



ACT Pre- Budget Submission 2026-2027

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ACT Budget Submission 2026-27

Improving Early Childhood Literacy

Executive Summary

United Way Australia seeks an ACT Government investment of **\$1.5 million over five years** to deliver a targeted, place-based rollout of Dolly Parton's Imagination Library, supporting early literacy development for children aged 0–5 in priority communities across the Australian Capital Territory.

This proposal responds directly to the ACT Government's *Set Up for Success: An Early Childhood Strategy for the ACT*,¹ and findings from the Australian Early Development Census (AEDC), which show that over **28% of ACT children are developmentally vulnerable on one or more domains**, with higher rates in regions including Belconnen, Gungahlin, Tuggeranong and Molonglo.

The program will adopt a targeted universal approach, focusing initial delivery in higher vulnerability communities while providing a universal offer within those locations. This approach ensures investment is directed to communities with the highest levels of developmental vulnerability, while maintaining equitable access within those locations. The first phase will support approximately 1,300 children per year, building to reach around 5,500 children over five years through a gradual and managed scale-up.

The Imagination Library is a proven early childhood literacy initiative that provides one high quality, age-appropriate book each month to children from birth to five, delivered directly to the home. The program supports parents and caregivers as children's first teachers and strengthens early language and literacy development during the critical early years.

The program is already established in the ACT through place-based delivery in West Belconnen and through partnership with Winnunga Nimmityjah Aboriginal Health and Community Services, collectively supporting over 540 children. This provides a strong foundation for scaling delivery within priority communities.

This proposal provides a low-risk, evidence-informed opportunity to strengthen early literacy outcomes and support children in the ACT to start school ready to learn and succeed.



Context & Need

Early Literacy in ACT

Language and early literacy development begins well before children start school and is strongly shaped by the home learning environment. Evidence consistently shows that children who are not read to regularly at home are significantly more likely to experience developmental vulnerability, particularly in language and cognitive domains.



[Source: Compiled from national early childhood development, home learning environment, and NAPLAN data (see Reference source 5)]

The ACT Early Childhood Strategy recognises that:

- 85–90% of brain development occurs in the first five years of life
- Early experiences establish the foundations for lifelong learning, health and wellbeing
- Children who start school behind are more likely to remain behind throughout their education

While the ACT has high rates of preschool participation at age four, early childhood experiences prior to preschool vary considerably.

The strategy identifies that approximately 500–600 vulnerable three-year-old children miss out on early childhood education each year, highlighting a critical gap in the years before formal early learning begins.

Parents and caregivers play a central role in shaping early learning. From birth, children learn through relationships, language and shared experiences, with families acting as their first teachers.

Strengthening the home literacy environment is therefore one of the most effective and scalable ways to improve early childhood outcomes.

By removing cost and access barriers, and by reaching families through the home rather than institutions, the Imagination Library functions as a universal entry point into early learning – one that does not rely on referral pathways or eligibility thresholds.

Policy Alignment

The Imagination Library aligns strongly with the ACT Government’s *Set Up for Success: An Early Childhood Strategy for the ACT*, which sets out a vision for ensuring all children are supported to thrive from birth.

The strategy is underpinned by four key foundations:

- A fair start for every child
- Valuing educators and valuing children
- Every child has a story
- Working together for children

The Imagination Library directly supports these priorities:

Alignment with ACT Early Childhood Strategy	
ACT POLICY PRIORITY	HOW THE IMAGINATION LIBRARY ALIGNS
A FAIR START FOR EVERY CHILD	Provides a universal early intervention from birth strengthening language and literacy during the most critical developmental period
PARENTS AS FIRST TEACHERS	Supports caregivers with books and guidance to build early literacy practices in the home
IMPROVING ACCESS TO EARLY LEARNING	Removes cost barriers and ensures equitable access to books and learning resources
WORKING TOGETHER FOR CHILDREN	Delivered through partnerships with libraries, health services, early childhood providers and community organisations
SUPPORTING TRANSITIONS TO PRESCHOOL AND SCHOOL	Establishes early reading habits that support school readiness

