

Dear Sirs,

As recent retirees we are becoming alarmed at media reports on the direction being taken by the Australia's Future Tax System Review, being chaired by Treasury Secretary Ken Henry, and the possible impact on our retirement savings.

Plans to wind back or eliminate Australia's dividend imputation/franking credit system would have a severe negative impact on share investment by Australians in Australian companies, especially for individuals such as ourselves, with SMSF income relying on these dividends, and already under pressure from sharemarket losses and rapidly dwindling interest rates on investment savings.

The Taxation system should be supporting self-reliance in retirement savings and therefore supporting the choice and competition that SMSF bring to Australia's Superannuation System. Any removal or change to the scheme is unfair, unnecessary and a retrograde step for all concerned, including Government, considering the rapidly ageing population of Australia.

We are writing to highlight our concerns for Australian investors in general and especially retirees who rely on dividend income.

We consider the issue serious enough to affect our voting decisions at the next Federal Election.

Yours sincerely

John & June Fava