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STOP PRESS!

Federal Election Campaign Begins

The federal election was announced for 21 August as this edition of our newsletter was in production. ACCS will shortly finalise its policy demands and send them out to the members in a lobby kit chock full of resources to support you in lobbying candidates in your local electorate. We will be calling for:

- full implementation of the national quality framework
- affordability
- adequate supply
- social inclusion

Keep up to date with the campaign at www.ausccs.org.au

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Australia's First Female PM is a Champion of Quality in Children's Services

Barbara Romeril, ACCS National Secretary

While our National Convenor is away it is my pleasure as National Secretary to welcome Julia Gillard to her new role as the first female Prime Minister of Australia. The children's services sector already know her well as the Education Minister who has led the exciting national reform agenda we are in the midst of, which is lifting minimum quality standards to a level much closer to what Australia's children deserve.

Now that the federal election has been called ACCS will be calling on all parties to commit to fully implement the early years quality reform agenda and to work towards even higher standards when this new system is reviewed in 2014. We are delighted that the new PM is knowledgeable about the complexity of the children's services system and doesn't make the common error of other politicians in assuming it must be simple as it is 'only' about small children. But we cannot be complacent – as advocates we must work to help the new PM resist pressure from the commercial child care lobby to reduce the new national standards to help them run profitable businesses off the backs of Australia's children. The federal Opposition has already made a public commitment to reduce standards if the cost too much – clearly ignoring the long term cost of

exposing children to mediocre services.

In this election year ACCS is working hard with delegates from every state and territory branch to gather ideas for our policy demands; now that the federal election date has been announced we will move to quickly produce resources for our members around the country to lobby candidates in your local electorate. Our campaign will encourage and support the active engagement of families, children's services and communities in lobbying to ensure whoever forms the next government will be committed to the best possible system of services to support children, families and communities. ACCS will be providing our lobby kit and policy review as in previous elections.

ACCS has helped to organise visits to community owned long day care centres in Melbourne and Sydney for Kimberley O'Brien, Minister Ellis' advisor. This has been an invaluable opportunity to showcase community-owned children's services that demonstrate the diversity of service provision reflecting local community, child and family needs, while providing high quality education and care to children aged from birth to school age. We thank the advisor for putting in the time to visit and spend time at community owned services.

ACCS Activities

Barbara Romeril, ACCS National Secretary

Prue Warrilow, National Convenor continues to represent ACCS on the National Quality Framework Stakeholder group. I attended a meeting in her absence and was assured that there will be broad consultation with the sector during August on the broad policy for the new national regulations, followed by further consultation on the details.

During the last quarter ACCS has also been active with internal discussions and crucial meetings with key external stakeholders. The ACCS Executive has held meetings with each branch, talking with delegates about what is occurring in community children's services in their state or territory, how the branch is functioning and what the national executive can do to assist. This has raised some excellent suggestions and the National Convenor will be travelling to several states and territories over the coming months to meet with members and continue the dialogue.

One clear message from these consultations is that all branches value the lobby kits that ACCS produces during election campaign to support and resource our members to influence the priorities of candidates from all parties. So once again this will be a key activity in the 2010 federal election campaign.

ACCS has also met with the Acting Director of Federal Office for Early Childhood Education and Child Care in DEEWR as a follow up to his participation in the ACCS national conference in Wollongong in May; we discussed in detail the Federal Budget announcements of investment in the governance of rural and remote children's services and the assistance that ACCS can provide.

We also met with the Chair and the CEO of GoodStart, the non-profit consortium that has bought the remaining ABC Learning centres. This is the beginning of a long term relationship through which we hope to support the development of effective mechanisms for a national provider to genuinely engage families and local communities in decision-making in their services.

The ACCS Executive will attend the National Children's Services Forum in Canberra in August; we may be in an election campaign period by then but DEEWR will be able to discuss progress on the National Quality Reforms during this caretaker period.

National Workforce Initiatives

There are two national information gathering activities currently being undertaken which ACCS would encourage you to share with your members.

National ECEC Workforce Census

ACCS is urging all children's services and their staff to participate in the National Early Childhood Education and Care Workforce Census.

Participation in the National Workforce Census is compulsory for services in receipt of Child Care Benefit and budget based funding. It is not compulsory for other service types.

