

## Media Release

# Federal Budget: ASA survey warns possible CGT changes could hit investor confidence

## ASA CEO Rachel Waterhouse available in Canberra before and after the Federal Budget

**11 May 2026**

New results from the **Australian Shareholders' Association Investor Sentiment Survey: Capital gains tax and long-term investing** show retail investors are concerned that possible changes to capital gains tax settings could reduce confidence in long-term share investing.

The survey, conducted ahead of the Federal Budget on Tuesday 12 May, received **878 responses** to the key survey question:

- **42.4%** said reducing or removing the current 50% CGT discount on shares would make them less likely to invest long term in shares
- **33.5%** said the impact would depend on the details
- **17.4%** said it would not change their approach
- **6.7%** said they would support changes to the current system

More than three-quarters of respondents, **75.9%**, said reducing or removing the current 50% CGT discount on shares would either make them less likely to invest long term in shares or that the impact would depend on the details.

More than 500 investors also provided written comments. These show investors are focused on the detail of any reform, including how existing holdings and accrued gains would be treated, whether indexation or transition arrangements would apply, and whether changes could discourage portfolio rebalancing, reduce confidence in shares or push investors toward other asset classes.

ASA CEO Rachel Waterhouse said the results show investors want consultation, certainty and confidence before any significant changes are made to capital gains tax settings.

"Everyday investors are not asking for special treatment. They are asking for stable, transparent and fair rules that support long-term investment," Ms Waterhouse said.

"Many Australians invest in shares, ETFs, listed investment companies and managed funds to save for a first-home deposit, build wealth outside property, prepare for retirement and participate in the growth of Australian companies.

"For younger investors in particular, shares and ETFs can be an important pathway to long-term wealth creation while home ownership remains delayed or out of reach.

"For Australians building their wealth, tax certainty supports long-term decision-making. For retirees

and pre-retirees, sudden changes can affect cash flow, portfolio decisions and confidence in retirement planning.”

Ms Waterhouse said the design of any CGT change matters because different models can produce very different outcomes for long-term investors.

“Indexation may sound simple, but the detail matters. Investors need to know which assets are affected, when any change starts, how existing holdings are treated, and whether accrued gains are protected,” Ms Waterhouse said.

“Investors should not make rushed decisions based on speculation or headlines. Selling may crystallise a gain, reduce income, affect diversification and create costs.”

Any Budget measure affecting the capital gains tax treatment of shares, ETFs, listed investment companies and managed funds should be assessed for its impact on long-term investment, market participation and investor confidence.

“With around 7.7 million Australians holding on-exchange investments, Budget decisions on tax and investment settings affect millions of people who are building wealth, preparing for retirement and investing in Australian companies,” Ms Waterhouse said.

“Capital gains tax is not an abstract policy issue for everyday investors. It affects how people make decisions about saving, investing, portfolio rebalancing and retirement.

“If the rules change without clear detail, appropriate transition arrangements and proper consultation, there is a real risk of undermining confidence in long-term investing.

“A well-designed system should support diversification, so investors are not pushed toward or away from particular asset classes because of tax settings alone.”

ASA said any proposed changes should be guided by three principles:

1. Consultation before significant tax changes are introduced
2. Certainty for investors making long-term decisions
3. Confidence that reforms will not undermine retirement planning, market participation or long-term investment in Australian companies

“Intergenerational fairness is an important objective, but reform needs to work in practice,” Ms Waterhouse said.

“It should not make it harder for younger Australians to build wealth through shares and ETFs, or penalise retirees and long-term shareholders who have planned around existing rules.

“Existing investments and accrued gains should be protected.”

Ms Waterhouse will be in Canberra for the Federal Budget and will attend the Budget stakeholder lock-up. She is available for TV, radio and print/digital media interviews before the Budget on investor expectations, and after the Budget is released on what it means for retail investors and their portfolios.

ASA can also help arrange retail investor case studies to comment on how Budget decisions may affect their investing, retirement planning and confidence.

**ENDS**

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**About the Australian Shareholders' Association**

Australian Shareholders' Association is an independent, not-for-profit shareholder association and the voice of retail shareholders. ASA supports individual investors through education, advocacy, company monitoring and a national community that helps investors build knowledge, confidence and connection. ASA promotes transparency, accountability and fairness in Australia's capital markets.