

# Child care nasty turn [AU] <sup>[1]</sup>

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## AVAILABILITY

See text below.

## EXCERPTS

ABC Learning Centres' friendly takeover of FutureOne has turned nasty after the surprise sacking of two key employees.

Herald Sun inquiries yesterday afternoon prompted company secretary Rob Harris to release a hastily compiled explanation to the Australian Stock Exchange.

In the statement, the company admitted FutureOne's managing director, Dr Peter Chandra, and executive director Carol Allen had "ceased employment with the company".

The news was buried in the third and final paragraph of the statement amid self-congratulatory statements advising shareholders ABC had "settled 10 child care businesses to date out of the expected 33 centres" taken over.

Directors waited nearly an entire working day before making the disclosure as the duo were given their marching orders late on Friday afternoon.

No reason was given for their dismissal but the company told the ASX they would be replaced by "ABC management systems".

It did not explain what those management systems were but attributed much of the company's success to them.

"ABC's management systems have enabled them to grow substantially and FutureOne is pleased to be able to utilise their expertise and systems to manage its growth," the company said.

Earlier, the Herald Sun was told Dr Chandra was away for the day but would return to work in the morning.

Details of any financial settlements were not released.

The child care centre operator recently fell to bigger Queensland rival ABC's friendly \$43 million takeover.

It is understood both Dr Chandra and Ms Allen were promised similar jobs after the company's ownership changed.

ABC's Queensland-based directors approached FutureOne in April about the takeover.

Their counterparts at FutureOne urged shareholders to back the proposal partly on the basis no jobs would be lost.

A source said the about-face betrayed all shareholders.

ABC director Martin Kemp declined to explain the action when confronted with it yesterday.

"I don't really have any comment," he said.

Asked if directors planned to tell shareholders, Mr Kemp said: "In the near future."

Asked to provide details about what directors would tell shareholders he said: "In relation to those recent events."

Would that be in relation to the Herald Sun's original query?

"Yes."

ABC yesterday upped its stake in FutureOne from 81 per cent to more than 84 per cent.

The company is chaired by high-profile former Brisbane mayor Sallyanne Atkinson.

It is about twice the size of its nearest rival, the troubled Child Care Centres Australia.

Like ABC, Child Care Centres Australia has also attracted a former politician to its board in the form of Andrew Peacock.

ABC Learning Centre's shares put on an extra 5c yesterday to close at \$3.

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

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

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