Evidence Driven Impact

Global Research

Recent research conducted by UWA and Macquarie University shows that children in the Imagination Library have a significant head start in their early learning and development.²

In Australia, children enrolled in the program are:

- **9 times more likely** to be interested in books and **17 times more likely** to interact during shared reading
- **9 times more likely** to be read to four or more days per week
- **6 times more likely** to demonstrate receptive and expressive vocabulary, and **4 times more likely** to demonstrate phonological awareness
- **10 times more likely** to initiate shared book reading
- **4 times more likely** to spend time reading alone

These outcomes reflect meaningful changes in both child capability and home learning environments, which are critical predictors of later literacy and school success.

UWA contributes to one of the largest global datasets on shared reading and is working with universities in Australia and beyond to develop further findings for families, educators and governments.

Return on Investment = 1:10

Independent analysis by Dandolo Partners (2025) found that every \$1 invested in the Imagination Library returns \$10 in long-term benefits to government and society through improved literacy, reduced educational intervention costs, and stronger workforce participation. This was based on data collected by UWA and Macquarie University³ and research about the benefits to government from an increase in NAPLAN scores conducted by PwC Australia on behalf of The Front Project.⁴

Program Overview

Core Program Elements

The Imagination Library program is a proven, scalable initiative that builds early literacy from birth. The key features of the program are:

- **Monthly Book Delivery:** Each child enrolled receives one age-appropriate book every month from birth to age five, mailed directly to their home.
 - Builds a home library of up to 60 books, fostering daily reading habits
- **Caregiver Resources:** Tip sheets to help carers engage with the book to drive language development and online tools to enhance child engagement during reading activities
- **Wraparound Approach:** Caregivers are connected to child-related community services (health services, playgroups, libraries etc)

The Imagination Library in Australia is supported by a national Book Selection Committee comprising experts in early childhood, literacy, child development and library services, including Indigenous advisors, ensuring all titles are developmentally appropriate, culturally relevant and reflective of the diversity of Australian children and families.

Caregiver resources are developed in partnership with leading Australian researchers, including the Queensland Brain Institute, and are grounded in evidence-based approaches to early childhood development and shared reading.

Delivered at the most powerful moment in a child’s development, the Imagination Library transforms homes into places of learning and connection.

Collaborative, Place-based Delivery

Delivered in partnership with:

- Libraries ACT
- Child and family health nurses
- Playgroups
- Kindergartens and early childhood educators
- Local community organisations

This approach aligns with the ACT’s “working together for children” framework and ensures the program strengthens existing service systems rather than duplicating them.

Existing ACT Program Experience

The Imagination Library has already demonstrated strong community uptake and partnership-based delivery within the ACT through locally led initiatives operating since 2023.

In West Belconnen, the program was established through a partnership between UWA and *A Village for Every Child*, bringing together a broad network of government and community partners including Libraries ACT, ACT Health, Playgroups ACT, Capital Region Community Services, The Smith Family, EACH and local early childhood services.

The initiative was designed to strengthen early literacy in the home, reduce developmental vulnerability and improve connections between families and services. It has been successfully embedded across local service providers, including playgroups, child and family centres and early learning services.

Since its launch, the program has expanded beyond its initial targeted enrolment and now supports approximately 474 children across the Evatt and McKellar communities, demonstrating strong demand and sustained engagement from both families and service providers. Evatt Primary School has established itself as a strong community hub for the Imagination Library program, providing leadership, connections and support for families.

In addition, UWA is currently delivering the Imagination Library in partnership with Winnunga Nimmityjah Aboriginal Health and Community Services.

This initiative is supported through a grant from the U.S. Embassy in Australia and is designed to deliver the program to First Nations children and families receiving services through Winnunga.

