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ACCS is Active in 2010

Prue Warrilow, National Convenor

2010 should be an exciting year for Australia's children's services. The outcomes from the December 2009 COAG meeting will start to roll out this year, with quality assurance and EYLF commencing mid-year.

We are starting to look at issues relating to the new modern award for children's services staff covered by the Liquor, Hospitality and Miscellaneous Workers' Union (LHMU). This came into effect 1 January 2010 with transitional arrangements. For some states/territories the modern award conditions will result in children's services staff receiving worse conditions than previously. We are starting to gather information from each state and territory on what the modern award means on the ground. So you will soon be hearing (or may have already heard) from your state/territory ACCS representatives asking you about the impacts of the modern award.

We are also talking about issues relating to pre-service training - you know the old story about someone being able to complete their Diploma of Children's Services in two weekends. It's a great, but sad story. We want to know what your experiences are relating to the quality of pre-service training for children's

services and how well this training may or may not prepare someone for work, with a particular emphasis on early education and care services. Your state/territory ACCS representatives will also be contacting you about this.

Once we have some data on these questions, we will be meeting with DEEWR and the LHMU to talk about ways forward to support better outcomes for children attending formal children's services and the staff that are employed to provide these services - that's many of you reading this newsletter. So, please share your issues and concerns, and also things that are working well around the new modern award and pre-service training with your state/territory representatives so we lobby on your behalf.

Lastly, but not any less importantly, we have done some preliminary work looking at what it may mean if ACCS were to develop a Reconciliation Action Plan (RAP). ARAP will require consultation and input from all ACCS members. So start thinking about what you do, and ACCS as an organisation can do to continue making a difference for Aboriginal and Torres Strait Islander children and their families.

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WAVES OF CHANGE



The national conference for Australian Community Children's Services (ACCS) will be held at

**Novotel Wollongong,
Northbeach
14-15 May 2010**

Enquiries email: accsconference@iinet.net.au

ACCS Activities

Members of the ACCS National Executive attended the National Children's Services Forum in Canberra in November. One day of this meeting was devoted to cultural awareness training delivered by Aboriginal trainers; the second day included an intensive consultation with DEEWR on key issues in regard to improving the Child Care Management System.

ACCS also met with Families Australia while in Canberra to solidify our existing partnership in lobbying for loosening up of Special Child Care Benefit to maximise access to universal services for children at risk of abuse and neglect.

ACCS actively supported ECA's campaign 'Hands Up for Quality' to encourage COAG to adopt high standards for children's services; our branches helped with identifying parents who were willing to speak to the media in support for high quality, in order to counter the campaign by the commercial sector in which frightened parents lobbied against the threat of unaffordable price increases.

ACCS is monitoring the emergence of GoodStart, the new non-profit consortium which is the preferred buyer for the remaining ABC Learning centres.

ACCS National Conference

Planning continues for the ACCS national conference to be held in Wollongong over Friday 14th and Saturday 15th May 2010. The working title is *The Waves of Change* as Wollongong is a seaside city, and there are many changes in the early childhood profession at present. Registration details will be distributed shortly.

We will hold a national ACCS meeting at the conference; we hope that teleconference facilities will be available for members who can't attend in person.

ACCS submission on mergers and competition

In December ACCS commented on a Senate Inquiry into the Trade Practices Amendment (Material Lessening of Competition - Richmond Amendment) Bill 2009 supporting the proposal which will prevent corporations from directly or indirectly merging or acquiring an asset which would result in 'material' lessening of competition in the relevant market. Essentially this is a change in legal terminology, but ACCS submitted our support to strengthen anti merger law and address the issue of creeping acquisitions after witnessing the damaging impact of uncontrolled growth of corporate child care chains in Australia.

You can read the entire submission on the website www.ausccs.org.au

ACCS website!

