



Think
Forward

Think Forward submission

Senate Select Committee on the Operation of the Capital Gains Tax Discount

December 2025

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Think Forward's submission to the Select Committee on the Operation of the Capital Gains Tax Discount

Think Forward welcomes the opportunity to provide policy analysis and recommendations to the Select Committee on the Operation of the Capital Gains Tax (CGT) Discount (inquiry).

Think Forward is a nonpartisan not-for-profit organisation run by younger people passionate about economic equity. We founded Think Forward in response to the growing awareness that young Australians face an economic burden unlike that of previous generations.

Current tax and economic policies disproportionately affect young people, who face economic pressures such as insecure work, rising housing and rental costs, and the burden of climate crisis and pandemic debt. We aim to facilitate younger generations' connection with the government to build a brighter, fairer future for all through positive, transformative change in our economic and tax systems.

Taxation settings are critical to enabling a prosperous and equitable future for Australia's younger generations. Younger generations are doing it tough, held back by a tax system that rewards the already wealthy at the expense of those starting out. Younger Australians are being squeezed right when trying to set up their lives by getting an education, buying a home, having a family or starting a business. Our tax and transfer system, including the CGT discount, makes these goals harder.

Our political leaders are responsible for turning the tide on rising intergenerational wealth inequality and ensuring that Australia's younger generations aren't the first to have worse economic outcomes than their predecessors.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



Thomas Walker

Think Forward CEO and Lead Economist



A call to action from younger Australians

Preamble

Younger Australians have done what society told us to do. We've worked hard, got an education and found jobs. Yet that has not been enough for teachers, nurses, mechanics and countless other workers to achieve financial security. The social contract – the idea that a job is enough to feed and house a family – has been lost, and the tax and transfer system no longer reflects our shared values. Instead, it rewards wealth over work, individualism over community, and short-termism at the expense of our futures.

In contrast, the postwar version of the social contract promoted the idea that, in return for contributing through work, care and paying taxes, individuals had rights to essentials such as healthcare, housing and employment security. You could find a stable job paying enough to feed and house your family, retire with a pension and be assured that your children would have it better.

The current version of the social contract was adopted in the 1980s and 1990s. It presented a more individualistic vision aimed at removing the “shackles” of taxation and regulation. Tax rates on the wealthy were reduced, public services privatised, and superannuation introduced to prioritise individual responsibility and private wealth accumulation. Australia's 50% capital gains tax discount was introduced in 1999 by the Howard Government as part of this wave of reform.

The CGT discount and other reforms led to property speculation overtaking earning a wage as the pathway to financial security, and asset prices skyrocketed. This has left many Millennials and Gen Zs on the wrong side of a divide. We are being asked to work harder, pay record rents and higher taxes, take on super-sized mortgages and student loan debts, and forego essential services to protect wealth holders and property prices, assured by our leaders that the bounty will trickle down to us.

The key to the social contract working, in whatever form, is that people feel their efforts are rewarded and that they believe the contract is fair. The contract, then, is hanging by a thread.

A debate about whether the CGT discount should be reformed ultimately reflects the kind of society Australia wants to be. One that rewards productive contribution and provides genuine equality of opportunity, or one that increasingly privileges inherited advantage and asset ownership. We believe our leaders must act during this term of parliament to protect the Australian way of life and the ‘fair go’; otherwise, we risk irreversible damage to the social contract and community cohesion.

The CGT discount contributes to inequality

Responding to Term of Reference A

With justification, most attention to the CGT discount focuses on its impact on house prices. But the introduction of the CGT discount has had broader impacts, with property speculation a symptom of a larger issue. The introduction of the CGT discount fundamentally altered the social

contract by rewarding asset appreciation over earned income. It has created a system in which someone who works for their income pays twice the tax rate of someone earning the same income from owning and selling assets. This reverses traditional notions of equity and reward for effort, where someone's labour was valued and sufficient to achieve economic security.

The discount also creates a self-reinforcing cycle in which those with existing wealth can leverage tax advantages to accumulate even more assets, pushing up prices, excluding others from asset ownership and driving inequality. The three groups we focus on here are younger generations broadly (Millennials and Gen Z), younger people without access to family wealth, and renters.

