



Statement of Issues

10 August 2017

Camp Australia – proposed merger with Junior Adventures Group

Purpose

1. Bain Capital, LP (**Bain**), the owner of Camp Australia Pty Ltd (**Camp Australia**), is proposing to acquire a part of Advent Private Capital's (**Advent**) shareholding in Junior Adventures Group Pty Ltd (**JAG**). The effect of the proposed transaction would be to merge Camp Australia and JAG (with Bain being a majority shareholder in the combined business).
2. Camp Australia and JAG supply Out of School Hours Care, which is principally before and after-school care, generally for primary-school children.
3. This Statement of Issues:
 - gives the Australian Competition and Consumer Commission's (**ACCC's**) preliminary views on competition issues arising from the proposed acquisition
 - identifies areas of further inquiry
 - invites interested parties to submit comments and information to assist our assessment of the issues.

Overview of ACCC's preliminary views

4. The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in any market.
5. The ACCC divides its preliminary views into three categories, 'issues of concern', 'issues that may raise concerns' and 'issues unlikely to raise concerns'.

Issues of concern

6. The ACCC's primary concern is that the proposed merger is likely to substantially lessen competition for the supply of before and after-school care in New South Wales (**NSW**), Victoria, Queensland and Western Australia (**WA**).

7. The ACCC's preliminary view is that:
 - The proposed merger involves the consolidation of the two largest providers of before and after-school care, eliminating the competitive tension between them.
 - A merged Camp Australia-JAG would not be as effectively constrained by other existing competitors, the threat of entry or by the threat of schools supplying before and after-school care themselves.
8. This lessening of competition may result in increased fees for parents, lower payments to primary schools and lower quality of before and after-school care services.

Issues that may raise concerns

9. The ACCC's preliminary view is that the acquisition may raise concerns in South Australia (**SA**) and the Australian Capital Territory (**ACT**). In SA and ACT Camp Australia and JAG appear to be less strong, compared to the other main states. The ACCC will continue to investigate the potential loss of competition between Camp Australia and JAG in SA and ACT.

Issues unlikely to raise concerns

10. The ACCC's preliminary view is that the consolidation of Camp Australia and JAG is unlikely to raise concerns in the Northern Territory (**NT**) and Tasmania. This is because JAG does not presently operate in Tasmania or the NT.
11. The ACCC's preliminary view is that the acquisition is unlikely to raise competition concerns in relation to vacation care (that is, holiday programs for children), as there is a variety of options for holiday care which are likely to be substitutable with the services Camp Australia and JAG offer. These options range from close substitutes such as other vacation services in the local area to more removed but still viable alternatives such as recreation and sport facilities and camps.

Making a submission

12. The ACCC is seeking submissions from interested parties, particularly on the following key issues:
 - a. the nature and extent of competition between Camp Australia and JAG
 - b. the degree to which Camp Australia and JAG are competitively constrained by:
 - i. the expansion or the threat of expansion by other existing competitors
 - ii. the 'entry' or threat of entry, by new out of school hours care (**OSHC**) providers
 - iii. schools supplying before and after-school care themselves.

13. Interested parties should provide submissions by no later than 5pm on **25 August 2017**. Responses may be emailed to mergers@acc.gov.au with the title: Submission re: Camp Australia-JAG – attention Tessa Cramond / John Rouw. If you would like to discuss the matter with ACCC officers over the telephone or in person, or have any questions about this Statement of Issues, please contact Tessa Cramond on (03) 9658 6516 or John Rouw on (03) 9290 1402.

Confidentiality of submissions

14. The ACCC will not publish submissions regarding the proposed acquisition. We will not disclose submissions to third parties (except our advisors / consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

About ACCC ‘Statements of Issues’

15. A Statement of Issues published by the ACCC is not a final decision about a proposed acquisition, but provides the ACCC’s preliminary views, drawing attention to particular issues of varying degrees of competition concern, as well as identifying the lines of further inquiry that the ACCC wishes to undertake.
16. A Statement of Issues provides an opportunity for all interested parties, including customers, competitors, shareholders and other stakeholders, to ascertain and consider the primary issues identified by the ACCC. It is also intended to provide the merger parties and other interested parties with the basis for making further submissions should they consider it necessary.

The parties

17. Camp Australia and JAG both operate:
 - before and after-school care, which is care for primary-school-aged students before and after school during school terms, and
 - vacation care, which is care for primary-school-aged students during school holidays and pupil-free days

in a number of Australian states and territories.

Camp Australia

18. Camp Australia started in Victoria in 1986 and has grown to about 780 sites across all Australian states and territories, including most recently Tasmania and the NT.

19. Camp Australia is owned by funds manager Bain, which is a multi-asset investment firm with around USD75 billion of assets under management. Bain is headquartered in Boston, USA, and has Australian offices.
20. Bain acquired Camp Australia in February 2017. Camp Australia is headquartered in Melbourne.
21. Bain also owns Only about Children, which is involved in early childhood care (that is, younger than primary-school-aged children).

Junior Adventures Group

22. JAG is majority-owned by Melbourne-based private equity firm Advent Private Capital. JAG provides before and after-school and holiday-care services at more than 380 sites under two brands: OSHClub and Helping Hands (originally two separately owned businesses bought by Advent in two stages):
 - OSHClub started in Victoria in 2008 and has since grown to about 265 sites across WA, NSW, ACT, Queensland and SA.
 - Helping Hands started in Queensland, also in 2008, and has since grown to about 120 sites across Queensland, WA and NSW.
23. In a statement made when it bought the OSHClub arm of the now-combined JAG business, Advent described it as 'one of only 3 national players in Australia'; and stated that Advent was 'attracted to the business as it had a strong market position in a large growing market with favourable industry dynamics'.¹

Industry background

24. OSHC services are provided to children aged four to 12 years who attend primary school. OSHC encompasses:
 - before-school care (often 7am to 9am)
 - after-school care (usually from after 3pm to 5.30pm or 6pm) and
 - vacation care (all-day care provided during school holidays).
25. According to the Australian Government Department of Education and Training, approximately 418,000 children used OSHC in the September quarter of 2016.²
26. In the three months of the September 2016 quarter, the Australian Government estimates that it paid \$165.8 million in Child Care Benefit and Child Care Rebate (discussed in more detail further below) to OSHC services on parents' behalf.³
27. OSHC can be described as a form of 'formal childcare'. Other types of formal child care are typically for children aged zero to five years who have not yet

¹ Advent Partners, September 2015, 'Group – New Advent 6 Investment', viewed on 28 July 2017, <http://www.advent.com.au/news/2015/09/junior-adventures-group/>

² Australian Government Department of Education and Training, *Early Childhood and Childcare in Summary*, September quarter 2016, p3

³ Australian Government Department of Education and Training, *Early Childhood and Childcare in Summary*, September quarter 2016, p13

started primary school. Examples are 'occasional care', family day care and long day care. Such services are typically not connected to any particular school.

