that would remove most of the current incentives to provide privately for our superannuation needs. It would be an unnecessary change that could be seen as grossly unfair to those of us who have already invested heavily in private superannuation. Indeed it could well encourage us to disinvest on a large scale from Australian companies - this could have a drastic effect on share market prices and exacerbate the current economic climate.

We are sure that similar views are held by all Australian investors who rely on dividend income but especially by self funded retirees.

We consider this issue to be of **major significance** and one that **WILL affect our voting decision** at all Federal Elections.

Anne and Terry
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