

Director

Corporate Tax Policy Unit

Treasury

Langton Cres

Parkes ACT2600

Dear Director,

I am aware that there is draft legislation in place to change the rules on franking credits.

I remember the Labor Party lost the 2019 election due to its impending policy change on franking credits and I am disappointed that changes are now being contemplated. So I would like you to consider the impact of changes to people like my wife and I who are part self funded retirees since 2002.

Currently we live on a meagre \$34000 each per year. This is made up of about \$6000 each in franking credits returned to us each tax year. Remove this and our incomes will be reduced to \$28000 each. Currently we receive about \$6500 each from Centrelink in that amount. If we lose our franking credits we will rapidly draw down on our allocated pension and or our share portfolio and it would not be long before we are receiving along with hundreds and thousands of many other retirees in the same position, a much larger Centrelink pension at taxpayers expense. I wonder whether you have considered this aspect of the purposed changes?

Please explain how these changes will affect us and if it is correct that it is planned to be retrospective. It is most alarming that people can plan their retirement around the economic conditions that exist at the time and then have them overturned by politics some time later.

I am particularly concerned how retrospectivity will affect us. Far better we are given a chance to restructure our assets and look for other investments that exclude franking credits or even companies that pay a good dividend but do not pay franking credits. I can see that there will be major turmoil in the stock market if this introduced.

Yours truly

Doug Brown