

# Omnibus Poll, savings and retirement issues, February 2019

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*The Australian Institute for Progress exists to advance the discussion, development and implementation of public policy for Australia's future, from its base in Brisbane. The future does not look after itself.*

## Methodology

The following tables and graphs are based on a sample which has been weighted for voting intention based on the results of the most recent Newspoll to the date of the questionnaire, as published in *The Australian*.

Results should be taken as indicative in that the sample is not properly randomised, but it is unlikely that groups are completely unrepresentative.

In these tables we have amalgamated the Pauline Hanson One Nation vote and the Australian Conservatives data as one. This is so that we have a statistically significant sample, and because both of these parties in our sample attract similar voters, with significantly more of both having voted Liberal or Liberal National previously than have voted Labor.

The poll was conducted January 23 through to February 3, 2019 using our online panel of over 13,000 Australian voters.

Quantitative analysis was undertaken using Microsoft Excel, and responses were weighted for voting intention. Qualitative analysis was undertaken using Leximancer on a subset of responses which mirrored as close as possible relative concentrations of voters for each of the parties. Respondents were selected randomly from their various voting blocs.

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## Executive Summary

Retirement income and savings policies could be deciding factors in this coming federal election.

48 per cent of the seats in the Australian parliament have a median voter age of 50 years or older.

25 of those seats can be classified as marginal, with 10 held by the Liberal Party, 10 by the ALP and 5 by the Nationals. On the AEC definition there are 47 marginal seats in Australia.

At that age men can expect to live to 83.1 years, and women to 86.1. Make it to 65 and life expectancy increases to 85.1 and 87.5 that's around 20 years living off your savings.

That makes for a risk averse cohort, for whom adverse changes to rules around retirement and savings can mean a wasted lifetime of misdirected labour and financial strategy.

So who do Australians trust when it comes to savings? Turns out, according to a poll of our virtual focus group participants, it is the Coalition by 45% to 33% against Labor. This is a substantial lead, although the Coalition is a little short of a 50% majority.

Factors favouring the Coalition are perceptions of superior economic management, including being business friendly and tending towards lower taxes.

The ALP has damaged itself with its franking credits policy, but gets marks for being the party that introduced compulsory superannuation and who championed the banking inquiry.

Fifty per cent of Australians expect to be comfortable in retirement, and only 25% thought they would be uncomfortable. Indeed, many of our respondents were already retired, and reported that they either had enough savings, or that the pension was sufficient to their needs.

Others expressed concern that they would have to modify their lifestyle, or that factors beyond their control, like low income, ill-health, or gender, were interfering with their ability to save.

And then for others there was the guessing game as to whether their wealth would outlast them, or *vice versa*. Still others intended to work longer, delaying the start of the rundown of the clock.

Significantly, in terms of election outcomes, the groups most worried about their retirement were PHON/Conservative and minor party voters. 38 per cent of PHON/Australian Conservatives expected to be comfortable versus 32 who didn't, and amongst minor parties the ratio was 38% to 38%. This will factor into preference allocation.

Amongst the most comfortable were those with high priced properties in Sydney or Melbourne. The asset values, combined with the ability to down-size, gave them confidence.

Indeed, when we asked people about their preferred form of retirement savings Australians put the family home above all else. 74% nominated it as their first choice for retirement savings. It was followed by superannuation, then cash. Real estate, managed investments and shares were next, and last was owning a business.

That means that policies which hurt real estate are likely to be more dangerous for Labor than those which touch superannuation. Those policies are negative gearing and capital gains tax which don't impinge on owner-occupied housing, but do affect the housing market generally.

Labor is ahead of the Coalition on negative gearing, but only just, by 40% to 37%. Labor's pitch for fairness works here. Negative gearing is seen as a sop to the rich with the word "rort" appearing frequently. It appears to be this emotional appeal, more than housing affordability, driving its support.

Arguments against abolishing negative gearing include that it will penalise owners, by lowering house prices, penalise renters by increasing rents, and jeopardise retirement savings of those who have chosen housing ahead of superannuation as a savings vehicle.

When it comes to capital gains the Coalition is ahead. Labor would increase the tax by 50%, which means 75% of an asset will be subject to capital gains tax. 41% supported the coalition versus 34% Labor.

The arguments against Labor's proposal were concentrated on the effect it might have on the economy and savings, the thought that the tax is already too high, and a belief that Labor will squander the proceeds.

Those who favoured increasing the tax saw capital gains as an unearned windfall for the wealthy, a blunder by John Howard, robbing the government of money needed elsewhere. For those who believe taxation needs to be increased, this is a relatively painless way of doing it.

Only a small minority of Australians own shares either directly, or through self-managed superannuation, so the electoral impact of Labor's franking credits changes is likely to be less, but there is high awareness of the Labor policy.

The Coalition received 42% support on the issue to Labor's 31%. Some respondents knew a lot about it because they were going to be affected, but there was a general feeling the effects would be widespread.

It's certainly possible for the issue to move beyond those directly affected. It's another issue that plays into the "politics" of envy, and the tussle over taxes versus services, but it also calls into question the stability of the superannuation system, and super is something that Australians are enthusiastic about.

If the Coalition is thinking about opposing the increase in super to 15% they should think again. That was the only proposition that got majority support with 53% supporting, and only 21% opposing. For some it was about a more secure retirement, and for others a way of getting a wage rise (although others thought they'd get a wage rise plus more super).

Chris Bowen hasn't done Labor any favours with older Australian by telling them they are "perfectly entitled to vote against us" if they don't like the policies. It's a cameo I wouldn't be surprised to see repeated *ad nauseum* during the election, just like Paul Keating's throwaway line in 1996 "Get a job", and it will draw attention to opposition arrogance, and back to retirement and savings just as Keating brought it back to jobs and the state of the economy.

Most people make bad investors because they pay too much for certainty and are too risk averse – that's what compulsory super is supposed to adjust for by giving investment to experts.

The same dynamic plays in politics. We favour the certainty of the *status quo* over the risk of change.

This election, beware the risk averse senior.

Which of the Labor Party or the Liberal National Coalition do you think would be better for your savings (including superannuation)?

