

# Victorian State Budget Submission 2026

January 2026



ECIA VIC/TAS acknowledges the traditional custodians of the lands and pays respect to elders past and present. We pay respects to Aboriginal and Torres Strait Islander children, their families, and we commit to creating a future where every child is valued, safe and an empowered member of their community.

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## About us

ECIA VIC/TAS welcomes the opportunity to contribute to the Victorian Government's deliberations on the 2026-2027 Budget. ECIA VIC/TAS acknowledges the Victorian State Government for their ongoing commitment to quality services for children with disability and/or developmental delay and their families. With ongoing support from members and the wider sector, ECIA VIC/TAS is in a strong position to work with government to ensure that best practice early childhood intervention is strengthened across the state of Victoria.

We are at a crucial time in the landscape for children and families, with multiple reforms underway across the NDIS, Foundational Supports/Thriving Kids and Early Childhood Education and Care (ECEC). This presents opportunities for government to examine how these systems intersect, how they currently operate and are funded, and to explore innovative wrap-around options for the future.

As a membership-based organisation, we hear directly from members about the successes and challenges they face. Through our monthly forums and ongoing consultation, members share valuable anecdotal insights from the perspectives of service providers as well as children and families. This places ECIA VIC/TAS in a unique position to understand all sides of the story.

This Budget submission proposes measures and program improvements to further the work of State Government to provide timely, high-quality services for children with developmental delay, developmental concerns and disability and their families.

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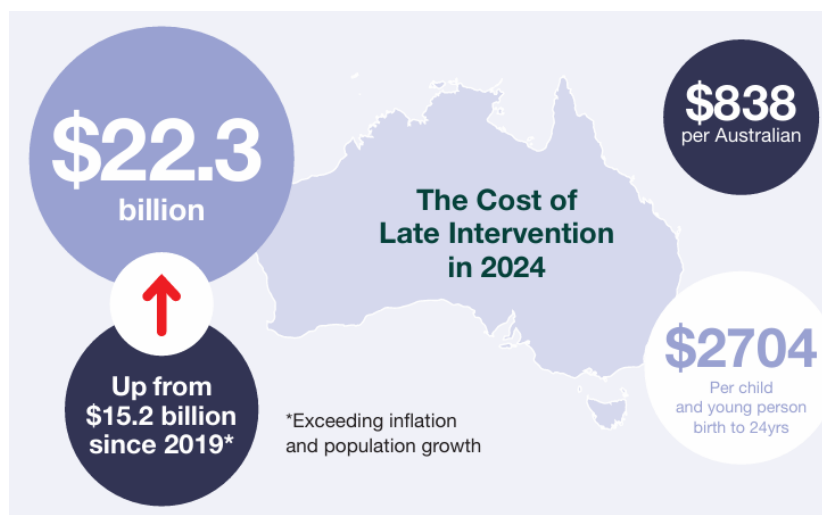
## Where are we now?

The time to act is now. We can no longer ignore what the data is telling us. Victorian children are struggling and so are their families.

*A disability perspective requires viewing inclusion not as an “additional” service, but as a universal design principle embedded across quality, workforce, governance and funding systems.*

This framing is consistent with the Productivity Commission (2024) universal access recommendations, the Victorian Rapid Review into Child Safety, and the National Best Practice Framework for Early Childhood Intervention.

The Front Project’s report, *The Cost of Late Intervention* clearly articulates the significant financial consequences of failing to intervene when children need support most, during their early years. There is both a moral and economic imperative for a review of the way we are educating and supporting Victoria’s children.



