

# ACT Early Childhood Education and Care Demand & Supply Analysis

Response to the Assembly Resolution dated  
24 September 2025 on SDN Bluebell Early  
Childhood Education Centre and not-for-  
profit early learning sector



## Acknowledgement of Country

The Education Directorate acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal and Torres Strait Islander staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

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## Context

Australia's early childhood education and care (ECEC) sector supports learning and wellbeing for children from birth to five years in a range of settings. Excluding services delivered by State and Territory governments (such as ACT public preschools), the ECEC sector is a market-driven sector with a mix of not-for-profit and for-profit providers.

The provision of new ECEC services is a mix of private business decisions and public land planning and release.

Nationally, there has been a focus on undersupply and oversupply of ECEC across different geographic areas. In 2024, the Productivity Commission identified that the ratio of available places to children varies widely across different markets<sup>1</sup>.

Since 2012, the ACT has experienced a significant growth in ECEC services. This has been primarily driven by the growth of for-profit services. Recent closures of not-for-profit services has raised concerns about equitable access, affordability and service stability.

The ACT Government has long championed community-based provision of ECEC. Not-for-profit services invest earnings back into their services and local communities through initiatives such as enhanced workforce supports, lower out of pocket fees and funding for other community services they provide to the wider community.

*Set up for Success: An Early Childhood Strategy for the ACT* includes specific reference to "ensuring that services in the ACT prioritise child outcomes over profits". This commitment to supporting not-for-profit organisations is ongoing and is being actioned by the Education Directorate through a range of actions, including:

- Committing to appointing not-for-profit providers to operate all new ECEC services co-located with ACT public schools;
- Partnering solely with not-for-profit providers to deliver the targeted 3-year-old initiative for children experiencing vulnerability or disadvantage; and
- Working closely with Infrastructure Canberra to ensure that community leases and land planning arrangements support not-for-profit service provision.

This Demand-Supply Analysis has been undertaken in response to the Assembly Resolution dated 24 September 2025 on *SDN Bluebell Early Childhood Education Centre and not-for-profit early learning sector*.

Since late 2023, several not-for-profit ECEC services have closed, or have been at significant risk of closure, signalling that not-for-profit providers are facing challenges around land planning, infrastructure and workforce. The analysis aims to determine the impact of service closures on the ACT community.

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<sup>1</sup> Productivity Commission. (2024) *A path to universal early childhood education and care, Inquiry report no. 106, Vol. 1*, Canberra  
<https://assets.pc.gov.au/inquiries/completed/childhood/report/childhood-volume1-report.pdf>

# Data Sources and Methodology

## Demand–Supply Analysis Inputs

Information on the provision of ECEC in the ACT was drawn from the following sources:

- **Childcare Desert/Oasis Framework:** The Mitchell Institute’s childcare desert/oasis framework<sup>2</sup> measures the relative accessibility of ECEC. Under this measure, an area is identified as a childcare desert where there are more than three children per available childcare place, or fewer than 0.333 places per child (indicating significant undersupply and elevated competition for places).
- **ECEC Occupancy and Capacity:** 2025 Education Directorate analysis of ACT ECEC occupancy, drawing on the Mitchell Institute’s 2024 childcare desert/oasis framework.
- **Workforce and Market Indicators:** The *Survey and Needs Analysis of the ACT’s ECEC and OSHC Workforce*<sup>3</sup> (the *Needs Analysis*) published by the Education Directorate in collaboration with Nous Group in November 2025, focusing on service growth, attendance trends, staffing levels, and competition dynamics.
- **Information on Approved Services:** The Australian Children’s Education and Care Quality Authority (ACECQA) maintains national registers, which contain information about approved education and care services and providers. These registers are updated daily from data held in the National Quality Agenda IT System.
- **Attendance Benchmark:** An approximate ACT ECEC participation benchmark of 60% was calculated, using the 2024 Report on Government Services (RoGS) count of children attending ECEC in the ACT compared to the ACT’s population of 0–4-year-olds. This is applied as a proxy for typical ECEC attendance in the ACT, allowing a broad assessment of whether regional capacity meets typical demand.

## Approach

The following analysis was undertaken:

1. Assess ACT regions “places per child” against the Mitchell Institute “desert” threshold (<0.333) and identify distribution of places across for-profit and not-for-profit providers to understand market balance.
2. Contextualise this assessment against the ACT participation benchmark using the RoGS 60% proxy (regions <0.60 places/child are treated as undersupplied at typical demand).

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<sup>2</sup> Hurley, P., Tham, M., & Nguyen, H. (2024). *International childcare: Mapping the deserts*. Mitchell Institute, Victoria University. <https://content.vu.edu.au/sites/default/files/documents/2024-09/childcare-deserts-international-report.pdf>

<sup>3</sup> ACT Government. (2025). *Sector snapshot: ACT ECEC and OSHC workforce*. [https://www.act.gov.au/\\_data/assets/pdf\\_file/0013/3030700/Sector-Snapshot-ACT-ECEC-and-OSHC-Workforce.PDF](https://www.act.gov.au/_data/assets/pdf_file/0013/3030700/Sector-Snapshot-ACT-ECEC-and-OSHC-Workforce.PDF)

3. Analyse market drivers against capacity findings.
4. Integrate workforce and occupancy evidence from the *Needs Analysis* to further contextualise capacity findings.

