Dear Treasury,

I am concerned with the recent proposals as to franked distributions and capital raising and its proposed retrospective nature.

For example, it will not just affect direct shareholders in select companies such as Harvey Norman, Westpac or similar it will affect those who invest indirectly such as through an exchange traded fund (ETF) or managed fund. Examples include the VAS, STW, and IOZ ETF's which invest in the ASX 200 & ASX 300.

As these are flow through tax vehicles, they will have to re-issue 6 years of distribution statements and each unitholder will then have to amend 6 years of tax returns.

Assuming this involves 200,000 investors (as an example) this will mean they will bear the cost of preparing and lodging 1.2 million tax returns covering the past 6 years. The ATO will also bear the cost of processing these returns.

Say it costs $300 per investor to prepare each return and $100 in processing costs for the ATO to review and approve them; then this is $360m in additional costs to be borne by individual investors and $120m in additional costs for the ATO.

The extra revenue raised would be what, say an extra $5-10 million ?

This also excludes other investors such as superannuation funds which will be in the same boat.

I am all for changes if they are of benefit to the community, fair, and equitable, but the retrospective nature of these changes, I believe, is a step too far and not thought through.

Thankyou
Shane Miller