28. Parents in need of supervision of primary-school-aged children outside of school hours may also use informal child care, ordinarily provided by grandparents, other relatives and friends (typically unpaid) or nannies and babysitters.

Parents, schools and services

29. The customers of OSHC are ultimately parents seeking care services provided to their children. Parents pay for the OSHC services, though they receive assistance towards the cost of OSHC from the Australian Government.
30. Not all schools have OSHC⁴; but the majority of OSHC services are provided onsite at a school, either by a third party or by the school itself. OSHC services can also be provided at an offsite location such as a community centre, church hall or sporting venue. Off-site services usually involve students being transported by bus or otherwise accompanied to the external venue. The ACCC understands that, with the exception of WA and to a lesser extent NSW, off-site OSHC services are rare due to the cost and inconvenience of transporting students.
31. The ACCC accordingly understands that parents often have few if any choices for the supply of OSHC services during school terms (before and after-school care). For reasons of convenience and child safety, parents typically elect to use the OSHC provider at their child's school rather than an OSHC provider located elsewhere, either at another school or in the rare instance that there is a non-school 'off-site' service nearby. So parents with children in before and after-school OSHC typically have very little capacity to switch care providers, as doing so would generally require the drastic step of moving schools.⁵ In this way, some market participants have described parents as a 'captive market'.
32. The ACCC's preliminary view is that off-site OSHC is not a strong feature of the markets. Though such services exist, they do not appear to be good substitutes for many parents for on-site services. The ACCC has focused its review on onsite OSHC.
33. Parents can also consider sending their children to hobby, recreation and sports clubs and facilities before and after school and during school holidays. These activities could range from tennis lessons to chess clubs. A differentiating feature is that these activities are: not approved for Australian Government Childcare Rebate and Benefit subsidies (discussed further below), which allows parents to receive a rebate of at least half of the cost; and are often not on school premises and so require the children to be transported somehow. It is unlikely that many parents will send their children to these more 'novel' activities for a number of days in a week and in a row.
34. Schools play at least a dual role in relation to OSHC services. They act as suppliers to the OSHC providers, routinely providing a site on school premises

⁴ In 2016, according to the Australian Bureau of Statistics, there were about 7500 primary schools in Australia. There are currently about 4300 OSHC services in Australia.

⁵ Australian Government Productivity Commission, *Childcare and Early Childhood Learning Report*, 2015, <http://www.pc.gov.au/inquiries/completed/childcare/report>, p. 369.

(such as a school hall) for the provider to use. Additionally, school principals and / or school councils routinely make decisions as to:

- whether to have OSHC at the school at all
 - whether the school will provide the service itself or outsource it and
 - which outside provider is engaged.
35. In this sense, schools can be seen as agents, making decisions about the provision of OSHC services on behalf of parents of students enrolled at that school. That is, there is some separation between those who pay for OSHC services (parents, and the Commonwealth Government through subsidy programs) and the decision maker about OSHC services (the school).
36. Competition in this sector therefore primarily takes the form of OSHC providers competing to win exclusive contracts offered by schools.
37. The ACCC understands that the main criteria typically considered by schools when deciding between potential OSHC providers are:
- the size of any licence fee paid to the school by the provider (and any other 'incidental' payment, such as donations or payments for capital works), in exchange for the right to be the exclusive provider of OSHC at the school.
 - the magnitude of fees being charged to parents (which are specified in the agreement between the school and the provider) and / or
 - the quality of the care.
38. The procurement process for government schools varies slightly in each state / territory.⁶ In certain states, State Government bodies are involved in the provider-selection process for government schools and procurement criteria are explicitly defined. In Queensland and NSW, State Government bodies have placed restrictions on the size of licence fees that providers can pay to government schools. However, in NSW there is no cap on the 'incidental' payments that can be made to schools.

Industry trends

39. OSHC is a growing industry, with demand being driven primarily by increases in the number of households with two working parents, population growth and increased Government subsidisation.
40. OSHC was historically provided in-house by schools. According to publicly available data, nationally, about a fifth of schools that have OSHC services still run them themselves. However, increasingly complex regulation and compliance procedures, as well as increasing student numbers, have meant schools are tending to engage a third-party provider. For example, the ACCC has been told that, in Victoria, about 15 schools a year are changing from running OSHC themselves to engaging a third-party provider.

⁶ In 2016, according to the Australian Bureau of Statistics, there were about 5270 government primary schools in Australia and 2279 non-government.

Regulatory framework

41. Introduced on 1 January 2012, the National Quality Framework for Early Childhood Education and Care (**NQF**) provides a uniform national approach for the regulation and quality assessment processes for early childhood education and childcare services, including OSHC care.⁷
42. Regulatory authorities in each state and territory administer the NQF. Each state or territory regulatory authority is usually responsible for granting service approvals to OSHC providers, undertaking quality assessments, rating OSHC providers, and ensuring compliance with relevant regulation / legislation. The regulatory authorities are usually also responsible for investigating incidents and complaints involving OSHC providers.
43. The Australian Children's Education and Care Quality Authority (**ACECQA**) oversees the implementation of the NQF and works with state and territory regulatory authorities to administer the NQF. ACECQA publishes information such as who holds the service approval to operate a particular OSHC site. The publicly available information includes information about 'approved places' (which the ACCC understands is based principally on the capacity of the space at which the service is provided) and quality ratings; but not actual attendances or any financial information, such as revenues or payments to schools.

Australian Government funding

44. The Australian (Commonwealth) Government subsidises the cost of OSHC services (together with other approved child care services) for eligible families through the Child Care Benefit and the Child Care Rebate.
45. The Child Care Benefit is a payment made by the Government to eligible families (those that have members working, looking for work or studying) to assist with the cost of child care.⁸
46. The Child Care Rebate is calculated based on the gap between the fees charged by a child care service and the Child Care Benefit received by families. Families who satisfy the eligibility criteria may be entitled to receive the Child Care Rebate for 50 per cent of all out-of-pocket costs up to an annual limit.⁹
47. According to the Productivity Commission's report on early childhood education and care, at that time the Government's rebate, benefit and other measures funded slightly more than 60 per cent of OSHC fees.¹⁰

⁷ The NQF operates under an applied law system, comprising the *Education and Care Services National Law Act 2010* (Vic) and the *Education and Care Services National Regulations 2011* (NSW). All jurisdictions have adopted the *Education and Care Service National Law Act 2010* (Vic) through an Application Act or passed corresponding legislation.

