August 2026

ACTU

HOUSING PLAN 2026

HOME IS WHERE THE START IS

HOUSING AFFORDABILITY AND COST-OF-LIVING PRESSURES ARE RESHAPING WHAT WORK DELIVERS FOR WORKING PEOPLE

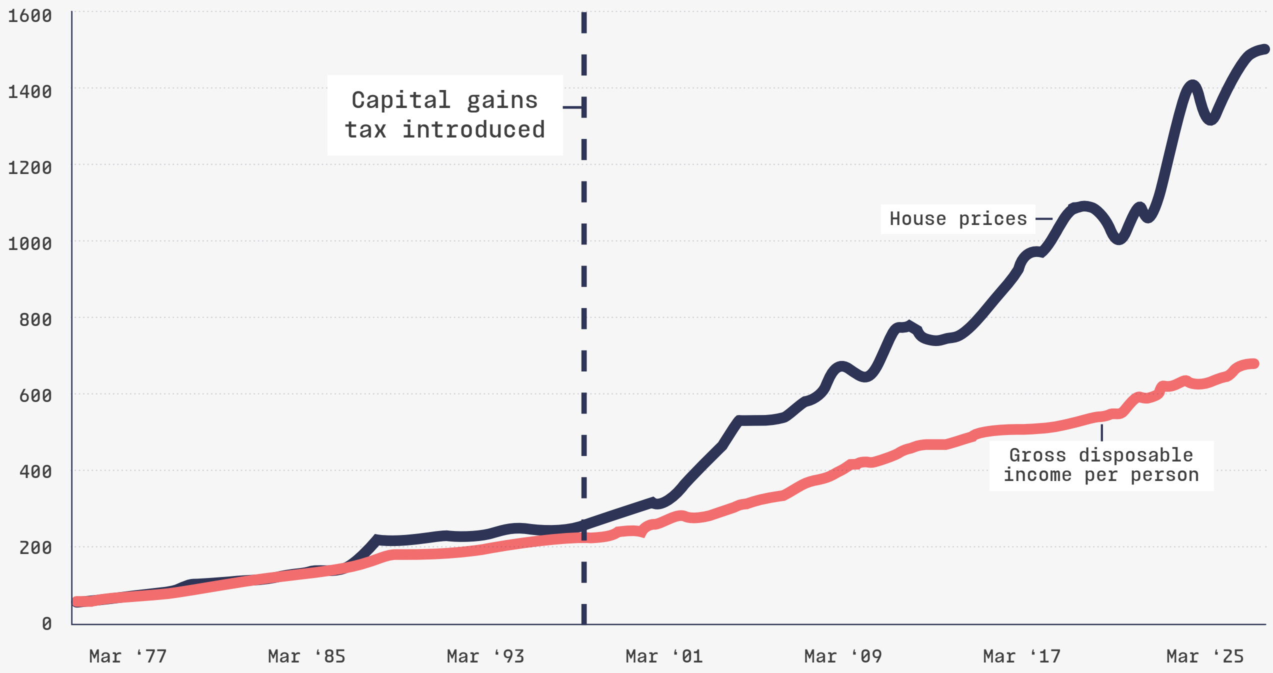
When wages fail to keep pace with housing costs, working harder is no longer enough to secure stability, proximity to work, affordable rent or a pathway to home ownership.

This plan sets out practical reforms that address the lived experience of workers while supporting a fair, stable housing system. It focuses on three core areas:

1. Increased investment in public housing as essential infrastructure
2. Stronger, enforceable rights and standards for renters
3. Support for the Government's reforms to rebalance the taxation system for working people and create fair and stable settings that prioritise housing for living over speculation.

The Government has recognised that Australia's tax-treatment of housing no longer delivers security or fairness for working people. Generous tax concessions to professional landlords have driven up house prices over many decades. Where once buying a home cost around 6 times the average income of a worker, it has nearly doubled to just over 11 times. Increases in house prices have consistently outpaced wages. In the last five years, house prices have risen around 43 per cent. Wages have increased by 17 per cent over the same period.

Fig. 1 – Growth in nominal house prices and nominal income per person



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Even as home ownership drifts further out of reach, young workers are facing increased pressure in the rental market. Rents have risen by double digits in most major cities, driven by rent gouging by professional landlords, and have increased by around 23 per cent over the last five years. As a result, workers are being further priced out of the communities they work in. Anglicare found in 2025 that only 1 per cent of rentals nationwide were affordable for essential workers. Renters lack housing security and are often just one rent increase away from being unable to afford their current home. Renters face poor conditions and avoid asking for repairs or upgrades for fear of an unfair rent increase or sudden eviction.