The National Workforce Census will provide critical data to inform the Early Years Development Workforce Strategy that is being developed by the Australian Government in partnership with states and territories for COAG consideration later this year.

The strategy will provide a long-term blueprint to support recruitment, retention and career pathways of the early childhood workforce and the growth of qualifications of those working with children. The National Workforce Census is being conducted by the Social Research Centre on behalf of the Commonwealth and State Governments.

Over the next few months, services will receive more information about the Census at their service. If you have any questions please contact the National Workforce Census hotline on freecall 1800 639 098 or nwc@srcentre.com.au.

Information is also available at www.deewr.gov.au/earlychildhood.

Workforce Study

The Commonwealth Government has requested the Productivity Commission to undertake a study of the education and training workforce, including the early childhood development workforce.

The Commission has been asked to provide advice on issues such as:

- The current and future demand for the workforce, and the mix of knowledge and skills required to meet service need;
- The current and future supply of the workforce;
- The structure and mix of the workforce and its efficiency and effectiveness; and
- Workforce planning and development in the short, medium and long-term

The study will commence in detail in October 2010 and report in October 2011. ACCS believes this is an important study for those working in the sector to be involved in.

To register your interest in the study go to [www.pc.gov.au/projects/study/education workforce](http://www.pc.gov.au/projects/study/education%20workforce)

ACCS Advocacy

ACCS Submission to the Family Assistance Legislation Amendment Bill 2010

The following letter was submitted to the Committee Secretary of the Senate Education, Employment and Workplace Relations Committee in June.

Australian Community Children's Services (ACCS) welcomes the opportunity to comment on the proposed amendment to A New Tax System (Family Assistance) Act 1999 to set the annual child care rebate limit at \$7,500 for 4 years commencing 1 July 2010.

ACCS supports the Federal Government's decision to cap the Child Care Rebate (CCR) at \$7,500 per child per year; however we believe it is crucial that funds that would have been put into the CCR through annual indexation be rolled into an increased rate of Child Care Benefit (CCB).

ACCS has always argued that the CCR is a flawed mechanism and calls on the Government to abandon the rebate and roll the funds into increasing CCB fee subsidies for low and middle income families. High income families on \$100,000 a year or more receive double the rebate of families on low incomes of under \$30,000. Child Care Benefit is a progressive system of support for families, offering the highest assistance where it is most needed. The rebate undoes all of the good work of CCB.

ACCS media release 4 June 2010

Libs Promise Mediocre Child Care

The Coalition's promise to help families with the costs of child care (*Australian* 4.6.10) comes with a sting in the tail. If Sharman Stone goes ahead with her threat to make new national quality standards more 'flexible' she will be selling our children down the drain.

The community child care sector has been operating at high standards of quality for many years; it is high time that the commercial child care sector caught up. The Coalition must support the modest improvement in minimum quality standards that the Rudd Government has negotiated with all states and territories. Only then can all families can be confident that their babies and young children are receiving the best possible early care and education.

What is the point of making child care affordable if it is mediocre and does not give every child the very best start in life?

Quality costs; and the Coalition would do better to work out how to finance an increase in fee subsidies rather than promising mediocre standards.

Keeping an Eye on Corporate Child Care

New lease on life for ABC Learning

Bridget Carter The Australian May 25, 2010

THE owners of about 670 former ABC Learning childcare centres have agreed to transfer leases to the new business operator, GoodStart, after an unexpected delay of about two months.

A spokesperson for ABC Learning receiver McGrathNicol said yesterday Austock and Orchard had signed an agreement to transfer the leases to GoodStart, a non-profit consortium that purchased the childcare business late last year.

GoodStart is believed to have paid about \$100 million to take over the 670-odd centres -- about a tenth of the valuation declared in ABC Learning's most recent annual report two years ago.

Austock Property Management oversees 246 ABC Learning properties -- 193 of which are owned by the listed Australian Education Trust, 42 by the Australian Social Infrastructure Fund and 11 by the Austock Childcare Fund. The others are owned by Orchard Property Group or small investors.

Yesterday, Nick Anagnostou, executive director of the Australian Education Trust, said the delay in the transfer of the leases was linked to the exhaustive consent process.

"It provides . . . that the incoming operator must prove that they have the financial backing as well as corporate and

operational credibility to run the centres," he said. "Significant consideration was paid to these factors before consent could be granted..."

