Peter Styles
Deputy Chief Minister of the Northern Territory

Economic Forecaster says families will suffer under Labor plan

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Data released today by well-respected economic forecasters BIS Shrapnel shows Labor’s attack on negative gearing will directly affect Territory families.

Deputy Chief Minister Peter Styles said BIS Shrapnel makes it very clear Labor’s planned negative gearing policy is a $19 billion national hit and will leave renters, low-income households and young people worse off.

“BIS Shrapnel has predicted that Labor’s policy limiting negative gearing will directly impact Darwin renters by pushing up weekly rent by $20 a week to a median of $485 a week completely destroying the CLP Government’s work on putting downward prices on rents,” Mr Styles said.

“It is also predicts there would be a loss to the federal government of $1.8 billion from a drop off in building activity which would directly affect the Territory from GST receipts.

“Private investment in construction will stall the Territory economy. Labor is already causing considerable harm to onshore gas investment with its proposal for a ban.

“Now the negative gearing policy will cause damage beyond belief.

“The onshore gas industry underpins the future prosperity of the Northern Territory and Labor is going to wreck that.

“Michael Gunner does not understand business and he does understand the Territory economy.

“What Michael Gunner and Labor do not understand is that there is a greater percentage of people in the construction industry in the Northern Territory that are directly affected by negative gearing than any other jurisdiction in Australia.

“Under Territory Labor house, rent and land prices skyrocketed while the CLP has tackled the cost of living, including housing and rent and we now have lowest inflation in the country.

“Labor is painting this as targeting the rich when in actual fact it is the ordinary mums and dads that will be hurt.

“Treasurer Scott Morrison has given the national figures telling the true story.
• There are 885 well paid anaesthetists who are engaged in negative gear but there are 57,855 teachers who use negative gearing.

• There are 990 surgeons who are engaged in negative gear but there are 39,250 nurses and midwives who use negative gearing.

• There are 585 lawyers and judges engaged in negative gearing but there are 19,000 police and emergency services workers who are engaged in negative gearing.

• There are less than 7,500 finance managers but there are 35,000 clerks using negative gearing.

“The BIS Shrapnel Report says new home construction will be depressed by 4% and it will lead to 175,000 fewer jobs over ten years.

“Even worse it will cause rental stress for tens of thousands of mums and dads that are struggling to pay the rent already and because their landlord no longer has a tax rebate available through negative gearing.

“People struggling to pay rent now are going to put further into grief by Labor’s policy because landlords will have to increase their costs to meet their cash shortfall.”

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