- AECD data shows more children are entering school with increasing levels of vulnerability.
- Only half of children are on track, with a decrease between 2021 and 2024 from 54.8% to 52.9%.
- The levels of vulnerability are higher in disadvantaged communities
- Children living in rural and remote areas, First Nations children and those from CALD backgrounds are at a significantly higher risk.
- 7.4% of children aged 0–14 in Australia have a disability<sup>1</sup> (AIHW)
- 4% of children have a severe or profound disability
- Around 13–18% of children aged 0–5 experience developmental delay <sup>1</sup>(ARACY & early childhood prevalence modelling).
- Children with disability are twice as likely to experience developmental vulnerability (AEDC).
- Children with disability are more likely to experience restricted, delayed or denied enrolment in ECEC (documented in ARACY’s analysis of systemic inequality and PC 2024 submissions).
- In some rural areas, only 9% of services meet the National Quality Standard in educational program and practice.
- Over 50% of parents of children with disability report that ECEC services “do not have the skills or capacity” to meet their child’s needs (ARACY & CYDA<sup>1</sup> national survey).
- 41% of children in out of home care have a disability

The  
problem

### The impact

Poorer educational outcomes for children in the short and long term.  
Increased government expenditure on supports in the longer term through presentations in justice, mental health and health systems

## Budget Priorities

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## Equitable inclusion for all children

### Children in the early years (ECEC and ECI)

#### Budget priorities

- Fully fund Kindergarten Inclusion Support programs based on the child's hours of attendance
- Fund a stepped approach to supports as children transition from three-year-old kindergarten to Pre-prep
- Fund children with developmental delay/disability as priority cohorts
- Fund an Inclusion lead role within centres, working alongside pedagogical leaders
- Continue funding ECIS COS for the next two years while Thriving Kids is developed and becomes able to support this cohort of children and families, consistent with the grandfathering approach proposed for children accessing the NDIS during Thriving Kids development and implementation.

Thriving children are supported by thriving families. Access to early learning is an essential element in supporting children to thrive. The Best Start Best Life reforms are providing new opportunities for children to access early learning settings. However, children with developmental delay, concerns or disability are not included as a priority cohort, despite being over-represented in the priority groups, noting 41% of children in out of home care have a disability.

The current Kindergarten Inclusion Support (KIS) program does not meet the needs of the children it is serving. The hours allocated to a child do not always cover the child's hours of attendance, leaving educators to provide little more than supervision until additional educators arrive. The current program does not support children who need assistance to access toys and equipment and engage in meaningful play. While these children may not be at risk of harming themselves or others, they cannot fully participate in the educational program without support. This reliance on adult assistance to initiate play can lead to poorer educational outcomes.



#### Case study – quote from an Early Childhood Teacher in Victoria.

An autistic child in my group has a strong interest in water play. His favourite place to play is in the toilet bowl water. His KIS worker is not funded to be there for all the hours he is there; we have an hour in the morning and afternoon when she is not there. When she is not there it is very hard to keep him out of the bathroom and occupied with other activities. One staff member must be with him the whole time which compromises the safety of all the other children.

#### Case study – quote from an educator in Victoria

I have a child in my room that has KIS funding. When his KIS worker comes in, he has a great day and accesses so much of the program and we all have a great day. When she is sick, we can't get a replacement, so all we can do is keep him safe for the day. With ratios able to be under the roofline, I can't get anyone else into support him either.

## Transitions

When a child supported by the Kindergarten Inclusion Support (KIS) program transitions from three-year-old kindergarten to Pre-Prep, there is a requirement to re-apply for support again, creating admin burden for educators, and gaps in support for children. The scaffolds supporting the child are removed and they can be left to flounder and fail again. For children with an NDIS package and receiving fifteen hours of Inclusion Support, there is ample documented evidence of need. Transition points can create significant stress for the child and family, if not managed well. A stepped approach, retaining some level of supports during transition is needed whilst assessing the child's needs in a new environment and ensuring that regression in development during the transition does not occur.

## ECIS-COS

The Victorian Early Childhood Intervention Service Continuity of Support (ECIS COS) program supports children with developmental delay/disabilities who are unable to access the NDIS due to Visa status. Services are delivered by commissioned quality providers, with strong alignment to the National Best Practice Framework in Early Childhood Intervention. This program is only funded till July 2026. With the delay of Foundational Supports/Thriving Kids, it is unclear if these children will continue to receive supports until Thriving Kids has been implemented. Their supports must be grandfathered in the same way children on the NDIS, until Thriving Kids has been established.

