

Director  
Corporate Tax Policy  
Unit Treasury  
Langton Cres  
Parkes ACT 2600

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**.

We, the undersigned, **strongly object** to the proposed legislation changes.

We believe the draft legislation is inequitable to Australian companies and shareholders and it could inadvertently impact situations of legitimate company operations.

The draft legislation fails to recognise the fundamental principle underlying the franking regime and the reason for its creation, the avoidance of double taxation on company earnings.

The Franked Distribution and Capital Raising draft legislation, if widely applied, will lead to the demise of the franking system. It will stop Australian companies who issue new shares under a Dividend Reinvestment Plan (DRP) from paying franked dividends and significantly increase the cost of capital for all franked dividend paying Australian companies. It will also risk the stability and integrity of the Australian banking system by inhibiting effective capital raising during challenging economic periods such as the start of the coronavirus pandemic.

If passed, its application would also unfairly burden Australian investors with retrospective tax debts, to be paid at a time of economic uncertainty.

Yes, we am shareholders in the Wilson Asset Management business who have encouraged us to send this message and yes we are Self Managed Superannuation retirees. And no, we do not receive any government pension, so we are not a burden on the taxpayer. We have provided over many years of hard work for our own retirement and now you not only want to change the rules concerning our retirement income but you have the audacity to want to backdate these changes over a number of years that could mean we will incur an unexpected, and totally vindictive, tax bill. This move can only be described as unethical and utterly disgusting and appears to be the revenge sought by the Labor Party over the embarrassment suffered by Bill Shorten back in 2018/2019 over his previous failed, totally unfair and discriminatory changes sought to the Franking Credit system.

Yours sincerely,

Denis & Narelle Conlan