AUSTRALIA'S Children's Budget Statement

2026–27

A Shadow Statement

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Play & Filial Therapy Press | playandfilialtherapy.com

13 May 2026
ISBN: 978-0-6458952-4-7

This document does not exist in official form.

That is precisely the problem it seeks to address.

Foreword

On 12 May 2026, Treasurer Jim Chalmers delivered the 2026–27 Federal Budget — a comprehensive document running to thousands of pages, accompanied by a Women's Budget Statement, a First Nations chapter, sector-by-sector analysis, and detailed portfolio breakdowns.

There was no Children's Budget Statement.

There never has been.

This document is a shadow statement — written not by government, but in response to government's silence. It asks a simple question that the official budget does not: what did this budget do for the 5.7 million Australians aged 0 to 18 who could not vote on it?

Children are not a special interest group. They are one quarter of our population, and one hundred per cent of our present and our future. They pay taxes — through family consumption, through the national debt they will inherit, through the intergenerational consequences of decisions made without them. Yet they have no vote, no dedicated budget accountability mechanism, and no guaranteed seat at the table where decisions about their lives are made.

The Women's Budget Statement exists because gender inequality was invisible until it was named and tracked. The Closing the Gap framework exists because First Nations disadvantage was unmeasured until it was counted. A Children's Budget Statement is needed for the same reason: what is not counted does not count.

This shadow statement draws on the 2026–27 Federal Budget, the Women's Budget Statement, publicly available evidence on child development, mental health, and the economics of early intervention. It is written with two purposes: to advocate publicly for a dedicated Children's Budget Statement, and to demonstrate — in the format of an official statement — exactly what one might contain.

It is written with evidence. It is written with urgency. And it is written on behalf of those who cannot yet write for themselves.

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Part One: Why This Statement Is Needed

1.1 The Democratic Gap

Australia is a compulsory-voting democracy in which every citizen over 18 has both the right and obligation to vote. Children under 18 have neither. This means that every budget decision — every allocation, every cut, every structural reform — is made by a parliament that is entirely unaccountable to those most affected by long-term spending choices.

The consequences of this democratic gap are not abstract. They are visible in budget after budget that prioritises short-term, visible, crisis-response spending over long-term, preventive investment in the earliest years of life — the years when the return on investment is highest, the outcomes are most malleable, and the political voice is most absent.

Children under 18 represent approximately 24% of Australia's population.

They are subject to every law, every budget decision, and every intergenerational obligation — without a single vote.

1.2 The Accountability Gap

The Australian Government produces a Women's Budget Statement, a Closing the Gap report, and gender-responsive budgeting analysis across portfolios. These documents exist because history demonstrated that without dedicated tracking, the interests of systematically underrepresented groups are routinely overlooked in budget design.

Children are the clearest case of all. Their spending is scattered across Health, Education, Social Services, and NDIS portfolios with no consolidated accountability. No minister is required to answer annually: what share of this budget reached children? How is investment distributed across the developmental spectrum? Are the highest-return years — conception to age five — proportionally funded?

Without a Children's Budget Statement, these questions go unasked. This shadow statement attempts to ask them.

1.3 The Evidence Gap

The scientific case for investing in the earliest years of life is among the most robust in public policy. Yet budget design consistently inverts the investment logic — spending most where the return is least, and least where the return is greatest.

$15.2 billion

The annual cost to Australian governments of late intervention in children's lives

The Front Project / Telethon Kids Institute

Economic modelling consistently finds that **the earlier the investment, the greater the return.** Heckman's foundational research showed returns of 7–13% per year for quality early childhood programs. Australian analyses confirm: every dollar invested in the first 1,000 days saves many more in crisis response later — across health, mental health, child protection, justice, and welfare.

The 2026–27 budget invests approximately $750 million in teenager and youth mental health services — welcome, necessary, and long overdue. It invests a fraction of that in the prenatal and infant period, when the architecture of the developing brain, the capacity for emotional regulation, and the foundations of secure attachment are being laid.

This is not a critique of investment in teenagers. It is an argument for investment upstream — before distress becomes crisis, before crisis becomes a budget line, before a child becomes a statistic.

Part Two: What the 2026–27 Budget Does for Children

This section analyses the 2026–27 Federal Budget through a child-focused lens, organised by developmental stage. It draws directly from official budget documents, the Women's Budget Statement, and portfolio statements released on 12 May 2026.

