

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

**QUESTIONS ON NOTICE  
ADDITIONAL ESTIMATES 2008-09**

**DEEWR Question No. EW1115\_09**

Senator Hanson-Young asked on 25 February 2009, EEWWR Hansard page 41

**Question**

*Child Care Industry Taskforce Questions on ABC Learning*

"Senator HANSON-YOUNG—Do we know whether the Austock leases include additional outgoings over and above the usual outgoings in, say, a Law Society standard lease?

Mr Manthorpe—I do not know, Senator.

Senator HANSON-YOUNG—Can I get the details on that? Can you take it on notice?

Mr Manthorpe—I can take it on notice."

**Answer**

The commercial terms of lease agreements for child care centres are not a matter of direct consideration for DEEWR.

However, in seeking to respond directly to this question the Department sought advice from Austock.

Austock advise that the leases they manage are standard triple net leases that reflect terms and conditions suitable to the leasing of specialized real estate assets in the form of childcare centres. Austock consider generic lease templates such as those produced by the NSW Law Society inadequate for these purposes. They advise that Law Institute leases are tailored to conventional commercial premises such as small offices or warehouses rather than social infrastructure. Therefore, Austock consider that a comparison with the Law Society leases is not appropriate and that financiers to the childcare industry generally would not view the Law Institute template as a sound basis for lending.

Austock further advises that its leasing arrangements with ABC (and other tenants) and now those which are to be assigned to new operators as part of 'ABC2' sale process have been previously assessed by independent childcare industry experts as being consistent with the general property market standards.