

# MEDIA RELEASE

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## Australian Shareholders' Association welcomes rethink on Schedule 5

Rachel Waterhouse CEO, Australian Shareholders Association said, "We are pleased to see that the committee has listened to retail investor and stakeholder concerns and has recommended that the Australian government consider opportunities to clarify Schedule 5 of the bill (franked distributions funded by capital raisings).

ASA supports measures to address intentional tax avoidance or manipulation of the franking system with the intent to avoid tax. We also support the imputation regime which leads to investors being taxed on company distributions at their applicable marginal tax rate.

Our members are concerned the Government is breaking their election promise not to make major changes to superannuation and franking credits in this term.

Many Australian shareholders and our members rely on refund of excess franking credits where tax paid exceeds their marginal tax rate to support their retirement including their daily living expenses.

We are concerned about the potential impact on retail shareholders who rely on companies to identify the tax implications of any unusual transactions in a timely manner."

### Highlights

The Senate Economics Legislation Committee has lodged [its report on the inquiry into the Treasury Laws Amendment \(2023 Measures No. 1\) Bill 2023 \[Provisions\]](#).

The report recommendation is that Schedules 1 to 4 are passed unamended, and that Schedule 5, Franked dividends funded by capital raisings, is amended to clarify the circumstances in which it operates.

ASA concerns were that the measure would lead to arbitrary capture of dividends under usual operation and lifecycle of companies, while intentional manipulation is caught under existing laws.

We consider the estimated annual \$10m savings from the amendment proposed under schedule 5 indicates the issue to be solved is not significant and removal of the proposed amendments would be a better outcome. We will respond to any future consultation on Schedule 5 to reduce the risk of unintended consequences.

Read more: [Senate Estimates Legislation Committee - TLA \(2023 Measures No 1 Bill\)](#)

### For more information or an interview, please contact:

Rachel Waterhouse  
CEO, Australian Shareholders Association  
[ceo@asa.asn.au](mailto:ceo@asa.asn.au)

**The Australian Shareholders' Association (ASA)** educates investors and gives retail shareholders a voice. It is Australia's largest, independent, not-for-profit individual investor association. ASA is passionate about keeping the market fair for the everyday, independent investor, and has been doing just that since 1960. ASA provides members with a community of experienced investors and shareholders. Members can further their investment knowledge through the annual conference, webinars, podcasts, magazines, monthly meetings, and discussion groups (including in regional areas), seminars, workshops and more.

ASA's mission is to:

- Protect shareholders' rights
- Make individual shareholders' vote count
- Help individual investors on their investment journey
- Connect people to a community of investors

Investment and financial literacy is a significant contributor to financial security for women, and ASA's free **Winvest** is a valuable resource for helping to understand the fundamentals of investment.

To learn more, please visit: [www.australianshareholders.com.au](http://www.australianshareholders.com.au)