

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

**QUESTIONS ON NOTICE
BUDGET ESTIMATES 2009-10**

Outcome 1

DEEWR Question No. EW0108_10

Senator Hanson-Young asked in writing

Question

Child Care Industry Taskforce Questions on ABC Learning

ABC Staff:

How many ABC staff have been kept on?

What was the timeframe for notifying these staff if they were not required?

How were they notified?

How many staff were transferred to other existing ABC Learning centres?

Were staff that were made redundant, eligible for any entitlements?

Answer

As at 22 June 2009, ABC2 Group has reported the following outcomes for their employees:

- 1762 have transferred to the new operators;
- 97 were redeployed to ABC Learning
- 8 are employed at a Category 4 centre where the future is yet to be determined
- The remainder (< 15%) have either resigned or accepted a redundancy offer.

PPB advise the process of notifying all employees regarding their employment status was via personalised letters, as a minimum. Employees were progressively notified of the sale of the centre at which they were employed from 15 April 2009. Confirmation was then obtained from the purchaser regarding whether they would engage the employees.

If the purchaser was taking on the employees, a proposed letter of offer was provided to Clayton Utz and McGrathNicol for review to ensure the offer was on no less favorable terms. Following this confirmation, the letters of offer were provided either directly from the purchaser or via email from ABC Communications Central, either on the same day or the following day.

If employees were not to be engaged by the new operator, redeployment opportunities within ABC1 centres were explored. Following this advice, employees were provided with either a letter of confirmation of their new ABC redeployment offer, or a notice of termination. All termination notices were forwarded via email to the Area Managers and then hand delivered by the Area Manager to each employee. If the employee was on leave the Area Manager called the employee and then posted the letter to them.

Given the process described above, the date employees were advised of their employment status varies for each individual centre. Employees were notified of their employment between 16 April 2009 and date of settlement for their Centre.

Given the unique circumstances of ABC Learning, the Minister for Employment and Workplace Relations has exercised discretion to ensure that ABC Learning employees who resign or are made redundant may be entitled to access the General Employee Entitlements and Redundancy Scheme (GEERS) during the period of voluntary administration.

Eligible employees may be able to receive assistance under GEERS for the following employee entitlements:

- up to 3 months unpaid wages for the period prior to the appointment of the ABC Learning Administrator
- all unpaid annual leave
- all unpaid long service leave
- up to a maximum of 5 weeks unpaid payment in lieu of notice, and
- up to a maximum of 16 weeks unpaid redundancy entitlement.

The Department is working closely with the Administrator and Receiver Manager in order to provide GEERS assistance to eligible employees as quickly as possible.