2.1 Before Birth: The Prenatal Period

Relational neuroscience is unequivocal: the developing child's mental health begins before birth. From around 18 weeks, the foetus can detect the mother's heartbeat and the rhythm of her voice. By 24–26 weeks, the developing baby responds to external sounds — and by birth, recognises its mother's voice as familiar. By six months, the baby is already sharing the mother's emotional world — stress hormones cross the placenta, and the foundations of emotional regulation are being laid. The quality of the prenatal relationship is among the strongest predictors of postnatal attachment security.

What the budget provides:

- $4.9 million in 2026–27 to extend work toward universal perinatal mental health screening across public antenatal and postnatal care settings (BP2, Mental Health measure)
- $44.4 million for Birthing on Country — culturally safe maternal care for 1,100 mothers
- Paid Parental Leave extended to six full months from July 2026
- $16.7 million for 8 new Gidget Foundation perinatal mental health centres (election commitment, now funded)
- $13.1 million over three years for families who experience stillbirth — maintaining perinatal pathologist and perinatal loss coordinator workforce, and community education to reduce Australia's stillbirth rate (BP2, Supporting Families Who Experience Stillbirth)

What is missing:

- No dedicated investment in prenatal relational health, parent–infant bonding, or prenatal parenting programs
- Universal perinatal screening receives just $4.9M — a one-year extension, not a completion plan
- No recognition of the First 1,000 Days as an organising policy framework — despite 35 years of accumulating evidence
- The prenatal period is recognised in this budget only in contexts of loss (stillbirth) or workforce participation (parental leave) — not relational health or prenatal attachment
- The National Preventive Health Strategy 2021–2030 identifies early childhood as a priority prevention window — this budget contains no measures explicitly aligned to that commitment

2.2 Birth to Age Five: The Foundation Years

Brain architecture is established in the earliest years — the neural connections formed before age five lay the foundation for all later learning, behaviour, and health. The attachment relationship — which begins forming before birth — shapes emotional regulation, cognitive development, social capacity, and mental health across the lifespan. This is the highest-return investment window in all of public policy — and the most underfunded.

Budget measure	Relevance to 0–5s
3 Day Guarantee (childcare subsidy)	100,000 additional families access early childhood education — relational and developmental benefit for children
$1 billion Building Early Education Fund	160 new ECEC centres — addresses supply shortage for under-5s
$54.8M Inclusion Support Program (2026–27)	Helps ECEC services support children with additional needs — targeted at under-5s with developmental challenges
15% pay rise for ECEC educators	Better-paid, stable workforce means more consistent relational care for infants and toddlers
6 months Paid Parental Leave	More time for parents and babies to establish secure attachment in the critical early months
$171.7M Children and Families Support program	Consolidates frontline services — but most funding ($156.3M) doesn't flow until 2027–28; only $7.3M in 2026–27
Head to Health Kids Hubs (0–12)	Ongoing rollout — free multidisciplinary mental health support with no referral required
$0.7M Froebel Australia Little Scientists program	Professional learning for early childhood educators to introduce STEM through play — the only explicit play reference in the entire budget (buried in a school outcomes measure)

The notable absence:

The Kids Hubs include multidisciplinary teams on paper, but staffing varies by location, infant mental health (0–2) is not a named specialisation within the model, and the 0–5 cohort simultaneously has the highest prevalence of mental health need and the lowest rates of access to specialist services nationally.

2.3 Ages 5–12: The Middle Childhood Years

The primary school years are critical for social-emotional learning, school engagement, literacy, and the consolidation of self-concept. Mental health problems in this period are strongly predictive of adolescent and adult outcomes. Approximately 13.6% of children aged 4–11 have a diagnosable mental disorder in any 12-month period — yet fewer than a third receive professional support.

The 2026–27 budget's primary new initiative for this age group is the Thriving Kids program. Budget Paper 2 reveals the full breakdown of the $2 billion Commonwealth contribution. Reading those numbers carefully tells an important story.

Thriving Kids measure (BP2)	Amount over 5 years
Payments to states and territories to deliver services	$1.4 billion
Thriving Kids in ECEC settings (held in Contingency Reserve)	$139.7 million
3-year-old health assessment + expanded health checks (Medicare)	$126.1 million
National phone line + autism information helpline	$120.9 million
Parent skills programs + National Digital Child Health Record	$99.5 million
Workforce development including First Nations workforce	$60.8 million
Public awareness campaign	$21.6 million
Implementation support and monitoring/evaluation	$36.7 million

The 3-year-old health assessment ($126.1 million) is a genuinely positive development — early identification of developmental difference is well-evidenced and this is new Medicare infrastructure. It should be acknowledged as such.

