

LEADING CHARITIES PROVIDE A NEW START FOR ABC LEARNING

9 December 2009

A new chapter for Australian childcare begins today with the announcement that four highly-respected non-profit organisations have formed a new company to purchase ABC Learning.

Subject to finalisation of contracts, 678 ABC Learning centres will be purchased from receivers McGrathNicol by GoodStart, a non-profit company established by Social Ventures Australia and the respected charities Mission Australia, the Benevolent Society and the Brotherhood of St Laurence.

GoodStart has offered to manage the remaining 26 centres while the receiver finalises arrangements for these locations. *(List available.)*

The three charities have more than 420 years combined experience delivering social programs, including high quality childcare built on the critical role of learning and care in the early years.

The venture has been backed by the NAB, one of Australia's biggest banks, and the Australian Government.

Current ABC Learning Group General Manager Matthew Horton will be appointed CEO on completion of the purchase and the majority of key senior managers will remain in their roles, providing continuity at the most senior levels of the company.

Accrued employee entitlements will be carried over to the new owner.

GoodStart spokesperson Maree Walk said the company will operate the centres to the highest standards of education and care, with financial surpluses reinvested back into programs that improve childcare access and quality.

"Today marks a new start for parents, children and staff at ABC Learning centres around the country," Ms Walk said.

"The organisations behind GoodStart's purchase of ABC Learning are stable and respected, with a proven track record of delivering childcare and other social programs with professionalism, integrity, and a focus on the needs of children and families.

"GoodStart will build on the work undertaken by ABC Learning's current management, who have done a great job stabilising the business and restoring confidence in the centres, and staff, who have continued to provide a fantastic service to parents in often uncertain circumstances.

"The mini baby boom children are now reaching an age where childcare may be required, so the timing of this announcement couldn't be better for parents.

"GoodStart will provide the continuity and care parents are seeking, and we encourage them to make contact with their local ABC Learning Centre to see if it is right for their children."

Ms Walk said the centres will continue to be run under the ABC Learning brand.

The new company's aims are:

- Provide high quality, accessible and stable early childhood education and care;
- Work with families to support them providing the best possible foundations for their children;
- Be an integral part of the local communities in which the centres operate;
- Retain, attract and develop high quality staff at each level of qualification; and
- Meet key financial targets to generate surplus which can be reinvested in programs that improve childcare access and quality.

GoodStart will have charitable status under tax laws, and will operate with the business disciplines of a publicly-listed company.

The company has received financial backing from the founding organisations and a number of private benefactors including businessman Robin Crawford, the independent chairman of the new company.

This has allowed the company to obtain debt funding from NAB. The Australian Government has also assisted by providing \$15 million in medium-term loan funds.

These funding sources have provided sufficient capital to finance the acquisition of the business and funds to support day to day operations.

In addition to Mr Crawford an interim board will comprise the CEOs of the founding organisations, Toby Hall (Mission Australia), Tony Nicholson (Brotherhood of St Laurence), Richard Spencer (Benevolent Society) and Michael Traill (Social Ventures Australia).

Following completion of the transaction a new board will be appointed with appropriate early childhood and business skills and experience.

The board will be guided by an Early Childhood Expert Reference Group, which will provide recommendations on areas including educational programs and priorities, staff training and professional development.

"Recent history has demonstrated the provision of good quality childcare and education must be undertaken with the business disciplines necessary to sustain operations over the long term," Mr Crawford said.

"Despite the very public consequences of the previous management's growth strategies, a balanced assessment of the business shows a broad network of generally well constructed and maintained facilities and a 10,000-strong staff that share the company's commitment to high quality childcare.

"Staff who have a passion for their jobs are critical to delivering good quality care, and we intend to retain, attract and develop high quality staff at each level of qualification.

"We welcome this week's COAG announcement on national standards for childcare and early education and look forward to working with the Australian and State Governments on their plans for the sector."

In April 2009 Mission Australia acquired 29 former ABC Learning Childcare Centres and has since been successfully operating them under the Mission Australia Early Learning Centres banner. The purchase of 678 centres by GoodStart will not affect this arrangement.

ABOUT THE PARTICIPANTS

Mission Australia has a history dating back to 1859 in Queensland, and before the era of government welfare provided services that kept many from starvation. The non-denominational Christian organisation now works in the areas of early learning and childcare, employment services, housing and homelessness, and community services. Mission Australia assist hundreds of families with early learning and care, from specialised education for children with Autism and other additional needs through to the highly successful programs providing early learning and other support for vulnerable children and their families.

Established almost 200 years ago **The Benevolent Society** is Australia's oldest charity, and works in the areas of child safety and welfare, services for the elderly, domestic violence, adoption and community leadership in NSW and Queensland. The Benevolent Society is widely recognised as a pioneer in the development of long day care, support day care and special needs care, including providing intensive early learning to abused and neglected children. The Benevolent Society has extensive experience working in partnership with other early childhood centres, assisting them in caring for children with disabilities and learning difficulties. The Benevolent Society is on the cutting edge of childcare and early childhood education and is regularly sought by other providers to develop and implement innovative programs and networks to facilitate smooth transitions from infancy to early childhood.

Established in Melbourne during the Great Depression of the 1930s, **The Brotherhood of St Laurence** has a long history of supporting struggling families. In addition to its extensive array of services involving care for the elderly and people with disabilities, training and employment placement, support for newly arrived migrants and refugees, the Brotherhood delivers early learning services to pre-school children in every Australian state and territory. Through its partnership with the University of Melbourne, the Brotherhood is involved in cutting edge research into the most effective ways of supporting families and their pre-school youngsters.

Social Ventures Australia unites a network of successful individuals, corporates and non-profit organisations to nurture social sector innovation, establish what works and replicate proven models. SVA's efforts are focused on areas of deepest disadvantage, with an emphasis on the building blocks for social change, education and employment. It promotes fresh ideas and new approaches to the sector by offering consulting services to sector participants, and providing funding and strategic support to innovative initiatives and programs. Established in 2002, SVA was created by and has the ongoing support of some of Australia's most well-known not-for-profit and philanthropic organisations.

Robin Crawford was a founding director of Macquarie Bank specialising in corporate advisory and capital raising. He has served on the boards of the Autistic Children's Association, the Schizophrenia Foundation (now Sane Australia), Clean Up Australia, and for three years was chairman of the Chris O'Brien cancer centre, Lifehouse at RPA. He is committed to making the non-profit sector more effective, helping to establish Social Ventures Australia and the Centre for Social Impact.