

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2010-2011**

Outcome 1 - Early Childhood

DEEWR Question No.EW0298_11

Senator Payne asked on 2/06/2010, Hansard page 7.

Question

GOVERNMENT DECISION - LEARNING AND CARE CENTRES

Mr Cook—It was for the.....the government decided that a large-scale supply in relation to early learning and care centres, the 222, would not be warranted based, at this stage, on the market and ensuring that we could have stability around the market and prevent further disruption to families. Senator PAYNE—Was that decision taken in April or was it taken before that? Mr Cook—Excuse me, Senator? Senator PAYNE—Was that decision taken in April at the time of the press release or was it taken before that? Mr Cook—I might have to take that on notice in terms of the government decision itself. Certainly the announcement based on this information was in consideration of the GoodStart activity and also in relation to the release of the data on 22 April. Ms Paul—We can get the date for you, I think. Senator PAYNE—Thank you, Ms Paul.

Answer

In the light of the collapse of ABC Learning the Government delayed decisions on how to proceed with the proposed 222 Early Learning and Care Centres whilst allowing the market to settle. By late 2009 the Government had determined that it was prepared to extend a loan to GoodStart to assist it to buy the majority of the ABC centres subject to the Receiver's sale process. Subject to settlement of the loan arrangement and the sale process it determined not to proceed with the 222 centres. By April 2010, although final settlement of the GoodStart sale had not occurred, the Government was satisfied that prospects for settlement were sufficiently secure that it would be prudent to publicly confirm that the 222 would not be built.