

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2015 - 2016

Department/Agency: Treasury

Question: SBT 19

Topic: negative gearing

Reference: Hansard page no. 50 - 21 October 2015

Senator: Ketter, Chris

Question:

Senator KETTER: At some point in the last five years, you would have looked at negative gearing, I presume?

Mr Heferen: It is entirely possible that at some point within the last five years someone somewhere in the Treasury has examined the issue and the issue the former Treasurer raised about whether negative gearing ought to be quarantined somehow, either in the amount or to kinds of houses. It is entirely possible. In the current context, though, it is not an issue.

CHAIR: He was referring to new homes. That was the context of his comment.

Senator KETTER: You are saying you have not done any work about negative gearing being directed towards new residential housing?

Mr Heferen: That is right; we have not.

Senator KETTER: You have not?

Mr Heferen: When you say 'work', I am inferring that you mean some serious analysis about what it might mean.

Senator KETTER: Nothing? No advice at all?

Mr Heferen: Not that I recall.

Senator KETTER: Can I ask you to take it on notice.

Mr Heferen: I can take that on notice, and we will do a thorough document search. For how long would you like us to go back?

CHAIR: Oh, stop! Come on!

Senator DASTYARI: The tradition says that you do not go back earlier than the current government.

Senator KETTER: Yes, let us just look at two years.

Senator DASTYARI: Maybe we should leave it at the time of the Abbott government! That is the tradition—that you do not go into previous governments.

Answer:

In the last two years, Treasury has not done any substantive analysis of options to direct or limit negative gearing to new residential housing.