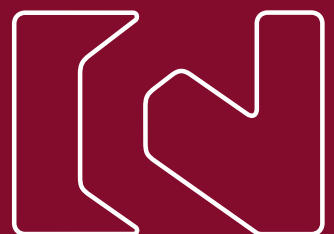


**2026-2027  
Federal Budget  
Summary**



**FOR MEDICAL & DENTAL  
PROFESSIONALS**



## TOP 15 BUDGET MEASURES FOR MEDICAL PROFESSIONALS

### 1. CGT DISCOUNT TO BE REPLACED FROM 1 JULY 2027

From 1 July 2027, the 50% capital gains discount (CGT discount) will be replaced with cost base indexation for assets held for more than 12 months, with a 30% minimum tax on net capital gains applying from that date. This will apply to all CGT assets except new homes, including pre-CGT assets, held by individuals, trusts and partnerships.

Importantly, a minimum tax of 30% will be applicable to realised capital gains accrued from 1 July 2027, after indexation has been applied.

Transitional arrangements will apply to existing investments. Existing assets purchased and sold before 1 July 2027 will still be eligible for the CGT discount. The CGT discount will also continue to apply to gains accrued until 1 July 2027 for assets purchased prior to that date, regardless of when the actual CGT event is triggered. The difference will be calculated by reference to the difference in the asset's cost base and its value as at 1 July 2027. Indexation and the minimum 30% tax will be used to calculate CGT on gains accruing from 1 July 2027 (using the asset's value at 1 July 2027 as the asset's cost base).

An asset's value at 1 July 2027 will be determined by taxpayers as part of their tax return in the year the asset is realised. Taxpayers can either:

- seek a valuation of the asset as at 1 July 2027, which will include using quoted prices for assets such as shares
- use a specified apportionment formula that estimates the asset's value on 1 July 2027, based on its growth rate over the asset's holding period. The ATO will provide tools to estimate this value for taxpayers.

These transitional arrangements also apply to legacy assets, including pre-CGT assets. Capital gains arising on pre-CGT assets before 1 July 2027 will remain exempt from CGT.

Owners of new builds will be able to choose either the CGT discount or cost base indexation (with the 30% minimum tax still applicable). New builds include dwellings constructed on vacant land, or where existing properties are demolished and replaced with a greater number of dwellings. Knock down rebuilds or substantial renovations are not considered new builds and therefore will not be eligible. A new build cannot have been previously sold, unless first owned by the builder and not occupied for more than 12 months.

## **TOP 15 BUDGET MEASURES FOR MEDICAL PROFESSIONALS**

### **2. DISCRETIONARY TRUSTS TO BE TAXED AT MINIMUM 30%**

A minimum tax rate of 30% has been introduced on discretionary trusts from 1 July 2028.

Under the new measure, trustees will pay a minimum tax of 30% (unless higher rates apply) on the taxable income of discretionary trusts from 1 July 2028. Beneficiaries (other than corporate beneficiaries) will receive non-refundable credits for any tax payable by the trustee.

Trustees will be required to calculate, report and pay the minimum tax, as well as to notify beneficiaries of their entitlements and associated tax credits. The mechanism for collecting the minimum tax will be subject to consultation, but is expected to be consistent with established collection mechanisms. Trustees that receive franked dividends will be required to use their franking credits to pay the minimum tax.

The minimum tax will not be applicable to:

- other types of trusts (eg unit trusts or widely-held trusts)
- complying superannuation funds
- special disability trusts
- deceased estates, and
- charitable trusts.

Importantly, income from assets of discretionary testamentary trusts existing as at 7:30pm (AEST) on 12 May 2026 will be excluded from the minimum tax. Some other types of income such as primary production income, certain income relating to vulnerable minors and amounts to which non-resident withholding tax applies, will also be excluded.

Expanded rollover relief provisions will be available for 3 years from 1 July 2027 to support taxpayers that wish to restructure out of discretionary trusts to another entity type (such as a company or fixed trust).

## **TOP 15 BUDGET MEASURES FOR MEDICAL PROFESSIONALS**

### **3. NEGATIVE GEARING RESTRICTED TO NEW BUILDS FROM JULY 2027**

Negative gearing for residential property will be limited to new builds from 1 July 2027.

Under the new measures, negative gearing will be limited to eligible new builds only. This means that investors in new builds will still be able to deduct rental losses against other assessable income, such as their salary. New builds include dwellings constructed on vacant land, or where existing properties are demolished and replaced with a greater number of dwellings.

Knock-down rebuilds or substantial renovations are not considered new builds and therefore will not be eligible for negative gearing.

A new build cannot have been previously sold, unless first owned by the builder and not occupied for more than 12 months.

The measure will apply to individuals, partnerships and most trusts. Widely-held trusts (eg most managed investment trusts) and superannuation funds (including self-managed superannuation funds) will be excluded.

