

INSIDE THIS ISSUE
 December 2005

NACBCS In Action!

EDITORIAL

Barbara Romeril, National Secretary

The Summer 2005 edition of our national newsletter is again dominated by news of publicly listed corporate child care – media reports in this edition highlight concerns about unchecked growth, over supply and worrying demands for increased government funding by these wealthy companies – just as NACBCS predicted would happen.

Also in this edition are details of the speaking tour of Canada which our National Convenor conducted earlier this year to alert them to these disturbing developments.

We continue the series of case studies on the reality of the issues facing not-for-profit community owned children's services in the 21st century – in this edition we feature a long day care centre which carries the cost of care for families who require Special Child Care Benefit but are not granted it or are not granted an extension. Derek Robson Children's Centre describes the difficult decision of subsidising care or putting these children back into the system and challenging home environments and calls on the Federal Government to reform SCCB to make it easier for families to be granted SCCB extension – especially as these at-risk and low income families will miss out on the Government 30% Child Care Tax Rebate.

Look inside for further details of the NACBCS national conference to be held in Wollongong in July 2006.

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NACBCS In Action!
is the quarterly publication of the National Association of Community Based Children's Services. If you would like to contribute an article to this publication, please email nacbcsc@cccinc.org.au

REPORT FROM THE NATIONAL SECRETARIAT

The National Convenor of NACBCS Lynne Wannan has returned safely from her speaking tour of Canada. The tour was organised and funded by the community child care sector and unions to bring information about the impact of publicly listed corporate child care chains on our children's services system in Australia and to provide advice on how governments can protect the Canadian child care system from these impacts as it opens up to commercial providers. The tour covered the whole of Canada and as word spread of the good sense and disturbing data in Lynne's presentation she was invited to meet with the national Minister and with the guru of early childhood policy Professor Fraser Mustard. It was an extremely important contribution to protection of the community child care sector worldwide.

Planning continues for the NACBCS National Conference to be held in Wollongong in July 2006 – see the report below.

NACBCS met with the Shadow Minister for Work Family Childcare and Youth, Tanya Plibersek who has invited us to submit ideas for strengthening the ALP policy on children's services.

NACBCS held a national face-to-face meeting in Brisbane during the ECA conference in September. The meeting was well attended with 28 people physically present and two participating by phone, representing all states and territories other than NT. Much discussion focussed on industrial campaigns around the country with mixed reports of some success but frustrations in states where delays are occurring. Concerns were also expressed regarding the poor consultation processes for the Australian Government's review of national standards and a resolution was passed calling for public release of the Child Care Workforce study conducted by the Community Services Ministerial Advisory Committee.

National Children's Services Forum – a successful lobby group!

NACBCS Executive attended the National Children's Services Forum in Canberra in November. The main agenda item was the concerns among all of the national peak bodies regarding delays in the Government's implementation of the Inclusion and Professional Support Program – the Forum decided to concentrate on this issue and successfully lobbied for significant changes to the timelines.

The Forum made strong representations to the Department, the Minister's Advisor and the Shadow

Minister. As a result the Department agreed to immediately form a working party with NCSF representatives. Within two days of the Forum meeting the Minister made a public announcement of a 3-month extension of current resource, advisory and training contracts as well as the names of the preferred providers for the new Professional Support Co-ordinators in each state and territory (see the press release on page 4 of this newsletter). As a result the sector is now able to plan for an orderly transition to the new Program in early 2006.

This is an example of successful advocacy in action!

Unfortunately this work resulted in deferral of two important agenda items – NACBCS' presentation on profit versus quality and the impact of Welfare to Work initiatives on children's services.

NACBCS National Conference

Tracey Kirk-Downey, NACBCS NSW

The conference working party continues to meet on a regular basis with all systems go. We have finally agreed on a title for the conference: "Our Community – Our Children". The dates for the conference are the 14th and 15th of July 2006 and the program is looking very exciting with something for everyone. In particular we are looking forward to a great debate entitled – "Privatisation and Profit enhances the quality of the early childhood services system".

Confirmed keynote speakers so far are Lynne Wannan speaking on her Canadian tour and the effect of corporatisation of childcare on the sector and community and Karina Davis from the Melbourne Centre for Equity and Innovation in Early Childhood.

We are looking forward to another inspiring session with our practitioners' panel and hearing stories from people in the field about what has kept them motivated and inspired to stay in early childhood and in some instances still teaching after 30 years. We will also be hearing from the male perspective on their experience as a male working in children services. Previous practitioners' panels had us all laughing and crying with incredibly inspiring and personal stories from some amazing people.

As per requests we will be repeating workshops over the 2 days.

The dinner promises to be another great night of fun and dancing so put the dates in your calendar and look forward to seeing you there. Watch this space for more information as we get updates on confirmed speakers and workshop presenters.

NACBCS PROFILE

(Published in ACOSS "Impact")

CHILDREN – Too Precious for Profit!

The system of children's services in Australia today is not what the founding women of the National Association of Community Based Children's Services (NACBCS) envisaged for our youngest citizens. When NACBCS was established in 1982 it was unimaginable that the future would see children as another commodity to be traded on the stock market and engaged with to reap billions of dollars of profit subsidised by taxpayers. The foundation children's services movement was aiming for a nation wide system of children's services that nurtured children, supported and engaged their parents and enabled the building of strong connected local communities and rightly saw this as only possible with non profit community based services. Children's care was the core purpose, not profit making.

NACBCS was established towards the end of the Fraser Government as a response to the conservative political environment. Australia at that time had reverted to 'traditional' family values and as a consequence, feminist initiatives such as community owned and managed children's services faced funding cuts. This is not too dissimilar from the political climate that we are experiencing today.

NACBCS is the peak representative body for all Australian community owned children's services including long day care and outside school hours care. Each State and Territory has a NACBCS Branch that brings together organisations and individuals at a regional level to work towards achieving both local and national goals. NACBCS operates without government funding and relies on the voluntary effort of its members to achieve its goals.

Community owned children's services are owned by community groups or organisations, as opposed to individuals. They operate on a not-for-profit basis by a variety of sponsors including parent/community committees of management, local governments, tertiary institutions and church groups. Any operating surplus is directed back into the service, rather than into the pockets of owners, directors or shareholders.

www.childrenfirst.org.au

NACBCS has often been the lone voice advocating for community owned children's services. As the peak body it initiates public action to promote and defend community owned services and acts on behalf of these services in relation to governments and other bodies.

Australian Government policy is allowing the unchecked growth of commercial child care including publicly listed corporate child care chains. NACBCS is actively lobbying against the growth of corporate child care, arguing that these services can never take the place of locally owned, parent-run services.

A privatised market is unable to provide the quality care and community links that can be provided by community-based services. Community-based children's services are not in the business of compromising quality in pursuit of profits; rather the underlying philosophy of community ownership is to provide inclusive and empowering care that not only involves families and communities but also initiates social change and generates social capital.

