

ARACY 2026-27 Pre-Budget Submission





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Introduction

ARACY the Australian Research Alliance for Children and Youth thanks Federal Treasury for the opportunity to contribute to the 2026-2027 Budget consultation. We are a national health promotion NGO with the purpose of seeing every Australian child and young person thriving. We use evidence to drive systemic change, improve policies and practices. Our focus is on prevention, early intervention and equity for child and youth wellbeing and Australia's holistic long-term prosperity.

Acknowledgement of Country

ARACY acknowledges the Traditional Custodians and their enduring connection to the lands, waters, and skies. We pay our respects to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander people. In solidarity, ARACY supports the *Uluru Statement from the Heart* and the need for truth-telling about the history and impact of colonisation. We treasure the rich and diverse cultures and customs of First Nations people - valued knowledge holders, leaders and partners in creating the conditions for all our children to thrive.

"Set an imagination agenda for our classrooms, remove the limited thinking around our disadvantage, stop looking at us as a problem to fix, set us free to be the solution and give us the stage to light up the world"

- Imagination Declaration (2019)

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Executive Summary

ARACY's 2026–27 Budget Submission is led by what young people themselves say needs to change, not what adults guess on their behalf. In our Young and Wise post-Federal Budget roundtable young people were clear: rising costs, insecure housing, mental distress and "cringe" or tokenistic wellbeing efforts in schools are shaping their lives now. They want the Federal Government to treat them as partners and rights-holders, not as problems to be managed – and they want systems designed so fewer children ever reach crisis points in the first place.

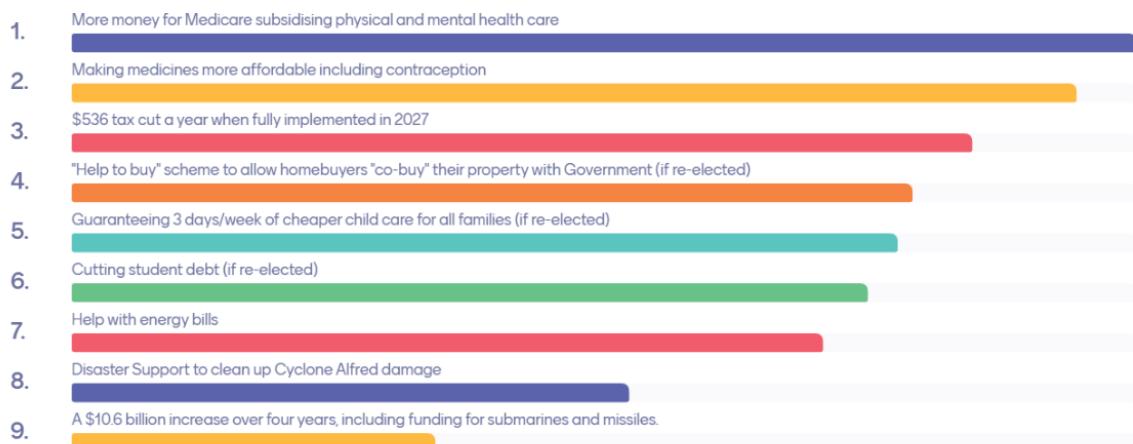
This submission asks the Australian Government to act directly on those priorities by:

- **Embedding wellbeing in school funding** – a Wellbeing in Schools co-designed with students and teachers, using ARACY's The Nest framework so wellbeing is measured and resourced alongside academic results.
- **Creating national leadership for children** – a Cabinet Minister for Children, making child safety and wellbeing a National Cabinet priority, a National Plan for Child Safety and Wellbeing and a Children's Act, so children's rights and voices can at last sit at the centre of government decision-making across portfolios and jurisdictions.
- **Rebalancing mental health towards prevention** – at least 5% of the federal mental health budget for prevention and promotion, guided by lived experience and focused on the places young people actually are: families, early learning, schools, online and community.
- **Reframing youth justice as child wellbeing** – strengthening human rights protections and scaling community-led prevention and early intervention efforts, especially First Nations-led, early support so fewer children come into contact with police and courts at all.
- **Centring wellbeing in the Thriving Kids initiative** – using The Nest as the backbone for Thriving Kids so children with developmental vulnerability, delay and autism get earlier, mainstream and inclusive support, reducing reliance on diagnosis as a "passport" to help and easing long-term pressure on the NDIS.

