



# Federal Budget 2026-27: What it means for carers

AN AUSTRALIA THAT VALUES AND SUPPORTS ALL CARERS

# Executive Summary

The Federal Budget 2026-27 is a mixed bag for carers. Commitments to fund workplace carer supports and additional investment in aged care will benefit carers. However, the reforms to the National Disability Insurance Scheme (NDIS), designed to improve the integrity and sustainability of the scheme, will see costs and responsibilities shift to carers.

Carers Australia is pleased to see that the Australian Government has adopted two of our pre-Budget submission recommendations (Box 1) – the extension of funding for the Carer Inclusive Workplace Initiative (CIWI) and funding for innovative approaches to respite for carers.

In our pre-Budget submission, Carers Australia asked the Government to:

1. Make young carers a priority equity cohort under the Better and Fairer Schools Agreement
2. Increase Young Carer Bursary recipients to 5000 each year
3. Fund General Practitioner (GP) education and training on carer recognition.
4. Establish a new MBS item for carer consultations and extend the MBS items for mental health carers to all carers
5. Extend funding for the Carer Inclusive Workplace Initiative
6. Increase the supply of respite care and redesign it for better outcomes
7. Increase the Carer Supplement.

However, there was no action to support our 390,000 young carers. This is a missed opportunity to improve young carers' education, employment and life outcomes. Young carers should not be disadvantaged because they provide care. They need to be recognised and supported as a priority equity cohort.

Similarly, measures to improve the recognition of carers within our health system did not feature in the Budget. Funding general practitioner (GP) education and training on carer recognition and establishing new Medicare Benefits Schedule (MBS) items for carer consultations, would connect carers to supports earlier. This is important for improving carers' health and wellbeing, and reducing system pressures.

While the Budget has general cost-of-living measures, such as tax offsets and more affordable medicines, it does not include targeted support for carers facing financial pressure because of increased costs of caring (including higher transport costs because of fuel prices). Carers Australia will continue to advocate for measures to improve the financial wellbeing of carers.



## Workplace support

### *What was in the Budget?*

\$3.2 million over four years (and \$0.8 million per year ongoing)<sup>1</sup> to extend the Carer Inclusive Workplace Initiative to help employers develop and adopt practices that support employees with caring responsibilities to enter and remain in the workforce.

### *What it means for carers*

Carer-inclusive workplaces help carers better juggle work and care, with benefits for carers health and wellbeing (including financial wellbeing). Workplaces that recognise and support carers also benefit from improved employee and skill retention, stronger employee engagement and morale, reduced absenteeism, recruitment and training costs and improved productivity and reputation. The extension of the Carer Inclusive Workplace Initiative aligns with the National Carer Strategy Action Plan 2024–2027 and supports efforts to improve the workforce participation and financial wellbeing of carers.



## Aged Care

### *What was in the Budget?*

\$3.7 billion to deliver more aged care beds, more packages and better care for older Australians.

- \$1.7 billion to incentivise construction of up to 5000 aged care beds a year and protect the equity of access to those less well off. This includes \$605.5 million to:
  - Introduce new capital subsidies for aged care providers who build or expand residential accommodation
  - Deliver 20 additional Specialist Dementia Care units
  - Expand the Hospital to Aged Care Dementia Support Program from 11 to 20 locations nationally.
- \$565.1 million over four years to improve sector quality, safety and viability

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<sup>1</sup> [Budget Paper No. 2](#), p. 83.

- \$6.7 million in 2026-27 to extend grants that provide innovative respite support and respite care planning to people with dementia under the Support for Informal Carers program<sup>2</sup>
- \$389.8 million to accelerate the release of Support at Home packages to make the program fairer and more affordable
- \$1 billion to change the treatment of showering, continence management and dressing through the Support at Home program, making them free of charge alongside clinical care (from 1 October 2026).



### *What it means for carers*

The Budget measures will mean more older Australians can access aged care beds and Support at Home packages and more Australians living with dementia will receive specialist care. The additional aged care beds, faster access to Support at Home packages, and specialist care will make carers choice to care less of a constrained choice (key to making caring less of a constrained choice is older Australians having access to formal care).