It is not only the increasing influence of the commercial market in children's services that concerns NACBCS; we also advocate about quality in children's services, children's wellbeing, affordability, supply and staffing issues such as wages and conditions for child care professionals.

NACBCS is continually calling on the Australian Government to make a commitment to invest in retaining and developing community owned children's services as a key support for children, families and communities.

As a member of the National Children's Services Forum and the Commonwealth Childcare Reference Group NACBCS will continue to be the champion for community owned and managed children's services. We are planning a national conference in Sydney in July 2006 – watch out for details.

For more information on NACBCS visit www.childrenfirst.org.au or telephone the NACBCS National Secretariat on 03 9486 3455.

NACBCS demands that the Federal Government:

- **Fund Community-owned Child care**
- **Increase Wages for Child Carers**
- **Stop Destructive Competition**

KEY GOVERNMENT POLICIES

Child Care Support Program



Media Release
11/11/2005

Howard Government enhances support for the Child Care Industry

Child care providers will, for the first time receive more comprehensive assistance, following the selection of preferred providers as Professional Support Coordinators.

The Minister for Family and Community Services, Senator Kay Patterson, today announced the organisations, which will work with eligible child care services and inclusion support agencies, giving them one contact point in each state and territory.

"The industry will benefit greatly as administration and service delivery in the child care sector will be streamlined, sharing of resources will be fostered and there will be new and innovative approaches to professional support in the child care sector," Senator Patterson said.

"The services selected to undertake the coordinator role have clearly demonstrated their capability to provide and maintain high quality care and inclusion for the child care sector throughout Australia.

The Australian Government's \$75 million Professional Support and Inclusion Program represents a more efficient and coordinated approach to the delivery of professional support, and inclusion program, which supports children with additional needs.

"The importance of inclusion and professional support was reaffirmed by the Child Care Support Broadband Review, which involved extensive consultation with the child care sector.

"The review found considerable scope for improvement in sector including, the need for national principles, access for all services, more consistent quality, and greater efficiency by streamlining service provider administration and reducing duplication.

"The Howard Government is committed to assisting child care services to provide the best quality care for all children through the Inclusion and Professional Support Program," Senator Patterson said.

A list of preferred organisations is attached (NT is yet to be finalised)

Attachment A

Region	Provider
ACT	Communities at Work Inc
NSW	The Alliance of Children's Services
QLD	Queensland Community Services and Health Industries Training Council Inc.
SA	Lady Gowrie Child Care Centre
TAS	Lady Gowrie Child Care Centre Hobart
VIC	Community Child Care
WA	Ngala-RUCSN Partnership

Welfare to Work Changes

ACOSS Campaign

Lauren Matthews, Community Child Care

In the Spring Edition of NACBCS In Action we informed you about the Federal Government's Welfare to Work legislative reforms. This proposed legislation has been amended, partly due to community campaigns, such as the ACOSS campaign reported on in the last edition. However, many Australians will still be significantly disadvantaged by the legislation when it is passed through Parliament.

The following is taken from the ACOSS website:

"Although some single parents have been saved from going onto lower payments and activity tests, the vast majority of people – 85% – originally estimated as being worse off under this package still stand to lose. Many single parents will lose \$30 a week after July 2006 and people with disabilities will lose \$40 a week. With 23 of the top 50 electorates with the most people worse off, Queensland will be particularly affected by this legislation" said ACOSS President Andrew McCallum.

The welfare legislation contains several changes to existing rules including:

- *Single parents will be put onto lower payments (Newstart Allowance or Austudy) rather than parenting pension (Parenting Payment) when their*

youngest child turns 8 after July 2006 – a loss of income of \$30 a week.

- *People with disabilities will be put onto lower payments (Newstart Allowance or Austudy) rather than the Disability Support Pension after July 2006 – a loss of income of \$40 a week.*
- *People on unemployment payments (Newstart Allowance) could lose their payments for 8 weeks if they refuse a minimum-wage job, have to leave a job or if they refuse or do not meet the requirements for Work for the Dole.*

ACOSS is still engaging in their community campaign through the ACOSS website – www.acoss.org.au. It is vital that the community participates in this action so that the voices of all Australians are heard in Canberra!

Yes, Minister, Child Care Is Essential

Tanya Plibersek MP, Shadow Minister for Work and Family Shadow Minister for Childcare and Youth Shadow Minister for Women, 7 November 2005

Reports that the Howard Government has backed down on plans to force sole parents to accept jobs that do not even cover the costs of child care exposes some of the most absurd and terrible aspects of the Government's welfare plans.

Finally, pressure from Labor and other groups advocating the needs of Australia's poorest citizens has resulted in the Federal Government admitting that sole parents being forced into jobs that leave them with less income is a step backwards.

Labor welcomes the decision to exempt sole parents from jobs where new child costs would exceed their income – but notes it took 6 months for this extreme and stupid policy to be dropped.

The Howard Government has neglected child care, leading prices to shoot up over 50% since 2000.

Sole parents and many partnered parents have been priced out of child care: it simply costs many parents more to participate in the labour force than it does to stay at home and care for their kids.

The Government only has itself to blame for this situation.

Labor will be examining the detail of the Governments' welfare legislation very carefully, to make sure there is a *guarantee* that sole parents will be exempt from job requirements where child care would cost more than they earn.

But the brutal realities remain: the Howard Government will still force parents to work for \$3.88 an hour, as modelled by the National Centre for Social and Economic Modelling (NATSEM), an organisation the Prime Minister has described as "independent", "objective", and "respected".

In 2004 the average fee for one after school care session per child was \$10.32 - and many families need care for more than one child.

KEEPING AN EYE ON CORPORATE CHILD CARE

Below is the NACBCS paper presented to a number of meetings and forums across Canada. Following the NACBCS paper is some Canadian media coverage of the tour.

NACBCS Canadian Speaking Tour

The Changing Face of Child Care in Australia

Lynne Wannan, Convenor, National Association of Community Based Children's Services, Chair Community Child Care Victoria, Australia, October 2005

A Summary

Australia had a great foundation for the development of a quality, universally accessible and available child care system. The change of Federal government policy in 1991 that provided funding to for-profit providers opened the door to shareholder corporations and has significantly changed the child care environment.

The new corporate players have brought damaging competition to the child care sector. The Australian government encouraged private operators to enter the market in 1991 when it extended fee subsidies to for profit operators. There were no restrictions on their operation which led to a blow out of the Federal budget as more services were developed than anticipated (4 years' allocated funds were spent in 1 year) and to service closures across the country. Competitive practices such as predatory pricing, opening near to existing services saw a reshaping of the system, small community or commercial services going and new larger facilities taking their place. The absence of planning controls saw new services opening in areas of low demand according to Government priorities while areas of high demand saw no new development. As millions of fee subsidy dollars were transformed into business subsidies, funds for the growth of community child care vanished. Government policies, once the framework to

ensure community child care services met Government priorities and community need, were ignored by these new operators.

