

Submission by the Australian Nursing and Midwifery Federation

**Economics Legislation Committee:**

**Treasury Laws Amendment (Tax Reform**

**No. 1) Bill 2026 and Income Tax Rates**

**Amendment (Tax Reform No. 1) Bill 2026**

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Australian  
Nursing &  
Midwifery  
Federation



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## Key Messages

1. The ANMF strongly supports the Treasury Laws Amendment (Tax Reform No. 1) Bill 2026 and the Income Tax Rates Amendment (Tax Reform No. 1) Bill 2026. We urge the Senate Economics Legislation Committee to recommend they be passed without delay.
2. These Bills are directly responsive to the ANMF's December 2025 submission to the Senate Select Committee on the Operation of the Capital Gains Tax Discount, in which we called for the phase-out of the CGT discount on investment properties and the abolition of negative gearing, two tax concessions that together inflate property prices, entrench wealth inequality, and lock working Australians out of secure housing.
3. The replacement of the 50 per cent CGT discount with cost-base indexation and a 30 per cent minimum tax rate restores the original intent of the CGT system: taxing real gains above inflation, not nominal gains. This is a principled, prospective, and well-designed reform that the ANMF supports.
4. Limiting negative gearing to new residential builds sends the right signal; that investment concessions should be conditional on contributing to housing supply, not on competing with first-home buyers for existing stock. This is precisely the reform logic the ANMF have advocated for.
5. Housing affordability is not an abstract policy concern for the ANMF's membership. Evidence we presented in our earlier submission highlighted that many nurses, midwives, and carers experience rental stress, challenges with affordable housing, and even homelessness. These reforms will make a direct difference to the workforce the ANMF represents and many more Australians in similar situations.
6. The ANMF recommends that the Committee:
  - a. Recommend the Bills be passed by Government.
  - b. Encourage the Government to commit to reinvesting a significant proportion of the revenue generated by these reforms into the construction and acquisition of public and community housing.



- c. Consider the documented evidence regarding workforce retention implications of housing unaffordability for nurses, midwives, and care workers, and factor in these implications in any future review of the package's implementation and impact.

## Introduction

7. The Australian Nursing and Midwifery Federation (ANMF) is Australia's largest national union and professional nursing and midwifery organisation. In collaboration with the ANMF's eight state and territory branches, we represent the professional, industrial and political interests of more than 356,000 nurses, midwives and care-workers across the country.
8. Our members work in the public and private health, aged care and disability sectors across a wide variety of urban, rural and remote locations. We work with them to improve their ability to deliver safe and best practice care in each and every one of these settings, fulfil their professional goals and achieve a healthy work/life balance.
9. Our strong and growing membership and integrated role as both a trade union and professional organisation provides us with a complete understanding of all aspects of the nursing and midwifery professions and see us uniquely placed to defend and advance our professions.
10. Through our work with members, we aim to strengthen the contribution of nursing and midwifery to improving Australia's health and aged care systems, and the health of our national and global communities.
11. The ANMF welcomes the opportunity to provide a submission to the Senate Economics Legislation Committee in respect of the Treasury Laws Amendment (Tax Reform No. 1) Bill 2026 and the Income Tax Rates Amendment (Tax Reform No. 1) Bill 2026.



## Overview

12. The ANMF strongly supports this legislation. In December 2025, the ANMF made a submission to the Senate Select Committee on the Operation of the Capital Gains Tax Discount, in which we called for reform to both the CGT discount and negative gearing arrangements on the grounds of housing affordability, wealth inequality, intergenerational inequity, and the direct workforce retention implications of an inequitable and unfairly biased housing market for nurses, midwives, and care workers.
13. The Bills before the Committee deliver substantive reform that is broadly consistent with the ANMF's policy position and those of the broader union movement. We commend the Government for acting on the evidence and for introducing what the Treasurer has described as the most ambitious tax reform package in a quarter of a century. We urge the Committee to recommend the Bills be passed.

## Capital Gains Tax Reform

### **The ANMF's submission called for full phase-out of the CGT discount on investment properties**

14. In our December 2025 submission to the Senate Select Committee, the ANMF recommended that the Australian Government phase out the CGT discount on investment properties entirely, to better align the tax treatment of capital gains with the treatment of other forms of income. We argued that the 50 per cent CGT discount, introduced in 1999 under conditions of low inflation and falling interest rates, had long since ceased to reflect the economic context in which it was created. Instead, it had become a mechanism for concentrating and expanding wealth amongst the wealthiest 10 per cent of households.
15. We further noted that the policy was no longer aligned with its original and outdated rationale of increasing housing supply and capital mobility. Rather, current CGT settings further inequality, worsen housing affordability, and suppress productivity by channelling investment toward existing housing assets rather than toward innovation, skills, jobs, and services.



