

Victorian Aboriginal
Children & Young
People's Alliance

2026-27 FEDERAL BUDGET SUBMISSION

ABOUT VACYPA

The Victorian Aboriginal Children and Young People's Alliance (VACYPA) is the peak body for 15 Victorian Aboriginal Community Controlled Organisations (ACCOs), registered under the *Children, Youth and Families Act 2005* (VIC), working together to empower Aboriginal families, children, and young people. It is our vision that all Aboriginal children and young people have every opportunity to thrive and be raised safely in Aboriginal families and communities.

VACYPA's Members provide child and family services across the majority of regional Victoria, with 72% of Aboriginal children in Victoria living in areas serviced by VACYPA's Members. VACYPA Members have a combined annual revenue above \$250 million and over 2,000 employed staff.

2026-27 BUDGET CONTEXT

Under the National Agreement on Closing the Gap, governments nationally have committed to a 45% reduction in the over-representation of Aboriginal and Torres Strait Islander children in out-of-home care by 2031.

But the reality is that more than halfway through the Agreement's term, the rate of Aboriginal and Torres Strait Islander children in out-of-home care has continued to rise, and government efforts to turn these figures around have failed. In 2023-24, Victoria had the highest reported rate of Aboriginal and Torres Strait Islander children in out of home care or on third party parental responsibility orders nationally at 105.9 per 1,000 population, 15.6 times the rate of their non-Indigenous peers¹.

While Aboriginal children represent 44.5% of all children in care nationally², [SNAICC's 2025 Family Matters Report](#) found that ACCOs receive just 10% of total care services funding³. And while the Report highlighted that prevention and early intervention programs are crucial to keeping children safe, funding in these areas has decreased over the last five years and sits at just 16 cents in every \$1 spent on child protection⁴.

National effort and investment is required to truly start to close the gap in outcomes for Aboriginal children and their families. This Budget, VACYPA is calling for Aboriginal money to be put in Aboriginal hands through increased Commonwealth investment in ACCO services, including integrated early intervention and prevention services, and ACCO capacity building. Aboriginal children and families thrive when they are supported by culturally strong, community-led, sustainably funded ACCOs.

VACYPA acknowledges that there are many demands on the budget, which is why several of our asks focus on *quarantining funding* and *shifting existing investment* to ACCOs, proportionate to the urgent need to address the overrepresentation of Aboriginal children in care.

SNAPSHOT

Victoria has the **highest rate** of Aboriginal children in out-of-home care

44.5% of children in care nationally are Aboriginal or Torres Strait Islander

Early intervention and prevention is **under-resourced**

Investment must **shift to ACCOs** – Aboriginal money in Aboriginal hands

The Victorian Aboriginal Children and Young People's Alliance acknowledges the Traditional Owners of the lands on which we live and work. We pay our respect to Elders, past, present and emerging. We acknowledge that Aboriginal children and young people will carry the enduring connection to the land and wisdom within Aboriginal culture as they grow up.

OUR ASKS

FOLLOW THROUGH WITH REFORMS TO ENABLE ABORIGINAL-LED, PLACE-BASED MODELS WITH DEDICATED INVESTMENTS IN ACCOS

Consistent with [our submission to the consultation on a New Approach to Programs for Families and Children](#)⁵, VACYPA calls on the government to follow-through on proposed reforms that would enable flexible funding for Aboriginal-led, place-based models in children and families programs.

Dedicated funding proportionate to the significant overrepresentation of Aboriginal and Torres Strait Islander children in out-of-home care should be quarantined within the revised Children and Families Program for ACCOs, to support Aboriginal children and families to stay together. The most recent [Productivity Commission annual Closing the Gap data compilation](#)⁶ showed that 44.5% of children in out-of-home care in Australia in 2024 were Aboriginal and Torres Strait Islander children, while most states consistently allocate less than 10% of their family services and child protection budgets to ACCOs⁷.

Additional investment should be available for ACCO capacity building (including infrastructure, workforce and policy development) and higher service delivery costs, consistent with Priority Reform 2 of the [National Agreement on Closing the Gap](#)⁸ and Action 2 of the [Safe and Supported Aboriginal and Torres Strait Islander First Action Plan](#)⁹. This investment is particularly critical for VACYPA's regional and rural Members who cover broad geographical areas, experience higher service delivery costs, and face greater workforce and infrastructure shortages.

