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Dear Sir/Madam

### **Submission to Australian Treasury Inquiry into Creeping Acquisitions – The Way Forward**

Australian Community Children's Services (ACCS) is the peak body representing Australia's not-for-profit community children's services and those who support the right of children to access these services. We are keen to offer our comments on the Australian Treasury Inquiry into Creeping Acquisitions as we have watched with deepening concern the damaging impact of uncontrolled growth of corporate child care chains in Australia.

ACCS believes that government must use both regulatory and public policy levers to ensure that what remains of ABC Learning does not grow again and that no future child care operator can grow to be such a monolith in the children's services sector. The government must maintain control in children's services as the market does not deliver consumer power for families.

The Australian community in general and families in particular look to the Australian Government to ensure all children are able to access high quality community owned and managed children's services. Allowing the growth of ABC Learning and other corporate chains has not and will not deliver on this community expectation.

The Council of Australian Governments announced *A National Early Childhood Development Strategy* in early July with the explicit goal of improving the quality of early childhood services. This important policy goal cannot be achieved with a service system dominated by corporate chains which inevitably drag down quality as evidenced by research by Rush of the Australia Institute, and Cleveland and Krashinsky in Canada.

The collapse of ABC Learning demonstrates clearly the need for planning controls and continuing government investment in community owned and managed children's services to ensure the quality and security of services for children, families and communities into the future.

Below is ACCS' policy to control planning for delivery of children's services. We believe that if implemented this which would remedy concerns in the children's services sector regarding the growth of corporate child care chains through the process of Creeping Acquisitions:

## ACCS Policy on Child Care Planning Controls

ACCS believes that families and children have the right to choose not for profit community owned children's services. No community should be limited to commercial, for-profit services.

ACCS believes that the Australian Government has an important role in developing planning legislation for all service types (long day care, occasional care, family day care, outside school hours care, in-home care) that ensures that families have access to not-for-profit community owned children's services, allowing families' choice in child care. Australia needs a system that allows and encourages the development of community owned services, while preventing new commercial for-profit services from opening where they will undermine the viability of existing services.

Options for achieving this include:

- A cap on Child Care Benefit places for for-profit services in communities where the community based service has vacancies, or where there are existing private services with vacancies
- Denial of Child Care Benefit approval for new for-profit services in communities where there is no community based service or where the for-profit service will be located in close proximity to an existing community based service
- Government capital investment to develop community based services in communities where none exist and where there is evidence of viability.

Planning systems such as this are successfully applied in other industry sectors. For example, the National Health Act 1953 controls the location of pharmacies that are approved to dispense pharmaceutical benefits, taking into account the distance from the nearest approved pharmacy and the resident population in the catchment area.

ACCS believes that the Federal Government could develop similar legislation in regard to approval of children's services for Child Care Benefit fee relief, which takes into account ownership and location.

ACCS goal is for Federal child care planning policy that will:

- Build Australian community capacity and empower families
- Retain, grow and strengthen the community based children's services sector
- Provide **all** Australian families with the choice to utilise not-for-profit community based children's services

We urge Treasury to adopt whatever mechanisms will prevent the growth of ABC Learning and any future corporate child care chains.

Yours faithfully



For Prue Warrilow  
**National Convenor**