Older women workers are also facing acute housing insecurity. Women aged 55 and over are among the fastest growing groups experiencing homelessness, driven by lower lifetime earnings, the gender pay gap, occupational segregation, caring responsibilities and lower retirement savings.

Amidst the pressures facing working people, private property developers have failed to build enough genuinely affordable housing. The lack of investment in affordable housing has exposed low-and middle-income workers to an increasingly unaffordable private housing market. Developers have focused housing construction on luxury projects, narrowing the options available for ordinary workers. Alongside this, the public housing share of newly built residential dwellings has fallen from around 10 per cent during the Hawke Government to around 2 per cent today. A structural undersupply of public housing and a lack of new construction of affordable homes has exacerbated and sharpened the problem of housing affordability.

A crisis in housing affordability, significant increases in rent, the dwindling stock of public housing and crisis accommodation have all contributed to the increase in homelessness in Australia. Housing affordability and security must be addressed as core drivers of homelessness, alongside sustained investment in services that support people at risk of or experiencing homelessness. Housing is one of the biggest cost of living pressures facing workers and is stopping working people from getting ahead.

Systemic reform of Australia's housing system is needed. The Government is already taking significant and long-needed steps to make home ownership for workers a possibility again, proposing common-sense changes to concessions in the tax system for professional landlords. Building on these reforms, further steps to provide security and stability for workers, major reform of minimum rental standards, the regulation of rental properties, and measures to prevent "rent gouging" are also necessary. To ensure long-term supply and rebalance the housing market in favour of working people, we also need a revitalisation of Australia's commitment to building and making accessible public housing.

> **RENTS HAVE RISEN BY DOUBLE DIGITS IN MOST MAJOR CITIES, DRIVEN BY RENT GOUGING BY PROFESSIONAL LANDLORDS, AND HAVE INCREASED BY AROUND 23% OVER THE LAST FIVE YEARS.**

CASE STUDY

LOU, REGISTERED NURSE, NSW

I have been a nurse for 52 years. I have spent all that time caring for others but struggling to keep a roof over my head.

I left an abusive marriage, which also involved significant financial abuse, after many years. I left with nothing. The financial abuse resulted in me having no superannuation nest egg to fall back on. I have slowly rebuilt a life attempting to create some stability and security. That sense of security has never come back.

I have moved around the country taking contract nursing roles to keep me safe. This has meant that I have had multiple places of residence due to the difficulties of finding affordable and suitable rental accommodation.

A couple of years ago, I moved back to Sydney where all my support systems are located. Unfortunately, renting has become so unaffordable that I spent several months couch surfing, staying with friends and turning up to rental inspections with sometimes 50- 60 people, all competing for the same place. I have, at one point, resorted to sleeping in my car.

I did finally find a place in Sydney but the rent took up about 65% of my income and that was with working long hours and sometimes 6 days/week. This was not sustainable and totally broke me. I was then offered a place, in Wollongong, and I have moved. This is so called affordable housing and as I am 69 and was on the pension I was shocked to discover this rent takes over half of my pension including rental assistance. I am isolated and lonely as I have no contacts or supports in this location.

I have been forced back into work and do not think I will ever be able to afford to retire. I turn 70 in a couple of months. I am isolated and lonely as I have no contacts or supports in this town. The situation I find myself in is extremely distressing and at times totally overwhelming. I've always been able to find a way to keep going, no matter how tough it gets but that is becoming so much harder. I'm truly exhausted by this. The constant fight to survive and have a roof over my head. To live somewhere I could feel truly safe and secure.

I am not alone in living this way and somehow, our governments have failed me and others just like me. I have worked my entire life, raised a family and still have ended up without a secure or affordable home. This is not acceptable and needs to change.

1/ INCREASE INVESTMENT IN PUBLIC HOUSING

Private, profit-driven development has not delivered sufficient genuinely affordable housing. Over time, public housing stock has eroded as governments have increasingly subsidised professional landlords rather than directly building homes for working people.

The Government's own State of the Housing System report notes that while public housing stock has remained relatively unchanged over the past decade, public housing waiting lists have grown substantially.

International experience shows that countries which have avoided or addressed housing affordability pressures have done so by directly building publicly owned affordable homes and treating housing as essential infrastructure, comparable to schools, hospitals and public transport.

