ABC Learning finds it's not child's play in Canada

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Publication Date: 25 Nov 2007

EXCERPTS

Susan Elson thought the childcare meeting with Australians in Canada had odd moments.

"They did not have business cards. They did not have brochures. They did not have anything," recalls Elson, who has been involved in accrediting child care in Canada.

The June meeting in a small Edmonton conference room was just one precursor to the start of Canadian operations in recent weeks for Australian-backed childcare group 123 Busy Beavers Learning Centres.

It was a quiet beginning to a firestorm about Busy Beavers' links to Brisbane-based ABC Learning Centres.

Now ABC - whose rapid expansion to over 2200 centres in Australia, NZ, the US and the UK has raised questions - has denied moving on Canada.

Stockmarket-listed ABC also maintains Busy Beavers and other 123 companies are separate, independent entities. That means ABC has no control over operational decisions, and the businesses themselves do not appear on ABC's accounts.

That hasn't convinced some Canadian politicians or media, who published views that ABC was behind the push.

The Canadian reception has been hostile, with headlines blaring multinational "big box" child care is set to arrive. Organisations such as the Canadian Union of Public Employees are sounding concerns about quality at profit-run child care.

Elson, an exponent of non-profit community care, is another who is sceptical of ABC's distancing itself from Busy Beavers.

"I'm not an idiot, it becomes clear," she says.

ABC, which last week blamed the strong Australian dollar for a profit downgrade, already had Canadian links.

The parents of Eddy Groves, who co-founded ABC with wife Le Neve, were Canadians and he retains Canadian citizenship.

Asked in 2005 by The Toronto Star about setting up in Canada, Groves said: "What a great excuse to go back to that beautiful country."

He downplays any move now.

"They (Canadian media) think they've joined the dots," he says. "People over there have tried to emphasise their cause of not-for-profit by using me as a whipping boy to try and get their point up."

But, as revealed in The Courier-Mail last month, ABC in August set up a company called ABC Canadian Holdings.

"We contemplated (a move) but we chose not to do it . . . we thought we should concentrate on the US," Groves says.

The corporate origins of Busy Beavers - whose mascot is a Canadian shirt-wearing beaver - stretch back only weeks earlier to incorporation in Vancouver on July 17.

The sole director was Graeme Wilkie. Busy Beavers later also listed Don Jones as executive director.

Both men, along with Paul Graham, are directors and sole shareholders of Busy Beavers Investments Pty Ltd.

Busy Beavers Investments' address in Brisbane's industrial suburb of Murarrie is the same as some ABC facilities. It was also once ABC's registered office.

Gold Coast-based Jones declined to be interviewed. But in an email he wrote Canadian media speculation was mostly "inaccurate, biased . . instigated by vested interests".

Jones says he has checked child care opportunities globally over a decade and sees a shortage.

"We see opportunities in Canada as it appears to be on par with Australia 15 years ago in many aspects.

"We see an opportunity to provide the families of Canada choice, improved safety and educational standard."

Jones maintained Busy Beavers had "no links" to ABC.

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Before Canada, Jones's ABC ties were already known.

Citigroup analysts last year pointed out he was a director of ABC Acquisitions, which co-ordinates Australian centre developers and sellers for ABC Learning.

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