Wealth inequality between generations

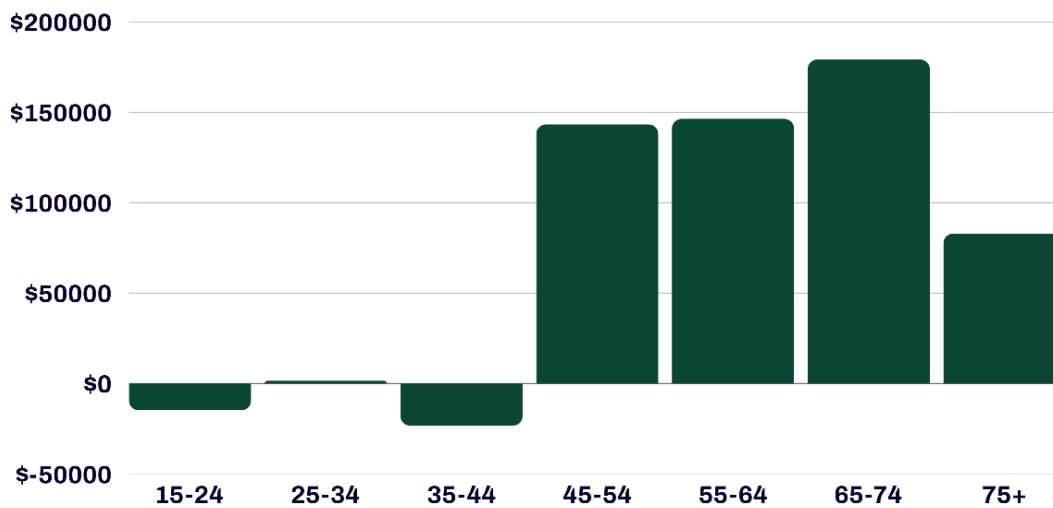
Older generations naturally control much of the nation's wealth. They are the landowners and shareholders, run our companies and dominate politics. But as custodians, they have a responsibility to share capital and opportunity with younger generations. For a flourishing society, it's important that the next generation can reach the bottom rung of the wealth-creation ladder.

However, this bargain is under pressure. Our tax system has been engineered over recent decades, including through the introduction of the CGT discount, to reward the wrong things—wealth accumulation, speculation, and rent-seeking for the already wealthy—over the hard work and entrepreneurship of those starting out.

Our [analysis](#) shows that young workers pay higher tax rates than multimillionaires, property investors, and wealthy retirees. Instead of providing easy access to economic security tools such as affordable education or housing, we extract rent from younger generations or load them with debt. Declining homeownership rates, rising tertiary education costs, growing workforce insecurity, and intergenerational wealth inequality all point to the erosion of the intergenerational bargain and the inequity at the heart of our tax and transfer system.

This means that by 2020, the net worth of 15- to 44-year-olds had declined (Figure 1), while the wealth held by older age groups had increased significantly. Adjusting for inflation, 15-24-year-olds have seen their household wealth decline by nearly \$15,000, from \$49,300 to \$34,600. The wealth of 25-34-year-olds has barely shifted, and 35-44-year-olds (older millennials) have also gone backwards, falling by \$23,300, from \$424,300 to \$401,000, a decline of 5 per cent. Younger people today are poorer than their counterparts were at the same age a decade ago.

FIGURE 1: CHANGE IN REAL HOUSEHOLD WEALTH BETWEEN 2010- 2020



Source: Think Forward calculations using ABS's Survey of Income and Housing data from 2009-10 to 2019-20

During the same period, the wealth of individuals aged 45-74 has increased by about 20%. The Actuaries Institute also found that the wealth of households headed by those aged 65 and over has grown faster than that of younger households. They note that, with the housing boom and the rise in government payments to older citizens, there is an alarming gap between the wealth and well-being of young people today compared to their parents at a similar age (Actuaries Institute, 2020). We are seeing a situation where the benefits of Australia's economic development are not reaching younger households. Nearly half (45%) of the increase in household wealth since 2003 has gone to the richest 10 per cent, with half of this increase benefiting wealthy older people.

