Submission from Tracey Bode, 17 February 2019

In my submission I would like to provide a viewpoint around the context of the merger of two key supplier businesses and the impact this would have globally. We operate in a unique environment and market with many stakeholders involved in most purchases.

I am the business owner of Zyteq pty ltd which is an Australian multi-line supplier of AAC software and hardware. We have been the appointed Australian distributor for Smartbox for more than 10 years. Prior to this I set-up and managed the Australian office of [✂], which I operated for 15 years, and this business was also a Smartbox (then Sensory Software International) authorised dealer.

My personal background is as Speech Pathologist specialising in work with clients who use Alternative and Augmentative Communication) AAC so my professional ethics have always been aligned with the best outcome for the client, as is my business.

As a clinical Speech Pathologist and business owner I have maintained interest in developments in the field and the impact of changes over the decades as they reflect in the delicately balanced model which rests on:

- the dedication of very specialised developers to innovate and develop products,
- knowledgeable clinicians to assist with the process of product selection,
- government funding for purchase and
- suppliers as viable businesses to ensure the products are available and supported in markets around the world.

All are stakeholders in the success of outcomes for clients. This model seems to be quite similar around the world and is recognised in the work of the international association (ISAAC), professional associations and interest groups and often the government funding agencies also.

The purchase process is often lengthy as careful evaluation and consideration of the options available depends on many factors including access to the equipment to trial, specialised advice and funding to purchase. This process can typically extend to around 1 year in Australia. The life-cycle of the product is often expected to be longer than consumer devices due to the specialised nature of the equipment. It is important that businesses and quality products are around for a long period so that vulnerable customers can access repairs, support and ongoing training from trusted sources.

Due to the specialised nature of the equipment in this field, and the specialisation of the businesses that develop the products the choice for customers is often limited to a small range of products from a limited number of companies. If customers can use consumer products combined with specialised accessories or software this may be a faster and lower cost path to acquiring a system solution, however if this equipment is not suitable for the client they are reliant on the specialist equipment and supports.

My observations are around the global market changes over several decades. The iPad certainly changed the focus of the industry and many of us find our clients now have more complex needs and require a higher level of assistance and support to implement the ideal device to meet the individual needs. A number of developers have come and gone over the years. Some do not make it as while products need to be very specialised but they also need to have a base level volume for viability and then the capacity to provide the ongoing support. Certainly, it is clear that Smartbox and Tobii-Dynavox are two businesses that have become very successful in the field and each known for their flagship products. The differentiation and unique selling points (USPs) of the businesses is essential in this industry as competition by pricing creates forces that are not client-focussed.

The concern about a merger of Smartbox and Tobii-Dynavox is that the USPs would be lost and this would result in a reduced choice for customers and a contraction of the market.

The specific concerns are under the subheadings below:

AAC Software

The Grid software being the flagship product of Smartbox, has as one of its key features compatibility with the majority of eye gaze cameras on the market and a range of third party access devices. The continuation of this compatibility between Grid 3 and a wide range of access devices is essential to maintaining customer choice in the market. The software can be installed on Windows tablets and computers so this integration with a wide range of third party products means that customers are not restricted to the AAC hardware, again increasing the choice.

Dedicated AAC Hardware

The merger of the companies is likely to see a rationalising of the product range. With two businesses with quality hardware the customer currently has choice.

Eye Gaze Cameras & Other Access Devices

Smartbox has been very supportive of third party access devices and written the compatibility into The Grid 3 software, so that customers can use the widest range of input devices from many third party companies. This collaborative approach provides options for customers and supports the wider industry. It would be ideal for this range of options to remain available to customers.

The Supply Chain

Other concerns are around the reduced options in the supply chain if the merger proceeds. While the situation in the United Kingdom may be the focus of the investigation, any impact from the merger will have a worldwide ripple effect. Currently around the world there are a number of small and dedicated businesses like mine, and we will feel the impact of the merger most deeply. The competition in our individual markets mirrors the larger issues. With one product range and business culture eliminated, it is difficult to see how our small businesses will be able to continue in the healthy, friendly competitive way we are now.

To conclude, I would have concerns that the merger between Smartbox and Tobii-Dynavox is may result in reduced choice for customers in current products, future product development and agencies for customers to do business with.