The measures, however, do not go far enough – the investments to expand aged care capacity will continue to be less than the accelerating demand for aged care. While wait times for aged care support should be shorter, a Department of Health, Disability and

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<sup>2</sup> [Budget Paper No. 2](#), p. 94.

Ageing report<sup>3</sup> released just before the Budget showed that older Australians are waiting 12 months on average for Support at Home and 13 months for residential aged care. And the impact on carers of long wait times is significant. Many carers will continue to provide high levels of care while waiting for formal support (some will be required to leave work while waiting for support). This reinforces the importance of improving access to timely in-home and residential care services.

There was no Budget announcement on the Commonwealth Home Support Program. Around 840,000 older people<sup>4</sup> and their carers depend on services from this program.

The decision to make showering, continence management and dressing free of charge will mean households of older Australians and carers are under less financial strain. The changes could also allow older Australians to fund more supports with the funding they receive placing less demands and stress on carers. Not cutting back on services, such as showering, because of costs could mean better hygiene and fewer trips to the GP and/or hospital (for example, with urinary tract and skin infections). Less stress and anxiety for carers may also reduce the need for carer support (such as Carer Gateway services) and improve carers' health and wellbeing.

Specialist dementia care and an expanded Hospital to Aged Care Dementia Support Program also have the potential to improve the wellbeing of carers of people living with dementia. The innovative respite support could also encourage carers to take breaks with benefits for the wellbeing of carers and the quality of the care they provide.



## Disability

### *What was in the Budget?*

The Budget sets out significant reforms aimed at returning the NDIS to its original intent. The reforms sit under four pillars.

1. **Fighting fraud and stopping rorts.** The Government will increase oversight of providers and payments, strengthen the National Disability Insurance Agency's investigative and enforcement capabilities, and introduce new regulatory controls to protect participants and the NDIS from exploitation.
2. **Slowing cost increases.** There will be tighter criteria around plan assessments and strengthened guidance about what are reasonable and necessary supports. Budgets for social, civic and community participation and capacity building daily

<sup>3</sup> [Aged Care Act 2024 Wait Times Report](#)

<sup>4</sup> [2024-25 Report on the Operation of the Aged Care Act 1997](#)

activities will be reset, and New Framework Planning will focus on delivering more equitable, consistent and sustainable participant plans from April 2027.

3. **Clearer eligibility requirements.** Standardised, evidence-based assessments of functional capacity will be at the core of determining access to the NDIS.
4. **To ensure quality services and supports that meet participants' needs,** the Government will commission plan management and support coordination. They will also consult on a commissioning approach for home and living supports for Supported Independent Living participants.

The Government has also committed \$2 billion over five years to establish the Thriving Kids program to support children to transition from the NDIS to community-based child development services (part of the \$5 billion Foundational Supports commitment to be matched by the states). The Thriving Kids program is for children aged eight and under with developmental delay and/or autism with low to moderate support needs, as well as their families, carers and kin. The funding includes:

- \$1.4 billion to state and territories to deliver Thriving Kids services
- \$139.7 million to facilitate Thriving Kids services for children in early childhood education and care settings
- \$99.5 million to empower parents, carers and kin with the skills to support children with developmental concerns or autism through Mental Health in Primary Schools and the Positive Partnership Program, and through a National Digital Child Health Record in My Health Record.<sup>5</sup>

In addition to the Thriving Kids program, the Government has committed \$54.8 million to the Inclusion Support Program<sup>6</sup> to assist children with additional needs.

The NDIS reforms are expected to save a total of \$37.8 billion over the next four years.

### *What it means for carers*

The Government's focus on strengthening integrity measures, including improving oversight of providers, enhancing investigative and enforcement powers, and addressing fraud and non-compliance, is a positive step towards protecting participants and ensuring the long-term sustainability of the scheme.

However, tightened eligibility requirements and the transition of some supports to state based systems are likely to result in fewer and lower levels of funded supports for some participants. These changes are expected to shift greater responsibility and costs to carers.

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<sup>5</sup> [Budget Paper No. 2](#), p.112,

<sup>6</sup> The Inclusion Support Program funds and supports early childhood education and care services to include children with additional needs.