Our leaders have set up our tax system so that superannuation and housing effectively take money from workers and younger people without assets and hand it to those who are already wealthy. Given wage stagnation, rising housing costs, and the importance of home ownership in Australia's retirement system, many nurses, mechanics, teachers, and those who raised children or cared for a loved one may miss out on a secure retirement. Not because they didn't work hard enough, but because outcomes are being determined by who the best rent-seeker and accumulator is, not by who contributed the most to our society.

Wealth inequality within generations

For a long time, much of the intergenerational debate has centred on how fortunate the Baby Boomers were and how unlucky younger generations are. This holds true regarding the timing of events such as the global financial crisis and the pandemic, the rising costs of education and housing and the climate crisis. But this isn't the only divide. Another divide is between those with access to family wealth and those without. It's not purely about intergenerational fairness, it's also intragenerational.

Over \$3.5 trillion is expected to transfer to younger Australians over the next two decades, and many will end up as beneficiaries of the under-taxed capital gains. The transfer will happen via inheritance. But also gifts/loans, as the bank of mum and dad has become one of Australia's largest lenders. In the 1980s, 15 per cent of first home buyers received parental support. Today, according to the Centre for Equitable Housing, that figure has surged to 40 per cent and beyond.

Younger Australians without family wealth face significant disadvantage as asset prices continue to surge, with owners benefiting from the CGT discount's favourable treatment. Without reform, this entrenches a system where life outcomes increasingly depend on family wealth rather than individual effort or merit, undermining the social contract that is meant to reward work and provide opportunity regardless of birth circumstances.

Between renters and first home buyers, and investors

The 'Australian Dream' of homeownership is deeply ingrained in Australia's culture and society. It is a belief that owning a house, typically with a backyard, represents a significant achievement and a symbol of success and stability. As such, Australian governments of all political persuasions have long promoted homeownership. However, the Australian housing market no longer provides affordable housing for younger generations, as reflected in declining homeownership rates.

Since the 1980s and 1990s, Australian governments have used the housing system to achieve two goals that have become increasingly contradictory. Firstly, government policies and tax settings, notably the CGT discount, encourage property speculation as a tool for wealth creation, seen as a means to become economically secure in retirement. Secondly, the goal is to achieve high homeownership rates and the security they provide. However, investors need ever-increasing home prices and rents to make investing profitable, which is incompatible with high homeownership rates. This process of supercharging housing as a wealth-building vehicle has eroded the vision of the Australian Dream.

Even though homeownership rates have fallen, protections and rights for renters remain weak or do not exist. Renters face high costs, limited choices, poor conditions, and little security. A key factor is the CGT discount, which incentivises landlords to hold on to their properties for capital gains rather than provide good-quality housing for renters. Meanwhile, younger renters' rental payments fund the speculative investments of older, wealthier Australians, while their tax dollars also pass through to landlords through the CGT discount and negative gearing. These factors mean that landlords' wealth has increased substantially as income is transferred from young to old, while young renters, trapped in the rental market, struggle to compete and become homeowners themselves. Australia's housing market has shifted from a system that spreads wealth to one that concentrates wealth, worsening inequality.

The CGT discount shifts public resources from investments in our collective capacity to private wealth accumulation

Responding to Terms of Reference B & C

Australia is a world leader in tax expenditures. A tax expenditure occurs when a taxpayer or activity receives a different tax treatment than the usual one. Governments often use them to support or reward specific activities or groups and include exemptions, deductions, rebates, offsets, or lower tax rates.

The largest expenditures, per the Treasury's 2025/26 [Tax Expenditures Statement](#), are:

1. Concessions for super contributions, earnings, and withdrawals cost \$63 billion annually in foregone revenue.
2. The tax-free status of the family home costs \$50 billion. Unlike other 'assets', no capital gains tax is due when we sell a primary residence.
3. Various GST exemptions, including on food, health, and education, cost \$32 billion.
4. Deductions for property investors (negative gearing) cost \$29 billion.
5. **The CGT discount for individuals and trusts costs the budget \$22 billion¹.**

Many tax expenditures are worthwhile, especially if they encourage investment or support for things we want more of. As a nation, though, we have become obsessed with them. Politicians love handing them out, and interest groups across all sectors of the economy are constantly advocating for them. However, the scale of our tax expenditures has become too vast.