You can find information about your national peak body and the work ACCS does by visiting www.ausccs.org.au

COAG decision is a missed opportunity for Australia's Children

ACCS Media Release

The Council of Australian Governments (COAG) has missed its chance to make a real difference for young children in Australia.

Today's decision to adopt moderate quality as the new minimum standard for children's services is a deep disappointment.

As the peak body for community owned children's services, Australian Community Children's Services (ACCS) expected COAG to adopt the highest standards, with one carer to 3 babies, one carer to 5 toddlers and one carer to 10 pre-schoolers.

The research shows that this is the standard that will give every child a good start in life – anything less is a compromise that future generations will pay for.

ACCS acknowledges that this may result in slightly higher child care fees, but we have 10 years to manage the transition.

Working towards a ratio of 1:3 for babies by 2020 is worth the effort - especially given that four of the eight state/territory jurisdictions will have a 1:4 ratio for babies from 2010 regardless of the COAG decision.

Keeping an Eye on Corporate Child Care

Charity takeover of ABC Learning

Natasha Bitu, The Australian, December 10 2009

THE Rudd government will provide \$15 million in taxpayer funds for a loan to help fund a charitable takeover of the nation's biggest childcare chain, the collapsed ABC Learning group.

A dozen philanthropists -- including Robin Crawford, a founding director of Macquarie Bank, Seek founder and BRW Young Rich-lister Matthew Rockman, and former Microsoft boss Daniel Petre -- also lent cash to the GoodStart consortium.

The charities -- Mission Australia, Brotherhood of St Laurence, Benevolent Society and Social Ventures Australia -- beat private equity fund Archer Capital yesterday to take control of ABC Learning, which collapsed under a \$1.6 billion pile of debt a year ago.

As a charity, GoodStart will not have to pay taxes and will plough any profits back into the childcare centres.

The deal reverses the Howard government's drive towards privatised childcare, increasing the non-profit sector of the market from 25 per cent to 40 per cent.

The winning bid to take over the 678 ABC daycare centres is understood to be about \$100m — about a tenth of the valuation declared in ABC Learning's most recent annual report, two years ago.

ABC Learning founder Eddy Groves yesterday congratulated the new buyer.

"They've got a great group of childcare centres so good luck to them," Mr Groves said.

The GoodStart chairman is Mr Crawford, a wealthy businessman and high-profile philanthropist who chaired the Chris O'Brien cancer centre and has served on the boards of the Autistic Childrens Association, the Schizophrenia Foundation and Clean Up Australia.

Mr Crawford yesterday vowed to improve the quality of childcare, and transform ABC daycare into "neighbourhood centres" with an eye to helping disadvantaged kids.

"Early childhood is incredibly important," Mr Crawford told *The Australian*.

"We'd hope in five years' time we'll look back and say, 'We really are making a difference'. Anything we do, we'll pass on to everyone else in the sector. We don't see them as competition."

The centres might eventually be renamed, Mr Crawford said, "but we would rather spend the \$8m cost on children than on rebranding".

He revealed he had lent "millions" of his own money to set up GoodStart. The philanthropists would be paid 12 per cent interest a year on their unsecured notes — compared with commercial rates of 15 per cent — and repaid "in three or four years".

The charities also leaned on Deputy Prime Minister Julia Gillard for a loan, securing \$15m to be repaid over seven years at the government's cost of finance, now a 6.4 per cent interest rate.

"We told the government that successful businessmen were writing good cheques and you should be there supporting them," Mr Crawford said.

"They said, 'OK, it's only a loan, we'll get the money back'. It's not as if we laid back and said, 'Tickle our tummy for us'."

Ms Gillard yesterday hailed the sale as "good news for parents".

"These organisations have committed to providing the highest quality, socially inclusive, accessible and affordable early childhood education and care for Australia's children," the Education Minister said.

A spokeswoman for Ms Gillard said GoodStart was the only bidder to have approached the government for a loan.

Taxpayers have already handed ABC Learning's receivers, McGrathNicol and PPB, \$56m over the past year to prevent centres from closing.

