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Unions welcome budget changes as fairer for workers and young people

Australian Unions welcome tonight's Federal Budget as a budget of fairness for workers delivering on housing, cost-of-living relief and increased fuel security.

Unions support changes to negative gearing and capital gains tax that rebalance the scales in favour of young people and workers, a step towards making housing more accessible and affordable to make our country fairer.

Australian Unions led the push to reform the Howard-era taxes that drove house prices up by more than 400% - almost twice as fast as average full-time earnings - making housing wildly unaffordable. The Budget overhaul signals that some of the housing pressures will start to come off working people, backed by \$2 billion in enabling infrastructure to support the building of 65,000 new homes.

Workers will no longer be competing with as many professional landlords that are using unfair tax breaks to bid up property prices, rebalancing the system to make housing fairer and more affordable.

New cost-of-living relief through a permanent tax cut of \$250 for every worker, under the Working Australians Tax Offset is another vital measure that puts workers first. Working people are feeling the effects of inflation caused by Trump's war with Iran and relief is sorely needed.

Unions also welcome the creation of a new east coast domestic gas reservation and the \$14.8billion Strengthening Australia's Fuel Resilience package, which are important measures necessary to safeguard national fuel security and protect Australians jobs and their communities.

Taxing discretionary trusts more fairly will also take some of the pressure off workers who have been paying a higher proportion of their incomes in tax to fund essential services than asset-rich Australians getting tax breaks.

The average worker pays 25% in tax, more than those who have used trusts and other measures to reduce their taxable income to below the rate paid by a nurse or a cleaner.

Quotes attributable to ACTU President, Michele O'Neil:

"This is a budget that finally tackles a system that's been taxing work harder than taxing wealth.

"This budget marks a shift that gives workers a fairer shot at housing stability through tax changes that will start to rebalance the rules.

"It's important to put housing back within reach for working people who have been locked out of affordable housing near where they live and work.

"The reforms will help working families that have been pushed further away from their communities and whose rents and house prices are increasing faster than wages.

"Young workers especially are falling behind, driven by old and unfair tax settings that privileged investors and professional landlords.

“An important feature of the changes the government is making to capital gains tax, negative gearing and tax on discretionary trusts is that the revenue raised will be given back to workers through the Working Australians Tax Offset.

“Cost-of-living relief, through the payment of the ongoing tax offset and tax cuts in 2026 and 2027, also put workers first and deliver desperately needed support to those who work for a living – not just those who invest.

“Job saving measures to safeguard our national fuel security with a \$14.8 billion package and a new domestic gas reservation are also crucial. The Government has leaned in hard to source fuel supplies from around the region and is spending what’s needed to ensure that Australians get the petrol and the diesel we need to protect jobs and communities.

“Combined with closing loopholes only available to the asset-rich using discretionary trusts, this budget is a major step forward for fairness.”

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