	ALP	LP	Grns	PHON/AC	Minor	Total
ALP	69%	0%	61%	1%	23%	33%
LNC	5%	92%	2%	71%	28%	45%
N	14%	7%	21%	21%	33%	14%
U	12%	1%	16%	7%	16%	8%
Total	100%	100%	100%	100%	100%	100%

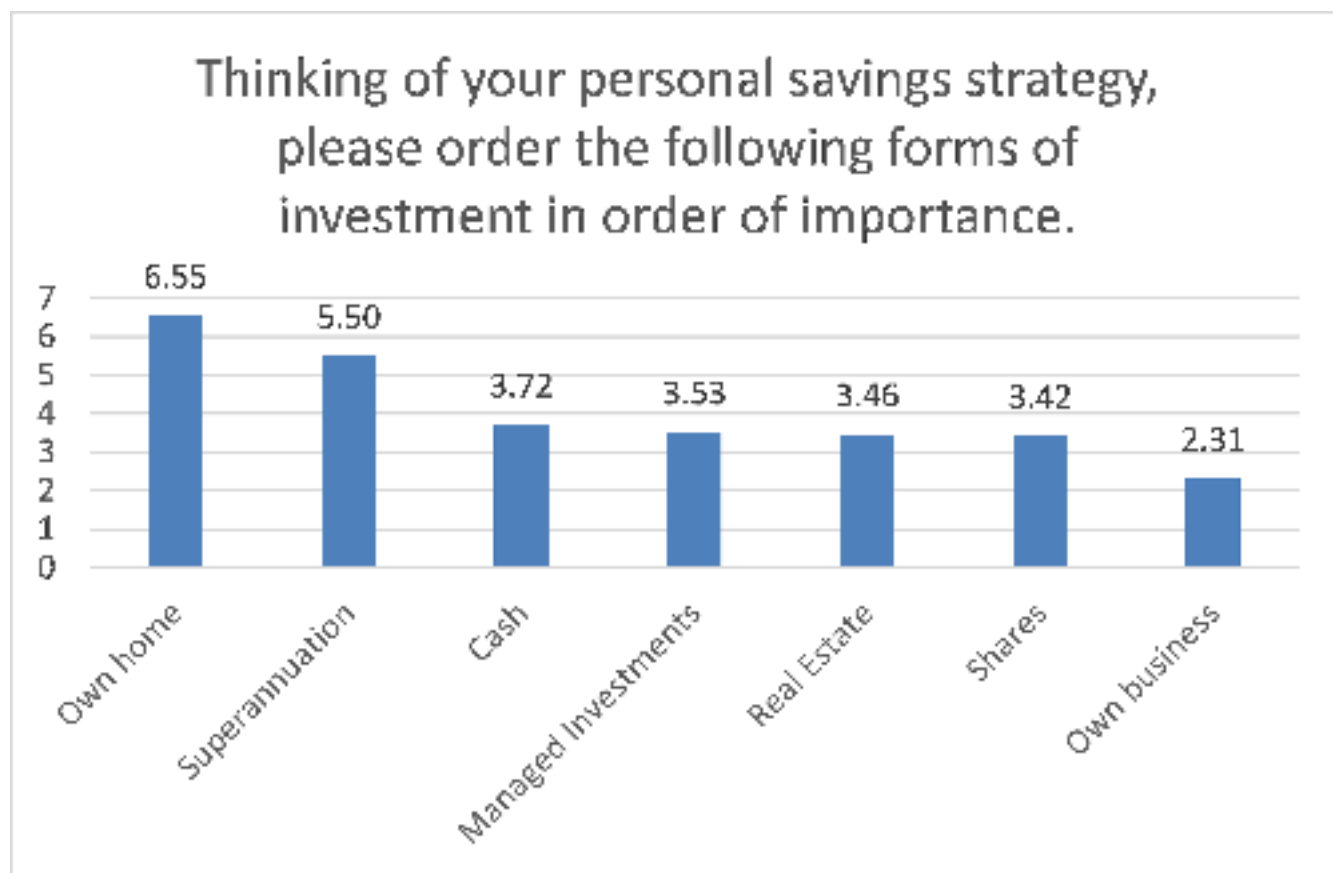
n=1311

How strongly would you agree or disagree that you expect to have enough money to retire on comfortably?

	ALP	LP	Grns	PHON/AC	Minor	Total
<b>Strongly Agree</b>	18%	10%	14%	12%	12%	14%
<b>Agree</b>	37%	41%	31%	25%	25%	36%
<b>Neither Agree nor Disagree</b>	17%	21%	19%	28%	16%	20%
<b>Disagree</b>	14%	12%	16%	15%	17%	14%
<b>Strongly Disagree</b>	10%	7%	16%	17%	21%	11%
<b>Unsure</b>	4%	8%	4%	2%	8%	6%
<b>Total</b>	100%	100%	100%	100%	100%	100%
<b>Total agree</b>	55%	51%	45%	38%	38%	50%
<b>Total disagree</b>	24%	20%	32%	32%	38%	25%
<b>Net agree</b>	31%	31%	13%	6%	0%	25%

n=1276

Thinking of your personal savings strategy, please order the following forms of investment in order of importance.



n=1253

There are proposals to increase the rate of compulsory superannuation contributions to 15%. How strongly do you support or oppose this proposal?

	ALP	LP	Grns	PHON/AC	Minor	Total
<b>Strongly approve</b>	49%	9%	34%	12%	27%	28%
<b>Approve</b>	32%	18%	27%	17%	24%	25%
<b>Neutral</b>	13%	28%	21%	32%	22%	22%
<b>Disapprove</b>	3%	18%	9%	20%	6%	11%
<b>Strongly disapprove</b>	1%	21%	4%	15%	15%	11%
<b>Undecided</b>	2%	5%	6%	5%	5%	4%
<b>Grand Total</b>	100%	100%	100%	100%	100%	100%
<b>Total approve</b>	81%	28%	60%	29%	51%	53%
<b>Total disapprove</b>	4%	39%	13%	35%	21%	21%
<b>Net approve</b>	77%	-11%	48%	-6%	30%	32%

n=1294



The ALP has said it will limit negative gearing to new investment housing. Does this make you more or less likely to vote for them? (Negative gearing refers to a tax law which allows a loss on an investment owned by an individual in their own name to deduct that loss from their wage or salary income before calculating their tax.)

	ALP	LP	Grns	PHON/AC	Minor	Total
<b>Much More Likely</b>	47%	2%	40%	1%	23%	24%
<b>More Likely</b>	29%	2%	32%	6%	19%	17%
<b>Neither more nor less likely</b>	19%	18%	24%	31%	27%	21%
<b>Less Likely</b>	2%	16%	2%	10%	8%	8%
<b>Much Less Likely</b>	2%	59%	1%	49%	19%	28%
<b>Unsure</b>	1%	3%	2%	3%	4%	2%
<b>Grand Total</b>	100%	100%	100%	100%	100%	100%
<b>Total more likely</b>	76%	4%	72%	7%	42%	40%
<b>Total less likely</b>	4%	75%	3%	59%	27%	37%
<b>Net support</b>	72%	-71%	69%	-52%	15%	4%

n=1314

The ALP proposes to substantially increase capital gains taxes on all investments by increasing the effective rate of tax paid by the investor by 50%. Does this make you more or less likely to vote for the Liberal National Coalition?