Rival bidder Archer Capital — a private equity group with a \$2bn portfolio that includes Rebel Sport, Homy Ped and Cellarmasters Group — would not comment yesterday. Mr Crawford said Archer had shown "a lessening of enthusiasm over the last week".

The National Australia Bank, which lost \$140m when ABC Learning fell into receivership, is lending GoodStart an undisclosed sum, while the charities are also donating money for the takeover.

Mr Crawford revealed that he had dealt directly with NAB's

deputy chief executive, Michael Ullmer. "I know him very well and he is quite involved in not-for-profits," he said. "It wasn't without risk but we had worked together before, and I think he liked the board we'd put together."

The interim board will include the chief executives of the founding organisations. Rowan Webb, the former clothing retail executive parachuted into ABC Learning to replace Mr Groves as chief executive on a \$1.6m salary, will leave the company.

Plan for daycare at shopping centres

Natasha Bita, The Australian, December 28, 2009

GoodStart, the charity taking over Australia's biggest childcare chain, ABC Learning, hopes to expand into shopping centres to offer educational daycare with one-stop convenience.

GoodStart chairman Robin Crawford — a co-founder of Macquarie Bank — said yesterday that childcare could give shopping centres a competitive edge.

"In my view that's an operation that makes strategic sense," he said.

"Shopping centres are places of work and you want to be as convenient as possible. And if you're a shopping centre operator . . . competing against three or four others, and yours can offer childcare, at least you know that those mothers will be dropping off and collecting their child every day."

Mr Crawford has known Westfield shopping centre mogul Frank Lowy for 30 years but said he had not discussed the idea with his old mate...

GoodStart...plans to plough \$21 million a year in payroll tax exemptions back into the 678 daycare centres it bought last week, transforming daycare from babysitting into an early education service.

Mr Crawford revealed that the ABC group was "nearly break-even" after 13 months in receivership. He said GoodStart's charitable status would entitle it to payroll tax relief worth \$21m a year.

"The opportunity to put that money back into the early learning agenda is terrific," Mr Crawford said. "We're not using it as a competitive advantage."

"To be so deeply committed, and such a large player in the sector, we are the logical partner for (the federal government) to develop a new agenda."

The Rudd government has lent GoodStart \$15m to fund its \$100m takeover of the remains of Eddy Groves' international childcare empire, which collapsed into receivership with debts of \$1.6 billion. The sale coincides with a massive shake-up of the childcare sector, after the Council of Australian Governments imposed higher quality controls this month.

Starting next year, centres will be given "quality ratings" and from 2014 they will be forced to hire extra staff.

Mr Crawford said governments traditionally had regarded childcare as a workforce issue, but the government was now "looking at the child" instead.

"Quality childcare can make a huge difference to young children," he said.

"They are early-learning sponges."

ABC change gets off to a good start

Colin Kruger, Sydney Morning Herald, January 11 2010

ABC Learning's receivers have offered the first glimpse of the group's financial health since its collapse in November 2008, showing that the remaining childcare centres sold to a not-for-profit consortium are more viable than the old ABC ever was.

Accounts lodged with the financial regulator covering the 12 months since the company's collapse report that the 678 viable centres generated receipts totalling \$821.5 million and made payments of \$778 million, leaving a cash balance of \$43.3 million as at November 5 last year...

The figures paint a rosy picture for the not-for-profit GoodStart consortium, which acquired the remaining centres last month for what is believed to be about \$100 million...

GoodStart, established by Mission Australia, Social Ventures Australia, the Benevolent Society and the Brotherhood of St Laurence, will also be exempt from payroll tax, saving it \$20 million a year.

An examination of ABC's collapse last month, which continues in March this year, revealed that the company was avoiding payment of tax bills in order to pay wages

Receivers seek secret evidence

Vanda Carson, Sydney Morning Herald, December 18, 2009

The receivers for ABC Learning are seeking to get hold of secret evidence given by ASIC.