### **The Bills deliver meaningful CGT reform consistent with the ANMF's position**

16. Schedule 1 to the Treasury Laws Amendment (Tax Reform No. 1) Bill 2026 replaces the 50 per cent CGT discount for individuals, trusts and partnerships with cost base indexation, with a minimum tax rate of 30 per cent on capital gains accruing from 1 July 2027. This approach taxes real gains above-inflation profits rather than nominal gains, and thus works towards restoring the original intent of the CGT arrangements that applied prior to 1999.
17. The ANMF supports this approach. While our December 2025 submission called for full phase-out of the CGT discount on investment properties, we recognise that the indexation model the Government has adopted is a principled and evidence-based alternative that achieves the core policy objectives we identified including:
  - a. It eliminates the excessive windfall that accrues to long-term property investors under the flat 50 per cent discount, particularly in high-inflation environments.
  - b. It better aligns the tax treatment of capital income with earned income.
  - c. It is prospective and incorporates reasonable protections for the existing expectations of investors who structured their affairs under the current rules.
  - d. It represents systemic integrity for reform by applying broadly across different asset classes, not merely to property.
18. We also note the Government's decision to allow investors in new builds to choose between the indexation model and the former 50 per cent discount. This new-build carve-out is a well-designed incentive that redirects investment toward additional housing supply rather than competition for existing stock. This directly addresses one of the key productivity and housing-supply concerns raised in our submission and is a welcome inclusion within the reforms.



19. The ANMF acknowledges the sensible transitional treatment the government has applied to gains accrued prior to 1 July 2027, where the 50 per cent discount will continue to apply. This protects those who have structured their retirement or investment arrangements under existing settings; a concern we flagged explicitly in relation to small-scale investors, retirees, and those approaching retirement.

## Negative Gearing Reform

20. Our December 2025 submission recommended that negative gearing deductions for losses on new investment properties be abolished, and that deductions on existing investment properties be phased out. We argued that negative gearing and the CGT discount operate as a paired incentive and that without addressing both, any reform would be incomplete and less effective. Combined, the current CGT and negative gearing concessions work synergistically to inflate property prices, fuel speculative investment, and lock renters and first-home buyers out of secure housing.

### **The Bills deliver significant negative gearing reform the ANMF strongly supports**

21. The Treasury Laws Amendment (Tax Reform No. 1) Bill 2026 limits negative gearing for residential property to new builds from 1 July 2027. Investors who purchase established housing after Budget night (7:30pm AEST, 12 May 2026) will only be able to deduct losses against rental income or capital gains from residential properties, with unused losses carried forward to future years. Existing investors are fully grandfathered into this program and thus protects those who have structured their investments, income, and retirement according to previous settings. The policy logic, that if investors are to receive a tax concession, that concession should be conditional on contributing to supply growth, aligns strongly to the previously submitted asks of both the ANMF and ACTU.

22. The ANMF strongly supports this reform. Limiting negative gearing concessions to new builds preserves a genuine incentive for investors to contribute to housing supply while removing the structural advantage that has allowed property investors to compete against owner-occupiers and first-home buyers for existing stock. As testament to the impact of



this policy, already, emerging reports highlight a larger number of first home buyers attending auctions relative to a reduced number of investors.

## Benefits for Working Australians

23. The ANMF welcomes the other measures described in the Bills. The Working Australians Tax Offset, which returns revenue from the CGT and negative gearing reforms directly to workers, rather than being retained as consolidated revenue is an important feature that reinforces the equity rationale for the reform package.
24. The \$250 Working Australians Tax Offset and the \$1,000 instant tax deduction for work-related expenses, applying from the 2026-27 income year, will directly benefit the ANMF's membership. Nurses, midwives, and care workers routinely incur out-of-pocket work-related costs for registration, uniforms, professional development and equipment, and the simplification this measure provides is welcome.

## Conclusion

25. The ANMF strongly supports the Treasury Laws Amendment (Tax Reform No. 1) Bill 2026 and the Income Tax Rates Amendment (Tax Reform No. 1) Bill 2026 and urges the Committee to recommend that the Bills be passed without delay.
26. These Bills represent the most significant structural reform to Australia's tax treatment of investment property in a generation. They are well-designed, prospective, and evidence-based. They are broadly consistent with the positions the ANMF and the broader union movement have advocated for, and they will deliver meaningful benefits to the working Australians, renters, and communities that the ANMF represents.
27. The ANMF recommends that the Committee:
  - d. Recommend the Bills be passed by Government.
  - e. Encourage the Government to commit to reinvesting a significant proportion of the



revenue generated by these reforms into the construction and acquisition of public and community housing.

- f. Consider the documented evidence regarding workforce retention implications of housing unaffordability for nurses, midwives, and care workers, and factor in these implications in any future review of the package's implementation and impact.

28. The ANMF appreciates the opportunity to contribute to this inquiry and is available to provide further comment or evidence as required.