

# King of the child-care castle wants a bigger slice of cake [AU] <sup>[1]</sup>

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AVAILABILITY  
See text below.

## EXCERPTS

ABC Learning, the Australian group that has grown into the world's largest listed child-care operator, is under renewed scrutiny as it attempts to swallow yet another competitor.

The Brisbane-based ABC yesterday confirmed industry speculation by announcing plans to spend \$140 million buying the Kids Campus group, which has 106 child-care centres.

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But it will face a regulatory hurdle before it can proceed. Despite a suggestion from senior ABC executive Martin Kemp that the deal was likely to pass the regulator, the merger will be closely examined by the Australian Competition and Consumer Commission.

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Lynne Wannan, from Community Childcare Victoria, said the merger was likely to have a harmful effect on quality, including staffing ratios.

"The quality issue is critical here. The fundamental driver of corporate child care is to make returns for shareholders. Like any corporate company, they try to reduce costs of what they are delivering."

ABC owns about a quarter of the industry, which attracts substantial federal subsidies.

- reprinted from The Age

**Region:** Australia and New Zealand <sup>[2]</sup>

**Tags:** privatization <sup>[3]</sup>

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