



MEDIA RELEASE

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**15 PER CENT GST WOULD MAKE HOME OWNERSHIP MORE
UNAFFORDABLE FOR MANY**

The dream of home ownership would be even more difficult under the Turnbull Governments 'on-again, off-again' plans to increase the GST to 15 per cent.

[Modelling](#) by the Housing Industry Association (HIA) shows a house and land package would cost about \$30,000 more and upwards of \$60,000 over the life of a loan.

It's clear that any increase to the GST would see increased costs for home buyers and reduced confidence for businesses who rely on the housing construction market.

Over the past two and a half years housing affordability has worsened for thousands of Australians, particularly those low and middle income households who are renting or trying to save to purchase a home.

The first [rental affordability index](#), released by National Shelter late last year, shows that some Australians families are spending as much as 65 per cent of their income on their weekly rent.

According to Moody's, Sydney households spend an average of 39 per cent of their income on mortgage repayments, up from 36 per cent a year ago, the highest level since 2001. Homeowners in Melbourne spend an average of 32 per cent of their income on mortgage repayments, up from 29 per cent a year ago.

It's clear that the Turnbull government has no plans to address housing affordability other than a plan to introduce a 15 per cent GST which would dramatically increase costs on a new home.

The HIA also argue that a higher GST would have a negative impact on economic growth in states and territories, putting extra pressure on budgets that rely on a stimulated construction sector.

Industry groups are lining up to tell Malcolm Turnbull and his government that any increase to the GST will only make new housing more expensive and potentially lock out thousands of Australians from being able to purchase a new home.

The PM should end the uncertainty and rule out slugging Australians with a 15 per cent GST.

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