Background Report

Draft Kindergarten Asset Management Plan

Yarra Ranges Council acknowledges the Wurundjeri and other Kulin Nation peoples as the Traditional Owners and Custodians of these lands and waterways. We pay our respects to all Elders, past, present, and emerging, who have been, and always will be, integral to the story of our region. We proudly share custodianship to care for Country together.

Executive summary

This Background Report sets the strategic context for Yarra Ranges Council's long-term Kindergarten Asset Management Plan (KAMP). It responds to the Victorian Government's Best Start, Best Life reforms, which are expanding access to free kindergarten and increasing funded hours, while state and commercial investment continues to reshape local demand for kindergarten infrastructure. In this changing environment, the Plan provides a framework for Council to manage its kindergarten assets over the next 20 years.

Council oversees and manages infrastructure assets, including 40 kindergarten facilities. These ageing assets sit within Council's broader infrastructure portfolio and require decisions that balance condition, compliance, access, equity, and long-term financial sustainability. The Kindergarten Asset Management Plan is intended to guide renewal, upgrade, co-location, repurposing, or retirement decisions rather than expand the current portfolio.

Demand analysis shows anticipated future need will vary across Yarra Ranges, with unmet demand in the Urban Region and Upwey-Tecoma in the Hills Region. Oversupply is likely in the Upper Yarra and some parts of the Hills. These projections remain dynamic, influenced by reform roll-out, enrolment patterns, priority cohorts and new facilities delivered by other providers. With Council's investment capacity constrained, the preferred approach is to prioritise existing facilities, pursue external funding where possible, and apply clear, evidence-based decision-making. Stakeholder engagement reinforced the importance of strong supply-and-demand evidence, clear assessment criteria, vulnerability measures and integrated service models, positioning the Kindergarten Asset Management Plan as a practical tool for transparent, equitable and financially responsible decisions.

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1. Glossary

TERM	ACRONYM	DEFINITION
Assets/ facilities		These terms are used to describe the building and grounds provided for kindergarten programs.
Approved Provider	AP	The primary legal entity responsible for the safety, care, and education of children in an early childhood education and care service.
Best Start Best Life Reforms	BSBL	Victorian reforms expanding kinder hours and improving early childhood access.
Early Childhood Education and Care	ECEC	A range of services, programs and practices that provide both learning (education) and supervision/support (care) for young children before school. These services include long day care and kindergarten/preschool.
Early learning centres	ELC	These facilities may have a number of services within the facility e.g.: Maternal and Child Health, playgroups, kindergarten, and long day care.
Early Years Managers	EYM	An organisation that manages kindergartens on behalf of the government.
Family Day Care	FDC	Approved educators providing care for a small number of children in their own homes.
Financial sustainability		For this plan financial sustainability considers continued investment in a building related to its key structural elements including foundations, floors, walls, and roof.
Kindergarten Asset Management Plan	KAMP	The plan for Council's investment in its existing kindergarten assets over a 20 year timeframe.
Kindergarten Infrastructure and Services Plan	KISP	An agreed plan between Council and the State Department of Education outlining future kindergarten demand and required facilities.
Long day care	LDC	This term refers to a facility and program that operates extended hours, outside of and in addition to, the funded kindergarten hours.
Maternal and Child Health	MCH	Free health and development services for young children and families.
Occasional Care		Flexible, short-term childcare used as needed.
Playgroups		Informal sessions where young children play under the supervision of a parent/carer and parents/carers connect and socialise.
Region		A larger area grouping suburbs within Yarra Ranges.
Kindergarten, preschool, sessional kindergarten		These terms all refer to type of kindergarten, in most cases they refer to kindergarten programs that are limited to the funded kindergarten hours rather than long day care.
Statistical Area 2	SA2	A standard geographic area used for population and planning data.

2. Introduction

The 2022 Victorian Government's Best Start Best Life reforms[i] introduced free kindergarten and significant increases to the number of hours children can attend kindergarten, improving children's access to early childhood education and the long-term benefits it provides.