Fourteen years later we have a sector dominated by commercial providers with one large shareholder corporation owning 25% of Australia's services and growing. This growth fuelled by Government funding that contributes almost 50% of the revenue that enables profits of more than \$80 million dollars to be reaped.

The impact of this corporatisation is worrying. It is however, inevitable. Publicly listed companies have a responsibility and a requirement to provide a growing return to shareholders. This means they must either reduce the cost of providing services, increase the income received from the service provision, grow the corporation or do all of these. These drivers may be OK for most commodity markets but they are not so good when children are the commodity. They are not the drivers a nation wants for the provision of services that aim to foster children's development and provide quality care. They are very unlikely to deliver for children with complex needs, disadvantaged communities or other high cost users.

In Australia there is evidence that the growth of profits by corporations is impacting negatively on our child care system.

The most critical determinant of quality in child care is the staffing. The corporate sector in Australia is proud of the cost reductions it has achieved in child care delivery. This has predominantly come from the staffing budget. The not for profit sector generally spends around 80% of its operational budget on staffing, the corporations have reduced this to 50% or less. How could they do this? Either by spending much more on the non staff components, which they pride themselves on being more efficient with, or by paying lower wages, employing fewer staff, more junior or less qualified staff. Each of these outcomes should be of concern to policy makers, parents and Governments who are paying millions for these services.

Australia has a federal accreditation program and state government regulations which are intended to ensure quality outcomes, however, in the absence of spot checks for accreditation and sufficient government resources to properly monitor regulations these mechanisms fail to ensure quality child care provision.

The reducing proportion and lack of growth of community sector services brings a loss of community building and a loss of sustainable public infrastructure. This is a serious concern for Governments that are

recognizing the value of strong communities and the need to strengthen community well being.

Australia is now reliant on corporate child care. What will happen when the financial return from child care isn't good enough, when property values exceed the return from the business, or companies collapse? The Australian government may have to provide even more funds to prop up the privately owned businesses or buy back the service system.

Funding corporate child care is not a long term investment in a children's service system, it may provide short term gains but the risks are great.

Government funding to the corporate sector has resulted in:

Erosion of quality, even with the regulatory framework we have

- the loss of the community building role intrinsic to community based provision is a serious loss for civil society
- the loss of local services as corporations continue to consolidate the market with closures and takeovers, further erodes community networking and building
- the loss of diversity as corporations take up more and more of the provision both within local communities and across the nation reduces, the competition sought by Government and loss of choice for families
- the corporately owned service system has an uncertain long term future

Government funding of community owned and managed public infrastructure would be a real investment in a quality, sustainable child care system that also strengthens community.

Daycare expert flies in a warning - Ontario expansion plan called risky

'We got it wrong,' Australian says ...

Laurie Monsebraaten, Staff Reporter, Toronto Star, October 22nd

When Australian daycare expert Lynne Wannan heard about Canada's plans to invest \$5 billion in child care, she jumped on a plane.

The diminutive Aussie, whose teenaged son and daughter were daycare kids once upon a time, embarked on a three-week mission to warn Canada against allowing private companies to turn child care into big business.

"I've come to Canada to say we got it wrong," Wannan told a provincial child-care forum last week on Ontario's plans to spend \$1.1 billion in federal child care funds over the next three years.

Ontario has said both non-profit and commercial centres will have access to operating funds under its Best Start plan to expand child care for 4- and 5-year olds. But since the provincial plan focuses on school-based child care, Ontario expects non-profit centres will provide most of the anticipated 25,000 new spots.

Wannan, who wrapped up her visit this week, says she has been impressed by Ontario's good intentions, but urges legislation banning public funds from being used to expand for-profit child care as the best safeguard.

"We thought we had a really good foundation in 1991," Wannan says of Australia's multi-billion-dollar child care expansion that began that year. "Our road down this privatization pathway was totally unexpected."

Like Ontario, Wannan says, most child care in Australia before 1991 was provided by municipal and non-profit, community-based centres, with a smattering of small, privately-owned businesses. Today, about 70 per cent of centres in Australia are commercially owned and the sector is dominated by large publicly traded child-care chains.

The largest chain — ABC Learning Centres, owned by Canadian Eddy Groves — runs about 25 per cent of Australia's 4,400 child care centres. The company, which is projecting a profit of more than \$80 million this year, reports that about 50 per cent of its revenue comes from government fee subsidies. Groves has expressed an interest in opening centres here in Canada.

The commercialization of child care in Australia means shareholder profits trump quality and public investment is at the mercy of the market, says Wannan, who is chair of Australia's National Association of Community Based Children's Services. If a small commercial operator decides to retire or if shareholders in a large chain decide to sell, she says, the system could collapse overnight, forcing governments to step in or boost subsidies to keep commercial profits flowing.

"It means we don't have a sustainable child care system and quality suffers."

Another disadvantage, she says, is that the big chains lobby hard to keep standards low.

Wannan's message was warmly received at last week's child-care forum, where Children's Services Minister

Mary Anne Chambers said the province would not fall into the trap Australia did.

"There is no place for large commercial child-care operations in Ontario," she told about 260 children's services workers and advocates in attendance.

Although Ontario policy doesn't ban child care expansion in the for-profit sector, Chambers said capital grants will only be available to non-profit centres. In addition, she has asked municipalities that will oversee Best Start to let her know if commercial chains start buying centres and expanding.

"The message is: in order to achieve the highest quality child care, we do not want commercialized child care," she told the *Star*.

Kira Heineck, executive director of the Ontario Coalition for Better Child Care and a forum organizer, appreciates Chambers' position, "but until we see policy in writing, I think Lynne Wannan's warnings are very real."

Australian Child Care Advocate Gives Warning to the International Community On Corporate Child Care

NACBCS Media Release 7 November 2005

Lynne Wannan, Chairperson of Community Child Care and Convenor of the National Association of Community Based Children's Services has just returned from a 4 week speaking tour of Canada giving warning about the damaging affect of corporatisation on the child care system in Australia.

Ms Wannan's main messages to the Canadian government and community were:

- The new corporate players have brought damaging competition to the child care sector in Australia
- Federal government policy providing funding to for-profit providers opened the door to shareholder corporations - 14 years later the sector is dominated by commercial providers
- one large shareholder corporation owns 25% of Australia's services and growing.
- Government funding contributes almost 50% of the revenue that enables profits of more than \$80 million dollars to be reaped.
- corporations have reduced staffing budgets to 50% or less of operational budget, down from around 80% in the community sector, by paying lower wages, employing fewer staff and employing more junior or less qualified staff

- accreditation and regulations fail to ensure quality child care provision due to the absence of spot checks and sufficient government resources for proper monitoring

Government funding to the corporate sector has resulted in:

- Erosion of quality, despite the regulatory framework
- the loss of the community building role intrinsic to community based provision - a serious loss for civil society
- loss of local services as corporations continue to consolidate the market with closures and takeovers - eroding community networking and building
- the loss of diversity as corporations take up more and more of the provision
- an uncertain long term future for child care in Australia

Government funding of community owned and managed public infrastructure would be a real investment in a quality, sustainable child care system that also strengthens community.

