

Eddy Groves in renovations row [AU] ^[1]

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EXCERPTS

Eddy Groves and a childcare centre landlord are at loggerheads over whether ABC Learning needlessly spent money on renovations and equipment. The work - including ripping out grass and child-level sinks - was carried out by a contractor with family ties to Mr Groves.

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Administrators Ferrier Hodgson are examining ABC's accounts and likely to address initial reasons for the collapse in a creditors' report. Landlord Graeme Block said money was unnecessarily spent on a centre he leased out in Victoria's Ballarat.

"If that was multiplied across all the centres ... there was a lot of money that was spent for no reason," he said.

He and his wife built and ran the centre for 19 years. The childcare business was sold to a company which ABC took over in 2003. He said he and his wife had gone to "a lot of trouble keeping everything natural" with grass and plants.

"They ... tore up the grass and put artificial grass in," he said. "We had climbing frames, playground equipment for the children and it was in really good condition (met safety standards), but they just ripped that out and put in one, I suppose, that was the same that they use in all their centres."

Mr Block said some fencing was replaced which needed to be done for regulations. An internal foldable wall (which he says was a fully operable one) at the 105-place centre was replaced with a permanent one. Mr Block said he and his wife, who has a childcare degree, "went to a lot of trouble" designing the facility. "We had little sinks ... they were at the right height for the children," he said. "Well, they ripped those out - put sinks up at adult height.

"There were just things that were done that just didn't need to be done. I reckon there's been a lot of money they just didn't need to spend. It was almost like a bottomless pit."

He estimated ABC spent more than \$100,000 on the facility. He said much did not need to be done - particularly the \$20,000 for the wall. But Mr Groves's spokeswoman argued the changes were "very necessary". ABC typically replaced folding walls for safety reasons and to reduce noise between classrooms, she said. "Staff had difficulty opening and closing (folding walls)," she said.

Folding walls required high maintenance and children could catch their fingers, she said. "Artificial grass and soft fall was installed because of the lack of rain," she said. Natural grass died quickly and water restrictions meant grass could not be tended, she said. Dust-reduction, especially for children with asthma and dust-borne allergies, were other considerations.

"Climbing frames and other equipment were replaced when it did not meet Australian safety standards," she said.

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Brisbane-based Queensland Maintenance Services, owned by Mr Groves's brother-in-law Frank Zullo, did the work. As the Courier-Mail revealed in 2006, QMS was awarded \$74 million in contracts for maintenance and renovation. Mr Groves has argued QMS gave the best price and reliability, and a tender process was unviable as workers needed police checks. Mr Zullo declined interview requests.

- reprinted from news.com.au

Region: International ^[2]

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