In a staggered ten-year roll-out, kindergarten hours for three-year-old children will triple from 5 to 15 hours and four-year-old kindergarten hours will double from 15 to 30 hours. This expansion prompted an analysis of supply and demand in Yarra Ranges and sharpened the focus on Council's role as infrastructure provider.

The state government and commercial sector increasingly build and operate kindergarten facilities, and a pipeline of new services demonstrates their increasing investment in response to the Reform.

As the state government's role has grown, Council is focussing on leasing buildings and maintaining infrastructure. While we collaborate with the state to support accessible services, Council's primary role with respect to infrastructure is as landlord and property manager of 40 kindergarten facilities.

The kindergarten asset portfolio forms part of Council's $1.5 billion of infrastructure and property assets. Council's Asset Management Policy 2022-2032[i] defines the guiding principles, practices, and responsibilities which Council consistently applies in managing these assets.

The draft Kindergarten Asset Management Plan (the KAMP) has been developed to guide Council's long-term investment in kindergarten facilities, much of which are aging and require a strategic approach to ensure the quality of infrastructure, its equitable distribution and financial sustainability over the next 20 years.

2a. What is kindergarten?



Kindergarten is a *service and educational program* delivered by an Approved Provider to three- and four-year-old children in the two years before school. It is defined by curriculum, staffing, and regulatory requirements. It is a *program*, not a place.

Kindergarten Infrastructure refers to the physical buildings and spaces where kindergarten programs operate. Kindergarten facilities are the *place* where a program is delivered.

This Plan focuses on kindergarten facilities. Information about kindergarten services, quality ratings, fees, vacancies, and inclusions can be found on Australia's free government website, Home | Early Childhood Education & Care | StartingBlocks.gov.au

2b. The value of kindergarten

Research shows high quality early education and care improves health, education, and employment outcomes.

Early education has a profound effect on the way children develop. Ninety per cent of a child's brain develops before the age of five[iii]. Children who attend kindergarten for two years have better development in language, pre-reading, early number concepts, independence, concentration, and social skills when they start school and beyond. A child's experiences during these years make a significant difference to their future learning and life outcomes.

Participating in kindergarten also enables parents and caregivers to participate in the paid workforce, increasing parental earnings and social connection while reducing welfare usage and enabling broader economic benefits.

3. Scope

Purpose: The KAMP provides a strategic, evidence-informed approach to managing and investing in Council-owned kindergarten facilities over the next 20 years, in the context of sector reform and changing demand.

Scope: The KAMP focuses on Council's role as asset manager and infrastructure provider, including asset condition, compliance, service distribution, vulnerability considerations, and long-term financial sustainability.

Out of scope: The KAMP does not assess service quality ratings, fees, vacancies, or inclusion supports for individual kindergarten programs (refer to Home | Early Childhood Education & Care | StartingBlocks.gov.au for service-level information).

How it will be used: The KAMP will:

- guide prioritisation of renewal, upgrade, and retirement of assets,
- inform staged investment, and
- support advocacy and coordination with State Government and other providers.

4. Council's role in kindergartens

4a. Council's kindergarten legacy

Historically, local governments played a central role in planning and delivering kindergarten infrastructure, reflecting the sector's early structure: short-hour programs managed by volunteer committees and funded through family fees.

However, the early childhood landscape has since evolved significantly, with the emergence of services such as long day care, occasional care, playgroups, and family day care, alongside a growing private sector presence.

In 1994, as part of the amalgamation of the former Healesville, Lilydale, Sherbrooke and Upper Yarra shires, the newly established Yarra Ranges Council inherited 40 kindergartens. These facilities had various staffing and management arrangements, resulting in a stock of 40 standalone kindergarten facilities of various ages and conditions.

Council previously managed planning, infrastructure, and some kindergarten services. As the State Government's role has grown, Council's focus has shifted to leasing buildings and maintaining infrastructure.