The Plan

The ACTU calls for:

- A target of **10 per cent of newly built housing stock** being public housing, with a long-term goal of at least **6 per cent of total housing stock** being public.
- This target should prioritise direct public housing growth and should not be met by transferring existing stock to community housing providers in place of new public housing construction.
- Removal of GST on federal and state government construction and maintenance of public housing
- Remove tax settings that disadvantage direct public housing provision relative to non-government social housing providers, including exemptions and concessions that distort investment away from public housing authorities.
- A long-term funding commitment for public housing, including co-funding state government projects.
- Expand direct public sector capacity to maintain, repair and refurbish public housing, creating secure public jobs and apprenticeship pathways rather than outsourcing this work to private contractors.
- Review Commonwealth Rent Assistance and related funding settings so they do not incentivise states to shift tenants from public housing into non-government social housing or subsidised private rentals at the expense of direct public housing investment
- Investment in modern methods of construction of public housing such as modular housing including support for Australia manufacture of prefabricated and offsite manufactured building components.

Rationale

A clear public-housing target, backed by sustained funding, would reverse decades of decline and replenish public housing stock. Direct government investment in genuinely affordable homes would also discipline the private market to provide more affordable alternatives.

A well-implemented public-housing program can deliver climate-adapted, high-quality housing while supporting safe, secure, well paid jobs. Over time, it can help lift construction standards across the market, improve living conditions for working people, and reduce pressure on the private rental market by supporting economically vulnerable households into secure housing.

This should include commitments to use modern methods of construction such as modular housing that can reduce costs, and speed up build and approval times while also providing cutting edge, climate-adapted housing stock that supports secure jobs. Increased and improved public housing stock can also be expected to shape the leading edge of innovations in housing construction and discipline the market into adopting higher quality dwellings, improving living conditions for working people over time. A renewed public housing stock will also alleviate pressure on the private rental market.

2/ STRONGER RENTERS' RIGHTS

Australia's private rental market currently favours landlords, offering limited security and protection for renters. Professional landlords can fail to maintain properties, implement extreme rent increases, and terminate tenancies with relative ease.

Housing advocates have documented widespread deficiencies in rental stock, including inadequate heating and cooling, mould, pests, and faulty essential services. Tenants are often forced to endure extreme heat or cold or otherwise use low efficiency, energy intensive appliances to maintain manageable temperatures.

Research indicates that almost 70 per cent of private renters hold back from requesting repairs or upgrades due to fear of retaliatory rent increases. In recent years, rent increases have nearly eclipsed wage growth in dollar terms.

CASE STUDY

MADIE, TEACHER, SA

I've been a public school teacher for seven years, mostly on contracts. This means I move around depending on where the work is, and where I live dictates where I'm able to take jobs.

I love teaching - being in the classroom, supporting students, seeing them grow. But the way the system works makes it really hard to build a stable life.

Because I'm constantly moving between schools, I can't find anywhere affordable that's also close to work. Right now I'm renting in the west of Adelaide, and I have a 45-minute drive each way - longer in traffic.

After a full day of teaching, it's not just physical tiredness - it's the mental load. You're "on" all day, making decisions, managing behaviour, supporting kids who need you. By the time I get in the car, I'm already exhausted, but I still have nearly an hour of driving where I have to stay focused. There's no time to switch off, and some days it feels like I'm running on empty before I even get home.

Housing has made everything harder. I've lived in a rental with visible water marks on the ceiling, which made me concerned about damp conditions. I experienced respiratory problems, but it felt like something I had to put up with because there weren't many options I could afford.

You end up feeling stuck - like you have to take what's available, even if it's not safe or fair.

What worries me most is the uncertainty - not knowing where I'll be living or working next year, whether I'll be able to afford my rent, or whether I'll ever be able to live closer to work and cut down my commute.

If we want teachers to stay in public schools, we need a rental system that actually works - and homes for living in, not investments.

The Plan

The ACTU calls for:

A national minimum tenancy standard of at least two years, with longer and shorter tenancies available by choice and tighter regulation of evictions and rent gouging, delivered through an update of the 2023 National Cabinet 'A Better Deal for Renters'.

- Enforceable minimum standards for rental homes, including:
- National Minimum tenancy standards of at least 2 years
- Mandatory registration of rental properties including a regulator, and
- Regulatory powers to enforce compliance
- Tighten eviction protections
- Measures to improve regulation of rents to prevent rent gouging
- Support for co-funding by property owners and government of upgrades to rental properties, including energy efficiency, temperature control, climate-proofing, and security upgrades

Rationale

A consistent national regulatory framework would ensure rental properties meet basic liveability standards and provide tenants with greater certainty and stability.