The receivers for ABC Learning are seeking to get hold of secret evidence given by the corporate watchdog as ammunition in their proposed lawsuit against ABC founder Eddy Groves and other directors of the failed company.

McGrathNicol's Chris Honey, who is acting on behalf of banks owed \$1 billion following the childcare operator's collapse last year, has applied to the Federal Court to obtain witness statements that were used as part of a case brought by the Australian Securities & Investments Commission in June.

ASIC's investigation of ABC Learning has been shrouded in secrecy.

The statements include those given by four senior ASIC investigators...as well as ASIC deterrence and market integrity senior manager... They were used in the case ASIC brought to discover whether Mr Groves was behind a mysterious discretionary trust that holds millions of dollars of assets.

The case was settled in July when ASIC succeeded in freezing the assets in the trust...

It is believed the statements by ASIC investigators give highly confidential details of their probe into the affairs of the failed company.

Mr Groves and his wife, Viryan Collins-Rubie, have informed the court they do not give their consent to the court releasing the investigator's statements.

ASIC does not oppose their release.

The case will be heard before Federal Court judge Richard Edmonds on February 15.

McGrathNicol has previously indicated it is looking at whether assets of the failed group have been improperly transferred to "third parties"...

McGrathNicol is contemplating launching action against Mr Groves and others, including insolvent trading suits and claims for breaches of their duties as directors.

According to an affidavit filed with the court by Ms Butcher, it is investigating possible action against the company's former directors and any third parties who may have assisted in or benefited from breaches of duty.

Early Learning Services to be new force

Nick Nichols, Gold Coast Bulletin Business, December 19 2009

TOURISM entrepreneur Chris Scott is set to return to the corporate scene following a proposed \$40 million merger that will see Early Learning Services become a new force in the national childcare industry.

Mr Scott will take over as managing director of Early Learning Services once shareholders approve the Gold Coast company's union with larger rival Payce Childcare early next year...

Payce Childcare operates 60 centres under the Ramsay Bourne and World of Learning banner, bringing the total number of centres under the ELS umbrella to 98...

The merger, which has been in the pipeline for more than a year, will create the largest 'for profit' childcare company in Australia, a title formerly held by Eddy Groves' failed ABC Learning Centres.

Earlier this month, a charity-based syndicate bought almost 700 of the embattled ABC centres, ending months of uncertainty for the industry.

"I think now that the ABC assets have found a home, there will be stability in the sector and a redefining of how childcare education is delivered," said Ms Hutson.

She said the business model remained sound and the merger would give ELS 'critical' scale from which it could continue to grow.

"It's moving to the next level and we hope under our leadership we'll be the 'for profit' leader for some time to come."

Under the merger agreement, ELS, which will continue to be based on the Gold Coast, will issue 40 million new shares at 25c each, more than double their trading price for the past year...

ACCS Branch Reports

South Australia Branch Report

Alison Wells

The SA Branch of ACCS SA has continued discussing the pending changes and preparing for the practical application of the changes brought about by the *National Quality Standard for Early Childhood Education and Care and school Age Care*. Although we have good representation on the Child Care Reference group, which has been working to identify

issues which may arise before the implementation stage, we have been concerned about the financial implications of some of these changes and what this means for services.

The timing of these changes together with the Modern Award and Universal Access has meant that Services have been struggling through the myriad of documents to build an understanding of them and develop a plan for the transition of these.

Areas of concern has included the inequity of funds apparently being made available for upgrading teacher qualifications to 4 years but not for upgrading Diploma to Degree, despite training being an indicator of quality; and the implementation period of the *National Quality Standards*, believing it should be a minimum of 12 months.

The Early Years Learning Framework (EYLF) has started to be implemented in services, with training being made available, and seems to be moving along well.

