

What the 2026/27 Federal Budget means for Aboriginal and Torres Strait Islander People and Communities



13 May 2026

Last night, the Labor Government delivered its 2026–27 Federal Budget.

AHCSA has summarised what this budget likely means for Aboriginal and Torres Strait Islander people, communities and community-controlled organisations.

While the budget includes a range of measures across key areas, much of the funding reflects extensions or expansions of previously announced initiatives rather than significant new investment.

Much of this budget's impact on communities will be targeted through:

- Fuel security
- Healthcare and medicines
- Aged care and Disability
- Community safety programs
- Housing, infrastructure, food security and essential services, and
- Employment and education opportunities

Fuel Security

The budget has temporarily halved fuel excise for a further three months, cutting petrol and diesel tax by approximately 26 cents per litre.

- This announcement is expected to reduce transport and living costs for people in regional and remote communities who rely on long distance travel and diesel-powered services. However, the reduction is likely to be minimal, and concerns remain that increasing freight costs and high fuel pricing may limit the real savings experienced by communities.

Healthcare, medicines and aged care

A number of medicines will become cheaper through a \$5.9 billion investment to list new medicines on the Pharmaceutical Benefits Scheme (PBS), including treatments for chronic kidney disease, cancers and cystic fibrosis.

The Government has committed \$44.4 million to support Birthing on Country including access to culturally-safe maternal care for 1,100 mothers. There is no detail regarding how this will be distributed.

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An \$18.9 million investment has been committed to expand access to culturally-safe crisis care through 13YARN.

This budget includes a significant \$25 billion investment into state and territory hospitals and Urgent Care Clinics. This includes \$250 million in dedicated funding for new programs to improve First Nations health outcomes, with \$200 million to be matched by states and territories. The Government has said that these programs will be co-designed.

- While increased funding across the hospital system is clearly needed, this investment must support hospitals to become safer and free from racism and harm, rather than simply expanding existing unsafe clinical models.
- AHCSA has been working closely with NACCHO and Affiliates on the National Health Reform Agreement (NHRA), in which a dedicated Monitoring and Accountability Group (MAG) and framework has been developed to ensure the sector can independently monitor whether governments are delivering on NHRA commitments and achieving meaningful change for Aboriginal people and communities.
- This will represent an important shift in accountability by providing the community-controlled sector with monitoring oversight, challenging the traditional hospital and state-based self-monitoring systems that have historically lacked Aboriginal oversight and genuine accountability.

Aged care and Disability

The Government has committed \$1.4 billion to improve access to home care under the Support at Home program for older people, including making personal care services such as showering and dressing free of charge, which will reduce the financial burden on Elders accessing in-home supports.

- While this initiative is intended to increase accessibility for the number of people accessing the program, the impact of the program remains compromised by thin markets and poor service coverage, particularly in rural and remote areas. Co-contributions will remain across a range of other support services.
- There has been a \$389.8 million commitment to accelerating the release of Support at Home packages to make the program fairer and more affordable. This includes improvements to assessments, hardship applications and the end-of-life pathway.

The National Disability Insurance Scheme (NDIS) will undergo significant changes and reforms, aiming to restore NDIS to its original intent of supporting people with permanent and significant disability. This will likely impact people who have until now received NDIS support for what is deemed less significant disability.

A \$2 billion investment has been committed to the Thriving Kids Program, that provides 'Foundational Supports' for children with a disability that fits outside the NDIS. However, this funding will be dispersed directly to states and territories with the community-controlled sector not having been included in decision-making processes.

- In response, state and territory Affiliates, together with NACCHO, have written to the Federal Government expressing dissatisfaction with this model and requesting separate funding be distributed through NACCHO to Affiliates and ACCHOs to address significant unmet need. This request, to date, remains unanswered.

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Community safety

A \$218.3 million investment has been made for the 'Our Ways – Strong Ways – Our Voices' initiative, which will fund Aboriginal Community Controlled Organisations (ACCOs) to deliver culturally safe domestic and family violence prevention programs and healing and crisis support services for women, children and families.

- This is being led by the Australian Government Department of Social Services, who will hold control over funding, with the Secretariat of National Aboriginal and Islander Child Care (SNAICC) supporting the design and development of the program. SNAICC will continue to have policy influence over the initiative.

Housing, infrastructure, food security and essential services

The Government has announced a \$2 billion Local Infrastructure Fund to support the development of new housing and essential service connectivity. An additional \$100 million will be released from the Housing Australia Future Fund (HAFF) to improve the quality of housing for Aboriginal people in remote communities.

An \$8.6 billion investment has been made in infrastructure aimed at improving roads and railway lines.

- While the budget commits to working with every state and territory to deliver projects, the specific projects identified in the budget do not include upgrades to any major roads in South Australia.

There has been an \$841.7 million investment into the Thriving Suburbs, Growing Regions and Stronger Communities programs, with funding to be made available for upgrades to community centres, cultural facilities and parks aimed at improving quality of life and social connection for local communities.

The Government has invested an additional \$27.4 million to expand the Low-Cost Essentials Subsidy Scheme to all 225 remote stores around Australia, reducing prices for 30 essential grocery items. The Store Efficiency and Resilience Package is being expanded to 75 additional remote stores, with \$32.7 million with infrastructure uplifts and increase supplies of groceries and essentials in preparation for seasonal weather events.

- AHCSA will continue to work alongside the NIAA to progress implementation of the National Strategy for Food Security in Remote Aboriginal and Torres Strait Islander Communities, of which the SA Government is a signatory. Within this strategy are pillars related to remote retail and supply chains.

A \$48.3 million investment has been made to support Aboriginal Hostels Ltd deliver critical short-term accommodation services. Aboriginal Hostels Ltd provides culturally safe accommodation for Aboriginal people who must travel away to access essential services including healthcare, education and training opportunities and justice services.

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Employment and education opportunities

An expansion of the Remote Jobs and Economic Development Program through the National Indigenous Australians Agency (NIAA) has been announced, with funding to support wages, superannuation and equipment, targeting 6,000 new jobs in Aboriginal and Torres Strait Islander communities by 2030.

- The last grant round for this program closed in April 2026, however dates for the next funding round have yet to be announced.

An additional \$113 million has been committed to improving education outcomes for Aboriginal and Torres Strait Islander people, including extending the Clontarf Foundation's young men's program and the Indigenous Boarding Provider grants program.

Overall, while the financial investments of the budget are valuable, their meaningful impact will rely on how the initiatives are governed and implemented in practice. Notably, there appear to be limited targeted investments through this budget to address systemic racism, broader health workforce shortages and reforms to correctional and justice systems.

AHCSA will continue to advocate for strong Aboriginal-led program governance across all cultural and commercial determinants of health, as well as funding going directly to ACCHOs so that impacts can be determined and delivered by our communities, for our communities.

Read more about the 2026-2027 Federal Budget:

- [Budget 2026-27 Overview](#)
- [Budget 2026-27 factsheet, investment to build on progress in Closing the Gap](#)
- [Budget 2026-27 | Australian Government Department of Health, Disability and Ageing](#)