However, reading the full breakdown reveals the structural limitation: the bulk of Thriving Kids investment is in information, navigation, awareness, workforce training, and a digital health record. Children with mild-to-moderate developmental needs who previously received individualised, NDIS-funded therapy are being replaced primarily by phone lines and parenting programs. Direct therapeutic support — play therapy, speech pathology, occupational therapy — is not a named component.

$37.8 billion

Projected savings from NDIS reforms over four years — the primary driver is removing children with mild-to-moderate needs from the scheme

Budget Paper No. 2, 2026–27

BP2 also confirms that the new dedicated child and youth mental health measure in this budget totals just $73.1 million in 2026–27 — almost entirely a one-year extension of the existing National Mental Health and Suicide Prevention Agreement. The only new child-specific mental health line is $3.1 million over four years for student support in Years 7–9. There is no new investment in child mental health for children under 12 beyond Thriving Kids' early identification component.

The Children and Families Support program ($171.7M) is also largely a future commitment: $156.3 million of that figure doesn't flow until 2027–28. In 2026–27, only $7.3 million is released — for implementation and administration, not frontline services.

2.4 Ages 13–18: Adolescence

This is where the 2026–27 budget is most ambitious — and most responsive to visible crisis. Youth mental health receives the largest dedicated investment of any child-focused initiative in the budget.

Budget measure	Investment
headspace expansion (headspace plus)	$243.3 million over 3 years — 4 new centres, 30 upgraded
Youth Specialist Care Centres (20 new)	$508.2 million over 3 years — the 'missing middle' tier
National Institute for Youth Mental Health	$43.9 million over 3 years
500 additional psychology placements/year	$45.2 million over 3 years
Disaster preparedness in schools (headspace)	$9 million over 3 years

This investment is welcome and overdue. But it reflects a pattern that a Children's Budget Statement would make visible: the further from birth a child's distress becomes, the more the government spends. The child in crisis at 16 attracts more policy attention than the infant accumulating the adverse childhood experiences (ACEs) that predict that crisis. This is not efficient. It is not humane. And it is not what the evidence recommends.

Part Three: What Is Not Funded

A Children's Budget Statement would require government to account not only for what it funds, but for what it chooses not to fund. The following are the most significant gaps in the 2026–27 budget from a child development perspective.

3.1 The First 1,000 Days

The period from conception to age two — the First 1,000 Days — is the most consequential developmental window in human life. Brain architecture is established, attachment patterns are formed, and the biological systems that regulate stress, emotion, and learning are calibrated. Investment in this window has the highest documented return of any public expenditure.

The 2026–27 budget contains no policy framework, no dedicated funding stream, and no accountability mechanism organised around the First 1,000 Days. Prenatal parenting programs, parent–infant therapy, perinatal mental health treatment beyond screening, and early relational intervention are entirely absent as budget categories.

3.2 Infant Mental Health

Infant mental health — the social and emotional wellbeing of children aged 0–3 — is among the most evidence-rich and cost-effective areas of preventive investment. Attachment disruption, parental depression, prenatal adversity, and early relational trauma all have documented, measurable impacts on child outcomes that persist decades into adulthood.

Budget Paper 2 confirms that none of these are addressed as distinct budget priorities. The perinatal mental health screening extension ($4.9 million in 2026–27) supports identification of maternal distress — but not treatment of the parent–infant relationship. The Children and Families Support program's frontline services funding doesn't flow until 2027–28. Thriving Kids serves children aged eight and under with developmental delay or autism — not infant mental health as a distinct clinical domain.

Therapeutic support for the parent–infant relationship — the mechanism through which most infant mental health intervention works — is not funded as a Medicare item, not named within Thriving Kids, and not recognised in the Children and Families Support program framing. It is effectively invisible to this budget.

3.3 Play

Budget Paper 2 was searched in full for the word 'play.' It appears in exactly two places: a $0.7 million grant to Froebel Australia's Little Scientists program for early childhood educators introducing STEM concepts 'in a fun and engaging way,' and a $0.4 million allocation to embed the Commonwealth Child Safe Framework.

Neither mentions play as a developmental framework, a therapeutic modality, or a distinct investment priority. The $0.7 million Froebel grant — buried within a schools improvement measure — is the single closest reference to play-based learning in the entire budget. There is no reference whatsoever to play therapy, filial therapy, or play-based early intervention.

This is remarkable given what we know. Play is not leisure. It is the primary language of childhood — the mechanism through which children process experience, build social capacity, develop emotional regulation, and construct their understanding of the world. Play-based intervention is among the most evidence-supported modalities in child mental health. Play therapy, filial therapy, and play-based parent programs have demonstrated outcomes across anxiety, trauma, attachment disruption, and behavioural difficulties.

