



Working together for a community based, non-profit child care system that is high quality, affordable, accessible, publicly funded and accountable.

May 2011

ALERT! Beware – big box commercial child care on the prowl in BC

Many BC child care centres have received a letter from John Martini, the President of Trivestments, a Texan company. The letter states that Trivestments represents “a large, well-financed, child care group interested in purchasing centres across Canada”. The recipient’s centre is seen as “a potential acquisition opportunity” regardless of whether it is non-profit, a campus facility or operated privately.

This is the same process, and almost identical letter, sent by Leslie Wulf of the Texas-based Adroit Investments a few years ago when Wulf was working in BC on behalf of the now collapsed Australian child care empire ABC Learning/123 Global.

Leslie Wulf is now the CEO of Edleun, the first publicly listed child care corporation in Canada (see www.edleungroup.com). It appears that John Martini is doing for Edleun what Wulf and his associates attempted to do for ABC Learning/123 Global.

If you are a private child care owner – you are Trivestments’ real target. **We urge you to resist engaging with them or any other large corporate chain that wants to buy out BC child care.**

Corporatization of child care has clear and inevitable negative outcomes. Publicly listed companies like Edleun have a responsibility and a requirement to provide a growing return to shareholders. This means they must either *reduce the cost of providing services, increase the income received from the service, grow the corporation through acquisition of real estate* – or do all three.

Using well-documented examples from Australia we know that:

- *reducing the cost of providing services* has led to low wages, poor benefits, the use of casual rather than permanent employees and limited if any provision of more expensive services such as the inclusion of children with special needs
- *increasing the income received from the service provision* has meant escalating parent fees and active lobbying of government to increase subsidies to parents with little or no accountability
- *growing the corporation through acquisition of real estate* has meant the loss of local services as large corporations consolidate the market through closures and takeovers and use predatory pricing to drive smaller, non-profit community-based services and private operators out of business.

While business decisions that drive publicly listed companies may be okay for many commodity markets, they are **not** acceptable when children are the commodity. Shareholders seek high returns on their investment while children require high quality care that is expensive to deliver and, when done well, leaves no profit margin.

In the interest of children, families and the child care workforce we all must work together to stop the growth of corporate child care in BC.

See <http://cupe.ca/child-care/edleun-inc-aggressive-pursuit-profits> for more information on this issue.