

Director  
Corporate Tax Policy Unit  
Treasury  
Langton Cres  
Parkes ACT 2600  
6/10/2022  
By email: [frankeddistconsult@treasury.gov.au](mailto:frankeddistconsult@treasury.gov.au)

Dear Director,

Thank you for the opportunity to submit a response to the consultation on the proposed legislation relating to Franked Distributions and Capital Raising.

I strongly object to the proposed legislation changes as I believe the draft legislation is inequitable to Australian companies and shareholders and it could inadvertently impactsituations of legitimate company operations.

The draft legislation fails to recognize the fundamental principle underlying the franking regime and the reason for its creation, being, the avoidance of double taxation on company earnings. I am married with a teenage son trying to get ahead and save so I can become a self funded retiree as I will not be entitled to a pension. In the long term if dividends received will no longer be franked it will impact us.

To pay a tax bill accumulating from 2016 will not only cause hardship it will also have a flow on effect. Currently I have a comfortable lifestyle which enables me to support local businesses and charities with my discretionary spending; a reduced income will only support services essential to my daily needs. My concern too is as an investor, in Australian Companies, these proposed changes could impact the profitability of my investments, the loss of franking credits will bring down the yields I currently enjoy and the companies themselves could suffer from reduced flexibility in their capital management. I reinvest some of my franked dividends to keep up with the cost of living; therefore, Dividend Reinvestment Plans are another area of great concern to me and those I know who are in a similar position.

In conclusion, the proposed legislation, as drafted, will fundamentally change the nature of how Australian companies manage their capital and negatively impact on Australian shareholders and I believe will also have a negative flow on effect on the Australian economy in general.

Yours Sincerely,

Helen Campbell