

## COMMUNITY-BASED CHILDCARE AND NEIGHBOURHOOD CENTRES

### *Grievance*

**MS S.F. McGURK (Fremantle)** [9.23 am]: My grievance this morning is to the Treasurer in lieu of the Minister for Community Services who, as we know, resigned from his position in frustration because of the way this state government conducts its affairs. He resigned from the position last weekend and a new minister has not been appointed.

**Mr W.J. Johnston:** They just don't care.

**Ms S.F. McGURK:** That is right. I am not sure how much the government cares about this portfolio if this issue is any indication.

I know that the Treasurer is aware of this issue because we had a brief exchange about it during debate on the Loan Bill 2016 last week. The Treasurer said that the Willetton Child Care Centre in his electorate would be affected by this decision. During the exchange, the Treasurer agreed that it is a quality centre that is at risk of significantly increased fees if commercial rates are applied to the centre or at risk of closure if it is left to the devices of its council.

I acknowledge the many people in the gallery today who have taken the time to come from their homes and centres to support their local community-based childcare centres and neighbourhood centres, which provide such an important service. Some of those in the gallery are cuter than others; I can see one child who is looking very cute!

On behalf of the 32 childcare centres and 33 neighbourhood centres, and on behalf of the hundreds of staff who work in these centres and, more importantly, on behalf of the thousands of families who rely on these centres, I call on the government to reverse its decision to cut accommodation support to these centres and enable those centres to continue their important work. In the case of childcare centres, the withdrawal of support threatens to push up prices or result in their closure. In the case of neighbourhood centres, the withdrawal of support puts them and the services they provide at risk of closure, which will make local communities worse off.

My understanding of the accommodation arrangements of the centres is that the land itself is owned by the state government, but the buildings in which the centres are housed are either owned by the state government or leased by the childcare or community centres from their local councils. This arrangement was entered into in the early 1980s when Labor governments were in power both federally and at the state level. There was a need for a variety of childcare arrangements and the arrangement was that the federal government would vest the land in the state government and the state government would provide assistance in the form of some building accommodation. My understanding is that these centres pay no or limited rent each year. The accommodation support provided by the state government varies across the centres. It can take the form of liability insurance, maintenance support and, of course, security of tenure because the state government is essentially their landlord. On that basis, the centres are able to operate on a not-for-profit basis, apply for grants or fundraise to invest in building or play equipment knowing that their lease arrangements are secure. In the past some centres, such as the Billabong Community Child Care Centre Victoria Park, were under pressure from their local council to pay commercial rates estimated at over \$80 000 a year. The Billabong centre has to date been able to resist that move with the assistance of the state government as its landowner and with the Department of Local Government and Communities in its corner.

This year's state budget changed that. On page 139 of budget paper No 3 under the heading "Property Management Program" we read that savings of over \$712 000 will be achieved in maintenance and insurance costs as a result of the department withdrawing from the function of owning, leasing and managing property from 30 June 2018 for the purpose of providing subsidised accommodation to select childcare, community and family centres. Of course, this bland paragraph buried deep in volume 3 of the budget papers provides a very harsh reality for the 65 community centres affected by this decision. Those centres received correspondence from the Department of Local Government and Communities advising them that the accommodation assistance they have enjoyed since inception, some for over 30 years, would be withdrawn in the middle of 2018. Incredibly, the department advised those centres to enter into discussions with their local councils to see whether they could assist with ensuring their security. Let us be clear about what this means. The state government wants to save money by withdrawing support from childcare and neighbourhood centres and wants local councils to pick up the tab. It is blatant cost shifting and, frankly, unconscionable; the state government should be called out for it. We are not sure exactly how much is saved from this measure. As I said, budget paper No 3 quotes just over \$700 000 a year. But in reply to a question in the Legislative Council on this issue, we learnt it was just over \$1.4 million a year. Based on the higher figure, the government is seeking to save \$1.4 million a year—a paltry amount in state government terms. At risk is essential community infrastructure in the form of not-for-profit community-based childcare and neighbourhood centres. Why should

we support this community infrastructure? First of all, let us look at the community-based early learning centres or childcare centres. They are not-for-profit centres run by a parent committee, much the same as a school parents and citizens association. Some of them have been operating for over 30 years and, without exception, they are incredibly successful centres. I could not have put it better than Paul Masters, a parent and devotee of community childcare centres interviewed on *Today Tonight*. He works in the oil and gas centre industry and thought about giving up working until he became aware of community-based childcare centres. As he says, these centres provide quality care and should be supported.