The Royal Children's Hospital National Child Health Poll (2023) found that 61% of Australian parents find playing with their child hard or boring — a finding with profound implications for child development and mental health. The entire budget response to this finding is $0.7 million for a STEM education program.

3.4 Relational Health as Prevention

The most cost-effective child mental health investment is not treatment — it is prevention. And the most effective prevention is not programs delivered to children, but support for the relationships that surround children: the parent–child bond, the family system, the early care environment.

Programs that strengthen prenatal attachment, support sensitive parenting, build parental mental health, and foster secure early relationships prevent the downstream demand that the budget is spending hundreds of millions to address in teenagers. They are the upstream investment that makes the downstream investment less necessary.

They are also almost entirely absent from this budget.

Part Four: The Case for a Children's Budget Statement

Australia's Women's Budget Statement did not emerge from goodwill alone. It emerged from decades of advocacy by women who could demonstrate, with data, that the budget was making choices that systematically disadvantaged them — and that without a dedicated accountability mechanism, those choices would continue unchallenged.

The case for a Children's Budget Statement rests on the same foundation.

4.1 What It Would Require Government to Report

Question	Why it matters
What share of total budget expenditure reaches children 0–18?	Baseline accountability — currently unknowable from public documents
How is investment distributed across the developmental spectrum?	Reveals the inversion of the evidence — most spending at highest-cost end
What is the ratio of crisis/treatment to prevention/promotion spending?	Makes visible the cost of late intervention
Are children in the First 1,000 Days proportionally represented?	The highest-return window — currently the least funded
How does child-focused spending relate to projected downstream costs?	Enables genuine cost-benefit accountability across portfolios
Are children's rights under the UNCRC being met?	Australia has obligations under international law — no reporting mechanism exists

4.2 The Rights Foundation

Australia ratified the United Nations Convention on the Rights of the Child in 1990. Article 4 requires State Parties to undertake measures to the maximum extent of available resources for the implementation of children's economic, social and cultural rights. Article 3 requires that in all actions concerning children, the best interests of the child shall be a primary consideration.

A Children's Budget Statement would be the natural mechanism for meeting these obligations. Its absence means Australia has, for 35 years, ratified a binding international instrument without a single formal mechanism for tracking whether budget decisions honour it.

4.3 International Precedent

Australia is not alone in this gap — but it is behind the trajectory of international best practice. UNICEF's Budget for Children analytical framework, applied in over 50 countries, demonstrates that dedicated child budget analysis improves policy outcomes, increases investment in the highest-return years, and creates political accountability for intergenerational equity.

South Africa, India, Uganda, and the Philippines all produce formal children's budget analyses. The UK's Children's Commissioner produces annual reports on public spending on children. New Zealand's Wellbeing Budget incorporates child-specific outcome measures. Australia — one of the wealthiest nations on Earth, with one of the most developed public service apparatuses — produces none of these.

A call to action

This shadow statement is not the end of the conversation — it is an invitation to start one:

1. Commit to producing a Children's Budget Statement alongside each annual Federal Budget
2. Adopt the First 1,000 Days as a cross-portfolio organising framework for preventive investment
3. Establish a dedicated investment stream for infant mental health and prenatal relational programs
4. Recognise play as a developmental and therapeutic modality within child health and education policy
5. Report annually on child-focused spending as a proportion of total budget, disaggregated by age
6. Appoint a Commissioner for Children with an explicit mandate to provide independent budget analysis

Closing Statement

Every year that Australia produces a federal budget without a Children's Budget Statement is a year in which children are governed without representation, invested in without accountability, and supported without strategy.

The science of early childhood development has never been clearer. The economic case for investing upstream has never been stronger. The cost of getting it wrong has never been better documented. What is missing is not evidence — it is political will, and the accountability mechanisms that create it.

Children cannot vote. They cannot lobby. They cannot submit to a Senate estimates hearing or engage a policy consultant. They can only grow — in the environments adults create for them, shaped by the investments adults make in them, and constrained by the choices adults make without them.

A Children's Budget Statement would not solve all of this. But it would do what every accountability mechanism does: make the invisible visible, make the unmeasured measurable, and make the undefended harder to ignore.

Australia's children deserve nothing less.

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Suggested citation:

Renshaw, K. (2026). Australia's Children's Budget Statement 2026–27: A Shadow Statement. Play & Filial Therapy Press. ISBN: 978-0-6458952-4-7. playandfilialtherapy.com

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