## Workforce retention.

Retention of staff is a significant challenge at present, with both teachers and educators moving out of ECEC and into other areas of work. Put simply we are losing our experienced teachers who have mentored early career professionals. With the fast tracking of education qualifications, early career

professionals are needing increased support and mentoring. Members report observing this particularly when children display dysregulated or challenging behaviours. In our consultations with teachers, they have told us they need experienced professionals to ‘show us **not** tell us,’ how to manage these behaviours. Introducing an Inclusion lead role across clusters of centres, who work alongside pedagogical leaders, would support this targeted need for upskilling. School Readiness Funding is not always utilised, with teachers commenting they don’t know how to make the best use of the program. The Inclusion lead role would enhance the utilisation of School Readiness Funding.

## Children at school

### Budget priorities

- Continue funding as children transition to school, where there is a demonstrated functional need and existing scaffolding in place
- Fund consultation with schools on the implementing the Disability Inclusion Profile with a commitment to ongoing refinement based on evidence from practice.
- Maintain efforts to reduce out-of-pocket costs for school-based programs for families raising a child with a disability
- Fund a pilot school lunch program, modelled on the School Breakfast program targeting areas of significant disadvantage or where children experience intersecting vulnerabilities

ECIA VIC/TAS welcomes the move to a more strength-based approach to supporting children’s needs through the Disability Inclusion Profile. As the program matures, we encourage meaningful consultation with schools to inform an iterative approach to the refinement of the program.

However, member feedback highlights significant challenges for children with developmental delays and disabilities during transition from four-year-old kindergarten into school. The current ten-week evidence gathering period in Term 1, prior to applying for funding, fails to recognise the functional needs and scaffolding that have already supported the child in pre-prep. Removing supports as they transition to school, is implementing a, ‘wait and fail,’ approach and therefore a step away from a strength-based approach. We would urge a review of this approach for those children who already have demonstrated needs at such a critical time in their education.

Families raising a child with a disability incur increased day to day costs in areas such as health care and basic material needs. With cost-of-living pressures they continue to be pushed to make difficult choices to support their child’s needs.

## A workforce for the future

### Budget priorities

- Fund Inclusion Coaches as recommended in the Productivity Commission Report, shifting away from overuse of online module learning to a system where coaches support the embedding of learning and improved practices.
- Address 'placement poverty', by funding paid placements for allied health and education students
- Scale the current PSFO program as a worker retention strategy in ECEC
- Embed disability inclusion, trauma-informed practice and Aboriginal cultural safety in all education qualifications
- Embed tertiary-level training on trauma informed and neuro-affirming practice, such as the Berry Street model of education being embedded in Deakin University pre-service training from 2026
- Mandate core disability content in qualifications, covering developmental trajectories, inclusive pedagogies, communication supports, behaviour as communication, trauma, and universal design.
- Pay parity with the school sector must be a key disability inclusion strategy, not merely an industrial reform.

A workforce shortage is often cited as the greatest challenge to providing quality services for children and families with long term consequences for outcomes. Equally important is workforce retention. The high turnover of staff across all areas of the allied health and education sectors is impacting on educational and wellbeing outcomes for children and families. Both need equal consideration and planning.

A key recommendation from the *No Child Left Behind Report* into the Thriving Kids Initiative states,

*'workforce and resources be developed across all areas of support for families to navigate an extremely complex system and that, wherever possible, support should be provided by a range of workers to ensure equitable access for all, including: regional, rural and remote areas, CALD and Indigenous communities, children in out-of-home care, parents and carers with disabilities themselves, and other high-risk communities'*

Through our engagement with Pre-school Field Officers (PSFO), they highlighted the requests from educators and teachers to, 'show me not tell me,' how to improve my practice. Coaching is a proven way of ensuring that new learning is imbedded into practice. The current allocation of hours for PSFO work could be increased to build the capacity and confidence of the workforce, contributing to worker retention.

