

Members briefing note:

2026-27 Federal Budget summary

Key points

- The [Federal Budget](#) was handed down on Tuesday 12 May 2026.
- In the context of challenging and uncertain economic times globally (the ABC reported that the word “uncertainty” was used 54 times in the main Budget paper!), this Budget prioritised economic resilience, with a particular focus on tax reform – the most significant in two decades.
 - In his Budget speech, the Treasurer highlighted three economic packages - Productivity; Tax reform; and Savings (Budget repair) with an overall effort to save more than is spent and shield Australians from the harshest (economic) consequences of global conflict
 - The Budget also further outlined the current difficult economic climate, with inflation projected to peak at 5% in the middle of 2026, to decrease to 2.5% in 12 months’ time, however it could rise to 7% over the same period if the Middle East conflict is to continue. Additionally, economic growth is projected to fall to 1.75% in 2026-27 and a \$28.3 billion deficit forecast for this financial year, growing to \$31.5 billion in 2026-27.
- Key areas for reform and spending in this budget include fuel and energy; rebalancing the tax system; the NDIS; health; housing and defence:
 - *Fuel package* – \$14.8 billion to immediately secure more fuel, strengthen Australia’s supply chains and build long-term resilience to future fuel shocks
 - *Rebalancing the tax system (including cost-of-living relief)* – another round of ongoing tax cuts; a \$250 working Australians tax offset from 2027-28; a minimum 30% tax on capital gains, and limiting negative gearing to new builds from 1 July 2027
 - *NDIS* - broad sweeping reforms to “secure the future of the scheme”, reign in growth and provide savings of [\\$22 billion](#) - billed as the biggest single measure in this Budget
 - *Health and hospitals* – record spending to support more affordable and accessible healthcare, including \$2.5 billion for public hospitals (under the new National Health Reform Agreement); \$5.9 billion for new medicines on the Pharmaceutical Benefits Scheme and \$1.8 billion to make Urgent Care Centres a permanent service
 - *Housing* – establishing a new \$2 billion Local Infrastructure Fund to help local governments and state utilities build essential infrastructure to support new housing, including by connecting essential services supporting up to 65,000 homes over the decade; and extending the ban on foreign buyers purchasing established
 - *Defence* - \$53 billion for defence operations, and \$800 million for veterans services and supports as well as \$600m for a new online counter-terrorism centre.

Budget highlights

Health

Hospitals

- An additional \$25 billion will be provided to public hospitals, including \$24.4 billion through the 2026–31 National Health Reform Agreement (NHRA).

Strengthening Medicare (Urgent Care Clinics, Bulk Billing Incentives and MBS changes)

- An additional [\\$1.8 billion over 5 years committed to Medicare Urgent Care Clinics nationally](#), (and \$579.6 million a year ongoing from 2030-31) to make them a permanent feature of the Australian health system
- 6 new fully bulk billed GP clinics in the Newcastle, Central Coast, Lake Macquarie and Lower Hunter regions (noting the bulk billing rate in this part of the country is significantly lower than the national average)
- \$119.3 million to extend the Practice Incentives Program Quality Improvement Incentive until 30 June 2028 to support general practices to achieve continuous quality improvement
- \$2.7 million for the listing of new items on the MBS for participating midwives to provide LARC services, including an associated bulk billing loading item and contraceptive attendance item
- \$2.1 million to commission specialist advice to inform the development of future specialist affordability reforms
- Extending contingency arrangements to support a nationally consistent rollout of the free, nationwide 24/7 telehealth service 1800MEDICARE, and the current Specialist Training Program grant agreements with specialist medical colleges by one year from February 2027
- Further improvements to My Health Record (MHR), delivering the next stages of the government's 'share by default' reforms.

First Nations Health

- \$1.2 billion in new investment for Close the Gap initiatives
- More First Nations mothers will be able to access Birthing on Country services with funding for 10 activities across urban, rural, remote and very remote locations
- Additional funding for 13YARN to ensure culturally appropriate support and help manage growing call demand, continue vital community and digital engagement and establish a new crisis support text line
- The building and operation of dialysis units in remote and very remote communities to facilitate over 12,650 treatments per year.

