

# Federal Budget Briefing 2026-2027: Resilience and Reform

The 2026-27 Federal Budget puts resilience firmly at the heart of the government's agenda over the coming years, elevating economic security to counter the global oil shocks now and preparing for the recovery at home and in the region. For business, this Budget is best understood as a practical delivery Budget, responding to immediate household and supply chain pressures while using targeted reforms and public investment to shape longer-term economic capability. It comes just weeks after the government released its National Defence Strategy and Integrated Investment Plan modernise and streamline defence procurement.

## Key Budget Highlights

**Budget savings and fiscal repair:** The Budget includes significant savings measures, most notably reforms to the NDIS expected to save \$37.8 billion over four years. The Government is also using tax integrity, program reform and targeted reprioritisation to help fund new cost-of-living, health, housing and productivity measures.

**Cost-of-living and tax relief:** The Government has announced a new Working Australians Tax Offset of up to \$250 from 2027-28, further tax cuts from 1 July 2026 and 1 July 2027, and a \$1,000 instant tax deduction from 2026-27.

**Housing and enabling infrastructure:** The Budget includes reforms to negative gearing and capital gains tax settings, alongside a new \$2 billion Local Infrastructure Fund to support essential infrastructure for up to 65,000 new homes.

**Productivity and business investment:** The Government has announced a permanent \$20,000 instant asset write-off, loss carry-back, loss refundability for start-ups, venture capital reforms, changes to the R&D Tax Incentive, tariff reductions, faster approvals and regulatory streamlining.

**Sovereign capability and strategic resilience:** The Budget provides further support for fuel security, domestic gas supply, critical minerals, low-carbon fuels, metals production, defence capability, freight resilience, supply chain security and Future Made in Australia priorities.

## Key Opportunities for Business Collaboration

The Budget signals a more active Commonwealth role in areas considered strategically important to Australia's economic security. This includes fuel, gas, critical minerals, defence and housing. While reforming health, aged care and disability services to reduce household and government budget pressure. The Government is seeking to manage short-term cost pressures while encouraging investment in sectors that improve resilience, productivity and sovereign capability.

In this environment, the Government is increasingly focused on:

**Co-investment and partnership models** across infrastructure, energy, housing, defence, health and strategic industries.

**Private sector-led delivery** where industry capability can help accelerate government objectives.

**Regulatory reform and faster approvals** where projects support productivity, housing supply, energy security or national resilience.

**Targeted intervention in markets** where supply chains, household costs or sovereign capability are exposed to external shocks.

## Engagement Opportunity

The 2026-27 Federal Budget reinforces that business opportunities will be strongest where commercial proposals align with public policy objectives. Sectors most likely to be affected include energy, fuel, logistics, critical minerals, construction, housing infrastructure, clean fuels, defence industry, health, aged care, disability services, AI and digital transformation.

Organisations that engage early will be better placed to manage policy risk, identify partnership opportunities and position themselves within the Government's delivery agenda. This is a timely opportunity to assess the Budget's impact, engage with decision makers and shape outcomes as measures move from announcement to implementation.