According to the [Global Tax Expenditures Database](#), Australia forgoes 32% of our tax revenue, which is well above the OECD average of 20 per cent. These expenditures exceed \$200 billion and erode the effectiveness and trustworthiness of the tax system for raising essential revenue. They also often don't encourage the kind of behaviour our community wants to see.

The CGT discount prioritises non-productive investments, rewarding speculation, accumulation, and rent-seeking above work. The high cost of these tax expenditures forces higher tax rates on the majority while the wealthy benefit, drives up housing prices through speculation, and starves the Budget of funds for vital investments in public goods and services.

Our political leaders repeatedly remind us that we are in a budget crisis and cannot invest in what we need to thrive. In reality, we have sufficient funds. Our leaders instead choose to redirect collective public resources toward private wealth accumulation via the CGT discount.

¹ In addition, the 33.33% CGT discount for superannuation funds cost an additional \$2.5 billion and other CGT concessions for small business cost an additional \$1.1 billion.

The CGT discount overwhelmingly benefits older, wealthier Australians

Responding to Terms of Reference D

According to the Treasury's Tax Expenditures and Insights Statement, around 95 per cent of the benefit of the CGT discount is received by people with above-median income, and about 82 per cent of the benefit is received by people in the top income decile. From an intergenerational perspective, only 5 per cent of the benefit flows to people under 40, compared with 45 per cent to people over 60.

Intuitively, this makes sense, as older Australians have had more time to build wealth. But a fair and progressive tax system should not transfer money from low-wealth workers to the already wealthy, as the CGT discount does. Many older Australians have worked hard and saved, but combined with other concessions, they receive a mighty leg-up from the government.

The intergenerational inequity in our tax system has resulted from deliberate policy decisions by successive governments. Both sides of politics, when in government, have introduced or continued to support tax concessions that either:

- Directly support older Australians, like tax-free superannuation incomes for those over the age of 60, special tax offsets and the higher Medicare levy threshold for seniors; or
- Support the already wealthy, who are typically older, like the 50% capital gains tax discount, the family home exemption from capital gains, cash refunds for franking credits, and the ability of property investors to negatively gear investment losses against their personal incomes.

These tax concessions erode our tax base and are largely welfare for the wealthy. Meanwhile, Australia's younger generations are being squeezed by higher taxes, record rents and property prices, and high university costs at a time in their lives when they are looking to establish themselves. We should support them in building their lives instead of subsidising wealth accumulation for the already wealthy.

Wealthy taxpayers can undertake tax avoidance through the use of trusts and SMSFs

Responding to Terms of Reference E

Ordinarily, individual taxpayers are personally subject to tax on capital gains from the disposal of investments they directly own (such as investment properties). Some taxpayers, however, split, defer, or minimise their tax burdens by indirectly owning investments (such as investment properties) through one or more interposed entities, including discretionary trusts, self-managed superannuation funds (SMSFs), and private companies².

Tax minimisation strategies involving the 50% CGT discount through trusts generally focus on how trusts can direct capital gains to beneficiaries who can utilise the discount. It is common for

² Our understanding of how trusts are used as a tax shelter has been supported by the work of academics at the Melbourne Law School and ACOSS.

high-income taxpayers to minimise tax payable on the sale of assets by holding those assets through discretionary trusts and distributing the trust's taxable income and gains to family members and other entities controlled by the individual that are taxed at lower rates, are eligible for the 50% CGT discount, and/or have tax losses that could reduce the assessable capital gain before applying the discount; and/or could 'stack' the 50% CGT discount with other tax concessions such as small business relief concessions.

Another strategy for minimising tax is to hold an asset through a self-managed super fund (SMSF), which allows the 'stacking' of the 33⅓% CGT discount for superannuation funds with the concessionary tax rates for superannuation earnings (15% rather than the marginal income tax rate). This tax minimisation strategy would yield even greater tax savings should the capital gain arise during the 'pension' phase, as the SMSF would be subject to 0% tax on the discounted capital gain.

These two examples further illustrate how our tax system and the CGT discount forgo public funds to support the wealth accumulation of the already wealthy.