NDIS Changes and Thriving Kids

- The Government's plan to secure the future of the NDIS will be delivered through 4 pillars: fighting fraud and stopping rorts; slowing rapid costs increases; clearer eligibility requirements; and, delivering quality services and support to participants.
- An implementation timeline outlining the planned changes and their timing is available [here](#).

- Children aged 8 and under with developmental delay and/or autism with low to moderate support needs will benefit from Thriving Kids which will roll out progressively from 1 October 2026 and for which the Australian Government will contribute \$2 billion for:
 - Medicare Thriving Kids - national information and advice on child development and autism and help to find and connect with supports that meet the needs of the child
 - Additional supports for children with autism and their families
 - Medicare Healthy Kids Check - a Medicare subsidised health assessment for GPs to assess the health and development of a child at 3 years of age and refer them to appropriate support, including Thriving Kids supports
 - A new National Digital Child Health Record to make it easier for families and health professionals to track a child's development and share information
 - National workforce measures to support improved practice around early childhood development, and culturally appropriate support
 - At least \$1.4 billion (plus co-investment) for states and territories to deliver additional Thriving Kids supports in their jurisdiction.

Cheaper Medicines

- \$5.9 billion for new and amended listings on the Pharmaceutical Benefits Scheme (PBS) and Repatriation Pharmaceutical Benefits Scheme, including for cystic fibrosis, chronic kidney disease and various cancers.

Public and Preventative Health

- \$431.0 million over four years (and \$107.8 million per year ongoing from 2030–31) to extend the Federation Funding Agreement for Public Dental Services for Adults to support the delivery of dental services to eligible adult patients
 - The Government will also extend access to the Child Dental Benefits Schedule to state and territory dental services on an ongoing basis from 2026–27.
- \$68.5 million to support elimination of HIV transmission in Australia by 2030 by providing HIV treatment and pre-exposure prophylaxis (PrEP) to people who are not eligible for Medicare.
- \$47.6 million over four years (and \$19.4 million per year ongoing) to increase the value of grants under the Radiation Oncology Health Program Grants Scheme to maintain access to affordable cancer treatment for concession card holders
- \$41.2 million to improve vaccination rates amongst children aged five years and younger by expanding the NIP Vaccinations in Pharmacy program and continuing the childhood immunisation campaign
- \$31.1 million to continue providing bowel cancer screening to 45-to 49-year-old participants as part of the National Bowel Cancer Screening program
- \$15.0 million to continue the national skin cancer prevention campaign
- \$10.8 million to continue the Health in My Language program to provide community-led health literacy education to refugee and migrant women
- \$2.8 million to continue support for Endometriosis and Pelvic Pain Clinics to provide specialist care for women experiencing endometriosis, pelvic pain, perimenopause and menopause
- \$0.2 million to establish a Ministerial Expert Panel on Women's Health, with an initial focus on women's cardiovascular health

Medical Research

- Increased investment in health and medical research through the Medical Research Future Fund – increasing each year from 2026-27 up to \$1 billion annually by 2030-31
- Reforms to clinical trials will make it easier for patients, researchers and sponsors to find, conduct and participate in research. This includes the next steps in establishing the National One Stop Shop, a national platform to support all health and medical research.
- Continued support for the Precision Oncology Enabling Clinical Trials (PrOSPeCT) Program will provide access to comprehensive genomic profiling for more patients with advanced, poor-prognosis and treatment-resistant cancers.

Aged Care

- \$3.7 billion to deliver more beds, more packages and better care for older Australians, including:
 - 5,000 additional aged care beds each year, principally for those with limited financial means
 - Faster access to Support at Home places, increasing supports and improving assessments
 - Personal care services (showering, dressing and continence support) to be free
 - Expanding the End-of-Life pathway to provide more care for palliative patients
 - 20 additional Specialist Dementia Care Program units and an expansion of the Hospital to Aged Care Dementia Support Program
 - A national registration scheme for aged care workers – with mandatory minimum qualifications and a defined professional scope and standards to be developed.

