Service Viability and Financial Relief

Financial sustainability is critical to ensuring early learning services can continue to operate and provide stable, high-quality care for children and families.

Providers are facing increasing and compounding cost pressures, including wages, regulatory compliance, insurance, utilities, and broader economic conditions. At the same time, some services are operating below capacity due to local oversupply, placing additional strain on financial viability.

Without targeted policy reform, these pressures risk service closures, reduced access to early learning, and disruption for children and families.

To strengthen service viability, ACA Victoria is calling for:

- A review and reform of licensing fee structures, ensuring fees reflect service size, occupancy levels, and current economic conditions
- Payroll tax relief for early learning providers, supporting financial sustainability and workforce retention
- A more equitable distribution of kindergarten funding between sessional services and long day care settings
- Policy settings that support continuity of care, minimising disruption for children and families
- Greater recognition of the financial pressures facing providers, particularly in the context of ongoing reform implementation

Why this matters:
Financially sustainable services are essential to maintaining access to early learning, supporting workforce participation, and ensuring continuity of care for children and families.