



MEDIA RELEASE

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'BAIT AND SWITCH' BUDGET RAISES TAXES ON ALL AUSTRALIAN INVESTORS

The Financial Services Council (FSC) has significant concerns over the Government's plan to raise taxes on all Australian investors, across all asset classes, under the guise of increasing equity in the housing market.

Australia's economic growth has been downgraded to 1.75 per cent in the coming financial year, however the Treasurer has elected to increase taxes on investments in productive areas of the economy. Discouraging Australians to invest in shares, managed funds and other high growth sectors, such as venture capital, will only serve to reduce access to capital for the engine room of the domestic economy.

CEO of the FSC, Blake Briggs said "The Treasurer has delivered a 'bait and switch' budget that will raise taxes on Australian investors by applying the proposed Capital Gains Tax (CGT) changes to all asset classes.

"At the Treasurer's economic roundtable, Treasury presented evidence that capital markets have accounted for almost half of Australia's GDP growth since Federation¹, underscoring that investment markets do more than generate returns for investors, but also fund the technology, equipment and infrastructure that allow businesses and workers to become more productive. Making capital markets a less attractive place to invest will only serve to further weaken economic growth.

"The Treasurer has used the well-established inequity in the housing market as a stalking-horse for tax increases on investments in asset classes that would play an important role in lifting Australia's economic growth.

"If the Government is genuine that their focus is on helping young Australians purchase a home, the proposed CGT changes should be targeted at the housing market, rather than being expanded to all asset classes.

"The Treasurer should not be raising taxes on Australians, including younger Australians, saving for their first home and building their wealth through common investments such as ETFs, managed funds, and shares, outside of the property market."

The FSC recognises that the Treasurer has announced policies to support economic growth and increase efficiency for financial services companies, including continuing its commitment to

¹ <https://treasury.gov.au/sites/default/files/2025-08/productivity-overview.pdf>

modernise, simplify and improve regulation in the financial sector by reducing unnecessary red tape.

This Budget, however, creates significant uncertainty for investors that risks undermining the Government's own objectives of lifting growth.

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About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 130 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, and financial advice licensees. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing more than \$4 trillion on behalf of over 16.9 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is one of the largest pools of managed funds in the world.