

# Coalition pig-headed on negative gearing, Bill Shorten says



Scott Morrison says the Coalition's housing affordability package must include rental properties and residences for those on low incomes.

- The Australian
- 3:11PM April 10, 2017
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Opposition Leader Bill Shorten says Treasurer Scott Morrison has “failed the test” on housing affordability because he has refused to reform negative gearing.

“Scott Morrison in earlier comments said there were problems in negative gearing,” Mr Shorten said.

“The Turnbull government is being very pig-headed because Labor got there first with an idea.

“We don’t mind if Malcolm Turnbull takes a perfectly reasonable idea and takes it as his own.

“For me it’s not about who gets the credit for the idea, it’s about whether or not young Australians are able to afford their first home.



- RE Federal opposition leader Bill Shorten.

“If you want to make sure that the great Australian dream of being able to afford your first home doesn’t turn into the great Australian nightmare of being locked out of the housing market, the big test is, ‘will you reform negative gearing?’”

Mr Shorten said if Labor won the next election it would immediately implement non-retrospective negative gearing reform.

“In other words any Australian who’s invested in good faith under the current tax laws would not be affected. Their assets would be grandfathered,” he said.

“We would also allow negative gearing for new houses so we can help stimulate supply, and of course jobs.”

The Opposition Leader also attacked the government’s consideration of measures which would involve granting young people access to their superannuation to buy a first home.

He said most young Australians did not have much super.

“The secret of superannuation is compound interest, that it builds up over time,” Mr Shorten said.

“If you raid that superannuation when it’s in very small amounts at the start of people’s working careers, you just won’t have enough super to retire on.”

“The government if it wants to do something about housing affordability, rather than raid superannuation and starve people of income in retirement, you need to reform negative gearing and capital gains tax deduction.”

### **Rental, social housing ‘key to package’**

Earlier, Mr Morrison says he understands the frustration of young Australians trying to buy first homes, but believes the government needs to look at rental affordability and social housing as well.

Amid news the government plans to unveil a [“cradle-to-grave” housing affordability package](#) in the May budget, Mr Morrison has prioritised the rental crisis in a speech to the Australian Housing and Urban Research Institute in Melbourne.

“I am very interested and understanding of the frustration of young Australians trying to buy their first home,” he said.

“I live in a city where that has been a lifelong experience. I really get it. I went through it, but when we focus on the housing market, we can’t just focus on that issue alone because the consequences of that fall through to most vulnerable in the community.”

“We need to look at this more comprehensively.”

Mr Morrison said the private rental market was increasingly housing older people and families with children.

“Couple families with dependent children represent more than one in five rental households,” he said.

“These families need housing stability to have consistent, reliable and beneficial access to the services they rely on, such as schools and medical support and local doctors and other supports. This means access to longer term leases than they currently have.

“In short, we need more housing, not just for homeowners but for renters, for key workers such as nurses, teachers and police officers who can’t afford to rent or buy in the communities they often serve and for those on low incomes, the disabled and the disadvantaged.”

Mr Morrison said the National Affordable Housing Agreement provided a key example of previous Labor policy failures in the areas.

“After spending \$9 billion under this agreement in under eight years, we have 16,000 fewer public housing dwellings,” he said.

“While supply of housing dwellings, social housing dwellings, inclusive of community housing stock has risen by just under 14,000 over the period, the public housing waiting list has gone from 177,000 up to 187,000.”

The Treasurer said that compared with overseas countries, private rental stock was predominantly owned by “mums and dads”.

He launched a defence of negative gearing, saying figures to be released later this week showing that while two million taxpayers in Australia have an interest in residential investment property, 72% own one property, and 90% own no more than two.

“Two-thirds of those taxpayers who negatively gear their investments have a taxable income of \$80,000 or less,” he said.

Ahead of the speech, the Treasurer highlighted downsizing and restrictions on foreign investors with vacant properties as means of addressing the housing affordability crisis.

“It’s a reasonable issue to address because downsizing actually freezes up housing supply,” he told ABC radio.

“The other area that frees up housing supply is foreign investors coming in, buying units basically as a form of passive investment, not tenanting them and taking stock out of the market. Now I can tell you that’s something that’s got my attention as well.

“I think it’s a big issue about what is effectively latent stock sitting out there in the market and not being available in the rental market.”

Mr Morrison avoided directly answering questions about whether the government would grant younger people access to their superannuation to purchase their first home, but indicated it was being considered.

“One of the reasons why home ownership is such a positive in a national context, doesn’t matter whether it’s in Perth or Melbourne or Sydney or wherever, is that when people go into their retirement, if they’re in a position owning their own home, and hopefully they’ve been able to pay their mortgage well down, they’re in a much stronger position,” he said.

“People owning their own home is a good thing for the economy, and we need to be able to do things that put people in the best position to achieve that during the course of their working life.”

Ahead of Mr Morrison’s speech, Shadow Treasurer Chris Bowen said it would be “nothing short of a disgrace”.

“Any housing affordability plan which doesn’t involve reform to negative gearing is a sham,” he said.

Mr Bowen said the Turnbull government’s intransigence on housing affordability was pushing it to adopt bad ideas.

“Bad ideas like allowing access to superannuation for housing, an idea Malcolm Turnbull once described as thoroughly bad, and which Mathias Cormann was strongly opposed to as late as last month.”

Mr Bowen accused Mr Morrison of crying “crocodile tears” about soaring rents given it was the Coalition which abolished Labor’s scandal-plagued National Rental Affordability Scheme.

He said the government had also abolished a Labor program encouraging older Australians to downsize their homes and the National Housing Supply Council.

“Malcolm Turnbull and Scott Morrison are more than out of touch when it comes to housing affordability, they are reckless and negligent,” he said.

“We had the National Rental Affordability Scheme.

“They could have changed it, improved it, if that was their wish but they abolished it. That shows they are crying crocodile tears.”