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Media Release

20 July 2010

Didn't the Government put CGT to bed in 2009?

Real Estate Institute of Australia (REIA) President, Mr David Airey has slammed comments made in today's *Financial Review* that the family home should not be exempt from Capital Gains Tax (CGT).

"This is an issue that was put to bed last year; it seems absurd to raise this matter, particularly in the context of an election campaign, when the Government has been very clear that it will not consider imposing CGT on the family home", he said.

On 17 August 2009, *The Australian* published an article saying that "The Rudd Government is considering slapping a wealth tax on the country's most expensive family homes as part of a wide-ranging and radical review of the tax system, chaired by Treasury Secretary, Dr Ken Henry."

Treasurer Wayne Swan wasted no time in releasing a statement which made it very clear that the Government "has not and will not consider the policy" outlined in the article and dismissed the notion outright, dispelling any idea that a family home CGT was on the agenda.

Dr Ken Henry echoed this stance on 16 October 2009.

"Comments attributed to Dr Henry in the *Financial Review* clarified irrevocably that CGT would not be imposed on the family home and has never even been on the Government's agenda," continued Mr Airey.

"Imposing capital gains tax on the family home was not on the cards, just as it wasn't in 1985, despite hysterical suggestions to the contrary. Scare campaigns about taxing the family home were just as diabolical and plain wrong then as they are now," Dr Henry was reported as saying in the *Financial Review*.

REIA has put forward a proposal to all political parties which has reiterated the call for CGT to be excluded from the family home.

"In the current political environment, I call on all parties and independent senators to take the stance that the Government has taken and rule out the imposition of CGT on Australian homes", concluded Mr Airey.

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