**DR M.D. NAHAN (Riverton — Treasurer)** [9.31 am]: As the member said, I am here as Treasurer, but have had some briefing and have a great deal of personal information and experience on these issues. With the then president, I helped rescue Willetton Child Care Centre from systematic mismanagement, and it is running very well now. Some facts: there are 310 community managed, or not-for-profit childcare centres in Western Australia. Only 33 of these 310 centres operate as state government–managed properties. The issue here is changes to property management, specifically insurance, or the major capital works program under it. A community and neighbourhood development program is also offered at 54 sites around the state, with 32 centres operating from buildings provided by the Department of Local Government and Communities. The amount of \$6.5 million is provided and that will continue unaltered, so the major source of assistance to community neighbourhood centres will continue unaltered. This issue relates to a program and, again, as the member said, it goes back to the 1980s when there was a whole raft of programs to assist the development of community-based childcare centres in fast-growing areas such as Willetton as well as at universities, and a range of other areas. The arrangements that underpin them vary immensely. Some are owned by shires, some by universities and some by non-profit childcare centres themselves—a huge variety. They have not been well managed for many years. I know personally, and will go through the details, of the Willetton Child Care Centre; it illustrates the problems that we have to deal with.

It took us a year or more to find out who owns what and who is responsible for what and I will provide that information. The department has advised that there are 310 community childcare centres, and the department provides a service to 32 centres. In the long term, those 32 centres are to be responsible for their own building insurance, as are the other 270. They should also be putting aside funds for major maintenance. These centres would also be eligible for Lotterywest funding.

Let me explain to members some of the problems with this system and I will go through the case of Willetton Child Care Centre, where some of those in the public gallery work. Willetton Child Care Centre was built in, I think, 1986. The cost of the building was provided by a grant from the commonwealth. Before 2008 at least, the land on which it rests was gifted, fee simple, to the City of Canning—the City of Canning owns the land. The Department for Local Government and Communities leased the building from the City of Canning for a peppercorn rent. The department paid the insurance for the building, which is fair enough, and also provided high-level maintenance as it happened. Over a period, the centre was mismanaged and became run down. No money was set aside for minor maintenance, the kitchen was condemned, the roof was falling down, the air conditioner broke down and the child play equipment had to be condemned; it was improper. More importantly, an appropriate amount of money for workers' entitlements was not fully funded while the management was highly paid but was not working full time. It was mismanaged. Thankfully, a person by the name of Lindsay Holland, a community-minded person, became the president. Although he had no children in that childcare centre, he took it over and set it on the straight and narrow. He did a great job. It was not easy. The state, both through the Department for Local Government and Communities and Lotterywest, put over \$300 000 into that childcare centre.

**Ms S.F. McGurk:** Why are you undermining it now?

**Dr M.D. NAHAN:** We are not undermining it.

**Mr P.B. Watson:** He increased \$300 000 into his own electorate.

**Dr M.D. NAHAN:** The member for Albany does not like this. This is a grievance; it is not his grievance. Please be quiet; this is an important issue.

**Mr R.H. Cook** interjected.

**Dr M.D. NAHAN:** I am!

*Point of Order*

**Mr C.J. BARNETT:** This is a grievance and out of respect to the member who raised it, I think the member deserves an opportunity to hear the answer.

**The ACTING SPEAKER (Ms L.L. Baker):** I quite agree. Thank you, Premier. Please, members, no interjecting. Go ahead.

*Grievance Resumed*

**Extract from Hansard**

[ASSEMBLY — Thursday, 22 September 2016]

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Ms Simone McGurk; Dr Mike Nahan; Mr Colin Barnett; Acting Speaker

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**Dr M.D. NAHAN:** It took us a long time to figure out where the lease was. Once Lindsay and his team, some of whom are in the public gallery, built up the finances, they put aside money for the employees, improved the play equipment, and repaired the roof, air conditioner and the kitchen. The local government decided that it wanted to take possession of the centre and jack up the rent, and we had to fight that. So, what do we do in the future? By the way, community childcare centres are very valuable—I am not going to argue that—there are 310 of them. They have some advantages—they do not pay rates, they do not pay land tax and they pay lower rents.

**Ms S.F. McGurk:** They are not-for-profit.

**Dr M.D. NAHAN:** I know that. They have advantages and we provide those advantages for a reason. We want to continue, and we are continuing, the program. The point is that childcare centres should set aside money for long-term maintenance. In the case of Willetton, it is all fixed up. Last year, the Department for Local Government and Communities provided it with \$5 000. However, there are issues concerning the management of these childcare centres and how they are governed. The Labor government should not have allowed that childcare centre to be run down.

**Mr P.B. Watson:** Under your watch.

**Dr M.D. NAHAN:** No, under yours. They have been under many governments over the years.

**Dr A.D. Buti:** You are punishing them now, are you?

**Dr M.D. NAHAN:** No, we are maintaining a major community program. We have invested in the Willetton Child Care Centre with \$300 000 after its systematic mismanagement. We have streamed out the lease, and the Willetton Child Care Centre is under no threat of an increase in rent—none whatsoever. Just as the other 270 community childcare centres do, now that the Willetton centre's problems are fixed, it should put money aside to meet the true liabilities of a childcare centre.

**Ms S.F. McGurk** interjected.

**The ACTING SPEAKER:** Member for Fremantle!

**Ms J.M. Freeman** interjected.

**The ACTING SPEAKER:** Member for Mirrabooka!

**Dr M.D. Nahan** interjected.

**The ACTING SPEAKER:** Treasurer!

Several members interjected.

**The ACTING SPEAKER:** I think it is a bit early to be calling people, but I am quite happy to start with the Treasurer if that need be the case.