	ALP	LP	Grns	PHON/AC	Minor	Total
<b>Much More Likely</b>	13%	49%	12%	32%	18%	28%
<b>More Likely</b>	12%	12%	12%	18%	15%	12%
<b>Neither more nor less likely</b>	34%	10%	36%	16%	35%	23%
<b>Less Likely</b>	12%	4%	17%	8%	8%	9%
<b>Much Less Likely</b>	26%	26%	20%	25%	20%	25%
<b>Unsure</b>	4%	0%	3%	1%	4%	2%
<b>Grand Total</b>	100%	100%	100%	100%	100%	100%
<b>Total more likely</b>	25%	60%	24%	50%	33%	41%
<b>Total less likely</b>	38%	30%	37%	33%	28%	34%
<b>Net support</b>	-13%	31%	-13%	17%	5%	7%

n=1316

The ALP proposes to prevent people and self-managed super funds from receiving a refund of excess franking credits if they have a net zero taxable income. (In Australia companies currently pay tax of 30% on their income. When dividends are paid to investors, the investor receives a credit for the tax already paid by the company. If their tax rate is higher than 30% they pay the difference, and if it is lower, they receive a tax refund.) Does this make you more or less likely to vote for the Liberal National Coalition?

	ALP	LP	Grns	PHON/AC	Minor	Total
<b>Much More Likely</b>	11%	58%	12%	36%	17%	31%
<b>More Likely</b>	8%	13%	8%	18%	10%	11%
<b>Neither more nor less likely</b>	32%	9%	33%	21%	33%	23%
<b>Less Likely</b>	15%	3%	15%	6%	14%	9%
<b>Much Less Likely</b>	31%	15%	23%	14%	17%	22%
<b>Unsure</b>	4%	3%	9%	5%	9%	4%
<b>Grand Total</b>	100%	100%	100%	100%	100%	100%
<b>Total more likely</b>	19%	71%	20%	54%	27%	42%
<b>Total less likely</b>	46%	18%	38%	20%	31%	31%
<b>Net support</b>	-27%	53%	-19%	33%	-4%	10%

## Qualitative Analysis

Our qualitative analysis looks at the reasons given by respondents for their various judgements. The following maps are generated from the data by Leximancer and overlay the key words over the variables from the question – generally the answer to the question plus voting intentions. Words that are most closely associated will cluster together. The most frequently used words are brighter than those used less frequently.

We do not edit the verbatims and all spelling and grammatical errors are reproduced. Editing the transcripts would take away from some of the unique tone of each response. The verbatims are selected so as to give a better insight into how the individual words are being used.

**Labor's** dividend imputation policy sets up 2 sets of rules, damages many self funded retirees who deserve policy consistency while bolstering union super funds hence **ALP** funding. His policies on the **Adani Mine** ignores that it will be a well regulated development which will lower global emissions, has unreasonable renewable energy policies, will keep indigenous **Australians** on sit down money.

*I am personally affected by the policy changes the **Coalition** has made and will have less retirement income as a result. While it is still not clear what **Labor** will retain or abolish my hope it that there will be sufficient pressure from retirees, unions and former **PM's** and former **ACTU** leader to restore superannuation arrangements to what they were pre 1996.*

*My savings are in state superannuation which a **Labor** government is more likely to protect but it would be better for all retirees as it would support industry funds against bodgy private ones,.*

*For a range of reasons, I have no superannuation (eg 36 years working in a field exempt from paying employer provided super) (Have real estate instead). However we must have a government that presents surplus budgets especially when we have a massive **Labor** accumulated national debt & labor almost never hand down a surplus budget and **Liberal** do or get there as soon as they can (cf all **Costello** budgets).*

*Some things about **Labor** s policies are attractive (negative gearing) though others would be potentially disastrous (imputation credits). Many retirees have organised their affairs around current rules introduced by **Howard** and far too generous at the time.*

***Labour** is all for better super but they tax like hell and wont stop fiddling with **Super** plus they want higher taxes fro their social programs (how much have we endured this in my lifetime?). The premise is nice but they tend to stuff it up causing higher taxes and large deficits.*

***Supports** better functioning industry funds and not the 'for profit' superannuation. **ALP** introduced super in the first place and have a policy to increase the compulsory component.*

***Labor** will implement superannuation changes which maximise workers chances to get the best results from their super. **NB** I will lose out on the rebate of the franking credits given the changes proposed by the **ALP**.*

*Their approach is always to stimulate the economy to get businesses to grow as these businesses employ people and both people and the businesses pay tax. The labour party is more about more government jobs and mostly keeping the unions happy as the unions sponsor their election support, **Government** can't pay tax it itself so that only means those working do and it tends to higher taxes and more government regulation.*

*The **LNP** are putting the economy at risk while the **LP** may increase taxes/charges for the greater good contrary to the unsustainable tax reduction policies of the **LNP** which has across the western world led to more unequal and less satisfied and happy communities [**Saturdays Paper Dec**]*

***Super** was initiated under labor in the **Keating** years and I believe the at **Labor** is committed not only in words but deeds to a healthy nationally supervised / overseen / encouraged / mandated super scheme for **OZ***

*Their policies will ensure tax payers money doesnt go simply as handouts to those capable of negative gearing and such. I have done the right thing with my super so not concerned and encourage their approach.*

***Libs** have smarter short-term policies for income tax but are not on song for longer term economic growth without f\*cking up the environment. **Libs'** long term plan seems to be to sell off as many assets as possible to cover tax cuts and hope like crazy that higher prices don't eventuate.*

***Labor** policy to cut refund of franking credits will reduce the longevity of people's retirement savings and thus the ability of super to sustain them in retirement by around 30% - ie the amount of cash not coming into the fund as a result.*

*to be honest i have so few savings that it really doesn't matter, and this i because of poor management over public policy under successive **Liberal** governments. It was **Labor** that called for the royal commission in to banking and they are the only party that want transparency in finances, so I trust them more.*