What young people want prioritised in the Budget

Young people from ARACY's Young and Wise Budget Roundtable – held the day after the most recent Federal Budget – told us that while they noticed some positive measures, especially around Medicare and mental health, key pressures on children and young people remain unresolved. In their view, the factors that most shape whether they can thrive – cost of living, housing, education, mental health and safety – are still not being addressed at the scale they experience in daily life.

Here are some of the announcements in Budget 2025/26 Rank them in terms of importance to you



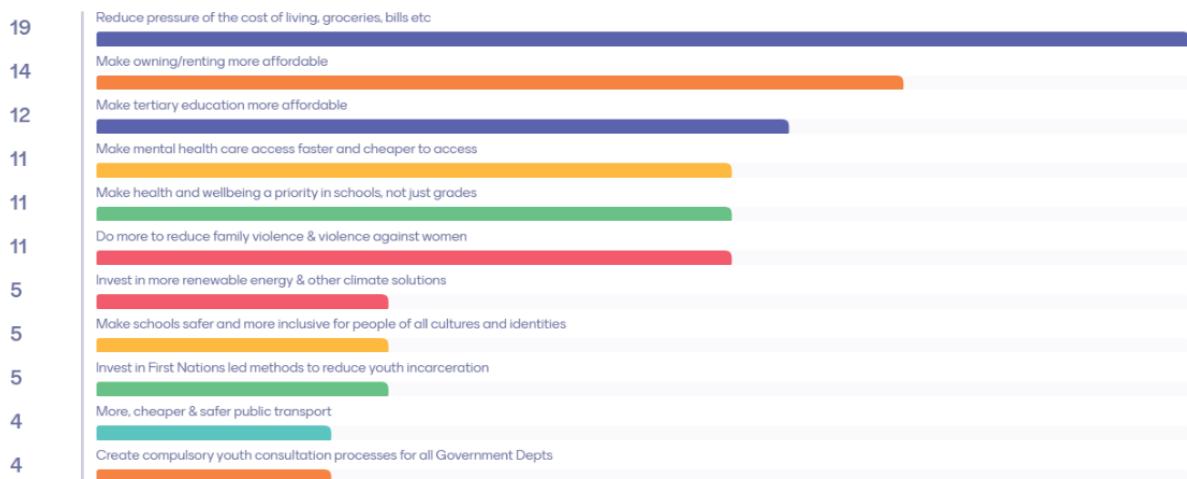
Participants were invited to step into the Treasurer's shoes and allocate \$100 billion to help ALL children & young people thrive. ARACY supports and recommends the Treasurer listen to their collective choices. The top three priorities selected were:

- reducing cost-of-living pressures,
- making owning and renting more affordable,
- making tertiary education more affordable.

Close behind, tied in fourth place, were:

- making mental health care cheaper and faster to access,
- making health and wellbeing an equal priority with grades in schools,
- doing more to reduce family violence and violence against women.

Treasurer!... You've got \$100 (billion) left to spend to help **ALL children & young people thrive**. Here are your options, **how would you spend it?**



The quotes that follow present these priorities in young people's own words and show where they would focus additional investment if they were in the Treasurer's position.

"I put more money for Medicare – subsidising health care at the top, because I need to go to doctors and psychologists and it all adds up, even with Medicare and mental health care plans. When you need to see a chiro every three weeks and you don't have private health, it's huge – and I know a lot of people just can't afford the care they need." Paris (18, Victoria)

"I put the first option – making more money for Medicare and subsidised mental health care – because the needs among young people are so high, but there are so many accessibility barriers. When I was 16 or 17 and having mental health issues, I couldn't just pay for a psychiatrist or psychologist. That funding could have gone there instead of the \$10.6 billion for submarines and missiles, especially when we give so little to overseas aid." Tiara (24, NSW)

"I put tax cuts and Medicare/medical stuff at the top. Medicare should cover basics like going to the GP for regular check-ups, not push you straight to private insurance once bulk billing drops off. With tax cuts, I'd want the government to replace that income by going after royalties and big companies that benefit from Australia, not just ordinary people."
Christopher (17, Queensland)

"My top priority was Medicare and health, but it shouldn't be restricted to certain groups. It should be for everyone – people of colour, people from different racial groups, not just Australian citizens – because it boosts people's wellbeing and productivity and reduces long-

term health costs." **Lucas (22, Queensland)**

"I put cost-of-living stuff first, and I also put making tertiary education more affordable high up. I'm from a big family and providing education and food for so many people is a lot – even from a pretty privileged position it's still something you really have to think about." **Scarlett (17, NSW)**

"I put most of my points on doing more to reduce family and domestic violence because it's an area I'm really passionate about and I've got lived experience. There needs to be more support services for the hidden victims, and the way money is being used now needs to be properly investigated – it's not going to the right places."

