

ABC Learning link to Japan's childcare closures [AU]^[1]

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EXCERPTS

The collapse of ABC Learning has spread to Japan with the closure of a fledgling operation with links to the Australian childcare giant.

Parents have been told the 123 Learning bilingual-education centres in Japan would shut their doors on Friday.

123 Learning is tied to the Brisbane-based 123 Group, a key ABC contractor whose Australian arms were wound up with debts of \$136 million last month.

123 Group principal Don Jones said yesterday the Japanese news was a shame.

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Close ties between ABC and 123 had long raised concerns among some market watchers. But both companies maintained their operations were separate.

123 Learning's website lists four Japanese centres (two yet to open) catering for almost 475 children under five.

But in an "important announcement" attributed to 123 Learning chief David Marsh, the company advised its Australian parent organisation - from which funding was tapped - had been wound up and it was hard to get funding in Japan.

As a result, 123 Learning was to file for insolvency. Operating centres would shut on January 9 and two planned centres would be cancelled, it said.

123 Group also had links to Canadian operation 123 Busy Beavers. The ABC-123 ties were such that Canadian unions in 2007 feared Busy Beavers actually represented a push by ABC into childcare there.

But both former ABC chief executive officer Eddy Groves and Mr Jones had rejected the association.

Mr Jones and Busy Beavers CEO Graeme Wilkie said the Canadian operation did not rely on funding from 123 in Australia.

"At this stage, it's business as usual," Mr Wilkie said.

Mr Jones said Busy Beavers management had bought out the Canadian operation.

- reprinted from the Courier-Mail

Region: Australia and New Zealand^[2]

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Tags: privatization^[5]

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