An Open Letter to Federal/Provincial/Territorial Ministers Responsible for Early Learning and Child Care from Child Care Advocacy Association of Canada and other organisations

20/10/05

Dear Ministers:

We are writing to urge you to embark on a policy review of the important issue of ownership of early learning and child care services. We believe that there is overwhelming evidence that public and non-profit delivery is the best way to ensure that Canada's newest social program will meet the high expectations we all share for Canada's children and families.

... From our perspective, this means using the now considerable Canadian and international knowledge that speaks to recognized best practices in policy and services ... One of these involves a commitment to a transition plan that moves to public and/or not-for-profit delivery of child care services.

There is overwhelming evidence to show that public and not-for-profit delivery is much more likely to deliver high quality programs that support the "early learning" to which a commitment has been made; to provide equity by ensuring that children with special needs are included; that services are accountable and stable; that

the risk of trade challenges is mitigated; and that limited public resources are used to maximize quality and developmental programming, not to provide private profits.

... A new paper by Professor Susan Prentice of the University of Manitoba reviews the Canadian research regarding auspice in child care, documenting, among other things, significant quality differences even when funding is held constant. The evidence she cites causes her to conclude that

New evidence and policy arguments demonstrate that where public policy and financing discourages for-profit child care, the proportion of for-profit care is lower and the quality of care is higher; conversely, where legislation and funding supports for-profit child care, the proportion of for-profit care is higher and the quality is lower. In environments sympathetic to for-profit care, the for-profit sector both finds and makes opportunities to further entrench its interests. Regulations play only a small role in tempering these associations: licensing and regulatory regimes set generally minimal floors, and even these are regularly breached. Policing and compelling minimum standards is costly to jurisdictions, and diverts funds from more proactive quality improvements.

Over the last three weeks the child care community, policymakers and government representatives across Canada have had the benefit of hearing about the Australian experience with public funding of for-profit child care from Lynne Wannan, an early childhood policy expert from Australia. Her description of the takeover of child care services by large corporations over a period of less than 15 years has heightened our concerns about the obvious risks in the route Canada is taking thus far.

If policy-making is to be evidence-based, the impetus for ensuring that the future of Canada's newest social program should be based on public and non-profit delivery is clear; the evidence from Canada and from other countries is overwhelming.

**Visit the NACBCS website
www.childrenfirst.org.au**

Did You Know?

The largest child care provider in North America is the **Knowledge Learning Corporation** which has 2,027 centres - with a capacity of 267,000 children.

The second largest child care provider in North America is the **La Petite Academy** with 643 centres and a capacity of 89,000 children.

The third largest North American provider is the **Learning Care Group** who are now owned by Australia's own **ABC Learning Centres**. They have 466 centres, with the capacity to care for 72,000 children.

ABC moves into North America

AAP, The Age, November 17, 2005

ABC Learning Centres has become one of the world's largest listed child-care service providers after its \$US159.1 million (\$A217.9 million) acquisition of the US-based Learning Care Group Inc.

ABC Learning Centres said a potential benefit of buying into the fragmented North American market was that the US had not experienced consolidation as Australia had.

ABC plans to overlay its business model on the 460 Learning Care child centres, hoping to replicate its success in Australia.

ABC chief executive Eddy Groves said acquisition of Learning Care, the third-largest operator of child-care centre in the US, would underpin earnings growth.

"Combined with a highly fragmented market, ABC has yet another exciting growth platform which should see the company's recent earnings momentum continue for many more years," Mr Groves said, adding that the US market was similar to the Australian market five years ago.

"The US child-care industry is highly fragmented, with the top eight companies making up less than 5 per cent of the market," he said.

ABC said the acquisition provided a base for expansion in the US and Canada.

The acquisition will be funded by debt and Mr Groves said he expected the transaction to be earnings per share neutral in the first six months from January 1, 2006.

ABC will acquire all outstanding equity in the Nasdaq-listed Learning Care in a cash merger valued at \$US7.50 a share.

The Learning Care board has unanimously approved the merger and recommended it to shareholders.

ABC chairman Sallyanne Atkinson said North America had been flagged as a prospect more than three years ago.

"America has a similar child-care market to Australia and is approximately 15 times larger," she said.

"The industry in the US has not had the benefit of the capital injection we have achieved here, which provides ABC with a tremendous opportunity."

Once the transaction is complete, expected early next year, Learning Care will relinquish its Nasdaq listing, becoming an ABC subsidiary.

ABC owns 697 centres in Australia and New Zealand and is on track to acquire and develop 200 centres in 2005-06.

ABC shares closed 43¢, or 6.4 per cent, higher at \$7.13.

KEY POINTS

- ABC hopes to replicate its Australian success.
- ABC shares close 43¢, or 6.4 per cent, higher at \$7.13.
- Its US purchase is a base for further expansion.

Visit our updated website
www.childrenfirst.org.au

Taxpayer Funded Corporate Expansion

NACBCS Media Release
18 November 2005

The community says enough is enough! The Australian Government must act now to stop the bleeding of public funds into private profits - ABC Learning Centres' Australian model of 'big business' child care is now being rolled out in North America. This 'success story' is thanks to the Australian tax-payer - Federal Government funding contributes almost 50% of ABC's revenue translating to tens of millions of dollars of profit for ABC shareholders, all at the expense of Australia's children.

Government funding to the corporate child care sector in Australia has resulted in:

- **Erosion of quality**, despite the regulatory framework
- the **loss of the community building** role intrinsic to community based provision - a serious loss for civil society
- **loss of local services** as corporations continue to consolidate the market with closures and takeovers - eroding community networking and building
- the **loss of diversity** as corporations take up more and more of the provision
- an **uncertain long term future** for child care in Australia

Eddy Groves, the now global chief executive for ABC Learning says the move into North America is a "perfect cultural fit". Child care in the US is a mish-mash of poor regulatory environments and private provision – so what does this 'fit' say about the culture of ABC in Australia? Of course this deal is perfect for Groves – on announcement his personal wealth soared by \$16 million.

The Federal Government and the Australian tax-payer have effectively underwritten this merger and as a result will finance the US child care system.

What about funding high quality community-owned and managed child care for Australia's children – public infrastructure that is here for children and families, not for personal profit!

Visit our updated website
www.childrenfirst.org.au

State ban on schools for profit

Shane Green, Education Editor, The Age, September 8, 2005

Schools run for profit will be banned in Victoria.

"We believe that schools should be established in the best interests of the child, rather than for reasons of profit," Education Minister Lynne Kosky told *The Age*. "They really have to have as their sole purpose the best interests of the children."

The move comes after multimillionaire Eddy Groves, whose ABC Learning is one of Australia's biggest child-care providers, signalled his intention to expand into primary education.