Yeshal (24, NSW)

"My priority would be making renting – and owning – much more affordable, because housing costs are a huge problem for so many people." **Maxwell (20, NSW)**

"I'm putting my bit towards making schools safer and more inclusive for people of all cultures and identities. If we really want things to be fair for everyone – migrants, refugees, everyone – we need to prioritise safer, inclusive schools so people feel like they belong and aren't being segregated." **Lucas (22, Queensland)**

"If I had \$100 billion, I'd spend \$50 billion on mental health care because it's becoming like a plague, especially for children. I'd want mental health care made affordable and really accessible for everyone." **Wakky (19, Queensland)**

Make wellbeing an equal priority in Schools

Put the holistic wellbeing of students and teachers at the heart of the education system including the *Better Fairer Funding Agreement* (2025–2034) by utilising The Nest wellbeing framework. Young people, including those who participated in ARACY's Young and Wise Roundtables, are asking governments to stop treating wellbeing as an add-on and start treating schools as a core health and prevention platform.

Across topics, they asked for:

- fair access to support,
- better wellbeing curriculum,
- real youth voice in policy making, and
- safe, confidential help when they need it.

When we asked how to make politics, Budgets and elections more relevant, they told us:

- actually listen when you consult,
- treat young people as people not numbers,
- create culturally safe spaces for those with lived experience,
- speak plainly about real-life impacts,
- use youth councils and online platforms so they can contribute,
- avoid tokenism and
- follow through on what they raise – not just talk “for the cameras” and disappear after the election.

Problem we're solving for

Right now schools are carrying the load for a growing wave of mental distress, online harms, alcohol and other drug use, food insecurity, body image pressure, violence and social discord; yet schools are still set up to assess children and young people almost entirely on test scores and attendance. Young people in the Young and Wise roundtables described school as the main place these pressures show up, yet support is patchy, under-resourced and hugely dependent on postcode, identity and which adults happen to be in the building that year. Wellbeing is treated as an add-on program or one-off incursion, not core business.

Young people are voting with their feet as school engagement decreases. The Productivity Commission has found that school engagement is declining, with attendance dropping to 88.3%, and over half of government secondary students missing a month of school each year (Productivity Commission 2025). Student absenteeism is an intractable educational, social

and economic problem. It is unrealistic to expect “back to basics” lifts in literacy and numeracy when large numbers of young people don’t feel safe, supported or hopeful enough about their future to even be at school in the first place.

Across wellbeing topics taught in schools, young people told us current approaches are often “cringe”, childish, moralising or simply absent.

- Sex and relationships education is inconsistent and rarely inclusive. Digital literacy comes after they’re already deep in social media.
- The commencement of the Australian Government’s Social Media Age Restriction is seen as kicking the can down the road – will 16-year-olds be better educated so they have the agency to navigate online dangers?
- Alcohol and other drugs education is not honest about real use or how it’s used to deal with poor mental health.
- Nutrition education is framed around theoretical knowledge, not practical skills.
- Formal supports feel faceless or judgemental, and students don’t trust that disclosures will be kept confidential or acted on safely – especially in non-urban areas.

Teachers and school leaders are burning out, expected to be counsellors, social workers and first responders without time, training or a multidisciplinary team. Funding and accountability settings push them to chase short-term academic lifts instead of prevention and early support.

The *State of Australia’s Children* report from ARACY and UNICEF Australia shows that young people’s participation in civic and political groups has fallen from 5.4% in 2014 to 4.5% in 2020, and that trust in institutions is uneven by income, culture and geography – at the same time as the Prime Minister and other political leaders are warning that social cohesion is being tested and needs deliberate rebuilding.

Solutions

Experts and young people themselves are clear: wellbeing must become core business for schools, not an optional extra. The Better and Fairer Funding Agreement (BFFA) should create a Wellbeing in Schools stream that requires every system to develop co-designed school wellbeing strategies and to report on nationally consistent measures of student and teacher wellbeing, not just literacy, numeracy and attendance. Young people want measures of belonging, safety, trust, mental health, participation, identity and culture alongside test scores – and they want a real say in how schools respond. These measures should be grounded in the best available Australian and international evidence on what drives child and youth wellbeing.