Our other news is that Deb Chernoff stood down as the convenor of ACCS SA at our AGM in November 2009. Deb has been the convenor in SA for many years and we wanted to publicly thank her for her tireless commitment in advocating for child care at a State and National level. Fortunately, Deb has stayed on as a member of ACCS SA so we can continue to learn and be guided by her experience and expertise.

Victoria Branch Report

Barbara Romeril

The final weeks of 2009 saw some amazing wins for children, families and communities across Australia and particularly in Victoria. In addition to the national quality announcements, the Victorian Government announced some excellent initiatives, all of which are clearly based on the values and achievements of the community child care sector:

- the first ever state learning framework for early childhood services which will complement the national EYLF, with a focus on transition to school
- the Victorian Government *Blueprint for Education and Early Childhood Development: One Year On* including action on excellent early childhood services
- the Government Statement on *Children Growing, Learning and Thriving – building on Victoria's achievements in early childhood development* including pursuing options for joint Commonwealth/state funding for kindergarten and child care
- the Victorian Government *Early Childhood Workforce Strategy*

CCC held an exciting AGM in November with a challenging address from Professor Rob Watts of RMIT University, on human rights and the challenge of honouring the UN Convention on the Rights of the Child in its 20th anniversary year. Nearly 60 members and staff heard Rob Watts assert that complacency is our biggest enemy because it feeds inertia. We must all work out what it means to practice respect on a daily basis. Most practice in community sector is good intentioned but we must look harder at ourselves. Thinking well is very hard work but necessary for doing well.

In recognition and appreciation of Lynne Wannan's amazing contribution in 16 years as Chairperson of CCC, the Committee of Management introduced a new category of membership - Life Membership – and awarded it to her at a celebration dinner in December.

CCC is organising a seminar in April on what the research and practice tell us about what works in integration of child and family services with an international speaker from the UK.

West Australia Branch Report

Josique Lynch & Christine Brown

Services have had a very busy start to the year and Christmas is certainly a distant memory. Carewest, the WA branch of ACCS, will be holding its first meeting for 2010 on 16 Feb.

Soon after the COAG announcement on 7 December 2009, Minister Kate Ellis visited Perth. ACCS's motto would have to be 'Never miss an opportunity', so Christine and I were quickly advised of the minister's schedule and we reorganised our day to make sure we would be there to greet her and her entourage.

They were at the Carine Community Child Care Centre where the families, children and staff were holding their Xmas celebrations including Animal Farm. It was very good of the centre to allow us to 'invade' their end of year celebration. The minister held a couple of sessions with small groups, with the media in tow, then she took centre stage and spoke about the COAG reforms. ACCS was the invited to the microphone. After thanking the Centre for allowing us to gatecrash their celebration, I congratulated the Government in making Early Childhood a priority nationally, yet charge them with ensuring that the reforms are implemented without delay and that the government make certain that the proposals are adequately resourced, while keeping child care accessible and affordable.

Afterwards, Christine and I were fortunate to be invited to participate in the small group session with LHMWU representatives where we were better able to ask specific questions. For example, implementation timeframe; CCB & CCCR levels increased relative to increase in cost; assistance to holders of Diploma to gain their teaching degree.

It was also a good opportunity to exchange contact details with media personnel.

State Government Issues: After consultation with representatives of the sector, the current Minister has decided not to introduce the Licensing Fee proposed by the previous Minister. Minister Robyn Mc Sweeney has also announced a couple of initiatives: the publishing of serious breaches and convictions of the current Child Care Services Act 2007 by providers in all sectors; and the Department for Communities Compliance and Enforcement Framework for WA child care providers.

We are still waiting the passing of The Regulations Review recommendations which were all accepted by the previous minister.

Three ACCS members met with the Project Officer in the Education Dept. to advise her of our interest in being included and in being kept informed of the developments in the Universal Access program. We were satisfied that, whilst we had not heard much to date, much work has been done. The implementation process has begun this year, on a district by district basis. By 2013, implementation should be complete across the state.

