National Outside School Hours Services Alliance
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23 September 2026

Mergers Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601
By email: mergers@accc.gov.au

Dear Commissioners,

Re: Proposed merger of Camp Australia (Allegro Funds) and TheirCare (BGH Capital)

I write on behalf of the National Outside School Hours Services Alliance (NOSHSA) to raise concerns about the proposed merger of Camp Australia and TheirCare, as reported in the *Australian Financial Review* on 20 September 2026. The report indicates that the parties are in advanced exclusive discussions, that a signed agreement may be weeks away, and that the combined business would generate earnings of around $40 million. It also indicates that the rationale for the transaction includes reducing head office costs and enabling TheirCare to expand into Queensland.

NOSHSA is an independent, not-for-profit organisation that has supported the Outside School Hours Care (OSHC) sector for more than three decades through advocacy and advancement, professional learning programs, practice coaching, leadership development and the development of professional standards for OSHC educators. NOSHSA does not operate OSHC services and does not compete with the merger parties for school contracts. Our concerns arise from our close and long-standing knowledge of how the sector operates, and of what drives quality and safety for the children who attend OSHC every school day.

We recognise that the Commission's task is to assess whether the transaction is likely to substantially lessen competition. We ask the Commission to recognise that, in OSHC, competition operates primarily at the point of procurement for government school sites, where providers compete for the right to operate at a school site, rather than between services competing for families. Once a provider holds a site, families generally have no practical alternative. This means that increased concentration affects not only price, but the quality, safety and workforce conditions that schools, families and educators are able to secure.

We ask that, in assessing any lessening of competition, the Commission differentiate between services that operate on government school sites and those on independent or Catholic school sites. NOSHSA's experience suggests that the majority of independent and Catholic school sites are operating within their organisations or a structure established internally by their organisations rather than being outsourced. This materially changes the number of services that are genuinely operating in a competitive market. For example, if the number of OSHC services approved in Australia in total were reduced by the number of primary schools that operate on independent and Catholic sites, then this number, proportionately, would reduce from 100% to approximately 70%. The 5,026 services in total would then reduce to 3,518 services for the purpose of market competition analysis. https://snapshots.acecqa.gov.au/Snapshot/stateofthesector.html

Further to this, jurisdictions such as South Australia and Queensland give preference to Governing Councils and Parents and Citizens' Associations as local community providers. These operators are not required to go to market if they choose to be the provider, as their volunteer efforts make significant and lasting contributions to the school communities they serve. We set out three areas of concern below.

1. Service quality, child safety and the focus on reducing head office and staffing costs

The reported rationale for the merger includes reducing head office costs across two businesses with similar operations. In OSHC, the functions typically located in a head office or regional structure are not administrative overhead in any ordinary sense. They include safeguarding and child protection leadership, incident review and reporting, compliance with the National Quality Framework, recruitment screening, induction and ongoing training, area management, and the supervision and support of service leaders. These functions are a core part of how child safety is maintained across a dispersed network of school-based services.

OSHC services are characterised by a largely part-time and casual workforce, split shifts, many younger and early-career educators, and comparatively high turnover. In this context, the systems, supervision and professional support provided centrally are what allow safe practice to be sustained at each individual site. Reductions to these functions, or to on-the-ground staffing beyond minimum requirements, may lower costs but are likely to diminish the capacity to prevent, identify and respond to risks to children.

These concerns are heightened by the current environment. The sector is operating under intensified regulatory and public scrutiny following serious child safety incidents in early childhood settings, and governments are strengthening child safety requirements. The same reporting notes financial pressures across the broader sector, including the recent collapse of a private equity-backed early learning group. Where a combined entity is under pressure to realise synergies to service acquisition finance or deliver investor returns, there is a real risk that child safety infrastructure is treated as a cost to be reduced.

We ask the Commission to treat quality and child safety as genuine dimensions of competition in this market, and to seek information from the parties about their intended changes to safeguarding roles, training investment, area management structures and staffing arrangements following the merger.

The evidence is clear, for example, that only around 1% of Camp Australia and TheirCare services have achieved an Exceeding rating. The Exceeding rating is an exemplar for the practice that the Australian early childhood education and care (ECEC) sector is striving for. Numerous reports identify that this standard of care is what actually ensures not only children's safety but also the important development and learning outcomes that the Australian Government is investing in. Nationally, 5.4% of OSHC services are currently rated Exceeding. NQF Snapshot Q2 2026 If these two providers are excluded from the national data, the gap between their performance and that of other OSHC services widens further. Neither Camp Australia nor TheirCare are setting an aspirational standard for the Australian OSHC sector.

