



## media release

11 August 2017

### **Bain Capital Faces ACCC Concern over Outside School Hours Care Merger**

A proposed \$100 million merger between two of Australia's largest outside school hours care (OSHC) providers could lead to higher fees and lower quality care, according to ACCC. The competition watchdog has released a preliminary report that highlights concerns with Bain Capital's bid to take over Junior Adventures Group, which operates OSHClub and Helping Hands centres. Bain Capital, a US-based private equity company, already owns Camp Australia.

Community Child Care Association (CCC) shares ACCC's concerns. Leanne Giardina, CCC Executive Director, says, *'This deal will make Victorian schools the most vulnerable in the country and an easy target.'*

#### **Takeover could lead to high fees and sinking standards**

If the merger is approved, one in four Australian OSHC services will be run by the same provider. CCC believes this represents a real risk, which the ACCC has acknowledged. 'The ACCC's primary concern is that the loss of competition between Camp Australia and JAG for the supply of before and after school care could result in higher prices for parents and lower quality care for students in some states,' ACCC Chairman Rod Sims says.

#### **Victorian schools at greatest risk**

The ACCC has received 'a large number of complaints in relation to Victoria' where the loss of competition will be the most substantial. Here, a combined entity will have a 48 per cent share, according to the competition regulator.

Community Child Care Association is alarmed by the sudden and unparalleled interest by foreign investors in before and after school care. In Victoria, private providers are already charging high fees compared with their school-run counterparts. School-run care is around \$19 per child per session, while the private sector average is closer to \$27 per child per session. Many Victorian families are paying even more, with Camp Australia-run services at Aitken College and Altona North Primary School charging \$35.45 and \$33.06 respectively.

Ms Giardina believes there are many other benefits in schools operating their own OSHC programs.

*'School-run programs mean stronger and more connected school communities. They can provide a valuable stream of income for schools. Let's have any profits directed back into local communities, not into the hands of offshore investors.'*

#### **Opposition continues to grow**

Mr Sims said there is 'significant opposition' to the merger, which, if completed, will mean Camp Australia is more than 12 times the size of the next-largest for-profit provider, Extend. The merger has also attracted



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criticism from opposition education and development spokesperson Kate Ellis, who warned the ACCC about the negative impacts of the takeover for schools and families.

The ACCC's final decision is expected on October 26.

**For further comment:**

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