As part of the expansion, Mr Groves indicated he would consider opening Victoria's first for-profit primary school. He has moved to establish a for-profit primary school near Brisbane, but has faced Queensland Government opposition.

In May, legislation was introduced into the Queensland Parliament preventing private companies receiving state taxpayer funding if they intended to make a profit from running schools. Federal laws already prevent Commonwealth funds being used to support for-profit schools.

Under Victorian legislation, there is nothing to prevent a for-profit school seeking registration. But Ms Kosky said the law would be changed.

Mr Groves was unavailable for comment yesterday. In comments to *The Sunday Age* late last year, he said the Queensland school would be run by a non-profit company, Independent Colleges of Australia, with ABC Learning providing services.

Ms Kosky's move also coincides with the publication of a paper today arguing the case for for-profit education, in the journal of the conservative *Centre for Independent Studies*.

In the paper, educator Ross Farrelly writes that it is difficult to see how there is anything unethical about deriving a profit from school education, when teaching is compared with medicine, law or accountancy.

He argues that schools that operate for profit, and the resulting competition in the education marketplace, will deliver benefits that cannot be achieved by centralised government control....

Mr Farrelly says much of the antagonism against for-profit schools comes from "vested interests under threat and fear of the unknown", rather than serious consideration of the welfare of students.

Child care is not all child's play

Christopher Webb, The Age, September 23, 2005

WHILE Edmund Stuart Groves goes from strength to strength with his \$1.7 billion ABC Learning Centres, it seems that some of his competitors are finding it not quite the easy money game that many assumed.

Take Kids Campus, an outfit that grew out of a backdoor listing early last year when it climbed aboard the child-care centre boom and raised a good deal of money in the process.

The group was assembled — spending, by the way, \$31 million on child-care licences in the latest year — under the watchful eye of one Mark Evans, an investment banker, who then went on to take the managing director's reins, a position he still holds...

Solid growth indeed. The trouble is that earnings don't seem to be flowing through as observers might have expected.

Perhaps that is why the Kids Campus share price has gone sideways for much of this year and, firming 5¢ to 80¢ yesterday, the stock is now where it was at the end of January...

Mark Evans has just unveiled the June-year results, which showed that pre-tax earnings totalled \$2.2 million on sales of \$31.2 million, including \$3.4 million of development centre sale proceeds.

At the halfway mark, Kids Campus' earned, pre-tax, \$1.4 million on sales of \$11.5 million.

So, it seems that, for the second half of the year, sales totalled \$19.7 million, accompanied by earnings of a mere \$829,000.

Mark Evans observed that the full-year result was achieved in a period in which the company went from owning 27 child-care centres, representing 1735 places, to owning 67 centres, holding 4806 places...

When it came to earnings, he said: "With critical mass achieved, the company will now consolidate its position with an emphasis on substantially increasing profits in the 2006 financial year."...

Meanwhile, the board cost upwards of half a million dollars to maintain. Mark Evans collected \$246,8412, Lesley Jones got \$116,707, Gail Lomas collected \$60,832, while chairman John Murphy, Michael Arnett and Jon Brett each got \$30,000.

Palaces of child care set to open

Susie O'Brien, Herald Sun, November 4 2005.

PALAZZO Versace is coming to Melbourne -- but only pre-schoolers will enjoy the luxury on Collins St.

Sunkids, an arm of Queensland property company Sunland -- which owns Palazzo Versace on the Gold Coast -- is about to open two childcare centres in Melbourne.

They boast their Collins St centre will set a new standard in the upper end of the childcare market with lavish, modern decor and spacious purpose-built premises.

Opening early next year, it will accommodate 180 children on two floors.

Sunkids Berwick centre will care for 120 children in architect-designed premises.

"It will be very beautiful, with a palazzo for parents which will act as a meeting area or just a place for coffee," Sunkids general manager Arini Beaumaris said.

"There will be an emphasis on quality, with highly qualified staff and resources."

Despite the plush surroundings, Dr Beaumaris is quick to stress the focus will be on teaching children -- aged six weeks to five years -- the difference between right and wrong and to consider the feelings of others rather than consumer indulgence.

"It's not just about care, but individual education portfolios and involving the parents as co-educators," she said.

The Collins St centre's fees of up to \$90 a day make it, with Kids on Collins, the state's most expensive child care.

It will be open from 7am to 7pm.

Not everyone is happy with the boom in corporately owned private childcare centres.

National Association of Community Based Children's Services convenor, Lynne Wannan, pointed out one

company owned almost a quarter of all Australian childcare centres.

She said the boom in company-run childcare centres was fuelled by Government funding of almost half the money needed to run a centre.

Ms Wannan said instead of using the money to improve child care, many childcare companies reaped big profits -- of more than \$80 million.

"Corporations have reduced staffing budgets to 50 per cent or less of operational budget, down from around 80 per cent in the community sector, by paying lower wages, employing fewer staff and employing more junior or less qualified staff," she said.

But Dr Beaumaris said all staff at Sunkids centres would be highly qualified and paid industry-standard wages.

**Did You Know that
ABC Learning owns
Judius Toys?**

Childcare industry fears oversupply

Anne Mather, The Mercury, Mon 14 Nov 2005, Page 017

FOR years the state's childcare industry has struggled to meet demand. As a growing number of mothers returned to the workforce, waiting lists spiralled and parents grappled for limited places.

But the sector has experienced rapid growth in the past year, with new childcare centres popping up all over the state and more under way.

While the extra places have been welcomed in areas of need, industry experts now fear supply is about to surpass demand.

Launceston is already grappling with oversupply and Devonport is headed in the same direction.

In the south of the state, a rush of development in the Kingborough area could lead to oversupply next year.

On the positive side, a surfeit of centres offers parents a wider choice of childcare provider and greater flexibility.

But experts in the industry warn there is a downside: too many centres could lead to high vacancy levels, threatening quality and viability.

Those in the community-based childcare sector are most alarmed at the trend and warn it is the small, not-for-profit centres that are the most vulnerable.

They are calling on governments to put in place planning controls to avoid pockets of oversupply and ensure new childcare places are targeted to areas of need.

The National Association of Community-based Children's Services is concerned precious resources will be wasted.

"Taxpayers' money is being used to fund turf wars between operators," said association secretary Barbara Romeril.

She said the sector needed greater control and the Federal Government's policy of allowing centres to operate as commercial ventures in a free market was not working.

Ms Romeril said it was ridiculous that there were still areas with long waiting lists, while some areas had oversupply.

Deputy national president of Early Childhood Australia Ros Cornish said Tasmania had traditionally been home to predominately community-based childcare centres, run as not-for-profit organisations.

But she said there had been a recent influx of new players, including large mainland corporate providers.

"There is now a huge potential for oversupply," said Mrs Cornish, who is also chief executive of Lady Gowrie childcare services.

"It is the community-based services which will be the first to suffer.