2. Inconsistent procurement processes that do not appropriately recognise quality

These providers deliver OSHC primarily on government-operated school grounds under arrangements determined through procurement processes run by education departments, school principals, governing councils or school boards. These processes vary considerably between and within jurisdictions. In our experience, they are frequently inconsistent in the criteria applied, the weight given to price, fees, site fees or financial contributions to the school relative to quality, and the extent to which evaluators have the expertise to assess OSHC practice.

Of particular concern is that procurement processes often do not acknowledge, or do not consistently acknowledge, the quality of existing services. Incumbent providers, including many community-based and not-for-profit operators, may hold strong quality ratings under the National Quality Standard, have deep relationships with their school communities, and have a stable, locally connected workforce. These strengths are not always reflected in evaluation criteria. As a result, well-performing services can be displaced by bidders able to offer more attractive commercial terms or more polished tender responses, or by lowering fees to win a tender. The under-pricing of fees to win a tender is a race to the bottom. Fees often need to be increased to meet operating costs in the first year of the tender operation or new fees introduced, such as administrative fees, which are not detected in the administration of Child Care Subsidy. When fees are not increased, the operating costs are reduced to the bare minimum, which impacts the quality of jobs and consequently the quality of the workforce.

A larger combined provider would have greater capacity to prepare tenders at scale, to offer financial terms that smaller operators cannot match, and to bid across many sites at once. Where procurement processes place limited weight on demonstrated quality, this scale advantage is likely to accelerate the displacement of high-quality smaller providers, reduce the number of credible bidders over time, and weaken the competitive pressure that currently operates on quality. The reported intention to expand into Queensland, with its comparatively larger schools, makes this concern directly relevant to the communities that NOSHSA's Queensland member organisation, QCAN, works with.

We ask the Commission to examine how existing procurement practices interact with the market power of a combined entity, and to engage with state and territory education departments and school sector bodies on this question as part of its assessment.

3. The standard set by a large dominant provider, workforce engagement and the quality of jobs

A provider of the scale proposed would not only hold a large share of sites. It would, in practice, set the benchmark against which the sector operates. The employment model, pay and conditions, qualification expectations, training investment, rostering practices and approach to programming adopted by a dominant provider tend to become the norm that schools expect and that competitors must match in order to win contracts.

If that benchmark is shaped primarily by cost reduction, the likely consequences include greater reliance on casual and minimum-hours employment, fragmented shifts, fewer paid hours for planning and professional learning, reduced investment in qualifications, and fewer pathways into leadership roles. These changes affect not only the attractiveness of OSHC as a career but the continuity of relationships between educators and children, which is central to both quality and safety.

The merger also raises labour market considerations. In many local areas, OSHC educators have a limited number of alternative employers. Consolidation reduces those alternatives and weakens the bargaining position of a workforce that has been recognised as low-paid, part-time and casualised. We note that the Commission's merger assessment framework recognises that mergers can lessen competition in labour markets, and we ask that these effects be examined here. This is particularly important at a time when governments have made significant public investment, including through the Worker Retention Payment, to improve the attraction and retention of the early childhood education and care workforce, of which OSHC educators are a part.

Our requests of the Commission

In light of these concerns, NOSHSA respectfully asks that the Commission:

- undertake a thorough assessment of the proposed transaction, including public consultation with OSHC sector bodies, providers, schools, families and educators;
- assess quality and child safety as core dimensions of competition, and seek information from the parties on planned changes to safeguarding, supervision, training and staffing;
- consider how inconsistent procurement practices across jurisdictions may amplify the market power of a combined entity, and consult with state and territory education departments and regulatory authorities;
- examine the likely effects of the merger on local labour markets for OSHC educators, including on pay, conditions and security of employment; and
- if the Commission is minded to allow the transaction to proceed, consider whether conditions or undertakings are necessary to protect service quality, child safety and workforce conditions.

NOSHSA would welcome the opportunity to meet with the Commission and to draw on our expertise and sector insight to provide further information. I can be contacted directly on the details below.

Yours sincerely,

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