The program is delivered in a culturally appropriate way, supported by Winnunga staff, including midwives and community health professionals, who assist families to engage with shared reading and early literacy practices.

The program currently supports 71 children, demonstrating strong engagement with Aboriginal and Torres Strait Islander families and the effectiveness of delivery through trusted community-controlled organisations.

Together, these initiatives demonstrate:

- demand for the program within the ACT
- effective integration with existing service systems
- the ability to reach both universal and priority populations
- a proven partnership model that includes government, community and Aboriginal community-controlled organisations

These existing programs provide a strong foundation for scaling the Imagination Library across the ACT, with established delivery pathways, trusted partnerships and demonstrated community engagement.

System Integration and Service Connectivity

The Imagination Library operates as an integrated early childhood intervention that strengthens connections between families and existing services across the ACT.

Through partnerships with libraries, Child and Family Centres, health services, playgroups and community organisations, the program creates a consistent and accessible entry point for families into the early childhood system. Monthly book delivery provides a regular touchpoint that supports ongoing engagement with families, particularly those who may not otherwise access services.

This model aligns with the ACT Government’s focus on **“working together for children”**, enabling improved coordination across services and strengthening pathways between health, education and community sectors.

Evidence from program delivery demonstrates that participation in the Imagination Library increases families’ confidence and willingness to engage with other services, including library programs, early childhood education and parenting supports. This is particularly important for families experiencing vulnerability, where sustained and trusted engagement is critical.



The program’s design reflects the key characteristics identified in evidence as most effective for improving early literacy outcomes:

- Universal access, ensuring all families can participate
- Early intervention, commencing from birth
- Frequent engagement, through monthly contact with families

This combination supports consistent exposure to books, strengthens caregiver capability, and reinforces early literacy practices in the home environment.

In the ACT context, this integrated approach has already been demonstrated through local delivery models, including partnerships with Libraries ACT, community organisations and Aboriginal community-

controlled services. These models show that the Imagination Library can be effectively embedded within existing service systems, enhancing rather than duplicating current programs.

Funding Approach and Cost Model

Program Efficiencies and Effectiveness

UWA operates a transparent unit-cost model for the delivery of the Imagination Library, ensuring efficiency, predictability, and accountability for government investment. The current unit cost of \$9 per book per month is all-inclusive, covering book production, distribution, data management, quality assurance, development of resources for parents and caregivers and program delivery, with no additional overheads or program charges applied.

Targeted Rollout and Implementation Approach

Consistent with ACT Government policy settings and findings from the Australian Early Development Census (AEDC), UWA proposes a staged, place-based rollout of the Imagination Library across the ACT.

AEDC data shows developmental vulnerability is unevenly distributed across the ACT, with over 28% of children vulnerable on one or more domains, and rates exceeding 30% in regions including Belconnen, Gungahlin, Tuggeranong and Molonglo.

In response, the program will adopt a targeted universal approach, prioritising communities with higher levels of vulnerability while delivering a universal offer within those locations.

Initial Rollout Scope

The initial phase of implementation will focus on priority communities within higher vulnerability regions, building on existing delivery in West Belconnen and leveraging established partnerships with community, health and early childhood services.

For modelling purposes, this stage assumes coverage of approximately 1,300 births per year, representing a targeted and manageable proportion of ACT births aligned to priority locations.

Enrolment will build progressively over time as awareness increases and delivery pathways are strengthened through partnerships with:

- Child and Family Centres
- Libraries ACT
- health services

- community organisations

Scale and Cost Profile

Based on a gradual ramp-up in enrolment, this approach is expected to support approximately 5,500–5,600 children over the first five years of implementation, with a total investment of just under \$1.5 million over this period.

This model reflects a measured and responsible growth trajectory, enabling the ACT Government to:

- target investment to areas of greatest need
- build on existing place-based delivery models
- monitor outcomes and refine implementation
- scale the program over time based on demonstrated demand and impact

This model builds on existing ACT delivery, including partnerships in West Belconnen and with Winnunga Nimmityjah Aboriginal Health and Community Services, demonstrating the program’s ability to operate effectively across both community and Aboriginal community-controlled settings.

