

OpenVoiceNews Australia

Transparent. Unbiased. Yours.

Unions Push \$25B Tax Hike, Threaten Albanese's Productivity Plan

August 3, 2025

– Categories: Economics



The Australian Council of Trade Unions (ACTU) is pressing the Australian Labor Party (ALP) government for \$25 billion in new taxes, including negative gearing reforms, undermining Treasurer Jim Chalmers' productivity agenda.

The Australian Council of Trade Unions (ACTU), representing 1.8 million workers, has called for sweeping tax reforms that would raise \$25 billion annually, targeting negative gearing and high-income earners, according to a 2025 ABC News report. This push, led by ACTU Secretary Sally McManus, directly challenges Treasurer Jim Chalmers' productivity-focused economic roundtable planned for August 2025, per The Sydney Morning Herald. The ACTU's proposals include limiting negative gearing to one

investment property and imposing a 25% minimum tax rate on incomes over \$1 million, potentially generating \$1.5 billion yearly, McManus told ABC's Insiders.

Negative gearing, a policy allowing property investors to deduct rental losses from taxable income, costs the budget \$12.3 billion in 2024-25, with the 50% Capital Gains Tax (CGT) discount adding to a \$180.5 billion decade-long burden, per a 2025 Parliamentary Budget Office analysis. McManus argued to ABC News that these tax breaks skew wealth toward high earners, locking young Australians out of homeownership. However, Prime Minister Anthony Albanese has repeatedly ruled out changes, stating to The Australian Financial Review that negative gearing reforms would not increase housing supply, a stance critics link to Labor's 2019 election loss over similar proposals.

The Coalition, led by Peter Dutton, seized on the ACTU's push, accusing the ALP of planning a "tax grab" that would harm small investors and renters, per Sky News Australia. Shadow Treasurer Angus Taylor warned that curbing negative gearing could disrupt the rental market, citing Treasury modeling from 2024 that showed limited housing supply benefits from such reforms. The Resolve Political Monitor survey in 2024 found only 46% of voters support negative gearing caps, with 17% opposing any change, per The Age.

Chalmers' productivity agenda, aiming to reverse a decade-low productivity growth rate of 1.1%, is at risk as the ACTU's tax hikes could deter investment, per The Guardian. Business Council of Australia CEO Bran Black argued to Sky News that higher taxes would stifle economic growth. With the ALP resisting bold reforms, the union's demands highlight a growing rift, threatening Australia's economic stability as the 2025 election looms.