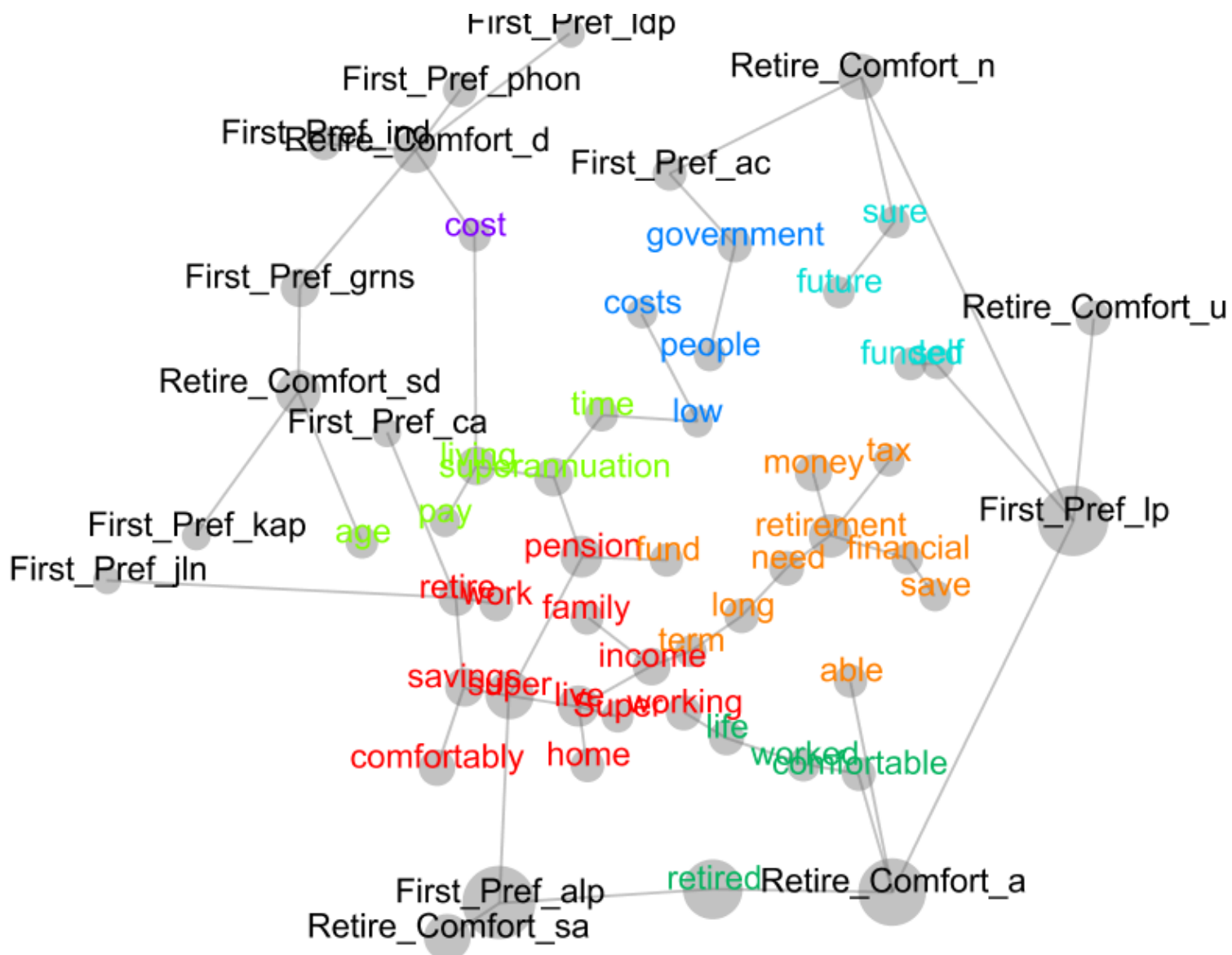
*the **Coalition** has policies which reward those who create wealth and provide for themselves. The **Labor Party's** tax policies relating to franking credits, capital gains tax and negative gearing will hurt those who try to provide for themselves and their families*

***Bill Shorten's** franking credits policy is illogical and just plain wrong, and his reduction in the capital gains tax concession doesn't go far enough. The negative gearing policy is also illogical - we, whether we are individuals or corporates, pay tax on what we earn.*

***Furthermore**, while much is being made of **Labor's** proposed tax changes to franking credits for independent retirees, this is really a fringe issue as most people have their super in funds who already manage the franking credits within the fund. But under this government many of us lost two thirds of our **Centrelink** benefits which is a greater loss for many than the franking credits.*

*( **Cause** that policy has worked so well in the energy industry). **Labor** has some short term policies in regards to superannuation and negative gearing which will probably impact on my personal investments.*

How strongly would you agree or disagree that you expect to have enough money to retire on comfortably?



### Verbatims

**Having** married quite late, and with my wife a stay at home mother is a tax regime that penalises single income families, our family is still saddled with a substantial mortgage, so our super may not assure us of comfortable retirement long term.

I am retired 12 years now, **Super** savings have just about gone -fortunately own our home and have very supportive family- **Medical** expenses and insurances increase as one gets older. It take a substantial share portfolio to produce an income which sustains the life style one was has developed in paid work.

over priced food, electricity, water, gas petrol, cost of living in general.no to retire comfortably, i would need to win a major jackpot in either oz lotto, powerball or a mega lotto saturday draw.



We (mostly) own our expensive large family home in inner **Sydney** and have plenty of **Superannuation** and so will be able to downsize and live in comfort for the foreseeable future when we do finally retire in 5-10 years or thereabouts.

Through careers with well rewarded jobs and long term superannuation contributions we have sufficient assets to be comfortable in retirement and should never need to access government provided pensions

Now retired, divorced and **Live** on \$650 per week as a **Veteran** and not enough **Super** as a baby boomer, \$54 - \$80 per week to feed myself and my **Dog**, no family and no friends 11 of my ex **Army** mates have moved to **Thailand** or **Vietnam** as the married girls from these countries and can live in luxury with the pittance the **Government** pays us. Only I out of 12 mates I served with remain and struggle to live.

I am 76, have been retired for quite a few years, **Worked** all my life, live conservatively but with satisfaction, and owning my own home. I only had the last 16 years of my working life when **Super** was legislated.

Again, I worked hard for 45 years with hardly a day off, and my tax kept someone either less fortunate, or others who decided to leech and live off us, to try and attain a financial outcome that I provided for my retirement years.

As a baby boomer pensioner I was not able to accrue the amount of money for my retirement whilst working and thus have to rely on the **Oldage** pension

I will retire in the next few years. I'll be okay, but will need the assistance of the aged pension as I won't have enough in the long term because I'm female, divorced, raised kids for 10 years and late to the super contributions.

With ever increasing energy (esp. fuel and electricity) and the multitude of means the government has to relieve people of their money, by the time I retire there will be nothing left and inflation will take what little there is.

I've worked since I was 16 & looked after my money. So long as the govt doesn't do anything to negatively impact on my future then I don't expect to receive a pension and to be comfortable.

No shares, no super, have some money in bank with low interest rates, we are retired and may have to move to somewhere like **Vietnam** for a more affordable life style

I am retired and I think I live well .. on a small pension from a small **Super** fund with a top-up from **Centlink**.

