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Investors and ‘common good’ the winners in ALP tax announcement

The ACTU has welcomed the ALP’s new tax policy, announced today, which flags changes to negative gearing and capital gains.

Labor has committed that if it wins the next election it will maintain the current negative gearing arrangements for existing investors with new investors, from 2017, being able to access negative gearing for newly constructed houses.

Coupled with changes to capital gains, this announcement is a win for investors, people looking to buy their first home, and jobs.

People currently negative gearing will be able to continue to do so and from 2017 this policy will encourage future investors to increase Australia’s housing stock thus helping to alleviate the current housing crisis, and help first home buyers break into the housing market.

It also means a boost to the federal budget that can be put toward vitally important public services, like health and education.

QUOTES ATTRIBUTABLE TO ACTU PRESIDENT, GED KEARNEY

“This is great news for investors as they will be able to continue to invest in property with a negative gearing benefit but will be contributing towards the development of desperately needed new housing and we will reduce the barriers for young people looking to get into the housing market.”

“At the moment many Australians, especially young people, have been locked out of the property market as wealthy investors drive up housing costs to unattainable levels.”

“Importantly, the changes will also mean a massive revenue boost, estimated to add an extra \$4.5 billion to the GDP which means healthcare, education and vital public services can be properly funded, reducing people’s everyday costs.”

“The increased supply of new homes will keep the rental market stable meaning landlords have no legitimate reason to try and increase rents as a result of these improvements to negative gearing and in fact those renting may just be able to buy their first home.”

“Any time we see an increase in new home construction we see increases in good jobs associated with their construction. Policy that creates more jobs is good for the economy, good for the budget and good for working people.”

“If Labor is elected this policy would be good for jobs, good for first home buyers, good for investors and great news for Australians and the budget bottom line.”

Media inquiries: Julie-Anne Davies 0418 793 885