"They do not have the resources -- all their surpluses go back into generating their businesses."

While large corporate chains moved into other states years ago, the presence of publicly listed childcare companies is a recent phenomenon in Tasmania.

The major corporate player is ABC Learning Services, which is one of the world's biggest childcare companies.

Last year ABC built two new centres in Launceston, and the Queensland-based company is now building five more centres around the state.

Mrs Cornish said Launceston had an oversupply of childcare.

"I hear that waiting lists no longer exist and there are vacancies for the very first time," she said. A Lady Gowrie centre in Norwood, Launceston, which opened in June, is still only 50 per cent full -- with other centres nearby at only 70 per cent capacity.

Mrs Cornish said three new centres were built in Launceston last year within 5km of each other. She said the problem could come to Kingborough next year, with two centres set to open and a third being planned.

One of ABC's new centres is being built at Blackmans Bay, along with others at Burnie, Devonport, Claremont and Glenorchy.

ABC already manages seven centres in Tasmania.

ABC spokeswoman Margot McKay said the company was building in areas of need.

"We have mapped Australia and looked for areas of economic growth and young families," she said.

"It means that wherever we place a centre there is a reason for it -- we believe there is growth and need there."

She said it would be counterproductive to open a centre in an area of oversupply.

As well as the new ABC centre in Blackmans Bay, Kingborough will also get a new centre in Kingston next year.

The new centre is a joint initiative between aged care provider OneCare and St Michael's Collegiate School.

The early learning centre, to be opened in April, will be built at OneCare's aged care home at Bishop Davies Court and managed by Collegiate staff.

Ms Cornish said a private developer was also looking at building a centre near the Southern Outlet at Kingston.

Collegiate principal Robyn Kronenberg said the school was not worried about oversupply because the centre was offering a unique experience.

Devonport is also faced with the prospect of oversupply, with two new services soon to open.

Lyn Chapman, from Mersey Leven Childcare services in Devonport, said there was no great need for any more centres in the region.

"At the moment we are coping with the demand," she said.

"But there is a nervousness in the community sector up here. We're wondering how this community will cope with so many new places."

Lyn Woolley, from Stewart Child Care Services in Launceston, said there was definitely no room for new players in Launceston.

"I believe if any more open in Launceston somebody will have to go," she said.

She said Launceston had gained five new services, offering 350 full-time places, in the past 12 months.

A spokesman for Family and Community Services Minister Kay Patterson said all levels of government had a key role to play in planning for childcare.

State Education Minister Paula Wriedt said the Tasmanian Government's role was confined to licensing rather than planning.

"While our role is confined to licensing we do encourage childcare providers to look at where the greatest need is as well as where services already exist," Ms Wriedt said.

Environment and Planning Minister Judy Jackson said competition policy allowed for multiple childcare centres in the one area.

"It is a commercial decision on the part of the developer of the particular childcare," she said.

The head of Tasmania's Local Government Association, Lyn Mason, said market forces should ensure centres opened wherever there was a need.

She said some pockets of oversupply was better than not enough childcare.

Childcare centres rejecting under-2s

Patricia Karvelas & Annabelle McDonald,
The Australian, 5 October 2005

Childcare places for children under two will dry up unless there is an urgent injection of funding, the childcare industry has warned the Government.

The childcare industry says new centres are refusing to create places for children under two because it costs too much to care for younger children.

In a submission to a government inquiry, ABC Learning Centres argues that children aged between two and three years must be staffed at higher staff-to-child ratios than children between three and six.

"We do say though, that it would be appropriate for parent subsidies to reflect those higher costs, based on the age of the child," the submission says.

Although it varies across states, on average one childcare worker must be employed for every five children under two, while only one worker is employed for eight children over three years old.

Childcare Associations Australia has written a submission to the federal inquiry into balancing work and family life demanding an increase to the childcare subsidy to stem the decline in places.

...About 22 per cent of children under two are in childcare, according to last year's government figures.

... "Many services now in their planning phases are not planning spaces for the under-tuos in their business development," said Jonathon Kruger, executive director of Childcare Associations Australia.

"Anecdotally, we are hearing that new centres are choosing to create businesses that are purely for over-tuos because of the high cost involved in providing good-quality care for children of that age." Mr Kruger said some centres were charging more for children under two, but the practice was uncommon.

Childcare consultant Lisa Bryant said she was very concerned that ABC Learning Centres had asked the Government to increase the subsidy for children under two.

"ABC makes a large profit from taxpayer-funded subsidies already and to increase that profit means that more money goes to their shareholders rather than into the provision of childcare," Ms Bryant said.

... A spokeswoman for Family and Community Services Minister Kay Patterson said there were no plans to change the funding mix. "We provide the same support for all children in childcare," she said.

*** Community Child Care (NACBCS Victorian Branch) also made a submission to this Senate Inquiry into Work and Family Balance – to view all submissions visit <http://www.aph.gov.au/house/committee/fhs/workandfamily/index.htm>. NACBCS issued the below press release in relation to this issue.*

Commercial Child Care Providers Continue To Milk Government Cash Cow

NACBCS Press Release 14 October 2005

It is not surprising that ABC Learning Centres and other commercial child care providers are lobbying government for increased parent subsidies for care of children under 2 years of age. Increased government subsidies equal increased profits and happier shareholders.

This year many commercial child care providers have recorded expansion and high profits, yet these same providers are complaining about the high costs of caring for under 2 year olds. The balance sheets suggest that they have the capacity to increase their expenditure on caring for children under 2, just as the not-for-profit community sector has always been able to do.

It is no secret that government subsidies including Child Care Benefit (CCB) bankroll many of these commercial child care providers. Eddy Groves, CEO of ABC Learning Centres said in a recent interview with ABC Radio Queensland that he can't deny that CCB provides a 'great underwriting of the company'. In the same interview he also highlighted that a whopping 49% of ABC revenue comes from Federal Government funding.

The National Association for Community Based Children's Services is aghast that a company with a recorded consolidated \$52,337,000 profit is asking for more money from the Australian Tax Payer.

The Australian public, particularly families, have a right to know that the same commercial providers who are complaining about the cost of caring for the under-2's or worse, cutting care for this age group altogether are also lining their pockets with taxpayer funded profits.

Children are too precious for profit.

BRANCH REPORTS

New South Wales

Tracey Kirk-Downey Illawarra convenor and NSW secretary

NSW continues its work on many fronts and the areas that have taken most of our energy and resources are as follows:

- Continuing with advocating for increased state funding to assist struggling pre-schools. We have stepped it up a notch with letters to the minister and shadow minister for community services as well as a commitment to setting up a meeting with the shadow minister.
- We have an upcoming forum "building community capacity" seminar 2 in the series. Staff from various services will be sharing their experiences of working in the community based sector in relation to building community capacity. The previous one was very every successful and we look forward to this being as successful. It is also a revenue raiser for NSW NACBCS.
- NSW chaired the National NACBCS meeting held in Brisbane at the ECA conference. This was well attended with each state presenting their issues. Great to hear we have Northern Territory back on board.
- Prue attended the National Children's Services Forum and as a result of a question arising re the nexus between profit and quality being raised at the forum we have set up a sub committee to look at deconstructing arguments that the 'for profit' sector put. To complement the committee's work the question about the nexus between profit and quality was posted on our Yahoo email list for others to comment. The committee will be looking closely at the types of arguments put up and looking at statistics and evidence based arguments.