4b. Council's role as asset manager

Yarra Ranges Council has a limited direct service delivery role - owning and operating only one kindergarten service (Sherbrooke Family and Children's Centre). However, Council plays an important role in enabling kindergarten access through its infrastructure portfolio.

Council owns and leases almost 50% of the kindergarten facilities in the municipality, supporting a diverse and distributed service system across the municipality.

4c. Governance and advocacy

Council is the owner of many facilities and has a broad governance role across the entire kindergarten infrastructure system in the municipality:

- taking a whole-of-municipality view of kindergarten infrastructure supply, demand, and distribution,
- advocating to State Government and other providers where gaps or pressures exist,
- prioritising investment decisions to support equity, access, and vulnerable communities,
- balancing short-term asset needs with long-term service viability,
- planning for future need using evidence such as population growth and reform impacts, and
- developing the Kindergarten Infrastructure and Services Plan projections (see Demand Analysis).

5. Policy and system influences

5a. Best Start, Best Life reforms

The Victorian Government's $14 billion Best Start, Best Life (BSBL) reforms are the most significant change to Victoria's early childhood sector in a generation. The BSBL reforms include:

- Free Kinder: Free Kinder is now available for Victorian 3- and 4-year-old children at participating services in standalone (sessional) kindergartens and long day care centres – a saving of up to $2,500 per child, every year.
- Pre-Prep: Four-Year-Old Kindergarten will gradually transition to 'Pre-Prep' – increasing to a universal 30-hour-a-week program of play-based learning for 4-year-old children in Victoria by 2036.

- Three-Year-Old Kindergarten: Continued roll-out of Three-Year-Old Kindergarten, with programs increasing to 15 hours a week across the state by 2029.
- Early learning and childcare centres: Establishment of 50 Victorian government-owned and operated early learning and childcare centres.

These initiatives demonstrate a clear commitment to improving early learning outcomes for Victorian children, workforce participation, and access for families.

Whilst universal Pre-prep will begin to roll out across Yarra Ranges Council in 2034, some sectors of the community will have earlier access. Statewide, Aboriginal and Torres Strait Islander children, children from a refugee or asylum seeker background, and children who have had contact with Child Protection services, will be able to access up to 25 hours of Pre-Prep in 2026, increasing to up to 30 hours from 2028.

Children who have (or have a parent or guardian who has) a Commonwealth concession card and children who are a multiple birth child (triplets or more) across the state will be able to access up to 25 hours of Pre-Prep in 2028, increasing to up to 30 hours from 2030.

5b. Legislative and regulatory changes

The early childhood education and care sector is undergoing significant and ongoing regulatory and legislative change, driven by national quality reforms and major State Government investment. In addition to the Best Start, Best Life reforms, increasing regulatory requirements under the National Quality Framework are changing expectations for staff qualifications, ratio compliance, and child safety standards.

In July 2025, the Victorian Government commissioned an independent Rapid Child Safety Review[iv]. The review identified key actions, including ways Victoria can accelerate child safety reforms being considered nationally. The Victorian Government accepted and will implement all 22 recommendations of the review to strengthen safety standards in early childhood education and care and keep all Victorian children safe.

5c. Government-owned early learning centres

The Victorian Government are delivering Early Learning Victoria Centres and Kindergartens on School Sites where they are needed most.

5d. Early Learning Victoria

Early Learning Victoria (ELV) are opening 50 government-owned early learning and childcare centres across Victoria, offering long day care and integrated kindergarten programs. These centres will be built in areas with the greatest need and will make it easier for families to access early childhood education and childcare. The first of the centres opened in 2025.

