

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

2016 - 2017

**Division/Agency:** Individuals and Indirect Tax Division

**Question No:** 263

**Topic:** Capital Gains Tax Discount

**Reference:** Hansard page 62-63 (01 March 2017)

**Senator:** Ketter, Chris

**Question:**

Senator KETTER: My question is to Revenue Group. Have you been asked by the Treasurer or the Treasurer's office to do any such work in relation to the capital gains tax discount?

Ms Mrakovic: In accordance with longstanding practice, I just do not want to comment on those issues.

Senator Cormann: We will take that on notice.

[...]

Senator KETTER: Has Treasury worked on options to change the CGT discount with respect to property investment?

Ms Mrakovic: I am going to take that question on notice.

Senator Cormann: As I have already indicated, and this is also on the public record: that story was false. It asserted the inclusion of certain measures in the May budget; there is absolutely no basis for that assertion whatsoever. The Prime Minister, the Treasurer and I have all been very explicit on this point. The government has got no proposal in front of it; we do not have any plans or intention to reduce the capital gains tax discount or to abolish or change negative gearing as it currently exists. So, to the extent that somebody briefed that particular story—I am certain that somebody will have had that conversation with Mr Coorey, but it was inaccurate. Can I give you a guarantee that nobody anywhere in the bowels of Treasury might have considered certain options? No, of course not. Treasury officials from time to time would consider options and scenarios and policy options, but let me be very clear: there is no proposal by the government; the Expenditure Review Committee has not asked for a proposal; there is no plan; there is no intention to make the changes that were reflected in that particular article.

Senator GALLAGHER: With respect, Minister, that was not the question that was asked. The question that was asked was: has the Treasurer sought advice from Treasury on changes to the CGT arrangements?

**Answer:**

Consistent with long-standing practice, Treasury does not disclose the nature of advice provided to Government.