



## A Home to lay your Head – Tax Reform to Address the Housing Crisis in Australia

April 2026

*To say, as the liberationists do, that "God has a preferential option for the poor" is to suggest a theology bound to be threatening to the rich and powerful.*  
Douglas John Hall, 'The Cross in our Context', 2003, 80.

Homeownership has long been understood as part of the Great Australian Dream. From the early days of Federation, working- and middle-class Australians were far more likely to own the home they lived in than their counterparts in the UK or the US. In the years after World War 2, home ownership came to be regarded as a critical measure of security and success for ordinary Australians.



Today, that dream is increasingly becoming out of reach. Homeownership rates in Australia are falling sharply, and housing stress is increasing. Secure housing in Australia is increasingly out of reach for a growing proportion of the population. More and more middle-income people are increasingly locked out of secure housing within a reasonable 30-minute commute to their jobs.

Without a secure home, people are less likely to leave family violence situations, find a job or attend to health problems.

After being homeless for many years, Gary now works at a job he loves with a local transport company, after finding a home with a local community housing provider. He has also travelled to Sydney to complete a construction course.

Since having a place to call home, Gary has taken up running and raised more than \$10,000 for local charities, Ronald McDonald House, Soul Cafe, and the Samaritans.

"Having a home makes it much easier to study and hold down a job. I used to take from the community. Now I want to give back to the community. It's never too late to turn your life around."  
Gary from Newcastle – From the Everybody's Home website <https://everybodyshome.com.au>

The Synod is a member of the Everybody's Home campaign.

Current government tax policy settings favour investors at the expense of those experiencing housing insecurity, as well as homelessness. The Everybody's Home campaign stated that Australia's current tax treatment of housing subsidies favours property investors at the expense of people trying to buy a home. Tax give-aways to property investors fuel speculative investment and high levels of house price inflation, causing house prices to rise much faster than incomes. The growth in housing prices that outstrips income growth for most people has enormous implications for the well-being of Australians and future social cohesion. A generation of Australians is now locked out of the house purchase market. Investors tend to be older and have already gained the benefits of home ownership, so tax incentives like the Capital Gains Tax (CGT) discount and negative gearing allow them a second bite of the cherry at the expense of younger people. Younger Australians are left looking at their deposit savings and knowing that it will never be enough to enter the housing market, so long as housing inflation outpaces their capacity to save.

Wealthy vested interests in the housing sector have managed to stifle most government attempts to correct the unfairness in Australian tax policy as it relates to housing.

The CGT discount introduced by the Howard Government taxes wealth gained from increasing property prices at half the rate of income earned from a job.



The Commonwealth Treasury 2025-2026 Tax Expenditures and Insights Statement provides data on both the size of the CGT discount's impact and its regressive nature. The Statement reported that in the 2025 – 2026 financial year, the cost to budget from the CGT discount will be an estimated \$21.79 billion, declining slightly to \$20.38 billion by the 2028-2029 financial year.<sup>1</sup> The Statement points out that in the 2022-2023 financial year, 95% of the benefit went to people in the top half of the income distribution and 83% to people in the top 10% of incomes.<sup>2</sup> The top 1% of tax filers by taxable income accounted for 54% of all capital gains income in the 2022-2023 financial year.<sup>3</sup>

The CGT discount provides no incentive for property investors to fund new properties rather than compete for existing properties, driving up house prices and rent. The CGT discount and negative gearing have contributed to sharply rising and unaffordable home prices. From 1999 to 2024, home prices increased by 142%, three times the wage increase during that time, which rose by 44%.<sup>4</sup>

The Commonwealth Government gives away billions of dollars more in revenue through tax breaks for property investors than it spends on public housing, community organisation-run housing, measures to address homelessness and rent assistance combined.<sup>5</sup>

In March 2026, a Parliamentary Committee released a report from an inquiry into the operation of the CGT discount. The Committee confirmed that the CGT discount feeds both wealth and intergenerational inequality and favours investors over people buying homes to live in.

The Commonwealth Government has signalled publicly that it is considering reforms to the CGT discount in the May budget. So it is important to reassure the Government that there are Australians who support reform of the CGT discount to make Australia fairer and assist in addressing homelessness.

### What You Can Do

Write polite and respectful letters to:

**The Hon Anthony Albanese MP**

Prime Minister  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra, ACT, 2600

**The Hon Dr Jim Chalmers MP**

Treasurer  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra, ACT, 2600

Salutation: Dear Prime Minister

Salutation: Dear Treasurer

Points to make in your letters:

- Express deep concern at the declining ability of Australians to obtain an affordable and secure home.
- Express further concern that the Capital Gains Tax discount favours wealthy property investors over the needs of people who are homeless or experiencing housing insecurity.
- Ask that the Commonwealth Government curb the Capital Gains Tax discount. Ideally, income from investments should be taxed at the same rate as income from working.
- Ask that the extra revenue that would result should be used to invest in public housing, both building new homes and maintenance for existing public housing homes.

<sup>1</sup> Treasury, "2025-2026 tax Expenditures and Insights Statement", 2025, 19.

<sup>2</sup> Ibid., 19.

<sup>3</sup> Ibid., 20.

<sup>4</sup> Peter Davidson and James Hall, "Homes for living, not wealth creation", ACOSS, (2025), 17, available online: <https://www.acoss.org.au/wp-content/uploads/2025/03/acoss-housing-tax-policy-paper25-1.pdf>.

<sup>5</sup> Australian Council of Social Service, "Boost social housing & curb property investor tax breaks", Briefing note – January 2026.