

---

**From:** [REDACTED]  
**Sent:** [REDACTED]  
**To:** OMSBB Public Consultation  
**Subject:** "Improving the integrity of off-market share buy-backs" - Feed Back

Dear Public Consultation Team

I read with great concern the governments proposals to alter the scope of Franking credits made available to Australian Investors. My wife and I are self-funded retirees who are not supported by any direct government financial support and appreciate the support given by franking credits to our personal budget in retirement.

It is my understanding that the proposed legislation has a direct impact on the level of franking credits which could otherwise be passed onto to investors. It surprises me that the Government does not fully appreciate the communities understanding that franking credits are not a gift or benefit to investors, they are merely recognition of tax paid on their behalf in the proportion of their ownership in the entity through their shareholding. If this principal is compromised in legislation then what is the future for tax credits held for other reasons. Surely it is fair and reasonable that tax paid on your behalf in must be recognized in your personal tax affairs?

For a Labor government responsible for introducing the franking system many years ago and in more recent years on record confirming they endorse the system. I see the about face to be a great concern, particularly since being newly elected the current government has been on record to advise they would not change the Franking system. It appears that the current legislation amendment does that by stealth, as the public information on the Treasury web site, <https://treasury.gov.au/consultation/c2022-336731> avoids any reference Franking Credits and likely outcomes. I would ask if Treasury have understood the level of impact on self-funded retirees who rely upon the credit due to them for tax previously paid by companies they own in proportion. Whilst many of these retirees are not currently supported by government pensions or assistance schemes the double taxation of investments may leave them no option other than to prop up their budgets by applying for government assistance programs. I am not an expert in these matters, but as a self-fund retiree I have conducted some research and found that specialists such as Geoff Wilson summarise the issue well in the article published by Livewire e-magazine at <https://www.livewiremarkets.com/wires/illogical-changes-could-see-investors-miss-out-on-85-billion-in-fully-franked-dividends>

The bottom line is that the Labor government put the franking system in place, the same Party has continually endorsed the system and there is good argument to suggest that our economy has done well with the support of the arrangement. So why change it with a process which is not a commercially equitable arrangement, simply not fair !

I strongly advise the Government not to adopt any legislation that may reduce the franking credits due to investors for the taxes already paid on their behalf by the companies they own.

Yours faithfully  
Ross Tomkins