



**MASTER BUILDERS**  
A U S T R A L I A

24<sup>th</sup> April 2026

Foreign Resident CGT Review,  
Department of Treasury,  
Canberra ACT 2600

MNETaxIntegrity@treasury.gov.au

**Re: Draft Legislation – Strengthening the Foreign Resident CGT Regime**

Dear Madam/Sir,

Master Builders Australia (Master Builders) takes this opportunity to comment on the Draft Legislation.

Based on our understanding of the Exposure Draft, the proposed legislative changes are designed to strengthen Australia's foreign resident CGT regime. In principle, we believe that this is a worthy objective.

However, this review comes at a very difficult time for the building and construction industry. The Persian Gulf crises has resulted in higher transport costs, and more expensive raw materials for construction businesses. The energy needed to run vehicles and machinery has also worsened in terms of affordability.

All the while, we continue to fall behind on our National Housing Accord targets. Since the start of the Accord's term in July 2024, 322,400 new home building approvals have been granted. Had we been moving at an Accord-consistent pace, we should have got 400,000 new home approvals by now. This represents a 77,600-home backlog. We have just over 3 years to clear it.

Our chances don't look good. The latest set of Master Builders forecasts anticipate that just 996,000 new homes will end up getting started over the Accord's five-year term. If it turns out this way, it would represent a 204,000-home deficit relative to the Accord's goal of 1.2 million new homes by June 2029.

Foreign residents play an important role in bringing new Australian homes into existence. Latest ABS data indicate that 3,995 housing loans were provided to non-residents borrowers in Australia during 2025. Altogether, these loans were worth some \$3.30 billion – meaning that individual loans averaged \$825,230 in value.

We don't know how many of these loans we used to build or buy newly built homes. However, tight restrictions apply to the acquisition of established homes by foreign residents. This makes it likely that the bulk of foreign resident transactions in Australia's housing market relate to new homes.

Even before the energy crisis, home builders and developers lamented the fact that so many of their prospective projects lacked the financial viability to proceed. Demand from foreign residents enhances the financial viability of newly built homes in Australia by providing a buyer in situations where none may otherwise exist.

The resumption of interest rate hikes at the start of 2026 as well as the nervousness caused by events in the Middle East is making it more difficult for builders and developers to find buyers for new homes. In this context, it is important that we leverage demand from foreign buyers as much as we can to create more of the new homes we need so badly.

We therefore recommend that any legislative changes must not hamper the opportunity for foreign buyers to support new home building activity, or the delivery of support infrastructure.

The design of legislation must also take account of the fact that the regulatory burden on building and construction businesses is already severe. We cannot afford to bear any changes to the foreign resident tax regime that add to our industry's regulatory impost.



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