ELV announced that a new service will be built in Yarra Ranges (site to be confirmed) in 2031. Confirmed sites and future locations can be found at Early Learning Victoria | earlylearning.vic.gov.au

5e. Kindergartens on school sites (KOSS)

The Victorian School Building Authority (VSBA) assesses school sites in areas with significant kindergarten demand and builds kindergartens on school sites (KOSS) where they are most needed. A KOSS is being built at Seville Primary School, expected to open in 2027. Further information about KOSS can be found at Kinders at schools | schoolbuildings.vic.gov.au

5f. Commercial sector

The commercial sector is also building long day care facilities with integrated kindergarten programs. In Yarra Ranges between March 2025 and March 2026 three new long day care centres began operating and at least two more are under construction. Long day care centres are owned by both not-for-profit and for-profit organisations.

6. Demand analysis (KISP)

Kindergarten Infrastructure and Services Plan (KISP)

Council and the Department of Education develop a prediction of the demand and need for the Municipality every two to three years, called a KISP. The development of the KISP uses service supply and population data, local contextual information, and reform roll-out projections to determine if, when and where unmet demand and over supply can be expected over the next ten years. These predictions change when new services are built, increasing supply.

At the time of writing the draft Kindergarten Asset Management Plan, the ten-year projections for each Region are:

- Hills – Unmet demand likely in Upwey, other areas likely to have over-supply.
- Urban – Varying levels of unmet demand is likely throughout.
- Valley – The KISP indicates projections of over-supply however new facilities recently opened in Healesville reducing the likelihood of unmet demand.
- Upper Yarra – Over supply is likely.

The KISP is formally updated every two to three years, but projections can change rapidly within that timeframe due to significant ‘unknowns’ including:

- future growth of kindergarten infrastructure/supply provided by state government or the commercial sector.
- the number of enrolments in either service type
- the number of priority cohorts likely to increase demand.

The KISP was last updated in 2025 and can be found here KISP-Yarra-Ranges-Shire-Council.pdf

7. Funding infrastructure

7a. Long term financial plan 2025 - 2035

Council has limited funds to commit to building improvements and renewal programs over the coming decade. These funds are applied to all of the building and facilities in Council's portfolio, not just kindergarten infrastructure.

	Forecast total 2024/25 to 2034/35 $000
Property	
Land	$10
Buildings	$79,219
Building Improvements	$8,381
Total Property	**$87,610**

Table 2: Statement of Capital Works for Property from Long Term Financial Plan 2025 – 2035.

In this constrained financial environment Council's first priority is to invest in the existing kindergarten facilities, however if external opportunities arise e.g. grant funding, these may be considered.

To put this in context kindergartens represent approximately 8% of Councils total building portfolio (*approx. 40 out of 450 major buildings*) and approximately 3% of the current replacement cost for the total portfolio for buildings valued at $840M. In consideration of the limited access of funds for kindergartens, Council will continue to review grant opportunities to support any proposed works.

7b. Building Blocks Grant funding

The Victorian Government's Building Blocks Grant Program is designed to support kindergartens in upgrading early childhood buildings and facilities, as well as purchasing equipment to create safe and inclusive environments for children of all needs and abilities. Grant recipients must provide free kindergarten for at least four years after completion of works.

Building Blocks Grants – Capacity Building This stream funds projects that create more kindergarten places	Building Blocks Grants – Improvement Funding for upgrades, refurbishments and renovations to early learning facilities or investment in IT equipment.

Building Blocks Grants – Inclusion Up to $200K to upgrade faciliites or purchase equipment to provide safe and inclusive environments. *Co-contribution not required	Building Blocks Grants – Planning Up to $150K for planning and preconstruction work that create additional places.

Typically, areas identified in the KISP with unmet demand are more likely to attract grant funding. Some of these funding streams will require a co-contribution from Council.