Government Savings (Health Portfolio)

- Savings of \$75.6 million over four years from 2026–27 to ensure that government funding for health care continues is appropriately targeted to areas of most need. Savings include:
 - \$43.4 million from capping Extended Medicare Safety Net benefits for a small number of Medicare Benefits Schedule items at 80 per cent of the Schedule fee
 - \$32.2 million from efficiencies in the Primary Health Networks program.

Rural infrastructure

- \$3.6 billion in untied funding under the Financial Assistance Grant program (local governments can spend on their own priorities).
- \$2 billion for the Local Infrastructure Fund under the Housing Support Program
 - \$500.0 million will be dedicated to local infrastructure in the regions
- Increased funding for the Roads to Recovery Program, committing \$4.4 billion nationally over the current five-year funding period - \$1.8 billion more than the previous five years
- \$32.7 million to expand the Store Efficiency and Resilience Package to support an additional 75 remote stores to improve storage and operational capacity

- \$1.7 million in 2026–27 in additional funding to continue the Remote Air Services Subsidy Scheme for the carriage of passengers and essential goods to communities in remote areas.

Of interest to ACRRM members

- While, as outlined above, there are a number of health initiatives in this year's Federal Budget, there is a [lack of targeted investment in rural health](#).
 - The Government projects that by 30 June 2026, 4 out of 5 Australians will live within a 20-minute drive from an Urgent Care Clinic – but the remaining 1 in 5 are rural and much further than 20 minutes (see ACRRM Budget release)
 - Concern about increased funding for Urgent Care Clinics instead of further support for GPs raised by [RDAA](#), however the [RACGP](#) have welcomed Budget initiatives.
 - Increasing accessibility of LARC is expected to be of particular assistance for regional and rural women, and deliver 4,600 patient services annually.
- New Medicare-subsided health assessments will be available for GPs to assess the health and development of a child at 3 years of age and refer them to appropriate supports, including Thriving Kids.
 - It is anticipated that this item may not be sufficient in some rural practices, and there will be challenges for referral pathways given service and workforce pressures.
- The ACRRM policy team will continue to consider these initiatives and the views of members in public policy processes and representations to government.

For reference

- PBS additions and amendments (since 1 January 2026):
 - odevixibat (Bylvay®), from 1 January 2026
 - adalimumab (Humira®), from 1 January 2026,
 - ublituximab (Briumvi®), from 1 January 2026,
 - abiraterone acetate and prednisolone (Andriga-10®), from 1 February 2026,
 - nirmatrelvir and ritonavir (Paxlovid®) and,
 - molnupiravir (Lagevrio®), from 1 February 2026
 - nivolumab (Opdivo®) and ipilimumab (Yervoy®), from 1 March 2026,
 - glofitamab in combination with gemcitabine and oxaliplatin (Glofit-GemOx®), from 1 March 2026
 - ravulizumab (Ultomiris®), from 1 March 2026,
 - durvalumab (Imfinzi®), from 1 April 2026,
 - elranatamab (Elrexfio®), from 1 April 2026
 - incobotulinumtoxinA (Xeomin®), from 1 April 2026
- Further detail about the 2026-2027 Federal budget can be found here:
 - [Treasurer's Budget Speech](#)
 - [Budget Paper No. 1: Budget Strategy and Outlook](#)
 - [Budget Paper No. 2: Budget Measures](#)
 - [Budget Paper No. 3: Federal Financial Relations](#)
 - [Budget Paper No. 4: Agency Resourcing](#)

- [Women's Budget Statement](#)
- [Summary Document](#)

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ACRRM acknowledges Aboriginal and Torres Strait Islander peoples as the custodians of the lands and waters where our members and staff work and live across Australia. We pay respect to their elders, lores, customs and Dreaming. We recognise these lands and waters have always been a place of teaching, learning, and healing.