As a result, carers may face higher care demands with fewer formal supports, with flow-on impacts for their health and wellbeing and financial security. While investments in Foundational Supports, such as the Thriving Kids program, aim to shift some children in the NDIS to Foundational Support systems, the adequacy, timing, and consistency of these supports across jurisdictions remain uncertain.



## Health

### *What was in the Budget?*

- An additional \$25 billion for public hospitals, including \$24.4 billion through the 2026-31 National Health Reform Agreement.
- Strengthening Medicare - \$3.5 billion.
  - \$1.8 billion to secure the future of Medicare Urgent Care Clinics as a permanent feature of Australian health care. The investment will expand the network to 137 clinics and by July 2026, it is planned that 4 out of 5 Australians will live within a 20-minute drive from a local Medicare Urgent Care Clinic.
  - \$25.3 million for 6 new fully bulk billed GP clinics in the Newcastle, Central Coast, Lake Macquarie and Lower Hunter regions.
- \$5.9 billion over five years for new and amended Pharmaceutical Benefits Scheme (PBS) listings.
- \$589 million for investment in world-class research – increased investment in health and medical research through the Medical Research Future Fund.
- \$241.5 million over five years for First Nation’s Health initiatives, including supporting Aboriginal Community Controlled Health Services, dialysis units for First Nations People and Birthing on Country programs.

### *What it means for carers*

The measures to strengthen Medicare, including making Medicare Urgent Care Clinics a permanent feature of the health system and fully bulk billed clinics will improve access to affordable primary care for carers and the people they care for. The Urgent Care Clinics may also mean reduced pressure on carers to take the people they care for to hospital emergency departments for urgent but non-critical care, with benefits for both patients and carers and reduced pressure on emergency departments.

The investment in the PBS should make medicines cheaper for patients. Improved access to affordable health care and medicines may also reduce out-of-pocket costs and care coordination pressures for carers, particularly where people have complex or chronic conditions. Increased investment in health and medical research will improve health outcomes for Australians reducing the need for carers.



## Private Health Insurance

### *What was in the Budget?*

The Government plans to change the Private Health Insurance (PHI) Rebate by removing the age-based uplift of the PHI Rebate from April 2027. The savings from this measure (\$3.0 billion over four years from 2026-27 and \$1 billion per year ongoing) will be invested in the aged care sector to deliver more residential aged care beds and improve affordability and access to home care supports.

### *What it means for carers*

This change will reduce the level of government support available to Australians aged 65 and over by aligning their rebate with that received by younger age groups. It will result in higher out of pocket premiums for older Australians. For carers, particularly older carers and those supporting older people, these higher costs may place added pressure on household budgets. There is also a risk that if older Australians downgrade or drop private health cover due to affordability, demand on carers could increase.



## Data and Information

### *What was in the Budget?*

\$14.2 million over three years from 2027-28 to deliver the National Health Survey and further refine the Survey of Disability, Ageing and Carers (SDAC).<sup>7</sup>

### *What it means for carers*

The SDAC is an important source of information on the carers in Australia. It is important that refinements to the survey strengthen the evidence base on primary and

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<sup>7</sup> [Budget Paper No. 2](#), p.96.

other carers, including their employment participation, health and wellbeing, and unmet support needs which is critical to inform future policy and investment at national and state levels.



## Income support

### *What was in the Budget?*

There were no changes announced in the Budget for the Carer Payment, Carer Allowance or Carer Supplement.

### *What it means for carers*

Where income support payments do not keep pace with persistent increased living costs, carers' financial wellbeing deteriorates. The lack of any indexation for the Carer Supplement, an annual payment to support carers with the costs of caring, means the real value of the Supplement has eroded significantly over time (the nominal value has not changed since 2009).



## About Carers Australia

Carers Australia is the national peak body representing over 3 million Australians. Carers are people who provide unpaid care and support to family members and friends who live with a disability, chronic condition, mental illness, alcohol or other drug related condition, terminal illness, or who are frail aged.

Carers Australia and the peak carer organisations in each state and territory collectively form the National Carer Network, representing the views of carers nationally.

Our vision is an Australia that values and supports all carers, where all carers have the same rights, choices and opportunities as other Australians to enjoy optimum health, social and economic wellbeing and to participate in family, social and community life, employment and education.

## Further information:

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