8. Guiding principles and decision making

The provision of kindergarten assets supports Council's strategic objective for Healthy and Connected Communities and Quality Infrastructure and Liveable Places. For communities, kindergartens provide a supportive environment for a child's development that positively impacts their learning and life outcomes. Access to kindergarten programs also supports parents and caregivers to engage in paid work. Evidence shows investment in early childhood education results in positive effects across society including greater social cohesion, reduced inequality, and a healthier, happier, and more resilient community.[ii]

Responsibly managing kindergarten assets ensures both quality infrastructure and the liveability of local places. The kindergarten asset portfolio forms part of Council's $1.5 billion of infrastructure and property assets. Council's Asset Management Policy 2022-2032[iii] defines the guiding principles, practices, and responsibilities which Council consistently applies in managing these assets. The draft KAMP is informed by Council's Asset Management Policy, capital works programming, and decisions.

Projects identified as part of the draft Kindergarten Asset Management Plan will focus on investment in existing infrastructure, however emerging opportunities may be considered in the context of Council's long-term financial plan and Asset Management Policy 2022-2032. Any capital investment required will look for opportunities to offset the required budget. Such options could include applying for grants, a as Council's own budget for building renewal or maintenance.

8a. Guiding principles (Asset Management Policy 2022-2032)

Planning to provide services to current and future generations within the community.	Encouraging and supporting the economic, environmental, social and cultural development of the municipality.
Providing quality community infrastructure as an integral factor in providing liveable places that support community connection.	Developing assets that are responsive to the changing environment in which we live.

These guiding principles also support the consideration of integration of suitable services in a multipurpose building, or the support of precincts or co-location so compatible services can be located close to each other. These arrangements can be particularly good at improving the liveability of a place, by creating a hub of community activity with strengthened service connections, and more active public spaces.

8b. Decision making

Council asset decisions consider a range of responses, including renewing facilities, maintaining assets to ensure safety and compliance, supporting services in vulnerable or high-need areas, investing in upgrades or new infrastructure where required and decommissioning facilities where there is no longer a viable or sustainable need.

Decisions on how Council invests resources in the assets that support the service are guided by the following principles:

Evidence based
Asset management planning and decisions are based upon the best available information, research, knowledge, and experience.

Appropriate quality
Assets are fit for purpose and support the present and future service needs of the community in an efficient and effective manner.

Community vision
Investment in asset aligns with the community vision and strategic objectives as defined in the Council Plan [iv]

Fairness
Assets are managed in a way that supports equity and inclusiveness of assets across the municipality by considering impacts on people equally and impartially, without favouritism or discrimination.

Health and wellbeing
Impacts on health and wellbeing are considered, and where appropriate, assets support or improve people's health and wellbeing.

Safety and resilience
Risks associated with providing services from assets are identified and managed, including the capacity to cope with emergency events such as wildfire, windstorm, flooding, and extreme temperature events, which are predicted to increase in intensity and frequency as a result of climate change.

Continuous improvement
Council continues to look for opportunities to improve the way it manages its assets.

Sustainability
Assets are managed in a way that supports the following categories of sustainability for the council, assets and the services provided to the community:

Financial the ability for Council to meet its ongoing operational and capital expenditure requirements within the available levels of revenue from rates and available grants, on a long-term basis.

Environmental maintaining the quality and biodiversity of the natural ecosystems.

Social maintaining a good quality of life for healthy and liveable communities that are fair, diverse, connected, and democratic.

Cultural preserving the values, attitudes, practices, and heritage of the many diverse groups that form a part of the Yarra Ranges community.

9. Engagement summary

Data analysis and evidence, together with knowledge of the sector and local context informed the development of the evaluation, which were then tested with Councillors and a key stakeholder focus group.

Key messages from the engagement highlighted the importance of:

- Robust supply and demand evidence (including interactions with commercial providers) and regular updates to the Kindergarten Infrastructure and Services Plan (every 2-3 years)
- Clearly defined assessment criteria
- Appropriate measures of vulnerability (e.g., Australian Early Development Census (AEDC) and the Socio-economic Index for Areas - SEIFA)
- Co-located/integrated facilities and education precincts.

For further details, visit https://shaping.yarraranges.vic.gov.au/KAMP