FAMILY WEALTH
PROTECTION ADVISORY PTY LTD

2026 Federal Budget Guide

Key tax, property, business and family wealth changes

Prepared for FWP Advisory clients

A practical summary for individuals, business owners, property investors and family groups

Based on the 2026-27 Federal Budget speech delivered on 12 May 2026

General information only. Measures may require legislation before becoming law.

About this guide

The 2026-27 Federal Budget includes a wide range of proposed measures affecting individuals, families, property investors, business owners and family groups. This guide summarises the key announcements most likely to be relevant to FWP Advisory clients.

The focus is on practical planning issues: tax changes, property investment, capital gains, discretionary trusts, business incentives, cash flow, and the proposed commencement dates.

Many Budget measures remain proposals and may need to pass through Parliament before becoming law. Clients should seek advice before making decisions based on these announcements.

Contents

1. Executive summary

The Budget is framed around cost-of-living relief, fuel security, tax reform, housing affordability, business investment, health, aged care and budget repair.

For FWP Advisory clients, the most important areas are likely to be:

- personal tax cuts and the proposed $250 Working Australians Tax Offset;
- the proposed $1,000 instant deduction for work-related expenses;
- negative gearing changes for residential property;
- capital gains tax changes and a proposed minimum 30% tax rate on capital gains;
- a proposed minimum 30% tax rate on discretionary trusts;
- the proposed permanent $20,000 instant asset write-off for eligible small businesses;
- company loss carry-back and start-up support; and
- the need to review property, business and family wealth structures before the proposed start dates.

The key planning dates are 1 July 2026, 1 July 2027 and 1 July 2028. Clients with property, trusts, companies or planned asset sales should pay particular attention to these dates.

At a glance

Client group	Key issue
Individuals	Tax cuts, $250 worker offset, $1,000 instant deduction, fuel relief, health and aged care funding.
Property investors	Negative gearing limited to new builds from 1 July 2027, with existing arrangements expected to be grandfathered.
Investors	50% CGT discount proposed to be replaced with inflation-based indexation, with a minimum 30% tax on capital gains.
Trusts	Minimum 30% tax rate on discretionary trusts proposed from 1 July 2028.
Businesses	Permanent $20,000 instant asset write-off, loss carry-back, start-up support, R&D; and venture capital changes.

2. Key changes for individuals and families

The Budget contains several measures aimed at easing cost-of-living pressure for households and workers.

Personal income tax cuts

The Government proposes further personal income tax cuts. The 16% tax rate applying to income between $18,201 and $45,000 is proposed to reduce to 15% from 1 July 2026 and 14% from 1 July 2027.

Date	Proposed change	Client impact
1 July 2026	16% rate reduces to 15%	Lower tax for many individual taxpayers.
1 July 2027	15% rate reduces to 14%	Additional ongoing tax relief.

$250 Working Australians Tax Offset

A new $250 Working Australians Tax Offset is proposed from the 2027-28 income year. It is expected to be paid automatically through the tax return system for eligible working Australians.

$1,000 instant work-related deduction

From the 2026-27 income year, workers are expected to be able to claim a $1,000 instant deduction for work-related expenses without keeping receipts. Where actual work-related expenses exceed $1,000, records may still be required to claim the higher amount.

Fuel relief

The Budget includes temporary fuel relief, including a reduction in fuel excise. This is intended to reduce pressure on households and businesses during the global oil supply shock.

Health, medicines and aged care

The Budget includes additional funding for public hospitals, Medicare Urgent Care Clinics, PBS medicines and aged care. These measures may reduce pressure on families where health costs, medicines or aged care support are relevant.

First home buyers and housing

The Budget includes housing measures designed to support first home buyers and increase supply, including 5% deposit support, housing infrastructure funding, and an extension of the ban on foreign investors buying established homes.

3. Property, trusts and family wealth structures

This section is likely to be the most important for many FWP Advisory clients. The Budget includes proposed changes that may affect property investment, capital gains, trusts, family groups and long-term asset ownership.

Negative gearing

From 1 July 2027, the Government proposes to limit negative gearing for residential property to new builds. For established residential property acquired after the relevant date, investors may no longer be able to offset rental losses against salary and wage income in the same way.

Existing investments are expected to be protected under grandfathering arrangements. New builds are expected to retain more favourable treatment.

Property type	Proposed treatment	Planning issue
Existing property already held	Expected to be grandfathered	Review before changing ownership or debt arrangements.
Established property acquired after start date	Negative gearing may be restricted	Cash-flow modelling becomes more important.
New residential builds	Preferential treatment expected to continue	May become more attractive for investors.

Capital gains tax

The Government proposes to replace the 50% capital gains tax discount with an inflation-adjusted indexation model. The Budget speech also refers to a proposed minimum 30% tax rate on capital gains from 1 July 2027.

This may be relevant for clients who own investment property, shares, business assets or other growth assets. The effect will depend on the asset, ownership structure, cost base, holding period and timing of disposal.

Discretionary trusts

From 1 July 2028, the Government proposes to introduce a minimum 30% tax rate on discretionary trusts. This may affect family trusts, investment trusts and business groups that use discretionary trusts as part of their structure.

For FWP Advisory clients, this is a key planning issue because discretionary trusts are commonly used in family wealth, business and asset protection arrangements.

Possible review areas

- ownership of investment property and other growth assets;
- existing family trust structures and distribution strategies;
- planned asset sales before or after 1 July 2027;
- whether assets should be held personally, in a company, in a trust or in another structure;
- debt structures, deductibility and cash-flow impacts;
- intergenerational wealth transfer and estate planning; and
- asset protection and litigation exposure considerations.

