



MEDIA RELEASE

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ASA SUPPORTS RECOMMENDATIONS OF FRANKING CREDIT REPORT

The Australian Shareholders' Association (ASA) supports the central recommendation of the House of Representatives Standing Committee on Economics Inquiry report into the implications of removing franking credit refunds that confirms that the removal of refundable franking credits is clearly inequitable.

ASA agrees with the report's findings that the removal of refundable franking credits will unfairly hit people of modest incomes who are already retired and the policy discriminates against retirees in SMSFs, in favour of members of APRA-regulated industry and retail superannuation funds, and those eligible to receive a part or full Aged Pension before 28 March 2018. Over half of the 1.1 million individuals who will be impacted have taxable incomes of less than \$18,000 and on average receive \$5,000 or less in franking credit refunds.

"The report clearly shows that the majority of those who will be affected are not wealthy," says Judith Fox, CEO of ASA. "The report demonstrates that only about 10% of those who will be affected have large balances in super. In an attempt to address that problem, 90% of people with modest balances stand to be unfairly treated."

"The wealthy, ironically, will continue to use refunds to offset tax liabilities," Ms Fox commented. "However, some individuals on low and modest incomes will, in effect, paying tax on their Australian shares at a 30% marginal rate, while other individuals of similar wealth will not."

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For more information please contact:

Judith Fox
CEO

share@asa.asn.au

The Australian Shareholders' Association (ASA) is the only independent, member-funded, not-for-profit organisation that educates shareholders to become better investors and focuses on driving improvements in transparency and accountability of corporate behaviour in Australia. Each year the ASA monitors the ASX200 companies, representing retail Australian investors and safeguarding and advancing their interests.