"The assignments will see the continued and uninterrupted operation of 193 childcare centres with no reduction in income or entitlements as a result," AET said.

GoodStart has agreed to provide a \$12.9m bank guarantee as rental income security, and the management would recover most costs and outgoings unpaid by ABC Learning.

Because of the complexity of the ABC receivership, management had tried to keep as many childcare properties operating as possible, AET said.

GoodStart would be AET's largest tenant, with about 63 per cent of its portfolio.

Creditors vote to wind up ABC Learning

Petrina Berry, news.com.au June 2, 2010

ABC Learning creditors have voted to wind up the failed childcare provider, but administrators admit it might be years before they see any funds.

Creditors voted in favour of a resolution to liquidate the company at a meeting with administrators in Brisbane...

The report showed ABC Learning understated writedowns by more than \$1 billion for the 2008 financial year, when it was already insolvent.

Administrator Peter Walker, of Ferrier Hodgson, told reporters after the meeting it would take years before creditors would see any money...

He said returns to creditors were subject to litigation.

"Creditors will be asked if they want to fund that litigation," Mr Walker said...

Some of the creditors said they were concerned by the lack of detail provided on the assets sale.

Leanne Basant, managing director of B4Kids, the company which took over the operation of 21 defence child care centres formerly managed by the ABC Group, said it was unclear who would be paid.

"For most people in that room it would have been nice to have heard details of the sale and where the money is actually going," Ms Basant said.

She said about 200 former ABC Group employees who now work for B4Kids were owed more than \$1 million in redundancies, but she said it was unclear whether they would see that money.

Terry Mackenzie, who leased out property to the ABC Group, told AAP he was happy with the outcome.

"I'm happy to see it's winding up and everything will be finalised," he said.

ACCS website!

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

Rescuing 1000 childcare centres from financial disaster

Glenda Korporaal The Australian July 15, 2010

McGrathNicol partners Chris Honey and Jason Ireland still remember the call that was to dominate their lives for the next 18 months.

In October 2008, they were called to a meeting by the shocked bankers of Brisbane-based ABC Learning, who had just learned from its new chairman, David Ryan, that the country's largest childcare group -- with more than 1000 centres around the country and 16,000 staff looking after more than 110,000 children -- might be in serious financial trouble.

"It was a Friday afternoon," says British-born Chris Honey, a veteran of the giant HIH insurance liquidation.

"The banks approached us and said they had thought that everything was fine at ABC until they got a call out of the blue from Ryan."

The bankers wanted the McGrathNicol partners to move quickly to assess the problem.

"We were on the plane the next morning to Brisbane to sit down with the directors and senior management to assess the true financial position," Honey says.

"We only had a short time to work out whether they had got to the bottom of ABC's financial problems or whether it was worse than they thought," Ireland says. "And it was."

The phone call was the beginning of a roller-coaster ride that required Honey, Ireland and other McGrathNicol colleagues and lawyers to juggle the administration of the childcare group and sale of the businesses, while reassuring nervous parents and staff and dealing with the media and the federal Department of Employment and Workplace Relations under the watchful eye of then Deputy Prime Minister Julia Gillard.

In the end, only 55 ABC centres were closed, with every child being offered a place at a nearby ABC Learning Centre and more than 90 per cent of the staff offered jobs at other centres.

GoodStart, a new company backed by Mission Australia, the Benevolent Society, the Brotherhood of St Laurence and Social Ventures Australia, has now taken over almost all of the 676 centres it has agreed to buy, with the help of a \$15 million loan from the federal government, debt financing from National Australia Bank and money from private investors.

ABC's British business, Busy Bees, was sold to Singapore-based Knowledge Universe Education, other Australian centres were sold to other domestic operators.

McGrathNicol is still disposing of the 110-centre business in New Zealand (a profitable operation which is not in receivership).

There will still be a "significant loss" for ABC Learning's bankers, and no money left for other creditors, but the alternative to the complex process, Ireland says, "was a complete wipeout."

It's a long way from October 2008 when the partners began looking at the books at the company's head office.

They soon established that the business needed cash quickly

to keep trading and that it could not survive as a listed public company, and placed it in receivership on November 6.

In another business, the administrators could simply have shut down the loss-making parts of the organisation.