The CGT discount is fulfilling its intended purpose. That's a problem.

Responding to Terms of Reference F

Australia's 50% capital gains tax discount was introduced in 1999 by the Howard Government (Prime Minister John Howard and Treasurer Peter Costello). Some of the key rationales for the introduction of the 50% CGT discount, such as those given by the Ralph Review of Business Taxation, included that the 50% CGT discount would stimulate investment (such as in equities markets), encouraging investors to realise their assets and reducing 'lock-in' effects (i.e. taxpayers holding assets for longer than they otherwise) and increase government revenue, based on the assumption the tax would lead to more asset sales and therefore more CGT collections (compared to the previous arrangements).

In reality, these outcomes did not materialise. There is no evidence that the 50% CGT discount increased asset realisations or stimulated investment. Instead, the change delivered windfall gains to existing asset holders, and CGT revenues actually fell sharply after the introduction of the 50% CGT discount³.

But at Think Forward, we see the introduction of the CGT discount as part of a broader wave of reforms, rather than as a standalone measure to boost investor activity. The CGT discount sits alongside corporate and personal income tax cuts, the abolishment of the superannuation surcharge on high income earners⁴ and refundable franking credits, as changes that fundamentally altered how our taxation system worked. Instead of working for collective wellbeing, the tax system was reformed to prioritise private wealth accumulation.

³ Minas J and Freudenberg B (2019) op. cit; Kenny P (2005) op. cit.

⁴ The introduction of the superannuation system itself could be considered as part of this wave of reform as it seeks to replace a public retirement system (pensions) with individual savingsroaring

In many ways, it was a roaring success, with private wealth accumulation far outstripping wage growth over recent decades. So much so that property speculation is overtaking earning a wage as the pathway to financial security, and asset prices continue to skyrocket.

Our political leaders' actions and the vested interests that sustain the status quo contribute to a deteriorating national culture obsessed with individual wealth accumulation. For Millennials and Gen Z without familial support, we have been left on the wrong side of a divide, yet assured by our leaders that the benefits will trickle down to us if we work hard enough. But without reform that re-centres broad-based prosperity, wealth inequality will continue to grow, and the rewards from our country's economic development will be captured by wealthy asset owners, not workers.

The CGT discount, at its current rate, does not have a role in Australia's future tax mix, according to our political leaders, experts and younger generations

Responding to Terms of Reference G

Australian experts, policymakers and politicians are increasingly recognising that young Australians are caught in a crisis of intergenerational injustice.

In the lead-up to the election, when asked by the DailyAus what the biggest issue facing young people is today, the Prime Minister replied, "Intergenerational equity". He continued, "It's the feeling that young people have that they're not getting a fair crack at what my generation and previous generations had". Coming out of the Government's Economic Reform Roundtable, Treasurer Chlamers also identified intergenerational equity as a priority area for reform, saying that "a fair go for working people... including in intergenerational equity terms" is an objective for tax reform.

The Liberal Party, too, has been centring intergenerational equity when talking about the Budget and the tax and transfer system. In various 2025 speeches, Sussan Ley has outlined how the Liberal Party will "act to deliver intergenerational fairness". Ted O'Brien, the Deputy Leader of the Opposition, chose, in his November Press Club address, to focus on the economic situation of younger Australians. He explained how working hard can feel 'futile', and that "intergenerational compact is fraying, and all signs point to further disintegration".

Productivity Commission chair Danielle Wood has warned that younger Australians today believe they won't live better lives than their parents did, and highlighted while CEO of the Grattan Institute that "The degree of age segregation in the current tax system, where a retiree household on \$100,000 pays half the income tax of a younger household on the same income, is neither defensible nor sustainable". Former Treasury Secretary Ken Henry has criticised Australian policymakers for causing an 'intergenerational tragedy' by failing to address an unfair taxation system, and at the August 2025 Economic Reform Roundtable, ANU Professor Bob Bruenig spoke of a 'broken intergenerational contract', arguing that the tax and transfer system is increasingly disadvantaging younger Australians.

