



THE HON JOSH FRYDENBERG MP

Treasurer

MEDIA RELEASE

18 January 2019

LABOR'S SIGNATURE HOUSING TAX A BIGGER MESS BY THE DAY

Labor's "signature" housing tax policy is becoming a bigger mess by the day, with Opposition Leader Bill Shorten contradicting not only himself but his own Shadow Treasurer Chris Bowen on its impact and timing.

When asked at a doorstep today whether the removal of negative gearing would reduce house prices, Shorten responded definitively:

"No, it won't. Let's be clear about that." *Shorten, Doorstop, 18 January 2019*

This is a direct contradiction of himself when he said:

"If we reduce negative gearing in the future, we'll help reduce some of the over-inflated prices that we're seeing." *Shorten, The Australian, 12 April 2017*

But it also contradicts Bowen who, exactly 12 months ago, said:

"The Labor Party said that our negative gearing and capital gains tax policies would put downward pressure on prices, housing prices ... what we said consistently was that this was a policy designed to put downward pressure on prices" *Bowen, Doorstop, 8 January 2018*

Not only are they contradicting themselves over the impact of their housing tax, they don't even know when their "signature" policy will start. When asked if Labor would implement the policy immediately, Bowen said:

"I'd certainly get cracking on it, absolutely." *Bowen, ABC News Breakfast, 8 November 2018*

But Shorten is either unable or unwilling to tell the Australian people when it will start, saying:

"We will do it after the election in consultation." *Shorten, Doorstop, 18 January 2019*

"We haven't picked the final timing of that." *Shorten, Australian Financial Review, 7 December 2018*

We already know that any delay would blow a \$6 billion black hole in Labor's budget. But Labor will always hit you with new and higher taxes. It's not a matter of if, only when Labor will hit you.

Shorten's refusal to be up front with the Australian people is also adding to uncertainty for home-owners, renters and prospective buyers. More experts by the day are issuing warnings about Labor's housing tax:

"We are already seeing the effect of these potential taxation changes, with accelerating price reductions." *Riskwise, Media Release, 14 November 2018*

This puts the lie to Bill Shorten's statement today that his housing tax will not reduce prices. Chris Bowen has admitted that he took the policy to shadow cabinet 19 times and that he designed it "perfectly" to reduce prices.

Now it's time for Labor to admit they made a big mistake and should have listened instead to Wayne Swan, their new ALP President, who as Treasurer said it would be "economically disastrous" to abolish negative gearing.

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