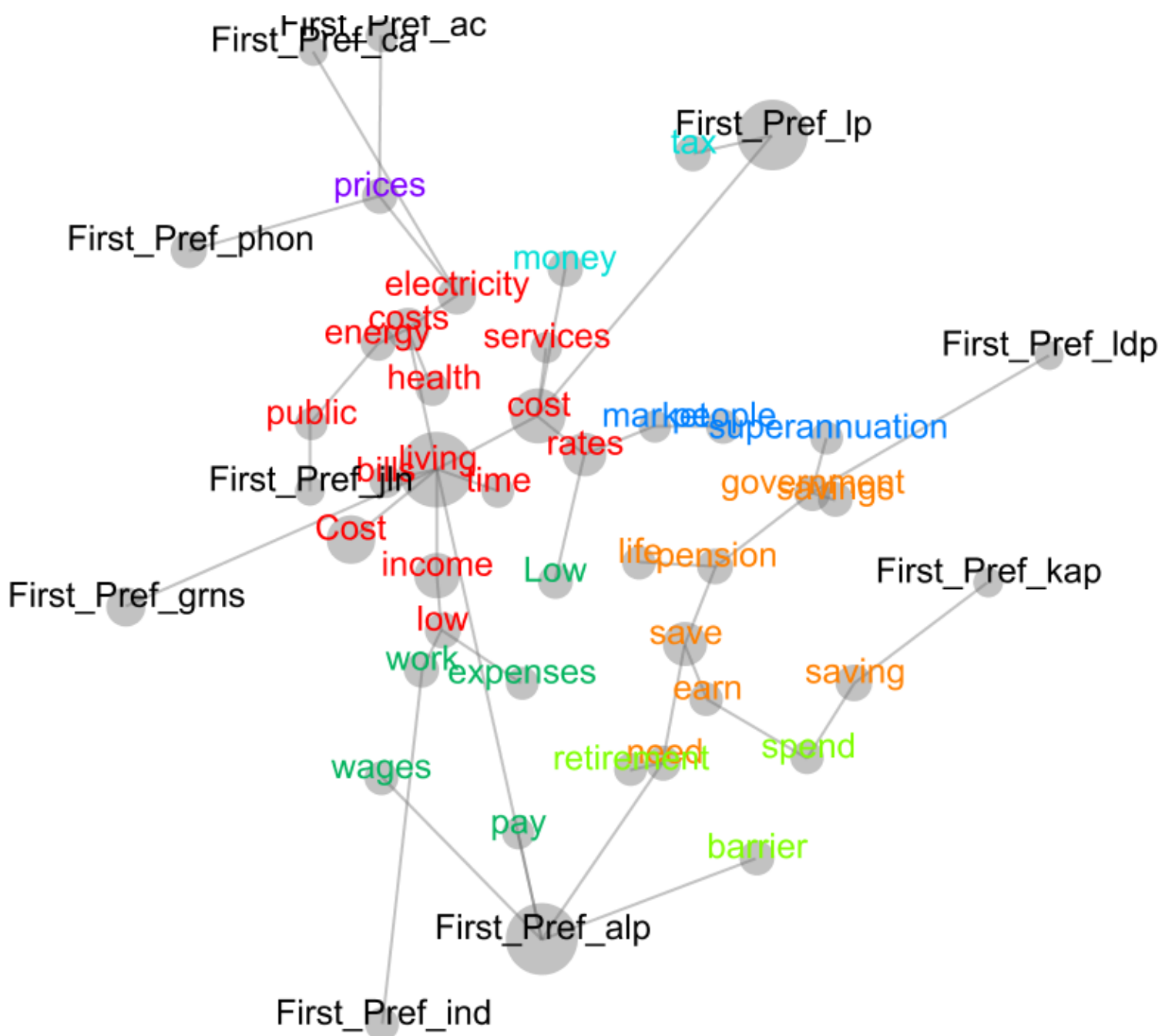
Ask the current home buyers if they would like to pay 12 1/2% on their loan. Just at present we are living on our savings but the unknown is just how long you will live so you can't tell if you have enough to "retire on comfortably".

have never used a taxi (drove one in my uni years), almost never pay for holiday accommodation (but motorhome, mainly in **Oz** for 5-6 months/25,000kms pa) or uber, but I do give 15% of my income to charity, buy most clothes and furniture (not appliances) from op shops and recycle markets. **Counting** my principal place of residence my wife and I own about \$2million in unencumbered **Real Estate** (and still manage to get a small part pension).

The **Super** I retired with was insufficient for longer term living expenses. I work part-time also (my own small business), but even so, this is insufficient to allow my partner and I to save for our older age.

**Continuing** to work but in a reducing fashion means no real retirement and continued income. It also avoids the common event of dying shortly after retirement that so many people succumb to.

In your own words, what is the biggest barrier to your ability to save? (If you do not wish to answer, just write N/A in the space).



### Verbatims

**Savings** have to be done through property or share portfolios as these are the only things that have tax advantages of any kind. **Property** has a big initial cost and continuing management issues so it is has to be long term, Some type of add on to superannuation designed for people to save with which has some tax benefits would help the unskilled to save money but not have to be stock market wizards to do it.

**Low** interest rates (no incentive to save), utilities and cost of living are way too high in **Australia** especially given the natural resources we have. We are being screwed big time by **LIB** ad **LAB** on this.

**General** cost of living. I own my home, no debt, but with the costs of private health insurance, rates, electricity, telephone, insurance, it worries me as a self funded retiree, I will not have enough money for my future.

As a 67 year old woman I have only been able to get casual or contract jobs for the past 6 years. **Added** to that I've had a series of health issues which has meant unpaid time off work, high medical bills, as the waiting period for public treatment meant that I would have died before surgery became available.

the cost of living, electricity, high personal income tax which is being eaten up by a massive welfare base of people who will never work for a living.

over priced food, electricity, water, gas petrol, cost of living in general. not to mention having to fund lazy assed shits on centre link payments, dickhead islamic shrubs claiming they cant work for some crap reason with multiple wives.

For the average person, daily expenses - paying off a home, buying a car, the cost of food, educating children, medical expenses, etc. For an older person, if there is not a previous accumulation of savings before retirement, it's a bit difficult to save large amounts.

**Cost** of living ... and a refusal to let my life be totally dominated by the need to earn an income.

**Low** interest rates, high household bills, government paying the second lowest pension in the **OECD**. I used to be able to maintain my home using interest from financial assets.

**Rising** utility costs, rising government charges at three levels, and rising health costs in health insurance and gap payments to medicos as well as prohibitive costs to non-life threatening procedures like hip replacement. Both my wife and I have shelled out a small fortune in our **Cancer** treatments so far.

the best way to save was to not spend more than you earn; and make a budget plan to get to where you want to be. The cost of living is in the hands of each individual and we all have ways of 'saving' by not wasting or buying what we don't need.

**Cost** of living and low wage growth has impacted on my ability to save. I would work to 67 years, but my health just won't allow it.

**Obviously,** people have to raise families, which is expensive, save to buy and then pay for their home. The extra, indeed the compulsory acquisition of people's money would be better left to them to do the immediate above, as history is now showing super funds are being rorted in many ways and this amounts to almost a fraud against the taxpayer.

