Budget Statement

INTERGENERATIONAL FAIRNESS COALITION

The federal budget is the most consequential lever a government holds to rebalance the scales between generations. It is where concessions can be reformed, investment redirected, and a fairer future actively built rather than deferred. Billed as this government's most ambitious budget yet, it will show whether intergenerational fairness is being built in practice, or whether inequity is being allowed to compound for another year.

As members of the IFC, we are dedicated to intergenerational fairness as a core pillar of the Australian economy.

The following are individual statements from IFC members:

Planetary Health Equity Hothouse

Director of the Planetary Health Equity Hothouse, Professor Sharon Friel, says:

> "The Planetary Health Equity Hothouse welcomes the many commitments to addressing intergenerational equity in this year's budget.
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> "The commitment to changes in negative gearing, capital gains and discretionary trusts signals the Albanese Government's willingness to address the concentration of wealth in this country – and the redistribution of it to working Australians.
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> "Treasurer Chalmers' reflections on the need to rebalance the economic system in favour of labour over assets signals a positive values shift for equity.
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> "However, there has been an enormous missed opportunity to support domestic clean energy production in light of the fuel crisis.
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> "We are disappointed to see ongoing significant support for the fossil fuel industry and the lack of a windfall tax that would have reset the balance in favour of social spending instead of massive multinational profits.
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> "At the Hothouse, our research is focused on the biggest challenges of the 21st century – climate change, poor health and inequities.
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> "This budget marks a long-awaited and welcome shift for intergenerational equity through housing and tax reform, and we look forward to supporting the Albanese Government in expanding this intergenerational focus to climate and health"

Chelsea Hunnisett, Senior Government Relations Specialist, Planetary Health Equity Hothouse | chelsea.hunnisett@anu.edu.au

Per Capita

"Per Capita welcomes tax reform for workers, businesses and addressing intergenerational inequality. This includes reducing the Capital Gains Tax discount from 50% to inflationary-adjusted indexation, and restricting negative gearing to new builds."

"We also welcome investment supporting young people at risk of homelessness. We believe that social housing is the best form of rent control. However, there is little consideration for other wrap-around services such as health and mental health to help people stay in their homes. In our research, we found that for every $1 invested, $1.44 is saved through reduced use of health, justice and homelessness systems."

"We are pleased that the Government is addressing intergenerational inequity. For over 10 years, Per Capita has argued to reduce the Capital Gains Tax discount and restrict negative gearing. The Government has listened and delivered."

Dr Wesa Chau, Executive Director, Per Capita | w.chau@percapita.org.au, 0408 238 208

Think Forward

"Last night's budget handed down the genuine structural tax reform that many advocating for it were told would never happen. The removal of the Howard-era 50% capital gains tax discount and the restriction of negative gearing to new builds only are significant wins, not just for our Tax Wealth, Not Work campaign, but for every young Australian who has watched housing drift further out of reach while the tax system subsidised those who already owned it. These reforms won't make housing affordable overnight, and our concerns about the grandfathering negative gearing arrangements are real. Protecting existing wealth holders limits how far the intergenerational dial actually moves. But the direction is right, and that matters.

Where this budget falls short is in its ambition beyond the tax side. Fixing how we tax wealth is a critical foundation but it's only one half the picture and we would have liked to see more direct investment in the things younger generations need to feel economically secure. Students are still paying record fees while surviving on payments below the poverty line. JobSeeker still traps people in poverty rather than helping them back on their feet. There is still no meaningful plan to tax the gas and resources that belong to all Australians, no serious investment in public housing, and no bold commitment to the affordable childcare and early education system that young families actually need. Younger Australians are still forecast to carry a growing share of the tax burden, picking up the tab for pandemic debt, an ageing population and rising defence costs, while a $250 offset does little to change the structural picture. We do, however, note the signal the government is sending in ensuring the WATO is only applied to workers. This budget took a meaningful step forward. The campaign continues until work and effort are genuinely enough. Enough to buy a home, raise a family, start a business, and feel good about the future."

Jane Body - General Manager, Think Forward | jane@thinkforward.org.au, 0412 559 2455

Foundations for Tomorrow

Managing Director of Foundations for Tomorrow, Taylor Dee Hawkins, says:

> *"Foundations for Tomorrow welcomes the 2026–27 Federal Budget as one of the most serious attempts in a generation to address the structural pressures on younger Australians. The reforms to negative gearing, the capital gains tax discount and discretionary trusts begin to unwind tax distortions that have spent a quarter-century pulling Australian capital into leveraged property and away from productive investment."*
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> *"The Working Australians Tax Offset and the $1,000 instant deduction are modest but point the right way. A tax system that rewards work is the foundation of an economy where the next generation can earn its way into security rather than wait for an inheritance."*
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> *"The framing we most want to resist is this budget as a zero-sum contest between older and younger Australians. The intergenerational divide is structural, with housing prices having risen 407 per cent since 1999 and home ownership among 25 to 34 year olds falling 17 percentage points since 1981. But inheritance and parental help now dominate how property wealth moves between generations, which means the intergenerational gap increasingly arrives as an intragenerational one. A young Australian whose parents own multiple properties and one whose parents rent are no longer living in the same economy."*
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> *"The same divide runs through older Australians, many of whom rent and share more economic ground with younger renters than with outright owners. The reforms target the property wealth divide, not the age category."*
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> *"What was left out of this budget matters as much as what was put in. The omissions share a common feature: each would require constraining future governments or asking asset-rich voters to bear a visible cost. The reforms that landed are those that could be absorbed in a single political cycle. The ones deferred would ask something harder of us and our leaders."*
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> *"Intergenerational warfare undermines the ability of our leaders to ask any generation bear cost for another, whether older Australians underwriting the young today or younger Australians supporting an ageing population tomorrow. Without a willingness to work together, we will struggle to navigate our way to a better Australian future.'*
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> *"Australia needs a National Conversation about the future we are building together, so trade-offs can be weighed against a shared picture of what they are for."*
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> *"The 2026–27 budget begins something previous governments shirked. Responsibility for the national balance sheet, prudence about the bills we leave our children, and the dignity of earning your way are values older than the lines of any political party."*

Taylor Dee Hawkins, Managing Director, Foundations for Tomorrow | taylor@foundationsfortomorrow.org

About the Intergenerational Fairness Coalition

The Intergenerational Fairness Coalition (IFC) brings together almost 40 leading Australian civil society organisations working to embed long-term thinking and intergenerational fairness into Australian policymaking.

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