

Dear Director,

Please find my submission on the proposed legislation relating to Franked Distributions and Capital Raising.

I strongly object to the proposed legislation changes on the following grounds.

- **Retrospective Legislation is Bad Legislation** - Australian Companies and Australian Shareholders expect to have laws to comply with that are enacted. How can one plan anything if laws are changed retrospectively? What other laws are you going to change retrospectively? It creates a precedent for anarchy. Obviously Governments can change legislation going forwards. It will further damage the reputation of Australia as a safe place for people to invest.
- **Australia Needs Australians to invest in Australian Companies and Businesses** - The Australian Taxation system already pushes people to invest in their Primary Residence or Rental Properties, this already diverts monies that Australia should be investing in Productive Businesses. This proposed legislation creates uncertainty amongst Australian Shareholders and is detrimental to the long-term health of Australian Businesses. So many good Australian Businesses have been taken-over by Foreign Concerns, why are you aiding and abetting Foreign Companies?
- **Are DRPs deemed to be an Acceptable form of Capital Raising?** - DRPs have always been taxable, they are a good way for a company to keep cash within the Business to grow the Business and for shareholders to increase their interest in that Business. APRA, a Government Authority, actually provided guidance to Banks to use DRPs as a prudent way to conserve cash, you are now saying that was not good guidance? Are Shareholders, who suffered considerable loss of income over that period, now to be penalised further?
- **Are you Guiding Companies to Increase their Debt?** With the current rising interest rate scenario and unstable global situation, raising Company debt levels does not seem a good thing to be advocating Australian Companies consider.
- **My wife and I are Self-Funded Retirees who have based our retirement on an imputation system that avoids double taxation and has been in place for over 20 years. We still pay tax and cost the Government nothing.**

This totally inequitable tax grab is ill considered, it will impact legitimate company operations and shareholder investment plans to the detriment of Australia.

Yours faithfully
Roger Heather FRICS

PS The Government would like us to downsize, this could make us upsize! Being stupid we thought we would be better off living off cash income, rather than bricks and mortar and a pension.