



media release

5 July 2017

## **Traditional Outside School Hours Care Under Siege**

Victorian parents fear price hikes as an American investment firm threatens to gobble up almost half our state's outside school hours care (OSHC) services. In a rare move, Labor has lodged a submission to the ACCC opposing the merger between Camp Australia, which was recently acquired by US-based Bain Capital, and Junior Adventures Group, which operates about 400 sites around Australia.

### **Victoria most vulnerable of all states**

If the mega merger goes ahead, Bain Capital will control about a quarter of the national market. In Victoria, the impact will be far greater, with Bain Capital set to own 531 services, or 44% of the market.

Community Child Care Executive Director Leanne Giardina says, "The takeover will mean less affordability for families and less choice for schools." She fears a repeat of the ABC Learning debacle, which left thousands of working mums and dads in the lurch and cost taxpayers a hefty \$56 million. At the time of its collapse, ABC Learning had 20% of the market – far less than what Bain Capital will control in Victoria if the ACCC approves the merger.

### **Fees set to skyrocket**

Victorian parents are already seeing higher fees charged by private providers, compared with not-for-profits. The average cost of school-run after-school care is \$19 per child per session, while the private sector average is closer to \$27 per child per session. Many families are forking out even more, with Camp Australia-run services at Aitken College and Altona North Primary School charging \$35.45 and \$33.06 respectively.

Community Child Care is concerned skyrocketing fees could force low-income families to pull their kids out of OSHC. As Leanne Giardina points out, "Overheads are lower when you don't have huge management fees going to corporate profits." Traditional community-run services ensure that profits and Australian taxpayer dollars are reinvested into local communities, not into the share portfolios of foreign investors.

### **Victorian families to lose out**

Community Child Care is worried about the potential for anti-competitive behaviour and says Camp Australia may aggressively squeeze out smaller operators before later raising fees. Kate Ellis has warned, "Where these for-profit, privately-owned providers have stepped in previously, fees have on average been higher and the quality of service that's been delivered has on average been lower." Leanne Giardina says, "This is what can be expected from outside school hours care providers that prioritise profits, not children."

Community Child Care has opposed the merger in a submission to the ACCC, which will announce its final decision or release a Statement of Issues by the end of the month.



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**For further comment:**

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