## Analysis

### Places per child in the ACT region

Table 1 shows the average ratio of places per child for each ACT region (*Source: Mitchell Institute, 2024<sup>4</sup>*), alongside ACT early childhood service data regarding the approved number of places within each ACT region, divided into service type (for-profit or not-for-profit) (*Source: ACT Education Directorate*). Also included is the percentage of places operating for-profit.

Table 1: Early childhood education and care places across ACT regions, by service type

| Region         | Average of Places per child | Private for-profit places | Private not-for-profit places | Percent of places that are private for-profit |
|----------------|-----------------------------|---------------------------|-------------------------------|---|
| Molonglo       | 0.3395                      | 224                       | 0                             | 100%  |
| Gungahlin      | 0.5213                      | 2314                      | 754                           | 68%   |
| Belconnen      | 0.5478                      | 1710                      | 1516                          | 51%   |
| Tuggeranong    | 0.5483                      | 1343                      | 817                           | 57%   |
| Weston Creek   | 0.5928                      | 190                       | 447                           | 19%   |
| Woden Valley   | 0.6623                      | 597                       | 527                           | 49%   |
| Canberra East  | 1.0497                      | 591                       | 57                            | 91%   |
| North Canberra | 1.2121                      | 538                       | 1164                          | 27%   |
| South Canberra | 1.5159                      | 862                       | 938                           | 44%   |
| Total          | 0.7425                      | 8369                      | 6220                          | 52%   |

Assessment of the average places per child for the major ACT regions indicates no region meets the threshold (0.333 or below) to be identified as a childcare “desert”, noting Molonglo is close to reaching this threshold at 0.3395.

While no ACT region is identified as a “desert”, certain suburbs within regions do meet this threshold (see Table 2).

<sup>4</sup> Victoria University. (2024, August 20). *Childcare deserts: Where you live matters*. <https://www.vu.edu.au/about-vu/news-events/news/childcare-deserts-where-you-live-matters>

Table 2: ACT Suburbs meeting “desert” threshold (<0.333 places per child).

| Region         | Suburb          | Average of Places per child     |
|----------------|-----------------|---------------------------------|
| Molonglo       | Whitlam         | 0.111                           |
|                | Denman Prospect | 0.316                           |
| Gungahlin      | Bonner          | 0.258                           |
| Belconnen      | Strathnairn     | 0.106                           |
|                | Hall            | 0.221                           |
|                | Fraser          | 0.232                           |
|                | Dunlop          | 0.236                           |
|                | Macgregor       | 0.266                           |
| Tuggeranong    | ACT South West  | 0.055 (largely non-residential) |
|                | Theodore        | 0.271                           |
| Weston Creek   | Fisher          | 0.288                           |
| Woden Valley   | N/A             |                                 |
| Canberra East  | Kowen           | 0.005 (largely non-residential) |
| North Canberra | Watson          | 0.301                           |
|                | Hackett         | 0.329                           |
| South Canberra | N/A             |                                 |

## ACT Participation Benchmark

A participation benchmark of 60% can be applied as a proxy for typical ECEC attendance in the ACT. This proxy is derived using 2024 RoGS reported ACT figures, which show that 17,695 ACT children attended Child Care Subsidy (CCS) approved ECEC services and preschool programs, out of an estimated 26,267 children aged 0–4. This equates to a participation ratio of approximately 67%, however the ACT commonly applies a rounded and conservative benchmark of 60% for demand-supply modelling to avoid overstating participation.

Using this 60% benchmark, any region with an “average of places per child” ratio below 0.6 is considered unlikely to have sufficient supply to meet typical attendance demand. As shown in

Table 1, on this basis, Belconnen, Gungahlin, Molonglo and Tuggeranong all show clear undersupply, with Weston Creek sitting at the threshold. Within Belconnen, undersupply is most heavily concentrated in West Belconnen, particularly in Fraser, Dunlop, Macgregor and Strathnairn.

The data highlights the challenge of maintaining adequate early learning supply in high growth areas. While Gungahlin and Belconnen have the highest number of total places, rapid population growth, particularly among families with young children, means these places may be insufficient to meet local demand.

## Provider types

The distribution of provider types across the ACT reveals important structural dynamics that influence both the availability and stability of ECEC supply.

Table 1 highlights an imbalance between for-profit and not-for-profit places across regions. In the four regions with the lowest average of places per child (Molonglo, Gungahlin, Belconnen and Tuggeranong) for-profit places outnumber not-for-profit places. In Gungahlin, for-profit places are approximately three times greater than not-for-profit. This concentration likely reflects investment decisions, with for-profit services more likely to expand rapidly in high-growth or higher-income areas where fee revenue is stronger and enrolments are more predictable.

