

Submission by the Australian Nursing and Midwifery Federation

**Australian Law Reform Commission –
Senate Select Committee on the
Operation of the Capital Gains Tax
Discount**

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Australian
Nursing &
Midwifery
Federation



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Introduction

1. 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 345,000 nurses, midwives and care-workers across the country.
2. 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.
3. 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.
4. 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.
5. The ANMF welcomes the opportunity to provide a submission to the Senate Select Committee on the Operation of the Capital Gains Tax (CGT) Discount.

Overview

6. As an industrial union and professional organisation with a profound interest in housing and homelessness, renters' rights, First Nations justice, human rights, ageing and aged care, youth, climate and planetary health, and women and girls' health, we support policies that reduce inequality, strengthen economic security, and ensure all people have access to safe, decent, and affordable housing.



7. The CGT discount has profound and system-wide impacts that directly affect our mission and the communities we serve, including our large membership of nurses, midwives and personal care workers.
8. While we acknowledge that there are differing perspectives regarding the current and future feasibility and need for CGT discounts on existing investment properties and the role of CGT discounts within Australia's future taxation policy, we are concerned that the current CGT discount settings that were put in place under very different economic and sociodemographic contexts are exacerbating inequality, worsening housing affordability, and undermining Australia's long-term social and economic well-being.
9. Meaningful reform is urgently needed, as both working Australians and vulnerable communities are being harmed by housing-market inequities driven, in part, by the CGT discount. As highlighted by the Australia Institute, together with negative gearing, CGT most greatly benefits the richest 10 percent of the population and disproportionately impacts those of lower means including renters and people on lower incomes and/or welfare.¹
10. The ANMF's concerns span several of the Terms of Reference of this Committee:

- a. *The contribution of the capital gains tax (CGT) discount to inequality in Australia, particularly in relation to housing;*
 - i. The CGT discount disproportionately benefits higher-income households and investors and as regional property markets change due to migration from metropolitan regions and investor interest, these impacts are being more widely felt by more and more Australians including those who were able to previously access affordable housing in regional areas.

¹ Thrower J. The capital gains discount and negative gearing benefit the rich and destroy housing affordability. The Australia Institute. 2024. Available online: <https://australiainstitute.org.au/post/the-capital-gains-discount-and-negative-gearing-benefit-the-rich-and-destroy-housing-affordability/>



- ii. It inflates housing demand, pushing secure housing out of reach for many people, including workers and vulnerable members of the community, such as older people, women, and people experiencing homelessness or who have disabilities.
- iii. Stable housing is foundational to health and well-being and employment outcomes and should be everyone's right no matter where they live.

b. The role of the CGT discount in suppressing Australia's productivity potential by funnelling investment into existing housing assets;

- i. The discount channels investment into unproductive assets (existing housing), rather than innovation, skills, jobs, or services. This reduces economic dynamism and places long-term pressure on government revenue needed for health care, aged care, maternity care, disability care and social services, with investor tax concessions costing the budget around \$20 billion per year.²
- ii. The absence of secure housing disrupts productivity directly and indirectly, limiting participation in employment and education for both children and adults. It also leads to poorer mental and physical health, further reducing labour productivity.^{3,4,5}

c. How the CGT discount influences the types of assets purchased and whether these classes of investments are productive or speculative;

² Grudnoff M, Jericho G. Financial regulatory framework and home ownership Submission to the Senate Standing Committee on Economics. The Australia Institute; 2024. Available from: <https://australiainstitute.org.au/wp-content/uploads/2024/10/P1741-Submission-on-home-ownership-pdf-1.pdf>

³ MacLennan D, Crommelin LM. Strengthening economic cases for housing: the productivity gains from better housing outcomes. Sydney: UNSW City Futures Research Centre; 2018.