⁸ See <https://www.humanservices.gov.au/customer/services/centrelink/child-care-benefit>

⁹ See <https://www.humanservices.gov.au/customer/services/centrelink/child-care-rebate>

¹⁰ Australian Government Productivity Commission Inquiry Report: Childcare and Early Childhood Learning, October 2014 p387 <http://www.pc.gov.au/inquiries/completed/childcare/report>

Other industry participants

48. There are three broad categories of OSHC providers:
- a. corporate or for-profit. For example
 - i. Camp Australia
 - ii. JAG
 - iii. Extend (operating in four states)
 - iv. PrimaryOSHCare (operating in Sydney)
 - v. Sherpa Kids franchise network (operating in four states / territories)
 - vi. After the Bell (operating in two states)
 - b. not-for-profit and community. For example:
 - i. various Young Men's Christian Associations (YMCAs) in regions across Australia. The movement in Australia is a federation of 24 Member Associations.
 - ii. the Police and Citizens Youth Clubs (PCYC) organisations in states and territories including Queensland and NSW¹¹
 - iii. religious-affiliated groups, such as Catholic support service Centacare Brisbane, and
 - iv. local councils, which run about 200 services across Australia.
 - c. schools providing OSHC 'in-house'.
49. The OSHC sector also contains a long tail of smaller providers not included in the above list. These providers, numbering in the hundreds, operate one or a handful of sites only.
50. In terms of relative sizes based on sites, a merged Camp Australia is likely to be:
- more than 12 times the size of the next-largest for-profit provider, Extend
 - about three times the size of the pool of services run by Australia's various independently constituted YMCAs
 - about eight times the size of the pool of services run by the various PCYCs and
 - about nine times the size of Centacare, which is the largest religious-affiliated provider, focusing on parts of the Catholic School system in Queensland.

¹¹ Including Police Citizens Youth Clubs NSW Ltd, Queensland Police-Citizens Youth Welfare Association and Federation of Western Australian Police and Community Youth Centres (Inc).

51. However, collectively, small-scale providers and schools would still operate approximately three times as many sites nationally as a combined Camp Australia-JAG.
52. Further details of the relative sizes of industry participants are provided below, under the heading 'Market Concentration'.

Market inquiries

53. To help in its assessment of mergers and acquisitions, the ACCC collects information from and has discussions with market participants, such as customers, suppliers, competitors, regulators and industry member organisations.
54. Market inquiries to date in this matter have revealed significant opposition to the proposed consolidation of Camp Australia and JAG.
55. The ACCC has also received some market feedback that is neutral about the proposed merger or that otherwise indicates a lack of concern.
56. The number of submissions the ACCC receives is not necessarily an indicator of whether a proposed merger or acquisition raises 'competition concerns'. In this case the number of submissions the ACCC has received must be viewed in the context of a sector that involves hundreds of thousands of parents, thousands of schools and hundreds of providers.
57. However, the ACCC notes that it has received more than 100 submissions from parents, expressing concerns that the merger will lead to, variously and amongst other things:
 - a drop in service quality
 - a rise in fees
 - a reduction in the bargaining power of schools, because a merged Camp Australia-JAG would be large and there will be a lack of alternatives
 - possibly forcing smaller providers out of the market.
58. The ACCC was also referred to an online petition opposing the merger, which has over 1000 signatories.
59. Some of the submissions from parents incorporated concerns beyond those which the ACCC can consider, such as concerns about foreign ownership.
60. The ACCC notes that in its contacts with schools, about twice as many schools were concerned about the merger as were unconcerned or undecided.

Market definition

61. The ACCC's preliminary view is that the markets relevant for assessing the competition effects of the proposed merger are state and territory-based markets for before and after-school care for primary school children.

Product dimension

Markets for the supply of before and after-school care

62. The ACCC's starting point for delineating the relevant markets in which to assess the competitive effects of a proposed merger involves identifying the products actually or potentially supplied by the merger parties.
63. The first market definition question considered by the ACCC is whether before and after-school care and vacation care are in the same market.
64. The ACCC understands that:
 - there are many organisations (including the merger parties) that supply both before and after-school care and vacation care
 - schools often issue tenders for a single provider to provide both before and after-school care and vacation care at the school as part of a single tender process
 - there are few regulatory requirements preventing a supplier of before and after-school care from supplying vacation care,
 - there are few regulatory requirements preventing a vacation care provider licensed under the NQF from supplying before and after-school care.
65. However, on the basis of market inquiries, the ACCC understands that demand from parents for vacation care for their children is very distinct from demand for school-term before and after-school care.
66. The ACCC takes the view that parents make decisions about before and after-school care and vacation care in different ways:
 - Parents requiring before and after-school care ordinarily just use the provider their school has chosen.
 - Parents wanting vacation care are likely to consider various sites and options in local areas where they live or work, beyond just the provider at their child's school. These alternative options may include licensed vacation care providers at other schools, or informal care provided by sporting camps or other recreational activities for children that will take up the majority of the working day. While the ACCC considers that there are significant differences between these alternate options and vacation care run by an OSHC provider at a school (the costs of which are eligible for Australian Government Childcare Rebate and Benefit subsidies), its preliminary view is that these alternatives may be substitutable with vacation care for some parents.
 - Parents may also more readily consider taking holidays themselves during school breaks to care for their children.
67. That is, the ACCC's preliminary view is that there are additional constraints on the supply of vacation care services that are not applicable to the supply of before and after school care.
68. On balance, the ACCC's tentative preliminary view is that before and after-school care and vacation care are likely to be in separate markets.

69. Ultimately market definition is 'purposive', that is, the relevant market definition depends upon the particular conduct or structural change that is being considered. The ACCC considers in this case that the area of competition most affected by the proposed merger is that for before and after-school care.
70. Most fundamentally, the ACCC's preliminary view is that it is unlikely that providers of purely vacation care (of which there appear to be few) would adequately constrain providers of before and after-school care by threatening to commence providing before and after-school care services.
71. However, even if licensed vacation care was included in the same market as before and after-school care (that is, there was a market for the supply of all OSHC services) it would be unlikely to affect the ACCC's competition analysis significantly.

