

Corporate Tax Policy Unit,  
The Treasury,  
Langton Cres,  
Parkes ACT 2600.

FROM: John Robertson.  
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Dear Sirs,

I wish to respond to the proposed legislation relating to FRANKED DIVIDENDS AND CAPITAL RAISING.

I OBJECT to the proposed legislation which fails to acknowledge the principle behind the purpose of franking credits , namely the avoidance of double taxation on corporate earnings – this was a legislation created by the Labour Party under Paul Keating and was “sold” to the public as being a fair way of distributing dividends from Australian companies and an encouragement to invest in Australian Companies to the benefit of savings especially those relating to retirement.

This constant tinkering by government with personal savings is one of the principle reasons the public opinion of government in Australia is so low.

The draft legislation will undoubtedly lead to the Australian Public seeing this proposed legislation as yet another assault on the ability of individuals to lift their living standards by saving through investing in Australian Public Companies and saving for their future retirement .

This will lead to the demise of the franking system, It will stop companies issuing DRP as franked dividends , it will discourage individuals from re-investing and thereby AS A RESULT IT WILL INCREASE THE COST OF CAPITAL .

THIS PROPOSED LEGISLATION WILL SIMPLY REINFORCE PUBLIC OPINION OF GOVERNMENT ESPECIALLY THE RETROSPECTIVE TAX BURDEN BACK TO 2016.

Given the Covid cost to all Australians, the current economy with a recession pending and a very uncertain future worldwide this legislation will be devastating to every Australian who tries desperately to save to get ahead.

It will leave a sure taste in their mouths for ever and simply confirm “you can’t trust any politician because they will not only change their minds but they will claw back from you anything they can.”

Yours sincerely,

John Robertson.