

Kirrawee Child Care Centre Pty. Ltd.  
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## Scope

The purpose of this paper is to highlight the (Australian) Private Child Care Centres current situation; the difficulties it is facing mainly from corporate Australia, and to explain why consolidation by corporate Australia and speculative investors and shareholders is not the proper or correct way for this particular profession.

The second part is to map the way for the private sector to achieve the desired result through consolidation from a different perspective.

One must keep in mind the aim of this profession (I) is to provide quality care and education to the children of Australia in a safe, healthy environment, (II) enable parents and care givers to join the workforce, study or look for a recreational enjoyable life, while knowing their children are cared for by highly qualified and competent staff, (III) enable the profession of childcare to attract, train and be able to keep a highly qualified calibre of personnel and staff.

## Current Situation

Currently the Private Child Care Centres of Australia are going through serious and drastic changes, simply because Corporate Australia has got its eye on them and would like to acquire them as a business, naturally for profit.

In the last few years and through the current economical thought, a few companies started to acquire Childcare Centres around Australia. It is called consolidation, naturally the process and idea has its logic. It is not very difficult to see the benefits of the process. It is even easier to predict the negatives especially when the bottom line is the shareholders profit and directors remuneration, This process becomes more important and a cause for concern especially in an economical time of globalization.

In the climate explained above the situation becomes an opportunity for speculative investors seeking quick profit at a minimum cost, and it is a liability to current owners / operators whose priorities are affordable quality, care and education. The challenge to current owners / operators under these circumstances requires intelligent action by the brave and responsible.

The Child Care profession especially in Australia is a unique profession because of its social responsibility.

It is a fact that the future of any country lies with the country's youth and today's children are tomorrow's youth.

It is a well-proven scientific fact that the early years in the life of any child can and will shape that child's future.

It is a social and conscientious responsibility that childcare remains affordable to all and not to the selective few.

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Therefore the Child Care profession must be protected from the action of being a business for PROFIT ONLY.

That means the investors (shareholders) should be the Centres owners not speculative and financial investors.

So far the private Child Care Centres perform to a high level of responsibility. It must be said also that they lack the cohesion, the unity, the power of being one, speaking and acting as one.

They are not in a position to face corporate takeover and the power of shareholders, and have no realistic short and long-term strategy or map to achieve that position.

It is not the purpose of this report to discuss the reasons for this situation, as most of them are historical.

But the purpose of this report is to put a strategy together to map the road to achievement, as it is the social and moral responsibility of the private child care Centres owners, and the staff to make a stand.

## What action is required?

Yes consolidation is the way to go, the reason is the Child Care **professional roles and responsibilities** have matured and shaped to a level where there will be no place but for the professionals powerful and people with clear **vision** and **ability**.

The privately operated and owned childcare Centres represent 70% of the total volume of the service providers and is growing. Add to that the fact that the government is no longer subsidising any form of operation and possibly Councils will get out of this area too.

The door has been opened to not only corporate thinking but also undesirable types of people who see the opportunity especially while the Government has no real practical strategies and the bill for Childcare benefit (Parent fee subsidy) is soaring.

In reality the situation invites the owners / operators to face their responsibility and act, or surrender to the current unsustainable reality, in short show their true colour.

The difficulty is that owners / operators have never prepared themselves to deal with this situation, plus the fact is that most of them by nature are not the type to match the corporate, speculative and opportunistic type.

It is time the genuine professional private owners had a platform on which to act from and while they are protecting their own investment they are also acting upon their moral and social responsibilities. Simply ensuring the quality and standard required, ensuring affordability to parents and the parental right to work, study or fulfil recreational and social requirements. In short ensuring the future of our country.

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The proposed platform also happens to ensure the future growth for those genuine professional private owners; yes it requires courage, vision and determination, as well as being able to support research and development in both child development and staff development as well.

That platform will be able to work constructively with all levels of the profession, regulators and officials to ensure the best and fairest outcome to all and most importantly to the children.

If you agree with this aim and are in this profession for the long term and your interest is in providing a safe environment with quality care and education while making a reasonable return on your investment then contact me.

Fikry M. Bassiuni

Chairman,  
Childcare Australia United.

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## The Action.

Childcare Australia United is an organisation restricted to **CURRENT** private owners / operators of child care centres in Australia. The ownership and representation of this organisation is based on fair and equitable basis.

For the purpose of simplicity a hypothetical example will be used here to illustrate the organisation module and how it works.

1. Childcare Australia United is an organisation where the shareholders are the existing (current) owners of viable Child Care Centres.
2. Their percentage of share ownership of the organisation is based on a fair equitable equation; for example an equal percentage of the average of the last three years turnover.
3. The first group of owners forms the base of Childcare Australia United and form the board of directors of equal voting power.
4. . Mr. Fikry M. Bassiuoni is the Chairman of Childcare Australia United.
5. Each member contributes an equal percentage of funds equivalent to the equal percentage of the average of the last three years turnover.
6. This fund is used to meet the organisations expenses, and the cost of acquiring other Centres.
7. The new Centres will be owned by Childcare Australia United.
8. Directors will decide on the percentage of dividend from the net profit, based on the form of Childcare Australia United.
9. Childcare Australia United rules allow the freedom of exit and entry by centres owners who are shareholders, in such case Childcare Australia United has first option of purchasing, leasing, or managing the centres and acquiring back the shares at par.
10. Childcare Australia United memorandum and rules allow for at least one professional staff representative to be on the board with voting power. This has a great advantage over the other companies as this will give Childcare Australia United a great base support.
11. The staff at any Centre member can be shareholders and members of the organisation after one year of being a full time employee.
12. The second stage owner / shareholder will have the same benefits but at a lesser percentage and so on.