But, with ABC representing 25 per cent of the childcare market in Australia, they had to keep the centres open, reassure parents and staff wondering if the centres would be open in the new school year, while assessing the true financial situation as quickly as possible. They persuaded the banks and the federal government to inject funds to keep the business afloat.

If the business closed "there would be a huge impact on thousands of mums and dads", says Honey, who became a polished media performer as he oversaw the administration while keeping the public informed of its progress.

"If the banks hadn't been supportive and the federal government hadn't been supportive, we would have had to shut down centres straight away, which would have caused chaos."

Honey took over the external, receivership, dealing with the parents, the banks, the media and the government, while Ireland oversaw the business operations with their existing management, first stabilising the situation and then turning it around and preparing the sale, which took place in the second half of last year.

The receivers, their staff and advisers ended up spending months, in late 2008 and the first half of last year, almost camping out at the ABC Learning headquarters at Murarrie, in Brisbane.

They soon concluded the business was sound if some centres could be closed, some of the loss-making centres could be hived off into another corporate entity, and confidence and proper management systems could be restored.

Ireland says they always thought the core business should be profitable, "because of the industry and the service that it provided".

"You rarely get a business (where) the vast majority of Australians want or need the product."

With the end of the year approaching, and parents anxious to know whether their centre would still be there the next year, the task was to quickly identify centres that needed to be moved into a separate business requiring continuing financial support.

The government money came with political constraints. Childcare centres could close only if parents could find a place for their children within a few kilometres of the original centre.

In all, 241 centres were hived off into ABC2, which was kept afloat by government funding. These were sold in a separate process by receiver PPB to a range of smaller buyers, including Mission Australia, in the first half of last year.

Overseeing the operation of the remaining 700-plus centres, Ireland felt too much control was centralised in the ABC head office. He ended what he called the "dependency culture" that required centre directors to ring head office over minor issues.

He decided to refocus what he saw as a highly centralised business in the hands of the individual centre directors.

“Childcare workers really do love their job,” Ireland says. “Once we gave back their job to them -- the ability to run their centres as they saw fit -- the profitability and the turnaround of the business looked after itself.

A hotline was set up to handle queries but the centre directors were made the key source of information for parents.

Centre directors were given weekly updates. A national marketing program of radio and newspaper commercials, using unsolicited letters from parents, was run to boost confidence in the business and convince parents a new-look ABC Child Care was emerging.

By the end of August last year, it was decided the business was ready for sale.

Everyone was an expert on childcare and everyone had a view on how it should be handled. Many commentators felt it should not be sold to the for-profit sector.

In December the receiver chose a company called GoodStart to buy the centres.

Senior ABC Learning executive Matthew Horton was chosen to take over as chief executive after the sale went through in May.

McGrathNicol is still overseeing the transfer of the leases of the final 60 centres to Goodstart. Creditors of the corporate entity, ABC Learning, voted last month to wind up the failed company...

“We felt very comfortable and proud of the process,” Ireland says. “We had 1000 centres full, 160,000 children and 16,000 employees -- 25 per cent of the childcare industry -- under our control and there was no revolt on the streets, no breakdown of the process.

“There was no loss of childcare places, hardly any employee lost their job, and we even negotiated a pay rise for the employees under a new workplace agreement while we were there.”

ACCS Branch Reports

Queensland Branch Report

Frances Sneddon

After 16 long months the Queensland Branch is pleased to be able to advise its proposed name change originally presented & ratified at the March 2009 AGM was finally approved on 12 July 2010. We can therefore now officially use our newly registered name and logo ‘Australian Community Children’s Services-QLD ACCS QLD INC.’ formerly NACBCS QLD Branch (NACBCS QLD).

We were also fortunate to be able to welcome our National Convenor Prue Warrilow as guest speaker to our 2010 AGM. Members from the Brisbane region as well as the Gold Coast & Townsville (the latter by teleconference) were able to share Prue’s wealth of knowledge and receive up-to-date information on current sector changes.

It was great to see a small group of Queensland members in attendance at the ACCS National conference ‘Waves of Change’, all enjoying their participation and returning to the sunny state with renewed enthusiasm and continued commitment to the community based child care sector.

