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Union Boss Pushes Tax Reform on Investment Properties

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Sally McManus, Secretary of the Australian Council of Trade Unions (ACTU), has proposed limiting negative gearing and capital gains tax (CGT) concessions to one investment property over a five-year transition. The union says the reform would address housing affordability and reduce intergenerational inequality.

The ACTU claims the proposed changes could contribute \$1.5 billion annually to the national budget. McManus argues that current tax settings have disproportionately benefited property investors while locking many younger Australians out of the housing market. “The gap between wages and house prices has widened sharply over the past 25 years,” she said.

However, the proposal has faced immediate pushback from business and industry leaders. Business Council of Australia CEO Bran Black labelled the plan a “disconnected tax grab,” warning it would damage productivity and weaken economic growth. Critics also noted that similar tax policies were rejected in the 2016 and 2019 federal elections.

Matthew Addison, chair of the Council of Small Business Organisations Australia, warned that increasing taxes during a cost-of-living crisis would hurt small enterprises and local communities. “This is the wrong time to introduce changes that could further pressure small businesses,” he stated.

While the ACTU’s position has received backing from housing advocacy groups such as Labor for Housing, leading industry bodies, including Master Builders Australia and the Group of Eight universities, have already opposed related recommendations from the Productivity Commission.

The timing of the proposal is critical, as it is set to be a central topic at Treasurer Jim Chalmers’ Economic Roundtable in August. The event will bring together union, business, and government stakeholders to discuss broader economic challenges, including housing supply and inflation.

As the government weighs the merits of tax reform, it faces the difficult task of balancing affordability measures with investor confidence and market stability. The outcome of the roundtable could determine whether the Albanese government is prepared to reopen the politically sensitive debate on housing tax concessions.

