



## Indigenous Allied Health Australia 2026-27 Federal Budget Summary

Last week, on Tuesday 12 May, the Labor Government delivered the 2026–27 Australian Federal Budget, the first full budget since the election last year. Despite calling this “*the most important and ambitious Budget in decades*”, it represents a missed opportunity for reform in health and related sectors, and it is disappointing to see minimal investment to support the Aboriginal and Torres Strait Islander allied health workforce and to improve [access to allied health services](#).

Below, IAHA has collated some of the Federal Budget announcements which may be of interest to members. While there is minimal information available at this stage, and a lack of clarity regarding whether all announcements relate to new funds, IAHA will continue to monitor the budget announcements as more detail becomes available and represent the interests of our workforce, families and communities.

### Closing the Gap

The Government has announced that it will continue to work with Aboriginal and Torres Strait Islander communities to deliver the National Agreement on Closing the Gap commitments.

Importantly, the Government announced \$3.2 million over 4 years from 2026-27 (and \$0.4 million per year ongoing) to exempt Stolen Generations Redress Scheme payments from inclusion in residential aged care asset testing.

For more information about Senator the Hon Malarndirri McCarthy’s announcements, see: [Budget 2026-27 factsheet, investment to build on progress in Closing the Gap](#).

### Health

The renewed National Health Reform Agreement will include \$248.7 million for new co-designed programs to improve Aboriginal and Torres Strait Islander health outcomes, with \$200 million matched by the states and territories.

The Government also advised the following:

- \$18.9 million over 4 years (and \$5.1 million per year ongoing) for 13YARN to extend hours and establish a text message service so more Aboriginal and Torres Strait Islander people can access culturally safe, crisis counselling.
- \$2.7 million in additional funding over 3 years for the First Nations Health Worker Traineeship program.

- \$44.4 million over 4 years (from 2025-26) for the Birthing on Country program for 1,100 mothers and babies annually.
- the commissioning of two Aboriginal and Torres Strait Islander youth mental health services in remote locations through NACCHO, to replace two remote headspace services.
- \$1.1 million to the Cape and Torres Health Commissioning Ltd to continue to provide access to culturally appropriate health care services for Aboriginal and Torres Strait Islander people in Far North Queensland.
- investment in health infrastructure across Aboriginal Community-Controlled Health Services with \$144.1 million to expand on more than 100 projects already delivered or underway.

## **Disability**

### **National Disability Insurance Scheme (NDIS)**

Changes to the NDIS are expected to save a total of \$37.8 billion over the next four years. While we acknowledge the need for sustainable disability supports, IAHA is deeply concerned about the impacts of these savings measures, within an already inequitable system for Aboriginal and Torres Strait Islander people with disability and will continue to champion access to culturally safe disability services.

IAHA supports the views of the [First Peoples Disability Network](#), particularly regarding the need for culturally validated tools for NDIS assessments, and assurances that Aboriginal and Torres Strait Islander participants are not transitioned off the NDIS until culturally responsive alternatives exist.

The Government will be reducing the costs of social and community participation funding in NDIS plans, instead allocating \$200 million for an 'Inclusive Communities Fund' to build community organisations capability to host participation activities.

### **Thriving Kids**

Thriving Kids will be a state-led program, providing support for children aged 8 and under with developmental delays and/or autism with low to moderate support needs, and their families, carers and kin. Members should look to localised information about its rollout in each jurisdiction.

The Government is working with states and territories to establish Thriving Kids with a joint investment of \$4 billion over five years. The \$2 billion in Commonwealth funds will also be used for a range of activities, including:

- national information and advice on child development and autism and help to find and connect with supports that meet the needs of the child through Medicare Thriving Kids.
- additional supports for children with autism and their families.

- national workforce measures to support improved practice around early childhood development, and culturally appropriate support.

### **Aged Care**

The Government will invest \$3.7 billion into aged care. In particular, we note:

- 5,000 additional aged care beds each year, principally for those with limited financial means.
- personal care services, including showering, dressing and continence support, will be free alongside clinical care.

### **Veterans**

For veterans, the Government announced:

- \$169.7 million over five years from 2025-26 (and \$58.8 million per year ongoing) to increase allied health provider fees for Veteran Card holders from 1 July 2027.
- The above investment is enabled by imposing a new \$5,000 Annual Monetary Limit on allied health services each financial year, for Veterans Card holders, with the intention of reducing overservicing. We note that DVA can consider funding allied health services for veterans above their \$5,000 package where there is a valid clinical need.

More detailed information on the 2026-27 Federal Budget can be found at <https://budget.gov.au/>