Before and after-school care services are a distinct market from other children's care services and from recreation services

72. In determining the relevant product market, the ACCC has considered the extent to which:
- before and after-school care is substitutable for other types of children's care services, such as nannies
 - suppliers of other types of children's care services, ranging from long-day-care providers to sports-clinic providers, can constrain suppliers of before and after-school care services by entering tenders to provide before and after-school care services at schools.
73. Consistent with the findings of previous ACCC reviews, the ACCC considers that demand from parents for long day care and before and after-school care are separate, being for children of a different age.¹²
74. The ACCC also considers that informal care, such as nannies, babysitters and grandparents, are not sufficiently 'close substitutes' to be considered as part of the before and after-school care product market:
- Nannies and babysitters are different in that they provide high-level, personalised care for a handful of children at a time, generally at a significantly higher price per hour of care (albeit they may care for one child or more than one child at the same total cost).
 - Informal care provided by grandparents is usually unpaid, and is often used as a complement to formal care or is relied upon as a 'fall-back' option in the absence of access to formal care.
75. On the supply side, the national regulatory system is such that providers of long day care can tender to provide school-term before and after-school care without requiring significantly different regulatory approvals.
76. However, the ACCC understands that there are relatively few providers of both before and after-school care and long day care, or of before and after-school

¹² See, for example, the ACCC Public Competition Assessment for ABC Learning Centres – proposed acquisition of Peppercorn Management Group Ltd and Child Care Centres Australia Ltd, at <http://registers.accc.gov.au/content/index.phtml/itemId/639771/fromItemId/751043>

care and other types of children's care. While there are some providers that supply both services, such as some YMCA chapters, these appear to be an exception. For the most part, suppliers specialise in either the supply of before and after-school care (typically together with vacation care), or in the supply of long day care, not both. Consistent with this, we have not identified any evidence to indicate that the entry of large and firmly established providers of long day care to the before and after-school care markets is having a significant impact on competition.

77. As stated in the background section, parents can consider sending their children to hobby, recreation and sports clubs and facilities before and after school. On the demand side, a differentiating feature is that these activities are not approved for Australian Government Childcare Rebate and Benefit subsidies, which significantly reduce the cost to parents of licensed before and after-school care. Also, as noted earlier, it is unlikely children will attend these activities for more than a day or two at a time.
78. On the supply side, the ACCC is aware of instances of sports-clinic providers becoming OSHC providers, including Camp Australia in its earliest days, and, more recently Kelly Club, which now has about 10 OSHC service sites in Victoria. However, we do not consider that sports-clinic and afternoon recreation clubs are in the same markets as before and after-school care services. However, the ACCC recognises that they may be new entrants into these markets and it is considering them in that context.
79. For these reasons, the ACCC's preliminary view is that the market for the supply of before and after-school care services is distinct from markets for the supply of other children's care services; and for recreation services, such as sports clinics.

Schools that self-supply before and after-school care

80. The role of a school in the supply of before and after-school care is complex and variable. As stated earlier, schools already have dual roles: as potential suppliers of space to the merger parties and other providers; and as agents of the customers, the parents, in determining before and after-school care arrangements at the school. But thirdly, they can also provide a before and after-school care service themselves.
81. A key issue for the ACCC's review is the extent to which a school could credibly threaten to continue to self-supply, or revert to the self-supply of, before and after-school care services during negotiations with external before and after-school care providers. The ACCC understands that, as would be expected, Camp Australia and JAG are actively marketing their services to schools that do not yet host before and after-school care or that run it themselves. If schools can credibly threaten to supply before and after-school care in-house, the merger parties would need to offer terms that make it more attractive to the school to use them than to self-supply.
82. Many schools historically supplied before and after-school care services in-house. However, increasing industry regulatory requirements are driving an industry trend towards outsourcing. The ACCC understands that this is predominantly a "one-way trend"; schools that have outsourced their needs in the past rarely return to supplying those services in-house.

83. The ACCC's preliminary view, based on market inquiries, is that this general trend towards fewer schools providing in-house before and after-school care is likely to continue. Factors in this apparent trend are:
- the time, cost and compliance burdens for schools running an before and after-school care service, most acutely if that falls on parents and / or on teaching and administrative staff, including the principal, and
 - the assumption of risk implicit in running a service in-house that can otherwise be shifted to an outside provider.
84. Based on this trend continuing, the ACCC considers that the threat of schools choosing to operate before and after-school care services in-house is unlikely to provide an adequate constraint on a merged Camp Australia-JAG.
85. The ACCC also understands that there are certain schools, particularly smaller rural schools, which are considered unprofitable for a before and after-school care service. For these schools, the only options might be 'in-house' services or no service. The Productivity Commission found in 2015 that low demand in rural and regional areas can make OSHC services there unviable.¹³
86. The ACCC's preliminary view is therefore that schools that self-supply before and after-school care services should not be considered part of the market contested by the merger parties. However, the ACCC's competition analysis is unlikely to be affected significantly by whether or not schools that self-supply before and after-school care are treated as part of the contestable market. In either case, the key question for the ACCC is the extent to which the threat of self-supply could constrain the merger parties. This issue is discussed in the section below on 'countervailing power'.

The ACCC invites comments from market participants on its preliminary views about the relevant product markets. In particular, the ACCC invites comments on:

- what alternatives parents or schools are willing to consider if the service levels of Camp Australia or JAG deteriorate as a result of the proposed merger?
- How likely and prevalent is it that long day care providers can and do switch to competing in before and after-school care markets? Please provide examples.
- How credible is the threat of a school continuing to supplying before and after-school care in-house to obtain a better deal from an external provider? Or reverting to supplying care in-house to obtain a better deal? What factors affect the credibility of these threats?

Geographic dimension

87. The ACCC's preliminary view is that the markets relevant for assessing the competition effects of the proposed merger are state and territory-based. However:
- a. There also appear to be local aspects to competition, which are explained below.

¹³ Australian Government Productivity Commission Inquiry Report: Childcare and Early Childhood Learning, October 2014 p369 <http://www.pc.gov.au/inquiries/completed/childcare/report>

- b. It is possible that there is a national area of competition in some respects.
88. The ACCC remains open to the possibility that the relevant market or markets differ in respects to its preliminary view.
89. The ACCC recognises that the NQF is a national framework and that there are no legal or regulatory barriers to inter-state supply of before and after-school care services. Consistent with this, in theory, a provider with approval to operate in one part of Australia can tender to provide before and after-school care services at any other school in Australia.
90. However, the ACCC's current view is that competition does not occur on a national basis. While the merger parties are present in most states and territories, their competitors typically have a less extensive geographic footprint. Rather, most of the larger competitors to the merger parties have one or two 'home' states in which the majority of their schools are based. For example:
- PCYC branded services are predominantly based in Queensland and NSW. These are run by separate, independent PCYC organisations in each of these states. There is no single multi-State competitor 'PCYC'.
 - While there are YMCA-branded services across Australia, these are operated by separate associations in various regions across Australia, including often more than one in each state. There is no single competitor 'YMCA' (however, the ACCC has received submissions that the various YMCAs share many practices and approaches).
 - Extend is predominantly based in Victoria and NSW.
 - PrimaryOSHCare focuses on Sydney; and Cubbyhouse describes its locations as in the Hills District and North Shore of Sydney and the NSW Central Coast.¹⁴
 - The bulk of After the Bell's sites are in Victoria (16 there; and three in NSW).
91. The ACCC is aware that the growth path for many before and after-school care suppliers is to establish themselves in a particular region and then expand geographically. In this manner, Camp Australia has expanded from its original beginnings as a Victorian-based supplier. However, the ACCC understands that before and after-school care suppliers, other than the merger parties, have been less effective competitors in tenders for schools located outside of their home states.
92. The ACCC understands that factors that limit the geographic scope of competition are:
- limits on the geographic reach of a supplier's reputation
 - economies of density in supply of OSHC services.
93. These factors are discussed in greater detail below.