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*on irregular, unreliable insecure jobs/work & the atrocious wages they think people should earn has me baffled*

**Voluntary** superannuation contributions above the \$25,000 threshold was formerly an attractive and tax efficient way to save for retirement. **Labor (Wayne Swan)** took this away, so superannuation is not as attractive as it was previously, which is counterintuitive to the desired outcome of people funding themselves later in life.

If we are going to increase **Compulsory Super** contributions, then we also need to look at the **Company Tax** rate because it is going to become harder and harder for these companies to compete on the world stage. **Employers** are not bottomless pits and the **Labour Party** must understand that small business operators cannot afford to pay 15% for these employees.

*it's a great way to force saving and so many people live beyond their means that any way to help them save has to be good. with many employers matching super contributions it could really give a boost to income come retirement.*

**People** are going to be living longer and our current government is using contractors to perform work that should be performed by the public service. It is obvious that this government sees honouring acts of parliament such as the **Social Security Act** as an impediment to giving more money away to their business sponsors.

*The compulsory superannuation levee has proven to be a win for teh bottom feeders and middle people but a huge loss for the worker. It was intended to help reduce the load on the age pension scheme but has failed entirely.*

*The 9.5 rate has not increased for many years - many employers are enjoying good profits and not passing increased wages on to workers, an increase in super contributions would be a good start.*

*It imposes additional costs onto employers, a better outcome to reach a 15% target would be for legislation to be enacted to ensure that workers actively contribute the currently 6% of their wages pre tax toward their own superannuation.*

*If people think that by not increasing the super contributions rate they will get more money in their pay, they are mistaken. **Employers** will not pay their employees any extra because they are not forced to send extra in compulsory super to the **ATO**.*

*To provide people with more super to live on post retirement. The 'burden' on a decreasing base of tax payers to fund services in the future is increasing.*

**People** are stupid with their money. This is forced savings so they will have funds at retirement and will not be dependant on the government for money/pension/housing.

*It has been proven that compulsory superannuation if of little benefit to low-income earners, who would be better off using that money to pay off their mortgage or save a deposit to buy a home. So, compulsory superannuation penalises low-income earner.*

**Public** servants have been getting 15% for years, why not the rest of us? **People** need to have better retirement nest eggs, it helps the country by reducing dependence on the age pension.

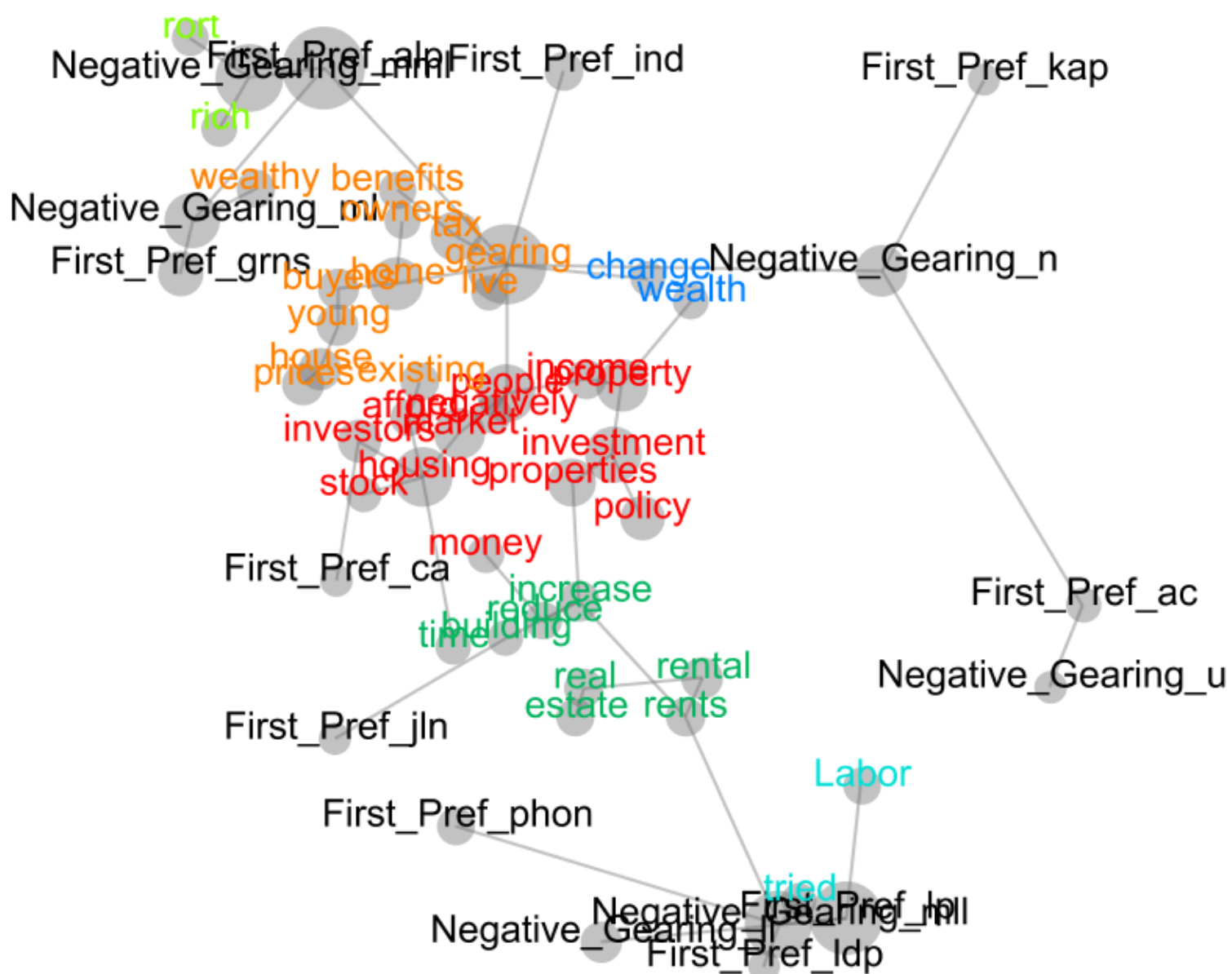
*When I was working as a union organiser and trying to convince teenagers of the importance of the brand-new **Superannuation** scheme, the plan was to increase the rate much more rapidly than has*

*happened. The **Howard** years slowed super expansion to a near standstill, but one hopes now it will move faster.*

*I believe that pensions should remain for those people who are less fortunate but, where possible, people in the prime of their lives (aged 24-45) need to be encouraged to put funds aside. This can **ONLY** be done if the government **GUARANTEES** that they will keep their bloody fingers **OUT** of super funds and stop changing the rules!*



The ALP has said it will limit negative gearing to new investment housing. Does this make you more or less likely to vote for them? (Negative gearing refers to a tax law which allows a loss on an investment owned by an individual in their own name to deduct that loss from their wage or salary income before calculating their tax.)