⁴ MacLennan D, Long J, Pawson H, Randolph B, Aminpour F, Leishman C. Housing: taming the elephant in the economy: a report to the Housing and Productivity Research Consortium. Sydney: UNSW City Futures Research Centre; 2021 [cited 2025 Dec 5]. Available from: <https://cityfutures.be.unsw.edu.au/>

⁵ Nygaard CA. Cost of inaction: social and economic losses due to the social and affordable housing shortage. Melbourne: Swinburne University of Technology; 2022



- i. The discount encourages short-term, speculative gains in property markets. Removal or reduction of the CGT discount could be expected to encourage investors to defer the sale of assets contributing to potentially greater housing stability for renters.⁶
- ii. Redirecting tax concessions away from speculation could improve housing availability and strengthen economic productivity, noting however, that the effects of removing or reducing the CGT discount on the availability of affordable housing must be carefully monitored and carefully implemented so as to not inequitably and detrimentally impact those with lesser means including groups such as small time investors with only one or two properties and legitimately lower incomes including retirees and those approaching retirement who might have planned and structured their finances for retirement based on current tax settings.

d. The distributional effects of the CGT discount;

- i. Benefits overwhelmingly flow to wealthier Australians, widening inequality. This is particularly evident between the top ten percent of income earners and those of lower means. Here, the top ten percent of households by income largely benefit from current settings while the bottom seventy percent only receive around 14 percent of the total benefit of CGT discounts.
- ii. First Nations communities, young people, renters, and low-income households bear the costs of inflated housing markets.

⁶ Abbey P, Thorpe J, Seymour T. Tax reform: Informing the debate What are the implications of changing housing tax benefits? Price Waterhouse Coopers (PWC). 2016. Available from: <https://www.pwc.com.au/tax/assets/tax-reform/tax-reform-negative-gearing-15feb16.pdf>



- e. The use of the CGT discount by trusts;*
 - i. Trust structures amplify inequity and reduce transparency, allowing high-wealth individuals and companies to minimise tax obligations.
- f. Whether this tax discount is fulfilling its original intended purpose;*
 - i. Evidence suggests the policy is no longer aligned with its original rationale of increasing housing supply and capital mobility in a context of low inflation and falling interest rates. Instead, it now fuels inequality, worsens housing affordability and suppresses productivity.
- g. Whether the CGT discount has a role in Australia's future tax mix; and*
 - i. We support reform to the CGT discount to create a fairer, more efficient, and progressive tax system that prioritises housing affordability and that more equitably supports those with lesser means.
 - ii. Reform should phase out the CGT discount on investment properties to better align with the tax treatment of other forms of income.
- h. Any other related matters.*
 - i. Without addressing negative gearing alongside the CGT discount, any reform will be incomplete. These two concessions operate as a paired incentive that inflates property prices, fuels speculative investment, and locks renters and first-home buyers out of secure housing.



Effect of the CGT discount

Wealth inequalities

11. The current 50 per cent Capital Gains Tax (CGT) discount amplifies wealth inequality by overwhelmingly benefiting higher-income households and large-scale property investors, while offering comparatively limited advantages to low- and middle-income earners. By favouring those with the financial capacity to invest in multiple properties, the concession contributes to increased concentration of wealth and assets among the already wealthy. It also places upward pressure on land and housing prices, worsening affordability and reducing home ownership opportunities for younger people and first-home buyers.^{7,8} Evidence by the Australian Council of Social Service (ACOSS) shows that competition for housing from investors increased sharply following the introduction of the 50 per cent CGT discount in 1999. This led to a house price growth of around 13 per cent per year above inflation between 2001 and 2003, and approximately six per cent per year from 2013 to 2017.⁹ Today, the wealthiest ten per cent of households hold around two-thirds of the total value of investment properties, receive over four-fifths (82%) of the CGT discount, and nearly two-fifths (39%) of all tax deductions for rental properties.¹⁰ These figures highlight the scale of wealth inequality that the CGT discount has helped entrench.

12. Graham Hand for financial services firm MorningStar has highlighted how the CGT discount began as a legitimate and simple way of calculating the capital gain on an asset while accounting for the real increase in its value. At a time of low inflation and falling interest rates (between 1996 to around 2000), a 50 percent discount was justified both on the grounds of simplicity and to improve capital mobility and asset management in line with the international landscape. When inflation is low, investors who hold onto a property

⁷ Grudnoff M, Littleton E. Rich men and tax concessions How certain tax concessions are widening the gender and wealth divide. The Australia Institute. 2021. Available Online: <https://australiainstitute.org.au/wp-content/uploads/2021/04/P911-Income-and-wealth-distribution-of-tax-concessions-Web.pdf>

⁸ IBID [2].

