

\$108m bill so far from collapse of ABC centres [AU] ^[1]

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AVAILABILITY

See text below.

EXCERPTS

The government-appointed managers of 241 unviable ABC Learning centres said they have managed to find new owners for the vast majority of the centres but the process has come at a considerable cost for the Federal Government which so far faces a \$108 million bill from the collapsed child-care operator.

The receivers, Steve Parbery and Daniel Bryant, said yesterday they expect to conclude the sale of 210 centres over the next month with 33 going to non-profit operators and another 30 going to landlords who originally operated the child-care centres before selling them to ABC Learning.

The conclusion of the sales process will leave 715 profitable child care centres in the hands of ABC Learning's banks. These centres are expected to be sold later this year or early next year.

The Deputy Prime Minister, Julia Gillard, praised yesterday's outcome. "Clearly, with ABC Learning having developed to such a ginormous size, when it failed that was a huge shock ... Now we have a more intensive focus on quality and regulation in the child care system," she said.

Mr Parbery said the result was "very positive" given all of the centres faced closure at the end of last year if it wasn't for the government support and the subsequent sale process.

But he confirmed yesterday that another 19 centres will be closed, bringing the total to 90. The 685 children affected by the latest closures will be able to access child care at nearby centres.

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Other casualties of yesterday's announcement include 450 child-care staff.

Another eight centres, which did not attract suitable buyers, will remain on life support until June while other options are explored as no suitable child-care alternatives are available for children at these centres.

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Ms Gillard confirmed yesterday that a total of \$58 million has been spent supporting the unviable ABC Learning centres since November.

Another \$50 million has been earmarked for payments under the General Employee Entitlements and Redundancy Scheme to former ABC Learning employees who are not expected to receive their full entitlements.

The Herald revealed last month that almost 700 employees at ABC Learning were sacked or resigned in the three months following the collapse.

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- reprinted from the Brisbane Times

Region: International ^[2]

Tags: privatization ^[3]

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