

## Scale back capital gains tax

**Tuesday 3 February 2026**

Australian Unions want to see tax changes to help fix Australia's housing affordability crisis.

Unions want the Government to phase-in a scale back of the size of the capital gains tax (CGT) discount so that working Australians have a better shot at home ownership.

The current 50% rate of CGT is favoring professional landlords with large numbers of investment properties, while pricing out many workers, including younger workers from home ownership.

In a submission to the Senate Inquiry into the CGT, unions are calling for CGT discounts to be wound back from 50% to 25%.

The CGT has become one of the main mechanisms allowing the very rich to pay lower rates of tax by investing in the property market, while workers are being priced out of the communities they work in.

Most of the benefits of the discount flow through to the richest 1 per cent of Australians, according to Treasury data.

Since the Howard-era CGT came in, the gap between house prices and workers' incomes has widened dramatically.

Back then, it took six times the average income to buy a house; today it takes 11 years of average income to buy a house – almost twice as much.

As a result, too many workers can no longer afford to live near where they work, and a growing number of workers will never be able to save enough for a home deposit.

Reforming the CGT discount is an important part of tackling the national housing crisis, alongside imposing limits on negative gearing to a single investment property.

Both these changes should apply to new housing investments, leaving the existing CGT discount and negative gearing arrangements in place for up to five years before being phased out giving people time to adjust.

A significant part of the revenue these reforms would generate should be co-invested with the states into public and social housing.

### **Quotes attributable to ACTU President, Michele O'Neil:**

“Too many workers can no longer afford to live near where they work, and a growing number of workers will never be able to save enough for a deposit. At the same time, accelerating rents and house prices are outpacing the money people can save each week.

“The way the capital gains tax operates has become a tax avoidance scheme with most of the benefit going to the richest 1 percent of Australians.

“To make things worse, the discount is effectively paid for by working people who pay much higher rates of tax in line with their personal income. Our tax system shouldn't reward wealth more than work.

“Phasing this in is important giving people who’ve followed the rules to date time to adjust.

“People should be able to afford to live near where they work and that’s why unions are campaigning for a fairer housing system.”

**ENDS**

**Media contact: Luisa Saccotelli (0400) 149 901**