

# BIG POND: MULTINATIONAL CHILD CARE CORPORATION PREPARES TO FLOOD CANADA

The move by multinational child care providers to expand operations is sweeping into Canada like a tidal wave.

123 Busy Beavers Learning Centres Inc. recently registered in Alberta, and Ontario with a head office in Vancouver. This company is a client of 123 Global, the "growth engine" for ABC Developmental Learning Centres in Australia. Other key clients of 123 Global are:

- Learning Care Group in North America
- 123 Learning Group in Japan
- Australian International Child Care (AICC) in China
- Busy Bees United Kingdom

ABC Canadian Holdings was registered in Australia in August and its directors include ABC Learning co-founder Eddy Groves. These developments threaten a sea change from the child care environment we now know in Canada. Multinational child care uses economies of scale and corporate integration of services to open the floodgates to commercial care across Canada. ABC is the largest for-profit provider of child care in the world. The ABC model builds on a "family of companies" including 123 Global.

Other ABC corporate connections are:

- 123 Careers is listed under the Australian Securities and Investments Commission as 123 Careers Pty. Ltd., and is the staff recruitment arm for ABC.
- The National Institute of Early Childhood Education is ABC's private training and assessment program.

- The ABC Lifesmart™ Curriculum is an initiative developed for classrooms at ABC Learning Centres. It is also used by some of the American chains owned by ABC, and is highlighted as the curriculum on the Busy Beavers site.
- Funtastic, the largest toy distributor in Australia, recently purchased Judius from ABC. ABC controls almost 18 per cent of Funtastic. Judius is now ready for trading on the stock exchange in the US
- Queensland-based Paul Seymour developed QikKids, an Australian child-care administration software program used by about 3,500 centres. He is managing director of PalmOne, the company that markets the package and is integrating all centres owned by the publicly listed ABC Learning Centres.

## PUBLIC, NON-PROFIT CHILD CARE AT RISK

Canada must learn from the Australian experience. Before 1991, Australia had a predominantly (about 70 per cent) not-for-profit child care infrastructure. In the wake of the government opening up funding to the for-profit sector, more than 70 per cent of the sector is commercially owned.

Market concentration creates barriers to developing the public, not-for profit system we have been calling for. A multinational integrated corporation will do everything in its power to prevent Canada from developing a public system for high quality accessible child care.

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## FUNDING DIVERTED TO PROFIT

Last year, ABC reported operating profits of \$143.1 million, representing an 75.6 per cent increase from the previous year. It also reported being the largest child care provider in the world.

ABC owes its success to government funding – it is reported that government funding represents 40 per cent of ABC’s revenue in Australia. Despite large government payments to parents, fees have been spiraling upwards.

## NOT ALL COMMUNITIES GET ACCESS

In Australia, some communities have suffered. The market-based approach to child care has failed children with special needs and children in rural and smaller communities, where there is no profit to be had.

## QUALITY CONCERNS

Australia ranked very low in the 2006 OECD report *Starting Strong II: Early Childhood Education and Care*. Research confirms that for-profit care is of lower quality than non-profit care. The new national study *An Economic Perspective on the Current and Future Role of Nonprofit Provision of Early Learning and Child Care Services In Canada*, written by economists and researchers, found that non-profit child care centres have the highest quality care.

The Canadian researchers found that non-profit centres consistently hire better-trained staff, encourage professional development, and provide better wages and benefits. The findings confirm the conclusions of researchers around the world.

## WE CAN STOP IT

We don’t want to see the proliferation of large commercial child care centres in Canada that are focused on shareholder returns instead of quality care. CUPE and its coalition partners will mobilize public opinion to stop the expansion of for-profit child care and the foreign takeover of child care services in Canada. Stay tuned to [cupe.ca](http://cupe.ca) for actions.

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