¹⁴ <https://cubbycc.com.au/services/before-after-school-care/> viewed 31 July 2017.

94. The ACCC's market inquiries indicate that a provider may gain a reputation based on their performance in an area (such as a regional city, part of a state capital city, or throughout a whole state). This reputation or brand recognition may spread organically throughout the area as parents and principals talk to their friends, family and colleagues. It may also develop through the sponsorship of regional and state-based professional networks such as principals' conferences. However, it is likely that this reputation effect diminishes the further away you travel from the schools at which the provider operates.
95. Where a provider has a positive reputation, it is said that the provider is more likely to be:
- asked to tender for a service in the local area
 - successful in tenders it enters.
96. This localised reputation is more relevant to smaller and medium-size providers than to the merger parties. It can mean that a small provider with a strong reputation in, say, Newcastle, NSW would be a significantly weaker competitor in a tender to provide before and after-school care at a school in Sydney's Sutherland region than another competitor that was already present in the region. For larger providers that have a state-wide reputation, it means that they are a more effective competitor when tendering within the state in which they have the reputation than when tendering in other states and territories.
97. In contrast, national / near-national providers of before and after-school care such as the merger parties tend to have brand recognition in all parts of the country, even when tendering in a local area in which they do not provide any existing services.
98. The ACCC has been told that there are economies of density in the supply of OSHC services that come from being able to deploy workers and regional managers flexibly around a group of sites in a similar geographic region. A competitor expanding outside of its home region may therefore have a higher cost base than other firms against which it is tendering. The ACCC is continuing to consider how significant these economies are.
99. An example of where the merger parties appear to be creating clusters are the eastern suburbs of Melbourne, which has many 'independent schools' and which is where Camp Australia began. Based on publicly available information, Camp Australia and JAG combined would operate about two thirds of the sites in that area (more than 100 of the about 150 services in that area).
100. The ACCC is still considering the implications of the local aspects of competition for its analysis. In particular, the ACCC is considering the extent to which competitors to the merger parties identified in the following section of the document are stronger or weaker competitors to the merger parties based on the extent of overlap between their geographic footprint and those of the merger parties.

The ACCC invites comments from market participants on its preliminary views about the relevant geographic markets. In particular, the ACCC invites comments on:

- If you are a school that engages an outside provider for before and after-school care, for your most recent contract: How did you decide who participated in your

selection process? Was the apparent 'home state' or main area of operations of a provider a factor in your selection?

- If you are an OSHC provider, what determines or influences the locations in which you are prepared to market and provide your services?
- To what extent are the levels of fees charged to parents and payments made to schools influenced by factors at the local, state / territory and / or national levels?

Issue of concern: reduction in competition in the supply of Out of School Hours Care

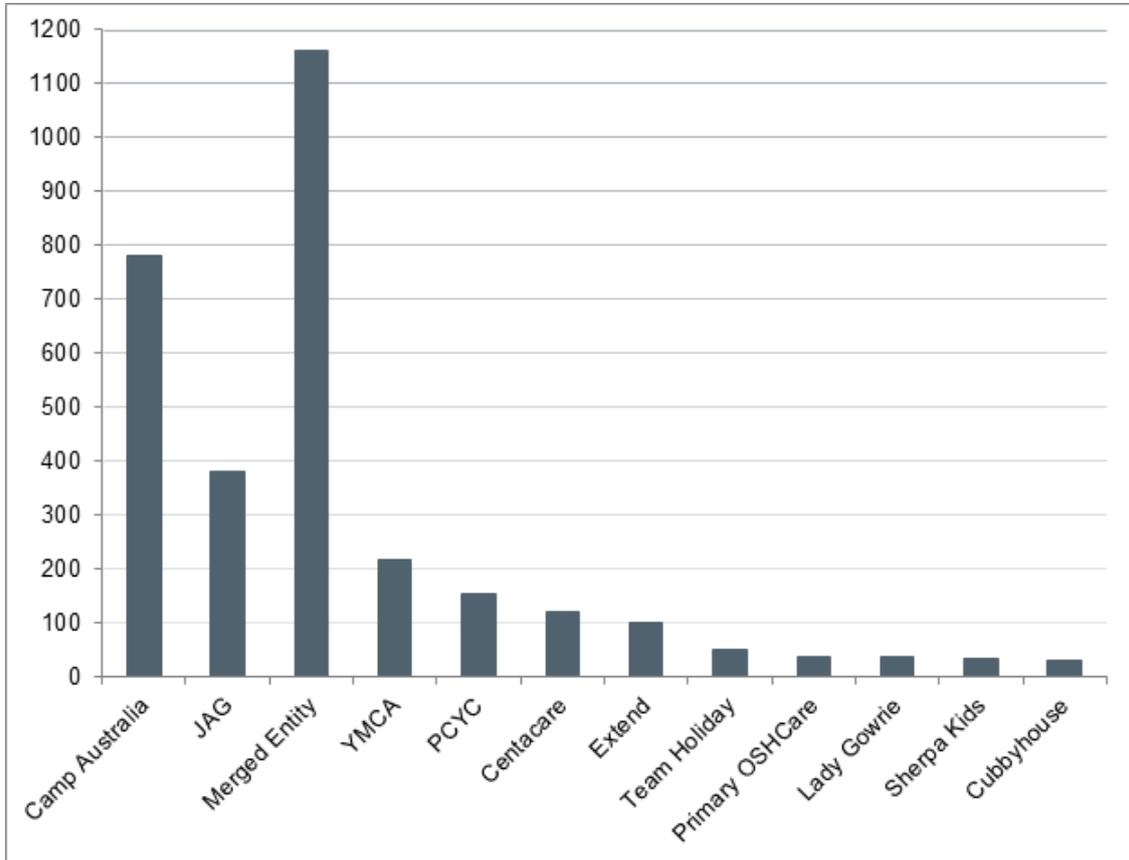
101. Based upon its inquiries to date, the ACCC's preliminary view is that the proposed merger is likely to substantially lessen competition in certain markets for the supply of before and after-school care.
102. As stated in the introduction, the ACCC's preliminary view is that there:
- are issues of concern applying to NSW, Queensland, Victoria and WA, which are large markets where before and after-school care is well established and Camp Australia and JAG are by far the largest providers of before and after-school care services and are each other's closest competitor.
 - may be concerns with regard to SA, which is a relatively 'immature' market for third-party providers, and the ACT, which is a particularly fragmented market, if assessed by the number of sites. The ACCC continues to investigate the potential significance of a loss of competition between Camp Australia and JAG in these markets.
103. Most of the material in this section of the paper is relevant to the merger parties' operations in all parts of Australia. To the extent that there are relevant differences between the situation in various states and territories, this is identified in the discussion below.