⁹ Davidson P, Hall J. Homes for living, not wealth creation: Tax and expenditure reforms to improve housing affordability and equity. ACOSS: Sydney; 2025. Available from: <https://www.acoss.org.au/wp-content/uploads/2025/03/acoss-housing-tax-policy-paper25-1.pdf>

¹⁰ IBID.



asset for a little over 12 months gain the greatest benefit. This is not the case today, when inflation is high and interest rates appear to be likely to increase. In the Grattan Institute's 2023 paper, 'Back in black? A menu of measures to repair the budget', it was argued, among other reforms, that the Australian governments cannot continue to massively spend to keep voters happy while not collecting more revenue to pay for it. It recommended reducing the CGT discount to 25% to raise \$5 billion a year.¹¹

13. Further, decreasing housing affordability and increasing rental prices have broadened intergenerational inequities among younger Australians. While home ownership was once a realistic pathway to financial security for previous generations, it is now becoming unattainable for many younger people.¹² Since 1999, home prices have increased by 142%, while wages have only risen by 44%, and the proportion of income needed to meet mortgage payments has risen from 27% in 2001 to 49%.¹³ At the same time, older and wealthier cohorts, who are more likely to already own property or multiple investment properties, disproportionately benefit from the CGT discount. This imbalance entrenches generational divides, concentrates wealth among those who already hold assets, and undermines long-term economic resilience.

Housing instability

14. As housing affordability has decreased, an increasing number of people are being pushed into insecure forms of housing tenure, particularly long-term renting. Insecure tenure exposes households to ongoing financial stress and limits people's ability to save for home ownership, accumulate assets, or build financial resilience.¹⁴

15. The CGT discount incentivises investors to purchase existing dwellings rather than

¹¹ Wood D, Griffiths K, Chan I. Back in Black? A menu of measures to repair the budget. The Grattan Institute. 2023. Available online: <https://grattan.edu.au/wp-content/uploads/2023/04/Grattan-Back-in-Black-1.pdf>

¹² IBID.

¹³ IBID.

¹⁴ Martin C, Hartley C, Pawson H. Rights at risk: rising rents and repercussions. The experience of renting in Australia is published by the Australian Council of Social Service, in partnership with UNSW Sydney. 2025. Available Online: https://povertyandinequality.acoss.org.au/wp-content/uploads/2025/06/Rights-at-risk_rising-rents-and-repercussions_3.pdf



contribute to new housing supply, intensifying competition for a finite stock of homes. This increased demand drives up purchase prices and places upward pressure on rent. In 2024, renters spent an average of 33% of their income on rent,¹⁵ affecting their financial stability and making secure and affordable housing increasingly unattainable for low-income households, young people, older renters, and single-parent families.¹⁶

16. Further, as investors chase higher returns, properties are more frequently bought and sold. With this, renters may be forced to move, with each move costing thousands of dollars,¹⁷ further eroding savings and stability. The cumulative effects extend well beyond housing insecurity, negatively impacting physical and mental health, educational outcomes, workforce participation, job security, and community connection.¹⁸
17. It is the position of the ANMF that everyone has the right to access decent-quality, affordable housing that is appropriate to their needs and located within reasonable proximity to work or study. For nurses, midwives, and personal care workers, housing location is particularly critical given the realities of shift work, on-call requirements, overtime coverage, emergency responses, and the need to attend clinical placements during training. Long commutes or forced relocations place additional strain on an already stretched workforce, undermine workforce retention, and unfairly financially disadvantage those in caring roles.
18. Rising rents and insecure tenancies are also driving increased demand for homelessness services, emergency accommodation, and crisis support. Communities are being hollowed out as residents are priced out of their suburbs, while vulnerable people are increasingly forced into overcrowded, unsafe, or unsuitable housing. Investor churn heightens the risk of eviction and displacement, particularly for older renters and low-income households.

¹⁵ IBID [9].

¹⁶ IBID [2].

¹⁷ Mowbray J. The true cost of eviction. Tenants Union of NSW. 2022. Available online: <https://www.tenants.org.au/blog/true-cost-eviction>

¹⁸ Hock, E.S., Blank, L., Fairbrother, H. *et al.* Exploring the impact of housing insecurity on the health and wellbeing of children and young people in the United Kingdom: a qualitative systematic review. *BMC Public Health* **24**, 2453 (2024). <https://doi.org/10.1186/s12889-024-19735-9>



These trends undermine broader social and economic goals, including health and wellbeing, security in older age, social cohesion, and progress toward Closing the Gap outcomes.