Losses incurred from established residential properties will only be deductible against rental income or capital gains arising from residential properties. Any excess losses will be able to be carried forward and offset against income from residential property in future years.

These changes will apply to any established residential properties acquired from 7:30pm (AEST) on 12 May 2026. Any residential properties acquired prior to this time (including any contracts entered into but not settled) will be grandfathered, and will therefore be exempt from the changes until disposed of. Residential properties acquired between 7:30pm (AEST) on 12 May 2026 and 30 June 2027 may be negatively geared during this period, but not from 1 July 2027.

Properties held in widely-held trusts and superannuation funds will be excluded from these measures, with exemptions for build-to-rent developments and private investors supporting government housing programs.

Changes to negative gearing only apply to residential properties. Commercial property and other asset classes, such as shares, will remain eligible for negative gearing. Exemptions to negative gearing will also be available for private investors who support government housing programs (through the provision of affordable housing).

## **TOP 15 BUDGET MEASURES FOR MEDICAL PROFESSIONALS**

### **4. SMALL BUSINESS DEPRECIATION – INSTANT ASSET WRITE-OFF OF \$20,000 MADE PERMANENT**

The instant asset write-off threshold of \$20,000 for small businesses applying the simplified depreciation rules has been extended permanently from 1 July 2026.

Small businesses (aggregated annual turnover less than \$10 million) may choose to calculate capital allowances for depreciating assets under a simplified regime in Subdiv 328-D of ITAA 1997. Under these simplified depreciation rules, an immediate write-off applies for low-cost depreciating assets. A \$20,000 threshold currently applies for the immediate write-off, applicable to eligible assets costing less than \$20,000.

### **5. NATIONAL HEALTH REFORM AGREEMENT – HOSPITAL FUNDING AND COMMONWEALTH INVESTMENT IN THE PUBLIC HOSPITAL SYSTEM**

The Government will provide \$220.3 billion over five years from 2026–27 to the states and territories for public hospital services and the implementation of the 2026–2031 Addendum to the National Health Reform Agreement (NHRA), including:

- \$24.4 billion over five years from 2026–27 in additional NHRA funding through the higher funding cap and including the 2025–26 uplift in the 2026–2031 funding base

### **6. PHARMACEUTICAL BENEFITS SCHEME NEW AND AMENDED LISTINGS**

The Government will provide \$5.9 billion over five years from 2025–26 for new and amended listings on the Pharmaceutical Benefits Scheme (PBS) and Repatriation Pharmaceutical Benefits Scheme.

### **7. MODERNISING PRIVATE HEALTH**

The Government will achieve savings of \$3.0 billion over four years from 2026–27 (and \$1.0 billion per year ongoing) by removing the age-based uplift of the Private Health Insurance Rebate (the PHI Rebate) from 1 April 2027, to enable a simplified and more equitable distribution of the PHI Rebate and help to improve intergenerational equity.

The savings from this measure will be invested in the aged care sector to deliver more residential aged care beds and improve affordability and access to home care supports.

## **TOP 15 BUDGET MEASURES FOR MEDICAL PROFESSIONALS**

### **8. STRENGTHENING MEDICARE**

The Government will provide \$2.1 billion over five years from 2025–26 (and \$599.6 million per year ongoing) to ensure all Australians have affordable access to high quality primary and specialist health care services and to increase access to bulk billing. Funding includes:

- \$1.8 billion over five years from 2025–26 (and \$580.2 million per year ongoing) to fund Medicare Urgent Care Clinics on an ongoing basis to support Australians to access bulk-billed care for urgent, but not life-threatening, conditions
- \$119.3 million over three years from 2026–27 to extend the Practice Incentives Program Quality Improvement Incentive for two years until 30 June 2028 to support general practices to achieve continuous quality improvement
- \$25.3 million over three years from 2026–27 to deliver up to six fully bulk billing general practice clinics in the Central Coast, Newcastle, Lake Macquarie, and Hunter regions to provide greater access to bulk billing in these regions

### **9. THRIVING KIDS**

The Government will provide \$2.0 billion over five years from 2026–27 to deliver national services, fund enabling supports and contribute to state and territory services for the Thriving Kids program. Together with investments from states and territories, Thriving Kids will support children aged eight and under with developmental delay and/or autism with low to moderate support needs, as well as their families, carers and kin. Funding includes:

- \$1.4 billion over five years from 2026–27 to states and territories to deliver Thriving Kids services
- \$139.7 million over five years from 2026–27 to facilitate Thriving Kids services for children in early childhood education and care settings, with funding held in the Contingency Reserve pending consultation and design with states and territories
- \$126.1 million over five years from 2026–27 to support the early identification of children with developmental delay or neurodevelopmental difference through a Medicare funded three-year old health assessment and an expanded Comprehensive Health Assessment Program

