



**B Miles
Women's
Foundation**

Po Box 729
Edgecliff NSW 2027

Head office: +61 2 9360 4881
Intake hotline: 1800 274 984

intake@bmiles.org.au
bmiles.org.au

The Secretary
Select Committee
Operation of the Capital Gains Tax (CGT) Discount
Parliament House PO Box 6021
Canberra ACT
Australia
2600

Dear Committee,

B Miles Women's Foundation welcomes the opportunity to contribute to the Senate Select Committee's inquiry into the Operation of the Capital Gains Tax (CGT) Discount.

The B Miles Women's Foundation works across homelessness and housing in NSW. We support policy settings that reduce inequality, strengthen economic security, and ensure everyone can access safe, decent, and affordable homes.

We are concerned the current CGT discount settings are widening inequality, worsening housing affordability, and weakening Australia's long-term social and economic wellbeing. In our view, substantial reform is required.

Why the CGT Discount Matters to our Work

The CGT discount has deep, system-wide consequences that directly affect our mission and the women and communities we serve.

Key systemic concerns include:

1. Rising inequality and worsening housing affordability

The CGT discount amplifies wealth inequality by delivering the greatest benefits to higher-income households and property investors. It contributes to upward pressure on land and housing prices, making it harder for the communities we represent to secure stable, affordable homes. This undermines health outcomes, opportunities to stay in the workforce, and housing security for older, more vulnerable Australians.

Rising rents and insecure tenancies also increase demands for homelessness and crisis services, as people are priced out of the rental market, not only in inner-city areas but increasingly across regional and rural communities across the country as well.

2. Higher rents and increased precarity

The CGT discount incentivises investors to buy existing homes rather than add new supply, increasing competition for the same stock. This drives prices higher and places further upward pressure on rents, making housing less attainable for low-income households, young people, older renters, and single-parent families.

As investors pursue higher returns, properties are more frequently bought and sold, often forcing tenants to move—sometimes repeatedly—at significant personal and financial cost. This instability affects health and education outcomes, workforce participation and job security, and community connection and safety.

3. Intergenerational inequity

Younger Australians face the double burden of soaring housing prices and stagnant wages, while older or wealthier cohorts benefit disproportionately from property-based tax concessions. This fuels social division and weakens long-term economic stability, with women on lower incomes bearing a disproportionate impact.

High and rising rents reduce people's capacity to save, build assets, or develop financial resilience. The CGT discount accelerates wealth accumulation for property owners while locking renters out of long-term security, compounding intergenerational inequality.

4. Impact on people experiencing disadvantage

The effects of the CGT discount intersect with poverty, health outcomes, homelessness risk, and social exclusion. Stable, affordable housing is foundational to wellbeing, and current tax settings make achieving it more difficult for those already facing disadvantage.

Experiences from our Community

Our service supports more than 600 women each year experiencing housing instability. Many seek help while living in the private rental market, but cannot maintain that housing over time. This is often because they receive eviction notices when properties are sold (investor churn) or face continual rent increases as investors seek higher profits.

We are increasingly seeing older women enter the homelessness system for the first time in their 60s, 70s, and even 80s. This is deeply alarming. We believe governments must act urgently, using every available lever to make housing accessible for all.

Response to the Terms of Reference

a) Contribution to inequality and housing stress

- The CGT discount disproportionately benefits higher-income households and investors.
- It inflates housing demand, pushing secure housing further out of reach for many we support.
- Stable housing underpins homelessness prevention and broader Housing and Homelessness sector outcomes.

b) Use of the CGT discount by trusts

- Trust structures can intensify inequity and reduce transparency, enabling high-wealth individuals to minimise tax obligations.

c) Whether the CGT discount is meeting its intended purpose

- Evidence strongly indicates the policy no longer aligns with its original rationale of supporting housing supply.
- Instead, it now fuels inequality, worsens affordability, and suppresses productivity.

d) The discount's future role

- We support reform of the CGT discount to create a fairer, more efficient tax system that prioritises housing affordability.
- Reform should phase out the CGT discount on investment properties, aligning it more closely with the treatment of other forms of income.

e) Other related matters — reforming negative gearing

- Any reform will be incomplete without addressing negative gearing alongside the CGT discount.
- These concessions operate together to inflate prices, encourage speculative investment, and lock renters and first-home buyers out of secure housing.

Recommendations

B Miles Women's Foundation recommends the Australian Government:

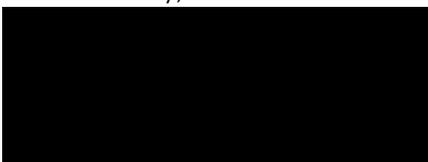
1. **Phase out the Capital Gains Tax discount on investment properties** to better align with the tax treatment of other forms of income;
2. **Abolish negative gearing deductions for losses on new investment properties**, while phasing out deductions on existing investment properties over time; and
3. **Reinvest savings from these reforms into public and community housing**, including construction and acquisition, to meet current and future need.

Conclusion

We urge the Committee to consider the far-reaching impacts of the CGT discount on inequality, housing security, intergenerational fairness, and Australia's long-term economic future. Reform is essential to building a fairer, more productive, and more inclusive Australia.

We appreciate the opportunity to contribute to this inquiry and remain available to provide further comment.

Sincerely,



Kate Timmins
CEO