

Budget 2026: Strong steps to tackle productivity and structural fairness

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The Actuaries Institute – Australia’s peak professional body for actuaries – acknowledges the steps announced in the 2026 Federal Budget to begin tackling structural reforms aiming to improve resilience and strengthen economic and social foundations over the long term.

Please attribute the following comments to Actuaries Institute CEO, Elayne Grace:

“The Actuaries Institute supports the principles that any policy measure or change should promote public wellbeing, consider potential impacts on equity, be evidence-based and support effectively regulated systems.

“While there are constraints and competing priorities, the Government is taking meaningful steps in this Federal Budget to address today’s long-term challenges.

“Sustained focus will be needed to build Australia’s long-term resilience to cope with mounting economic, environmental, geopolitical and social stresses.”

Intergenerational equity and housing

“As the Actuaries Institute called out in the lead up to the Budget, the Government needs to invest in structural reforms to address the widening gap between generations. We acknowledge that the economic and tax reforms in the Budget are aimed at doing this.

“Australia is currently not meeting the long-held hope that each generation will leave the next a little better off – particularly around housing, climate and the environment.

“The Actuaries Institute’s report, *Cracking the Unsolved Generational Equation*, shows that while all Australians are better off than they were in 2000, older generations have seen bigger gains than younger generations.

“The report shows there has been some recent improvement in home ownership rates for younger people, suggesting lower interest rates and some government policies during the pandemic have made a difference, but longer term ownership rates have fallen.

“Many young people rely on the ‘Bank of Mum and Dad’ to buy a home, which advantages people born into wealthier families.

“The consequences of lower home ownership rates extend into retirement. Homeowners over 65 enjoy disposable incomes 2.5 times higher than non-homeowners – a stark divide in financial security.”

Innovation and AI

“The Actuaries Institute welcomes continued investment in the National AI Plan and the AI Safety Institute. We urge the Government to continue working towards capturing AI benefits while managing risks.

“Australia needs sustained and coordinated investment in building sovereign AI capability and computing infrastructure.

“As data and risk specialists, actuaries actively contribute to the development and governance of AI systems. We continue to support the development of AI guardrails and practical guidance on maintaining strong ethical standards and governance.

“Digital capability supports national resilience, especially in an era of geopolitical, environmental and social volatility. Investing in AI, data skills and the broader STEM pipeline will insulate Australia against shocks and ensure our economy and society can continue to compete, adapt and thrive.”

Climate adaptation

“The Actuaries Institute welcomes the announcement that Treasury will investigate improving insurance affordability and consumer outcomes.

“Natural disasters are becoming more frequent and severe. Disaster costs are forecast to reach \$73 billion by 2060, and the changing climate is contributing to this increase.

“The Actuaries Institute continues to call for a coordinated national strategy to encourage a significant step up in public and private investment in resilience measures that better protect homes, infrastructure and communities against climate-related risks.

“This is the most cost-effective way to protect communities, manage the growing financial burden of natural disasters, and keep Australia’s economy vibrant and productive.”

Mental health

“Australia’s financial safety net is fragmented across 22 separate supports and \$18.5 billion in annual funding – a patchwork that struggles to reach those who need it most.

“Our report, *Mental Health Financial Safety Net*, makes clear that the fragmentation of our financial safety net is not an isolated trend – it is systemic, it is worsening, and it demands a coordinated multi-stakeholder response.

“There was little in the Federal Budget to alleviate the pressure on our financial safety net, a missed opportunity that will be felt most acutely by younger Australians already grappling with rising anxiety, lower mental health scores, and a growing belief that the barriers to achieving their aspirations are not within their control.”

National Disability Insurance Scheme (NDIS)

“The Actuaries Institute supports the need for NDIS reform to achieve a financially sustainable system – one that can continue to deliver essential support to those who need it most for years to come. The changes announced are a significant step forward. Equally, we recognise there are important other steps that need to be taken.”

Notes to editors:

For further information, please refer to:

- [Actuaries Institute Pre-Budget Submission 2026/27](#) – Jan 2026
- [Australian Actuaries Intergenerational Equity Index — Cracking the Unsolved Generational Equation](#) – Apr 2026
- [Housing in Australia: Financial Journeys Through Affordability, Retirement and Climate Challenges](#) – Jun 2025
- [Mobilising Investment For Climate Adaptation](#) – Nov 2025
- [The Mental Health Financial Safety Net: Unifying Australia’s Fragmented Systems](#) – Nov 2025

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About the Actuaries Institute and the Profession

As the peak professional body for actuaries in Australia, the Actuaries Institute represents the profession to government, business and the community. Our members work in a wide range of fields including insurance, superannuation and retirement incomes, enterprise risk management, data analytics and AI, climate change and sustainability, and government services.

Actuaries use data for good by harnessing the evidence to navigate into the future and make a positive impact. They think deeply about the issue at hand, whether it's advising on commercial strategy, influencing policy, or designing new products. Actuaries are adept at balancing interests of stakeholders, clients and communities. They're called upon to give insight on complex problems and they'll look at the full picture. Actuaries analyse the data and model scenarios to form robust and outcome-centred advice.

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