

Dear Director,

I strongly object to the proposed legislation changes.

As elderly retiree this Act would have a massive impact upon part of my final pension income.

It also goes against the principles that were part of a labour act introduced many years ago.

If this proposed act is passed, then Labour will lose my support at the next election.

Bill Shorten tried this once before and it cost Labour the election.

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

Thank you for the opportunity to submit a response to the consultation on the proposed legislation relating to Franked Distributions and Capital Raising.

This 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.

It will also 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.

Yours sincerely,

Leonie Willson