



Media Release

The Alliance for a Fairer Retirement System highlights the impact on small business owners of the ALP's proposal to disallow franking credit refunds and welcomes three new national associations as members

29 June 2018: The recently formed Alliance for a Fairer Retirement System highlights the risks facing thousands of small business owners from Labor's proposal to disallow cash franking credit refunds. Earlier this week, Alliance representatives met with the Shadow Treasurer and Shadow Minister for Small Business, Chris Bowen, and with CEO of the Council of Small Business Australia (COSBOA), Peter Strong, to discuss the issue.

"Many small business owners may be unaware of the impact of Labor's proposal on their retirement plans. Those who have invested equity in their company and rely on dividends to fund their retirement may be surprised to find a significant fall in income", explained Professor Deborah Ralston, spokesperson for the Alliance.

The Alliance has launched a website to cater to the growing demand from organisations and individuals who are seeking support, information and research to better understand the impact of the proposal.

The new website www.fairerretirement.com.au provides information, and relevant news for small business, investors and retirees. It also provides an opportunity for individuals to lodge their personal stories concerning potential outcomes if the proposed policy goes ahead.

Announcing the launch of the Alliance website in Brisbane today is a team from the Alliance including spokesperson, Professor Deborah Ralston, Ian Henschke, Chief Advocate for National Seniors Australia, John Maroney, Chief Executive Officer of the Self Managed Superfund (SMSF) Association, Alan Marshall, President, Association of Independent Retirees and Michael Lorimer, Managing Director of SISFA.

The launch of the website comes off the back of growing scrutiny about Labor's proposal, including Treasury's recent analysis that casts doubt about the likely revenue generated. This recent coverage is just another thread in the growing fabric of discontent by everyday Australians who stand to be adversely impacted by the proposal.

A case study on the website highlights the plight of a Queensland small business owner, Arthur Smith who after years of building his small business, will commence his retirement in the near future. In this case the proposed policy would lead to a loss of one-third of his retirement income, previously comprised of dividends and franking credits. He notes that he and his wife, as self-funding retirees, "see (the removal of cash refunds) as an attempt to "steal" from us in order to fund a whole range of policies that we don't necessarily agree with", impacting his ability to enjoy the retirement he and his wife expected.

The Alliance was formed last month to explore options to fix problems with the existing superannuation taxation, Age Pension means testing and broader retirement income systems. In addition to the six original members, three more national associations have recently joined the Alliance:

- Association of Independent Retirees
- Australian Investors Association
- Association of Financial Advisers

Well known personal finance author, Noel Whittaker, will deliver a short presentation during the launch highlighting some of the key issues of concern to the Alliance.

About The Alliance:

The Alliance for a Fairer Retirement System is a group formed to represent millions of senior Australians, shareholders, self-funded retirees and those planning a sustainable retirement, including over one million members of self-managed super funds. The Alliance was formed in response to Labor's proposal to disallow refunds of excess franking credits for a range of retirees and shareholders. The Alliance's focus is to explore options to fix problems with the existing superannuation taxation, Age Pension means testing and broader retirement income systems.

The organisations that form the Alliance include:

Australian Shareholders' Association

Australian Listed Investment Companies Association

National Seniors Australia

SMSF Association

Self-managed Independent Superannuation Funds Association

Stockbrokers & Financial Advisers Association

Association of Independent Retirees

Australian Investors Association

Association of Financial Advisers

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