Financial Year	New Enrolments (of ~ 1,300 eligible births)	Cumulative Enrolments	Total Annual Cost	Enrolment Rate (% of eligible children in target areas)
2026–27	845	845	\$57,038	65%
2027–28	1,105	1,950	\$165,848	85%
2028–29	1,170	3,120	\$289,575	90%
2029–30	1,235	4,355	\$420,323	95%
2030–31	1,235	5,590	\$553,703	95%
TOTAL	5,590	5,590	\$1,486,485	

Collaborative Implementation Approach

Delivery of the Imagination Library will be undertaken in partnership with existing ACT service providers, including Libraries ACT, Child and Family Centres, health services, Aboriginal community-controlled organisations, and community sector organisations. This approach builds on established delivery in West Belconnen and partnerships with Winnunga Nimmityjah Aboriginal Health and Community Services.

This partnership-based approach ensures the program is embedded within the ACT's early childhood service system, strengthening connections between families and existing services while avoiding duplication. It supports the ACT Government's focus on coordinated, place-based service delivery and enables consistent engagement with families through multiple trusted touchpoints.

Implementation will be guided by a locally responsive model, allowing delivery to be tailored to community needs while maintaining national program consistency, quality and governance.

UWA brings established capability in program delivery, data management and evaluation, supported by long-standing research partnerships with Australian and international universities.

Recommendation

UWA recommends that the ACT Government commit to an investment of **\$1.5 million over five years** to deliver a targeted, place-based rollout of the Imagination Library in priority communities across the ACT.

This investment will strengthen early literacy development for children aged 0–5 in areas of higher developmental vulnerability, with delivery initially focused on communities identified through AEDC data and existing service partnerships.

The proposed model will support approximately 1,300 children per year, reaching around 5,500 children over five years and building on existing ACT delivery models in West Belconnen and Winnunga Nimmityjah Aboriginal Health and Community Services.

This represents a measured, low-risk investment that aligns with ACT Government policy priorities and delivers a scalable, evidence-informed approach to improving early literacy and school readiness outcomes. It provides a practical and scalable first step toward broader access across the ACT over time.

About United Way Australia

UWA is a global community impact organisation operating across more than 1,100 locations in 37 countries. UWA, an independent Australian charity but part of a worldwide network, has worked with local communities for decades to improve outcomes for children and young people, with a strong focus on the early years and pathways to lifelong learning and participation.

UWA is the licensed provider of Dolly Parton's Imagination Library in Australia, delivering the program through partnerships with local councils, libraries, health services, ACCOs and community organisations.

UWA currently supports the delivery of the Imagination Library in over 480 communities nationwide, reaching more than 45,000 children.

UWA's approach is place-based and collaborative, working alongside communities to strengthen local early childhood ecosystems and connect families to existing services. The organisation has demonstrated capability in delivering large-scale, government-funded programs and operates with strong governance, financial controls and reporting processes.

UWA's core belief is that a child's chance of success should not be determined by the postcode in which they are born.

References

¹ Australian Capital Territory, Education Directorate 2020, *Set up for Success: An Early Childhood Strategy for the ACT*, ACT Government, Canberra

² Galea, Claire Melanie Anita (2025). The Impact of shared book reading on children and their Families: insights from Dolly Parton’s Imagination Library. Macquarie University. Thesis.
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³ Ibid

⁴ PwC Australia & The Front Project. (2019). A Smart Investment for a Smarter Australia: Economic Analysis Summary Report. <https://www.thefrontproject.org.au/initiatives/economic-analysis>

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³ Australian Curriculum, Assessment and Reporting Authority. National Results.
<https://www.acara.edu.au/reporting/national-report-on-schooling-in-australia/naplan-national-results>