A ratio higher than 1.0 in the “average of places per child” in Table 1 indicates there are more places available than children living in that area, demonstrating potential oversupply. Oversupply is most concentrated in North Canberra and South Canberra (Canberra East is excluded as this is a largely non-residential region of the ACT). This trend is reflective of both longer establishment timelines and more mature community infrastructure.

## Market drivers

Market dynamics are shaped by a combination of growth patterns, provider behaviour, and family preferences that influence where supply and demand converge. High-growth regions such as Gungahlin, Belconnen, Molonglo and Tuggeranong continue to experience rapid population increases, with the number of young families expanding faster than services can be established, resulting in sustained pressure on local supply. At the same time, investment decisions (particularly among for-profit providers) tend to prioritise commercially attractive areas, contributing to an uneven distribution of places and reinforcing undersupply in newer suburbs where not-for-profit providers are less established.

Accessibility is further influenced by commuting patterns, as many families prefer to enrol children near their workplaces, which creates concentrated demand in employment-dense areas such as Canberra East, North Canberra and South Canberra, while amplifying supply shortfalls in outer residential regions. Workforce constraints also limit the effective capacity of services, with staffing shortages preventing providers from operating at their approved licence numbers.

Together, these drivers demonstrate that supply levels are not solely a function of population demand, but are also shaped by provider incentives, development sequencing in new suburbs, parental preferences, and workforce capacity, all of which interact to create localised patterns of both oversupply and undersupply across the ACT.

## Needs Analysis

The *Needs Analysis* provides further insight into the oversupply issue, reporting that since December 2019 the number of children attending Centre Based Day Care (CBDC) has declined slightly by approximately 4%, while the number of CBDC services has grown by around 15%. This suggests that new CBDC openings are driven by market dynamics other than demand growth from families.

The *Needs Analysis* also confirms that the oversupply of services is intensifying existing workforce shortages. Since December 2021, CBDC services have increased by approximately 6%, yet staffing levels have only risen by 0.4%. This imbalance means a relatively unchanged workforce is expected to support a growing number of services, placing strain on staff and creating competition between providers for enrolments and staff.

## Summary of Key Findings

### Desert Status and Sub-Regional Hotspots

- No ACT region meets the Mitchell Institute “desert” threshold.
- “Deserts” are identified in some specific suburbs within regions, including:
  - Tuggeranong: Theodore
  - Belconnen: Strathnairn, Hall, Fraser, Dunlop, Macgregor
  - Molonglo: Whitlam, Denman Prospect
  - Gungahlin: Bonner
  - Weston Creek: Fisher
  - North Canberra: Watson, Hackett

These pockets illustrate that regional averages can mask local scarcity, especially in new estates and fringe suburbs.

### Undersupply vs Oversupply

- Using the 60% attendance benchmark as a proxy, Belconnen, Gungahlin, Molonglo, and Tuggeranong are undersupplied, with West Belconnen facing particular pressure.
- North and South Canberra show relative oversupply. Canberra East also appears oversupplied however is largely non-residential and access is likely influenced by workplace-adjacent demand patterns (e.g., Airport Precinct).

### Provider Mix Imbalance

- In the four regions with the lowest places per child (Molonglo, Gungahlin, Belconnen, Tuggeranong) for-profit places outnumber not-for-profit places.
- In Gungahlin, for-profit capacity is roughly three times not-for-profit capacity.
- This imbalance amplifies concern when not-for-profit closures occur in already undersupplied regions, given not-for-profit services typically provide lower fees and wrap-around community supports.

## Market Dynamics and Workforce

- The *Needs Analysis* reports that since December 2019, children attending Centre Based Day Care (CBDC) declined by 4%, while the number of CBDC services grew by 15%, implying supply expansion not driven by demand growth.
- Since December 2021, CBDC services increased by 6%, but staffing grew only 0.4%, intensifying workforce shortages and competition for both enrolments and staff.
- Supply growth appears to be shaped by provider investment decisions and commercial opportunity, with new for-profit services clustering in high-growth regions where enrolments are more predictable.
- Centralised oversupply may be drawing workforce away from undersupplied outer regions, further impeding the ability to expand where needed most.

## Conclusions

The ACT does not face region-wide childcare deserts; however, undersupply is present in outer growth areas, especially Gungahlin, Belconnen, Molonglo, and Tuggeranong.

This analysis shows that the loss of SDN Bluebell from the Belconnen region is concerning given the existing undersupply issues. However, this concern is not unique to Belconnen and exists across several Canberra regions.

The loss or relocation of any service in Belconnen, Gungahlin, Molonglo or Tuggeranong is a cause for concern, given existing undersupply in these regions. The loss or relocation of not-for-profit services in these regions is particularly concerning given the imbalanced provider mix, the sector's workforce fragility, and the need for community supports for children and families experiencing disadvantage.

## References

ACT Government. (2025). *Sector snapshot: ACT ECEC and OSHC workforce*.

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