

Media release

Vast majority of ABC2 Group centres to continue operating

- Operators identified for 210 of the original 241 ABC2 centres
- Alternative childcare identified for children at 19 of the remaining centres
- Diversity achieved –over 65 different parties to acquire centres
- New operators to provide sustainable and high quality child care for more than 12,000 children
- Ongoing employment opportunities for more than 80% of ABC2 Group staff
- Thorough process undertaken – new owners meet all key criteria
- Completion of process for the vast majority of centres remains on track for 15 May 2009

15 April 2009: The Court Appointed Receivers (CAR) for the ABC2 Group, Stephen Parbery and Daniel Bryant of PPB, today announced that operators have been identified for the vast majority of ABC2 child care centres.

“I am pleased to announce that future operators have been identified for 210 ABC2 centres from the original 241 centres, or more than 87% of all centres” Mr Parbery said. “This is an excellent outcome, particularly as all of these centres were assessed by the ABC Receiver, McGrathNicol as not being viable under the ABC Learning Business model.

Mr Parbery stated “While further work is required to conclude appropriate settlement arrangements, we are satisfied sufficient progress has been made to name the proposed new operators for 193 centres. Additionally, we are close to concluding negotiations with the proposed new operators for 17 centres and will name these over the coming days. This means that we are confident that 210 centres will continue to operate into the future.

“Through close cooperation with the Australian Government this promises to deliver sustainable, quality child care for over 12,000 children and secure employment for more than 1,800 child care staff. All this has been achieved in less than five months,” Mr Parbery said.

“PPB has undertaken a thorough and extensive process and we are satisfied we have identified operators that have demonstrated experience, financial capacity and commitment capable of delivering sustainable, high quality child care for children and their families.

“We have also successfully identified a diverse range of operators including not-for-profit organisations, individual owner operators and private operators. All new operators have met the key criteria set out by the Government at the beginning of the Expression of Interest process,” said Mr Parbery.

Unfortunately, for 19 centres, suitable operators could not be found and these centres will close, with the affected children to be transitioned to alternate local long day care.

“While it was not possible to achieve a sale outcome for these centres, we have been able to identify sustainable, quality child care in nearby centres for all affected families and their children,” Mr Parbery said.

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Another eight centres have not attracted suitable operators and operate in locations where alternative long day care places are either insufficient or unavailable. PPB will continue to explore every possible option to find sustainable solutions for this group of centres and will continue to have Australian Government support which will enable these centres to operate until June 2009 if necessary.

Together with the children who have been offered care at suitable neighbouring centres, ongoing quality care for over 90% of the children in ABC2 centres across Australia has been achieved.

In addition, more than 80% of employees are expected to be offered employment with new operators or one of the ABC Learning Centres under the control of McGrathNicol. Where necessary, the entitlements of ABC2 employees are protected through the General Employee Entitlements and Redundancy (GEERS) Scheme.

All parents and employees of ABC2 centres will today be advised in writing of the future of their centre.

“We and the new operators still have more work to do to settle contracts, arrange licenses and transition the centres to new ownership, but are confident these will be in place by 15 May 2009,” said Mr Parbery.

A full list of ABC2 centres and their status is available at www.ppb.com.au.

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