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Media Release

Property Council welcomes Henry tax plan

The Henry Review's 138 recommendations and the Australian Government's new tax plan have been welcomed by the commercial property sector.

Property Council chief executive Peter Verwer says the Government's response to the Henry Review offers many positives for the industry.

However, the Government needs to clarify its plans for finalising a second wave of reform opportunities, particularly in relation to inefficient property taxes, Mr Verwer says.

The Property Council says industry will welcome many of the measures released today.

"The Government has ruled out any tinkering with the negative gearing and CGT regimes," he says.

"The gradual increase in the superannuation rate to 12 percent, the reduction in company taxes, concessions to small business, and the establishment of an infrastructure fund are also big positives."

"The Government has also committed to further waves of reform. At the top of its list should be the modernisation of Australia's outmoded property tax system."

"Dr Henry's report clearly demonstrates the critical importance of replacing inefficient property taxes with a modernised approach to real estate taxation."

"In response, the Government has ruled out applying any new land tax on residences. This means industry can focus its efforts to reforming property taxes for income-producing real estate."

"The Henry Review also recommended a major update and re-write of trust rules to reduce complexity and uncertainty. We look forward to the Federal Budget, where we anticipate the Government will signal measures to deliver a simple, elective, managed investment trust regime."

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The Voice of Leadership

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