



# Capital Gains Tax and Gender Inequality

*Submission to the Select Committee on the Operation of the Capital Gains Tax Discount*

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## Acknowledgment of Country

The Working with Women Alliance acknowledges the Traditional Custodians of the land on which we work and live.

We pay our respects to Aboriginal and Torres Strait Islander Elders past and present, and we value the enduring connection Aboriginal and Torres Strait Islander people have to this land.

We value Aboriginal and Torres Strait Islander histories, cultures, and knowledge.

## About WwWA

The Working with Women Alliance (WwWA) represents two key portfolios: National Women's Safety (NWS) and National Women's Equality (NWE).

The WwWA connects the critical areas of gender-based violence prevention and the advancement of women's economic equality and leadership, bridging these important policy fields for greater impact.

We work with members and stakeholders, including the Australian Government, to provide expertise and advice on gender equality and women's safety.

## Executive Summary

The capital gains tax (CGT) discount is one piece of a gendered housing puzzle which leaves women unable to afford safe, sustainable housing as they age, and contributing to the 40% growth in older women experiencing homelessness over the last decade.

Women do not benefit from the CGT discount to the extent that men do, and they are more severely impacted by any rise in house prices. Women, and especially young women, are less likely to own property and much less likely to own an investment property than men.

The impact of this uneven policy is that women are more likely than men to experience housing affordability stress and to experience homelessness. The total number of people accessing specialist homelessness services over the last five years has grown significantly faster than the general population, suggesting that the problem of housing affordability is growing, not just quantitatively but also in terms of impact. Women in particular are contributing to the growth in specialist homelessness service clients.

Tax incentives for housing investment do not work to ensure that people have rooves over their heads, and a safe place to sleep. Regardless of the original intended purpose of the CGT discount, its continued use in the current format is contributing to inequality and driving up the cost of housing in Australia. Since its introduction in 1999, house prices have increased at a much faster rate than income. The scheme also costs the Federal Government a significant amount in lost revenue - \$22.7 billion in 2024-25, and \$89 billion over the last five years. This revenue, even if partially recouped, would be better spent on the provision of public and social housing targeted at women.

There is strong support from our membership to reform the capital gains tax discount, and to do so as part of a wider scale gender-impact assessment of Australia's tax and transfer system and as part of a national housing strategy that targets inequality.

## Capital gains tax discount and inequality

The CGT discount contributes substantially to inequality in Australia. Current tax settings in Australia largely benefit high income earners and the wealthy. The 2024 Tax Expenditure and Insights Statement outlines the discrepancies in these benefits. For example, in 2021-22<sup>1</sup>:

- Almost all (95%) of the benefit of the CGT discount was received by people with above median income.
- Most (82%) of the benefit was received by people in the top income decile.

Given that the discount most benefits the richest people in the community, it makes sense that it also primarily benefits men. In fact, women make up just under half of the recipients of the CGT discount but receive only 42% of the benefits.<sup>2</sup> These figures likely hide a larger discrepancy, given that many women own property with male partners.

Further inequality in housing tax concessions is revealed if the CGT discount is considered in concert with negative gearing. Women make up half of claimants of rental deductions, but only receive 42% of the benefits, because their average deductions are smaller, and their taxable incomes are lower.<sup>3</sup> Australia's tax settings must be designed to improve inequality, not worsen it.

There is no publicly available data on the benefits of the CGT discount for other cohorts, such as Aboriginal and/or Torres Strait Islander people, migrants and refugees, or people with disability. However, we can assume that lower incomes and lower levels of wealth mean that these groups do not see the same benefits as the general population.

## Investment property and gender equality

Women are slightly less likely than men to own property, and significantly less likely than men to own investment property – 14.2% of men own at least one investment property, compared with 11.4% of women.<sup>4</sup> In fact, *young* men own investment properties at double the rate of young women, and men more broadly are more likely to see property purchase as an investment opportunity, a mechanism for retirement planning and for building wealth and assets.<sup>5</sup> Men are also more likely than women to own multiple investment properties.

## Women's housing crisis

Women are the new face of the housing crisis. The gender pay gap and unpaid care responsibilities mean that women are the first to lose out when the cost of housing goes up. We know that women take longer than men to save for a house deposit and are more likely to be in rental stress.<sup>6</sup>

The increasing unaffordability of housing means that more women are facing and experiencing homelessness. The majority (73%) of specialist homelessness clients are women and children.<sup>7</sup> Almost a third (29%) of clients are single parents and over a quarter (27%) have sought help because of domestic and family violence.<sup>8</sup> We know that women are overrepresented both as single parents and as victim-survivors of domestic and family violence.

This is not a niche issue. Almost one in five women (19%) seeking support from specialist homelessness services are employed, yet still cannot afford a safe, secure and sustainable place to live.<sup>9</sup>

The CGT discount is only one part of the housing puzzle but its impacts on women are substantive. Addressing the distributional inequity of the CGT discount must be part of any Government attempt to ensure that all people can afford homes.

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<sup>1</sup> The Treasury, 2024, 2024-25 Tax Expenditures and Insights Statement, Australian Government, <https://treasury.gov.au/publication/p2025-607085>

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

<sup>4</sup> Cotality (formerly CoreLogic), 2025, *Women and Property: Empowerment through Ownership*, <https://www.cotality.com/au/resources/reports/women-and-property-2025>

<sup>5</sup> *Ibid.*

<sup>6</sup> The Australian Housing and Urban Research Institute (AHURI), 2024, *What are the real costs of Australia's housing crisis for women?*, <https://www.ahuri.edu.au/analysis/brief/what-are-real-costs-australias-housing-crisis-women>

<sup>7</sup> Australian Institute of Health and Welfare, 2025, *Specialist homelessness services annual report 2024–25*, Australian Government, <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/about>

<sup>8</sup> *Ibid.*

<sup>9</sup> *Ibid.*