Accommodation Australia
A DIVISION OF THE AHA

9 June 2026

Economics Legislation Committee
Senate Standing Committees on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Committee

Inquiry in the Treasury Laws Amendment (Tax Reform No. 1) Bill 2026 and a related bill

Accommodation Australia (AA), a division of the Australia Hotels Association (AHA), is the nation's only peak body representing properties ranging from independent regional motels to the largest local and international hotels and resort groups. According to the latest ABS Labour Accounts, there are 168,000 people employed in their main job in accommodation, and 182,000 jobs overall.

On behalf of over 1,000 accommodation members, we express our deep concerns about the proposed legislation which has been introduced into Parliament without both a detailed consultation period and a thorough investigation of its implications.

Over recent decades, there have been many reviews into possible approaches to taxation reform, but on this occasion significant reform is proposed without a comprehensive understanding of the impact on business. Unfairly, only one element of the extensive changes proposed in this current Bill to negative gearing and capital gains tax was signalled in the public domain prior to the Budget, that being changes focused on addressing residential property to address housing affordability.

The AA supports the concerns about the Bill raised by both the AHA in its submission to the Committee as well as those raised by the Australian Chamber of Commerce and Industry (ACCI), of which we are a member. Despite the stated objective of the CGT changes targeting housing investment, instead the Bill removes the CGT discount and installs a 30 percent taxation minimum on all asset classes which impacts the sale of businesses, shares and distribution of capital gains from managed funds.

The changes fail to recognise the risk in establishing a business and that gains made over time through ongoing decisions can be unreasonably taxed at a level that punishes risk and disincentivises investment. The change is likely to result in a shift in investment to less risky, lower reward assets that potentially will stunt economic growth and further reduce productivity. This is particularly disappointing given the government's strong action taken on re-election to address productivity and engage with the business community to identify ways to improve productivity performance.

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When taken together with the additional proposal to change taxation of trusts which was announced in the Budget but not yet part of this Bill, AA is particularly concerned for our members operating smaller motels and boutique establishments, often in regional Australia, who have set up trust arrangements to underpin a family business. Property trusts also play an important role in ownership of hotel properties that are larger in scale and are often managed by large global and local hotel groups.

Taxation reform is hard but it should not be piecemeal. This Bill is not just tinkering around the edges of business taxation but, along with the proposal to change the taxation of trusts, is introducing substantial change to business taxation arrangements without reviewing the totality of the impact of tax on business structures and decisions.

Parliament is urged to delay the implementation of this Bill and not consider any further Bill to change the taxation arrangements on trusts until extensive consultation can take place with the business community and a comprehensive assessment is undertaken on the consequences of the proposed changes. At the very least, the scope of the changes to negative gearing and CGT be limited to the stated objective of addressing housing affordability.

Yours faithfully

JAMES GOODWIN
Chief Executive Officer