Empowering regulators to enforce standards reduces the likelihood that non-compliant landlords avoid upgrades by evicting tenants. Improved rent regulation would deliver longer-term housing stability and limit excessive increases. Academic research, including work from Macquarie University[1], shows that renters benefit from stronger regulation, with comparable approaches already operating in several European countries and the ACT.

The definition of what is an "excessive rent" would be carefully calibrated to deter rent gouging but not deter investment in new rental stock.

1. 'Regulating rents: international examples & experience', Alistair Sisson, Penelope Bowyer-Pont, Nov 2023

3/ REFORMING TAX SETTINGS WHICH HAVE UNDERMINED HOUSING AFFORDABILITY

Unions have campaigned for changes in our tax system to make housing more affordable. The Government has now recognised that Australia's housing tax settings have increasingly rewarded speculative investment for profit, contributing to rising house prices and declining access to home ownership for workers.

Before the introduction of the Capital Gains Tax (CGT) discount in 1999, house prices and household incomes broadly grew in line with one another. In 1999, it took around six times the median income to buy a median-priced house in Australia. Following the introduction of the CGT discount, house prices accelerated rapidly, and it now takes around eleven times the median income to purchase a median-priced home.

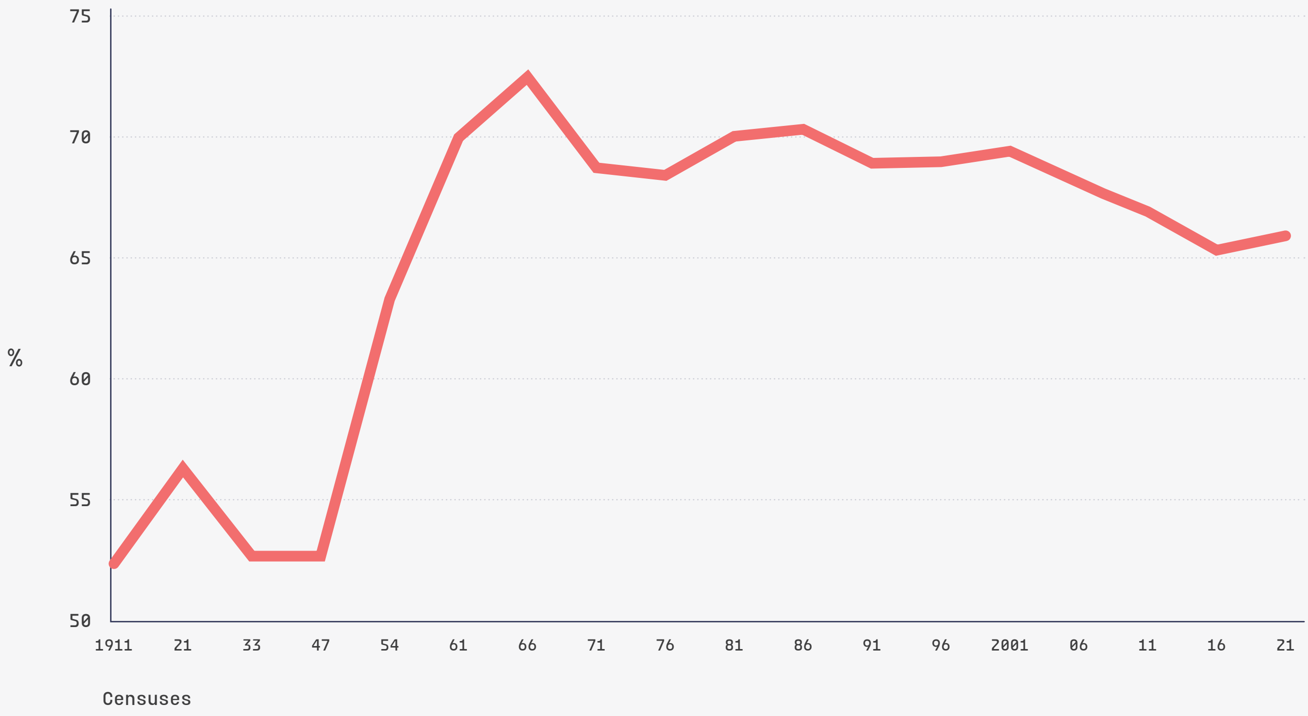
The CGT discount and negative gearing concessions have made housing a highly tax-favoured asset. This encouraged speculative investment since the early 2000s, locking many younger workers out of home ownership while benefiting professional landlords.