Some in the business community are also recognising the inequitable treatment of work and wealth in the tax system. Commonwealth Bank CEO Matt Comyn has advocated significant tax reform in Australia, including shifting from a heavy reliance on income tax to a greater reliance on wealth taxes. In its June 2025 [Submission](#) to the Productivity Commission, the Bank argued that “areas exist to reduce complexity and opportunities for tax avoidance and tax planning that undermine revenue and create horizontal inequity between taxpayers”.

This academic, business and political recognition of the intergenerational impacts of current policy settings reflects growing concern in the community. [A majority of Australians](#) feel pessimistic about the future, believing that children born today will be worse off than their parents. Young Australians are even less likely than older people to agree that ‘Australia is a land of economic opportunity where, in the long run, hard work leads to a better life’ ([O’Donnell, 2023](#)). [Survey research](#) conducted before the May 2025 federal election revealed that young voters aged 18–24 believed that intergenerational issues, such as affordable housing (73%), job opportunities (52%), and climate change (40%), require immediate action by politicians.

A core reason for founding Think Forward was that we saw younger Australians were not being included in the crucial economic and tax debates shaping their futures. To bring younger perspectives to economic and tax policy, we [surveyed](#) 1,000 people to explore what younger generations – Gen Z (born between 1996 and 2010) and Millennials (born 1981 to 1995) – think of Australia's current tax settings, how they impact their lives and what reforms they would like to see.

We found that:

- Eighty-seven per cent of responders said they **don't believe the government is doing enough to support younger people** in achieving their goals. Many survey respondents discussed how difficult it is for younger people to build a good, economically secure life.
- Sixty-nine per cent believe that **older generations don't contribute a fair share** via the tax system. There was a general feeling that older generations had pulled the prosperity ladder up behind them.
- Younger people **identified over 100 policy responses** the government could take to support them. The most frequently identified included: Free (or cheaper) tertiary education; removing property investor tax breaks; increasing taxes on wealth; investing in public housing and healthcare services; and increasing income supports for students.
- Younger generations showed **support for removing negative gearing and capital gains concessions** for property investors (73% support).

Younger generations weren't asking for tax cuts or handouts, just a fair share of the nation's wealth and the opportunity to build their own lives.

Despite overwhelming evidence and community support for action, our leaders have yet to take the required steps⁵ to address the clear intergenerational inequities in our tax system. Our

⁵ The proposed reforms to the taxation of large super balances, the 20% cut to HECS-HELP debts and the various new housing policies are movements in the right direction, but ultimately don't fundamentally address the underlying structural drivers of intergenerational wealth inequality.

leaders cannot claim they care deeply about younger people while continuing to support the capital gains tax discount.

To truly champion intergenerational equity, our leaders must invest in younger generations. We just want to get a good, affordable education, to work hard, buy a home, start a family and live on a healthy planet. Just like generations prior. But that's being taken from us by unfair tax breaks like the CGT discount, which flow to the wealthiest, push up home prices and rents, and mean we don't have the public funds to make the critical investments in public assets and services to set our nation up for the future.

Policy recommendation #1: Reduce the capital gains tax concession

The 50 per cent discount is excessively generous and should be removed. In its place, a concession for inflation should be reintroduced⁶, with the real capital gains then taxed as ordinary income. By doing so, gains from wealth will be taxed at similar rates to work.

This would also reduce the scale of tax expenditures (i.e., taxes not collected), estimated at \$200 billion in 2023-24, with the CGT discount contributing over \$23 billion.

Policy recommendation #2: The money raised should be spent on our collective capacity as a nation

We must ensure that everyone can get a good start and build economic security. We should reallocate our public resources to build new homes, fund world-leading public services, make tertiary education affordable, and develop clean-energy and digital infrastructure.

Our priorities, which could be funded by the winding back of the CGT discount, would be to:

- Make undergraduate university free (costing around \$7 billion per annum).
- Build 70,000 affordable 'public' homes each year and sell or rent them at cost to those who need them (costing around \$2 billion per annum).
- Continue to increase the duration of paid public parental leave until it reaches 12 months to bring Australia's paid parental leave scheme in line with international best practice, and set the payment rate at a replacement wage, rather than minimum wage (costing around \$6 billion per annum).