Illawarra NACBCS

- We continue our work with various groups and political parties regarding the shortage of early childhood teachers and qualified childcare workers.
- Continue to distribute materials and advise staff and organisations on the proposed Industrial Relations legislation.
- Illawarra Branch has been looking at issues around Pre-School affordability.
- Illawarra group have met with the head teacher of the early childhood studies unit at the University of Wollongong in relation to the proposed changes to the practicum component of the early childhood

course. They are looking forward to some positive outcomes that will hopefully encourage more staff and stem some of the flow into schools.

- We have continued to work on the website and have had discussions with Tanya Plibersek's office re this web site and how it might include a centralised waiting list.

Queensland

Since we all met at the convention centre the branch has received a great deal of support from other States in relation to our wage case. With the possible change to Industrial Relations Laws the LHMU are very keen to push for finalisation before Christmas. Friday, 18th November the case was again presented to the Commissioner. After many stalling tactics by the employers it was agreed that their final changes should be sent to the LHMU by 5pm 23rd November. If all agreed then the case will be heard on the 9th December and failing that will go to arbitration on the 23rd January 2006. All of those who were present as observers are trusting that sense will prevail and we will have an outcome before the New Year.

We have continued to lobby in support of the proposed changes to the Building Code. There has been a great deal of discussion about the need for outside play area for the under 2's. NACBCS QLD have written giving reasons as to the importance of maintaining the present standards or even improving. In the new year the review focuses on the area of transport – a big issue given the number of commercial centres now operating bus runs!

As we go to press NACBCS QLD are now facing a big challenge in relation to our future. We have always enjoyed the privilege of working closely with the Childcare Management Training & Support Unit based at the Queensland Council of Social Service Inc. Since the inception of NACBCS in Qld we have enjoyed the use of their premises for meetings, admin support and facilities. Unfortunately with funding for the Child Care Unit ceasing in March (a recent reprieve from December), we are therefore evaluating our present position and options for the future. Whilst we explore options for the housing of NACBCS data, admin support and for a suitable venue, we are also sad to farewell Frances Snedden who over the past 15 years has worked tirelessly for QLD in the Early Childhood field; we will also farewell Kerrie Wilson who has been with the Unit for 5 years. We thank them both for their dedicated services to our branch. The continued dedication of workers such as Frances, Kerrie and many of the previous Child Care Unit staff have assisted in ensuring the voice of NACBCS in many areas of lobbying and maintaining an advocacy role for children, families and staff.

On behalf of NACBCS QLD we ask you to join with us in wishing Frances well. Hopefully we may still maintain links for the next few months from her new home base in Cairns.

NACBCS QLD will face many new challenges in the New Year. We look forward to participation in Queensland's Child Care Skills Formation Reference Group a state government funded project to map workforce issues, identify strategies and formulate a plan to progress these in the sector. We face the future with confidence as we advocate for the children in Australia. In the meantime we wish you all a safe and happy festive season.

South Australia

AGM – to be held 6th December 2005 at 10.30am

PAC Meeting (Planning and Advisory Council) - met last week to allocate OSHC places. South Australia have had 2,012 places requested from the OSHC sector. OSHC places are allocated based on high needs data – looking at particular regions not specific services.

Christine Maher from Magill Uni SA is doing research on the child care workforce. We gave her metropolitan and rural contacts.

The brief for the National Standards for Child Care Services Project Consultations project is to map current context and implementation of standards, review literature, have consultations and develop options. This applies for LDC, FDC, OSHC and In-Home care.

Website www.education.qut.edu.au/ec . Looking at how things are actually happening in practice eg acts, regulations, links between States, Agencies/agents responsible for implementation, plans/current processes for modifying the standards.

Issues discussed for SA included:

- Standards are in regulation (Act) – difficult to change them
- Undermining of QIAS
- No SA child care centre has ever had their license revoked
- QIAS - services are allowed an extension of time

Possible future options:

- 4 year qualification
- All staff qualified
- Funding – child/family

- Commonwealth/State partnerships
- More flexibility in funding
- Planning controls

NACBCS SA asked to comment on draft Children's Services (OSHC) Amendment Bill 2005.

Tasmania

ABC continues to build centres in Tasmania. Seven centres will be established by the middle of 2006. Oversupply is occurring in the north and north-west of the State, with a similar scenario expected in the south next year.

The University of Tasmania will be providing the Bachelor of Education and Care (Early Years) as of second semester 2006. The degree will contribute to the professionalism of child care and enable a key research focus on the early years to be established within the University.

The Tasmanian Government has developed "The Whole of Government Early Years Policy Framework" which was endorsed by Cabinet in September 2005. The Framework sets out the vision, goals, principles, strategic objectives and priorities for investment and action in early childhood developed in Tasmania for the future. A cross agency project team will develop a strategic plan after a consultation process.

We are looking forward to great things!

Victoria

Barbara Romeril, Community Child Care

CCC is very pleased to have been selected by the Australian Government as the Professional Support Co-ordinator for all child care services in Victoria. This is a clear recognition of CCC's strong track record of providing leadership in advice, resources and training to the children's services sector and our proven capacity to work co-operatively with others.

We have demonstrated that a peak body for the not-for-profit community owned childcare sector can successfully deliver advice, resources and training to the whole of the children's services sector while continuing to advocate for the community owned sector under its peak body hat.

CCC will be advising the Victorian Government to extend the Children's Hubs funding program which has successfully contributed capital funding to 30 new integrated children's centres throughout its three years.

We know there are more communities out there working on project ideas to expand existing services or to establish new ones bringing together child care, kindergarten, maternal and child health and other family support services in one place – so for a modest one-off injection of capital funding the Government can contribute to amazing community building. Watch this space for further developments.

Western Australia

Josique Lynch, Carewest

NACBCS – WA alias Carewest held its AGM last month, which gave us an opportunity to reflect on all the issues that face our sector and the field at large. Listening to and giving executive reports confirmed how much 'In Action' we have been and continue to be.

The guest speaker was Cora-Wilson, Manager of the Children's Services Unit of DCD.

She gave us an update on the Regulations review which has been conducted in response to the new Communities Services Act which came into effect in December 2004. Being such a complex process, it has been divided into 2 stages. The first has focussed on the application requirements for the licensing of services effective from March '06:

- New Application Process including the completion of a written test based on the Act by all Supervising Officers, currently known as Responsible officers.
- The requirement of 1 Supervising Officer per service rather than per licence
- The conditions under which the nominated Supervising Officer may be absent from the service without having to notify the Licensing Unit.
- There will be 4 sets of Regulations: 1 for children up to compulsory school age in FDC and 1 for LDC. 1 OSHC for children in FDC and 1 for children in LDC.