4. Key changes for businesses and business owners

The Budget includes several measures aimed at supporting business investment, cash flow, innovation and productivity.

Permanent $20,000 instant asset write-off

The Government proposes to make the $20,000 instant asset write-off permanent for eligible small businesses. This may allow immediate deductions for eligible assets costing less than $20,000.

This may assist with equipment purchases, technology upgrades, tools, business assets and cash-flow planning.

Company loss carry-back

The Budget proposes a two-year company loss carry-back measure. Eligible companies that make a loss may be able to carry that loss back against tax paid in previous income years.

This may be helpful for companies with variable profits, growth expenditure, seasonal income or temporary downturns.

Start-up loss refundability

The Government proposes start-up loss refundability from the 2028-29 income year. The measure is intended to support new businesses in their early years by improving cash flow.

R&D;, venture capital and innovation

The Budget includes proposed changes to the Research and Development Tax Incentive and venture capital incentives, along with support for commercialising innovation and AI-related projects.

These measures may be relevant for technology businesses, start-ups, professional services firms, manufacturers and companies investing in product development or innovation.

Fuel, freight and logistics support

The Budget includes temporary relief and resilience measures for fuel and freight costs, including fuel excise relief, heavy vehicle road user charge relief, fuel security measures, and support for manufacturing and logistics businesses.

Business planning issues

- timing of asset purchases;
- company structure and eligibility for loss carry-back;
- cash-flow planning for volatile trading periods;
- whether start-up concessions may apply to new ventures;
- R&D; documentation and eligibility;
- fuel and freight cost exposure; and
- whether current business structures remain appropriate under broader tax reforms.

5. Broader Budget measures to be aware of

Some Budget measures may not require immediate action for all clients, but they may still influence household costs, business conditions, investment opportunities and economic settings.

Productivity and red tape

The Government has announced productivity and red tape measures, including reforms to financial sector compliance, tariffs, Digital ID, government reporting, approvals processes, skills recognition and national competition policy.

Domestic gas reservation

The Budget proposes reserving part of gas exports for Australian users from 1 July 2027. This may be relevant for manufacturers, industrial users and businesses exposed to energy input costs.

Defence and infrastructure

The Budget includes major commitments to defence and nationally significant road and rail infrastructure. This may create opportunities for businesses in construction, engineering, transport, regional services, defence supply chains and related industries.

NDIS and care services

The Budget includes significant NDIS reforms and savings, along with funding for foundational supports, aged care, hospitals and Services Australia. These measures may affect families, providers and clients with care-related planning needs.

6. Proposed implementation timeline

The following dates are based on the Budget announcements. Some measures may still require legislation and final details may change.

Date	Proposed measure	Most relevant to
Budget night / May 2026	Property, trust and investment changes become planning issues	Investors, property owners, family groups
1 July 2026	Personal tax rate reduces from 16% to 15%	Individuals
1 July 2026	$1,000 instant work-related deduction begins	Employees
1 July 2026	Permanent $20,000 instant asset write-off proposed to begin	Small businesses
1 July 2026	Two-year company loss carry-back proposed to begin	Companies
1 July 2027	Personal tax rate reduces from 15% to 14%	Individuals
1 July 2027	Negative gearing changes proposed to begin	Property investors
1 July 2027	Capital gains tax changes proposed to begin	Investors, business owners
1 July 2027	Minimum 30% tax on capital gains proposed to begin	Investors, business owners
1 July 2027	Domestic gas reservation proposed to begin	Energy-exposed businesses
2027-28 income year	$250 Working Australians Tax Offset proposed to begin	Working taxpayers
1 July 2028	Minimum 30% tax rate on discretionary trusts proposed to begin	Trusts, family groups, business owners
1 July 2028	R&D; Tax Incentive changes proposed to begin	Innovative businesses
2028-29 income year	Start-up loss refundability proposed to begin	New companies and start-ups
Mid-2029	Foreign investor ban on established homes extended until this time	Home buyers, property investors

7. Client action checklist

The following checklist is designed to help clients identify whether they may need advice before the proposed changes commence.

Individuals and families

- Update household cash-flow expectations for personal tax cuts and the proposed worker offset.
- Review work-related expenses if actual expenses are likely to exceed $1,000.
- Consider whether first home buyer support or housing measures may be relevant.
- Consider aged care, estate planning or family support needs where relevant.

Property investors and asset owners

- Review existing investment property holdings and debt structures.
- Model the after-tax effect of buying established property versus new builds after 1 July 2027.
- Consider the timing of planned asset sales before CGT changes commence.
- Review whether current ownership structures remain suitable.

Business owners

- Review the timing of business asset purchases from 1 July 2026.
- Assess whether company loss carry-back may provide cash-flow support.
- Review start-up, R&D; and innovation incentives where relevant.
- Consider whether current company, trust or group structures remain appropriate.

Trusts and family groups

- Review discretionary trust structures before 1 July 2028.
- Model the impact of a minimum 30% tax rate on trust income or distributions.
- Consider how asset ownership, income distribution and succession planning may be affected.
- Review asset protection arrangements alongside tax and estate planning issues.

FWP Advisory note

The most important planning windows are before 1 July 2027 for property and capital gains changes, and before 1 July 2028 for discretionary trust changes. Clients considering property purchases, asset sales, restructuring or trust reviews should seek advice well before these dates.

Important disclaimer

This guide is general information only and does not take into account your personal objectives, financial situation or needs. It should not be treated as tax, legal, financial or investment advice. Some Budget measures remain proposals and may require legislation before becoming law. You should seek advice before making any tax, investment, business, property or structuring decision.

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