To “make wellbeing core business” real in classrooms, the BFFA wellbeing stream should also back a consistent, age-appropriate Wellbeing Curriculum built on three foundations:

A. Your Brain – a practical user manual for the ‘hardware and software’ of the developing brain, giving children a shared language to understand how their brain works, respond to stress and build healthy habits for learning and relationships. *Thriving Queensland Kids Partnership* – an initiative of ARACY- has already made many inroads. They now directly support child development in Queensland by applying neuro-informed policy and practice across education, health and community systems.

B. Your Rights – the Convention on the Rights of the Child and its 54 universal minimum protections that set expectations for safety, dignity and participation for all children. Right now, the CRC first appears explicitly in the Australian Curriculum as an international instrument in Year 10 Civics and Citizenship content elaboration (ACARA). We propose children learn about their rights much earlier – in Year 5 – at the onset of civic engagement in senior primary school, not left until mid-adolescence.

C. Your Wellbeing – The Nest’s six evidence-based, interconnected domains as a shared map for supporting every child and young person in Australia to thrive and reach their full potential.

This foundation can then be linked with and delivered through mandatory, practical, nationally standardised, evidence-informed wellbeing lessons on:

- helping manage student stress and positive mental health
- respectful relationships,
- sexual health,
- nutrition,
- body image,
- harmful products (junk food, alcohol, drugs, tobacco & vapes, gambling and manipulative algorithms),
- environment and climate, and
- civics and democracy

Importantly these subjects must be continually improved through co-design with young people so it’s honest, inclusive and usable, not a one-off incursion or a “cringe” add-on.

As a practical, low-cost start, the Government should fund a double-sided child rights and wellbeing poster for every Year 5 student – the child-friendly CRC on one side and The Nest wellbeing wheel on the other – plus a simple, curriculum-linked resource pack for teachers. This would make rights, wellbeing and civics visible in every senior primary classroom and home just as civics learning and trust in institutions are forming, helping children see that

they and their classmates are equal rights-holders and giving them the language to talk about what helps – and harms – their wellbeing, laying early foundations for social cohesion.

Funding needs to flow to schools and school communities, beyond central bureaucracies. A dedicated wellbeing stream should:

- back a prevention-first model
- resource schools to employ and retain counsellors, psychologists, youth workers, school nurses and wellbeing coordinators
- give teachers time and training to build relationships
- delivering honest, inclusive, practical and age-appropriate wellbeing programs as outlined above.

A prevention-first approach is the best investment we can make – it improves life chances for children and young people now and avoids far higher downstream costs to the health, justice and welfare systems later. Programs and roles should be selected and scaled based on evidence of effectiveness and evaluated, helping to target government investment in what works.

Importantly for Treasury, this agenda is fiscally responsible. The *Reinventing Australian Schools* discussion paper makes a clear assumption that improving health, wellbeing and learning does not require a permanently larger education budget, but a different starting point for how existing resources are used – streamlining programs, removing low-impact activities and re-building around a whole-child, whole-school approach. Over time, systems that equitably meet children’s developmental, health and learning needs are projected to be cheaper overall, by reducing downstream costs in health, justice and welfare, provided public schools are fully and fairly funded to meet need. (Sahlberg, Goldfeld 2023)

ARACY is ready to work with the Australian Government to use The Nest wellbeing framework so the whole child is centred by the whole system. The Nest can anchor BFFA goals, indicators and reporting around six domains of child wellbeing, and support jurisdictions to design prevention-first, school-based approaches that join up education, health and community services. This would allow governments to align school funding with the best available evidence on what children need to thrive, and to track whether reforms are improving wellbeing over time. Measuring student and teacher wellbeing in the Agreement, and tying new funds to co-designed strategies implemented at school level, would put responsibility where young people tell us it belongs – on governments and systems to create conditions where it is actually possible to be well enough to learn and to participate in school and civic life.

Act for Children

The problem we're solving for:

The *State of Australia's Children* report (O'Connell, 2025) shows wellbeing at a crossroads – many children are thriving, but far too many are being left behind, especially those facing systemic disadvantage. Aboriginal and Torres Strait Islander children are bearing the brunt of systems and policy failure: they make up 41% of children in out-of-home care and are over-represented in youth detention at around ten times the rate of non-Indigenous children.

