

Dear Sir / Madam,

We am currently self-funded retirees.

We are alarmed at the prospect that the government would disallow the franking credits currently passed on in Australian company dividends. These tax credits are critical to our budgeted income levels in retirement.

We have already suffered massive losses to our capital base, due to writedowns of the market value of investments, with the effects of the global financial crisis. We hope that some market value will return in future years however a lot is gone for good.

If franking credits were to be dropped, then our income would take another large blow and the market value of Australian shares would again be reduced - this in turn reduces our capital base - again.

The proposed cancellation of future franking credits will move us into the "Age Pension pool" - we shall then be dependent on the age pension for a period of about [removed for privacy reasons] years, because we are currently in our early [removed for privacy reasons] and enjoy good health.

We are firmly opposed to any changes to the system of franking credits which we now rely upon. We believe that many people will be in our situation and that the proposed changes to the franking credit system will impose a huge cost on the taxpayers.

Chris & Lindy Richardson