The Dept is also mapping the EYLF with the curriculum framework. Professor David Andrich is reviewing this project.

The following points of interest are from the minutes of the December Industry Liaison Forum:

- The former Department of Education and Training has split into 2 separate departments: (1) Department of Education and (2) Department of training and Workforce Development.
- The 1st roll out of the Universal Access provisions will be in Kimberley, Pilbara, Mid-West, Goldfields and Swan districts and include Govt, Catholic & Independent schools in those districts.
- The Early Learning Centres – Long Day Care services will be located on school sites, and will be operated by third party providers.
- The Dept has advertised 75 scholarships for existing kindergarten assistants to obtain Cert 111 qualifications through a RPL process through Meerilinga.

The final report on the Integration of Early Childhood Education and Care is available on the Lotterywest website.

The national ITAB Environmental Scan consultation was held in late January. It appeared to be worthwhile and we saw it as critical to be involved. Hopefully we will see our thoughts, ideas and suggestions reflected in the State Training Plan and WA's State Workforce Development plan, influencing the Australian Government & DEEWR on skill shortages and the arrangements for PPP etc. From what the facilitators said many of the issues in the training arena were echoed across the country.

New South Wales Branch report

The last ACCS NSW Branch meeting was held in December the day after COAG. Of course discussion was focused on the new National Quality Agenda and what the changes would mean to community based children's services in each service sector.

NSW community based services were especially pleased with the grandfathering of the NSW teacher and ratio requirements where these are better than the proposed requirements under the new National Quality Standard. NSW services will still be required to meet a 1:10 ratio for preschool age children (rather than the 1:11 proposed under the NQS) and the current requirements for a second teacher in New South Wales for centres with greater than 40 children, and a further teacher for every 20 children thereafter will also be retained.

It was noted that a major change for NSW services will be the 1:5 ratio for toddlers. Current NSW Regulation requires a 1:8 ratio.

Although most people attending the meeting were concerned that the opportunity was missed to introduce a 1:3 ratio for babies, overall people were pleased at the majority of the changes.

The meeting also discussed the implications of the COAG changes for the NSW Regulation Review. Since the meeting we have been informed that the existing NSW Regulation will have its life extended to the end of 2011. ACCS NSW Branch will work to ensure that major changes that are required in the regulation will be considered as amendments to the existing regulation.

The meeting also discussed the changes to the NSW SCAN funding system. Under this funding state funded services can now only access a \$45 payment per day to include children with a disability or challenging behaviour and for 2.5 days only.

The meeting was informed that DEEWR was keen to hear of any significant delays in Inclusion Support Subsidy funding approvals.

The meeting also discussed changes and concerns to the child protection system under the new "Keep Them Safe" legislation. It appears as if the needs of children's services may have been overlooked in the system design.

Concerns were discussed about some less than ideal approaches that have been made by private providers offering to set up systems within services to accommodate the Early Years Learning Framework documentation and training needs. Services were reminded that there is a lot of free or cheap EYLF support available such as ECA's The Early Years Learning Framework: Getting Started booklet by Joy Goodfellow and Children's Services Central's eTips and downloadable EYLF Team Meeting Guide.

The NSW Government has passed legislation to extend all existing children's services licences by another 2 years. Concern was raised about the levels of licence fees that services now have to pay on an annual basis (Between \$700 and \$1100 per service).

The NSW Department of Fair Trading has refused to accept our branch's name change to Australian Community Children's Services (NSW) because it sounds like the name of a government enterprise(!) They will accept Australian Community Children's Services (NSW Branch) Inc – it was agreed that a new special general meeting of the organisation would be called early in the new year to affect the name change.

NSW Branch delegates are hard at work planning for the ACCS National Conference "Waves of Change" to be held in May and hope that many ACCS people are coming from across Australia.

**You can find the contact for the
ACCS branch in your State or
Territory by visiting the ACCS
website:**

www.ausccs.org.au

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