Across the life course, the pattern is clear. In the early years, only half (52.9%) of all children are developmentally on track across all five Australian Early Development Census (AEDC) domains, with vulnerability concentrated among Aboriginal and Torres Strait Islander children, children in remote areas and low-income families. In the middle years and adolescence, one in seven children and adolescents live with a mental disorder, one in five young adults report high or very high psychological distress, and school attendance has fallen from 92.4% to 88.3% in under a decade. (Lycett, 2025) By young adulthood, cost-of-living pressures, insecure housing, climate anxiety and widening inequities are locking a generation into precarious futures, with poverty and disadvantage being transmitted across generations.

The *Future Healthy Countdown 2030* progress report confirms this is not drift – it's the result of policy choices made over time and fragmented governance. On 21 of 22 key measures of child and youth health and wellbeing, Australia is stagnating or going backwards, despite having the resources and evidence to do better (Lycett, 2025). Short-term initiatives and the lack of a stewardship approach at the national leadership mean no one in the Commonwealth is clearly accountable for reversing these trends or for delivering The Nest wellbeing framework outcomes for all children and young people. The system is working exactly as designed – for budgets and election cycles – not for children.

The solution – a national leadership architecture that puts children first

Children are falling through the cracks, the cracks between portfolios and between governments. Previous Government experience through the Office for Women and cross-jurisdictional gender equality structures shows that when the Commonwealth chooses to lead, it can line up portfolios and jurisdictions around a shared priority. The same model can – and should – be applied to children. The *Act for Children* coalition, which consists of over 200 organisations, puts forward four reforms that create the national leadership architecture Australia needs.

1. Appoint a Cabinet Minister for Children

A single senior Minister cuts through the bureaucratic hurdles that currently diffuses responsibility. This is exactly how gender equality was elevated – a dedicated Minister with authority to coordinate across portfolios and deliver annual Budget Statements to Australian taxpayers. Children deserve the same level of visibility and political weight.

Establishing a Minister for Children and a small central team is a modest investment – in the order of \$3–6 million per year for the ministerial office and around \$14–20 million per year for a lean policy and programs unit – much of which can be met by consolidating existing child and youth policy teams already scattered across government rather than building a new bureaucracy from scratch.

2. Make child wellbeing a standing priority of National Cabinet

National Cabinet is where shared priorities are set across the federation. Creating a Ministerial Council for Children puts children on the agenda every meeting and creates the conditions for the states and Commonwealth joint problem-solve – as we already do on women’s safety, housing and climate. This reform is essentially budget-neutral – it relies on existing National Cabinet machinery and a small amount of Prime Minister and Cabinet (PM&C) secretariat capacity that can be absorbed within current resources.

3. Develop and implement a National Plan for Child Safety and Wellbeing

Women’s policy has a plan, targets and a national strategy. Children don’t. A National Plan aligned to The Nest – Australia’s first evidence-based, wellbeing framework, gives governments a shared roadmap, aligns investment across portfolios and jurisdictions, and stops the churn of disconnected initiatives that disappear when ministers rotate. Developing and running such a plan would likely require around \$20–40 million over four years for governance, consultation, data and public reporting, with the bulk of this funding reprofiled from existing spend on overlapping child and youth strategies, consultations and duplicated policy units in Health, Education, DSS, Treasury and PM&C.

4. Enshrine children’s rights in law through a National Children’s Act

When rights are legislated, they drive behaviour. The Women’s framework works because it has policy, standards and reporting baked in. A Children’s Act does the same – embedding UN Convention of the Rights of the Child (CRC) obligations, requiring consideration of children’s interests across all relevant portfolios, and making children visible in every major decision, not just the “kids” programs. Developing and implementing the Act is a time-limited law reform task likely to cost around \$10–20 million over several years for

consultation, drafting and legislative review, which can be met largely by redirecting existing justice, human rights, child-safety and legislative review resources rather than standing up new permanent structures.

ARACY and the *Act for Children* coalition stand ready to work in partnership with the Australian Government, states, territories and communities to design and deliver this architecture.

