

**Event:** Senate Economics Legislation Committee Hearing into Treasury Laws Amendment (Tax Reform No. 1) Bill 2026

**Date:** 15 June 2026

**Speaker:** Denita Wawn, Master Builders Australia CEO

## Opening Statement

### E&OE

Thank you Chair and Senators for the opportunity to appear today.

Master Builders Australia is the nation's peak building and construction industry association, representing more than 32,000 building and construction businesses across the residential, commercial and civil sectors.

Builders like all Australians are under pressure. Productivity has declined 20 per cent over the last ten years and building costs have increased almost 50 per cent.

Interest rate hikes, disruptions from the Middle East and other challenges such as workforce shortages and increasing red tape continue to constrain the industry.

Our members have expressed immense frustration with all of the tax hikes announced in the Budget. Combined these will stifle business and are likely to cause an investment strike.

I now turn specifically to the Capital Gains Tax Discount and Negative Gearing. Construction will be hit hard by the proposed tax hikes on private housing investment resulting in less housing supply and affordability.

These changes do nothing to deliver on the Federal Government's commitment to materially increase new housing supply to its full potential, let alone support the Government's own target to deliver 1.2 million homes by mid-2029.

The Government's own Budget Papers show a decrease in housing supply by 35 000 homes over the next decade as a result of the tax changes outlined in the Bill. Independent modelling shows the Federal Budget will see new home construction go backwards, and higher than anticipated rental inflation.

The modelling finds that over the next four years the Federal Budget will cause:

- New housing supply to fall by over 8,700
- Rents to increase by up to \$9 per week
- A reduction in GDP of \$864 million
- Construction jobs to fall by more than 3,800.

Builders and developers have made investment decisions based on the policy settings that were taken to the last election by this Government. Projects take many years in their planning and design, so many of these investment decisions will now be negatively impacted.

We also contend that the Government's current explanation of 'new build' is too narrow, overlooking value adding scenarios like secondary dwellings, knockdown-rebuilds, major renovations, additions, and conversions like turning commercial buildings into housing genuinely adding to housing stock.

A housing crisis is the time for governments to focus on policies that increase housing supply, including addressing a workforce that is hundreds of thousands short, reducing unnecessary red tape, and improving, not disincentivising, the investment pipeline.

Master Builders calls on the Parliament to oppose all business tax hikes announced in the Budget.

Thank you and we welcome your questions.