

# Federal Budget 2026-27

## 3AW Interview

*Melbourne Partner Daniel Burt* joined 3AW this week to provide insights into the Federal Budget 2026-27.

**Ross Stevenson** Daniel Burt is tax partner at Pitcher Partners. We're supposed to take this budget seriously. Daniel, when it says then Jim Chalmers says he's going to do something he specifically promised fifty times before the last election he wouldn't do.

**Daniel Burt** Yeah. Good morning. Ross. Good morning Russell. Great to be here. That's right. Jim Chalmers did make those announcements. And what we saw last night in the budget was a change in what went to the election. There were some significant tax reform changes.

Probably the biggest tax reform changes that we've seen in over a quarter of a century. And a lot of the changes that were announced last night were contrary to what was said going into the last federal election.

**Russel Howcroft** So so, Daniel, tell us about tell us tell us about the growth, the economic growth that's in the budget. It doesn't appear to be that that good and productivity doesn't appear to be improving either.

**Daniel Burt** No that's right. Russell. Productivity, especially here in Victoria over the last couple of years has been languishing. And the measures in the budget last night, whilst there are some winners for individual salary and wage workers who have got an additional two hundred and fifty annual tax offset, plus some additional tax deductions that they're allowed, which in our view, we think that there's some real restraints on businesses in this budget and the owners of businesses.

There are some really restrictive additional tax changes here, both in relation to capital gains tax changes, uh, the taxation of trust distributions, imposing a minimum thirty percent tax on trust distributions, which will impact most businesses and their private groups.

**Ross Stevenson** Who are the, you know, that two hundred and fifty bucks that they're giving up bracket creep will soon get rid of that one.

**Daniel Burt** Uh, spot on. Ross. So yes, whilst working Australians and it's only going to be for working Australians who are making salary and wages, they should get a two hundred and fifty dollars annual offset from the twenty eight income year, but that largely will be offset by bracket creep. So whilst it's it's a positive that there's some minor tax savings there. Uh, those tax savings will likely to be eroded. Um, you know, with bracket creep over the forward estimates over the next four years.

**Russel Howcroft** So the treasurer is talking about, uh, penalising. I'm not sure if that's the right word wealth, those with wealth. So their income is as a result of their wealth versus those that are earning money. Why can't both go? Well.

**Daniel Burt** That's a great question, Russell. Um, ideally, yes, we would like the working Australians and those who have got existing businesses and investments to both do well. The changes last night are significant to those with existing assets. Um and existing businesses.

The key change which was mooted is the change to the CGT fifty per cent discount which has been replaced with indexation. So the idea being that only the increase over CPI should be subject to capital gains tax. And whilst that that's good in theory. There are a lot of businesses out there, founders of businesses, start ups who may not have, you know, who may not have paid much, had much cost base in their assets. So if you're indexing, um, a business which you didn't pay much to acquire your shares, then you really, you know, the benefits of indexation are limited. So startups in particular have got some concerns with these tax changes.

**Ross Stevenson** Good on you Daniel. Maiden voyage for Daniel Burt Yes. Did very well. Tax partner at, uh Pitcher Partners.