Invest 5% for Mental Health Prevention

The problem we're solving for

Australia's mental health system is mostly reactive and in crisis mode. Rates of anxiety, depression, self-harm and eating disorders among children and young people have roughly doubled over the past 10–15 years (Bie et al., 2024; Deloitte Access Economics, 2024). One in four young Australians report high or very high psychological distress, and half of all adult mental illness starts in childhood, with three-quarters emerging before age 24 (Brennan et al., 2021; Solmi et al., 2022).

Mental health and substance use now account for around 15% of the national burden of disease, costing an estimated \$550–\$600 million every day in lost productivity, healthcare and social impacts (Australian Institute of Health and Welfare, 2024). Yet less than 1% of the federal mental health budget is invested in prevention, putting Australia near the bottom of the OECD for preventive spend (Productivity Commission, 2025).

Mental ill health has risen while other major health threats like cardiovascular disease and some cancers have fallen, precisely because those areas were treated as public health problems that demanded prevention, not just treatment. Children and young people in outer metro, rural and remote areas are consistently worse off on wellbeing measures, and the drivers of poor mental health – poverty, family violence, racism, gender inequity, bullying, digital harms – sit across portfolios that rarely act in a coordinated way. The result is an expensive, over-stretched clinical system trying to mop up problems that could have been prevented earlier in families, schools and communities.

The Australian Government has made significant investments in mental health treatment and digital supports. The next step is to rebalance the system so fewer children and young people reach crisis point in the first place. In the short term this will save lives and in the medium to long term: money.

The solution

As a member of the *Wellbeing and Prevention Coalition in Mental Health*, ARACY supports a structural rebalance of the Commonwealth mental health investment: a permanent commitment that at least 5% of the federal mental health budget is allocated to prevention and mental health promotion, led from the centre of government. Modelling shows that every \$1 invested in prevention can return between \$1.05 and \$3.06, and that investing \$50 million–\$1 billion per year in proven adolescent prevention programs could avert 142,000–787,000 cases of common mental disorders, with benefit–cost ratios between 5:1 and 19:1 (National Mental Health Commission, 2023; Thomas et al., 2025).

Australians are ahead of the system in their understanding of the problem and their priorities for solving it. 80% say preventing mental illness should be a top-three priority for the Federal Government, and nearly two-thirds want prevention funded on par with treatment (Morgan et al., in press).

To catalyse this shift, the *Wellbeing and Prevention Coalition in Mental Health*, supported by ARACY, proposes a time-limited \$750 million Prevention and Wellbeing Fund over two years. This Fund, overseen by PM&C, would build the workforce, systems, data and public awareness needed to deliver prevention at scale – with a deliberate focus on the early years through adolescence and on the places children and young people actually are: early learning, schools, online spaces and community hubs. Investment would scale up evidence-based programs (for example, parenting supports, anti-bullying initiatives, social-emotional learning, safe digital environments) with priority for populations experiencing disadvantage and outer metropolitan, regional and remote communities (Ebert & Cuijpers, 2018; Knapp et al., 2011; McDaid & Park, 2011; Mihalopoulos et al., 2011; Teager et al., 2019).

An Impact Plan would set three to seven priority risk and protective factors, embed a national outcomes and monitoring framework, and remove barriers to scaling interventions that already work. Over three years, prevention would be embedded nationally, with reporting on return on investment and alignment with the National Preventive Health Strategy, National Children's Mental Health and Wellbeing Strategy, National Suicide Prevention Strategy and the Productivity Commission's interim recommendations. This is not new spending for its own sake – it is a deliberate rebalancing of existing and future mental health expenditure towards prevention, so fewer children and young people ever need crisis care in the first place.

Youth Justice Prevention

Children and young people in Australia are capable, creative and ready to contribute. When they are safe, healthy, learning and connected, they are far less likely to come into contact with the justice system. ARACY's starting point is simple: child wellbeing **is** crime prevention.

The Commonwealth has already signalled that it wants children to have the best start in life – for example through ambition on universal early childhood education and care (ECEC), investments in school equity funding, mental health supports and Closing the Gap. A youth justice prevention agenda is the logical next step: taking the same upstream, development-focused mindset and applying it across the life course.

Our focus is not just to divert children from the justice system once harm has occurred. It is to support Federal, State and Local government systems to work together, so that far fewer children reach that point at all. That means using the levers of Education, Health, Social Services and community infrastructure to build strengths, not just respond to problems.

The problem we're solving for

Right now, Australia's systems respond most strongly **after** a child has come to the attention of police or courts. We spend heavily on crisis responses – police, remand and detention – while early supports remain patchy, short-term and uneven across jurisdictions. That is out of step with what we know works for children, and with the Commonwealth's own commitment to prevention in other portfolios.