*Verbatims*

*All that will happen is property values for existing residences will fall as no investor will buy them and rents will increase as existing investors will seek to gain the loss of tax advantage they had through negative gearing. It will be a disaster for people with investment properties that were looking at using the profit from them to fund their retirement.*

*My wife and I have significant investments in real estate - these are NOT negatively geared, and we pay tax on rental income. However a change to negative gearing policy will have a massive impact on real estate values and this will flow on to all investors and home owners in terms of loss of equity.*

*It is time for this policy to be changed. **Unaffordable** house prices are a real problem for younger people and this contributes to the escalating values by encouraging investors and speculators to dominate the housing market*

*I think negative gearing on housing results in escalating house prices, and unfairly penalises some people including young families from purchasing a house while unfairly supporting the investment in housing of wealthy **Australians**, which is an unproductive investment, which requires house prices to rise continually. A very unproductive outcome.*

***They Labour Party** have no real understanding of what this will do to the housing and rental market, the impact on young people wanting to get ahead with purchasing property. Will negative gearing mean less housing, less rentals available, increased rents on properties in cities.*

***Having** owned 4 negatively geared properties for many years & noticed how the originally positive purpose of **Negative Gearing** was hijacked by the very wealthy, I now believe it should be reserved for new properties, while grandfathering existing **NG** investments. The **Australian** dream of owning one's home is no longer a viable option for young people.*

*It will result in less rich people investing in property, creating a shortage of rental properties, which will obviously force up rents (laws of supply and demand). In other words this will severely disadvantage those who can't afford their own home (the true Aussie battlers) - aren't these the people the stinking Labor party are supposed to be helping?*

***Negative** gearing has been a policy producing inter-generational unfairness, ridiculous over investment in housing, concomitant under investment in productive industries and an insane over pricing of **Sydney** and **Melbourne** house prices. **Appallingly** undesirable in almost every way.*

***Having** had an investment property not having a deductible asset would have suggested an alternative strategy. If the proposed changes reduce the number of investment properties then it is probable that rents will increase as competition for rental accommodation will become more intense.*

***Negative** gearing is a rort that is keeping young home buyers out of the housing market and making already rich investors richer.*

*This is an absurd policy of which the only conceivable end state will be a) mass homelessness or b) massive increase in state housing which will lead to a crime, drug and despair boom. **Interestingly** the folk most negatively affected by this undergraduate idea will be the people Labor claims to represent, the renters.*

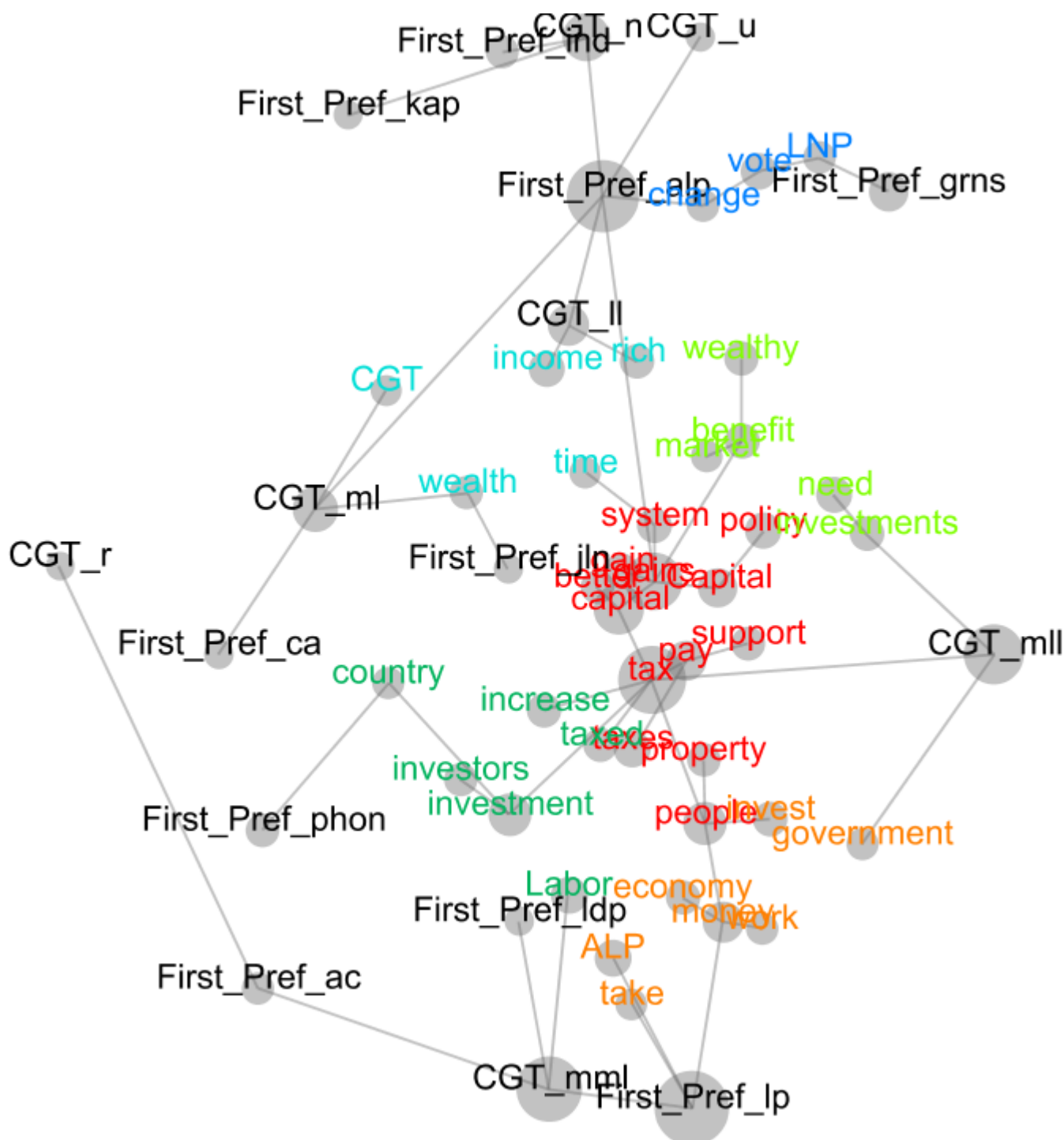
*I don't like the idea of investors owning several properties and being able to negatively gear, when a lot of people, especially first home-buyers are struggling to purchase their first home. **Overseas** property investors should be closely monitored in my view.*

**Negative** gearing is a tax rort which benefits the already advantaged. The claim that it will have a negative effect on the so-called "**Mum and Dad**" investors is false unless they are very rich **Mums and Dads**.

We created wealth through negative gearing we could never have done by working more. **Limit** the number of properties held or overall portfolio to prevent very wealthy people getting a disproportionate percentage of the benefits of negative gearing.

For many low to middle income people the investment property is more appealing than the stock market, hence that is where their extra income is deposited. New properties may keep builders in business but ordinary folk usually buy lower priced second hand property.