### **Case study – Quotes from a think tank held with Pre School Field Officers in 2025**

- We are just working with teachers on the basics, how to run a group or set up an environment, we don't get to proper coaching
- There is no time for reflection currently
- Educators are keen to complete training but struggle to get people to backfill so they can attend
- School Readiness Funding is not well understood and utilised
- Educators are wanting coaching rather than completing hours of online modules
- Can you just come and show me what the strategy looks like, then I will feel confident to give it a go
- There is no time for team planning together and setting goals together

#### **Case study from a service leader.**

We are struggling to get KIS workers for shorter hours when a child is not allocated the full number of hours. They can go and get longer shifts funded by SRF or NDIS so are not prepared to work for shorter hours. Also, when they are sick there is no -one to cover for them or backfill so we must just survive for the day. We put one educator inside and one outside and we just focus on safety of all the children; we aren't really teaching them much on those days.

#### **Case study from a pedagogical leader**

I was called into a room one afternoon as a child was very distressed and dysregulated. The teacher running the room was an early career professional and she froze. She didn't know what to do or how to respond to this child. I stepped in and offered co-regulation strategies to the child who slowly settled.

When I spoke with the teacher later in the day, she spoke of feeling scared that she and others were going to be hurt. She said she didn't have enough training in how to support children when they are dysregulated or upset.

The leader reported she works across multiple centres and sees examples of educators without enough understanding of behaviour and how to implement strategies. A significant part of her work is coaching in this area, leaving little time for other areas of pedagogy.

#### **Case study from an educator**

I have a child in my room that has KIS funding. When his KIS worker comes in, he has a great day and accesses so much of the program and we all have a great day. When she is sick, we can't get a replacement, so all we can do is keep him safe for the day. With ratios able to be under the roofline, I can't get anyone else into support him either.

Allied health students report the challenges of managing study and work commitments. Described as, 'placement poverty,' students speak of the need to work to sustain their basic needs. This is particularly so for students from rural and remote areas needing to move into metro areas to access courses. The in-person nature of student placements both for allied health and education reduces flexibility often leading to part-time study or increasing dropout rates. Completion rates for Bachelor of teaching rates are falling with almost half of students not completing their degree. The current challenges with the NDIS have led to this area of work being perceived as, 'too hard,' or 'too stressful,' by new graduates in allied health.

### **Case study – conversation with final year Occupational Therapy students.**

Question: Would you consider working with children and families in the NDIS sector?

OT student 1 – No, it is too hard. I have heard that you need to see too many children a day and don't get paid to travel to see them.

OT student 2 – No the KPIs are too high, and I am worried I won't get the support I need at the beginning.



## Children in their communities

### Budget Priorities

- Increase funding for community health services to reduce waitlists, access, assessments and intervention
- Provide ongoing funding for organisations delivering programs through hubs, early parenting services and playgroups
- Fund initiatives to upskill Maternal and Child Health nurses and GPs in identification of developmental delay

Early Intervention delayed by lengthy waitlists is, effectively, early intervention denied. In our conversations with members delivering community health services, who are often the first point of contact for children, we hear of extensive waitlists for children needing both allied health and developmental assessments and services.

These challenges are compounded by the back-and-forth between community health and the NDIS. Families are often discharged from community health because their needs span multiple developmental areas and are referred to the Partner in the Community, only to be told they do not meet eligibility requirements for the NDIS and are redirected back to community health.

This process can take up to a year, during which critical developmental windows are missed. The impact of this on a child's development is significant and long lasting.

## Advocacy in action – from policy to practice

### Budget Priorities

- Secure ongoing funding for peak bodies, including ECIA VIC/TAS to continue collaborating with all levels of government on all reforms impacting children, families and providers

Advocacy peaks such as ECIA VIC/TAS are a cost effective and critical interface between policy intent and real-world delivery. ECIA VIC/TAS represents hundreds of members, servicing thousands of children, collaborating to amplify the voices of children and families accessing early childhood intervention services.

Covering metro, rural and remote communities we bring together a broad network connected to our communities, all invested in supporting meaningful change and practical solutions for families. Working across multiple sectors including NDIS, Thriving Kids, Community Services, health and education we draw on diverse perspectives and thinking. Funding advocacy peaks provides clear benefits, including:

- Early identification of system pressures
- Real-time feedback on the implementation of reforms
- An iterative approach to reforms through trusted relationships
- Testing of ideas and solutions before implementation for suitability and relevance

## Wrap around supports – fund The Glue

### Budget Priorities

- Fund services to work collaboratively, reducing silos and administration burdens on families
- Establish a Commonwealth funded “Glue Grant’ to support the coordination, integration leads and flexible local responses.
- Develop systems that prioritise the child and family journey, rather than service delivery

It is widely reported and recognised that our current siloed service systems with complex access and eligibility pathways are causing children and families to fall through the cracks.