Impact on our members

19. The effects of the CGT discount interact with poverty, health outcomes, homelessness risk, and social exclusion. Stable and affordable housing is foundational to wellbeing, and the current tax settings make it harder to achieve. Nurses, midwives, and care workers provide much-needed care and support to vulnerable Australians in every context and setting around the country, including people who are homeless or in precarious housing situations. Housing affordability is a critical issue for nurses, midwives, and care workers around Australia who are also not immune to the impacts of inaccessible and unaffordable housing markets and are also themselves at risk of homelessness.
20. The NSW Nurses and Midwives Association (NSWNMA) has conducted a number of surveys with members to understand the dimensions of this issue over the last several years, and in 2024, the NSWNMA participated in the Legislative Assembly Select Committee on Essential Worker Housing, where the results of these surveys were presented in a submission.¹⁹
21. During their work with members around the development of their submission, they heard from thirteen nurses and midwives who were employed in the NSW health system and homeless at the time they responded.
22. The 2023 survey confirmed that housing affordability is a major concern for members. Participants responded that housing unaffordability is intensifying over time, and that while it is more acute in metropolitan areas, it is a widespread issue. Results from

¹⁹ New South Wales Nurses and Midwives Association (NSWNMA). Options for essential worker housing in New South Wales: Submission by the NSWNMA to the Legislative Select Committee on Essential Worker Housing. 2024. Available online: <https://www.parliament.nsw.gov.au/ladocs/submissions/87890/Submission%2095%20-%20NSW%20Nurses%20and%20Midwives%20Association.pdf>



NSWNMA's three surveys (2017, 2021 and 2023) identified that between 88 and 90 per cent of participants deemed housing affordability an important factor in deciding where they want to work. The number of respondents who reported having changed jobs to access affordable housing was also found to be between 29 and 36 per cent. Other key findings from the 2023 survey included:

- a. Half of all participants were renters.
- b. Nine respondents were homeless, and 47% were worried about losing their place to live in the future, meaning that over half the respondents were experiencing housing insecurity.
- c. Two respondents reported living in their cars with dependent children.
- d. Over 80% drive to work, with 47% respondents spending an hour or more travelling for each shift (i.e., return trip).
- e. Over 30% of respondents live 20km or more from their workplaces.
- f. 69% of the respondents indicated that they are currently experiencing rental stress (i.e., over 30% of income on rent and difficulty paying other expenses).
- g. 76% respondents indicated that the lack of affordable, secure housing is a problem for them.
- h. 90% want to live near their workplace, and access to affordable housing influences their employment decisions.
- i. 30% had previously left employment to access more affordable housing.

23. The 2023 survey also found that many NSW nurses and midwives continue to struggle to secure affordable housing; 76% of respondents indicated that lack of affordable, secure housing was an issue for them and over half the respondents to this recent survey indicated that they either didn't have a steady place to live currently (6%) or that they were insecure in their current accommodation (47%).

24. The survey included an open-ended question that invited respondents to describe the impact that rental stress has on them and their families. Most described struggling to pay



for essentials like food and energy. Respondents described an increase in family discord and arguments related to financial pressures. Several single parents indicated that they have had to resign from roles that allowed them to meet caring responsibilities in order to access more lucrative penalty rates. Many stated that the constant worry and depressed mood affects their concentration at work. Many respondents also indicated that they take on as much overtime as they can get to meet their financial obligations but that the overwork impacts on their mental health and relationships. One nurse reported that she has been disciplined in her workplace for needing time off to search for housing and told if she can't find somewhere to live, she needs to resign. Several respondents described having to skip meals so that they could feed their children and being unable to pay for fuel to drive to work or to spend time with relatives. Older nurses described feeling panicked about getting to the end of their working lives without stable accommodation.

25. Key stories from members who participated in the NSWNMA survey included:

"We cannot save for a deposit to buy our own home, so we're trapped into renting. As the rent increases and my salary increase does not keep up with this, being able to buy is less and less likely. I don't feel settled here and we always have the worry that the landlord will end our tenancy and we won't be able to afford anywhere else. It does affect our mental health. We plan to relocate to QLD in the next few years where there more chances to buy and where nurses are paid more. Inability to access wheelchair accessible housing for disabled husband."

