

Media Release

29 April 2015

Turnbull, Bishop, Hockey, Abbott electorates - top negative gearers

While a large number of people take advantage of negative gearing for residential investment properties in Australia, the majority of the benefits, in dollar terms, are more narrowly focused.

[A paper released yesterday](#) by The Australia Institute showed how the benefit of negative gearing was distributed by income and aged groups. Today TAI released data showing the geographic [distribution of negative gearing by federal electorates](#).

“Negative gearing, together with capital gains tax discounts, cost the budget \$7.7 billion a year,” TAI Senior Economist, Matt Grudnoff said.

These policies are effecting the decisions of investors, and our study showed that over 2/3rds (67%) of the benefits go to the top 20% of income earners.

“The data shows that the most senior members of the Government are elected by some of the biggest beneficiaries of what has become an expensive tax concession.”

Table 1 – Top 10 electorates by net rental loss

Electorate	Net Rental Loss	Party	Representative
Wentworth	-\$20,248	Liberal	Malcolm Turnbull
Curtin	-\$19,216	Liberal	Julie Bishop
Kooyong	-\$17,169	Liberal	Josh Frydenberg
Bradfield	-\$16,969	Liberal	Paul Fletcher
Higgins	-\$16,659	Liberal	Kelly O'Dwyer
Warringah	-\$16,423	Liberal	Tony Abbott
North Sydney	-\$15,895	Liberal	Joe Hockey
Brisbane	-\$15,666	Liberal	Teresa Gambaro
Goldstein	-\$15,068	Liberal	Andrew Robb
Ryan	-\$14,857	Liberal	Jane Prentice

For media enquiries, please contact:

Tom Burmester 0468 926 833

“A breakdown of seats by representative showed significantly lower levels of negative gearing in National Party Electorates.”

Table 2 – Negative gearing benefit by major party

Party	Average net rental Loss	Average proportion with net rental loss	Average taxable income
Liberal	-\$10,990	10.1%	\$54,294
ALP	-\$10,289	9.6%	\$49,210
National	-\$8,047	8.5%	\$44,526

The Treasurer, Joe Hockey, [responded yesterday](#) by repeating Property Council claims that middle income earners are the primary beneficiaries of negative gearing.

“The dollars and cents show that this isn’t the case.”

“The biggest negative gearers get the biggest tax deductions. The Treasurer and Property Council, by looking only at income after all deductions are claimed, would see a person deducting 90 per cent of their million dollar income is as wealthy as people making no deductions earning \$100,000.

Interestingly, Mr Hockey said:

“So, I would just say to people, or some of the commentators and others, negative gearing is actually not the best outcome for an individual. It is far better that they have property that makes a profit and I’d rather them pay tax on the profit, which is fine, than having a loss and gaining basically capital gain.”

“If Joe Hockey is concerned that negative gearing is a bad option for investors, all the more reason to remove the billion-dollar incentives for investors to pursue it,” Grudnoff said.

Media enquiries: Tom Burmester 0468 926 833

For media enquiries, please contact:

Tom Burmester 0468 926 833