

WESTERN AUSTRALIA SELF FUNDED RETIREES Inc.



3 October 2022

Director
Corporate Tax Policy Unit
Treasury
Langton Cres
Parkes ACT 2600

Dear Sir,

Franked distributions and capital raising

This submission relates to the proposal to stop companies paying shareholders fully franked dividends that are funded by capital raisings.

WA Self Funded Retirees Inc. is a WA based organisation that is focused on issues involving both fully, and partly, self funded retirees. We are in close contact with several other retiree organisations throughout the country and any benefits/concessions we are able to achieve will benefit retirees throughout Australia.

An issue that is of great concern is that the government has proposed backdating the “integrity measures” to 2016 to ensure that only distributions equivalent to realised profits can be franked.

Whilst there are mixed feelings relating to any changes being made to the current regulations regarding franking credits there is an overall understanding of the rationale behind this proposal. We are aware that this matter was originally raised by the previous government back in 2016, but no actual proposal was put to the Parliament.

It is also true that, like many other organisations, WA Self Funded Retirees Inc. accepts the government’s desire to minimise the large amount of borrowings caused through a number of events - including the current Covid-19 pandemic. The sooner that action is taken to lower this astronomical level of debt the better we will be able to focus on important issues.

Our major concern is this proposed retrospectivity back to 2016. This is something that almost every person we spoke to is strongly against. If this legislation is finally put to the Parliament then it should take effect from the date of government assent.

If any further details are required then we are happy to provide them.

Yours sincerely

(R. de Gruchy)
President