Late intervention costs are also high and spread across government. Recent analysis puts youth crime-related late intervention costs at around \$2.65 billion per year – including \$114 million in health costs, \$141 million in justice costs and \$2.4 billion in policing costs. This is a significant, recurring spend on failure, not on building strengths and preventing harm (The Front Project 2025).

The harm is not shared equally. Aboriginal and Torres Strait Islander children are almost 27 times more likely than non-Indigenous children to be in detention on an average day – numbers the Uluru Statement from the Heart rightly calls "obscene".

Despite clear evidence from the Australian Human Rights Commission's *Help way earlier!* Report (Human Rights Commission 2024) that early, holistic support improves safety and wellbeing, governments have continued to pass more punitive laws that expand detention and restrict diversion and bail. The *National Youth Justice Scorecard* shows most

jurisdictions sitting at low alignment with child rights standards across policing, bail and remand, detention and oversight, with several going backwards since 2023. (54 Reasons / Save The Children)

At the same time, prevention and early intervention remain under-developed, fragmented and inconsistently funded. The scorecard notes that prevention and early intervention could not even be assessed nationally because comparable information is lacking, while also acknowledging that – where evidence-based early intervention investment has occurred – it is making a difference.

Children and young people are clear that the current approach is failing them. Harmful behaviour rarely occurs in isolation – it reflects overlapping challenges such as poverty, trauma, systemic racism, family violence, instability in care, and poor mental health. A punitive response does not rehabilitate; it retraumatises and entrenches disconnection from family, culture, school and community.

The core problem is not that we don't know what works – it's that we are not *doing* it at scale, with the Commonwealth using its full levers in partnership with States and Territories.

The solution

ARACY proposes that the Australian Government reposition youth justice as a child wellbeing and public health issue. Incentivise States and Territories to make prevention and early intervention a priority, not just a policing and detention issue. This requires four linked shifts in the Budget.

1. National leadership: embed child rights and wellbeing as crime prevention

- Develop a 10-year strategy, co-designed with children and young people with lived experience, to find real solutions, including the drivers of harmful behaviour. Guide national youth justice reform, with accompanying policy and investment commitments and action plans.
- Develop enforceable national youth justice standards that fully reflect Australia's child rights and human rights obligations.

2. Fill the gaps in Australia's commitments to international human rights standards:

- Remove Australia's reservation to Article 37(c) of the CRC, which prohibits the detention of children in the same facilities as adults or in adult facilities.
- Ratify the Third Optional Protocol to the CRC, which enables children to directly bring complaints about violations of their rights to the United Nations.

3. Embed children's rights in the institutions of Government (as per page 9):

- Appoint a Federal Cabinet Minister for Children.
- Create a Federal Ministerial Council for children and young people.
- Develop a comprehensive National Children's Safety and Wellbeing Plan.
- Legislate to incorporate the CRC into Australian law.

4. Invest upstream with States and Territories in prevention and early intervention

We don't just want police diverting children to better alternatives. We want fewer children reaching a point where police are involved at all. The pathway is clear: greater cooperation between the Commonwealth and States and Territories to invest in early help for children and families. Priority Budget actions include:

- **Stronger support in schools and ECEC** – extending the early help mindset behind universal ECEC into primary and secondary school through wellbeing-centred schooling, multi-disciplinary teams, and partnerships with youth, health and community services.
- **Backing First Nations leadership** –First Nations organisations have shown that when they are resourced and empowered, community-led solutions work. Aboriginal legal

and community-controlled organisations are leading justice reinvestment sites and bail advocacy programs that provide holistic, culturally responsive support and reduce remand and reoffending. Expanding Aboriginal Community Controlled and other First Nations-led programs that keep children connected to culture, country and community, and that address local priorities identified by communities themselves.

- **Focusing on key system interfaces** – better coordinated support for children in or leaving out-of-home care, those disengaging from school, and those presenting to emergency departments or frontline services with signs of distress or risk.

These reforms treat children and young people as rights-holders and contributors, not problems to be managed – and position the Australian Government as a partner with states, territories, communities and young people themselves in building a safer, fairer youth justice system.