Taxation is about choices. At present, our leaders are choosing to deny younger generations their opportunity in favour of the already wealthy. But we can, and must, choose to do things differently and restore equity to our tax and transfer system, with the CGT discount a good place to start.

⁶ Capital gains on assets acquired after 1985 and sold before 1999 by individuals and trusts were taxed at full marginal tax rates but only after adjusting for inflation (calculated as CPI at time of asset sale, or CPI as of 1999 if sold after 1999; divided by CPI at time of asset acquisition). The rationale for indexing the gain was to compensate taxpayers for inflation, by ensuring only the real (rather than nominal) gain was taxed.,

We are calling on this parliament to reform our tax system for intergenerational equity

Responding to Terms of Reference H

While we support scaling back the CGT discount, a package of reforms is needed to truly restore intergenerational equity. To that end, in 2026 we will be running our Tax Wealth, Not Work campaign to build public support for reform and calling on this parliament to act.

We thank the Prime Minister, the Treasurer, the Leader of the Opposition, Allegra Spender, the Greens, members of this Select Committee and many others for putting tax reform and intergenerational equity on the agenda. However, problem identification must lead to action, and intergenerational equity must be about more than a sustainable fiscal position (as often framed) and a single policy.

Serious tax reform for intergenerational equity, as articulated further in our submission to the Economic Reform Roundtable, should include:

1. **Reducing or removing tax concessions so that gains from wealth are taxed at similar rates to income from work.** This includes reducing the capital gains tax concession, restricting negative gearing for property to investment income only, and taxing superannuation contributions at marginal income tax rates with an offset.
2. **Sharing Australia's wealth so that younger people, no matter who their parents are, have an opportunity for success.** Specific reforms should include taxing inheritances and gifts to create a public inheritance scheme, improving our resource rent taxes, working with the states to replace stamp duties with a land tax, taxing carbon consumption, dealing with trusts and other forms of legal tax avoidance and exploring the need and feasibility of a net wealth tax.

The additional money raised from the above should then be used to:

3. **Prevent the amount of tax collected from younger workers from growing unfairly** through the creation of a package of income tax changes that look at rates and the indexation of brackets.
4. **Support people setting up their lives or helping others, including students, entrepreneurs, parents, carers and the unemployed.** We should increase support payments for students, make undergraduate university courses and TAFE free (or at least much cheaper) and increase payments and thresholds to support people caring for elderly parents, sick or disabled loved ones and children.
5. **Repair government budgets so we can invest in the services Australians rely on and withstand future economic shocks** by retaining a portion of the additional revenues to balance the long-term budget, while ensuring our public services are modern and efficient, and use the government's balance sheet to build public housing to rent or sell to younger households.

Over time, these measures will increase workers' take-home pay, as there will be less pressure on the Federal Budget as more revenue is sourced from wealth holders. It means we can invest in

Australia's younger generations and provide them with foundational economic security. Instead of loading them with record levels of housing and student loan debt, and higher tax collections, we should enable them to learn, experiment, invest, start a business, and take risks. That way, we can create the economy of the future from the ground up, rather than hoping for opportunity to 'trickle down'.

We know tax reform is hard. There will be opposition from vested interests seeking to preserve the status quo. But there is an appetite for reform in the community, particularly with an intergenerational perspective. We hope you take this opportunity to act.

Conclusion

There are many reasons for young people in Australia to be happy. We live in a comparatively safe and prosperous nation. Nevertheless, many tax and policy settings are intergenerationally unjust and worsen economic and life outcomes for Australia's younger generations. The intergenerational bargain, once the bedrock of societal progress, is crumbling.

As the problems mount, band-aid solutions are no longer an option for younger generations. Younger Australians need their political and business leaders to be courageous and address the structural biases in our tax and systems that reward speculation, accumulation and rent-seeking over work and stewardship. This should start with the winding back of the CGT discount, but should go further to include a full rebalancing of the tax system so it again rewards work and effort and enables public investment in our collective capacity.

Economic opportunity must be shared, not captured by the already wealthy. We must get back to a place where work and effort, not speculation, are enough for economic security and to provide for the ones we love. Younger generations are brimming with passion and ideas. If you invest in us, we can build economic security and confidence, and go on to create a more equitable society, stronger economy and brighter future for all.