Members expressed disappointment at the National Quality Framework (NQF) forums, both the limited access due to locations (Brisbane & Townsville) and the lack of new information provided, particularly in relation to implementation, in addition to that previously received as hard copy. In encouraging members to participate where access was possible, the Queensland branch provided a series of issues to be raised/questions to be asked to promote consistency.

Two of our key concerns in relation to the NQF include:

- ~ The success will be determined by the qualification & experience of personnel assessing the new system – we believe it is critical that this be specified as a Nationally consistent minimum of 4 year early childhood qualification AND a specified amount of relevant sector experience.
- ~ The complexity of the ‘Ready Reckoner’ to calculate staff:child ratios for mixed age groups given many of our small rural, remote, Aboriginal & Torres Strait Islander Children’s Services operate solely on mixed age groups.

Queensland members have also been encouraged to respond to the state government ‘A Flying Start’ discussion paper relating to changes to the education system from prep to high school.

The Queensland government has also recently acknowledged the role of early childhood teachers in children’s services by amending legislation to recognise teaching experience, for registration purposes in appropriate Early Childhood settings. Previously teachers working in early childhood centres were unable to include their work in this environment as practice requirements to maintain their teachers registration. A positive move for those dedicated early childhood teachers who choose to work in children’s services rather than the school system.

Victorian Branch Report

Barbara Romeril

Community Child Care continues to refine our policy ideas for the Victorian election set for 27 November while working actively with ACCS nationally to form a wise and visionary set of policy demands to take to all political parties once the federal election has been announced.

CCC continues its work in ensuring that the interests of children, families and communities are at the forefront of government policy thinking through meetings with the Acting Director of the Victorian Office for Children and Early Childhood Development, the Victorian Minister for Early Childhood and the Shadow Minister. In all of the meetings we have had a good response to our ideas for a direct subsidy for state and federal governments to purchase excellence in social inclusion in universal children’s services.

The CCC Committee of Management has finalised the strategic plan for 2010 to 2012; this plan restates the vision, mission and principles of CCC in terms that communicate powerfully with current policy makers while remaining entirely consistent with the historical vision on which CCC was formed nearly 35 years ago. Most importantly the strategic plan sets out the concrete goals of the organisation and a plan of action to ensure we achieve these goals.

CCC’s vision is a society where all children have access to high quality, community owned, not for profit services driven by respect for the rights of children and families.

Our mission is to provide leadership, advocacy and support to build the capacity of the children's services sector and promote public support for community owned, not for profit services. We operate under the following principles:

- We recognise and respect the original owners of the land
- We recognise that families are the first and most important educators of their children and that they have the right to influence decision making in the services their children attend
- We respect the rights of children as citizens and as active learners including their right to be consulted and listened to
- We are responsive to diverse communities and support our stakeholders to be responsive
- We work with others to create shared responsibility for children and families
- We act ethically and with integrity and use reflective practice in our work; we are a community of learners and support children's services to learn and develop

In order to respond to the opportunities and challenges in our environment, CCC will focus on the following five goals in the period to 2012:

- **ADVOCACY** Influence government reforms to get the best outcome to fulfil the CCC vision
- **LEADERSHIP** Build engagement of current and new CCC members and stakeholders in the organisation's vision and mission
- **SUPPORT** Maximise the skills of children's services professionals and governing bodies
- **CAPACITY BUILDING** Build the capacity of children's services to enable the participation of vulnerable children and families in community children's services as a human right
- **PROMOTION** Providing the public voice of community children's services as part of the social fabric

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Want to build strong, positive relationships with your families and support their parenting? Early Childhood Australia's Everyday Learning Series was developed by early childhood experts specifically to provide information to parents. When ordering the Everyday Learning Services tell Early Childhood Australia that you are a member of ACCS. For every purchase, 2% of the value of the sale will be given to ACCS to support its work of advocating nationally for the right of Australia's children to access quality not for profit, community children's services.

To find out more information about the Everyday Learning Series, or to obtain a subscription for your families visit: http://www.earlychildhoodaustralia.org.au/everyday_learning_series/special_offer_for_services.html.

Don't forget that all ACCS members are entitled to a 15% discount on all purchases from Educational Experience. And ACCS receives a commission on every purchase to support it's work of advocating nationally for the right of Australia's children to access quality, not for profit, community children's services Phone your order through to Free Call 1800 025 270