The ALP proposes to substantially increase capital gains taxes on all investments by increasing the effective rate of tax paid by the investor by 50%. Does this make you more or less likely to vote for the Liberal Coalition?



### Verbatims

*I have paid capital gains tax on the one investment property I used to own and it was a bit of a slug from the sale price at the time but on the other hand I had gained the advantage of rising prices with no tax paid on this for quite a long time so overall it seemed fair when I analysed the tax paid over the long period I had owned the property for. The gain from rising prices was quite separate from the*

*improvements I made on the property for which I received tax deductibility so it was a kind of unearned income but inflation was taken into account.*

*The present somewhat arbitrary formula works well (most of the tax I have ever had to pay has been capital gains tax). Just like removing negative gearing or adding a mining tax, increasing the amount of **Capital** gains tax people have to pay will put a brake on the economy, including the availability of affordable housing.*

***Capital** gain is a "windfall" that has no equitable base and generally discriminates against the unlucky & the less expert operators, not to mention the occasional devious beneficiary. Although it's nice to be lucky to benefit from a windfall, capital benefits should be shared via tax revenue.*

*Why should investors in property have their capital gains tax reduced when working people have to pay the full rate of tax to support the **Government** provide the necessary funds for the community. There is no rational support for this taxation reduction, which has huge implications for the tax system, and the community.*

*The halving of the capital gains tax - on housing especially - was a dreadful blunder by the **Howard** government. It gave the finger to thrift and a reward to speculative debt-fuelled real estate with awful results for younger people looking to enter the housing market.*

***Capital** gains are taxed way too highly. **Labor** changes are not a reduction in the discount rate but a pure tax increase it discourages investment. It is horrible policy.*

*I strongly agree with this **ALP** proposal. **Capital** gains tax breaks mostly benefit the wealthy and the money could be better spent.*

***Reducing** capital gains increases money available for investment. **Unless** the extra tax raised is invested in productive ventures and not just squandered on cash hand outs, it will be a drag on the economy.*

*They wish to plunder the rich and give to the dole bludgers, union mates and leftist weird cash grabs which produces no benefit to the **Australian** majority. As a shareholder, my wealth would suffer dramatically as follows; **Citigroup's** analysts found that as franking credits made up a large proportion of the value of the major banks, any changes to the system would flow through to shareholders.*

*The spin on **Q30** is typical **Lib/Nat** fraud. **Labor** is decreasing the capital gain tax discount by 50% for investments (or speculations) held for more than 1 year.*

*We need to pay more tax, to enable better service - particularly health and education but also infrastructure to support investment and a focus on renewable energy.*

***Taxes** support the country and mean that people who draw from the commonwealth resources to make their personal wealth pay back into the system to help others. High taxes decrease the cost of living and mean more needed social services*

*Another uneducated undergraduate thought bubble that has translated into policy. **Having** a tax concession will not have an end state of higher government revenue, quite the contrary, it will simply further discourage investment and then the government will be forced to deal with mass homelessness or build a huge amount of public housing with taxpayer dollars that will hammer revenue.*

*What would labor do with the extra tax they collect. **Firstly** they will pay all the public servants extra money (so they vote for them next time around) and then they will find some scheme (like pick bats or school halls) and blow all the money on that*

*As a pensioner, I pay no income tax & benefit from all the wonderful services - **Medicare** etc. I do understand that a relatively small number of non-wealthy (but not poor) people may be disadvantaged by the **ALP's** proposal, but I think it is fair for the very wealthy to no longer receive **Franking Credits**.*

*this is the one big flaw in **Labor** policy , many of my friends are self managed retirees and see this as having significant impact on their income, **Labor** need to implement slowly and with minimal impact over say 10 years so people can change their investment portfolio strategy gradually.*

**Tax** has already been paid on the companies' income. **Taxing** it again when low income earners receive a refund is double taxation and intensely unfair to older people who had planned their modest retirement incomes on the expectation that franking credits would continue.

**Franking** credits represent tax already paid by the corporation on a "look through" basis, and therefore this policy will distort the process of investment in the economy by diverting investment from low income investors away from shares providing franked dividends.

The refund of franking credits when the individual has paid no tax, only the company, is quite generous and benefits those who are fully self funded retirees, a group who should not really be crying poor. I think that those who have an **SMSF** as we do but also receive a part pension may not be affected but I am not yet clear about this aspect of the policy.

The **ALP** franking credits plan is unjust, and truly is the politics of envy. It's just another tax, in this case resulting in double taxation of dividend income - listed or private, reversing a brilliant **Keating** 1990s step for fairness, with the **Keating** change fine-tuned by **Costello** in mid 2000s.

I think it is outrageous that people expect to get a refund if they already aren't paying any income tax. We all have to pay enough taxes for the country and the social security systems to run effectively.

The move to give full franking credits to people on zero taxable income was brought in by a coalition govt. The **Labor** party is proposing to revert back to the original policy of allowing the franking credits to only apply to any taxable income.

I strongly agree with this **ALP** proposal. The money from franking credits mostly goes to wealthy retirees (retirees can be well off and still have no taxable income) and could be better spent.

Part of my yearly income comes from the franking credit I receive from owning a handful of shares. I rely on that money along with my super and govt pension.

The only people that this will affect are self funded retirees, who have saved under what was meant to be a secure system and do not cost the state in pension payments. The return from franking credits doesn't begin to cover the cost of a pension.

The tax has already been paid by the company and the investor is just getting refunded what has already been paid. **Thousands** of investors and older investors have factored in investing in those companies that return franking credits to pay their private health insurance, and other major expenses.

My older sister who has been a very savvy share investor, and managed husband's very small building business (with no super), and their retirement income, HAS NEVER **USED THE PENSION SYSTEM** because of the refunds from franking credits has given them a satisfactory income. This will probably totally change the picture for her!

I think that **Labor** should set some cap on this so that those on lower incomes and who currently rely on this income are not penalised but I also don't see why someone should get a refund for franking credit losses, when this refund doesn't apply to other losses to do with personal taxation.

**Labor** will force retired workers to pay taxes instead of taxing global multi nationals who avoid paying billions of \$\$ of **Australian Income Tax**. 2. **Labor's** economic model is based on tax increases.

*The **ALP** policy is equitable. The refund for those with net zero taxable income was a policy introduced as a sop/inducement by the **Howard** government and lessens the available funds for government.*

***Leave** super funds alone, if they are due a refund, they should get it. The superannuation is there to pay for them for life instead of the government paying out **Aged Pensions**.*

***Shorten** doesn't realise that you get a franking credit because the money you were paid was wrongly pre-taxed. he says "if you pay no tax, you get no refund."*

*This is a tax grab and is totally unfair on self funded retirees. **Labor** just wants people to put their money in union run **Industry Super Funds***