



FINANCIAL PLANNING  
ASSOCIATION of AUSTRALIA

23 September 2016

Senate Standing Committees on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**By email:** [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

Dear Sir/ Madam

**Subject: Treasury Laws Amendment (Enterprise Tax Plan) Bill 2016**

The Financial Planning Association of Australia (FPA) welcomes the introduction of the Treasury Laws Amendment (Enterprise Tax Plan) Bill 2016 and in principle provides support to this important piece of legislation to assist stimulating the economy and providing certainty to the business community.

We would highlight that the Government may like to consider with these changes whether the broad definition of small business used across the spectrum of legislation Australia needs to be reviewed and amended in light of the new definition of small business made through these measures.

We would also highlight that while the proposed solution for franking credit calculations is pragmatic, the assumption that profits are distributed by businesses in the year they are earned (Explanatory Memorandum 1.71) is not always the case, particularly in small companies where it is a common practice to withhold profits to later financial years. This will lead to (for example) the business paying tax at as much as 30%, but only able to distribute a 25% franking credit when the profits are distributed.

If you have any queries or comments, please do not hesitate to contact me at [policy@fpa.com.au](mailto:policy@fpa.com.au) or 02 9220 4500.

Yours sincerely

**Benjamin Marshan**

*Head of Policy and Government Relations*  
Financial Planning Association of Australia<sup>1</sup>

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<sup>1</sup> About the FPA

The Financial Planning Association of Australia (FPA) represents the interests of the public and Australia's professional community of financial planners. The Association is unrivalled in its reach of the financial planning market, influence on government and regulators, standards set through a world-class Code of Professional Practice, unique position as the certification body in Australia for the global CFP® designation, and reputation for quality professional development. With a growing membership of more than 12,000 members and affiliates, the FPA is home to Australia's 5,500 CFP® professionals. Building on a 20-year legacy, the FPA represents the changing face of financial planning from industry to a profession. For more information, visit [www.fpa.com.au](http://www.fpa.com.au)

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