Market concentration

104. The market concentration figures most readily available to the ACCC and market participants are the site numbers for providers. The ACCC's preliminary view is that site numbers are an imperfect measure for 'market share', as the ACCC considers that schools that generate more revenue should be given more weight than those generating less revenue. Based on its market inquiries to date, the ACCC understands that the merger parties may on average have greater student numbers per school and generate greater revenues per school than their competitors.
105. In the absence of such information, the ACCC has at this stage focussed on site numbers.
106. The ACCC has received submissions that the merger would leave the industry with nine 'large providers' having or associated with 25 or more sites (including YMCA autonomous chapters in aggregate and the franchised Sherpa network). Their relative size by site numbers is represented in Figure 1 below. However, it

is important to recognise that there are many smaller providers, which may provide a competitive constraint locally, which are not included in these figures.

Figure 1: Approximate number of sites controlled by “large providers” nationally¹⁵



107. As noted above, the ACCC considers it likely that in-house or ‘self-supply’ should not be considered part of the market, and purely vacation care providers (or which there are few) should not be part of the market. Table 1 shows the ACCC’s estimates of market shares, based on number of sites, after excluding:

- ‘in-house’ supply or ‘self-supply’ (schools running services themselves)
- off-site supply (services involving students being transported to and from an OSHC site not at their school) and
- purely vacation-care providers (of which there are few).

¹⁵ For the purpose of this representation, a ‘large’ provider is considered to be a provider with over 25 sites nationally.

Table 1: Market share for onsite OSHC per state; excluding ‘in-house’ operators and vacation-care providers¹⁶

	VIC	WA	SA	QLD	NSW	ACT	National
Camp Australia	48%	26%	44%	13%	16%	5%	27%
Junior Adventures Group	17%	30%	3%	13%	6%	5%	13%
Merged Entity	65%	57%	46%	27%	22%	10%	40%
Other providers	35%	43%	54%	73%	78%	90%	60%

108. Camp Australia and JAG have submitted alternative data to the ACCC. The data includes all OSHC providers (including self-supply) and OSHC-approved vacation care providers. Table 2 below presents this data on a state-by-state basis.

Table 2: Parties’ estimates – shares of school locations serviced, by provider (all OSHC services, including vacation care only sites, and in-house OSHC services)¹⁷

	CA	JAG	Merged Entity	In-house	Other
NATIONAL	18%	9%	26%	19%	55%
WA	19%	26%	45%	4%	52%
VIC	32%	11%	42%	20%	38%
SA	19%	1%	20%	50%	30%
QLD	8%	9%	17%	20%	63%
NSW	10%	4%	14%	15%	71%
ACT	4%	4%	8%	13%	80%

¹⁶ Excluding Tasmania and the Northern Territory, in which there is no overlap between the merger parties. Figures rounded and may not add up to 100%.

¹⁷ Excluding Tasmania and the Northern Territory, in which there is no overlap between the merger parties. Calculations of percentages undertaken by ACCC staff, based on raw site figures provided by the merger parties.

Closeness of competition between the merger parties

109. The ACCC's inquiries and analysis to date indicate that the merger parties are, in addition to being the two largest providers of before and after-school care in Australia, each other's closest competitors.
110. The ACCC considers that Camp Australia and JAG are vigorous and effective competitors for a substantial number of tenders and other opportunities in the market. The ACCC's market inquiries to date suggest that:
- The merger parties regularly compete against each other in tender and other selection processes for before and after-school care.
 - The merger parties are seen to offer highly comparable products, and are seen to be the price setters on matters such as payments to schools and/or fees to parents.
 - Camp Australia and JAG both have a strong history of renewals of existing contracts.
111. Other competitors appeared to be consistently less competitive in the view of schools than the merger parties during tender processes. Smaller providers in particular have reportedly often been unable to match the aggressive pricing or licence fee offers from the merger parties.
112. The essence of the ACCC's concern is that, for the schools where the merger parties would compete against each other in the future without the merger, they won't do so in the future with the merger – and this is likely to represent a substantial lessening of competition in the identified markets. For example, views have been expressed that competition between CA and JAG has lowered fees to parents by 10% in some areas.
113. Many schools use competition between the merger parties to negotiate a more favourable service offering: for example, in terms of quality of service, such as food offered. It has been suggested to the ACCC that JAG's stronger reputation for a higher quality service in some areas has forced Camp Australia to competitively respond by increasing its own service levels.
114. While the ACCC is continuing to analyse the issues, the loss of competition between the merger parties appears, most acutely in NSW, Victoria, Queensland and WA, to be substantial.

The ACCC invites comments from market participants on its preliminary views about the strength of competition between the merger parties.

In particular, the ACCC invites comments on:

- Are Camp Australia and JAG each other's strongest competitors in your area, or are there smaller operators that are competing more strongly with the merger parties?
- If you are a school, for your most recent engagement of a before and after-school care or OSHC provider, who did you short-list, who won the tender and who came second?

- If you were to switch providers now, who would be your next best option?

Constraint from other existing providers

115. A key issue for the ACCC's review is the extent to which Camp Australia and JAG are constrained by other providers when seeking to win or retain work.
116. The ACCC's preliminary view is that other providers in the markets may not be capable of replacing the level of competition between Camp Australia and JAG.
117. As stated earlier, according to publicly available data, the market is characterised by a small group of larger suppliers (associated with about 25 sites to hundreds of sites, in the case of the merger parties) and a very large 'fringe' or 'long tail' of hundreds of providers operating one or a handful of sites only.
118. The ACCC notes that other competitors are smaller than the merger parties, including in most state and territory markets. For example, nationally, a merged Camp Australia-JAG would have more than 12 times as many sites as Extend, the third largest for-profit supplier after the merger parties. In Extend's strongest state of Victoria, the merged firm would have about eight times as many sites.
119. The ACCC also understands, based on its market inquiries to date, that other competitors are often less competitive in the eyes of schools than the merger parties during tender processes. For example, market inquiries indicate that, at times, some smaller providers:
 - are unable to match aggressive pricing or licence fee offers from the merger parties
 - are less sophisticated in marketing themselves to schools and responding to tender requirements
 - do not offer the same level of administration and customer-management systems than the merger parties.
120. Consistent with this, it appears to the ACCC that, within the growing externally-provided OSHC sector, competitors to the merger parties often have stagnant or falling market shares in an environment where, even while they may be adding a net number of new sites, their share or proportion of the expanding market is flat or falling.
121. The ACCC has been provided with figures, based on publicly available data, on net growth in sites of selected providers between November 2016 and July 2017, as follows:

Table 3: Recent expansion of OSHC suppliers – by site numbers

Provider	Expansion Nov 2016-July 2017
Camp Australia	50-55
Junior Adventures Group	15-20
Team Holiday	5-10
YMCAs (all chapters)	5-10
Centacare Brisbane (Catholic schools)	5-10
Extend	1-5
Sherpa Kids (franchise network)	1-5
PrimaryOSHCare	1-5
Mulberry Tree	1-5

122. Based on recent publicly available information, the OSHC industry appears to be growing at about 5 per cent a year by site numbers. Based on market inquiries, the ACCC understands that the merger parties have grown at rates significantly exceeding 5 per cent a year in recent years.
123. This may indicate that not only are the merger parties significantly bigger than their competitors at present, but they are growing at a faster rate than their competitors, in terms of site numbers.
124. Some market participants have described the industry as currently being in a phase of rapid expansion for the major external OSHC providers. The merger parties appear to be the most successful parties in this growth phase, growing significantly at the expense of small operators, and to a much greater extent than other commercial operators.
125. The ACCC has identified that there are providers of OSHC affiliated with a specific sub-set of schools. For example, Catholic support service Centacare, the fourth-largest OSHC provider in Australia by site numbers at about 120 sites, manages OSHC services in the Archdiocese of Brisbane by agreement with Catholic parishes and Brisbane Catholic Education.¹⁸ About 120 Catholic schools, almost all in Queensland, use Centacare as its onsite OSHC provider. There are also other Catholic and Lutheran systems in Queensland, NSW and SA serving a significant number of schools. The ACCC is still assessing the extent to which such providers are a competitive constraint on Camp Australia and JAG in supplying schools outside of the specific sub-set of schools they focus on, and the extent to which schools within those sub-sets are contestable for commercial providers such as Camp Australia and JAG.

¹⁸ <http://centacarebrisbane.net.au/child-care/outside-hours-school-care/>

Western Australia and Victoria

126. The ACCC notes that, the levels of concentration associated with the merger are most acute in WA and Victoria, where the merger parties' combined share of sites would be highest. In line with this high market share, the ACCC has received a large number of complaints in relation to Victoria and Western Australia.

Queensland

127. Competition in Queensland from other before and after school-care providers appears stronger on its face than in WA and Victoria, due to the size and reputation of both the PCYC and YMCA branches in Queensland.
128. PCYC and YMCA appear to have well established connections with many schools in Queensland. The ACCC is continuing to investigate the level of constraint they will provide on the merger parties after the proposed acquisition.
129. The ACCC notes that Extend, the third largest for-profit provider nationally, has managed to secure only 3 sites in Queensland. Information the ACCC has received suggests that businesses based outside of Queensland have struggled to gain schools in Queensland.
130. The ACCC is also investigating the position of Catholic support service Centacare.

New South Wales

131. In late 2016, the NSW Department of Education Early Childhood Directorate banned Camp Australia from tendering for new contracts and renewing existing contracts at government schools in NSW for failing to meet quality requirements. The ACCC understands that Camp Australia is seeking to have this ban removed and is also still tendering for independent and Catholic schools. It is unclear to the ACCC at this stage if and when Camp Australia will be able to bid again for new contracts and contract renewals in NSW schools.
132. On the face of things, the NSW market currently appears quite fragmented, with hundreds of small providers. The merger parties also have a lesser share of the market (by sites) in NSW than they do in Victoria or WA. However, the ACCC has still received significant numbers of complaints about the impact of the proposed acquisition on NSW during market inquiries.

South Australia

133. South Australia is a relatively immature market for third-party OSHC providers. Until 2014, government schools in SA were required by the state government to run their OSHC services in-house. Currently, about half of SA services are still in-house. Both Camp Australia and JAG have operations in SA in what is arguably a 'greenfield' market where demand from schools to move to outsource their before and after-school care could be high. JAG has a much smaller number of sites in SA than Camp Australia and might be expected to have the incentive to seek to expand there, if it were not to merge with Camp Australia.

Australian Capital Territory

134. The ACT also appears to be a fragmented market, if assessed by the number of sites. Accordingly, the ACCC's current view is that the impact of the proposed acquisition is likely to be less significant in the ACT than in other parts of Australia. However, the ACCC has been provided with information indicating that the typical number of licensed places at the four services each that Camp Australia and JAG operate there are higher than those of, for example, YMCA, which is operating 15 sites.

The ACCC invites comments on the constraint other providers place on Camp Australia and JAG and would be likely to place on a merged firm, in each state and territory.

Barriers to entry / expansion

135. The merger parties have submitted that barriers to entry and expansion in the industry are low, and that there are many examples of new entry and of smaller players growing. It appears that the costs and time required to establish a new before and after-school care provider are often not particularly significant.
136. While the ACCC acknowledges the recent entry of new players into the industry, it also notes that these firms are yet to establish themselves as viable ongoing competitive organisations, and their current market impact is limited.
137. Overall, the ACCC is concerned that new entrants would not be sufficiently competitive, and new entry would not be on a sufficient scale, to act as an equally strong competitive constraint on the merged entity as the merger parties currently are to each other.
138. Market inquiries have revealed various factors that hinder or prevent the expansion of smaller suppliers and limit the constraint that potential new entrants exert on existing before and after-school care suppliers. At this stage, these factors have been identified as:
- a. Customers tend to be 'sticky', which provides a strong advantage to incumbent suppliers over new entrants:
 - i. Some of this 'stickiness' has been the result of contractual provisions. The ACCC is aware of Camp Australia invoking rights to renew, in its favour, in contracts with schools, making it more difficult for schools to change providers. This issue may be receding, particularly in state schools, as they can increasingly take advantage of template contracts provided by state education departments. However, the ACCC received many accounts of problems with renewal clauses.
 - ii. The 'stickiness' is also caused by a reluctance on the part of schools to change providers. The ACCC understands that most schools are unlikely to switch providers unless there have been major deficiencies in services. For a school to switch providers, it is likely to have to run a tender. To renew a contract with an incumbent, it may not have to do so, including because the contract may provide for extensions. However, the ACCC notes

that in many jurisdictions, state schools in particular are required to go to tender, including at certain time intervals.