INCREASE INVESTMENT IN ABORIGINAL INTEGRATED EARLY YEARS HUBS AND OTHER EARLY INTERVENTION AND PREVENTION MODELS

Aboriginal children and families services delivered by ACCOs should be recognised for what they are – a preventative and protective system that, if appropriately and sustainably funded, can reduce Aboriginal peoples' contact (and therefore service costs) not just with child protection services, but across other government services such as housing and homelessness services, Alcohol and other Drug (AoD) diversion, social and emotional wellbeing (SEWB) services, healthcare, family violence responses, and justice systems. Economic modelling in Victoria has highlighted that an investment of \$180 million every year over a ten-year period in early intervention and prevention would deliver cumulative net savings of \$1.8 billion just to the child protection and out-of-home care systems¹⁰.

ACCOs aspire to deliver integrated services that meet the needs of their communities and ensure that families can access culturally safe support as early as possible, such as the Maari-Ma service highlighted in [SNAICC's 2025 Family Matters Report](#)¹¹. However, ACCOs face barriers to delivering truly integrated and holistic services, including a resistance from government departments to fund infrastructure for multidisciplinary services that cut across portfolios. For this reason, VACYPA calls on the government to fully fund the recommendations outlined in the Early Childhood Care and Development Policy Partnership (ECCDPP) commissioned research '[Funding model options for ACCO integrated early years services](#)'¹².

VACYPA also calls on the government to prioritise other investment towards Aboriginal-led models of early intervention and prevention for children and families, including Indigenous Advancement Strategy funding, to support the social determinants of child and family safety and wellbeing *before* families reach crisis point. Prioritising early and tailored supports has been consistently called for by ACCOs and is reflected in Action 8 of the [Safe and Supported Aboriginal and Torres Strait Islander First Action Plan](#)¹³, the National Child and Family Investment Strategy, and the [National Aboriginal and Torres Strait Islander Early Childhood Strategy](#)¹⁴.

FUND CULTURE

Governments must acknowledge that culture is critical to the wellbeing of Aboriginal children and families. Culture plays a foundational role in wellbeing, healing, and community-building for Aboriginal communities. It's central to Aboriginal ways of knowing, being and doing, and to how ACCOs operate as both service providers as well as cultural and community hubs. Communities that are strong in culture support strong families and thriving children.

For ACCOs and their Aboriginal workforce, it's not possible to separate cultural practices, rights and responsibilities from service delivery. And yet the cost of supporting and strengthening culture and delivering culturally strong services safely is not covered by funding agreements and grant opportunities. It is borne by ACCOs without resourcing, causing burn-out, re-traumatisation, and stretching already stretched goodwill to breaking point.

VACYPA calls on the government to:

1. Invest in culture by expanding cultural activity funding beyond existing limited programs (such as NAIDOC week funding) to include a wider range of cultural activities to support cultural rejuvenation and repair the damage caused by colonisation.
2. Recognise the cost of culture in delivering culturally safe services across all programs by increasing investment by 30% to recognise the inherent workforce, program design and delivery costs associated with delivering genuinely culturally safe and appropriate services to Aboriginal and Torres Strait Islander children and families, in line with the [approach to Aboriginal Family Preservation funding in NSW](#)¹⁵ and the findings of the [NSW Independent Pricing and Regulatory Tribunal \(IPART\) report on out-of-home care costs and pricing](#)¹⁶ about the additional costs ACCOs bear in delivering services to their communities.

REFORM THE INDIGENOUS ADVANCEMENT STRATEGY

VACYPA calls on the government to undertake a similar re-imagining of the Indigenous Advancement Strategy (IAS) to that being undertaken for Child and Family Services. The IAS has an allocation of \$7.2 billion between 2023-24 and 2026-27¹⁷, but there is little transparency around the allocation of this funding and what benefit it's achieving.

