

BUDGET 2026: A STEP TOWARDS FISCAL DISCIPLINE, BUT MORE IS NEEDED TO SUPPORT AUSTRALIA'S VULNERABLE

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Tonight's Federal Budget delivers a mix of welcome progress alongside missed opportunities and concerning measures that risk deepening hardship for Australia's most vulnerable.

Catholic Social Services Australia (CSSA) acknowledges the Government's efforts to pursue fiscal discipline, a necessary step to control inflation and protect those who can least afford rising costs.

"Maintaining fiscal discipline is essential to bringing inflation under control and protecting those who can least afford rising costs," Dr Jerry Nockles, CEO of CSSA said. "But fiscal restraint must be pursued with wisdom and compassion, not wielded as a blunt instrument. Budgets are moral statements, and how a government allocates resources reveals their values."

A Step Forward for Youth Housing

We welcome the Government's \$60 million Youth Housing Supplement, which will unlock thousands of homes for young people trapped in homelessness. This is a significant step towards removing the financial barriers that prevent young people from escaping homelessness and family violence.

"This is so much more than a supplement," Dr Nockles said. "It removes the financial barriers preventing young people from escaping homelessness and family violence. It allows them to recover and transition to the independent future every young Australian deserves."

The new \$2 billion Local Infrastructure Fund, aimed at delivering essential roads, sewers, and power lines to support housing developments, is also a positive investment that will help unlock stalled projects and increase housing supply.

Missed Opportunities in Domestic, Family and Sexual Violence Support

However, the Budget falls short in addressing the critical funding gap for crisis accommodation support for victim-survivors of domestic, family, and sexual violence, especially in regional, rural, and remote areas.

“These issues are particularly acute outside metropolitan centres and must be addressed as a priority,” Dr Nockles emphasised. “Without adequate crisis accommodation, victim-survivors face unacceptable barriers to safety and recovery.”

Concerns Over the Earned Income Tax Offset

CSSA is deeply concerned about the Government’s approach to the earned income tax offset. This untargeted measure risks exacerbating inflation at a time when many Australians are already struggling with rising costs.

“Promising free money is always a crowd pleaser,” Dr Nockles stated. “But free money isn’t free. It is paid for by the mother living in her car with her children, watching prices rise faster than any government payment can match. It is paid for by the older person choosing between heating their home and buying food, watching their purchasing power diminish as prices rise. It is paid for by the child going to school in ill-fitting uniforms or worn-out shoes, unable to participate in excursions that their classmates take for granted—not because their parents don’t care, but because every dollar is already spoken for, and inflation has made those dollars worth less each month.”

He added, “All Budgets are a moral statement. How we allocate resources reveals our values. Free money comes at a terrible cost, and that cost is borne by those who can least afford it.”

The measure also excludes those facing the most acute financial hardship – fixed and low-income earners below the tax-free threshold – leaving behind those who need support the most.

MEDIA RELEASE



Looking Ahead

CSSA calls on the Government to build on its fiscal discipline by pursuing more targeted and effective support for vulnerable Australians, enabling them to flourish and lead fulfilling lives.

“We urge policymakers to remember that behind every statistic is a person – a family – struggling to make ends meet,” Dr Nockles concluded. “Budgets must be about more than numbers; they must be about real people and real lives. Fiscal responsibility and social justice are not competing values but complementary imperatives.”

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About CSSA

CSSA is the national peak body for Catholic social service providers. CSSA’s network of forty-two member agencies runs across all Australian States and Territories with a combined total of over seven hundred sites, delivering essential services to vulnerable and disadvantaged Australians.

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