"Inability to save own house deposit. Housing insecurity and near homelessness causing severe stress and anxiety. Having to move on short notice and pay significant moving costs, have children commute to school now well out of zone. Living paycheck to paycheck while doing full time shift work, parenting and being a carer without being able to get ahead- causing significant stress and burnout."

"At the point where I am spending 3 weeks of my full-time wage on mortgage alone; any further rate rises and we'll be forced to choose between a mortgage trap and moving to



Queensland, where housing is more affordable, and the pay is significantly more for nurses.”

“We are unable to save for a home deposit. We live where we can afford, which means long commutes to work for both my husband and me. We are at the mercy of landlords, never knowing when we will have to move. Also having regular rental assessments of the property adds stress. When we move, we never know if the owner will accept our pets. My children all have anxiety from never really having a stable home. My husband takes most of the financial stress to protect us, but any changes in the budget gives added stress. I don't believe I will ever be able to retire as we will never have our own home. This is a constant fear as we age and our health issues increase.”

“I am a manager of an aged care facility, and we are struggling to employ RNs due to rental shortages in our town. The Government wants us to have 24/7 RN cover, but we do not have housing available to house them. We applied for exemption, but it was denied. Trying to recruit without being able to provide housing is a very stressful situation.”

“I currently pay 40% of my take home pay on rent. This makes it very difficult to save money and means if we have a week where a lot of bills come at once, or something bad happens such as the car breaks down, we have to go without groceries that week. I have also had to change jobs to be closer to home as previously I commuted an hour each direction on public transport to reach my workplace.”

“Mine is mortgage and rising cost of living stress. I am an unsupported single parent in Sydney and my nursing wage does not cover a small mortgage plus regular daily expenses, including parking near work, and a child who requires expensive, regular medication. I work fulltime but I am struggling. My children work part time and contribute currently, but we are four people living in 2 bedrooms and still 30min from my workplace. I couldn't afford to live closer.”

26. The NSWNMA also rightfully highlighted that the link between family violence and housing



affordability should not be overlooked. Like the NSWNMA, the ANMF represents a segment of the workforce that is 90% female. We believe that access to affordable housing could have a profound impact on the safety of many nurses and midwives and Australian community members who are forced to remain in harmful domestic situations in order to avoid housing insecurity for them and their children.

27. ANMF members are employed in services that support people affected by homelessness.

In Victoria, 44 members provide exceptional care to community members experiencing homelessness at the CoHealth services in Collingwood, Kensington and Fitzroy where nine percent of clients experience homelessness or insecure housing. On 15 October, 2025, CoHealth advised ANMF (Vic Branch) that general practices at Collingwood, Kensington and Fitzroy will close in mid-December. The Collingwood service will close in mid-2026 once all non-GP services have been relocated to Fitzroy. It is via vital services like these that our members witness first-hand the health and wellbeing impacts of homelessness and lack of access to affordable housing as well as the damaging impacts of policy decisions that lead to the closure of these services.

28. Nurses also visit social housing spaces where people have sometimes come from homelessness and are often still experiencing precariousness. There is a lot of health trauma from someone who has experienced homelessness, whether that's one, five or ten years on the street. Services led and provided by nurses offer chronic disease management and education, wound care plans, drug and alcohol support and referrals to rehab, and mental health support, and also linking people in for mental healthcare plans.



Conclusion

29. We urge the Committee to consider the broad and deep impacts of the CGT discount on inequality, housing security, intergenerational fairness, and Australia's long-term economic future. Reform is essential to creating a fairer, more productive and inclusive Australia.
30. The ANMF recommends the Australian Government:
 - a. Phase out the CGT discount on investment properties to better align with the tax treatment of other forms of income.
 - b. Abolish negative gearing deductions for losses on new investment properties and phase out deductions on existing investment properties.
 - c. Reinvest the savings from these reforms into the construction and acquisition of public and community housing to meet current and future need.^{20,21}
31. The ANMF appreciates the opportunity to contribute and is available for further comment.

²⁰ Everybody's Home. Out Of Reach: Australia's Rental Crisis and the Decline of Social Housing. 2025. Available Online: <https://everybodyshome.com.au/resources/out-of-reach/>

²¹ Daley J, Wood D, Parsonage H. Hot property: negative gearing and capital gains tax reform. Grattan Institute; 2016. Available from: <https://grattan.edu.au/wp-content/uploads/2016/04/872-Hot-Property.pdf>