Unions led the push to reform these Howard-era tax concessions that drove house prices up by more than 400% - almost twice as fast as average full-time earnings - making housing wildly unaffordable. The overhaul announced in the 2026 Budget signals that some of the housing pressures will start to come off working people, no longer leaving workers to compete with professional landlords that are using unfair tax breaks to bid up property prices.

Tax settings like capital gains tax concessions and negative gearing have made it harder for ordinary Australians, especially younger people, to get into the housing market. The impact of this is already being felt across the generations. Home ownership rates have declined since 2001 across all age groups. In 1947, about 53 per cent of Australians owned their home. By 1966, that figure had risen to nearly 75 per cent. For many families, home ownership became a foundation of security and stability.

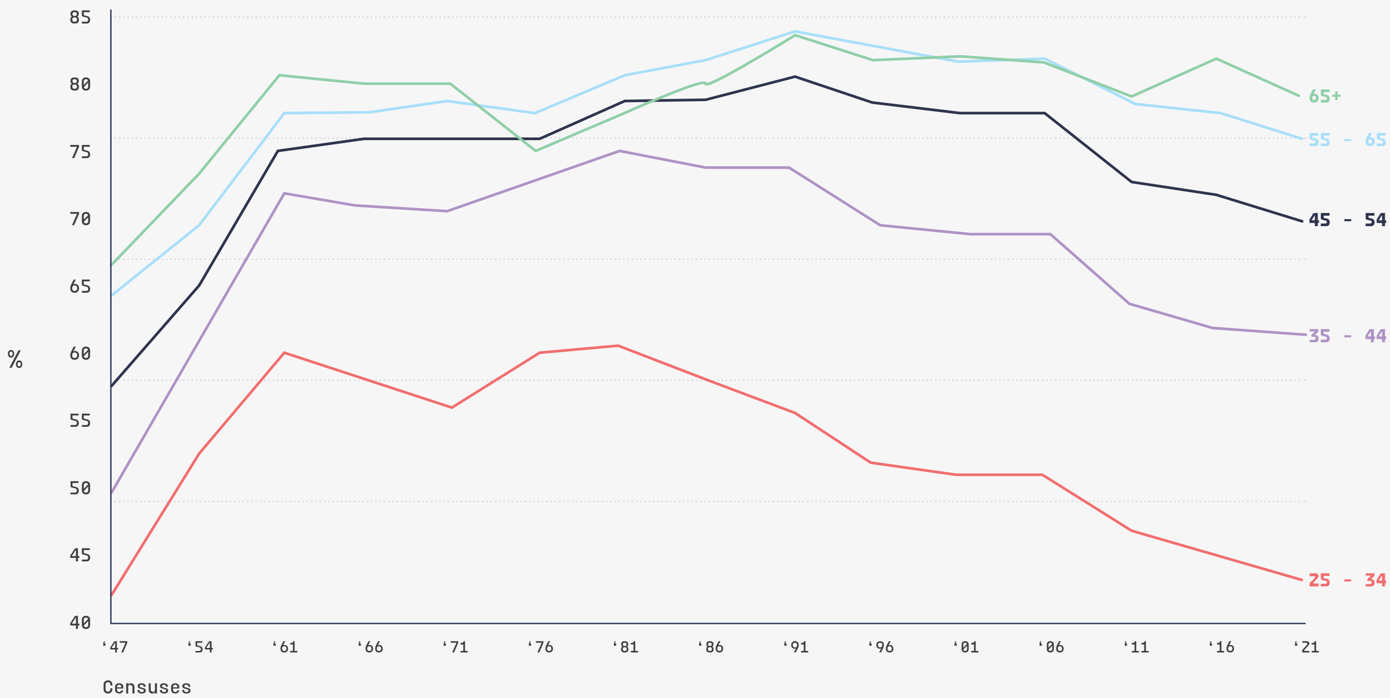
The overall home ownership rate is now more than 10 percentage points below what it was in 1966 - the clear impact of the drop in affordability. This drop has been most keenly felt among younger Australians. While most generations, those 65+ excluded, are significantly below the rate of home ownership they achieved prior to 2001, only those aged 25-34 have experienced a drop so precipitous that they are now back at the level they were at in the 1940s and 1950s. For younger Australians, home ownership rates have fallen back to levels not seen for generations and are now well below 50 per cent.

