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Parties 2020 policy review must rule out changes to Negative Gearing and Capital Gains Tax: HIA

“Now that the dust has settled after the 2019 Federal election and parties review their policies going into 2020, one thing that must change is the attack on capital gains tax and negative gearing”, HIA Managing Director Graham Wolfe said today.

“Since the Federal election there has been a lot of analysis and deconstruction of issues and policies that were important to voters when they went to the polls in May,” said Mr Wolfe.

“One of the main issues that had a resounding effect on the election outcome was the policy to target housing and housing affordability by reducing the capital gains tax and negative gearing incentives.

“HIA has consistently said that changes to negative gearing and capital gains tax for housing is bad policy and campaigned hard during the 2019 election to keep it unchanged.

“Research commissioned by HIA shows that twice as many voters oppose these changes than support them.

“52 per cent of people believed rents will rise as a consequence of the changes and with 92 per cent of all renters aspiring to buy their own home, proposed changes will weigh heavily on their savings’ plans, meaning a deposit for a first home buyer will be out of the picture.

“A separate Housing Industry Association survey of its members (conducted during the week of 6 May) showed more housing taxes would lead to job losses and contraction in industry activity.

“Of the sample 1,500 businesses that responded, 80 per cent said a tax change to negative gearing and capital gains tax will have a negative impact on new home construction.

“96 per cent said it would have a detrimental impact on their business.

“When asked about consequences, the majority of respondents said they would lay off staff to deal with the changes. The highest response was to retire.

“Any party conducting a review of their policies going into 2020 must respect the mandate the Australian people gave the Government in 2019 to not change the residential property tax arrangement – they must rule out any changes,

“To continue pushing an agenda of taxing housing will cost jobs, bring down supply, push up prices, and increase rents for average working Australians saving for a deposit on their first home,” concluded Mr Wolfe.

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