

Oversupply, Planning and Market Stewardship

Effective planning and market stewardship are essential to ensure early learning services are established in areas of genuine need and remain sustainable over time.

In some parts of Victoria, unmanaged oversupply has led to reduced occupancy rates, financial instability, and inefficiencies across the sector. At the same time, other communities continue to experience gaps in access to early learning.

A more strategic and coordinated approach to planning is required to balance supply with demand and support long-term sector sustainability.

To strengthen planning and market stewardship, ACA Victoria is calling for:

- Improved planning and approval processes, requiring robust demand and supply analysis prior to approving new services
- Policy mechanisms to address unmanaged oversupply, particularly in areas where existing services are under significant pressure
- Better use of data and forecasting, to inform decisions about service approvals and infrastructure investment
- Stronger coordination between state government, local government, and planning authorities, ensuring alignment with population growth and community need
- Assurance that new standalone kindergarten infrastructure is only developed where there is clear and demonstrated demand

Why this matters:

Better planning supports sustainable service delivery, protects existing services, and ensures families have access to high-quality early learning where it is needed most.