## **TOP 15 BUDGET MEASURES FOR MEDICAL PROFESSIONALS**

### **10. SECURING THE NATIONAL DISABILITY INSURANCE SCHEME FOR FUTURE GENERATIONS**

The Government will provide \$1.7 billion over five years from 2025–26 (and \$110.9 million per year ongoing) to support people with disability and to improve the quality of supports delivered through the National Disability Insurance Scheme (NDIS). Funding includes:

- \$436.0 million in 2026–27 to ensure the National Disability Insurance Agency (NDIA) can continue to support NDIS participants
- \$358.5 million over five years from 2025–26 to develop and implement a new enrolment and digital payment system to improve payment integrity and reduce fraud and non-compliant payments. Partial funding for this measure will be held in the Contingency Reserve
- \$280.1 million over five years from 2025–26 (and \$53.0 million per year ongoing) to continue the Fraud Fusion Taskforce and invest in the NDIA to continue to detect and respond to fraud and non-compliant payments
- \$270.1 million in 2026–27 to prepare for the roll-out and implementation of new framework planning from 1 April 2027
- \$182.6 million over four years from 2026–27 (and \$46.1 million per year ongoing) to introduce mandatory registration of high-risk NDIS providers, with costs partially offset by \$27.1 million over three years from 2027–28 (and \$5.4 million per year ongoing) in receipts from expanded cost recovery arrangements

### **11. IMPROVING ACCESS TO HOME CARE**

The Government will provide \$1.4 billion over four years from 2026–27 (and \$377.3 million per year ongoing) to improve affordability and access to home care supports, including:

- \$1.0 billion over four years from 2026–27 (and \$336.8 million per year ongoing) to ensure the service type ‘personal care’ (including showering) is fully funded by the government for all care recipients in the Support at Home program
- \$389.8 million over four years from 2026–27 (and \$40.5 million per year ongoing) to implement Support at Home program refinements, including to assessments, hardship applications and the end-of-life pathway, and to bring forward the release of Support at Home program places in 2026–27.

## **TOP 15 BUDGET MEASURES FOR MEDICAL PROFESSIONALS**

### **12. STRENGTHENING MEDICARE – INTEGRITY AND FUNCTIONALITY**

The Government will provide \$745.1 million over four years from 2026–27 (and \$17.6 million per year ongoing) to strengthen the integrity and functionality of critical Medicare systems and infrastructure to ensure health services in Australia are delivered efficiently and effectively.

Funding includes:

- \$598.3 million over two years from 2026–27 to support the continued operations and enhancement of My Health Record, including delivering targeted system improvements that will underpin implementation of further legislative reforms to expand sharing by default requirements under the Modernising My Health Record (Sharing by Default) Act 2025
- \$146.8 million over four years from 2026–27 (and \$17.6 million per year ongoing) to establish enhanced, expanded and ongoing Medicare integrity capabilities in the Department of Health, Disability and Ageing, and Services Australia to improve non-compliance and fraud detection, disruption and prevention efforts in relation to the Medicare Benefits Schedule and Pharmaceutical Benefits Scheme; responding to the recommendations of the Independent Review of Medicare Integrity and Compliance

### **13. IMPROVING ACCESS AND UPTAKE OF MEDICINES AND VACCINES**

The Government will provide \$590.7 million over five years from 2025–26 (and \$60.9 million per year ongoing) to improve access to medicines, vaccines and health technologies for Australians. Funding includes:

- \$449.3 million over five years from 2025–26 (and \$60.9 million per year ongoing) to support the addition of the Respiratory Syncytial Virus (RSV) vaccine Arexvy® to the National Immunisation Program (NIP) for older Australians aged 75 and over and Aboriginal and Torres Strait Islander peoples from the age of 60

### **14. BETTER CARE FOR OLDER AUSTRALIANS**

The Government will provide \$565.1 million over four years from 2026–27 (and \$2.1 million per year ongoing) for strengthened regulatory, governance and quality arrangements, sector viability and workforce supports to provide better care for older Australians. Funding includes:

- \$259.9 million in 2026–27 for the sustainment of aged care ICT systems
- \$120.3 million in 2026–27 in additional funding for the Aged Care Quality and Safety Commission to continue delivering its regulatory functions under the Aged Care Act 2024

## **TOP 15 BUDGET MEASURES FOR MEDICAL PROFESSIONALS**

### **15. PREVENTATIVE HEALTH**

The Government will provide \$488.2 million over five years from 2025–26 (and \$107.8 million per year ongoing) to improve health outcomes through preventive health, equitable access and early intervention. Funding includes:

- \$431.0 million over four years from 2026–27 (and \$107.8 million per year ongoing from 2030–31) to extend the Federation Funding Agreement for Public Dental Services for Adults to support the delivery of dental services to eligible adult patients
- \$31.1 million over three years from 2026–27 to continue providing bowel cancer screening to 45-to 49-year-old participants as part of the National Bowel Cancer Screening program
- \$15.0 million over two years from 2026–27 to continue the national skin cancer prevention campaign

The Government will also extend access to the Child Dental Benefits Schedule to state and territory dental services on an ongoing basis from 2026–27.

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