Members report that a significant portion of their work, ‘the glue’, is essential but unfunded.

For example, a Key Worker making a mandatory notification to child protection is not funded through the NDIS. If the notification is not made, the practitioner risks their professional registration and ongoing ability to work.

### Case study – NDIS funded Key Worker/Occupational Therapist

Returning from a home visit, I sought out my team leader to inform them I needed to make a notification to child protection for the child I had just visited.

We then spent an hour and a half making the notification and documenting this activity. I can’t charge the child’s NDIS plan for this time it is not covered. And this impacts on my productivity for that day and I won’t reach my target. I have to make the notification so that the child and family receive the help they need and if I don’t I will jeopardise my registration.

Cohesive, sustained investment to integrate our early childhood systems is needed. The current model of short-term grant funding limits services abilities to create long lasting impact.

Our members report on the challenges of supporting children and families in all the places they are, noting an increasing need to provide this essential work, even though it remains unfunded.

Members have highlighted that a lack of planning time and opportunities to collaborate with other professionals, such as allied health and community service workers, poses both a barrier and a burden. They also speak of reform fatigue with so many changes occurring at the same time.

## Thriving Kids and NDIS

### Budget priorities

- Funding for sector peaks to support place-based design and implementation of Thriving Kids
- Tiered pricing for quality NDIS service providers
- Pricing models that align with the National Framework Best Practice in Early Childhood Intervention principles and practices
- Glue funding for organisations to create smooth pathways for children and families to access services they need from Thriving Kids, NDIS, health and education.

ECIA VIC/TAS welcome the release of the No Child Left Behind Report into Thriving Kids Initiative and the recommendations it contains. With an extremely tight rollout time of July 2026, we encourage government to work closely with established peaks, such as ECIA VIC/TAS and existing collaborations such as the Australian Child and Family Supports Alliance, and the Victorian Child and Family Supports Alliance, to leverage off their extensive national and state- based networks. These established networks, with a shared vision, diversity of members across ECEC, ECI and Community services are well placed to support change and provide solutions. Their extensive networks with established communication pathways, will enable information to move between decision makers and implementers quickly and comprehensively.

The implementation of Thriving Kids brings an opportunity to reset our approach to services for children and families. The narrative across Australia currently is the NDIS is the only way to go. In preparation for the rollout of Thriving Kids, a change in narrative is needed, so families and the workforce see the value in Thriving Kids and engage with programs and services. Equally the funding of programs must be such to attract a skilled and highly qualified workforce.



## All children need to be safe to thrive

### Budget priorities

- Fund the embedding of the Child safety recommendations from the Rapid Review
- Provide in-person training to embed child safety practices rather than a reliance on online modules
- Integrate data systems across education, disability, and health to ensure children and families are supported seamlessly
- Fund a long term strategy on child safety rather than short term fixes

The backbone to child safety is the workforce, the people working directly with children and teams. Without a united approach, teams risk fragmentation, compromising both safety and outcomes. Without consistent sequenced professional learning to build the capacity of the workforce children will not receive high quality education and care. Cultural safety is inconsistently practised, particularly for Aboriginal children and families, while persistent workforce shortages in rural and remote areas further undermine quality and safety. Stronger enforcement of anti-discrimination obligations alongside proactive monitoring of exclusionary practices is urgently needed.

Children with developmental delay and disability are among the most vulnerable cohorts when it comes to safety. For this cohort, child voice can look very different. Behaviours may be the only way they can communicate harm or a sense of being unsafe, and these behaviours can easily be misinterpreted. Children in this group require additional support to have a voice and indicate adverse experiences. Funding a peak such as ECIA VIC/TAS to develop specific resources to target child safety for this cohort is needed.

### References

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[The Cost of Late Intervention](#)

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