Key priorities of a renewed program should include:

- Investing in the Aboriginal community-controlled sector: Stop funding non-Aboriginal organisations for Aboriginal services without explicit agreement from local Aboriginal agencies. In all instances, local and state-wide ACCOs should be provided with the opportunity to deliver a service or program before it is offered to a non-Aboriginal organisation. ACCOs must be offered appropriate start-up, infrastructure and back-end funding, as well as sustainable service delivery funding, to make the program viable before it is offered to other organisations.
- Self-determined prioritisation: The significant funding under the IAS should be guided by an overarching, Aboriginal-led strategy and theory of change that intersects strategically with State and Territory government funding and enables funding decisions to be self-determined based on community need, with funding available for community-led service design as well as delivery.
- Closing the Gap: Re-direction of IAS funding to sectors and geographical areas of greatest need in accordance with the Targets under the National Agreement on Closing the Gap, including to address the disproportionate underfunding of Victorian ACCOs under the IAS.

An impact assessment should be undertaken on any proposed reforms.

EXPAND EMERGENCY RELIEF FUNDING FOR ACCOS

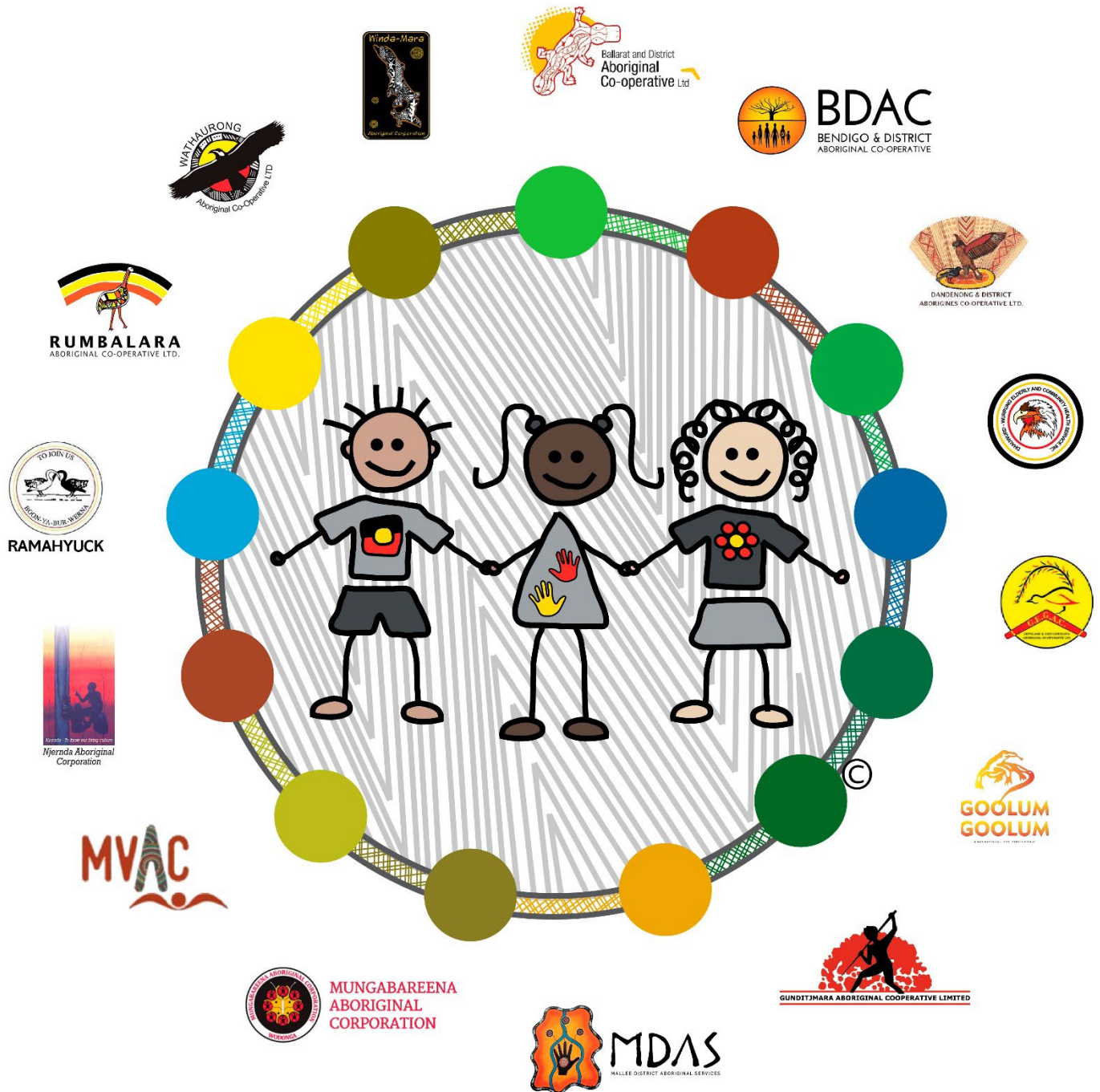
ACCOS seek to be everything their communities need. Yet despite poverty and disadvantage being all-too common amongst Aboriginal communities, many Victorian Aboriginal communities do not have access to culturally safe emergency relief through their local ACCO.