Centre wellbeing in the Thriving Kids initiative

Thriving Kids is a chance to reset how Australia supports children with developmental vulnerability, developmental delay and autism – and to ease pressure on the NDIS – by shifting effort from late crisis responses to earlier, mainstream support. For that to work, Thriving Kids has to be built on a clear, shared view of what it means for children to thrive.

ARACY's Nest framework – Australia's first evidence-based wellbeing framework for children – provides that architecture. It sets out six domains of wellbeing (Healthy, Learning, Material Basics, Valued Loved & Safe, Positive Identity & Culture, Participating) and is already used across health, education and community sectors. Using The Nest as the backbone for Thriving Kids would align investments across portfolios, give practitioners and families a common language, and keep the focus on children's lives, not just diagnoses.

The problem we're solving for

Support for children with developmental concerns is still patchy, reactive and diagnosis driven. Families describe a “diagnosis as passport” system – where getting a label is often the only reliable way to access help and where supports drop away around age eight unless a child qualifies for the NDIS. That pushes demand into specialist systems while mainstream services remain under-used and under-prepared.

Most funding still sits in tertiary, high-cost responses rather than in prevention and early help, where returns are highest. Developmental checks are inconsistent, data on whether they occur is weak, and pathways are fragmented across health, education and community services. Children in poverty, regional and remote communities, and those facing intergenerational trauma are more likely to have developmental vulnerabilities, but are least likely to get timely, coordinated support.

According to the Centre for Community Child Health, for First Nations children and children from culturally and linguistically diverse communities, these barriers are compounded by structural racism, inaccessible services and a lack of self-determined, community-controlled responses. (Gray, S., Pham, C., Guo, S., Downes, M., O'Connor, E., Priest, N., & Goldfeld, S. 2023) Underneath all of this is a system still built around a medical model and siloed programs, rather than a social model that sees children in the context of families, culture and community and works to change environments as well as individual outcomes. Without a unifying wellbeing framework, each portfolio designs alone, and children fall through the gaps.

The solutions

ARACY proposes that the Australian Government uses this Budget to centre wellbeing via The Nest in the design and delivery of Thriving Kids through three linked moves.

1. Use The Nest as the wellbeing backbone

- Adopt The Nest as the organising framework for Thriving Kids objectives, indicators and public reporting, so all six domains of wellbeing are considered for every child, not just diagnostic categories.
- Align Thriving Kids with the Early Years Strategy, Australia's Disability Strategy, the National Preventive Health Strategy and the Investment Dialogue using The Nest as the shared outcomes frame.
- Use the Nest Wellbeing Wheel in guidance, workforce tools and parent materials so services and families talk about children's needs in the same way across settings and ages.

2. Embed a public health, prevention-first approach

- Structure Thriving Kids explicitly around primary, secondary and tertiary intervention, with proportionate resourcing that shifts more investment into primary prevention and early help.
- Fund a national public awareness effort on child development and early action, building on existing campaigns so parents and carers know milestones, "serve and return" interaction and when to seek help.
- Remove the age-eight "cliff edge" by ensuring ongoing supports in mainstream settings for children with continuing needs who do not meet NDIS thresholds, especially through the middle years.

3. Strengthen mainstream services and make them genuinely inclusive

- Lift developmental surveillance at universal touchpoints (for example, immunisation visits) through brief, structured checks backed by training, funding rules and data systems.
- Resource Child and Family Hubs as key local infrastructure for Thriving Kids – trusted entry points where families can access universal and targeted supports across health, ECEC, family services and allied health.
- Scale sustained nurse home visiting for families facing extra barriers, given its strong evidence base for improving early child development and reducing later demand.

- Invest in cross-sector workforce capability in ECEC, schools, primary care and community services so mainstream settings can confidently include children with developmental delay and autism, using The Nest as a practice and planning tool.

4. Put equity, First Nations leadership and lived experience at the centre

- Back the social model of disability in practice by directing Thriving Kids funding to making environments safer, more flexible and more inclusive, not just adding more specialist programs.
- Invest in First Nations self-determined solutions through Aboriginal Community Controlled Organisations, aligning with The Nest and local community priorities.
- Embed co-design with children and families, including disabled children and their families, at every stage of policy, design, delivery and evaluation, with clear accountability for how their input shapes decisions.

These moves will make Thriving Kids a genuine system reform – centred on wellbeing, using The Nest to align effort and spend, and giving children with developmental vulnerabilities the best chance to thrive in their families, communities and schools while reducing long-term pressure on crisis systems and the NDIS