Fig. 2 – Home Ownership Rate[2]



> The tangible impact of this is that if home ownership for 18 to 35 year-olds had stayed at 2001 levels, another 311,000 young Australians would own or be paying off a home today. Instead, more young people are stuck renting for longer or living at home because home ownership is out of reach.

Fig. 3 – Home ownership by age group[3]



2. Eslake, Saul, An Intergenerational Perspective on Wealth Inequality in Australia, May 2025, sauleslake.info/an-inter-generational-perspective-on-wealth-inequality-in-australia
3. Ibid

This is reinforced by analysis of the latest HILDA data, which shows that for 25- to 34-year-old households, overall homeownership rates (outright owners and mortgage holders) have decreased from 30 per cent in 2001 to 25 per cent in 2024. That is, overall homeownership rates are 17 per cent lower among households aged 25 to 34 years in 2024 than in 2001. Over the same period, renting increased from 35 to 39 per cent among 25- to 34-year-olds, and more young adults were forced to live with their parents. The tangible impact of this is that if home ownership for 18- to 35-year-olds had stayed at 2001 levels, another 311,000 young Australians would own or be paying off a home today. Instead, more young people are stuck renting for longer or living at home because home ownership is out of reach.[2]

This drop in home ownership, especially among younger people, reflects just how unaffordable housing has become. Once, buying a home cost around 6 times the average income of a worker - it now can cost over 11 times the average income of a worker to buy a home. Increases in house prices have consistently outpaced wages. In the last five years, house prices have risen around 43 per cent while wages have increased by only 17 per cent over the same period. Saving a deposit, which ten years ago took 4.9 years and 20 years ago took 4.6 years, now takes 5.6 years nationally and is approaching 7 years in NSW. Housing is simply too expensive. Wages have not kept up with house prices, and even if young people spend years saving for a deposit, prices can move even further out of reach.

The Plan

The Government's reforms to the Capital Gains Tax and Negative Gearing are important and necessary steps towards restoring fairness to the housing market. Limiting negative gearing to new build properties in future will better target investment towards increasing the housing supply and returning capital gains taxation to a more equitable system of inflation-based indexation will assist to end the unequal taxation of income earned as salary compared to income derived from wealth.

These changes are necessary for addressing the ongoing housing affordability crisis and recognition that tackling the tax concessions that provided much of the fuel for that crisis, needed to be a priority. We must all work together to put housing back within reach for working people who have been locked out of affordable housing near where they live and work.

Rationale

Limiting tax concessions will make speculative investment less attractive, alleviating upward pressure on housing prices. Previous policy interventions show that curbing investor activity slows house-price growth.

Reducing incentives for speculative housing investment should also free up capital for more productive uses, contributing to improved productivity outcomes. Recovering revenue from these concessions will improve the budget position, rebalance revenue collection towards greater equity - as these concessions overwhelmingly flow to the top income and wealth holders.

2. Analysis of HILDA data undertaken for the ACTU by Dr Adam Stebbing. Views expressed regarding this analysis are those of the ACTU and not Dr Stebbing. The ACTU would like to thank Dr Stebbing for his generous assistance.

CASE STUDY

TALEI, ENROLLED NURSE, NSW

I've been an enrolled nurse for 13 years and am currently studying to become a registered nurse.

Between 2020 and 2023, I lived independently in Wollongong while working full-time as a nurse and attempting to complete my Bachelor of Nursing. Like many healthcare workers, I believed that if I worked hard enough, I could balance work, study and living expenses.

Instead, I found myself constantly exhausted, working overtime just to keep up with rent and bills while trying to meet university requirements. I accumulated significant credit card debt and eventually made the difficult decision to withdraw from my degree because it was no longer sustainable.

In late 2022, I secured a position at Royal Prince Alfred Hospital and moved back home with my parents to regain some financial stability and continue building my career.

In 2024, I recommenced my Bachelor of Nursing as a full-time student while continuing to work as an enrolled nurse. However, nursing students were required to complete extensive unpaid clinical placements, which significantly reduced our ability to earn an income despite still needing to cover everyday living expenses.

What concerns me most is that my experience isn't unusual. Many of my colleagues rent with housemates, live in multi-generational households, or have only been able to enter the property market with support from parents or grandparents. Increasingly, secure housing feels less connected to how hard you work and more connected to whether you have access to family resources.

This is about more than housing affordability. It's about whether the people who staff our hospitals, care for our elderly, teach our children and keep essential services running can afford to live in the communities they serve.

If workers like me cannot afford secure housing, we risk creating a future where the people society depends on are increasingly unable to remain in those professions or live near where they are needed most.

ACTU