VACYPA's Members are located across Victoria's regional centres, where financial needs are often exacerbated by high cost of living, low housing availability, high transport costs and greater impacts from natural disasters and extreme weather events. These are exacerbated even further in isolated rural towns where access to goods and services is significantly restricted. Ensuring these families can access safe and appropriate financial support in times of crisis is critical to reducing the impacts of a family's financial situation on their children and their ability to provide a safe and stable home environment.

In recognition of the disproportionate disadvantage experienced by Aboriginal communities, VACYPA calls on the government to make dedicated resourcing available to all ACCOs to deliver emergency relief for their communities, through targeted non-competitive grant opportunities.

REFERENCES

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- ² Closing the Gap Annual Data Compilation Report, Productivity Commission, <https://assets.pc.gov.au/2025-10/closing-the-gap-annual-data-compilation-july2025.pdf?VersionId=9X7LLZW8iMzuSBI2bw8hblQodXZD108C>, pg 48
- ³ Family Matters Report 2025, SNAICC, pg 43
- ⁴ Family Matters 2025 Data Snapshot, SNAICC, [Family-Matters-2025-Data-Snapshot.pdf](#)
- ⁵ Submission to 'A new approach to programs for families and children', VACYPA, https://www.vacypalliance.org/_files/ugd/c93c0a_949f47ed34674ba989d3622a988bc280.pdf
- ⁶ Closing the Gap Annual Data Compilation Report, Productivity Commission, pg 48
- ⁷ Family Matters Report 2025, SNAICC pg 43
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- ⁹ Safe and Support: the National Framework For Protection Australia's Children 2021-2031 Aboriginal and Torres Strait Islander First Action Plan 2023-2026, Department of Social Services, https://www.dss.gov.au/system/files/resources/final_aboriginal_and_torres_strait_islander_first_action_plan.pdf, pg 25
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- ¹¹ Family Matters Report 2025, SNAICC, pg 38
- ¹² Funding Model Options for ACCO Integrated Early Years Services Final Report, SNAICC, <https://www.education.gov.au/download/18197/funding-model-options-acco-integrated-early-years-services-final-report/37256/document/pdf>
- ¹³ Safe and Support: the National Framework For Protection Australia's Children 2021-2031 Aboriginal and Torres Strait Islander First Action Plan 2023-2026, Department of Social Services, pg 45
- ¹⁴ National Aboriginal and Torres Strait Islander Early Childhood Strategy, Australian Government and SNAICC, <https://www.niaa.gov.au/sites/default/files/documents/publications/niaa-early-years-strategy-5.pdf>
- ¹⁵ Family Preservation Funding Approach Paper, NSW Department of Communities and Justice, <https://dcj.nsw.gov.au/documents/service-providers/deliver-services-to-children-and-families/family-preservation/family-preservation-funding-approach.pdf>, pg 15
- ¹⁶ Out-of-home care costs and pricing final report, Independent Pricing and Regulatory Tribunal, https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Final-Report-Out-of-home-care-costs-and-pricing-September-2025.PDF
- ¹⁷ See <https://www.niaa.gov.au/our-work/grants-and-funding/indigenous-advancement-strategy>



Artist's Note

Tarsha Davis is a Kuku Yalanji and Palawa woman and multidisciplinary artist. "This artwork represents the Victorian Aboriginal Children and Young People's Alliance as an interconnected system, a network of organisations that are both distinct and mutually reinforcing, working together to support Aboriginal children, young people, and families across Victoria. The design acknowledges both the diversity and collective strength of VACYPA's 15 members. Each solid-fill circle in the base layer represents one of these organisations and their unique contributions to education, wellbeing, and cultural continuity."

