

# Opinion: We must stop growth of corporate childcare that puts profits above children <sup>[1]</sup>

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## AVAILABILITY

Access online <sup>[2]</sup>

### Excerpt

Can you imagine the headlines if we had for-profit schools that consistently put children's safety at risk, yet continued to receive government funding? What if their results were demonstrably worse than government or community-run schools? Would we accept that as a country?

Apparently we do if the institutions educate our most vulnerable children – the youngest. Wednesday's report in the Herald that childcare centres run by big corporates and private equity companies deliver much poorer quality than those run by community and not-for-profit companies is not news to many of us in the sector.

What is news is the extent of it. The article outlined new research compiled on the back of freedom-of-information requests by the United Workers Union to state government departments that regulate early education and care centres.

These departments do spot checks on these centres and the centres have to report to them any adverse incidents, such as when they lock a child inside at the end of the day (yes, it happens). The information the union received showed that the big for-profit companies put children most at risk. They are the ones making a hash of complying with the regulations laid down to keep children safe.

The statistic that is most damning? Take your pick. Is it that a whopping 74 per cent of the 12,000 enforcement actions taken against centres in the past six years have involved for-profit centres? Or is it that for-profit long day-care centres are twice as likely to be rated as not meeting the national quality standards? Or that the big three for-profits – G8, Affinity and Busy Bees – had seven times the number of centres not meeting the national quality standards as the big not-for-profits, Goodstart, KU and C&K.

Should our real damnation be reserved for the governments that allow this to happen? It's not like they are ignorant of it. The NSW Department of Education approves these services to operate and then responds when they breach the regulations and fail to meet the quality standards. And the federal Department of Education allows them to stuff their pockets with the \$10 billion of annual funding given to families to help with the horrendously high cost of childcare.

Both departments know full well that the highest quality providers of early education and care are almost always the ones that are not in the industry to make a buck – the services run by local government, small community organisations and the big not-for-profit organisations. Yet successive governments have let the large corporate providers grow to the point where they now provide 50 per cent of all services for our youngest children.

We don't let primary and high schools get any public money if they take a profit. Even our biggest private schools are, at least notionally, not-for-profit. But for some reason we have a whole different set of rules for our youngest children.

Want to make money for your shareholders or your multinational private equity investors by cutting corners on the care and education of babies and toddlers and pre-schoolers? Come right in! We'll happily ignore the fact that we keep having to force you to comply with the laws designed to keep those children safe. We will happily ignore the fact that your services don't meet the national quality standards. In fact, not only will we ignore it, but we will also give you a heap of government funding to keep doing it.

Educators and early childhood teachers pay the price for this lower quality care. The only way to make money out of education and care is by employing the minimum number of educators to do the job and keeping their wages low. Those educators are paid a pittance, meaning many leave after just a few years. You try looking after four babies at a time by yourself. But it is the children that lose the most. Money that could be used towards giving them a better education is instead used to line the pockets of shareholders.

We now have the statistics. We know the policy decisions to support for-profit centres has resulted in more safety breaches, which put children at risk. This begs the question: why is the government letting these corporate providers grow bigger, when we know their quality is so poor?

**Related link:** [Unsafe and non-compliant: Profits above safety in Australia's early learning sector](#) <sup>[3]</sup>

**Region:** [Australia and New Zealand](#) <sup>[4]</sup>

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