Carewest representatives played a key role in the consultations.

Stage 2 will focus on:

- Staff / Child Ratio
- Building Code (National)
- Maximum & Group Sizes

Cora-Ann urged Carewest members to keep advocating for this review to continue. Little information has been forthcoming, since the drafts have gone to the Departmental lawyers. Carewest has written to the Minister requesting an urgent meeting to ensure that we

can evaluate the final draft before the Regulations are gazetted.

Another project which the Department has undertaken over the last 12 months has been to find a replacement for the Start Right Eat Right training, which ceased due to funding cuts. The aim of the reference group which included ITC, RTO's, Licensing and Industry representatives, was also to try in having most staff trained in at least basic nutrition. The recommendations are for RTO's to offer the Unit of Competency CHC-CN3C as a recommended elective for Cert. 111 and to include a policy unit at Diploma level.

The LHMWU has prepared an application for the work value wage case for child care workers. After an initial information session, CCI has set up a working party to review the current skill descriptors in the Award. This has proven to be a very worthwhile exercise for the field. The aim is to lodge the application by December '05. All sectors are most supportive of the claim.

Carewest members continue to be active in being represented & heard on all issues and at all levels of Government.

NACBCS CASE STUDY

Derek Robson Children's Service, Victoria

Kerry Tardio, Coordinator

Derek Robson Children's Service is a sixty place, community based service (operated by a community and parent committee of management) located in the grounds of Broadmeadows Secondary College in Broadmeadows, in Melbourne's western suburbs. There is a diverse range of families attending the service. There are five employer sponsored places as part of the Commonwealth Serum Laboratory and as the service is on the grounds of the school, some of the families are from the school. There are also 6 families at-risk attending the service and some of these families are under DHS supervision. 75-80% of all families that attend Derek Robson Children's Service are from a non-English speaking background. Derek Robson Children's Service provides an inclusive, high quality service.

Visit our updated website
www.childrenfirst.org.au

Families at Risk

One of the key policy issues that are affecting Derek Robson Children's Services is the Special Child Care Benefit (SCCB). The SCCB is fee relief that is provided for up to 13 weeks for families experiencing risk, financial hardship, illness or other extenuating circumstances. Most families can only receive it once in each financial year, however extensions can be granted by Centrelink / Family Assistance Office. This service doesn't see this as being enough, the children are still at risk and their situation often doesn't improve, even with SCCB. The SCCB is utilised by a number of families attending Derek Robson Children's Service, and could be utilised by others, whose applications have been rejected.

If the families who require SCCB are not granted it, or, are not granted an extension, the service carries the cost of care for these families. The service cannot afford to wear the long-term costs; however, they feel that they can't afford not to carry the cost, in order to help the children. Derek Robson Children's Centre is faced with the difficult decision of subsidising care or putting these children back into the system and challenging home environments.

SCCB is being used to help families keep their children in care, but Derek Robson's Children's Service feels that this needs to be extended beyond the 13 weeks for many families.

Derek Robson Children's Service calls on the Federal Government to reform SCCB, with a particular focus on how they judge the families. The SCCB criterion needs to be seriously examined, as this service feels that many deserving families are missing out. For example, there was a family at this service with a teenage child who was receiving chemotherapy, and the four year old sibling had to go with the family to the hospital for the sibling's treatment each day, as the family could not afford care. This family's SCCB application was rejected. The Government also needs to make it easier for families to be granted SCCB extensions.

This service would like to see the Federal Government provide additional funds and support to help support families and children at risk. At risk families often cannot afford care, however it is these families that would benefit from it the most. Derek Robson Children's Centre would also like to highlight that it will also be these at-risk and low income families who will miss out on the Government 30% Child Care Tax Rebate.

INDUSTRIAL UPDATE

NSW Wage Case

NSW childcare workers take pay claim to IRC

Child Care Business Daily News – November 8 2005

SYDNEY: A bid by NSW's childcare workers to win a \$180 weekly wage rise will once again be before the NSW Industrial Relations Commission.

Childcare workers in the ACT and Victoria were awarded pay rises of up to \$148 a week in May by the Australian Industrial Relations Commission.

The Liquor, Hospitality and Miscellaneous Workers Union said a decent pay rate would attract more workers to the industry. Childcare providers warn a pay rise would mean higher charges.

If the case is successful, the basic childcare worker's wage would rise from \$507 to \$687 a week.

South Australian Wage Case Update – Congratulations!

LHMU, 14th September 2005, www.lhmu.org.au/childcare

South Australian child care workers have won a historic 15 per cent pay increase after a long work value campaign.

More than 4,000 child care workers in South Australia have won these big pay increases, after the State IRC accepted their work value had increased substantially.

The decision covers 260 long day care centres and a large number of out of school hours care centres operated on a profit and non-profit basis, used by 35,000 South Australian families.

...The South Australian LHMU Child Care Union has delivered pay increases of:

- \$60- \$100 a week for childcare assistants;
- \$85 - \$130 a week for childcare workers with diplomas;
- \$130- \$190 a week for childcare Directors.

NACBCS**NACBCS NATIONAL
CONFERENCE****14th & 15th July 2006
Wollongong University**

- Debates
- Practitioners Panels
- Keynote Speakers
- Workshops

**WATCH THIS SPACE
FOR MORE DETAILS!**

*NACBCS extends
Season's
greetings and
wishes you a
happy and safe
festive season.*



NATIONAL ASSOCIATION OF COMMUNITY BASED CHILDREN'S SERVICES**ABOUT NACBCS**

The objective of NACBCS is to advocate and assist the development of community owned children's services providing good quality care, to initiate public action to promote and defend community owned children's services throughout Australia and to act on behalf of community owned children's services in relation to governments and other bodies.

NACBCS is the peak representative body for all Australian community owned children's services including Long Day Care and Out of School Hours Care services. NACBCS is an unincorporated association, which operates as a non-profit organisation. The Association is democratic in structure and relies on participatory and inclusive processes to achieve our goals.

Each state and territory has a NACBCS Branch, which brings together individuals and organisations at a regional level to work toward achieving our goals. Each Branch nominates delegates to the National Executive, which in turn nominates Office Bearers.

Community Child Care Victoria manages the National Secretariat function for the Association from its offices in Melbourne. To facilitate the maintenance of strong working relationships NACBCS holds two national meetings a year for the executive and interested members. Other discussion and communication occurs through electronic processes.

For information about our national activities contact the NACBCS Secretariat on e-mail: recept@cccinc.org.au

There is no individual membership of NACBCS at the national level. To join NACBCS, contact the branch in your state or territory.

How to contact NACBCS**State and Territory Branches:**

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