

**MEDIA RELEASE: NT Shelter and Darwin Community Legal Service
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DATE: 13 May 2026

Federal Budget a step in the right direction on housing reform but supply remains essential.

NT Shelter says yesterday's Federal Budget measures relating to the capital gains tax discount and negative gearing reflect growing recognition that Australia's housing tax settings are contributing to worsening affordability pressures and housing insecurity.

The Northern Territory has one of the least affordable rental markets in Australia, despite having one of the highest proportions of renters. With low vacancy rates, high rental yields and comparatively low house prices, Darwin is becoming increasingly attractive to residential investors expanding their portfolios.

At the same time, Australia has experienced a long-term decline in rates of home ownership, increasing demand for rental accommodation and placing greater pressure on constrained rental markets. Previous generations who may once have transitioned into home ownership are remaining in the rental market for longer, competing for limited housing supply.

For many low and moderate income Territorians, including key workers, stable housing is increasingly out of reach. A 2025 report found that Darwin renters earning \$40,000 per year would need to spend around 74% of their income on rent, while even households earning \$90,000 annually are above the standard affordability threshold.

Darwin Community Legal Service CEO, Rachael Bowker, said the impacts are being felt directly by renters.

"Australia's housing system is increasingly rewarding investment growth while many renters are struggling to keep a roof over their head," Ms Bowker said.

"Through DCLS's Territory-wide Tenants' Advice Service, we are seeing more renters facing repeated moves, rent increases and the loss of housing security. Many people are doing everything right but still cannot find affordable and stable housing."

"In the NT, people cannot simply move to a cheaper suburb or another nearby city when rents become unaffordable. Many renters have nowhere else to go."

"Tax reform is part of the conversation, but without a significant increase in affordable and social housing supply, many Territorians will continue to struggle to access secure housing".

NT Shelter CEO, Annie Taylor, agreed saying that while reforming tax settings is a step in the right direction, this alone would not resolve the Territory's housing crisis and must be accompanied by substantial and continued investment in social and affordable housing supply.

"If Australia is serious about improving housing affordability, reforming these tax settings is a good step. Fundamentally, housing should be treated as a basic human need rather than a speculative investment opportunity that locks millions out."



“That said, this isn’t the be all and end all. The Northern Territory continues to face some of the most severe housing pressures in the country, including the highest homelessness rate in Australia. Without a significant increase in the supply of well-delivered social and affordable housing, our housing crisis will continue.”

NT Shelter said any additional revenue generated through housing tax reform should be reinvested into increasing housing supply and improving housing outcomes for low-income Australians.

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