- b. Cost advantages said to be held by established providers over new entrants. The ACCC is investigating these further:
 - i. The ACCC understands that there are economies of scale in operating an OSHC organisation. These come from spreading costs / overheads on such things as food purchasing and distribution, regulatory compliance, information technology / customer management, area management and marketing. The proposed merger is likely to increase the scale 'gap' between Camp Australia-JAG and other providers in the industry.
 - ii. As discussed earlier in this paper, the ACCC also understands that there may be economies of density in the supply of services. Established suppliers with an existing presence in a region could take advantage of those economies when bidding for another site in that area. This is not the case for a new entrant (including an existing provider expanding into a new area for the first time).
- c. Access to opportunities to win contracts from existing players can be limited. The ACCC has received information suggesting that, in recent years, the majority of Camp Australia's contracts have been renewed privately, without being subject to competitive tender.
- d. Marketing has been identified as important to expansion and entry and Camp Australia and JAG are said to have gained some exclusive or otherwise advantageous access to important marketing channels such as education-body or principals' association events, publications and websites. These marketing costs are sunk costs that are not recoverable.
- e. Many small providers operating just one site or a handful of sites have an inadequate platform for expansion. For example:
 - i. Providers formed by a particular school community for their school may have no desire to expand to other schools.
 - ii. Relatively unsophisticated for-profit operators servicing one or two sites may not have enough time or resources to market their service and not enough current revenue or certainty about future revenue to borrow money easily to expand.

139. The ACCC's preliminary view is that the overall impact of these factors is such that barriers to entry and expansion are significantly higher than suggested by a simple analysis of the time and cost of establishing a new provider.

The ACCC invites comments on: the nature and height of any barriers to expansion and entry in the markets for OSHC; and whether there are particular providers in the industry whose experiences and progress illustrate the nature and height of any barriers to expansion or entry.

In particular, the ACCC invites comments on:

- Who is expanding in the industry and why? Who is not and why?

- Who are the recent entrants and what are their prospects of successful expansion? Why?
- Is the 'long tail' of small providers increasing in size and competitive significance, stable or decreasing? What information is available to determine this?
- What desire and ability do operators of single-site services have to expand? Please provide examples.
- What is involved in a customer changing providers? How easy or difficult is it? How typical are contractual provisions that prevent or hinder switching providers? Please provide examples.
- How often do Camp Australia and / or JAG obtain and retain contracts without the school going to tender or similar competitive selection process? In what circumstances and why?
- What marketing channels are most important to entry and expansion and why? What are the relative positions of Camp Australia, JAG and their competitors in these channels? Compared with these most important channels, what other ones are available and how do they compare in, for example, cost and return on investment?

Countervailing power

140. As stated earlier, according to publicly available data, nationally, about a fifth of schools that have OSHC services run them themselves (and not all schools have OSHC services). An issue the ACCC is considering is the extent to which the threat of schools continuing or recommencing in-house supply gives them countervailing power.
141. The ACCC understands that certain states have higher or lower rates of school's providing before and after school care in-house because of regulatory or historical reasons. For example, as stated earlier, until 2014, government schools in SA were required by the State Government to run their OSHC and/or holiday-care services in-house. Currently about half of SA services are in-house. In WA, where it has been common for community groups to offer services in places other than on school premises, about 5 per cent of services are run in-house at schools.
142. The ACCC's preliminary conclusion is that it appears rare for schools to return to providing before and after school care services in-house once they have previously engaged an external provider. The ACCC has identified few examples, in the context of the thousands of Australian primary schools, of schools changing from using an external before and after-school care provider to supplying the service in-house.
143. Factors relevant to these decisions include:
 - the time, cost and compliance burdens for schools running a service, most acutely if they fall on parents and / or on teaching and administrative staff, including the principal, who have other primary responsibilities at the school and

- the assumption of risk implicit in running a service in-house that can otherwise be shifted to an outside provider.

144. The ACCC considers that the threat of schools choosing to operate services in-house is unlikely to provide a significant constraint on the merger parties.

The ACCC invites comments from market participants on the following:

- Why do some schools choose to provide OSHC services in-house over outsourcing these services to an external provider?
- Can schools who have previously engaged an external provider readily return to providing those services in-house? How likely is this, and why? Please provide examples.
- Are there examples of schools using the threat of self-supply or switching to another provider to increase its negotiation power with an external provider? How effective was this, and why?

Issue unlikely to raise concerns: competition in the NT and Tasmania

145. As stated earlier, the ACCC's preliminary view is that, as Camp Australia and JAG do not currently have competing operations in the NT and Tasmania, there will not be a substantial lessening of competition there if Camp Australia and JAG merge.

The ACCC invites comments from market participants on its preliminary view that the proposed merger is unlikely to raise concerns in the supply of OSHC care in the NT and Tasmania.

Issue unlikely to raise concerns: vacation care

146. The ACCC's preliminary view is that there is unlikely to be a substantial lessening of competition in the supply of vacation care (that is, programs / care for school-aged children during school holidays). As noted above, for vacation care, the ACCC considers that parents are more likely to have a greater range of options in their local area that will act to constrain prices.

147. As stated above, the ACCC understands that demand from parents for vacation care for their children is distinct from demand for school-term before and after-school care. Parents make decisions about before and after-school care and vacation care in different ways:

- Parents wanting vacation care are likely to consider various sites and options in local areas where they live or work, beyond just the provider at their child's school; and beyond care licensed as formal OSHC. While the ACCC considers that there are significant differences between these alternative options and vacation care run by an OSHC provider at a school, its preliminary view is that these alternatives may be substitutable with vacation care for some parents.

- Parents may also more readily consider taking holidays themselves during school breaks to care for their children.

148. That is, the ACCC's preliminary view is that there are constraints on the supply of vacation care that don't apply to the supply of before and after-school care.

The ACCC invites comments from market participants on its preliminary view that the proposed merger is unlikely to raise concerns in the supply of vacation care. In particular, the ACCC invites comments on:

- the extent to which parents will use vacation care at a different school in response to price rises at their child's school
- the extent to which parents consider informal care such as sporting camps and other recreational activities to be a substitute for licensed vacation care.

ACCC's future steps

149. As noted above, the ACCC now seeks submissions from market participants on each of the issues identified in this Statement of Issues and on any other issue that may be relevant to the ACCC's assessment of this matter. Submissions are to be received by the ACCC no later than **25 August 2017** and should be emailed to mergers@acc.gov.au with the title: Submission re: Camp Australia-JAG – attention Tessa Cramond / John Rouw.

150. The ACCC will finalise its view on this matter after it considers submissions invited by this Statement of Issues.

151. The ACCC intends to publicly announce its final view by **26 October 2017**. However the anticipated timeline may change in line with the *Informal Merger Review Process Guidelines*. A Public Competition Assessment for the purpose of explaining the ACCC's final view may be published following the ACCC's public announcement to explain its final view.