

## MEDIA RELEASE

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### **The “Housing” Budget – a belated step in the right direction**

Urban Taskforce Australia CEO, Tom Forrest, said tonight’s Federal Budget placed a welcome focus on Housing supply and affordability, but more will need to be done on infrastructure funding if housing supply is to be increased, and the nation’s housing crisis addressed.

Tonight’s “housing budget” represents long needed support for housing supply. It includes some welcome new funds for housing related infrastructure along with the introduction of tax changes.

Treasurer Jim Chalmers’ budget includes \$2 billion for housing-enabling infrastructure. A direct lift from Peter Dutton’s election platform – but welcome nonetheless.

25% of this new funding will be quarantined for regional Australia, providing some much needed infrastructure support for housing supply in areas where rental vacancies are largely non-existent.

This new \$2 billion is in addition to the \$10 billion First Home Buyer Home supply program (from which NSW, Queensland and Victoria are yet to see a cent allocated), along with the \$10 billion HAFF funding for social and affordable housing.

The extra \$2 billion for housing related infrastructure will be delivered over four years from 2026-27 but represents just \$160 million per year for New South Wales and even less for every other state.

Urban Taskforce Australia had called for an additional \$15.6 billion over three years for housing-related infrastructure funding to address the housing supply crisis. Hopefully tonight’s budget is just the start of the Commonwealth’s fresh support for housing related infrastructure.

The Treasurer has used the Budget to undertake some highly selective taxation reform but has missed the opportunity for a more ambitious broad-based review. Nowhere, for example, is there any mention of reducing GST for new housing or supporting the abolition of stamp duty.

Nonetheless, Urban Taskforce Australia welcomes the Government’s commitment to maintaining negative gearing for new housing supply, which is important for attracting investment in new rental homes and keeping rental prices at an affordable level.

Similarly, we welcome the choice offered to investors in new housing supply – to stick with the current 50% CGT concession, or to go with the new arrangements.

The option involves a return to the Keating-era assessment methodology for capital gains tax concessions based on a table of inflation. The proposed changes, which will not come in till 1<sup>st</sup> July 2027.

The budget includes support for faster environmental approvals and removes duplication between the states and the Commonwealth.

The Government has given Treasury weight to modernising the National Construction Code. Consistent with Urban Taskforce Australia calls, the Government has announced that it will simplify building regulations and make it easier to build by providing free access to all standards referenced in Australian legislation and removing barriers to using modern methods of housing construction. This is a welcome, practical change.

The Federal Budget was promoted as a “housing” Budget designed to deliver intergenerational equity. The support for housing related infrastructure, while a bit meek, is welcome. The preservation of Negative gearing and the option of a CGT 50% concession for new housing supply is very welcome. All up, this is a good budget – but a bit late to help with the Housing Accord targets.

*End*

*The comments and analysis above can be attributed to **Tom Forrest**, CEO, Urban Taskforce.*

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