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Sydney's Housing Crisis Threatens Future Generations

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Australia's housing affordability crisis has reached a dramatic turning point, with union leaders warning Sydney risks becoming unlivable for future generations unless negative gearing reforms are implemented. ACTU Secretary Sally McManus has escalated the debate with her stark prediction that Sydney's grandchildren may disappear if current property tax settings remain unchanged. This controversial claim will be presented

at the Albanese Government's August productivity roundtable in Canberra.

The Australian Council of Trade Unions (ACTU) is pressuring Treasurer Jim Chalmers to overhaul negative gearing policies, arguing the current system unfairly advantages property investors over first home buyers. McManus contends that skyrocketing housing prices, fueled by tax concessions, have created an impossible barrier for young families attempting to enter the market. The union movement seeks urgent policy changes to rebalance the housing equation in favor of owner-occupied 

Economists remain divided on the potential impacts of negative gearing reforms. While some argue modifications could cool investor activity and improve affordability, others warn of unintended consequences, including rental market disruptions. Property industry groups maintain that negative gearing plays a vital role in maintaining Australia's rental supply, cautioning against radical changes to long-standing tax arrangements.

As the debate intensifies, the government faces mounting pressure to address one of Australia's most persistent economic challenges. Whether Sydney's grandchildren will indeed vanish remains hyperbolic, but the underlying housing crisis demands serious policy consideration. The coming months will test whether the Albanese Government can navigate this contentious issue while maintaining economic stability and addressing legitimate concerns about intergenerational fairness in Australia's property market. The solution, if one exists, will require balancing competing interests without destabilizing the broader housing sector.